



# AGENDA

## SHORELINE CITY COUNCIL REGULAR MEETING

Monday, June 6, 2016  
7:00 p.m.

Council Chamber · Shoreline City Hall  
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
<b>1. CALL TO ORDER</b>		7:00
<b>2. FLAG SALUTE/ROLL CALL</b>		
(a) Proclamation of Shoreline Schools Music4Life Month	<u>2a-1</u>	
<b>3. REPORT OF THE CITY MANAGER</b>		
<b>4. COUNCIL REPORTS</b>		
<b>5. PUBLIC COMMENT</b>		
<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. 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>		
<b>6. APPROVAL OF THE AGENDA</b>		7:20
<b>7. CONSENT CALENDAR</b>		7:20
(a) Minutes of Regular Meeting of May 2, 2016	<u>7a1-1</u>	
Minutes of Special Meeting of May 9, 2016	<u>7a2-1</u>	
(b) Authorize the City Manager to Execute a Professional Services Contract with Brown and Caldwell in the Amount of \$596,000 for the 2017 Surface Water Master Plan Update	<u>7b-1</u>	
(c) Authorize the City Manager to Amend Contract No. 7528 with OTAK, Inc. in the Amount of \$18,400 for the 145 <sup>th</sup> Street Subarea Plan	<u>7c-1</u>	
(d) Adoption of Ord. No. 745 – Amending SMC 8.12.500 - Allowing the Sale and/or Consumption of Beer and Wine at Kruckeberg Botanic Garden	<u>7d-1</u>	
(e) Adoption of Ord. No. 746 – Granting a Franchise to Century Link to Operate a Cable System in the Public Right-of-Way to Provide Cable Services in the City of Shoreline	<u>7e-1</u>	
<b>8. STUDY ITEMS</b>		
(a) Discussion of Ord. No. 741 – Development Code Amendments for the Light Rail System and Facilities Permitting Process and Applicable Regulations	<u>8a-1</u>	7:20

(b) Discussion and Update of the Capital Improvement Plan 8b-1 8:05

**9. EXECUTIVE SESSION: Litigation – RCW 42.30.110(1)(i)** 8:45

*The Council may hold Executive Sessions from which the public may be excluded for those purposes set forth in RCW 42.30.110 and RCW 42.30.140. Before convening an Executive Session the presiding officer shall announce the purpose of the Session and the anticipated time when the Session will be concluded. Should the Session require more time a public announcement shall be made that the Session is being extended.*

**10. ADJOURNMENT** 9:25

*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](http://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 COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Proclamation of Shoreline Schools Music4Life Month		
<b>DEPARTMENT:</b>	CMO/CCK		
<b>PRESENTED BY:</b>	Jessica Simulcik Smith, City Clerk		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Proclamation

**PROBLEM/ISSUE STATEMENT:**

To children, learning to play a musical instrument is a meaningful activity – it is fun and helps build relationships that can last a lifetime. To youth, music opens up the world and provides opportunities for teamwork and meaningful forms of self-expression. Educators know that music benefits students academically, and our community understands that music education helps a person lead a richer, fuller, more meaningful life. The community also understands that an arts-rich community is a more desirable place to live.

This proclamation recognizes the month of June as Shoreline Schools Music4Life Month, a time in which light is shed on the Music4Life program, which puts musical instruments in good playing condition into the hands of children and youth. Music4Life procures the instruction, supplies, and support to strengthen elementary instrumental music programs. Anyone who loves music and believes in music education for all children can join the effort.

Either Ken Noreen, Director of the Shoreline Concert Band at Shoreline Community College, or David Endicott, President and CEO of Music4Life, will be present to accept the proclamation.

**RECOMMENDATION**

The Mayor should read the proclamation.

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



## PROCLAMATION

**WHEREAS**, the benefits of participation in instrumental music at any age can last a lifetime, and research now shows that students who participate in instrumental music programs tend to do better in math, science, history, reading, writing, international languages, and other academic disciplines; and

**WHEREAS**, the cost of owning or renting an instrument is a barrier preventing students in need from participating in instrumental music; and

**WHEREAS**, many adults have lovingly-used musical instruments stored in their garages or attics that they no longer use; and

**WHEREAS**, *Music4Life* is a non-profit organization that has been repairing and providing ready-to-play instruments to participating public school districts for use by students of low income families since 2007; and

**WHEREAS**, *Music4Life* guarantees that all instruments will be used exclusively for the benefit of students in the school district in which they are donated; and

**WHEREAS**, *Music4Life* has provided approximately 1,700 musical instruments to children in the greater Seattle area, including Edmonds, Highline, Mukilteo, Seattle and Shoreline Public Schools, during the 2015-16 school year;

NOW, THEREFORE, I, Christopher Roberts, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, do hereby proclaim June 2016 as

### ***Shoreline Schools Music4Life Month***

in the City of Shoreline and encourage all our citizens to donate any lovingly used musical instruments they may have to *Music4Life* and provide what financial support they can to this fine home-grown organization.

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Christopher Roberts, Mayor

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF REGULAR MEETING**

Monday, May 2, 2016  
7:00 p.m.

Council Chambers - Shoreline City Hall  
17500 Midvale Avenue North

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

ABSENT: None

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

Mayor Roberts led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present. Councilmember Hall participated via Skype.

3. REPORT OF CITY MANAGER

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

Mayor Roberts announced that the City is accepting applications for the Library Board and the Parks, Recreation, and Cultural Services/Tree Board to fill Youthmember vacancies.

4. COUNCIL REPORTS

There were no Council reports.

5. PUBLIC COMMENT

**Councilmember McConnell moved to suspend Council Rule 6.1 to allow the eleven speakers signed up for Public Comment to each speak for (3) three minutes. The motion was seconded by Councilmember Scully and passed unanimously, 7-0.**

Janet Way, Shoreline Preservation Society, requested that her remarks be entered as an official party of record with legal standing status. She talked about the impact the Preferred Alternative Zoning Scenario for the 145<sup>th</sup> Street Station Subarea Plan Final Environment Impact Statement (145<sup>th</sup> SSSP FEIS) will have on parks, critical areas and wetlands. She said she sent documents and pictures for the Councilmembers to review. She shared that the recommendations made by the Planning Commission and the Parks, Recreation, and Cultural Services/Tree Board protect the parks and wetlands, and she requested that protection be extended further west of Paramount Park. She asked the City to perform more work to protect the critical areas and wetlands before

moving forward with the FEIS. She provided the disappearance of Pemberley Pond as an example of what happens when things are not done right.

Lindsay Hanna, Shoreline resident, commented that she recently moved here from Seattle because Light Rail is coming. She said she is excited about the Compact Community Preferred Alternative Zoning Scenario for the 145<sup>th</sup> SSSP FEIS and having restaurants, shopping, etc., that are now lacking in Shoreline. She commented that the region is growing and believes Shoreline has a responsibility to grow smartly, and this zoning scenario protects farmlands.

Luke Hanna, Shoreline resident, commented that he recently moved to Shoreline and said he is excited about Light Rail and the amenities it will bring to the Community. He urged Councilmembers to consider the Compact Communities as the preferred alternative zoning scenario for the 145<sup>th</sup> SSSP FEIS. He said farmland needs to be protected as density increases.

Robin Lombard, Shoreline resident, expressed concern about the lack of content in City email alerts. She said the public needs to know why meetings are relevant, why a public hearing is required, and what type of public feedback is needed. She said citizens will not spend time digging for information and more content is needed to decide if they need to attend a meeting.

Lance Young, Shoreline resident and Interurban Tree Society, commented they that the Society has been working to enhance green spaces in Shoreline. He said he submitted an article for Council's review regarding a King County Lifespan Study identifying Shoreline as having one of the lowest lifespans in the region. He shared attributes that lead to a healthy lifespan and said it includes having green space. He listed diseases that are preventable by having trees. He commented that changing the west side of Paramount Park area back to low density residential to protect the wetlands is an important issue for Council to consider. He urged Council to keep up the efforts to improve life in Shoreline.

Ken Winnick, Shoreline resident, read quotes from a Wetlands Report. He said 97% of the wetlands in Shoreline have been filled or removed. He urged Council to be careful about the wetlands in Paramount Park because they are the last of three remaining wetlands in Shoreline. He then talked about the need to coordinate bus transit routes and Light Rail to serve different population centers.

Marsha Gresham, Shoreline resident, encouraged Council to use a zoning overlay instead of a planned Action for the 145<sup>th</sup> SSSP. She said citizens' expertise can be used with a zoning overlay. She suggested R-6 zoning around all parks to preserve wetlands, a phased development approach, and to require developers to pay impact fees.

Wendy DiPeso, Shoreline resident, agreed with what previous speakers have already said about protecting the wetlands. She said preserving them also makes economic sense because nature is taking care of what needs to be taken care of. She commented that R-6 should be around all parks so as properties become available the City can purchase them to restore and protect the buffer. She commented that she is in favor of density around the Light Rail Station but said it needs to be well planned.

Jeanette Ordonez, Seattle resident and employee of Futurewise, commented that she supports the Preferred Alternative for the 145<sup>th</sup> SSSP FEIS and is excited about Light Rail. She said it is

important to recognize the benefits of having density around the Station, and to house more people more affordably. She commented higher density development will benefit the health of Thornton Creek, streams and salmon, and will improve stormwater runoff due to new development stormwater standards.

John Lombard, Thornton Creek Alliance, listed characteristics of Paramount Open Space and said that the R-6 zoning designation compliments this area, and that the Alliance's focus is to protect this area. He commented that some aspects of stormwater management could get better as the region develops. He shared that the amendment proposed by Councilmember Hall provides the bare minimum of R-6 that the Thornton Creek Alliance would support and that more R-6 is needed to protect the habitat.

Steve Schneider, Shoreline resident, read from a letter that he submitted to Council requesting phased zoning, a 50% build out before the 2nd phase is unlocked, and to keep new development near transit.

6. APPROVAL OF THE AGENDA

**The agenda was approved by unanimous consent.**

7. CONSENT CALENDAR

**Upon motion by Councilmember McConnell and seconded by Councilmember Scully and unanimously carried, 7-0, the following Consent Calendar items were approved:**

- (a) Minutes of Regular Meeting of March 21, 2016 and minutes of Regular Meeting of March 28, 2016**
- (b) Authorize the City Manager to Execute a Contract for Professional Services with Otak, Inc. for On-call Surface Water Engineering and Environmental Services in an Amount Not to Exceed \$150,000 Annually, Renewable for up to Four Additional Years**
- (c) Motion to Authorize the City Manager to Obligate \$4,235,000 of Surface Transportation Program Grant Funds for the State Route 523 (N/NE 145th Street), Aurora Avenue N to I-5 Project**
- (d) Adoption of Res. No. 386 Authorizing the Administrative Services Director to Enter into Amendment No. 1 to the Interlocal Agreement with the State of Washington Department of Licensing for Collection and Administration of Vehicle Licensing Fees for the City of Shoreline, Formerly Shoreline Transportation Benefit District**
- (e) Adoption of Res. No. 387 Authorizing the Administrative Services Director to Enter into an Interlocal Agreement with the State of Washington Department of Revenue for the Purpose of Data Sharing**

8. ACTION ITEMS

- (a) Motion to Authorize the City Manager to Enter into a Comprehensive Garbage, Recyclables and Compostables Collection Contract with Recology Cleanscapes, Inc. for 2017-2027

Lance Newkirk, Utility and Operations Manager, and Rika Cecil, Environmental Program Analyst, provided the staff report. Mr. Newkirk recounted that the Recology CleanScapes bid was the lowest rate and provides the highest level of service. He reviewed residential, commercial and multi-family services, and citywide enhancements discussed at the April 18, 2016 City Council Meeting. He highlighted the Shoreline Storefront that allows customers to pay their bills and recycle hard-to-recycle items. He shared that next steps in the process include updating the solid waste code, implementation messaging and outreach, and said new services are scheduled to start on March 1, 2017.

**Councilmember McGlashan moved to authorize the City Manager to enter into the 2017 - 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes, Inc. The motion was seconded by Councilmember McConnell.**

Councilmember McGlashan commented that Recology CleanScapes does a great job and commended them on their service to Shoreline residents.

Councilmember Salomon commented that the contract brings full circle the emphasis on sustainability and greatly reduces pollution. He said he supports the contract and really likes the progressive forward thinking.

Councilmember Scully commented that Recology is a good vendor and it is a good contract. He expressed that he does not like the Storefront given that there is a transfer station in town. He stated that rate payers should not pay any more than they have to. He said he will be supporting the contract.

Councilmember McConnell commented that residents will benefit from mandatory collection and the ability to include compostables. She is excited about the lower rates and said Recology CleanScapes is the best company for community involvement.

Mayor Roberts stated that he also supports the contract. He said he is happy that compostables are embedded and that rates will be reduced for most customers.

**The motion passed unanimously, 7-0.**

- (b) Motion to Select the Preferred Alternative Zoning Scenario for the 145th Street Station Subarea Plan Final Environmental Impact Statement

Miranda Redinger, Senior Planner, presented the 145<sup>th</sup> Street Station Subarea Plan (145<sup>th</sup> SSSP) Schedule, and shared that tonight Council is scheduled to select a Preferred Alternative for the Final Environmental Impact Statement (FEIS). She reviewed that included in revisions for consideration are the Wetlands and Streams Assessment or Geotechnical Considerations for High Groundwater or Peat Conditions; the 145<sup>th</sup> Street Corridor Study Preferred Design Concept; Regulations for 185<sup>th</sup> Street Station Subarea Plan; Public Comment; and the Planning Commission Committee Phased Zoning Proposal. She then displayed the Compact Community



Hybrid Map recommended by the Planning Commission to be used as the foundation for Council amendments.

**Deputy Mayor Winstead moved to not select a preferred alternative and move forward studying the Connecting Corridors, Compact Community, Compact Community Hybrid, and No Action scenarios for analysis in the FEIS. The motion was seconded by Councilmember McGlashan.**

Deputy Mayor Winstead explained that the Growth Management Act does not require a preferred alternative. She shared that she believes it is more prudent to study all the different scenarios and doing so will provide more information to make an informed decision. She said it will also keep the process moving forward.

Councilmembers Scully, Salomon, and McConnell shared why they will not be supporting the motion and said they want to continue with the process as recommended by the Planning Commission.

Councilmember McGlashan and Mayor Roberts stated support for the motion. Councilmember Hall commented that he could go either way and shared that he does not believe selecting a preferred alternative now provides more certainty for the public because the zoning that is eventually adopted is not necessarily the same zoning that is studied in a preferred alternative.

Margaret King, City Attorney, clarified that the study for the FEIS is separate from the zoning process.

**Councilmember Salmon moved to amend the main motion to include phasing on the FEIS by superimposing the Phased Connection Corridors map reviewed by the Planning Commission. Areas not included in the Final Environmental Impact Statement for rezoning would be excluded. Phase 1 would be effective when the zoning is adopted as part of the Subarea Plan (2016) and Phase 2 would be effective in 2033. The motion was seconded by Deputy Mayor Winstead.**

Councilmember Salomon commented that the amendment will help aide the concentration of business development around housing development and balance land supply and demand costs that will aide future development.

**The amendment passed unanimously, 7-0 PASS.**

**The main motion as amended passed 4-3, with Councilmember Salomon, Scully and McConnell voting no.**

9. ADJOURNMENT

At 8:22 p.m., Mayor Roberts declared the meeting adjourned.

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Jessica Simulcik Smith, City Clerk

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF SPECIAL MEETING**

Monday, May 9, 2016  
5:45 p.m.

Conference Room 303 - Shoreline City Hall  
17500 Midvale Avenue North

PRESENT: Mayor Roberts (Arrived at 6:36 p.m.), Deputy Mayor Winstead, Councilmembers McGlashan, Scully, Hall, McConnell, and Salomon,

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Shawn Ledford, Police Chief; Mark Konoske, Police Captain; Troy Olmsted, Police Captain; and Bonita Roznos, Deputy City Clerk

GUESTS: None

At 5:50 p.m., the meeting was called to order by Deputy Mayor Winstead. She announced that Sheriff Urquhart would not be attending the meeting due to an urgent Sheriff's Office service call.

Ms. Tarry explained that the City of Shoreline is one of 12 cities that contract with King County for police services. She shared that the police contract is the City's largest annual expenditure and represents one-third of the budget. She also pointed out that Shoreline Citizen's Survey results identified police services as the highest priority service. She talked about the great leadership and police services the City receives. She apprised the Council that she meets quarterly with the Sheriff and on a regular basis with the Police Chief.

Chief Ledford described the challenges the Police Department have been experiencing with the National Incident-Based Reporting System (NIBRS) mandated by the Federal Government.

Councilmembers expressed concern that the new reporting system will show that crime has increased and cautioned against being placed in the precarious position of trying to explain why. They suggested the Police continue to use the current system for collecting data and reporting until such a time that NIBRS can provide comparison data.

Chief Ledford explained that the Sheriff is hesitant to use police body cameras until Public Record Request Policy and protection of the victims in cases like sexual assault and domestic violence are addressed.

Chief Ledford shared that the Police is working with the District Attorney's Office to address King County's heroin crises. He stated the Police Department will be partnering with the community to initiate outreach and education regarding drug overdosing, and installing

prescription drop boxes. Captain Konoske shared having police carry Narcan, a medication used to block the effects of an opiate overdose, is also being evaluated.

Chief Ledford informed the Council that the Sheriff's Office is facing a \$7.6 Million budget cut, which may result in the discontinuation of the Helicopter and Marine Units. However, the ultimate budget decision will be with the King County Council.

Chief Ledford discussed diversity personnel recruitment efforts, and explained that there is a lack of diversity in the Academy's graduation pool. He said they are hoping to add a woman and a Hispanic Officer to their staff.

Councilmember Salomon commented on the importance of possessing a mentality and approach toward policing that supports de-escalation efforts. Chief Ledford responded that the Shoreline Police Department follows the LEAD (Listen, Explain with Equity and Dignity) Principal when policing. Councilmember Salomon expressed that he hopes LEAD is a culture that is spreading across King County.

At 6:42 p.m. the meeting was adjourned.

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Bonita Roznos, Deputy City Clerk

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Execute a Professional Services Contract with Brown and Caldwell in the Amount of \$596,000 for the 2017 Surface Water Master Plan Update
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Uki Dele, Surface Water and Environmental Services Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The current Surface Water Master Plan was last updated in 2011. Since that update the Surface Water Utility has grown, several projects and activities are underway or have been completed, and new regulations are anticipated or have been implemented. The current plan will be obsolete in the near future and needs to be updated.

The purpose of the 2017 Surface Water Master Plan Update Project (2017 Master Plan) is to address drainage and water quality challenges associated with growth, increasing regulations, and aging infrastructure within the City of Shoreline. The 2017 Master Plan will review and consolidate information from several different source documents in order to develop a plan that will guide the Surface Water Utility (Utility) for the next five to 10 years. Sources of information to be reviewed include:

- 2011 Surface Water Master Plan,
- Prior drainage basins plans,
- Piping and other infrastructure condition assessments,
- Capital Improvement Plan (CIP),
- Financial Sustainability Model,
- National Pollutant Discharge Elimination System (NPDES) Permit (2013 – 2018),
- 2015 Comprehensive Plan,
- 145<sup>th</sup> Street Multimodal Corridor Study,
- 185<sup>th</sup> Street Station Subarea Plan
- 145<sup>th</sup> Street Station Subarea Plan (if adopted), and
- Parks Recreation and Open Space (PROS) plan update.

The 2017 Master Plan will help the City define Levels of Service (LOS), develop a prioritized asset management improvement strategy, prepare the Utility for anticipated requirements related to compliance with the 2018-2022 NPDES Phase II permit, provide recommendations for future CIP projects, develop rate structure and financial planning recommendations, develop policy recommendations for Council consideration where existing policies may need to be updated or do not exist, develop a draft and Final

Condition Assessment Plan, develop technical memorandum that addresses drainage capacity issues, and develop an Operations and Maintenance Manual.

**RESOURCE/FINANCIAL IMPACT:**

Funding for this project will come from the Surface Water Capital Fund. This consultant services contract for the Surface Water Master Plan is \$595,027. The total budget for the 2017 Master Plan is \$650,000, of which \$483,000 is provided for in the 2016 budget with the remaining \$163,000 to be budgeted in 2017.

The cost of this contract will be paid based on the following schedule:

<b>EXPENDITURES</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Pump Station Condition Assessment	\$50,000		\$50,000
<b><i>Surface Water Master Plan Contract</i></b>	<b><i>\$433,000</i></b>	<b><i>\$163,000</i></b>	<b><i>\$596,000</i></b>
<b>Total Project Cost</b>	<b>\$483,000</b>	<b>\$163,000</b>	<b>\$646,000</b>

  

<b>REVENUE</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Surface Water Capital Fund	\$500,000	\$150,000	<b><i>\$650,000</i></b>
<b>Total Funding</b>			<b>\$650,000</b>

**RECOMMENDATION**

Staff recommends Council to authorize the City Manager to execute a professional services agreement with Brown and Caldwell for \$596,000 to provide an update to the Surface Water Master Plan update and establish a guide for the Surface Water Utility for the next five to 10 years including developing an asset management plan, recommendations for CIP projects, and a financial plan for long-term utility management.

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

## **INTRODUCTION**

The Surface Water Master Plan is a vision document that establishes the management strategy for the Surface Water Utility to help meet the established levels of service goals and permit requirements. It also includes the development of both a financial and policy process for the Utility to implement the strategy.

The Current Surface Water Master Plan (2011 Master Plan) was adopted by the Shoreline City Council in December 2011. The plan established a prioritized schedule to implement basin plans for each of the City's basins (11 in total). The 2011 Master Plan was to serve as a management plan for the next five years until all the basin plans have been completed.

The final basin plan (Puget Sound Drainages Surface Water Basin Plan) will be completed in August 2016. This project will update the 2011 Master Plan, consolidate information from all the basin plans and include a rate study to determine Surface Water management rates to meet the targeted levels of service over the next 20-year planning horizon.

## **BACKGROUND**

The Surface Water Utility provides stormwater, water quality, and environmental services to the residents of Shoreline. The Utility is funded through the Surface Water Utility Fund, which generates revenue from annual Surface Water management fees. The Utility provides for CIP Projects and operational activities to reduce flooding and drainage issues within the City, water quality programs to meet the NPDES Phase II permit requirements, plus stream and wetland enhancement within the City.

The City's first Surface Water Master Plan was adopted in 2005. The 2005 Master Plan guided prioritization of Surface Water projects and program development. In 2011, the City updated its Surface Water Master Plan and established a prioritized schedule to implement basin plans for each of the remaining 10 watersheds. The goal of the basin plans was to provide a detailed examination of the watersheds/drainage basins and identify problems, system needs and management activities to address the needs and problems in the City.

Subsequent to adoption of the 2011 Master Plan, the Storm Creek Basin Plan and Boeing Creek Basin Plan were both completed (in 2013), including a condition assessment of the City's stormwater infrastructure. The McAleer Creek Basin Plan and Lyon Creek/Ballinger Creek Basin Plan were then completed in spring 2015, further expanding the condition assessment by providing a risk-based prioritization of stormwater pipe repair and replacement projects. The Puget Sound drainages Basin Plan, scheduled to be completed in summer 2016 will complete the City's initial basin planning efforts and include all the aforementioned components of prior basin plans.

Since the 2011 Master Plan, the Utility has accomplished a number of program advances including improving on the condition assessments in the Basin Plans and developing a method to prioritize Surface Water projects and activities identified in the basin plans. There have also been new CIP projects that were not identified in the 2011

Master Plan, including the ongoing Stormwater Pipe Repair and Replacement program that addresses the critical pipe repair work identified in each of the completed basin plans, and Small works/Greenworks projects that apply Low Impact Development (LID) techniques to reduce runoff and improve water quality through infiltration and bioretention.

In 2013, the City also implemented Cityworks, the City's asset management framework. Staff use Cityworks to track up to date service requests, maintenance activities and associated costs against each of the Utility assets managed by the City. Cityworks is helping to provide better information to cost effectively manage the City's infrastructure and maximize the return on City investment.

Now, the 2011 Master Plan needs to be updated. The purpose of the 2017 Master Plan is to address drainage and water quality challenges associated with growth, increasing regulations, and aging infrastructure within the City of Shoreline. The 2017 Master Plan will review and consolidate information from several different source documents in order to develop a plan that will guide the Utility for the next five to 10 years. To accomplish this, the City must hire a consulting firm to help develop the 2017 Master Plan.

It is staff's goal that the 2017 Master Plan will provide a well-informed comprehensive management strategy for the Utility. The 2017 Master Plan will be developed in 2016 and 2017 and will be presented to the City Council for review and adoption in summer 2017.

## **DISCUSSION**

### **Consultant Selection Process**

In February, the City solicited consultants to provide their qualifications (RFQ 8401) for the 2017 Surface Water Master Plan Update and Rate Study. Two submittals were received from the following consultants:

<b>Consultant Name</b>
AltaTerra
Brown and Caldwell

City staff reviewed the consultant submittals and selected Brown and Caldwell as the most qualified for the project. Brown and Caldwell scored highest in the project approach, related project experience and expertise of project team. The Brown and Caldwell team also includes the FCS Group. Together, they have partnered on more than 25 projects including the development of master plans for the cities of Auburn, Puyallup and Mukilteo. In addition FCS Group worked on the Public Works Department's data inventory review and facilitated the selection of Cityworks for the City's asset management system.

### **Scope of Work**

The project scope of work (Attachment A) consists of major components necessary to develop the 2017 Master Plan, including defining levels of service for the Utility programs, consolidating information from the completed or ongoing basin plans and

condition assessment plans (Pump Station Condition Assessment), preparing the Utility for anticipated requirements related to compliance with the 2018-2022 NPDES Phase II permit, providing recommendations for future CIP projects, developing rate structure and financial planning recommendations, and developing policy recommendations for Council consideration where existing policies may need to be updated or do not exist.

A major component of the 2017 Master Plan that was not included in the 2011 Master Plan is the development of an Asset Management Plan. The Asset Management Plan will establish the Utility's asset management program as a framework for monitoring the condition and evaluating the performance of the Utility with respect to defined LOS targets. Asset management activities will not only guide the development of the 2017 Master Plan, but also facilitate a "living" process that the City can use to efficiently adapt to future conditions. This plan will serve as a guidance document on how to manage each class of asset over the asset's life cycle and track its performance over time. It will tie operations and maintenance procedures to capital planning, capital planning to enterprise planning, and enterprise planning to meet LOS goals.

The proposed scope of work also includes additional task items that will be addressed when funding becomes available in 2017. These include:

- **Condition Assessment** – This task will involve consolidating all condition assessment work including the pipe, catch basin and pump station condition assessment work and creating a Condition Assessment Management Plan for the Utility. This task will also include strategies for asset repairs and retrofits and will document the processes and timeline for asset re-inspections and revised prioritization.
- **System Capacity** – The purpose of this task is to address drainage capacity issues by identifying improvement projects and developing a long-term strategy and approach to evaluating system capacity throughout the City. This task will include system capacity analysis and evaluation of deficiencies in the City-owned and operated stormwater infrastructure in the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subarea Plans and the 145<sup>th</sup> Street Multimodal Corridor Study.
- **Operations and Maintenance (O&M) Manual** – The purpose of this task is to update the City's current O&M Manual. This task will build on the asset management work of the Master Plan to produce an updated and expanded O&M Manual to help the City establish clear protocols and maximize the use of Cityworks.

### **COUNCIL GOAL(S) ADDRESSED**

This project addresses City Council Goal #2: Improve Shoreline's utility, transportation and environmental infrastructure.

### **RESOURCE/FINANCIAL IMPACT**

Funding for this project will come from the Surface Water Capital Fund. This consultant services contract for the Surface Water Master Plan is \$595,027. The total budget for the 2017 Master Plan is \$650,000, of which \$483,000 is provided for in the 2016 budget with the remaining \$163,000 to be budgeted in 2017.



The cost of this contract will be paid based on the following schedule:

<b>EXPENDITURES</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Pump Station Condition Assessment	\$50,000		\$50,000
<b><i>Surface Water Master Plan Contract</i></b>	<b><i>\$433,000</i></b>	<b><i>\$163,000</i></b>	<b><i>\$596,000</i></b>
Total Project Cost	\$483,000	\$163,000	\$646,000

  

<b>REVENUE</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Surface Water Capital Fund	\$500,000	\$150,000	<b><i>\$650,000</i></b>
Total Funding			\$650,000

**RECOMMENDATION**

Staff recommends Council to authorize the City Manager to execute a professional services agreement with Brown and Caldwell for \$596,000 to provide update to the Surface Water Master Plan update and establish a guide for the Surface Water Utility (Utility) for the next five to 10 years including developing an asset management plan, recommendations for CIP projects, and a financial plan for long-term utility management.

**ATTACHMENTS**

Attachment A: Brown and Caldwell 2017 Surface Water Master Plan Update Service Contract – Scope & Budget

## Exhibit A: Scope of Work

# Surface Water Master Plan

The Brown and Caldwell and FCS Group (BC Team) are pleased to present this scope of work (SOW) to the City of Shoreline (City) to update its 2011 Surface Water Master Plan Update (2011 Master Plan). This purpose of the 2017 Surface Water Master Plan Update (Master Plan) is to address drainage and water quality challenges associated with growth, increasing regulations, and aging infrastructure. The Master Plan will guide the Surface Water Utility (Utility) for the next 5 to 10 years including recommendations for capital improvements, programs, and a financial plan for long-term asset management.

## Scope of Work

The activities, deliverables, and assumptions associated with each task are described in detail below. Tasks 13, 14 and 15 are “additional” tasks; the work under these tasks will not be performed without prior written approval from the City.

### Task 1: Review and consolidate data

The purpose of this task is to gather, consolidate, and organize existing data and information that will be used to develop the Master Plan, and to review the data for use in subsequent tasks. The BC Team will complete the following activities:

- Collect and review the data and information provided by the City including basin plans, asset plans, draft reports, condition assessment and maintenance records, and geospatial (GIS) data; create an organized file structure and spreadsheet listing the sources.
- Prepare GIS base mapping data for subsequent analyses including basic data layers such as streets, land use, zoning, soils, topography, and City infrastructure.
- Review the City’s project and program tracking spreadsheet (*MasterCIPList.xls*) and compare with GIS mapping and relevant documents (e.g., basin plans) to identify discrepancies and/or data gaps.
- Review the City’s condition assessment data and compare with GIS mapping and relevant documents to identify discrepancies and/or data gaps.
- Prepare a brief email to the City summarizing data needs, identified discrepancies, and/or data gaps (if any).

#### City Activities:

- Provide all relevant surface water management documents, data, and any other information that was not provided as part of the Request for Proposal (RFP) data package; additional data sources could include updated GIS data, recently revised basin plans, asset plans, condition assessments and maintenance records.
- The City has provided the current version of the Utility’s project and program tracking spreadsheet (*MasterCIPList.xls*).
- The City will provide the program and project recommendations from the Puget Sound Basins Plan as soon as it is completed.
- The City will provide pump station condition assessment documents as they are completed.
- Provide access to Cityworks, the City’s existing Computerized Maintenance Management Software (CMMS).
- Resolve and respond to discrepancies and/or data gaps identified in the summary email from the BC Team.
- Information and data sources to be used for other tasks are listed in this scope under City Activities for those tasks.

#### Deliverables:

D1. Data needs summary; to be provided in email format.

#### Assumptions:

- The City has already provided several documents, including draft and final basin plans, draft operations and maintenance (O&M) manual, and asset condition assessment reports; any new or additional documentation that has become available since those transmittals will be provided by the City prior to execution of Task 1.

## Task 2: Define levels of service (LOS)

The purpose of this task is to define draft Levels of Service (LOS) for the Utility, which will be used to evaluate and prioritize projects and programs for the Master Plan, as well as guide asset management planning. The LOS developed in this task will be preliminary and will be refined in subsequent tasks based on the costs and staffing resources needed to achieve the associated targets. The BC Team will complete the following activities:

- Review current City of Shoreline Surface Water Utility services, types of customers and their expectations, LOS established by the 2011 Master Plan, and current policies related to surface water management.
- Review LOS guidelines established by other local agencies, such as WSDOT, King County, Seattle, and other local municipalities, for reference.
- Review current and planned expenditures and how they line up with customer needs.
- Facilitate a 2-hour workshop with the City to discuss the Utility’s service goals, customer expectations, and existing or de facto LOS.
- Provide coaching to City staff on the process for identifying customer’s needs through surveys, feedback, or focus groups.
- Analyze unplanned expenditures and major service failures over past five years to assess the pattern of decisions and determine how they related to customer needs.
- Develop recommendations for potential updates and/or changes to the City’s current LOS based on the Utility’s services, goals, objectives, and customer needs.
- Identify LOS targets and define key performance indicators (KPIs) to measure Utility performance with respect to the updated LOS.
- Prepare an LOS matrix summarizing the LOS results; the matrix will serve as a tool to help show the links between LOS decisions, project needs, capital improvement costs, and utility rates.
- Prepare presentation materials and attend an “open house” to help support the City’s public outreach activities; these materials will summarize the draft levels of service and provide a brief overview of the master planning process.

### City Activities:

- Provide relevant information on customer types, current and planned expenditures, policies, existing LOS.
- Coordinate appropriate City staff and participate in a 2-hour LOS workshop on LOS.
- Advertise, coordinate, and facilitate a public open house to discuss LOS and the Master Plan.
- Review and provide one set of consolidated comments on the draft LOS matrix.

### Deliverables:

- D2. Draft LOS matrix with services, goals, objectives, targets, and KPIs
- D3. Presentation materials for public meeting on LOS

### Assumptions:

- Evaluations made in Tasks 4 and 5 and in additional Tasks 13 through 15 may identify current or potential future service gaps. Evaluations will analyze the state of the Utility with respect to a desired state as defined by LOS targets. If an LOS is not being met, then this difference is considered a “gap” and a project or strategy is needed to close or eliminate that gap.
- LOS matrix will be a working document; revisions and updates—including those based on the City’s comments—will be completed in subsequent tasks and final LOS will be provided with Mast Plan submittals.
- Up to three members of the BC Team will participate in the 2-hour LOS workshop to be held after all initial data and information reviews have been completed.
- While the BC Team will develop presentation materials and participate in the public open house, the City will be responsible for advertising, coordinating, and facilitating the open house at a location to be provided by the City.

## Task 3: Update asset management process

The purpose of this task is to advance the Utility’s asset management program as a framework for monitoring the condition and evaluating the performance of the Utility with respect to defined LOS targets. Asset management activities will not only guide the development of the Master Plan, but also facilitate a “living” process that the City can use to efficiently adapt to future conditions.

### Subtask 3.1: Evaluate asset management program

The BC Team will work with the City to evaluate the asset management activities for the Utility. The following activities will be completed:

- Evaluate the current asset management activities using a Utility Business Management Evaluation (UBME) gap analysis approach consisting of 90 different business elements, organized within 16 categories of effective utility management as follows:
 

✓ Vision and Support	✓ Communication	✓ Asset Decision Making
✓ Organization	✓ Performance Management	✓ Operations Strategy
✓ Planning	✓ Risk Management	✓ Maintenance Strategy
✓ Asset Knowledge	✓ Asset Development	✓ Asset Renewal Strategy
✓ Levels of Service	✓ Asset Financing and Reporting	✓ Information Systems
✓ Resource Management		

Each category is broken down into specific elements that help to identify where the City currently stands with respect to best practices and opportunities for improvement. The evaluation will look at the current status of asset management at the City through a series of approximately 10 interviews with key staff, conducted over a three-day period, and compare the City with industry-wide practices to identify and prioritize gaps.

- Develop a prioritized asset management improvement strategy to correspond with the City planning intervals.
- Provide overall recommendations for improving the Utility's asset management program, with special attention to two key areas: 1) levels of service, and 2) condition assessment and condition ratings.
- Recommend time intervals for condition assessment and inspection of stormwater assets.
- Provide a basis for developing in-house skills of City staff to continue developing the City's asset management program after the Master Plan is completed.
- Submit a summary of the results of the interviews into a UBME evaluation matrix with measures of the current status in comparison of priorities to approximately 90 asset management elements. Provide the summary of results to the City for review.
- Meet with the City in a 2-hour workshop to discuss the findings and the targets for each of the 90 business elements; after the meeting the BC Team will summarize the gaps within the UBME gap matrix format and then present the results to the City to determine priorities for planning and developing an improvement strategy.
- Follow up with the City to revise the UBME gap matrix and provide an updated document.

### Subtask 3.2: Develop a surface water asset plan

An Asset Plan is a guidance document on how to manage each class of asset over the asset's life cycle and track its performance over time. An Asset Plan ties operation and O&M procedures to capital planning, capital planning to enterprise planning, and enterprise planning to meet level of service goals. The following is a typical outline for an Asset Plan:

#### **Typical Asset Plan Outline**

- 1.0 *Introduction and Purpose*
- 2.0 *Description of Assets Covered by the Plan*
  - 2.1 *Age of Surface Water System Assets*
  - 2.2 *Surface Water System Asset Materials*
  - 2.3 *Surface Water System Asset Locations*
  - 2.4 *Functionality of Surface Water Asset Structures*
- 3.0 *Regulations, Policies, and Plans/ Service Level Requirements and Performance Measures*
  - 3.1 *Regulations and Policies*
  - 3.2 *Service Level Requirements and Performance Measures*
- 4.0 *Inventory and Asset Profile of Surface Water System Assets*
- 5.0 *Criticality Matrix (Likelihood and Consequence of Failure)*
  - 5.1 *Surface Water System Asset Criticality Matrix*
- 6.0 *Operation and Maintenance Activities*

- 6.1 *Operational Activities*
- 6.2 *Maintenance Activities*
- 7.0 *Condition Assessment and Monitoring Activities*
- 8.0 *Rehabilitation and Replacement Strategies*
  - 8.1 *Rehabilitation and Replacement Cycles and Costs*
  - 8.2 *Life Cycle Cost Analysis*
  - 8.3 *Capital Improvement Project Planning*
- 9.0 *Data Requirements and Tools*
  - 9.1 *Data Requirements*
  - 9.2 *Document Management*
  - 9.3 *Tools*
- 10.0 *Action Plan*

The BC Team will complete the following activities:

- Prepare a template for developing Asset Plans that will be organized by asset class and tied to the overall asset management program.
- Work with City staff to refine the Asset Plan template and to prepare a plan for the development of the specific Asset Plans for each major asset class (e.g., pipes, hydraulic structures, stormwater BMPs). City staff and the BC Team will develop the criteria and data needs for an asset plan for each asset type based on the Asset Plan Outline.

### **Subtask 3.3: Prepare an asset management work plan**

The BC Team will work collaboratively with the City to develop an asset management framework that establishes processes for data governance, monitoring of asset performance, evaluating the condition of assets, and establishing performance measures for meeting LOS targets. The BC Team will complete the following activities:

- Update the current Asset Management Work Plan by providing a strategy for program improvement at a level suitable for preparing annual budgets for executing the strategy; the Asset Management Work Plan will include actions to close prioritized gaps, grouped into planning time frames such as 1, 3, and 6 years.
- Work with staff to review and refine the framework and the updates to the Asset Management Work Plan.
- Estimate the staff resources and/or external services needed to implement the Asset Management Work Plan based on input from the City including programmatic funding needs and estimated cost to close gaps identified in Subtask 3.1.
- Prepare an Asset Management Process Memorandum and prepare an asset management framework documenting the recommended approach to tracking performance, evaluating risks, prioritizing utility activities such as capital improvement projects, repair and replacement (R&R), maintenance, and condition assessment.

#### **City Activities:**

- Participate in, or coordinate up to 10 interviews with City staff for UMBE
- Coordinate appropriate City staff and participate in one 2-hour workshop to discuss UMBE findings and asset management targets
- Coordinate appropriate City staff and participate to refine the Asset Plan
- Provide current Asset Management Work Plan
- Provide input on staff resources and/or external services needed implement the Asset Management Work Plan
- Review and provide on set of consolidated comments on the draft Asset Management Process Memorandum and Asset Management Framework

#### **Deliverables:**

- D4. Draft UMBE Matrix with results from staff interviews
- D5. Asset Plan Template and recommended schedule for developing asset plans
- D6. Updated Asset Management Work Plan
- D7. Draft and Final Asset Management Process Memorandum and Asset Management Framework

**Assumptions:**

- Up to 10 UBME interviews will be conducted by two members of the BC Team over the course of 3 days
- One member of the BC Team will participate in up to 10 interviews with City staff for the UMBE
- Two members of the BC Team will participate in the 2-hour UMBE workshop
- Two members of the BC Team will work with staff in developing the asset plan
- City will provide work space, as needed, within public works facilities when that space is available.

**Task 4: Regulatory Compliance**

The purpose of this task is to assess the City policies and programs with respect to anticipated requirements related to compliance with the 2018-2022 NPDES Phase II Stormwater Permit. The BC Team will complete the following activities:

- Review the results of the City's 2014 NPDES Gap Analysis and confirm that recommended activities are complete.
- Interview Ecology permit writers for trends in 2018-2022 Phase II Permit and summarize discussions.
- Compare the City's existing NPDES Program with predicted future requirements in the 2018-2022 Phase II Permit and perform high-level gap analysis on future trends and City's program.
- Identify likely gaps and prepare a brief summary of recommendations with respect to LOS, O&M, and policy decisions.

**City Activities:**

- Provide feedback on summary recommendations.

**Deliverables:**

D8. Summary Recommendations for Regulatory Compliance issues

**Assumptions:**

- BC will compare the City's existing NPDES program with predicted future requirements in the 2018-2022 permit. The comparison will result in gap analysis that will be considered in defining LOS in Task 2.

**Task 5: Stormwater Treatment**

The purpose of this task is to evaluate the options for water quality treatment by comparing end-of-pipe treatment options (i.e., regional facilities) with distributed best management practices (BMPs) and green stormwater infrastructure. The BC Team will prepare a brief memorandum describing various options for stormwater quality treatment, and outlining the pros, cons, and relative costs of the treatment options.

**City Activities:**

- Review and provide on set of consolidated comments on the Stormwater Treatment Options Memorandum.

**Deliverables:**

D9. Draft and Final Stormwater Treatment Options Memorandum

**Assumptions:**

- The Stormwater Treatment Options Memorandum will be brief, roughly 2 to 3 pages.

**Task 6: Develop project and program recommendations for CIP**

The purpose of this task is to develop planning-level project descriptions and estimate life-cycle costs to address the needs identified in previous tasks. In some cases, projects from previous basin planning efforts will be carried forward and simply updated for inclusion in this plan. In other cases, new projects will be developed; and where appropriate, programmatic recommendations will be prepared to address problems through non-structural Utility improvements. The BC Team will complete the following activities:

- Develop a preliminary set of project and program summaries; each summary will contain a brief description of the problem, associated LOS and performance targets, and a basic description of recommended improvements.
- Work with the City to perform a preliminary screening of the project and program recommendations to determine if anything should be deferred or eliminated prior to performing a full sizing and cost analysis.

- Perform a streamlined business case evaluation (BCE) for each of the projects and programs by analyzing the benefits of the project with respect to defined LOS, while also considering the financial, environmental, and social impacts. Life-cycle costs will be developed to include project initiation, construction, operation, maintenance, and ultimate decommissioning; please note that environmental and social impacts will not be monetized.
- Develop a project prioritization spreadsheet to link projects and programs with life-cycle costs and LOS targets; the spreadsheet will be developed to provide clear and transparent process for prioritizing projects.
- Conduct a project prioritization workshop with City staff to discuss project and program recommendations and costs, and to review the prioritization method; the prioritization spreadsheet will be revised based on comments received from the City.

#### City Activities:

- Review preliminary set of project and program summaries and provide input on project screening.

#### Deliverables:

D10. Preliminary set of project and program summaries

D11. Prioritization spreadsheet with project/program recommendations, cost estimates, and LOS targets

#### Assumptions:

- All deliverables will be submitted in electronic format.
- For scoping purposes, BC has assumed that this screening process will result in no more than 25 projects/programs for inclusion in the CIP; the remaining projects/programs will be summarized in the plan at a preliminary level and deferred to later planning efforts.
- Environmental and social impacts will not be monetized
- The life-cycle cost estimates will use planning level cost estimates based on recent City, consultant experience and bid tabs, with appropriate allowances for project contingencies and unknowns.
- The City will provide the BC Team life-cycle cost assumptions including operation and maintenance frequencies based on city finance methodologies and O&M information.
- For budgeting purposes, the number of projects and programs shall be limited to the allocated labor effort, which is 174 hours for project descriptions, preliminary screening, and BCE analysis.
- Project sheets for each CIP are limited to one page of text and one figure (where appropriate).
- The City will review the draft CIP, 2-page summary sheets and the life-cycle costs and provide a single set of comments to BC Team. The city will resolve all conflicting review comments prior to delivery to BC Team.

## Task 7: Develop rate structure and financial planning recommendations

The purpose of this task is to determine the amount of revenue required from rates to meet the O&M, debt service, and capital improvement costs associated with meeting the desired LOS. A financial model will be developed to evaluate the rate structure needed to achieve LOS targets over the 6-year and 20-year planning horizons. The BC Team will complete the following:

- *Capital Financing Plan.* Based on the CIP developed as part of the Master Plan, project capital funding needs, borrowing requirements, and associated cash flows and cash balances for the requested 20-year study period. The analysis will be constructed to evaluate optional capital scheduling and prioritization.
- *Operating Forecast.* Forecast ongoing operating, maintenance, administrative, debt service, capital and other cash obligations for the 20-year study period. We will incorporate economic factors for customer growth and cost escalation, as well as additional O&M expenses, if any, resulting from the capital improvement programs or other known changes in operational requirements.
- *Revenue Needs Assessment.* The revenue needs assessment ultimately identifies the total rate revenue to be collected from customers of the City. We will compare projected cash requirements against projected revenue under existing rate levels to determine annual rate adjustments needed to satisfy the projected cash obligations of the surface water utility. We will perform this analysis for up to five different levels of service and associated costs, for a 20-year planning period.
- *Service Level Matrix.* Update the LOS matrix to communicate rate results for varying service levels and associated costs. The LOS Matrix may be updated accordingly.



- *Policy Analysis.* Provide an issue paper on rate credits / incentives for qualifying on-site provision of natural drainage systems, and possibly other types of on-site mitigation. Provide an issue paper evaluating the City's existing rate structure, and recommend potential changes to improve rate equity.
- *Rate Credit Calculation.* If applicable, construct an allocation of surface water costs to determine the maximum credit amount.
- *Documentation.* Prepare a Financial Planning Memorandum to document the results of the rate study including: funding options, rate forecast for up to a 20-year period, related rate impacts, recommended fiscal and rate policies, rate/credit options tied to construction of natural drainage systems on residential properties, and an updated LOS matrix showing the rates for different program components for different service levels.

#### City Activities:

- Review the draft Financial Planning Memorandum and provide a single set of comments to BC Team. The City will resolve all conflicting review comments prior to delivery to BC Team.

#### Deliverables:

D12. Draft and Final Financial Planning Memorandum

## Task 8: Evaluate utility billing

The purpose of this task is to review the legacy programs related to 1) the process and data associated with the King County administered utility billing and 2) the review and cost evaluation of performing in house billing for surface water customers. The City of Shoreline currently uses the King County Surface Water Utility rate structure, based on density of development and imposed on total parcel area – with the exception of single family residential and very lightly developed parcels which are charged uniformly. The City rate is billed by the County on the County property tax statement.

### Subtask 8.1: Audit Utility Billing System.

Perform a review of King County billing practices and results to assess the timeliness and accuracy of the County's billing of the City surface water rates. It is important to identify any revenue gaps based on the method of billing. The City provides parcel and billing classification information to King County, which uses the information to annually bill surface fees along with County tax statements. The City has not updated or thoroughly reviewed the data for several years. King County uses the information received but does not check or review data. An audit of the data would involve assessing the extent to which redevelopment and infill have not been recorded in the City's parcel database with a percent impervious categorization for non-residential customers. In addition to the audit, an analysis of the impervious coverage of residential lots can provide information for use in providing incentives for conversion to natural drainage systems on properties where none exists. The BC Team will make recommendations on capturing and managing the data necessary for King County billing and how to best address the billing issues. The team will review the City's applicable rate structure compared to the customer data provided by the City and/or used by the County for billing and compare expected revenue to actual revenue performance for the most recent full billing year (likely 2015).

### Subtask 8.2: Evaluate Cost and Operations for an In-house Billing System.

The City is considering whether to bill its stormwater customers directly rather than contracting with King County to perform the billing. The City will be taking over the billing activities for the Ronald Wastewater District customers when the City assumes the district in October 2017. The billing capture rate with the current system is 98 percent. While this is a very high capture rate, other advantages may exist by using in-house billing platform that could serve the surface water utility as well as the wastewater utility.

The BC Team will evaluate the pros and cons of King County versus City billing of the surface water rate, including a discussion of relative cost, collection enforcement, and feasibility of billing the City's desired rate structure, if different from the current structure. The issue paper will include the option of third-party billing by contract. In addition, the paper will address additional rate structure options, such as the impervious basis as applied by the equivalent service unit, as they pertain to equity and billing feasibility (if desired).

*Review In-House Utility Billing Option.* Provide an issue paper evaluating the in-house billing option. Define the pros and cons of County v. City billing of the surface water rate, including a discussion of relative cost, collection enforcement, and feasibility of billing the City's desired rate structure, if different from the current structure. The issue paper will include the option of third party billing by contract. In addition, the paper will address additional rate structure options, such as the impervious basis as applied by the equivalent service unit, as they pertain to equity and billing feasibility (if desired).



**City Activities:**

- To prepare a data audit of impervious surface coverage by address, the City will obtain parcel, hard surface and impervious coverage GIS information from King County.
- Provide the consultant team with utility billing review work performed by others.
- Provide confirmation of the City's current billing capture rate.

**Deliverables:**

- D13. Utility Billing Memorandum: Describing methodologies, results, and recommendations to more accurately reflect parcel size and percent impervious classification
- D14. In-house Billing Memorandum: summary review of utility billing options

**Assumptions:**

- A review of the current permitting process used to capture new addresses and impervious coverage will be assessed for methods to capture and store data before it is sent to King County.

**Task 9. Utility management policy review**

The surface water utility has several programs and policies that have not kept pace with redevelopment within the city and, in some cases, do not have documented approaches to making surface water-related decisions. The purpose of this task is to assist the City with developing policies to address these issues. The BC Team will complete the following activities:

- *Surface Water Utility Effort and Program Summary.* Prepare a summary document that describes the various programs and activities performed by the Surface Water Utility, organizational structure, and basic roles and responsibilities of internal staff and departments.
- *Utility Funds on Private Property.* Review the "Draft Decision Guidelines for Use of Utility Funds on Private Property" memorandum that was prepared for the 2011 Master Plan. Revise the document to include recommendations for a decision making process for private property issues encountered by the City (e.g., how to manage surface water generated on public right-of-way that discharges onto private property).
- *Staffing Costs for O&M Activities.* Investigate options and prepare an issue paper on surface water-related maintenance activities being performed by City staff that could alternatively be performed by an outside contractor.
  - Examine interdepartmental agreements with Parks and Streets for surface water staffing efforts and budgets.
  - Perform analysis for work in parks and streets as it relates to surface water infrastructure maintenance and operations.
  - Impact investigation will include reviewing staff and contractor billing rates and hours, interviewing city staff, performing a benchmarking study with similar sized utilities, assessing impact of maintenance services being performed by City staff, and assessing the potential of shared resources with roads, and wastewater system assumption.
- *Data Management Protocols.* Review the City's current data management needs and procedures. Prepare an issue paper on recommended data management methods and protocols. For example, work with City staff to determine data storage needs for the City's video inspection program.
- *Lateral Connection Policy.* Prepare an issue paper on lateral connection policies and fees for public/private infrastructure. Drainage connections have four typical conditions, 1) no drainage, 2) lateral that spans from public to private and then back to public, 3) laterals from private to public and 4) lateral connection in the right of way. Investigate pros, cons and costs of establishing lateral connection policy on new infrastructure and existing infrastructure during pipe repair and replacement.

**City Activities:**

- Provide a list of programs, policies and procedures and will provide hard or electronic copies where available.
- Provide BC team with existing information related to each policy study
- If staff interviews are necessary, coordinate interview meetings between City staff and BC team.

**Deliverables:**

- D15. Summary document on Surface Water Program
- D16. Update to the Use of Utility Funds on Private Property Policy

- D17. Issue paper on O&M staffing costs
- D18. Issue paper on data management protocols
- D19. Issue paper on a lateral connection policy

#### Assumptions:

- Assume up to two meetings with City staff. The City PM will assist in scheduling meeting times between the BC Team and City staff.
- Presentations to City Council regarding recommended policy will be managed in Task 11.

## Task 10: Prepare master planning document

The BC Team will use the results of the previous tasks to prepare the Master Plan document. This will include final LOS, the asset management framework, programmatic recommendations, CIP, and rates. BC proposes that the document consist of the following four parts:

- Plan Overview: prepared for general public/stakeholders to present a general understanding of the Master Plan contents.
- Executive Summary: the intended audience is the City Manager, City Council, and key stakeholders. The executive summary provides policy perspective, general technical understanding, background (for recommended policies, programs, and projects), and links to financial policies/strategies.
- Master Plan Update: this is the main body of the document, intended for City staff who will be implementing the Master Plan recommendations. The Master Plan will consist of a concise summary of the planning process and focus primarily on the recommended improvements and policies. It will also address continuity from the 2011 Master Plan, and discuss the status of recommendations from the Master Plan.
- Appendices: Supporting information (e.g., Asset Management Framework, system capacity memoranda, etcetera) would be provided in appendices for City staff needing supporting data or specific details.

The BC Team will prepare a preliminary draft of the Master Plan document for review and comment by Surface Water Utility staff. A revised draft will then be prepared for submitting to City Council for their review (if necessary). After addressing comments, the BC Team will produce a final version of the Master Plan.

#### City Activities:

- Confirm and finalize LOS revisions to be included in Master Plan.
- Compile review comments, resolve any conflicting comments, and provide BC Team with a single set of comments on the preliminary draft and draft Master Plans.

#### Deliverables:

- D20. Preliminary Draft Master Plan submitted electronically via e-mail in PDF; if desired, the draft report can also be provided in Word format to facilitate comments and editing.
- D21. Draft Master Plan submitted electronically via e-mail in PDF; if desired, the draft report can also be provided in Word format to facilitate comments and editing.
- D22. Final Master Plan submitted electronically via e-mail in PDF (and Word if desired).

#### Assumptions:

- One preliminary draft Master Plan will be prepared.
- One draft Master Plan will be prepared.
- One final Master Plan will be prepared.

## Task 11. Present to City Council and Public

The BC Team will work with the Utility staff to develop information for briefing the City Council at key points during Master Plan development. Up to three City presentations will be prepared and presented; subjects are anticipated to be:

- Recommended policy and staffing needs
- Recommended Surface Water Utility LOS
- Draft Surface Water Master Plan

The BC Team will also prepare presentation materials and attend an “open house” to help support the City’s public outreach activities; these materials will summarize provide a brief overview of the master planning process and summarize the projects and programmatic recommendations.

#### City Activities:

- Review PowerPoint presentations and provide BC Team with anticipated questions and comments from City Council.
- Coordinate with the City Council regarding agenda and document submittals
- Advertise, coordinate, and facilitate a public open house to discuss the Master Plan.
- Coordinate with other City departments as needed to align with other planning efforts such as Parks and Transportation plans, including meeting arrangements and logistics.

#### Deliverables:

- D23. Presentation materials for public open house (draft Master Plan)
- D24. Presentation materials for City Council briefing (policy and staffing needs)
- D25. Presentation materials for City Council briefing (surface water utility LOS)
- D26. Presentation materials for City Council briefing (draft Master Plan)

#### Assumptions:

- Up to three members of the BC Team will attend up to two public open house meetings.
- Up to three members of the BC Team will attend up to three City Council meetings.
- While the BC Team will develop presentation materials and participate in the public open house, the City will be responsible for advertising, coordinating, and facilitating the open house at a location to be provided by the City.

## Task 12. Project Management

BC’s project manager will be responsible for team coordination, staff supervision, budget and schedule controls, status reports, and adherence to QA/QC procedures. At the outset of the project, BC will conduct an initial Web conference to kickoff the project, initiate activities of Tasks 1 through 5, and 9, and to discuss schedule. The BC project manager will then provide the City with a detailed schedule to complete the project, including major milestones, deliverables, and a proposed workshop date.

BC will conduct weekly conference calls with the City’s project team to review project status, coordinate data/ information exchange, address outstanding issues, preview upcoming tasks, and answer any other questions that may arise. BC will also prepare monthly invoices, including expenditures by task, hours worked by project personnel, and other direct expenses, with the associated backup. Project status reports will accompany each invoice, including an up-to-date comparison between cumulative charges and work progress by task.

If at any point BC identifies potential changes or deviations from the original scope of work, they will document the requested changes using a Project Change Request (PCR) and submit the suggested changes to the City prior to proceeding with any of the new work. The City project manager will review the PCR and provide BC with written approval for modifications to the existing scope and budget.

#### City Activities:

- Coordinate City staff attendance on weekly and monthly conference calls, as needed.

#### Deliverables:

- D27. Proposed project schedule
- D28. Brief summary e-mails following each weekly and monthly status call containing key decisions and action items from the discussion.
- D29. Monthly progress reports and invoices including a detailed progress report at each of two major milestones

#### Assumptions:

- All deliverables will be submitted in electronic format.
- Total duration of the project will be 12 months; an equivalent number of progress reports, status calls, and invoices are to be provided on a monthly basis.
- Up to two members of the BC Team will participate in ½-hour weekly status calls; 48 over the 12-month duration. Up to three revisions to the project schedule will be provided throughout the course of the project.

## Task 13: Condition Assessment (Additional)

The purpose of this task is to work with the City to advance their condition assessment program by reviewing existing data, approaches, and activities and preparing an updated Condition Assessment Management Plan. This is an additional task; work under this task will not be performed without prior written approval from the City. Upon written approval, the BC Team will complete the following activities:

- Building on the data review activities performed in Task 1, evaluate the existing condition of assets based on the available data and identify needed infrastructure improvements.
- Review the City's current prioritization process and underlying criteria; work with City staff to revise and update the process and criteria to be consistent with the asset management framework developed in Task 3.
- Where feasible, develop GIS or Access-based queries to expedite the prioritization processes and/or create automated links with data stored in Cityworks.
- Investigate alternative technologies and approaches for performing pipe and structure condition assessments.
- Develop project and programmatic recommendations for the inclusion in the Capital Improvement Plan (CIP) based on the results from existing condition assessments, maintenance records from Cityworks, and the City's project and program tracking spreadsheet.
- Prepare a Condition Assessment Management Plan documenting the processes and timeline for inspections and revised prioritization; the plan will include strategies for repairs and retrofits.

### City Activities:

- Provide input on condition assessment-repair prioritization criteria
- Review and provide on set of consolidated comments on the draft Condition Assessment Management Plan

### Deliverables:

D30. Draft and Final Condition Assessment Management Plan

### Assumptions:

- The City will provide electronic versions of all previous and anticipated pipe and structure condition assessments in either GIS or Excel format.
- BC will summarize and identify gaps for the existing condition assessment data in Task 1.
- BC will work with City staff to update the most recent condition assessment-repair prioritization criteria and re-rank all inspected and condition-assessed pipes.

## Task 14: System Capacity (Additional)

The purpose of this task is to address drainage capacity issues by identifying improvement projects and developing a long-term strategy and approach to evaluating system capacity throughout the city. This is an additional task; work under this task will not be performed without prior written approval from the City. Upon written approval, the BC Team will complete the following activities:

- Identify outstanding drainage capacity problems and project recommendations from previous basin planning work and work with the City to determine which projects should be carried forward and included in the updated 6 and 20 year CIP.
- Work with City staff to identify any additional known capacity problems and determine whether they are simply maintenance issues or if an improvement project is required.
- Develop a technical approach for evaluating drainage system capacity (e.g., models, methods, data sources) that is consistent with the capacity-related service targets specified in the LOS matrix.
- Conduct focused, and where possible, simplified, hydrologic and hydraulic modeling analyses for up to three new capacity problems and perform simulations to size recommended improvements.
- Develop a system-wide strategy for prioritizing areas of the city for comprehensive capacity evaluations; this strategy will consider zoning changes/redevelopment, historical problems areas, drainage and infrastructure conditions, and data availability, and will include recommendations for system inventories and flow monitoring.
- Prepare a technical memorandum describing the recommended strategic approach to performing system-wide capacity analyses, including subarea prioritization, technical approaches and modeling methods, data sources, and recommendations for additional data collection.

- Analyze system capacity and evaluate deficiencies for up to two high-priority areas; specifically, the light rail station subareas at 185th Street and the 145th Street. Each analysis will involve several steps:
  - Review stormwater infrastructure data provided in GIS; assess the quality and completeness of the data for use in constructing an area-wide hydraulic model.
  - Delineate drainage areas/catchments and develop existing-conditions runoff parameters for constructing an area-wide hydrologic model; since measured flow data are not available for calibration, input parameters will be adjusted to obtain reasonable results when compared with other methods or typical values for the region.
  - Map future build-out conditions based on zoning, effective imperviousness estimates, and flow control requirements; then modify the hydrologic model inputs to simulate future build-out conditions.
  - Analyze the modeling results to identify predicted capacity deficiencies, then evaluate potential improvements and develop project recommendations.
- Prepare two supplementary technical memorandums summarizing the results of the Subarea Drainage Studies.

#### City Activities:

- Provide all previous hydrologic and hydraulic studies performed including those for the 185th and 145th subarea planning work.
- Participate in up to 2 conference calls to discuss system capacity analysis approaches, strategies, and/or assumptions.
- If more than 3 new capacity problems require projects, the City will prioritize the problems and identify the top three for further analysis, while the remaining problems will be deferred for future studies.
- Review and provide on set of consolidated comments on the 3 draft technical memoranda.

#### Deliverables:

- D31. Draft and Final Technical Memorandum on evaluating system capacity
- D32. Draft and Final Technical Memorandum on 145th Street Subarea Capacity Analysis
- D33. Draft and Final Technical Memorandum on 185th Street Subarea Capacity Analysis

#### Assumptions:

- The 185th Street Subarea covers approximately 400 acres in the vicinity of 185th Street and Interstate 5.
- The 145th subarea is a roadway expansion project surrounded by a proposed rezoned growth area. The 145th Street Subarea covers approximately 300 acres between 145th and 155th Streets east of Meridian Avenue.

## Task 15: Operations and Maintenance (Additional)

The City has completed a precursory O&M Manual to outline the basics and lay the groundwork for development of a more substantive document. Building on our asset management work in Task 3, the BC Team will prepare an updated and expanded O&M manual to help the City establish clear protocols and maximize the use of their Cityworks CMMS. This is an additional task; work under this task will not be performed without prior written approval from the City. Upon written approval, the BC Team will complete the following activities:

- Following on to the asset management interviews, work with City Staff to verify the information contained in Cityworks, understand lessons learned from ongoing O&M activities, and identify potential improvements.
- Conduct an analysis of business activities related to the surface water O&M program including condition assessment and monitoring; document the protocols and procedures. For O&M procedures that are currently ad hoc, examine the frequency and need for periodic maintenance.
- Review the current configuration of Cityworks and identify potential updates to support the O&M Program; this will include assisting the City with improvements in the use of the system, and consideration for adding modules to perform O&M functions that are currently not supported.
- Develop condition rating methodology for up to 5 types of assets (in addition to pipe and structure rating in Task 14) for updating maintenance ratings.
- Prepare an updated O&M Manual and make recommendations on linking the O&M manual with the asset plans; this will include a standard condition rating methodology and failure analysis process for updating criticality ratings and CIP prioritization.

**City Activities:**

- Provide a description of how maintenance and operation is performed on specific assets.
- Participate in up to 2 conference calls to discuss current O&M activities, lessons learned, and improvements.
- Review and provide on set of consolidated comments on the draft Surface Water Operations and Maintenance Manual.

**Deliverables:**

D34. Draft and Final Surface Water Operations and Maintenance Manual

**Assumptions:**

- BC anticipates that the City will provide significant input as to how O&M is currently performed to inform the development of the manual and to help identify improvements to their current activities.

**Table B. Cost Estimate<sup>1</sup>**

No.	Task Description	M.Milne	N.Foged	M.Ales	P.Weber	A.Dorn	B.Jacobsen	K.Caley	D.Dressner	D.Draheim	E.Boyd	J.Breedeen	C.Foy	Total Labor Hours	Total Labor Effort	FCS Group	Total ODCs	Total Effort
		Monitoring Manager	Project Manager	Assistant PM	Projects/Prioritization	Capacity Evaluations	Condition Assessment	Engineering Support	Utility Operations	Tech Editor	Word Processing	Project Analyst	Project Admin.					
		Rates: \$210	\$210	\$149	\$149	\$176	\$176	\$108	\$200	\$114	\$72	\$108	\$108					
101	1. Review and consolidate data	-	12	68	4	8	12	40	-	-	-	-	-	144	21,088	-	-	21,088
102	2. Define levels of service (LOS)	-	26	30	-	-	-	4	6	6	6	-	-	78	12,678	18,123	18,123	30,801
103	3. Update asset management process	-	24	12	-	-	4	-	-	12	6	-	-	58	9,332	67,095	67,095	76,427
104	4. Regulatory Compliance	4	2	16	24	-	-	-	-	-	-	-	-	46	7,220	-	-	7,220
105	5. Stormwater Treatment	14	-	6	-	-	-	-	-	3	3	-	-	26	4,392	-	-	4,392
106	6. Develop project and program recommendations for CIP	-	36	60	64	88	-	-	-	-	-	-	-	248	41,524	3,150	3,150	44,674
107	7. Develop rate structure and financial planning recommendations	-	10	4	4	-	-	-	-	4	4	-	-	26	4,036	31,143	31,143	35,179
108	8. Evaluate utility billing	-	12	4	32	60	-	24	-	6	-	-	-	138	21,720	4,326	4,326	26,046
109	9. Utility management policy and standards review	-	-	42	88	-	4	-	36	14	12	-	-	196	29,734	-	-	29,734
110	10. Prepare master planning document	-	52	164	28	28	28	-	28	24	16	-	-	368	58,872	8,673	8,673	67,545
111	11. Present at Public Open House and to City Council	-	32	36	2	2	2	4	6	8	-	-	-	92	15,630	10,458	10,458	26,088
112	12. Project Management	16	154	138	-	-	-	-	-	-	-	56	8	372	63,174	-	-	63,174
<b>GRAND TOTAL (Tasks 1 through 12)</b>		<b>34</b>	<b>360</b>	<b>580</b>	<b>246</b>	<b>186</b>	<b>50</b>	<b>72</b>	<b>76</b>	<b>77</b>	<b>47</b>	<b>56</b>	<b>8</b>	<b>1,792</b>	<b>289,400</b>	<b>142,968</b>	<b>142,968</b>	<b>432,368</b>
<i>1. Hours and Dollars are rounded to nearest whole number.</i>																		
113	13. Condition Assessment (Additional)	-	4	4	-	-	156	42	-	12	-	-	-	218	34,796	3,381	3,381	38,177
114	14. System Capacity (Additional)	-	32	60	-	260	-	236	-	16	8	-	-	612	89,308	-	-	89,308
115	15. Operations and Maintenance Manual (Additional)	-	6	-	88	-	24	-	60	8	6	-	-	192	31,940	3,234	3,234	35,174
<b>GRAND TOTAL (including Optional Tasks)</b>		<b>34</b>	<b>402</b>	<b>644</b>	<b>334</b>	<b>446</b>	<b>230</b>	<b>350</b>	<b>136</b>	<b>113</b>	<b>61</b>	<b>56</b>	<b>8</b>	<b>2,814</b>	<b>445,444</b>	<b>149,583</b>	<b>149,583</b>	<b>595,027</b>
<i>1. Hours and Dollars are rounded to nearest whole number.</i>																		



**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize City Manager to Amend Contract No. 7528 with OTAK, Inc. in the Amount of \$18,400 for the 145 <sup>th</sup> Street Station Subarea Plan
<b>DEPARTMENT:</b>	Planning & Community Development
<b>PRESENTED BY:</b>	Miranda Redinger, Senior Planner Rachael Markle, AICP, Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On May 2, 2016, Council directed staff to analyze a fourth alternative (Compact Community Hybrid) and a potential phased approach to all action alternatives through the Final Environmental Impact Statement (FEIS) for the 145<sup>th</sup> Street Station Subarea Plan. This additional work will require an amendment to the City's contract with OTAK, Inc., which exceeds the authority of the City Manager to execute the contract amendment without City Council approval.

**RESOURCE/FINANCIAL IMPACT:**

The additional contract amount with OTAK, Inc. is \$18,400. This amendment will not have a new financial impact however as the Council approved funds for the analysis of a fourth alternative on April 6, 2015 and additional funding for professional services for the 145<sup>th</sup> Street Station Subarea Plan through the 2016 Planning & Community Development budget.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to amend Contract No. 7528 with OTAK, Inc. for the 145<sup>th</sup> Street Station Subarea Plan in the amount of \$18,400.

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



## **BACKGROUND**

The City originally contracted with OTAK, Inc. to develop the 145<sup>th</sup> Street Station Subarea Plan on May 29, 2014 in the amount of \$183,000. Since the original scope of work was defined, the City has requested additional work requiring amendments to the contract. Two budget amendments were requested and approved on April 6, 2015 as part of a 2015 budget amendment. The staff report for this agenda item is available at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport040615-9b.pdf>.

The first amendment requested for the 145th Street Station Subarea Plan at the April 6, 2015 meeting was for map and plan revisions, an analysis of a potential fourth EIS alternative, additional traffic modeling, and postage/printing costs for station area mailings. The second increase was requested to fund additional environmental analysis, specifically, scientific reconnaissance of the wetlands/streams at Paramount Open Space and Twin Ponds to better understand the extent of the resources including an estimate of maximum buffer limits based on SMC 20.80, preparation of a “white paper” on the impact to the functions and values of the wetlands under current and proposed zoning for areas determined to likely contain the wetlands/streams and associated buffers, and a preparation of a “white paper” regarding construction types and cost based feasibility of developing in areas that have a higher susceptibility for liquefaction.

## **DISCUSSION**

In addition to the deliverables stated above, the City has also requested the creation of multiple maps and other graphics to assist in Planning Commission and City Council decision-making, assistance with Growth Management Hearings Board and Circuit Court appeals, and other work associated with extending the project timeline beyond the original anticipated date of completion. These requests incurred additional costs in 2015 and 2016.

While the possibility that Council would request analysis of a fourth alternative zoning scenario to be studied in the FEIS was anticipated, the request to analyze phasing of all action alternatives was not. In addition to traffic modeling required to analyze the Compact Community Hybrid zoning scenario, the sub-consultant Fehr & Peers will also need to extrapolate from modeling performed on all action alternatives to determine potential transportation impacts and mitigations for a phased approach to zoning. This approach could also redefine impacts and mitigations with regard to utilities and other elements analyzed through the FEIS.

While the work to draft an addendum to the Draft Environmental Impact Statement (DEIS) in the form of a Wetlands and Streams Assessment and Geotechnical Considerations of High Groundwater and Peat Conditions was included in the second amendment budget request on April 6, 2015, additional funding to incorporate these technical memos into the FEIS was not. A presentation requested by Planning Commission for their February 18, 2016 meeting by the Wetlands Biologist and Geotechnical Engineer who drafted the technical memos was also not included in the

original scope approved by Council on April 6, 2015. When the City chose to offer a 30 day comment period on the addendum to the DEIS, no additional budget was allocated for OTAK to respond to comments received on the addendum in the FEIS.

At this point, in order to complete the 145<sup>th</sup> Street Station Subarea Plan according to the current timeline, another amendment to the contract is necessary. The cumulative proposed amendments to this contract now exceed the \$50,000 signing authority granted to the City Manager without Council approval. Therefore, staff requests this approval directly from Council.

### **COUNCIL GOALS ADDRESSED**

Completing subarea planning for the 145<sup>th</sup> Street Station would be a significant step towards completion of Council Goal #3, "Prepare for two light rail stations."

### **RESOURCE/FINANCIAL IMPACT**

The additional contract amount with OTAK, Inc. is \$18,400. This amendment will not have a new financial impact however as the Council approved funds for the analysis of a fourth alternative on April 6, 2015 and additional funding for professional services for the 145<sup>th</sup> Street Station Subarea Plan through the 2016 Planning & Community Development budget.

### **RECOMMENDATION**

Staff recommends that Council authorize the City Manager to amend Contract No. 7528 with OTAK, Inc. for the 145<sup>th</sup> Street Station Subarea Plan in the amount of \$18,400.

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 745 - Amending Chapter 8.12 Rules for Use of City of Shoreline Park Facilities to the Shoreline Municipal Code, Specifically Section 8.12.500 Alcoholic Beverages, to Include the Kruckeberg Botanic Garden
<b>DEPARTMENT:</b>	Parks, Recreation and Cultural Services
<b>PRESENTED BY:</b>	Eric Friedli, PRCS Director
<b>ACTION:</b>	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

In 2012 the City Council adopted Ordinance No. 647 that added the Terrace at Richmond Beach Saltwater Park and the Amphitheater at Cromwell Park to the list of park locations in the City where the sale and consumption of beer and wine is permitted with the approval of the Parks, Recreation and Cultural Services (PRCS) Director. In 2015, the Executive Director of the Kruckeberg Botanic Garden (KBG) Foundation requested permission to serve alcohol at a fund-raising event at the Garden. Her request was denied because it was not allowed under the current Shoreline Municipal Code (SMC), Section 8.12.500.

Proposed Ordinance No. 745 would amend SMC 8.12.500 to add KBG to the list of park locations where beer and wine are permitted. Proposed Ordinance No. 745 was discussed by the Council at their May 23, 2016 meeting. There was general Council support for the staff recommendation to approve the proposed ordinance.

**RESOURCE/FINANCIAL IMPACT:**

No financial impacts are expected from this action.

**RECOMMENDATION**

Staff recommends adoption of proposed Ordinance No. 745 to allow the sale and consumption of beer and wine at Kruckeberg Botanic Garden.

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

## **BACKGROUND**

Shoreline Municipal Code (SMC) Section 8.12.500 identifies the Shoreline park locations where alcohol is permitted. It also states what type of alcohol may be consumed in these locations. Specifically, it states:

### **8.12.500 Alcoholic beverages.**

No person shall possess any alcoholic beverage or liquor in any city park area, including unopened beverage containers, except the sale and/or consumption of beer and wine is permissible in designated areas approved by the director at the following locations:

- A. Indoors at the Richmond Highland Recreation Center;
- B. The Terrace at Richmond Beach Saltwater Park;
- C. The Amphitheater at Cromwell Park.

All events that include sale or consumption of beer and wine must have an alcohol use permit issued by the department, comply at all times with occupancy limits designated for the permit areas, and conform to permit and other requirements of the Washington State Liquor Control Board and state law. [Ord. 647 § 1, 2012; Ord. 195 § 1, 1999]

## **DISCUSSION**

In 2015, the Executive Director of the Kruckeberg Botanic Garden (KBG) Foundation requested permission to serve alcohol at a fund-raising event at the Garden. Her request was denied because it was not allowed under the current the current code. Staff reviewed the regulations of alcohol permits in city parks. Proposed Ordinance No. 745, which is attached to this staff report as Attachment A, would amend SMC 8.12.500 to add KBG to the list of park locations where beer and wine are permitted.

On April 28, 2016, the PRCS Board voted to recommend that the City Council approve proposed Ordinance No. 745, with four votes in favor and one abstention. The proposal was first introduced to the PRCS Board at its regular meeting on March 24, 2016, and the Board agreed to host a public hearing on this issue at its meeting on April 28, 2016. On March 28, 2016 letters were sent to each resident adjacent to and across the street from KBG informing them of the proposal and announcing the April 28<sup>th</sup> public hearing. On April 15<sup>th</sup> formal notice of the Public Hearing was issued.

Proposed Ordinance No. 745 was discussed by the Council at their May 23, 2016 meeting. There was general Council support for the staff recommendation to approve the proposed ordinance. The staff report for the May 23<sup>rd</sup> Council discussion of this item can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport052316-8b.pdf>.

## **RESOURCE/FINANCIAL IMPACT**

No financial impacts are expected from this action.

## **RECOMMENDATION**

Staff recommends adoption of proposed Ordinance No. 745 to allow the sale and consumption of beer and wine at Kruckeberg Botanic Garden.

## **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 745

**CITY OF SHORELINE, WASHINGTON**

**ORDINANCE NO. 745**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING CHAPTER 8.12 RULES FOR USE OF CITY OF SHORELINE PARK FACILITIES TO THE SHORELINE MUNICIPAL CODE, SPECIFICALLY SECTION 8.12.500 ALCOHOLIC BEVERAGES, TO INCLUDE THE KRUCKEBERG BOTANIC GARDEN.**

WHEREAS, Shoreline Municipal Code (SMC) Chapter 8.12 established rules for the use of City of Shoreline Park Facilities; and

WHEREAS, the Kruckeberg Botanic Garden is a City park facility; and

WHEREAS, SMC 8.12.500 authorizes the sale and/or consumption of beer and wine in certain designated park facilities; and

WHEREAS, the Kruckeberg Botanic Garden Foundation has expressed a desire to serve beer and wine at special events at the Kruckeberg Botanic Garden; and

WHEREAS, the Kruckeberg Botanic Garden meets the criteria for parks that are most conducive to permitting alcohol at special events including easily contained and controlled, having limited impact on other park patrons or surrounding neighborhoods, and areas that would be most desirable for special events involving alcohol; and

WHEREAS, the Parks, Recreation and Cultural Services Board reviewed the proposal, gathered public input including holding a public hearing on April 28, 2016 and recommends approval of the proposal;

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

**Section 1. SMC 8.12.500 Alcoholic beverages.** A new section, section “D” of SMC 8.12.500 Alcoholic beverages, is hereby adopted to read as follows:

D. Kruckeberg Botanic Garden.

**Section 2. Severability.** If any portion of this chapter is found to be invalid or unenforceable for any reason, such finding shall not affect the validity or enforceability of any other chapter or any other section of this chapter.

**Section 3. Publication and Effective Date.** A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

**PASSED BY THE CITY COUNCIL ON JUNE 6, 2016**

\_\_\_\_\_  
Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Date of Publication: \_\_\_\_\_, 2016

Effective Date: \_\_\_\_\_, 2016

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 746 Granting a Non-Exclusive Franchise to Qwest Broadband Services Inc., d/b/a CenturyLink, to Operate a Cable System Within City Rights-of-Way
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Alex Herzog, CMO Management Analyst
<b>ACTION:</b>	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City has received an application for a new right-of-way franchise from Qwest Broadband Services Inc., doing business as (d/b/a) CenturyLink, for a cable system in Shoreline. CenturyLink will provide cable, internet access, and phone line services to potential customers.

Shoreline Municipal Code (SMC) Section 5.20, the section of code that governs cable franchising, states that the City Council is required to hold a public hearing prior to the granting a cable franchise. SMC Section 12.25 also applies to franchisees, and the applicant has met or will meet these provisions upon approval of the franchise.

Proposed Ordinance No. 746 (Attachment A) would grant this non-exclusive right-of-way franchise to Century Link (Exhibit A). Council discussed and held a public hearing on the proposed ordinance on May 16, 2016.

**RESOURCE/FINANCIAL IMPACT:**

There is no negative fiscal impact to the City in adopting proposed Ordinance No. 746; however, the total impact is unknown, as CenturyLink has yet to market its cable services to retail customers in Shoreline.

If adopted, the agreement enables the City to collect a franchise fee of 5% of CenturyLink's gross revenues. The other revenue sources for the City of Shoreline tied to franchise issuance are the utility tax and Education and Government Access (EG) fees collected from CenturyLink subscribers. The City of Shoreline will collect a 6% utility tax and fifteen cents (\$0.15) per subscriber per month EG fee from subscribers.

Additionally, the City intends to assess full administrative costs for processing the franchise application and right-of-way permits for the new system and improvements. The costs for these services will be deducted from the \$5,000 deposit provided by CenturyLink as required by SMC 12.25.040.



**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 746 approving a non-exclusive franchise agreement for operating a cable system within City rights-of-way to Qwest Broadband Services Inc., d/b/a CenturyLink.

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

## **BACKGROUND**

RCW 35A.47.040 authorizes code cities to permit and regulate non-exclusive franchises for use of public streets for a variety of public and private utilities, including conduits and wires for the transmission and distribution of signals and other methods of communication. An ordinance granting a franchise must receive a majority vote of the full council membership.

Additionally, potential cable franchisees are subject to two sections in the SMC: section 5.20.020 states that “it shall be unlawful to engage in or commence construction, operation, or maintenance of a cable television system without a franchise issued under this chapter,” and section 12.25.030 states that “it shall be unlawful to construct, install, maintain or operate any facility in, on, above, or below the public right-of-way without a valid franchise agreement obtained pursuant to the provision of this chapter.”

SMC Section 5.20, the section of code that governs cable franchising, states that the City Council is required to hold a public hearing prior to the granting a cable franchise to determine if:

- The public will be benefited by the granting of a franchise to the applicant
- The applicant has the requisite financial and technical resources and capabilities to build, operate and maintain a cable television system in the area
- The applicant has no conflicting interests, either financial or commercial, which will be contrary to the interests of the city
- The applicant will comply with all terms and conditions placed upon a franchisee by this chapter
- The applicant is capable of complying with all relevant federal, state, and local regulations, codes and standards pertaining to the construction, operation and maintenance of the facilities and systems incorporated in its application for a franchise
- The public rights-of-way have the capacity to accommodate the cable television system
- The proposed franchise is consistent with the city’s present and future use of the public rights-of-way to be used by the cable television system
- The benefit to the public from the cable television system outweighs the potential disruption to existing users of the public rights-of-way
- All other conditions resulting from the grant of the franchise have been considered by the city and that the city determines that the grant is still in the public’s best interest

SMC 12.25, *Right-of-Way Franchises*, establishes the requirement for a franchise or other right-of-way agreement for use of the City’s rights-of-way and application procedures. CenturyLink has complied with the application requirements of this chapter including a \$5,000 fee deposit. Grounds for revocation of a franchise are set forth in SMC 12.25.100, and these are incorporated by reference in Proposed Ordinance No. 746.

SMC 12.15 *Use of Right-of-Way* provides regulations for permitting use of rights-of-way, including utilities, and will be applied if a franchise is not successfully negotiated. This chapter also includes expedited blanket and minor use permit processes for work in the right-of-way by franchisees in good standing, e.g. those in compliance with a long term franchise agreement.

Council discussed and held a public hearing on the proposed ordinance on May 16, 2016. Materials from that meeting can be found on the City's website: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport051616-8a.pdf>.

## **DISCUSSION**

CenturyLink is a new entrant as a cable system operator in Shoreline. It is a publicly owned company. CenturyLink's parent company is Qwest Broadband Services Inc., which owns a number of other companies.

Neither CenturyLink nor its parent companies have filed for relief under any provision of the bankruptcy laws of the United States, have had an involuntary petition against them pursuant to the Bankruptcy Code, been the subject of any state law insolvency proceeding such as a transfer for the benefit of creditors, have had a franchise agreement revoked, have been found guilty by any federal, state, or municipal court or administrative agency in the United States, of a) violation of a security, or antitrust law; or b) felony or any other crime involving moral turpitude.

CenturyLink has sufficiently met a large majority of the requirements of the City's code in pursuit of a franchise agreement, including submitting a deposit of \$5,000 for the costs associated with the City's evaluation of the application for franchise. CenturyLink has agreed to acquire and submit a performance bond in the amount of \$30,000 upon approval of the franchise.

A new franchisee for cable services in Shoreline promotes economic development by allowing utilization of unused capacity of an existing right-of-way by a new business. As well, adoption of this franchise makes cable services more competitive for commercial properties in the City as the system is expanded.

The substantive portions of the proposed franchise are outlined below:

- Section 2.9: The term of the Franchise is seven (7) years and will be automatically extended for an additional two (2) years unless either party provides written notice to the other to the contrary.
- Section 3.9: All work authorized and required in the Franchise shall be done in a safe, thorough and workmanlike manner. CenturyLink must comply with all federal, State and local safety requirements, rules, regulations, laws and practices, and deploy all necessary devices as required by applicable law during construction, operation and repair of its Cable System.

- Section 6 (and an attachment of the Franchise): Extensive customer service standards, including requirements regarding availability for customer inquiries, billing, outage and service interruptions, installation and service calls, customer privacy and communications with subscribers, and complaint procedures have been written into the franchise as an attachment. City staff is working with Century Link staff to finalize the customer service standards and a draft version has been included in tonight's materials. The Customer Service Standards are attached to this staff report as Exhibit B.
- Section 7: Affirms that CenturyLink is subject to a Franchise Fee in an amount equal to 5% of Gross Revenues derived from the operation of the Cable System in Shoreline and the 6% utility tax imposed by SMC 3.32 for cable services provided to customers within Shoreline. The City will also collect Education and Government Access fee of \$.15 per subscriber (Section 11.7).
- Section 8: Includes a City approval process for transfer and renewal of the franchise.
- Section 9.1: Standard insurance provisions are included in this section, including \$2,000,000 of Commercial General Liability, \$1,000,000 of Employer's Liability and \$3,000,000 of Umbrella/Excess Liability coverage.
- Section 9.4: Within 30 days after the effective date of this Franchise, CenturyLink shall provide a performance bond in the amount \$30,000 to ensure the faithful performance of its responsibilities under this Franchise and applicable law.
- Section 11: The Franchise secures one dedicated Governmental Access Channel and one dedicated Educational Access Channel for the community.
- Section 11.7: CenturyLink will collect an Education and Government Access program fee of \$0.15 per subscriber per month.
- Section 13: If CenturyLink breaches any of the provision in the Franchise, this section provides for liquidated damages at the rates specified, which may be assessed for no more than 75 calendar days for any individual incident. This protection is in addition to the City's other legal remedies.
- Section 14: This section details the process for revocation of the Franchise.

### **FINANCIAL IMPACT**

There is no negative fiscal impact to the City in adopting proposed Ordinance No. 746; however, the total impact is unknown, as CenturyLink has yet to market its cable services to retail customers in Shoreline.

If adopted, the agreement enables the City to collect a franchise fee of 5% of CenturyLink's gross revenues. The other revenue sources for the City of Shoreline tied to franchise issuance are the utility tax and Education and Government Access (EG) fees collected from CenturyLink subscribers. The City of Shoreline will collect a 6% utility tax and fifteen cents (\$0.15) per subscriber per month EG fee from subscribers.

Additionally, the City intends to assess full administrative costs for processing the franchise application and right-of-way permits for the new system and improvements.

The costs for these services will be deducted from the \$5,000 deposit provided by CenturyLink as required by SMC 12.25.040.

**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 746 approving a non-exclusive franchise agreement for operating a cable system within City rights-of-way to Qwest Broadband Services Inc., d/b/a CenturyLink.

**ATTACHMENTS**

- Attachment A: Proposed Ordinance No. 746 Granting a Non-Exclusive Franchise to Qwest Broadband Services Inc., d/b/a CenturyLink, to Operate a Cable System Within City Rights-of-Way
- Exhibit A: Cable Franchise Between the City of Shoreline and Qwest Broadband Services Inc., d/b/a CenturyLink
- Exhibit B: CenturyLink Cable Franchise Customer Service Standards

**ORDINANCE NO. 746**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, GRANTING A NON-EXCLUSIVE FRANCHISE TO QWEST BROADBAND SERVICES, INC. D/B/A CENTURYLINK, LEGALLY AUTHORIZED TO CONDUCT BUSINESS IN THE STATE OF WASHINGTON, FOR THE PRUPOSE OF CONSTRUCTING, INSTALLING, OPERATING, AND MAINTAINING A CABLE COMMUNICATION SYSTEM IN CERTAIN PUBLIC RIGHTS-OF-WAYS IN THE CITY.**

WHEREAS, Qwest Broadband Services, Inc. d/b/a Centurylink is a cable communication company providing video programming and other programming services to its customers; and

WHEREAS, Qwest Broadband Services, Inc. d/b/a Centurylink's desired route through the City of Shoreline, hereinafter referred to as the "City," requires the use of certain portions of City rights-of-way for the installation, operation, and maintenance of a cable system; and

WHEREAS, the City Council has determined that the use of the City's rights-of-way for installation, operation, and maintenance of a cable system benefits the citizens of Shoreline as a result of such services; and

WHEREAS, the franchise for use of public rights-of-way allow for the construction, installation, operation, and maintenance of a cable system necessary to serve the future needs of the citizens of Shoreline and the coordination, planning, and management of the City's rights-of-way is necessary to ensure that the burden of costs relating to use of the public rights-of-way are fairly allocated; and

WHEREAS, RCW 35A.11.020 grants the City broad authority to regulate the use of the public right-of-way and RCW 35A.47.040 grants the City broad authority to grant non-exclusive franchise agreements and SMC 12.25 requires a franchise agreement for the use of public rights-of-way; now therefore;

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASINGTON DOES ORDAIN AS FOLLOWS:

**Section 1. Non-Exclusive Franchise Granted.** The City hereby grants, subject to the terms and conditions of the Franchise Agreement, hereto attached as Exhibit A, to Qwest Broadband Services, Inc. d/b/a/ Centurylink a nonexclusive Franchise authorizing Qwest Broadband Services, Inc. d/b/a/ Centurylink to construct and operate a cable system in, along, among, upon, across, above, over, under, or in any manner connected with Public Rights-of-Way within the Franchise Area, that area being the municipal boundaries of the City as of the

effective date of this Ordinance, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Rights-of-Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the cable system.

**Section 2. Publication and Cost.** The City Clerk is hereby directed to publish a summary of this Ordinance in the official newspaper of the City. The cost of publication of this Ordinance shall be borne by Qwest Broadband Services, Inc. d/b/a Centurtylink who shall reimburse the City for such costs within thirty (30) days of receipt of the City's invoice.

**Section 3. Franchise Acceptance.** The City Clerk shall forward a certified copy of this Ordinance to Qwest Broadband Services, Inc. d/b/a Centurtylink for full acceptance. The full acceptance of the Ordinance, the Franchise Agreement and all the terms and conditions shall be filed by Qwest Broadband Services, Inc. d/b/a Centurtylink with the City Clerk within thirty (30) days of the effective date of this Ordinance. Failure on the part of Qwest Broadband Services, Inc. d/b/a Centurtylink to file said consent within thirty (30) days of the effective date of this Ordinance shall result in this Ordinance having no further force or effect and all rights granted under the Franchise Agreement shall terminate and be null and void.

**Section 4. Severability.** If any section, sentence, clause, or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any of section, sentence, clause, or phrase of this Ordinance.

**Section 5. Effective Date.** This Ordinance shall take effect and be in full force five (5) days after the date of publication.

**PASSED BY THE CITY COUNCIL ON JUNE 6, 2016**

\_\_\_\_\_  
Mayor Christopher Roberts

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Margaret King  
City Attorney

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

Date of Publication: , 2016  
Effective Date: , 2016



**FRANCHISE**

**Between**

**SHORELINE, WASHINGTON**

**And**

**QWEST BROADBAND SERVICES, INC. D/B/A  
CENTURYLINK**

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**Franchise**

This Cable Franchise (hereinafter, the “Franchise”) is entered into by and between the City of Shoreline, Washington (hereinafter, “City”) and, Qwest Broadband Services, Inc., d/b/a CenturyLink, a Delaware corporation, “Grantee”).

WHEREAS, the City wishes to grant Grantee a nonexclusive franchise to construct, install, maintain, and operate a cable communications system in the Franchise Area as designated in this Franchise;

WHEREAS, the City is a “franchising authority” in accordance with Title VI of the Cable Act (*see* 47 U.S.C. §522(10)) and Washington State law;

WHEREAS, the City has identified the future cable-related needs and interests of the City, has considered the financial, technical and legal qualifications of Grantee, and has determined that Grantee’s Cable System is adequate, in a full public proceeding affording due process to all parties;

WHEREAS, the City desires to protect and manage the Rights-of-Way, require standards of customer service, receive financial compensation for Grantee's use of the Rights-of-Way as provided by federal law, obtain complimentary Cable Services for public buildings , obtain use of educational and governmental channels, and establish certain reporting and record access requirements pursuant to Federal and State law;

WHEREAS, the City and Grantee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions.

NOW, THEREFORE, in consideration of the City’s grant of a franchise to Grantee, Grantee’s promise to provide Cable Service to residents of the Franchise Area as set forth in the agreement, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

**THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:**

The City, having determined that the financial, legal, and technical ability of Grantee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the cable-related needs of the community, desires to enter into this Franchise with Grantee for the operation and maintenance of a Cable System on the terms and conditions set forth herein.

**SECTION 1. Definition of Terms**

For the purpose of this Franchise, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them herein. The word "shall" is always mandatory and not merely directory.

1.1 “Access” means the availability for noncommercial use by various educational and governmental agencies, institutions and organizations in the community, including the City and its designees, of Channels on the Cable System designated for such use as permitted under applicable law:

(A) “Educational Access” means Access where Schools are the primary users having editorial control over programming.

(B) “Governmental Access” means Access where governmental institutions or their designees are the primary users having editorial control over programming.

(C) “Educational and Governmental Access” or “EG Access” means the availability for noncommercial use of a Channel or Channels on the Cable System by various governmental and educational agencies including the City and its designees.

1.2 “Access Channel” means any Channel, or portion thereof, designated for noncommercial Access purposes or otherwise made available to facilitate or transport Access programming.

1.3 “Affiliate” means, when used in connection with Grantee, any Person who owns or controls, is owned by or controlled by, or is under common ownership or control with Grantee.

1.4 “Bad Debt” means amounts lawfully owed by a Subscriber and accrued as revenue on the books of Grantee, but not collected after reasonable efforts by Grantee.

1.5 “Basic Service” means the lowest Tier of Cable Service that includes, at a minimum, the retransmission of local television Broadcast Signals and Access programming. “Cable Act” means the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, and as amended by the Telecommunications Act of 1996, and any amendments thereto, 47 U.S.C. § 521 *et. seq.*

1.6 “Cable Operator” means any Person or group of Persons, including Grantee, who provide Cable Service over a Cable System and directly or through one or more Affiliates own a significant interest in such Cable System or who otherwise Control or are responsible for, through any arrangement, the management and operation of such a Cable System.

1.7 “Cable Service(s)” means (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming service, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service, 47 U.S.C. § 522(6).

1.8 “Cable System” means a cable system as defined in Title VI of the Federal Communications Act of 1934, 47 U.S.C. § 522(7), as amended, and any implementing

regulations. Unless otherwise specified, references in this Franchise to the Cable System refer to the Cable System utilized by Grantee to provide Cable Services in the Franchise Area.

1.9 “Channel” means a portion of the electromagnetic frequency spectrum which is used in a Cable System and which is capable of delivering a television channel, whether delivered in an analog or digital format.

1.10 “City” means City of Shoreline, a municipal corporation of the State of Washington.

1.11 “Control” means the ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of Grantee’s affairs.

1.12 “Days” means calendar days.

1.13 “FCC” means the Federal Communications Commission or successor governmental entity thereto.

1.14 “Franchise” means this document and any amendments or modifications hereto.

1.15 “Franchise Area” means the area within the present legal boundaries of the City as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means.

1.16 “Gross Revenues” means any and all revenue derived by Grantee or its Affiliates from the operation of the Cable System in the Franchise Area to provide Cable Services, calculated in accordance with Generally Accepted Accounting Principles (“GAAP”).

1.16.1 Gross revenues shall include but shall not be limited to the following:

- (a) fees charged for Basic Service;
- (b) fees charged to Subscribers for any service tier other than Basic Service;
- (c) fees charged for premium Channel(s), e.g. HBO, Cinemax, or Showtime;
- (d) fees charged to Subscribers for any optional, per-Channel, or per-program services;
- (e) charges for installation, additional outlets, relocation, disconnection, reconnection, and change-in-service fees for Cable Service;
- (f) fees for service calls;



(g) rental of Customer equipment, including converters (e.g. set top boxes, high definition converters, and digital video recorders) and remote control devices;

(h) advertising sales revenue, minus commissions due to advertising agencies that arrange for the advertising buy, as calculated under GAAP;

(i) revenue from leased Access Channel(s);

(j) revenues received in connection with the carriage of home shopping Channels;

(k) fees for any and all music services that are deemed to be a Cable Service over a Cable System;

(l) revenue from the sale of program guides;

(m) late payment fees;

(n) Franchise fees hereunder.

1.16.2 Gross Revenues shall not include:

(a) sales of capital assets or sales of surplus equipment;

(b) program launch fees;

(c) any fees or charges collected from Subscribers or other third parties for EG fees;

(d) Bad Debt; provided, however, that all or part of any such Bad Debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected;

(e) any taxes on services furnished by the Grantee which are imposed directly on any Subscriber or user by the State, City or other governmental unit and which are collected by the Grantee on behalf of said governmental unit;

1.15.3 The value of the complimentary Cable Services provided herein shall not increase or decrease Gross Revenues for the purpose of calculating Franchise Fees.

1.16 "Locally Scheduled Original Programming" means Government Access or Educational Access programming that is created by the City or their designated Access provider(s) including edited coverage of live programming. Such Locally Scheduled Original Programming shall not be considered as qualifying as such after two (2) cablecasts (initial airing and first repeat). Automated Video Programming filler, such as cablecasts of highways and

roads, AM/FM Radio programming, NASA or video bulletin boards does not constitute Locally Scheduled Original Programming that qualifies herein.

1.17 “Mosaic” or “Mosaic Channel” means a channel which displays miniaturized media screens and related information for a particular group of channels with common themes. The Mosaic Channel serves as a navigation tool for Subscribers, which displays the group of Access Channels on a single channel screen and also provides for easy navigation to a chosen Access Channel.

1.18 “Person” means any natural person or any association, firm, partnership, joint venture, corporation, limited liability company or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the City.

1.19 “Public Rights-of-Way” or “Rights-of-Way” means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, lane, drive, circle or other public right-of-way, including, but not limited to, utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the City in the Franchise Area, which shall entitle the City and Grantee to the use thereof for the purpose of constructing, installing, operating, repairing, upgrading and maintaining the Cable System. Public Rights-of-Way shall also mean any easement now or hereafter held by the City within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle Grantee to the use thereof for the purposes of constructing, installing, operating, and maintaining Grantee’s Cable System over existing poles and wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and appurtenant to the Cable System.

1.20 “QC” means Qwest Corporation d/b/a CenturyLink (“QC”), an Affiliate of Grantee.

1.21 “Qualified Living Unit” means a distinct address in the QC network inventory database, including but not limited to single family homes, multiple-dwelling units, and business locations, that meets the minimum technical qualifications defined by Grantee for provision of Cable Service

1.22 “School” means any State accredited K-12 educational institution, public or private, but excluding home schools.

1.23 “State” means the State of Washington.

1.24 “Subscriber” or “Customer” means a Person lawfully receiving any Cable Service over the Cable System with Grantee’s express permission whether or not a fee is paid. In the case of multiple office buildings or Multiple Dwelling Units, the “Subscriber” means the lessee, tenant, or occupant.

**SECTION 2. Grant of Authority**

2.1 Grant. The City hereby grants to Grantee under the Cable Act a nonexclusive Franchise authorizing Grantee to construct and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Rights-of-Way within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Rights-of-Way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System.

2.2 Grant of Authority. Subject to the terms and conditions of this Franchise and the Cable Act, the City hereby grants Grantee the right to own, construct, operate and maintain a Cable System along the Rights-of-Way within the Franchise Area, in order to provide Cable Service. No privilege or power of eminent domain is bestowed by this grant; nor is such a privilege or power bestowed by this Franchise.

Any Affiliate of Grantee directly involved in the offering or delivery of Cable Services in the Franchise Area, or directly involved in the management or operation of the Cable System in the Franchise Area, shall comply with the obligations of this Franchise. However, the Parties acknowledge that QC, an Affiliate of Grantee, will be primarily responsible for the construction and installation of the facilities in the Rights-of-Way which will be utilized by Grantee to provide Cable Service, including Cable Services utilizing QC's Fiber-to-the-Premises Network or Fiber-to-the-node infrastructure. So long as QC does not provide Cable Services to Subscribers in the City, QC will be subject only to the terms and conditions contained in this Franchise related, directly or indirectly, to construction, installation, and maintenance of Facilities in the Rights-of-Way. QC's construction, installation, and maintenance of Facilities in the Rights-of-Way shall be subject to applicable laws and permit requirements. To the extent Grantee uses any third-parties (whether or not affiliated with Grantee) to fulfill its obligations under this Franchise, Grantee shall ensure such parties comply with the terms and conditions of this Franchise. To the extent Grantee constructs, installs, and maintains Facilities in the Rights-of-Way, such Facilities will be subject to the terms and conditions contained in this Franchise. Grantee is responsible for compliance with all provisions in this Franchise related to: 1) its offering of Cable Services in the Franchise Area; and 2) the operation of the Cable System regardless of which entity owns or constructs the Facilities used to provide the Cable Service

2.3 Franchise Subject to Federal, State and Local Law. Subject to Section 2.8 and notwithstanding any provision to the contrary herein, this Franchise is subject to and shall be governed by all applicable provisions now existing or hereafter amended of federal, State and local laws and regulations.

2.4 Use of Rights of Way for non-Cable Service. This Franchise expressly authorizes Grantee to provide only Cable Services as allowed by applicable law, and to construct, operate or maintain Cable System facilities in the Franchise Area. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City an authorization to provide non-Cable Services or

relieve Grantee of its obligation to comply with any such authorization(s) that may be lawfully required.

2.5 No Rights by Implication. No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

2.5.1 Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City;

2.5.2 Any permit, agreement or authorization required by the City for Rights-of-Way users in connection with operations on or in Rights-of-Way or public property; or

2.5.3 Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise.

2.6 Conveyance of Rights. This Franchise is intended to convey limited rights and interests only as to those Rights-of-Way in which the City has an actual interest. It is not a warranty of title or interest in any Rights-of-Way; it does not provide the Grantee with any interest in any particular location within the Rights-of-Way; and it does not confer rights other than as expressly provided in the grant hereof.

2.7 No Waiver. The failure of City on one or more occasions to exercise a right or to require compliance or performance under this Franchise, the Cable Act or any other applicable State or Federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the City nor to excuse Grantee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.8 Other Ordinances. Grantee agrees to comply with the terms of any lawful, generally applicable local ordinance, including but not limited to Chapter 5.20 of the Shoreline Municipal Code in effect upon adoption of this Franchise. In the event of a conflict between any ordinance and a specific provision of this Franchise, the Franchise shall control, provided however that the Grantee agrees that it is subject to the lawful exercise of the police power of the City.

2.9 Term of Franchise. The term of this Franchise and all rights, privileges, obligations and restrictions pertaining thereto shall be seven (7) years (the "Term") from the Effective Date of this Franchise. The Term shall be automatically extended for an additional two (2) years, provided that such an automatic extension shall not occur if the City or Grantee provides written notice to the other party of their intent to not automatically extend the Term. Written notice to not automatically extend the Term must be provided to the other party no later than two (2) years prior to the expiration of the initial Term.

2.10 Effective Date.

2.10.1 This Franchise and the rights, privileges and authority granted hereunder shall take effect and be in force from and after the Effective Date of this Franchise. The Effective Date of this Franchise shall be the date upon which Grantee executes acceptance of this franchise agreement.

2.10.2 Within sixty (60) calendar days after the date of City Council approval of this Franchise and receipt of the approved document, Grantee shall signify its acceptance of this Franchise by executing this Franchise. Grantee shall return the executed Franchise along with any accompaniments as required by this Section 2.10.2 to the City Clerk. The executed Franchise shall be accompanied by the certificates of insurance specified in Section 9.2 and the evidence of the Security as specified in Section 9.5. This Franchise is voidable unless executed and returned with the required accompaniments as specified by this Section 2.10.2 by Grantee within this timeframe.

2.11 Effect of Acceptance. By accepting the Franchise, Grantee: (1) acknowledges and accepts the City's legal right to issue and enforce the Franchise; (2) accepts and agrees to comply with each and every provision of this Franchise subject to applicable law; and (3) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

2.12 Reservation of Authority. Nothing in this Franchise shall (1) abrogate the right of the City to perform any public works or public improvements of any description, (2) be construed as a waiver of any codes or ordinances of general applicability promulgated by the City, or (3) be construed as a waiver or release of the rights of the City in and to the Public Rights-of-Way.

2.13 Grant Not Exclusive. The Franchise and the rights granted herein to use and occupy the Rights-of-Way to provide Cable Services shall not be exclusive, and City reserves the right to grant other franchises for similar uses or for other uses of the Rights-of-Way, or any portions thereof, to any Person, or to make any such use themselves, at any time during the Term of this Franchise. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise and shall not interfere with existing facilities of the Cable System.

2.14 Grant of Other Franchises; Competitive Equity. Grantee acknowledges and agrees that the City reserves the right to grant one or more additional franchises subsequent to this Franchise to provide Cable Service within the Franchise Area; provided, the City agrees that it shall amend this Franchise to include any more beneficial material terms or conditions that it makes available to the new entrant within ninety (90) days of Grantee's request, so as to ensure that the regulatory and financial burdens on each entity are materially equivalent. "Material terms and conditions" include, but are not limited to: Franchise Fees; insurance; security instruments; Access Channel and support; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word-for-word identical franchise or authorization so long as the

regulatory and financial burdens on each entity are materially equivalent. If any subsequent franchise is granted by the City or by transfer, extension or renewal which, in the reasonable opinion of Grantee, contains materially more favorable or less burdensome terms or conditions than this Franchise, the City agrees that it shall amend this Franchise to include any more materially favorable or less burdensome terms or conditions in a manner mutually agreed upon by City and Grantee.

2.14.1 In the event an application for a new cable television franchise is filed with the City proposing to serve the Franchise Area, in whole or in part, the City shall serve or require to be served a copy of such application upon Grantee by registered or certified mail or via nationally recognized overnight courier service.

2.14.2 In the event that any non-wireless facilities based entity provides Cable Service or video service to the residents of the City under the authority granted by federal or State legislation or other regulatory entity, Grantee shall have a right to request Franchise amendments that relieve Grantee of regulatory burdens that create a competitive disadvantage to Grantee. In requesting amendments, Grantee shall file a petition seeking to amend the Franchise. Such petition shall: (1) indicate the presence of such non-wireline competitor; (2) identify the basis for Grantee's belief that certain provisions of the Franchise place Grantee at a competitive disadvantage; and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage. The City shall not unreasonably withhold consent to Grantee's petition.

2.15 Conditions of Sale. If a renewal or extension of Grantee's Franchise is denied or the Franchise is lawfully terminated, and the City lawfully acquires ownership of the Cable System, used exclusively for the provision of Cable Service, or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in Section 627 of the Cable Act.

2.16 Transfer upon Revocation. Grantee and the City agree that in the case of a final determination of a lawful revocation of the Franchise, the City shall give Grantee at least one hundred twenty (120) days to effectuate a transfer of its Cable System to a qualified third party. Furthermore, Grantee shall be authorized to continue to operate pursuant to the terms of its prior Franchise during this period. If, at the end of that time, Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the City, Grantee and the City may avail themselves of any rights they may have pursuant to federal or State law. It is further agreed that Grantee's continued operation of the Cable System during the one hundred twenty (120) day period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the City or Grantee.

2.17 Police Powers. Grantee's rights hereunder are subject to the police powers of City to adopt and enforce ordinances necessary to the safety, health and welfare of the public, and Grantee agrees to comply with all applicable laws, ordinances and regulations lawfully enacted pursuant to the police powers of City, or hereafter enacted in accordance therewith, by City or any other legally constituted governmental unit having lawful jurisdiction over the

subject matter hereof. The City reserves the right to exercise its police powers, notwithstanding anything in this Franchise to the contrary.

**SECTION 3. Construction and Maintenance of the Cable System**

3.1 Permits and General Obligations. Grantee shall be responsible for obtaining, at its own cost and expense, all permits, licenses, or other forms of approval or authorization necessary to construct, operate, maintain its facilities in the rights of way prior to the commencement of any such activity. Construction, installation, and maintenance of the Cable System shall be performed in a safe manner using materials that meet or exceed industry standards. All facilities, poles, conduits, cables, and equipment installed by Grantee for use in the Cable System in accordance with the terms and conditions of this Franchise shall be located so as to minimize interference with the designated use of the Public Rights-of-Way at the time of Cable System facilities installation.

3.2 Conditions on Occupancy of Public Rights-of-Way.

3.2.1 Relocation at Request of City. To the extent allowed by law, and except as provided herein, upon thirty (30) days prior written notice to Grantee, City shall have the right to require Grantee to relocate any part of Grantee's Cable System within the Public Rights-of-Way when the safety, health or welfare of the public requires such change, and the expense thereof shall be paid by Grantee. City is not required to provide thirty (30) days prior written notice in the event of an emergency. Should Grantee fail to remove or relocate any such facilities by the date established by City, City may remove or relocate such facilities, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by City due to Grantee's delay. If City requires Grantee to relocate its facilities located within the Public Rights-of-Way, City shall make a reasonable effort to provide Grantee with an alternate location within the Public Rights-of-Way. This Section 3.2.1 does not apply to overhead facilities that are converted to underground facilities, consistent with Section 3.4. If public funds are available to any Person using such Public Rights-of-Way for the purpose of defraying the cost of any of the foregoing, the City shall upon written request of Grantee make application for such funds on behalf of Grantee.

3.2.2 Temporary Relocation at Request of Third Party. Grantee shall, upon reasonable prior written request of any Person holding a permit issued by the City to move any structure, temporarily move its facilities to permit the moving of such structure; provided (i) Grantee may impose a reasonable charge on any Person for the movement of its facilities, and such charge may be required to be paid in advance of the movement of its wires or cables; (ii) Grantee is granted a permit for such work by the City if a permit is needed; and (iii) Grantee is given not less than ten (10) business days advance written notice to arrange for such temporary relocation.

3.2.3 Restoration of Rights-of-Way. Whenever Grantee disturbs the surface of any Rights-of-Way for any purpose, Grantee shall promptly restore the Rights-of-Way to a condition reasonably comparable to the condition of the Rights-of-Way immediately prior to

such disturbance. When any opening is made by Grantee in a hard surface pavement in any Rights-of-Way, Grantee shall promptly refill the opening and restore the surface as required by its permit. If Grantee fails to promptly restore the Rights-of-Way, the City may, after providing reasonable notice to Grantee, refill or repave any opening made by Grantee in the Rights-of-Way, and the reasonable expense thereof shall be paid by Grantee. The City may, after providing reasonable notice to Grantee, repair any work done by Grantee that, in the determination of the City, does not conform to applicable City specifications. The reasonable cost thereof, including the costs of inspection and supervision, shall be paid by Grantee.

3.3 Safety Requirements. The Grantee shall, at its own cost and expense, undertake all necessary and appropriate efforts to maintain its work sites in a safe manner in order to prevent accidents that may cause damage or injuries. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal and State regulations. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Public Rights-of-Way.

3.4 Aerial and Underground Construction. If all of the distribution lines of all of the wireline service providers, such as telecommunications service providers, as defined in RCW 35.99.010, a utility service provider or a Cable Operator (collectively "Service Providers") in any portion of the Franchise Area are underground, Grantee shall place its Cable System's distribution cables underground within that area; provided that such underground locations are actually capable of accommodating Grantee's cable and other equipment without technical degradation of the Cable System's signal quality. In any portion(s) of the Franchise Area where the distribution lines of any of the respective Service Providers are both aerial and underground, Grantee shall have the discretion to construct, operate, and maintain all of its distribution cables, or any part thereof, aurally or underground. In areas where a Service Provider's wiring is aerial, Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation. In those areas where neither aerial or underground distribution lines of any of the respective Service Providers exists, Grantee shall place its Cable System's distribution cables and other equipment underground. If funds exist, are set aside for such purpose, or provided by a third party, Grantee shall be entitled to seek reimbursement for its share of funds to offset the cost of placing its facilities underground. Grantee shall utilize existing conduit wherever possible.

3.4.1 The City shall not be required to obtain easements for Grantee. Grantee shall, to the extent economically feasible, participate with other providers in joint trench projects to relocate its overhead facilities underground and remove its overhead facilities in areas where utilities are being converted to underground facilities.

3.4.2 Nothing in this Section shall be construed to require Grantee to construct, operate, or maintain underground any ground-mounted appurtenances such as Customer taps, line extenders, system passive devices, amplifiers, power supplies, fiber splices, nodes, pedestals, or other related equipment.



3.4.3 To the extent allowed by law, in the event of a City driven facilities relocation project that requires conversion of overhead facilities to underground for purposes of health, safety or public welfare, Grantee agrees to bear the costs of converting Grantee's Cable System from an overhead system to an underground system as follows:

A. Utility Trench and Vault/Pedestal Engineering: To ensure proper space and availability in the supplied joint trench, Grantee shall only pay for the work hours necessary to complete Cable System related engineering coordination with the other utilities involved in the project.

B. Conduit and Vaults/Pedestals Placement: Grantee shall only pay for the direct cost of labor and materials it takes to place its conduits and vaults/pedestals in the supplied joint trench and/or solo cable trench as follows:

1. If the City contractor is completing this task, Grantee shall only pay the direct costs in accordance with Grantee's approved labor and materials exhibits at the time of the project.

2. If the direct costs of Grantee's approved labor and materials exhibits are not agreeable to the City or its contractor, Grantee shall have the option to hire its own contractor(s) to complete the work in accordance with Grantee's approved labor and materials exhibits at the time of the project.

3. If Grantee chooses to hire its own contractor(s), the City and its contractor(s) are responsible to coordinate with Grantee's contractor(s) to provide reasonable notice and time to complete the placement of Grantee's conduits and vaults/pedestals in the supplied joint trench.

C. Within the conversion area, Grantee shall not be responsible for any on-site coordination and performance of traffic control, trenching, backfill, and restoration, unless it is work related to solo cable trench. In those areas, Grantee shall pay the direct cost of labor and materials in accordance with the provisions listed in Section 3.4.3 B above.

3.4.4 In the event of a Local Improvement District (LID) project that requires relocation of Grantee's facilities, Grantee shall be reimbursed by the LID funding for all expenses incurred as a result of the project.

3.4.5 In the event an underground conversion of cable facilities is required as part of the street improvement condition(s) of a new subdivision and/or planned development, the developer shall be responsible for all time and material costs associated with the conditioned underground conversion of cable facilities.

3.4.6 Grantee shall utilize existing poles and conduit wherever possible.

3.5 Work of Contractors and Subcontractors. Grantee's contractors and subcontractors shall be licensed and bonded in accordance with the City's Ordinances, regulations and requirements. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by it and shall ensure that all such work is performed in compliance with this Franchise and applicable law. Grantee shall be jointly and severally liable for all property and personal damages and for correcting all damage caused by any contractor or subcontractor working on Grantee's behalf.

3.6 Construction and Maintenance.

3.6.1 Subject to applicable laws and this Franchise, including Section 2.2 Grantee shall perform all maintenance, construction, repair and upgrades necessary for the operation of its Cable System in the Rights-of-Way. Grantee's Cable System shall be constructed and maintained in such a manner as not to interfere with sewers, water pipes or any other property of the City, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been laid in Rights-of-Way by, or under, the City's authority.

3.6.2 If the Facilities' technology so requires, Grantee shall provide and use any equipment necessary to control and carry Grantee's signals so as to prevent damage to the City's property or property belonging to any Person. Grantee, at its own expense, shall repair, renew, change and improve its facilities and equipment to keep them in good repair and in a safe and presentable condition.

3.6.3 Grantee's Cable System shall be located, erected and maintained so as not to endanger the lives of Persons, or to unnecessarily hinder or obstruct the free use of Rights-of-Way or other public property.

3.6.4 Grantee shall give reasonable notice to private property owners of its construction work in adjacent Rights-of-Way.

3.6.5 In the event that emergency repairs are necessary, Grantee shall notify the City of the repairs made on the next business day or as soon as reasonably practical. Grantee may initiate such emergency repairs and shall apply for appropriate permits within two (2) business days after discovery of the emergency, or as soon as reasonably practical.

3.7 One Call Notification. Prior to doing any work in the Rights-of-Way, Grantee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes. Grantee shall also comply with generally applicable ordinances and permitting requirements before digging in the Rights-of-Way.

3.8 Rights-of-Way Vacation. To the extent allowed by law, if any Rights-of-Way or portion thereof used by Grantee is vacated by the City during the Term of this Franchise,

unless the City specifically reserves to Grantee the right to continue the use of vacated Rights-of-Way, Grantee shall, without delay or expense to the City, remove its facilities from such Rights-of-Way and restore, repair or reconstruct the Rights-of-Way where such removal has occurred. In the event of failure, neglect or refusal of Grantee to restore, repair or reconstruct such Rights-of-Way after thirty (30) days written notice from the City, the City may do such work or cause it to be done, and the reasonable cost thereof shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation.

3.9 Standards. All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. Grantee must comply with all federal, State and local safety requirements, rules, regulations, laws and practices, and deploy all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, Grantee must comply with the National Electrical Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards in effect at the time of the work being performed.

3.9.1 Grantee shall ensure that all cable drops are properly bonded and grounded at the home, consistent with applicable code requirements. All non-conforming or non-performing cable drops shall be replaced by Grantee as necessary.

3.9.2 Grantee shall endeavor to maintain all its equipment lines and facilities in an orderly manner, including, but not limited to, the removal of all bundles of unused cable.

3.9.3 All installations of equipment, lines and facilities by Grantee shall be installed in accordance with good engineering practices and of sufficient height to comply with all federal, State and local regulations, ordinances and laws.

3.9.4 Any opening or obstruction in the Rights-of-Way or other public places made by Grantee in the course of its operations shall be guarded and protected at all times by the placement of adequate barriers, fences or boarding, the bounds of which, during periods of dusk and darkness, shall be clearly marked and visible at night.

3.9.5 Grantee and the City agree that nothing in this Franchise shall give Grantee the right to construct new poles without prior City approval. Furthermore, nothing contained in this Franchise gives Grantee a right of pole attachment to City facilities or facilities owned by third parties.

3.10 Stop Work. On notice from the City that any work is being conducted contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as determined by the City, or in violation of the terms of any applicable permit, laws, regulations, ordinances or standards, the work may immediately be stopped by the City. The stop work order shall:

3.10.1 Be in writing;

- work site; 3.10.2 Be given to the Person doing the work and be posted on the
- herein; 3.10.3 Be sent to Grantee by overnight delivery at the address given
- and 3.10.4 Indicate the nature of the alleged violation or unsafe condition;
- 3.10.5 Establish conditions under which work may be resumed.

3.11 Joint Trenching/Boring. To the extent it is technically and economically feasible, Grantee shall joint trench or share bores or cuts and work with other providers (such as, but not limited to, telecommunications, gas and electric companies), licensees, permittees and franchisees so as to reduce the number of Right-of-Way cuts within the City.

3.12 GIS Mapping. A route map that depicts the general location of the Facilities placed in the Rights-of-Way shall be available for City review upon thirty (30) days written request by the City. The route map shall identify Cable System facilities as aerial or underground and is not required to depict cable types, number of cables, electronic equipment, and service lines to individual Subscribers. The Grantee shall also provide, if requested, an electronic format of the aerial/underground Cable System facilities in relation to the Right-of-Way centerline reference to allow the City to add this information to the City's GIS program.

3.13 Trimming of Trees and Shrubbery. Grantee shall have the authority to trim trees or other natural growth interfering with, damaging, or restricting access to any of its Cable System facilities in the Rights-of-Way. All such trimming shall be done at Grantee's sole cost and expense. Grantee shall be responsible for any damage caused by such trimming and shall make every attempt to trim such trees and shrubbery in a fashion that maintains their aesthetic appeal. Grantee shall comply with all local laws and regulations with respect to trimming of trees and shrubbery and with all generally applicable landscaping regulations.

3.14 Reservation of Rights-of-Way. Nothing in this Franchise shall prevent the City or public utilities from constructing any public work or improvement in the Public Rights-of-Way. All such work shall be done insofar as practicable so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System.

3.14.1 Inspection of Facilities. Upon reasonable notice, the City may inspect any of Grantee's Facilities or equipment within the Rights-of-Way and on other public property. If an unsafe condition is found to exist, the City, in addition to taking any other action permitted under applicable law, may order Grantee to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition by a time the City establishes. The City has the right to inspect, repair and correct the unsafe condition if Grantee fails to do so, and to reasonably charge Grantee therefore.

3.14.2 Removal of Property. In the event that the franchise has been terminated, Grantee shall, within 180 days of prior written demand from the City, completely remove, at its expense, all property of Grantee's system utilized exclusively for the provision of cable service. Post-removal, the Grantee must promptly restore the street or other affected areas to a condition satisfactory to the City.

**SECTION 4. Service Obligations**

4.1 General Service Obligation. Grantee shall provide Cable Services upon valid request, from any person in the City who resides in a Qualified Living Unit within seven (7) business days. A request shall be deemed placed on the date of signing a service agreement, receipt of funds by Grantee, or receipt by Grantee of a verified verbal or written request. Rates and charges may not exceed the Grantee's published rates.

4.2 Complimentary Cable Service. Grantee shall, upon request through the designated City representative and without charge, provide a standard installation and a minimum of one outlet of Basic and Expanded Basic Cable Services (and if necessary one (1) set top box ) to City administrative buildings as designated by the City (whether they are owned or leased), and fire station(s), police station(s), libraries, Access facilities and K-12 public School(s), provided that such City buildings are designated as Qualified Living Units and no other Cable Operator is providing Cable Services at such location. If the City building is designated as a Qualified Living Unit and another Cable Operator is providing Cable Services at such location, and the City building requests that Grantee be its Cable Operator, Grantee shall install and furnish, at its sole cost, Complimentary Cable Service to said building once the other Cable Operator's service is disconnected. The recipient of the service will secure any necessary right of entry. The Cable Service will not be used for commercial purposes, and the outlets will not be located in jail cells or areas open to the public, except for one outlet to be located in a public lobby in City Hall that will be used by the public for viewing the Government Access Channel. The City will take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in inappropriate use, loss or damage to the Cable System. If additional outlets of Cable Service are needed in such buildings, only the Grantee is authorized to complete the Cable Service expansion to support the outlet installation(s) and the building occupant will pay the standard installation fees, and pay the costs of any additional set top boxes. In instances where the City is leasing and occupying the building, the City shall be responsible for acquiring any necessary right of entry agreement and paying any associated fees that may be required by the building's owner. If the City wishes to discontinue its use of this service, it is responsible for the return of any and all equipment to the Grantee. The City and/or its designees are responsible for all Grantee's on premise equipment.

4.2.1 The Cable Service provided in accordance with this subsection shall not be distributed beyond the originally installed outlet without authorization from Grantee. If additional outlets are requested, the building owner and/or occupant shall be required to pay the usual installation fees associated therewith, including the charges for any additional set top boxes. To the extent that complimentary service is provided, there shall be no offset against Franchise Fees for such service. Outlets of Cable Service provided in accordance with this

Section 4.2.1 may be used to distribute Cable Services throughout such buildings, provided such distribution can be accomplished without causing Cable System disruption, general technical standards are maintained, and they City pays for additional set top boxes. Such outlets may only be used for lawful purposes consistent with Grantee's regular service practices. In the event that there is another wireline service provider (or providers) providing Cable Service within the City, the decision of which service provider will provide the complimentary service shall be decided on a case by case basis in an effort to maintain equitable burdens on each provider.

4.2.2 The Cable Service provided herein, shall not be used for commercial purposes, and the City shall take reasonable steps to limit display in public areas. In addition, the City shall take reasonable precautions to prevent any inappropriate use of the Cable Service or the Cable System that could result in damage to the Cable System.

4.3 Obscenity. Grantee shall not transmit, or permit to be transmitted, over any Channel subject to its editorial Control any programming that is obscene under applicable federal, State or local laws.

4.4 Services for the Disabled. Grantee shall comply with applicable provisions of the Americans with Disabilities Act and any amendments or successor legislation thereto.

4.5 Parental Control Device. Upon request by any Subscriber, Grantee shall make available at no charge a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

4.6 No Discrimination. Neither Grantee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial, and other business obligations to Grantee are satisfied, and the person resides in a Qualified Living Unit. Grantee shall not however be required to continue service to a Subscriber who cannot meet their financial obligations to Grantee or who is verbally or physically abusive, harassing, or threatening to Grantee or any of its employees, agents, representatives, contractors, subcontractors, or consultants. Nothing contained herein shall prohibit Grantee from offering bulk discounts, promotional discounts, package discounts, or other such pricing strategies as part of its business practice.

4.7 New Developments. The City shall provide Grantee with written notice of the issuance of formal approvals for new subdivisions and/or planned developments within the Franchise Area requiring underground installation and/or conversion of cable facilities as part of the approval condition(s). The City agrees to require the developer, as a condition of issuing land use and building permits, to give Grantee access to all open trenches for deployment of cable facilities throughout the development and at least ten (10) business days written notice of

the date of availability of open trenches, if the Grantee constructs pursuant to this Franchise. The developer shall be responsible for the digging and backfilling of all trenches. Grantee shall be responsible for engineering and deployment of labor relative to its installation of cable facilities within the development.

**SECTION 5. Rates, Fees, Charges and Deposits**

5.1 Rate Regulation. Grantee shall provide thirty (30) days prior written notice to both the City and its Customers of any changes to its rates in conformance with federal law and Chapter 5.20 of the Shoreline Municipal Code. The notice shall identify each category of rate increase together with the former rate, the new rate and the amount of such increase.

No Rate Discrimination. Rates shall be nondiscriminatory for all Persons of similar classes, under similar circumstances and conditions and without regard to neighborhood or income. Nothing herein shall be construed to prohibit:

5.1.1 The temporary reduction or waiving of rates or charges in conjunction with valid promotional campaigns;

5.1.2 The offering of reasonable discounts to similarly situated Persons;

5.1.3 The offering of bulk discounts for multiple Dwelling Units.

5.2 Low Income Discount. Grantee shall provide reasonable needs-based discounts on Cable Services of not less than the amount provided by other Cable Operators serving the City as of the Effective Date of this Franchise, at a minimum to Subscribers that qualify for discounts under the Federal Lifeline/Link-up program. This subsection shall not prohibit Grantee from providing a larger discount or offering the discount to other economically or physically challenged Subscribers.

5.2.1 Federal Program qualifications. To participate in the program, subscribers must either have an income that is at or below 135% of the Federal Poverty Guidelines or participate in one of the following assistance programs:

- [Medicaid](#);
- [Supplemental Nutrition Assistance Program](#) (Food Stamps or SNAP);
- [Supplemental Security Income](#) (SSI);
- [Federal Public Housing Assistance](#) (Section 8);
- [Low-Income Home Energy Assistance Program](#) (LIHEAP);
- [Temporary Assistance to Needy Families](#) (TANF);
- [National School Lunch Program's Free Lunch Program](#);
- [Bureau of Indian Affairs General Assistance](#);

- [Trially-Administered Temporary Assistance for Needy Families](#) (TTANF);
- [Food Distribution Program on Indian Reservations](#) (FDPIR);
- [Head Start](#) (if income eligibility criteria are met); or
- State assistance programs (if applicable).

Grantee recognizes that the Federal Government may amend these standards in the future and, therefore, agrees that it will provide a discount under this Section based on the most current federally adopted standards for the Federal Lifeline/Link-up program.

5.3 Leased Access Channel Rates. Grantee shall offer Leased Access Channel capacity on such terms and conditions and rates as may be negotiated with each lessee, subject to the requirements of Section 612 of the Cable Act.

5.4 Late Fees. For purposes of this subsection, any assessment, charge, cost, fee or sum, however characterized, that Grantee imposes upon a Subscriber solely for late payment of a bill is a late fee and shall be applied in accordance with State law.

#### **SECTION 6. Customer Service**

6.1 Customer Service Standards. Customer Service requirements are set forth in Attachment A, which shall be binding unless amended by written consent of the parties.

6.2 Privacy Protection. Grantee shall comply with all applicable federal and State privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

#### **SECTION 7. Oversight and Regulation**

7.1 Franchise Fees. Grantee shall pay to the City a Franchise Fee in an amount equal to five percent (5%) of Gross Revenues derived from the operation of the Cable System to provide Cable Service in the Franchise Area ("Franchise Fee"). In accordance with Title VI of the Cable Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year provided, however, that Grantee shall not be compelled to pay any higher percentage of Franchise Fees than any other Cable Operator providing Cable Service in the same portion of the Franchise Area. If during the Term of this Franchise, the FCC, federal or State government, or the courts change the amount an City can collect for Franchise Fees, then this Franchise shall be amended and such change shall be imposed on all similarly situated Cable Operators operating in the same portion of the Franchise Area. Franchise Fees are not a tax.

7.2 Payments. The payment of Franchise Fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each calendar quarter. Grantee shall be allowed to submit or correct any payments that were inadvertently omitted, provided such correction is made within ninety (90) days following the close of the calendar quarter for which such payments were applicable, without incurring any interest expenses pursuant to Section 7.5.



At City's option, if there are overpayments of Franchise Fees, City may choose to either refund any such overpayments to Grantee, or Grantee shall withhold future Franchise Fee payments until such time as said overpayment is recovered. If City chooses the option to refund such overpayments, then no interest shall accrue on such overpayments provided City refunds the overpayments within sixty (60) days notice from Grantee. Notwithstanding the foregoing, the parties may agree on a different timeframe or terms of repayment.

7.3 Additional Compensation. In the event that Franchise Fees are prohibited by any law or regulation, Grantee shall pay to the City that amount, if any, which is required in accordance with applicable law.

7.4 Quarterly Reports. Each Franchise Fee payment shall be accompanied by a report prepared by a representative of Grantee showing the basis for the computation of the Franchise Fees paid during that period.

7.5 Interest Charge on Late Payments. Late payments for any Franchise Fees due pursuant to this Section, EG Fees due pursuant to Section 11.7 and liquidated damages due pursuant to Section 13.1.1 shall be subject to interest at the then-current rate set forth in RCW 19.52.020, which as of the date of execution of this Franchise is twelve percent (12%) per annum from the date that such payment is due.

7.6 No Release. The City's acceptance of payment shall not be construed as an agreement that the amount paid was correct, nor shall acceptance be construed as a release of any claim which the City may have for additional sums due under this Franchise. The period of limitation for recovery of Franchise Fees payable hereunder shall be six (6) years from the date on which payment by Grantee was due.

7.7 No Limitation on Taxing Authority. Nothing in this Franchise shall be construed to limit any authority of the City to impose any tax, fee, or assessment of general applicability. Nothing in this Franchise is intended to preclude Grantee from exercising any right it may have to challenge the lawfulness of any tax, fee, or assessment imposed by the City or any State or federal agency or authority, or intended to waive any rights the Grantee may have under 47 U.S.C. § 542.

7.8 Additional Commitments Not Franchise Fees. No term or condition in this Franchise shall in any way modify or affect Grantee's obligation to pay Franchise Fees. Although the total sum of Franchise Fee payments and additional commitments set forth elsewhere in this Franchise may total more than five (5%) of Grantee's Gross Revenues in any 12-month period, Grantee agrees that the additional commitments regarding EG funding and Access Channels are excluded from the definition of Franchise Fees herein and are not Franchise Fees, nor are they to be offset or credited against any Franchise Fee payments due to the City. Additionally, complimentary Cable Service, as described in Section 4.2, shall not be offset against Franchise Fees either, unless otherwise mutually agreed upon by Grantee and City. City and Grantee agree that any utility tax, business and occupation tax or similar tax shall be in

addition to any Franchise Fees required herein and there shall be no offset against Franchise Fees subject to applicable law.

7.9 Franchise Fee Audit

7.9.1 Upon thirty (30) days prior written notice, but not more often than once each calendar year, the City shall have the right to inspect Grantee's financial records necessary to enforce the provisions of the Franchise and to calculate any amounts determined to be payable pursuant to this Franchise. Provided Grantee cooperates in making all relevant records available upon request, the City will in good faith attempt to complete each audit within six (6) months, and the audit period shall not be any greater than the previous three (3) years, unless the City has information relating to previous years beyond the three (3) years which, in its reasonable judgment, raises doubt as to the accuracy of payments made under this or previous franchises, in which case an additional three (3) years may be audited. If the audit shows that there has been an underpayment of Franchise Fees by five percent (5%) or more in a calendar year, then Grantee shall pay the cost of the audit, such amount not to exceed Fifteen Thousand Dollars (\$15,000).

7.9.2 Upon the completion of any such audit by the City, the City shall provide to Grantee a final report setting forth the City's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, Grantee shall have thirty (30) days from the receipt of the report to provide the City with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall seek to agree upon a "Final Settled Amount." For purposes of this Section, the term "Final Settled Amount(s)" shall mean the agreed upon underpayment, if any, by Grantee to the City. If the parties cannot agree on a "Final Settled Amount," either party may bring an action to have the disputed amount determined by a court of law.

7.9.3 Any "Final Settled Amount(s)" due to the City as a result of such audit shall be paid to the City by Grantee within sixty (60) days from the date the parties agree upon the "Final Settled Amount." Once the parties agree upon a Final Settled Amount and such amount is paid by Grantee, the City shall have no further rights to audit or challenge the payment for that period. If it was found that there was an underpayment of Franchise Fees pursuant to this Section, Grantee shall pay, in addition to the amount due, interest, calculated from the date the underpayment was originally due until the date payment is made by Grantee.

7.9.4 In the event the "Final Settled Amount(s)" is an overpayment by Grantee, the City shall either reimburse Grantee within sixty (60) days of the date the parties agree upon the Final Settled Amount or, upon Grantee's approval, the City may choose to have Grantee withhold future Franchise Fee payments until such time as said overpayment is recovered. If the City fails to refund the overpayment to Grantee within sixty (60) days, then interest at the rate specified in Section 7.5 shall accrue beginning on the sixty-first (61st) day following the determination of the Final Settled Amount.

7.10 Bundled Services. If Cable Services subject to the Franchise Fee required under this Section 7 are provided to Subscribers in conjunction with Non Cable Services, the Franchise Fee shall be applied only to the Gross Revenues of the Cable Services, as reflected on the books and records of Grantee in accordance with GAAP. Grantee shall equitably allocate charges for Cable/Non Cable Services so as not to unfairly diminish Franchise Fees to the City.

7.11 Maintenance of Books, Records, and Files.

7.11.1 Books and Records. Throughout the Term of this Franchise, Grantee agrees that the City, upon reasonable prior written notice to Grantee, may review Grantee's books and records necessary to determine compliance with the terms of this Franchise. The review of such books and records shall occur at Grantee's business office (unless a substitute location is otherwise agreed upon), during normal business hours, and without unreasonably interfering with Grantee's business operations. Such books and records shall include any records required to be kept in a public file by Grantee pursuant to the rules and regulations of the FCC. All such documents pertaining to financial matters that may be the subject of an inspection by the City shall be retained by Grantee for a minimum period of six (6) years.

7.11.2 File for Public Inspection. Throughout the Term of this Franchise, Grantee shall maintain a file available for public inspection which shall include all documents required pursuant to the FCC's rules and regulations. The public inspection file shall be maintained at Grantee's business office and will be available to the public during normal business hours.

7.11.3 Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature. The City agrees to treat any information disclosed by Grantee as confidential and only to disclose it to those employees, representatives, and agents of the City that have a need to know in order to enforce this Franchise and who agree to maintain the confidentiality of all such information. Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act or any other applicable federal or State privacy law. For purposes of this Section 7.11, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, Customer lists, marketing plans, financial information unrelated to the calculation of Franchise Fees or rates pursuant to FCC rules, or other information that is reasonably determined by Grantee to be competitively sensitive. In the event that the City receives a public records request under RCW 42.56 or similar law for the disclosure of information Grantee has designated as confidential, trade secret or proprietary, the City shall promptly provide notice of such disclosure so that Grantee can take appropriate steps to protect its interests. While it is not a legal obligation, the City, as a courtesy, will allow Grantee up to ten (10) business days to obtain and serve the City with a court injunction to prevent the City from releasing the Documents. If Grantee fails to obtain a Court order and serve the City within the ten (10) business days, the City may release the Documents. The City will not assert an exemption from disclosure on Grantee's behalf.

7.11.4 Records Required. Upon written request, but no more frequently than once a year, City may request a report which may include any or all of the following, depending on the needs of the City:

(A) Records of all written complaints received by Grantee for a period of up to three (3) years. The term “complaint” as used herein refers to escalated concerns about any aspect of the Cable System or Grantee’s cable operations;

(B) Records of outages for the previous year, indicating date, duration, area, and the number of Subscribers affected, type of outage, and cause;

(C) Records of service calls for repair and maintenance for the previous year where a technician was dispatched indicating the date and time service was required, the date of acknowledgment, the date and time service was scheduled (if it was scheduled), and the date and time service was provided, and (if different) the date and time the problem was resolved;

(D) If specifically requested by the City:

1. The most recent annual report.

(E) Such other reports kept within the normal course of business, with respect to its local operation as are necessary to monitor compliance with this Franchise.

7.12 Performance Evaluations. Upon written notification, the City may hold performance evaluation sessions no more than once every twelve months to ensure proper performance of the provisions of this Franchise.

7.12.1 All evaluation sessions shall be open to the public.

7.12.2 Topics which may be discussed at any evaluation session include, but are not limited to, construction issues, Franchise Fee payments, liquidated damages, free or discounted Cable Service, application of new technologies, Cable System performance, Cable Services currently provided and programming offered, future plans of Grantee for new services or programs, Subscriber Complaints, privacy, modifications to this Franchise, judicial and FCC rulings, and the City’s or Grantee’s rules; provided that nothing in this subsection shall be construed as requiring the renegotiation of this Franchise.

7.12.3 During evaluations under this Section 7.12, Grantee shall fully cooperate with the City and shall provide such information and documents as the City may reasonably require to perform the evaluation.

**SECTION 8. Transfer or Renewal of Franchise**

8.1 Franchise Transfer. Subject to Section 617 of the Cable Act, the Cable System and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger or consolidation; nor shall title thereto, either legal or equitable, or any right, interest or property therein pass to or vest in any Person (hereinafter "Transfer of the Franchise") without the prior written consent of the City, which consent shall not be unreasonably withheld.

8.1.1 Grantee shall promptly notify the City of any actual or proposed change in, or transfer of, or acquisition by any other party of Control of Grantee. The word "control" as used herein is not limited to majority stock ownership but includes actual working Control in whatever manner exercised. Every change, transfer or acquisition of Control of Grantee, except as noted in Section 8.1.7, shall make this Franchise subject to cancellation unless and until the City shall have consented thereto which consent shall not be unreasonably withheld.

8.1.2 The parties to the Transfer of the Franchise or change of Control shall make a written request to the City for its approval of the Transfer of the Franchise or change of Control and shall furnish all information required by law. In reviewing a request related to a Transfer of the Franchise or change in Control, the City may inquire into any matter reasonably related to the ability and willingness of the prospective transferee or controlling party to perform, in accordance with 47 CFR § 76.502.

8.1.3 In seeking the City's consent to any change in ownership or Control, the proposed transferee or controlling party shall indicate whether, as applicable, it:

(A) Has ever been convicted or held liable for acts involving deceit including any violation of federal, State or local law, or is currently under an indictment, investigation or complaint charging such acts;

(B) Has ever had a judgment in an action for fraud, deceit, or misrepresentation entered against it by any court of competent jurisdiction;

(C) Has pending any material legal claim, lawsuit, or administrative proceeding arising out of or involving a Cable System;

(D) Is financially solvent, by submitting financial data, including financial information as required by FCC Form 394; and

(E) Has the legal, financial and technical capability to enable it to maintain and operate the Cable System for the remaining Term of the Franchise.

8.1.4 In reviewing a request for the Transfer of the Franchise or change of Control, the City may inquire into the legal, technical and financial qualifications of

the prospective controlling party or transferee, and Grantee shall assist the City in so inquiring. The City may condition said Transfer of the Franchise or change of Control upon such terms and conditions as it deems reasonably appropriate and as are consistent with federal law; provided, however, that any such terms and conditions so attached shall be related to the legal, technical and financial qualifications of the prospective controlling party or transferee. Additionally, such Person shall effect changes as promptly as practicable in the operation of the Cable System, if any changes are necessary to cure any violations or defaults presently in effect or ongoing.

8.1.5 The City shall act by ordinance or resolution on the request within one hundred twenty (120) days of the request, provided it has received all information required by law, such as a completed FCC Form 394. Subject to the foregoing, if the City fails to render a final decision on the request within one hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the City agree to an extension of time.

8.1.6 Within sixty (60) days of Closing of any Transfer of the Franchise or change of Control, if approved or deemed granted by the City, Grantee shall file with the City a copy of the deed(s), agreement(s), lease(s) or other written instrument(s) evidencing such Transfer of the Franchise or change of Control, certified and sworn to as correct by Grantee and the transferee or new controlling entity. In the case of a Transfer of the Franchise or change of Control, the transferee or the new controlling entity shall upon request by the City file its written acceptance agreeing to be bound by all of the provisions of this Franchise, subject to applicable law.

8.1.7 Notwithstanding anything to the contrary in this Section 8.1, the prior approval of the City shall not be required for any sale, assignment or transfer of the Franchise or Cable System to an Affiliate; provided that the proposed assignee or transferee agree in writing to comply with all of the provisions of the Franchise, subject to applicable law. Further, Grantee may pledge the assets of the Cable System for the purpose of financing without the consent of the City; provided that such pledge of assets shall not impair or mitigate Grantee's responsibilities and capabilities to meet all of its obligations under the provisions of this Franchise. In the event of a change in Control, the Grantee will continue to be bound by all provisions of the Franchise.

8.1.8 The consent or approval of the City to any Transfer of the Franchise or change in Control shall not constitute a waiver or release of any rights of the City.

8.2 Renewal of Franchise.

8.2.1 The City and Grantee agree that any proceedings undertaken relative to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act.

8.2.2 In addition to the procedures set forth in Section 626 of the Cable Act, the City shall notify Grantee of its assessments regarding the identity of future cable-related community needs and interests, as well as the past performance of Grantee under the

current Franchise Term. The City further agrees that such assessments shall be provided to Grantee promptly so that Grantee has adequate time to submit a proposal under Section 626 of the Cable Act.

8.2.3 Notwithstanding anything to the contrary, Grantee and the City further agree that at any time during the Term of the current Franchise, while affording the public appropriate notice and opportunity to comment, the City and Grantee may agree to undertake and finalize informal negotiations regarding renewal of the Franchise and the City may grant a renewal thereof.

**SECTION 9. Insurance and Indemnity**

9.1 Insurance Requirements.

9.1.1 General Requirement. Grantee shall maintain in full force and effect at its own cost and expense each of the following policies of insurance:

A. Commercial General Liability coverage for bodily injury, personal injury, and property damage with limits of no less than two million dollars (\$2,000,000) per occurrence.

B. Commercial Automobile Liability Insurance with minimum combined single limits of at least two million dollars (\$2,000,000) per occurrence.

C. Employer's Liability with limits of at least one million dollars (\$1,000,000).

D Umbrella/Excess Liability Coverage in the amount of three million dollars (\$3,000,000).

E Workers' Compensation insurance shall be maintained during the Term of this Franchise to comply with State law.

9.1.2 Additional Insured. The City shall be included as an additional insured under each of the insurance policies required in this Section except Workers' Compensation and Employer's Liability Insurance. Except for Workers' Compensation and Employer's Liability Insurance, all insurance policies required hereunder shall provide or be endorsed so that the City is covered as, and have the rights of, an additional insured with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Franchise, including construction, operation, upgrade, maintenance, repair, replacement or ownership of the Cable System or applicable law. Grantee shall provide to the City either (1) a true copy of an endorsement covering City as an Additional Insured for each insurance policy required in this Section and providing that such insurance shall apply as primary insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by City of any certificate showing less coverage than required is not a waiver of

Grantee's obligations to fulfill the requirements. Grantee's insurance coverage shall be primary insurance with respect to the City. Any insurance or self insurance maintained by the Additional Insureds shall be in excess of Grantee's insurance and shall not contribute to it. Grantee's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

9.1.3 Each policy shall provide that the insurance shall not be canceled or terminated so as to be out of compliance with these requirements without forty-five (45) days written notice first provided to the City via mail, and ten (10) days notice for nonpayment of any premium. If the insurance is canceled or terminated so as to be out of compliance with the requirements of this Franchise, Grantee shall provide a replacement policy. Grantee agrees to maintain continuous uninterrupted insurance coverage, in at least the amounts required, until all work required to be performed under the terms of this Franchise is satisfactorily completed and, in the case of Commercial General Liability Insurance, for at least one (1) year after expiration of this Franchise. Any failure of Grantee to comply with the claim reporting provisions of the policy(ies) or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the City. However, if coverage is not afforded under these circumstances, Grantee will indemnify the City for losses the City otherwise would have been covered for as an additional insured.

9.1.4 Grantee shall not cancel any required insurance policy without obtaining alternative insurance in conformance with this Franchise. Each of the required insurance policies shall be with sureties qualified to do business in the State of Washington with an A- or better rating for financial condition and financial performance by Best Key Rating Guide, Property/Casualty Edition.

9.2 Verification of Coverage. In addition to the other requirements of this Section, Grantee shall furnish the City with certificates of insurance reflecting at least the minimum coverage and policy limits required hereunder. The certificates for each insurance policy are to be on standard forms or such forms as are consistent with standard industry practices, and are to be received by the City within forty-five (45) days of the time of acceptance of this Franchise by Grantee with existing insurance coverage to be maintained by Grantee until that date. Grantee hereby warrants that its insurance policies satisfy the requirements of this Franchise.

9.3 Indemnification.

9.3.1 Indemnity. Grantee agrees to indemnify, save and hold harmless, and defend the City, its elected officials, officers, authorized agents, boards and employees, acting in official capacity, from and against any liability, damages or claims, costs, expenses, settlements or judgments arising out of, or resulting from any act done pursuant to the terms of this Franchise by Grantee, its authorized agents, employees, or independent contractors, provided that the City shall give Grantee timely written notice of its obligation to indemnify the City. Notwithstanding the foregoing, Grantee shall not indemnify the City for any damages, liability or claims resulting from the willful misconduct, sole or concurrent negligence, or breach of obligation of the City, its officers, authorized agents, employees, attorneys, consultants, or



independent contractors for which the City is legally responsible, or for any activity or function conducted by any Person other than Grantee in connection with Educational and Government Access or the emergency alert system.

9.3.2 Defense of Claims. With respect to Grantee's indemnity obligations set forth in this Section 9.3, Grantee shall provide the defense of any claims or actions brought against the City. Nothing herein shall be deemed to prevent the City from cooperating with Grantee and participating in the defense of any litigation by its own counsel at its own cost and expense; provided, however, that after consultation with the City, Grantee shall have the right to defend, settle or compromise any claim or action arising hereunder, and Grantee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement includes the release of the City, and the third party is willing to accept the settlement, but the City does not consent to the terms of any such settlement or compromise, Grantee shall not settle the claim or action, but its obligation to indemnify the City shall in no event exceed the amount of such settlement.

9.3.3 Separate Representation. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Grantee to represent the City, Grantee shall pay reasonable attorneys' fees and expenses incurred by the City in defending itself with regard to any action, suit or proceeding indemnified by Grantee. The City's fees and expenses shall include all reasonable out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the City Attorney/Prosecuting Attorney's Office or his/her assistants or any employees of the City or its agents but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Grantee.

9.3.4 Indemnification for Relocation. Subject to applicable law, Grantee shall indemnify the City for any damages, claims, additional costs or expenses assessed against, or payable by, the City related to, arising out of, or resulting from Grantee's failure to remove, adjust or relocate any of its facilities in the Rights-of-Way in a timely manner in accordance with any relocation required by the City.

9.3.5 Indemnification of Grantee. To the extent permitted by law, the City shall indemnify, defend and hold harmless Grantee for claims arising out of the City's use of the EG Access Channels and/or the Emergency Alert System.

9.3.6 Grantee's Further Responsibilities. Grantee shall indemnify and hold harmless the City from any workers' compensation claims to which Grantee may become subject during the Term of this Franchise as a result of losses caused by and to the extent of Grantee's acts or omissions. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided per this Franchise, Grantee waives its immunity under RCW Title 51; provided, however, the foregoing waiver shall not in any way preclude Grantee from raising such immunity as a defense against any claim brought against

Grantee by any of its employees or other third party. This waiver has been mutually negotiated by the parties.

9.4 Security. Within 30 days after the effective date of this Franchise, Grantee shall provide a performance bond in the amount of thirty thousand dollars (\$30,000) (the “Security”) to ensure the faithful performance of its responsibilities under this Franchise and applicable law. Grantee may be required to obtain additional security, such as generally applicable construction bonds, in accordance with the City’s permitting requirements. Grantee shall pay all premiums or costs associated with maintaining the Security, and shall keep the same in full force and effect at all times. Except as expressly provided herein or as otherwise specified in the City’s construction permitting requirements, the Grantee shall not be required to obtain or maintain other security as a condition of being awarded the Franchise. System Description and System Facilities.

**SECTION 10. System Facilities**

10.1 Technical Requirement. Grantee shall operate, maintain and construct the Cable System so as to continue the provision of high quality signals and reliable delivery of Cable Services. The Cable System shall meet or exceed any and all applicable technical performance standards of the FCC as published in subpart K of 47 C.F.R. §76, the National Electrical Safety Code, the National Electrical Code and any other applicable federal law and the laws of the State of Washington as amended (the “Technical Requirements”).

10.2 Cable System Performance Testing. Grantee shall perform all applicable tests on its Cable System as required by the FCC and shall maintain written records of its test results. Copies of such test results will be provided to the City upon request. Upon request, Grantee shall notify the City prior to any required technical proof of performance testing and, the City may witness such testing. If the Cable System fails to meet any portion of a proof of performance test, Grantee shall promptly take such measures as are necessary to correct any performance deficiencies identified as part of the technical testing. Sites shall be re-tested within five (5) days following correction until correction has been confirmed and satisfactory results are obtained.

10.3 Additional Tests. Where there exists a pattern of poor technical performance or signal quality, the City may upon thirty (30) days prior written notice, require Grantee to conduct applicable performance testing on other test points located within the City. Grantee shall fully cooperate with the City in performing such testing and shall prepare the results and a report if requested, within thirty (30) days after such testing. This report shall include the following information:

- 10.3.1 The nature of the complaint or problem which precipitated the special tests;
- 10.3.2 The Cable System component tested;

- 10.3.3 The equipment used and procedures employed in testing;
- 10.3.4 The method, if any, in which such complaint or problem was resolved; and
- 10.3.5 Any other information pertinent to said tests and analysis which may be required.

10.4 Standby Power. Grantee shall provide standby power generating capacity at the Cable System Headend and Central Office capable of providing at least twenty-four (24) hours of emergency operation.

10.5 Emergency Alert System. The Grantee shall provide an operating Emergency Alert System (EAS) in accordance with the provisions of State and federal laws, including FCC regulations.

**SECTION 11. Educational and Governmental Access**

11.1 Access Channels. In order to meet the demonstrated community need for Access Channels and programming, Grantee shall make available the Governmental and Educational Access Channels active and programmed within 180 days of the Effective Date of this Franchise, or other mutually agreed upon date. If the City is not currently programming any Access Channel(s), then one Governmental Access Channel and one Educational Access Channel shall be made available to it for use throughout the Term of this Franchise. Grantee shall never be required to carry more Access Channels than any other Cable Operator in the franchise area.

11.2 Change in Cable System Technology. In the event Grantee makes any change in the Cable System technology, which affects the signal quality or transmission of any Access Channel programming, Grantee shall take all necessary technical steps to ensure the delivery of Access programming is not diminished or adversely affected.

11.3 Triggers for Additional Access Channel. The City may require Grantee to make available one (1) additional activated Downstream Channel when any of the Access Channels required by Section 11.1 are used for Locally Scheduled Original Programming at least forty-eight (48) hours per week between 10:00 A.M. and 10:00 P.M., Monday through Friday during any consecutive ten (10) week period (“Threshold Requirement”). The initial showing and first repeat shall count towards the Threshold Requirement. To meet the Threshold Requirement the City must produce distinct Locally Scheduled Original Programming. Programming from either of the Access Channels cannot be included in the calculation of the Threshold Requirement.

11.4 Management and Control of Access Channels. Grantee does not have any editorial Control over the Access Channel programming. The City may authorize Designated Access Providers to Control, operate, and manage the use of any and all Access facilities provided by Grantee under this Franchise, including, without limitation, the operation of the

Access Channels. The City or its designee may formulate rules for the operation of the Access Channels. Nothing herein shall prohibit the City from authorizing itself to be a Designated Access Provider. Grantee shall cooperate with City and Designated Access Providers in the use of the Cable System for the provision of Access Channels.

11.5 Underutilized Access Channels. Grantee and the City agree that it is their mutual goal to fully and efficiently use the Channel capacity of the Cable System, which may include Grantee's use of underutilized Access Channels. If Grantee believes that any Access Channel is underutilized, it may file a request with the City to use that Access Channel. The City shall in its sole discretion render a decision regarding the matter within sixty (60) days of receiving the request. Should the City find that the Access Channel may be used by Grantee, then Grantee may begin using such Channel ninety (90) days after receipt of the decision. If a Designated Access Provider wants to begin using the Channel and has adequate amounts of programming to place on the Channel, then upon sixty (60) days written notice from the City, Grantee shall discontinue using the Access Channel.

11.6 Access Channel Location. Grantee will use reasonable efforts to minimize the movement of Access Channel assignments. Grantee shall provide to the City a minimum of sixty (60) days notice, and use its best efforts to provide ninety (90) days notice, prior to any relocation of its Access Channels, unless the change is required by federal law, in which case Grantee shall give the City the maximum notice possible. In the event of Access Channel relocation, Grantee shall provide notice to Subscribers in the same manner as notice is provided for any other Channel relocation. Grantee may make all Access Channels available on a Mosaic.

11.7 Support for Access Capital Costs. In an effort to meet the demonstrated community need for Access programming, Grantee shall collect from Subscribers and remit to the City an EG Fee that may be used for Access related capital expenditures, such as production equipment or a studio.

11.7.1 Upon forty-five (45) days from the Effective Date hereof, Grantee shall collect from Subscribers an amount of fifteen (\$0.15) cents per Subscriber per month ("EG Fee"). Subsequently, this EG Fee amount may be modified or waived by the City as determined by the City Council no more than once each year, and the EG Fee shall be no greater than twenty-five (\$0.25) cents per Subscriber per month in the Franchise Area. Grantee shall remit the EG Fee at the same time as quarterly Franchise Fee payments. At no time during the life of this Franchise shall Grantee be required to collect and remit a per subscriber, per month amount greater than any other cable provider in the franchise area.

11.7.2 Grantee shall not be responsible for paying the EG Fees with respect to gratis or Bad Debt accounts. The City can inquire as to the status of any such accounts, and Grantee agrees to meet with the City, upon request, to discuss such matters as necessary.

11.7.3 The City shall have the discretion to allocate the EG Fees in accordance with applicable law, and shall submit a summary of capital expenditures from the EG

Fees to Grantee within sixty (60) days of the end of each calendar year. The summary shall include financial information showing all EG Fees received, EG expenses used for EG Access purposes and the ending balance.

11.7.4 To the extent the City makes Access capital investments using City funds prior to receiving the EG Fees, the City is entitled to apply the EG Fee payments from Grantee toward such City capital investments necessary for the programming of its Access Channels. The City and Grantee agree that any EG Fees shall be referred to on Subscribers' bills as an "EG Fee," or language substantially similar thereto.

11.7.5 The EG Fees provided for in this Section shall not be offset or credited against any Franchise Fee payments.

11.8 Return Connectivity.

11.8.1 Upon written request of the City, Grantee may construct and maintain origination sites at EG locations within the Franchise Area, for the purpose of delivering Access programming. All costs for fiber optic connectivity to EG origination sites shall be paid by the City in advance of construction. All requests for construction of EG origination sites must be made one year prior to when construction would occur. Grantee may require that a reasonable deposit of the estimated project cost be paid in advance.

11.8.2 Upon completion of the requested work by the City and upon submission by Grantee of a proper invoice for payment of the cost incurred, City shall pay Grantee within thirty (30) days of receipt. All work shall be performed in a cost-effective manner to minimize the costs to the City.

**SECTION 12. Enforcement of Franchise**

12.1 Notice of Violation or Default. In the event the City believes that Grantee has not complied with a term or provision of the Franchise, the City shall informally discuss the matter with Grantee. If these discussions do not lead to resolution of the problem within a reasonable time frame, the City shall then notify Grantee in writing of the exact nature of the alleged noncompliance (the "Noncompliance Notice").

12.2 Grantee's Right to Cure or Respond. Grantee shall have thirty (30) days from the receipt of the City's Noncompliance Notice: (A) to respond to the City, contesting the assertion of the alleged noncompliance or default; (B) to cure such default; or (C) in the event that, by nature of the default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the City of the steps being taken and the projected date that they will be completed.

12.3 Public Hearing. In the event Grantee fails to respond to the City's Noncompliance Notice or that the alleged default is not remedied within thirty (30) days or the date projected by Grantee (provided such projection is also acceptable to the City), the City may

schedule a public hearing to investigate the alleged default. Such public hearing may be held no less than thirty (30) business days therefrom. The City shall notify Grantee in writing of the time and place of such hearing and provide Grantee with a reasonable opportunity to be heard, to present evidence in its defense, and to question witnesses.

12.4 Options Following Public Hearing. If, after the hearing, the City determines that a default exists, Grantee and the City may agree on a plan and schedule to cure the default. Absent such agreement, the City shall order Grantee to correct or remedy the default or breach within such reasonable timeframe as the City shall determine. In the event Grantee does not cure the default within such time to the City's reasonable satisfaction, the City may:

12.4.1 Pursue the revocation of this Franchise pursuant to the procedures in Section 13 in the event of a material breach of this Franchise; or

12.4.2 Pursue any other legal or equitable remedy available under this Franchise or any applicable law; provided, however, recovery of liquidated damages under Section 13.1 shall be the exclusive remedy with respect to breaches for which liquidated damages are specified or assessed by the City.

**SECTION 13. Liquidated Damages**

13.1 Liquidated Damages. The City and Grantee recognize the delays, expense and unique difficulties involved in proving in a legal proceeding the actual loss suffered by the City as a result of Grantee's breach of certain provisions of this Franchise. Accordingly, instead of requiring such proof, the City and Grantee agree that Grantee shall pay to the City, the sums set forth below for each day or part thereof that Grantee shall be in breach of specific provisions of this Franchise. Such amounts are agreed to by both parties as a reasonable estimate of the actual damages the City would suffer in the event of Grantee's breach of such provisions of this Franchise.

13.1.1 Subject to the provision of written notice to Grantee and a right to cure period as set forth in Section 12, the City may assess against Grantee liquidated damages as follows: one hundred dollars (\$100.00) per day for failure to provide the Access Channel(s); one hundred fifty dollars (\$150.00) per day for each material violation of the Customer Service Standards; fifty dollars (\$50.00) per day for failure to provide reports or notices as required by this Franchise; and up to two hundred dollars (\$200.00) per day for any other material breaches of the Franchise

13.1.2 City shall provide Grantee a reasonable extension of the thirty (30) day right to cure period described in Section 13.1.1 if Grantee has commenced work on curing the violation, is diligently and continuously pursuing the cure to completion and requested such an extension, provided that any such cure is completed within one hundred and twenty (120) days from the written notice of default.

13.1.3 If liquidated damages are assessed by the City, Grantee shall pay any liquidated damages within forty-five (45) days after they are assessed. Liquidated damages may be assessed for no more than seventy-five (75) calendar days for any individual incident.

13.1.4 In the event Grantee fails to cure within the specified cure period, or any agreed upon extensions thereof, liquidated damages accrue from the date the City notifies Grantee that there has been a violation.

13.2 Recovery of Amounts. The recovery of amounts under Section 9.4 and 13.1.1 shall not be construed as a limit on the non-monetary liability of Grantee under the Franchise or an excuse of unfaithful performance of any obligation of Grantee. Similarly, the imposition of liquidated damages are not intended to be punitive, but rather, for City cost recovery purposes.

**SECTION 14. Termination of Franchise**

14.1 Revocation. This Franchise may be revoked and all rights and privileges rescinded if:

14.1.1 There is an uncured violation of any material obligation under this Franchise;

14.1.2 Grantee attempts to evade any material provision of this Franchise or to practice any fraud or deceit upon the City or Subscribers;

14.1.3 Grantee makes a material misrepresentation of fact in the negotiation of this Franchise;

14.1.4 There is a foreclosure or involuntary sale of the Cable System;

14.1.5 Grantee willfully fails to provide services as specified in this Franchise;

14.1.6 Grantee becomes insolvent or if there is an assignment for the benefit of Grantee's creditors; or

14.1.7 There is a pattern or practice of material violation of any requirement of this Franchise.

14.2 Grantee Without Fault. Notwithstanding Section 14.1, none of the foregoing shall constitute a material violation or breach if Grantee is without fault or if the violation or breach occurs as a result of circumstances beyond Grantee's reasonable Control. Grantee shall bear the burden of proof in establishing the existence of such circumstances.

14.3 Revocation Notice. , should the City seek to revoke this Franchise after following the procedures set forth in this Section 14, the City shall give written notice to Grantee

of such intent to revoke this Franchise (“Revocation Notice”). The Revocation Notice shall set forth the specific nature of the noncompliance. Grantee shall have thirty (30) days from receipt of such Revocation Notice to object in writing and to state its reasons for such objection. In the event the City has not received a satisfactory response from Grantee, it may then seek revocation of the Franchise at a hearing in front of the City’s Hearing Examiner (the “Revocation Hearing”). The City shall cause to be served upon Grantee at least thirty (30) days prior to the Revocation Hearing a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

14.4 Revocation Hearing. At the Revocation Hearing, Grantee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the testimony of Persons as permitted by law, and to question and/or cross examine witnesses. The Revocation Hearing shall be on the record and a written transcript shall be made available to Grantee within ten (10) business days.

14.5 Findings and Conclusions. Following the Revocation Hearing, the Hearing Examiner shall be provided up to thirty (30) days to submit its proposed findings and conclusions in writing to the City Council and Grantee and thereafter the City Council shall determine (i) whether an event of default has occurred; (ii) whether such event of default is excusable; and (iii) whether such event or default has been cured or will be cured by Grantee. The City Council shall also determine whether to revoke the Franchise based on the information presented or, where applicable, grant additional time to Grantee to effect any cure. If the City Council determines that the Franchise shall be revoked, the City Council shall promptly provide Grantee with a written decision setting forth its reasoning. Grantee may appeal such determination of the City Council to an appropriate court, which shall have the power to review the decision of the City “de novo”. Grantee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within thirty (30) days of Grantee’s receipt of the determination of the City.

14.6 Enforcement in Lieu of Revocation. The City may, at its sole discretion, take any lawful action which it deems appropriate to enforce the City’s rights under the Franchise in lieu of revocation of the Franchise.

14.7 Technical Violation. The City agrees that it is not its intention to subject Grantee to penalties, fines, forfeitures or revocation of the Franchise for so-called “technical” breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

14.7.1 Instances or matters where a violation or a breach of the Franchise by Grantee was good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area or on the City; or

14.7.2 Where there existed circumstances reasonably beyond the Control of Grantee and which precipitated a violation by Grantee of the Franchise, or which were deemed to have prevented Grantee from complying with a term or condition of the Franchise.



**SECTION 15. Miscellaneous Provisions**

15.1 Authority and Changes in the Law. Subject to Sections 2.3 and 2.8, the City shall be vested with the power and right to administer and enforce the requirements of this Franchise and the regulations and requirements of applicable law, including the Cable Act, or to delegate that power and right, or any part thereof, to the extent permitted under law, to any agent in the sole discretion of the City. Grantee and the City shall be entitled to all rights and be bound by all changes in local, State and federal law that occur subsequent to the Effective Date of this Franchise. Grantee and the City acknowledge that their rights and obligations under this Franchise are explicitly subject to all such changes;

15.2 Actions of Parties. In any action by the City or Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld, delayed or conditioned.

15.3 Amendments. Amendments to this Franchise shall be mutually agreed upon, in writing by the parties.

15.4 Attorneys' Fees. If any court action or suit arises in connection with this Franchise (excluding Franchise renewal proceedings), the substantially prevailing party shall be entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith along with such other relief that the court deems proper.

15.5 Binding Acceptance. This Franchise shall bind and benefit the parties hereto and their respective successors and assigns.

15.6 Captions. The captions and headings of Sections throughout this Franchise are intended solely to facilitate reading and reference to the sections and provisions of this Franchise. Such captions shall not affect the meaning or interpretation of this Franchise.

15.7 Costs to be Borne by Grantee. Grantee shall pay all costs of publication of this Franchise and any and all notices prior to any public meeting or hearing in connection with this Franchise.

15.8 Cumulative Rights. Subject to applicable law, and except as provided herein with respect to liquidated damages, all rights and remedies given to the City by this Franchise or retained by the City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to the City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

15.9 Entire Franchise. This Franchise, including the Attachments, embodies the entire understanding and agreement of the City and Grantee with respect to the subject matter hereof and supersedes all prior understandings, agreements and communications, whether written or oral.

15.10 Force Majeure. Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such noncompliance or alleged defaults occurred or were caused by strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond Grantee's ability to Control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which Grantee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

15.11 Governing Law. This Franchise shall be governed, construed and enforced in accordance with the laws of the State of Washington as amended, federal law including the Cable Act as amended, any applicable rules, regulations and orders of the FCC as amended and ,subject to Section, 2.8, applicable local laws now existing or hereafter amended or adopted; provided, however, in the event of a conflict between any such future amendments of laws and regulations and a specific provision of this Franchise, the Franchise shall control.

15.12 Equal Employment Opportunity. Grantee shall comply with all applicable federal and State laws affording nondiscrimination in employment to all individuals regardless of their race, color, religion, age, sex, national origin, sexual orientation or physical disability.

15.13 Modification. No provision of this Franchise shall be amended or otherwise modified, in whole or in part, except by an instrument in writing, duly executed by the City and Grantee, which amendment shall be authorized on behalf of the City through the adoption of an appropriate resolution, ordinance or order by the City, as required by applicable law.

15.14 No Joint Venture. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third Persons or the public in any manner that would indicate any such relationship with the other.

15.15 Notices. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class, registered or certified mail, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the City:

City of Shoreline  
Attn: City Manager  
17500 Midvale Avenue N  
Shoreline, WA 98133

To the Grantee:

Qwest Broadband Qwest Broadband  
Services, Inc., d/b/a CenturyLink  
1801 California St.  
10th Floor  
Denver, Colorado 80202-2658

with a copy to:

Qwest Broadband Qwest Broadband  
Services, Inc., d/b/a CenturyLink  
1600 7TH AVE, 15th Floor  
SEATTLE WA 98191  
Attn: Public Policy

15.16 No Third-Party Beneficiaries. Nothing in this Franchise is or was intended to confer third-party beneficiary status on any Person or any member of the public to enforce the terms of this Franchise.

15.17 Reservation of Rights. Nothing in this Franchise shall be construed as a waiver of any rights, substantive or procedural, Grantee or City may have under Federal or State law unless such waiver is expressly stated herein.

15.18 Preemption. In the event that federal or State law preempts a provision or limits the enforceability of a provision of this Franchise, the provision shall be read to be preempted to the extent required by law. In the event such federal or State law is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the City or Grantee.

15.19 Recitals. The recitals set forth in this Franchise are incorporated into the body of this Franchise as if they had been originally set forth herein.

15.20 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise is, for any reason, declared invalid, in whole or in part, by any court,

agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

15.21 Venue. The venue for any dispute related to this Franchise shall be the United States District Court for the Western District of Washington, or the King County Superior Court.

15.22 Waiver. The failure of either party at any time to require performance by the other of any provision hereof shall in no way be a waiver thereof unless specifically waived in writing. Nor shall the waiver by either party of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

15.23 Independent Review. The City and Grantee each acknowledge that they have had opportunity to receive independent legal advice in entering into this Franchise and that both the City and Grantee understand and fully agree to each and every provision of this Franchise.

IN WITNESS WHEREOF, this Franchise has been executed by the duly authorized representatives of the parties as set forth below, as of the date set forth above:

City:

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

Name: Debbie Tarry

Title: City Manager

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

QWEST BROADBAND SERVICES, INC. D/B/A CENTURYLINK

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Approved as to form:

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

Attest:

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

Attachments

Attachment A: Customer Service Standards

## **Customer Service Standards**

### **SECTION 1. DEFINITIONS**

When used in these Standards, the following words, phrases, and terms shall have the meanings given below.

“Complaint” shall mean an initial or repeated Customer expression of dissatisfaction, whether written or oral, that is referred beyond a Customer Service Representative or their supervisor at the Call Center, or to the Grantee’s system office or regional office or corporate headquarters, or to the LFA for resolution. This does not include routine inquiries and service requests.

“Customer” shall mean any person who lawfully receives Cable Service from the Grantee.

“Customer Service Representative” or “CSR” shall mean any person employed by the Grantee to assist, or provide service to Customers, whether by answering telephone calls, answering Customers’ questions, or performing other customer service related tasks.

“Grantee” Qwest Broadband Services, Inc. d/b/a CenturyLink.

“LFA” shall mean the City of Shoreline, Washington.

“Normal Business Hours” shall mean those hours during which most similar businesses in the LFA are open to serve Customers. In all cases, “Normal Business Hours” must include some evening hours, with Customer Service Representatives available, at least one night per week and some weekend hours.

“Normal Operating Conditions” shall mean those service conditions that are within the control of the Grantee. Those conditions that are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, and severe or unusual weather conditions. Those conditions that are ordinarily within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the Cable System.

“Service Interruption” shall mean the loss of picture or sound on one or more cable channels.

### **SECTION 2. POLICY**

- A. The Grantee shall be permitted to resolve citizen Complaints prior to action or involvement by the LFA.
- B. If a Complaint is not resolved by the Grantee to the citizen’s satisfaction, the LFA may intervene. In addition, where a pattern of, or unremedied, noncompliance with the

Customer Service Standards (“Standards”) is identified, the LFA may choose to follow the procedures contained in these Standards. If the noncompliance is not addressed to the satisfaction of the LFA, monetary or other sanctions may be imposed to encourage compliance as permitted by Section 13 of the Franchise, these Standards are intended to be of general application; however, the Grantee shall be relieved of any obligations hereunder if it is unable to perform due to circumstances beyond its reasonable control, as described in Section 15.10 of the Franchise. The Grantee shall seek to render efficient service and to make repairs promptly. In addition, the Grantee may, and is encouraged, to exceed these Standards for the benefit of its Customers and such shall be considered performance for the purposes of these Standards.

### **SECTION 3. COURTESY**

All employees of the Grantee shall be courteous and helpful and shall provide effective and satisfactory service in all contacts with Customers.

### **SECTION 4. ACCESSIBILITY**

- A. The Grantee shall make available its web site and e-mail address to its Customers. The Grantee is also encouraged to provide customer service centers and encouraged to operate those centers at Normal Business Hours. The Grantee shall also provide free exchanges of faulty converters at the Customer’s address via drop shipping.
- B. The Grantee shall maintain toll free telephone access lines or a toll free telephone number that shall be available 24 hours a day.
- C. The Grantee shall have dispatchers and technicians on call 24 hours a day, 7 days a week, including legal holidays.
- D. Trained Customer Service Representatives will be available to respond to Customer telephone inquiries during Normal Business Hours. Under Normal Operating Conditions, telephone answer time shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety percent (90%) of the time under Normal Operating Conditions, measured on a quarterly basis. Under Normal Operating Conditions, the Grantee shall maintain adequate telephone line capacity to ensure that telephone calls are answered as provided in these Standards.
- E. After Normal Business Hours, the telephone lines may be answered by a service or an automated response system, including an answering machine. Inquiries received after Normal Business Hours must be responded to by a trained Customer Service Representative on the next business day.
- F. Under Normal Operating Conditions, the total number of calls receiving busy signals shall not exceed three percent (3%) of the total telephone calls. This standard shall be met ninety percent (90%) or more of the time measured quarterly.

- G. The Grantee shall not be required to acquire equipment or perform surveys to measure compliance with any of the telephone answering standards above unless and until the LFA requests such actions based on a historical record of Customer inquiries or Complaints indicating a clear failure to comply.

**SECTION 5. RESPONSIVENESS**

A. Residential Installation

1. Under Normal Operating Conditions, Grantee shall complete all residential installations requested by Customers residing in qualified living units within seven (7) business days after the order is placed. This standard shall be measured on a quarterly basis and must be met ninety-five percent (95%) of the time.
2. Absent unusual circumstances, all underground cable drops from the curb to the home shall be buried at a depth of no less than twelve inches (12”), and within a reasonable period of time from the initial installation, or at a time mutually agreed upon between the Grantee and the Customer. In all instances, the Grantee must comply with the State’s One Call requirements.

B. Service Appointments

1. Customers requesting installation of Cable Service or service to an existing installation may choose an available four-hour block of time for the service appointment between 8:00 a.m. and 6:00 p.m. Monday to Friday, and a minimum of four hours on Saturdays, or another time mutually agreed upon by the Customer and the Grantee. The Grantee may not cancel an appointment with a Customer after 5:00 p.m. on the day before the scheduled appointment, except for appointments scheduled within twelve (12) hours after the initial call.
2. If the Grantee’s representative is running late for an appointment with a Customer and will not be able to keep the appointment as scheduled, the Grantee or the Grantee’s representative shall contact the Customer. The appointment shall be rescheduled as necessary at a time that is convenient for the Customer.
3. The Grantee shall be deemed to have responded to a request for service under the provisions of this section, when a technician arrives at the Customer’s location or begins the work in the field within the agreed upon time to initiate the work specified in the work order. If the Customer is absent when the technician arrives, the technician shall leave written notification of timely arrival.

C. Outages and Service Interruptions

1. Except in times of emergency, if there is a system outage (loss of reception on all channels) resulting from Grantee equipment failure affecting five (5) or more Customers, the Grantee shall respond in accordance with its outage response procedures, and in no event more than two (2) hours after the third (3rd) Customer call is received and shall remedy the problem as quickly as possible.



2. Under Normal Operating Conditions, the Grantee shall use its best efforts to correct service interruptions resulting from Grantee's equipment failure by the end of the next calendar day, but in no event fail to begin repairs within forty-eight (48) hours of equipment failure and make its best effort to complete repairs within same. Customers will not be charged for such service calls.
3. In the event of a service interruption through Grantee's error, service shall be restored at the earliest time possible and Customers will not be charged for such service calls.
4. The Grantee shall keep an accurate and comprehensive file of any and all Complaints regarding the Cable System or its operation of the Cable System, in a manner consistent with the privacy rights of Customers, and the Grantee's actions in response to those Complaints. Upon request, Grantee shall provide the LFA an executive summary of all Customer Complaints received within the past twelve (12) months.
5. Absent unusual circumstances, the Grantee shall use its best efforts to initiate repairs on all outages and service interruptions for any cause beyond the control of the Grantee within thirty-six (36) hours, after the conditions beyond its control have subsided but not later than forty-eight (48) hours.

**D. TV Reception**

1. The Cable Service signal quality provided by the Grantee shall meet or exceed applicable technical standards established by the Federal Communications Commission ("FCC"). The Grantee shall interrupt service only for good cause and for the shortest time possible. Scheduled interruptions shall be preceded by notice and shall occur during periods of minimum use of the system, preferably between midnight and six a.m. (6:00 a.m.).

**E. Problem Resolution**

A Customer Service Representative shall have the authority to provide credit, waive fees, schedule service appointments and change billing cycles, where appropriate. Any difficulties that cannot be resolved by the Customer Service Representative shall be referred to the appropriate supervisor who shall contact the Customer within twenty-four (24) hours of the initiating call and resolve the problem within forty-eight (48) hours or within such other timeframe as is acceptable to the Customer and the Grantee.

**F. Billing, Credits, and Refunds**

1. Grantee shall provide a clear and concise bill every month and shall allow 30 days from the billing date for payment of a Customer's bill for that period.
2. The Grantee shall issue refund checks promptly but no later than either the Customer's next billing cycle following resolution of the request or within thirty (30) business days, whichever is earlier, or the return of the equipment supplied

by the Grantee if service is terminated. Credits for service will be issued no later than the Customer's next billing cycle following the determination that a credit is warranted.

3. Grantee shall not, except to the extent permitted by law, impose any fee or charge for service calls to a Customer's premises to perform any repair or maintenance work related to Grantee's equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Customer (including, but not limited to a situation in which the Customer reconnects Grantee's equipment incorrectly or installs Customer provided equipment) or by the failure of the Customer to take reasonable precautions to protect Grantee's equipment (for example, a dog chew).
4. Upon request, Grantee shall provide the LFA with a rate card with all applicable rates and charges related to Cable Service. In addition, Grantee shall provide the LFA, upon request, a copy of any billing insert related to rates or customer service, provided it is not promotional material.

G. Notice/Work

1. Except in the case of an emergency involving public safety or service interruption to more than 50% of Customers, or where Customer has provided the Grantee with a legal right of access or entry, the Grantee shall give reasonable notice to property owners or legal tenants prior to entering private property. The notice shall specify the type of work to be performed. In the case of an emergency, however, the Grantee shall attempt to contact the property owner or legal tenant in person, and shall leave a door hanger notice in the event personal contact is not made. Nothing herein shall be construed as authorizing access or entry to private property. Any work on private property shall be conducted in accordance with an agreement between the Grantee and the property owner. If damage is caused by any Grantee activity, the Grantee shall replace or repair the damaged property to as good a condition as before the Grantee's activity commenced. Adjacent or affected property owners shall be notified by mail or door hanger at least one week in advance of the installation of pedestals or other major construction or installation projects in the Rights-of-Way or on private property.

**SECTION 6. SERVICES FOR CUSTOMERS WITH DISABILITIES**

- A. For any Customer with a disability that prevents the Customer from self-installing equipment, the Grantee shall, at no charge, deliver, install and pick up equipment at the Customer's home. In the case of a malfunctioning equipment, Grantee shall provide and install substitute equipment, ensure that it is working properly, and shall remove the defective equipment.
- B. The Grantee shall make available TDD/TTY or utilize toll free telephone relay service (711) with trained operators, who can provide every type of assistance rendered by the Customer Service Representatives, for any hearing-impaired Customer at no charge.

- C. The Grantee shall install, at no charge, any standard closed captioning device purchased from Grantee by a hearing-impaired customer and provide free use of a remote control unit to mobility-impaired Customers (if disabled, in accordance with Subsection D of this Section) who are paying for a set top box.
- D. Any Customer with a disability may request the special services described above by providing the Grantee with proof of disability, that may include, a letter from the Customer's physician stating the need, or by making the request to the Grantee's installer or service technician, where the need for the special service can be visually confirmed.

**SECTION 7. CUSTOMER INFORMATION**

- A. Upon installation and at any time thereafter, the Customer may request, or upon its own initiative, the Grantee shall provide the following information:
  - 1. Products and services offered by the Grantee, including its channel lineup;
  - 2. The Grantee's complete range of service options and the prices for these services;
  - 3. Instruction on the use of cable TV service and standard device hookups;
  - 4. The Grantee's billing, collection and disconnection policies;
  - 5. Customer privacy requirements;
  - 6. All applicable Complaint procedures, including Complaint forms, and the telephone numbers and mailing addresses of the Grantee and the FCC, as well as the contact information for the LFA;
  - 7. Use and availability of parental control/lock out devices;
  - 8. Special services for Customers with disabilities; and
  - 9. A URL web address identifying the Days, times of operation, and location of the service center(s).
- B. Customers will be notified of any changes in rates, programming services or channel positions as soon as possible in writing. Notice must be given to Customers a minimum of thirty (30) business days in advance of such change(s) if the change is within the control of the Grantee. The Grantee shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, Franchise Fee, or any other fee, tax, assessment or charge of any kind imposed by any federal agency, State or the LFA.
- C. All officers, agents, and employees of the Grantee or its contractors or subcontractors who are in personal contact with Customers shall wear on their outer clothing identification cards bearing their name and photograph. Every vehicle of the Grantee shall be visually identified to the public as working for the Grantee. Every vehicle of a subcontractor or contractor shall be labeled with the name of the contractor or

subcontractor, and shall be further identified as contracting or subcontracting for the Grantee. All CSRs shall identify themselves orally to callers immediately following the greeting during each telephone contact with the public.

- D. The Grantee shall notify customers of the estimated cost of the service, repair, or installation prior to delivery of the service or before any work is performed.

**SECTION 8. CUSTOMER PRIVACY**

- A. The Grantee shall not monitor cable television signals to determine the individual viewing patterns or practices of any Customer without prior written consent from that Customer, except as needed to maintain system integrity or for other lawful purposes.
- B. The Grantee shall not sell or otherwise make available Customer lists or other personally identifiable information without the prior written consent of the Customer, except as otherwise permitted by law. The Grantee is permitted to disclose such information if necessary to render, or conduct, a legitimate business activity related to a Cable Service provided by the Grantee to its Customers.

**SECTION 9. SAFETY**

The Grantee shall install and locate its facilities, cable system, and equipment in compliance with all federal, state and local safety standards, and in such manner as shall not unduly interfere with or endanger persons or property. Whenever the Grantee receives notice that an unsafe condition exists with respect to its equipment, the Grantee shall investigate such condition immediately, and shall promptly take such measures as are necessary to remove or eliminate any unsafe condition.

**SECTION 10. SATISFACTION GUARANTEED**

The Grantee currently offers a Customer satisfaction guarantee to every Customer who requests installation of Cable Service.

**SECTION 11. COMPLAINTS TO THE GRANTEE**

- A. The Grantee shall establish written procedures for receiving, acting upon, and resolving Complaints without intervention by the LFA (except where necessary) and shall publicize such procedures through written documents on the company's website at the Grantee's sole expense.
- B. Said written procedures shall describe a simple process by which any Customer may submit a Complaint by telephone or in writing to the Grantee regarding a disputed matter, or an alleged violation of any provision of these Standards or any terms or conditions of the Customer's contract with the Grantee, or reasonable business practices.
- C. Within a reasonable period of time after receiving a Complaint, the Grantee shall notify the Customer of the results of its investigation and its proposed action or credit.
- D. Upon request, Grantee's Complaint procedures shall be provided to the LFA.

**SECTION 12. VERIFICATION OF COMPLIANCE**

Beginning Twelve (12) months after the Effective Date of the Franchise, the Grantee shall establish its compliance with all of the Standards required through annual reports that demonstrate said compliance, or at any time as requested by the LFA.

**SECTION 13. OVERALL QUALITY OF SERVICE**

The LFA may evaluate the overall quality of Customer service provided by the Grantee to Customers:

- A. In conjunction with any performance review provided for in the Franchise; or
- B. At any other time, in its sole discretion, based on the number of Complaints received by the Grantee or the LFA, and the Grantee's response to those Complaints.

**SECTION 14. PROCEDURES FOR REMEDYING VIOLATIONS**

If the LFA has reason to believe that the Grantee has failed to comply with any of these Standards, or has failed to perform in a timely manner, or if similar Complaints repetitively arise, the LFA may require in writing that the Grantee remedy the alleged noncompliance as outlined in Section 12 of the Franchise. If the alleged noncompliance is denied or not remedied to the satisfaction of the LFA, the LFA may opt to follow the liquidated damages procedures, revocation procedures or seek other remedies set forth in the Franchise, or pursue any other remedies at law or in equity.

**SECTION 15. SEVERABILITY**

Should any section, subsection, paragraph, or provision of these Standards be determined to be illegal, invalid, or unconstitutional by any court or agency of competent jurisdiction, such determination shall have no effect on the validity of any other section, subsection, paragraph, or provision of these Standards, all of which shall remain in full force and effect.

**SECTION 16. NON-WAIVER**

Failure of the LFA to enforce any provision(s) of these Standards shall not operate as a waiver of the provision(s) or of the Standards.

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Ordinance No. 741 - Development Code Amendments for the Light Rail System and Facilities Permitting Process and Applicable Regulations
<b>DEPARTMENT:</b>	Planning & Community Development
<b>PRESENTED BY:</b>	Rachael Markle, AICP, Director
<b>ACTION:</b>	<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:**

Light rail is on its way to Shoreline with service beginning in 2023. Based on Sound Transit's latest schedule, permit review for construction of their light rail system will begin as early as June 2016. In preparation for these permits, the Planning Commission and staff have been drafting amendments to the City's Development Code, SMC Title 20, to address unique aspects of this project. These amendments are designed to provide the City with the ability to reasonably regulate the light rail system/facilities so as to mitigate the impacts of their use in Shoreline.

The purpose of tonight's discussion is to:

- Present and discuss with the Council the Planning Commission's recommendation to adopt amendments as proposed in Ordinance No. 741;
- Respond to questions regarding the proposed amendments; and
- Identify if there is a need for additional amendments or information.

**RESOURCE/FINANCIAL IMPACT:**

There are no direct impacts to the City's resources associated with the adoption of these amendments. These amendments are intended to protect City resources by ensuring that impacts that can be attributed to the new light rail system are identified and addressed by Sound Transit.

**RECOMMENDATION**

No action is required at this time. The Planning Commission recommendation on the proposed Development Code amendments will be presented to the Council with the goal of answering Council's questions and receiving Council's feedback regarding the proposed amendments. Staff does however recommend that the Council adopt proposed Ordinance No. 741 when it is brought back to Council for adoption on July 11, 2016.

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

## **BACKGROUND**

Amendments to Shoreline Municipal Code (SMC) Title 20 (Development Code) are processed as legislative decisions. Legislative decisions are non-project decisions made by the Council under its authority to establish policies and regulations. The Planning Commission is the reviewing authority for legislative decisions and is responsible for holding an open record Public Hearing on the proposed Development Code amendments and making a recommendation to the City Council on each amendment.

Based on Sound Transit's latest schedule, permit review for construction of their light rail system in Shoreline will begin as early as June 2016. In preparation for these permits, the Planning Commission and staff have been drafting amendments to the City's Development Code to address unique aspects of this project. These amendments are designed to provide the City with the ability to reasonably regulate the light rail system/facilities to mitigate the impacts of their use in Shoreline.

In 2015, the Planning Commission spent multiple meetings discussing Development Code amendments designed to establish the land use entitlement process for Sound Transit's development activities. Study sessions were held before the Planning Commission on December 17, 2015 and January 7, 2016. Following a Public Hearing on January 21, 2016, the Commission recommended approval of the first group of Sound Transit related Development Code amendments. These amendments identified the Special Use Permit as the regulatory tool to approve light rail transit system/facilities as an allowed use, established a way to approve deviations from the regulations to accommodate Sound Transit's light rail transit system/facilities, and established which regulations apply to light rail transit system/facilities. The January 21, 2016 Planning Commission staff report can be found at the following link:

<http://www.shorelinewa.gov/Home/Components/Calendar/Event/9476/182?toggle=allpast>.

The City Council adopted these Development Code regulations on March 21, 2016 via Ordinance No. 739. The staff report for this Council action can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport032116-7c.pdf>.

While Ordinance No. 739 was being discussed and adopted by the Council, proposed Ordinance No. 741, which provides for this 'second round' of proposed Development Code amendments relating to Sound Transit's light rail system/facilities, was being studied by the Planning Commission. On February 4, 2016, the Planning Commission held a study session on the proposed "second round" of Development Code amendments. Sound Transit also provided detailed edits to the proposed amendments and staff revised the proposed amendments in response. Staff presented the revised proposed amendments at the April 21, 2016 Planning Commission meeting. For background, the February 4 and April 21, 2016 Planning Commission staff reports can be found at the following links:

February 4, 2016 -

<http://www.shorelinewa.gov/Home/Components/Calendar/Event/9477/182?toggle=allpast>

April 21, 2016 -

<http://www.shorelinewa.gov/Home/Components/Calendar/Event/9495/182?toggle=allpast>

The Planning Commission also conducted a Public Hearing on the amendments proposed in Ordinance No. 741 and recommended approval of the amendments to the City Council on May 5, 2016. A link to this staff report, the Planning Commission Subcommittee Notes, written comments and minutes of the May 5<sup>th</sup> meeting can be found at the following link:

<http://www.shorelinewa.gov/Home/Components/Calendar/Event/9547/182?toggle=allpast>

## **DISCUSSION**

The amendments contained in proposed Ordinance No. 741 (Attachment A) include the following:

- **Definitions** - Amending definitions for “Light Rail Transit Facility” and “Light Rail Transit System”, and adding a definition for “Regional Transit Authority”;
- **Application** - Adding specific criteria defining when a Regional Transit Authority may apply for permits;
- **Special Use Permit** - Adding a reference to Essential Public Facilities in the Purpose section for the Special Use Permit;
- **Decision Criteria for Special Use Permits** - Amending the proposed decision criteria for approval of a Special Use Permit specific to light rail transit system/facilities;
- **Application Submittal Requirements** - Amending the proposed supplemental application submittal requirements;
- **Amenities at High Capacity Transit (HCT) Centers** - Amending the proposed requirement for water and power at HCT centers; and
- **Tree Impacts** - Adding new regulations to address off-site tree impacts.

The following sections of this staff report provide more information about each of these proposed amendments:

### **Definition Amendments**

Sound Transit suggested the City’s adopted definitions for Light Rail Transit Facility and Light Rail Transit System both be amended. The proposed amendment is to add a reference in each definition to the fact that a Light Rail Transit Facility and a Light Rail Transit System both meet the State’s definition of an Essential Public Facility. As well, Sound Transit requested that the City add a definition for a Regional Transit Authority. Sound Transit is a Regional Transit Authority. This term is also referred to in another amendment proposed by Sound Transit.



### **Application (SMC 20.30.100) Amendments**

Sound Transit requested the City add the ability for a Regional Transit Authority (RTA) to apply for permits related to property that is not yet owned or controlled by the RTA. This would allow for a project that is authorized by the RTA to progress through planning, design, engineering and permitting while property acquisition, easements and agreements are negotiated. Actual development would not be allowed to occur until property is owned by the RTA or authority is legally provided by the property owner to the RTA.

This amendment supports the timely completion of the Lynnwood Link Project with the understanding that ultimately, all legal rights must be obtained prior to commencing development on any property.

### **Special Use Permit (SMC 20.30.330(A)) Amendments**

Sound Transit requested that a reference to Essential Public Facilities be added in SMC 20.30.330(A), the Purpose section for the Special Use Permit (SUP). The reason for this addition is to articulate that a SUP cannot be used to preclude the siting of an Essential Public Facility. This amendment is supported by the Growth Management Act, RCW 36.70A.200 Siting of essential public facilities – Limitation on liability. Sound Transit's proposed amendment is factual and makes it clear that the SUP will not be used to deny the siting of an essential public facility in Shoreline. The SUP will instead be used to reasonably condition the project to meet the adopted criteria.

### **Decision Criteria for Special Use Permits (SMC 20.30.330(C)) Amendments**

In addition to the existing criteria used to review a Special Use Permit, additional decision criteria is proposed specific to light rail transit system/facilities. This criteria is intended to ensure that the proposed light rail stations, garages and other associated facilities: 1) use energy efficient and environmentally sustainable architecture and design; 2) demonstrate the availability of sufficient capacity and infrastructure to safely support light rail system/facilities; and 3) reflect the City's Guiding Principles for Light Rail Facility design.

The City anticipates that the future light rail stations, parking garages, rail line and associated facilities may impact the City's streets, neighborhoods, and infrastructure. The proposed decision criteria will add more certainty that Sound Transit will fully evaluate the local impacts and provide the necessary mitigation to address impacts that arise from their project.

### **Supplemental Application Submittal Requirements (SMC 20.40.438)**

Light Rail Transit System/Facilities are allowed through the approval of a Special Use Permit with added conditions (indexed criteria). What this means is an applicant must submit a Special Use Permit application and also meet the conditions listed in SMC 20.40.438.

Staff proposed adding the submission of a Construction Management Plan, a Parking Management Plan, Multi Modal Access Improvement Plan, a Neighborhood Traffic Plan and a Transportation Impact Analysis as supplemental index criteria required to permit all light rail transit system/facilities in any zone. The intent behind requiring the submission of the supplemental plans in SMC 20.40.438 is to identify, analyze and

address with mitigation the direct impacts resulting from the construction and operation of the Lynnwood Link Extension project.

Sound Transit requested that the City remove the proposed requirement for submission of a Multi Modal Access Improvement Plan, Neighborhood Traffic Plan and a Transportation Impact Analysis. Sound Transit proposed that these plans be replaced with an Access Assessment Report with a “to be determined” scope. The Planning Commission Light Rail Subcommittee and staff were concerned about the lack of specificity provided for an Access Assessment Report.

The Planning Commission Light Rail subcommittee recommended to the full Planning Commission additional language describing what the Access Assessment Report will address, including improvements near the stations for pedestrians, buses, bicycles, paratransit riders, ‘kiss and ride’ users and traffic. The Planning Commission voted to not include buses and traffic in the list of items to be addressed in an Access Assessment Report. Staff recommends adding buses and traffic back into the list for what to address in an Access Assessment Report. To successfully plan for a multi modal station, bus access must be included. Compiling and using existing traffic analysis prepared to date and completing relevant traffic related analysis that has not yet been completed will help to identify access improvements.

#### **Amenities (Water and Power) at HCT Centers (SMC 20.40.438(F))**

This amendment adds a requirement to SMC 20.50.240 (F), which is the Public Places section of the commercial design standards. Public places are those areas of commercial and multifamily development that encourage and accommodate pedestrians and street level uses between buildings and the public realm. This amendment adds a requirement for electricity and water to be supplied and accessible to the public at high capacity transit centers and parking areas.

The intent is to have water and electrical infrastructure installed and made accessible to authorized public at stations and garages. This provision was intended to apply to public areas outside of stations and garages. The water and electricity could be used to support and encourage community events and vending for the public. These uses would promote place-making through activation of public space.

#### **Compliance with Tree Code and Related Provisions Amendments (SMC 20.50)**

Several amendments to various sections of the Development Code regarding the City’s regulations for removal, retention and replacement of trees are recommended by the Planning Commission. The general theme for these amendments is to regulate the impact of development on offsite trees. The amendments seek to do the following:

1. SMC 20.50.330(B) - Broaden the scope of what can be required by the City for inclusion in an arborist’s written evaluation for proposed development to include impacts of any development within five (5) feet of a tree’s critical root zone. This can include trees on and off of the applicant’s site.
2. SMC 20.50.350(D) - Broaden the application of the site design standards for clearing activities to include development within five (5) feet of a tree’s critical root zone whether the potentially impacted tree is on or off site.
3. SMC 20.50.360 - Add specific requirements for tree replacement when trees need to be removed on property adjoining a development due to construction

impacts. Replacement for trees removed on adjoining property would require an increased replacement tree height of eight (8) feet instead of six (6) feet. These replacement trees can be planted on the property from which a tree was removed (preferable) or on the property being developed if the adjoining property owner does not want the replacement tree;

4. SMC 20.50.360(C) - Specify that replacement trees required for the Lynnwood Link Extension project shall be native conifers and deciduous trees proportional to the number and type of trees removed for construction; and
5. SMC 20.50.370 - Broaden the scope of the tree protection standards to also apply to off-site trees.

### **COUNCIL GOAL(S) ADDRESSED**

This item addresses City Council Goal No. 3: Prepare for two Shoreline light rail stations.

### **RESOURCE/FINANCIAL IMPACT**

There are no direct impacts to the City's resources associated with the adoption of these amendments. These amendments are intended to protect City resources by ensuring that impacts that can be attributed to the new light rail system are identified and addressed by Sound Transit.

### **RECOMMENDATION**

No action is required at this time. The Planning Commission recommendation on the proposed Development Code amendments will be presented to the Council with the goal of answering Council's questions and receiving Council's feedback regarding the proposed amendments. Staff does however recommend that the Council adopt proposed Ordinance No. 741 when it is brought back to Council for adoption on July 11, 2016.

### **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 741  
Exhibit A: Proposed Development Code Amendments for the Light Rail System and Facilities Permitting Process and Applicable Regulations

**ORDINANCE NO. 741**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING CERTAIN SECTIONS OF THE SHORELINE MUNICIPAL CODE TITLE 20, THE UNIFIED DEVELOPMENT CODE, TO ADDRESS LIGHT RAIL SYSTEMS AND FACILITIES PERMITTING PROCESSES AND APPLICABLE REGULATIONS.**

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

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

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

WHEREAS, amendments are needed to address unique permit and planning aspects arising from the construction and/or operation of Sound Transit's light rail transit system and facilities within the City; and

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

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

WHEREAS, the environmental impacts of the proposed amendments to the Development Code resulted in the issuance of a Determination of Non-Significance (DNS) on September 16, 2015; and

WHEREAS, on February 4, 2016 and again on April 21, 2016, the City of Shoreline Planning Commission reviewed the proposed Development Code amendments; and

WHEREAS, on May 5, 2016, the City of Shoreline Planning Commission held a public hearing on the proposed Development Code amendments so as to receive public testimony; and

WHEREAS, at the conclusion of public hearing, the City of Shoreline Planning Commission voted unanimously to approve the Development Code amendments; and

WHEREAS, on June 6, 2016, the City Council held a study session on the proposed Development Code amendments; and

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

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

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

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

**Section 1. Amendment.** Title 20 of the Shoreline Municipal Code, Unified Development Code, is amended as set forth in Exhibit A to this Ordinance.

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

**PASSED BY THE CITY COUNCIL ON JULY 11, 2016.**

\_\_\_\_\_  
Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Date of Publication: , 2016

Effective Date: , 2016

**20.20.016 D definitions.**

**Development Agreement** A contract between the City and an applicant having ownership or control of property, or a public agency ~~which provides an essential public facility~~. The purpose of the development agreement is to set forth the development standards and other provisions that shall apply to, govern and vest the development, use, and mitigation of real property within the City for the duration specified in the agreement and shall be consistent with the applicable development regulations and the goals and policies in the Comprehensive Plan. (Ord. 706 § 1 (Exh. A), 2015).

**20.20.032 L definitions.**

**Light Rail Transit Facility:** A light rail transit facility is a type of essential public facility and refers to any structure, rail track, equipment, maintenance base or other improvement of a light rail transit system, including but not limited to ventilation structures, traction power substations, light rail transit stations, parking garages, park-and-ride lots, and transit station access facilities.

**Light Rail Transit System:** A light rail transit system is a type of essential public facility and refers to any public rail transit line that provides high-capacity, regional transit service owned or operated by a regional transit authority authorized under Chapter 81.112 RCW.

**Regional Transit Authority:** Regional transit authority refers to an agency formed under the authority of Chapters 81.104 and 81.112, RCW to plan and implement a high capacity transportation system within a defined region.

**20.30.100 Application.**

A. Who may apply:

1. The property owner or an agent of the owner with authorized proof of agency may apply for a Type A, B, or C action, or for a site-specific Comprehensive Plan amendment.
2. Prior to purchase, acquisition, or owner authorization, a Regional Transit Authority may apply for a Type A, B, or C action, or for a site specific Comprehensive Plan amendment in order to develop any Light Rail Transit Facility or any portion of a Light Rail Transit System for property that has been duly authorized by the public agency for acquisition or use. No work shall

commence in accordance with issued permits or approvals until all of the necessary property interests are secured and/or access to the property for such work has been otherwise approved by the owner of the property.

3. Nothing in the subsection shall prohibit the Regional Transit Authority and City from entering into an agreement to the extent permitted by the Code or other applicable law.

4. The City Council or the Director may apply for a project-specific or site-specific rezone or for an area-wide rezone.

5. Any person may propose an amendment to the Comprehensive Plan. The amendment(s) shall be considered by the City during the annual review of the Comprehensive Plan.

6. Any person may request that the City Council, Planning Commission, or Director initiate amendments to the text of the Development Code.

B. All applications for permits or actions within the City shall be submitted on official forms prescribed and provided by the Department.

At a minimum, each application shall include:

1. An application form with the authorized signature of the applicant.
2. The appropriate application fee based on the official fee schedule (Chapter 3.01 SMC).
3. The Director may waive City imposed development fees for the construction of new or the remodel of existing affordable housing that complies with SMC 20.40.230 or SMC 20.40.235 based on the percentage of units affordable to residents whose annual income will not exceed 60 percent of the King County Area Median income. For example, if 20% of the units are affordable to residents with incomes 60% or less of the King County Area Median income; then the applicable fees could also be reduced by 20%.

**20.30.330 Special use permit-SUP (Type C action).**

**A. Purpose.** The purpose of a special use permit is to allow a permit granted by the City to locate a regional land use including Essential Public Facilities on unclassified lands, unzoned lands, or when not specifically allowed by the zoning of the location, but that provides a benefit to the community and is compatible with other uses in the zone in which it is proposed. The special use permit may be granted subject to conditions placed on the proposed use to ensure compatibility with adjacent land uses. The Special Use Permit shall not be used to preclude the siting of an Essential Public Facility.

**B. Decision Criteria (applies to all Special Uses).** A special use permit shall be granted by the City, only if the applicant demonstrates that:

1. The use will provide a public benefit or satisfy a public need of the neighborhood, district, City or region;
2. The characteristics of the special use will be compatible with the types of uses permitted in surrounding areas;
3. The special use will not materially endanger the health, safety and welfare of the community;
4. The proposed location shall not result in either the detrimental over-concentration of a particular use within the City or within the immediate area of the proposed use, unless the proposed use is deemed a public necessity;
5. The special use is such that pedestrian and vehicular traffic associated with the use will not be hazardous or conflict with existing and anticipated traffic in the neighborhood;
6. The special use will be supported by adequate public facilities or services and will not adversely affect public services to the surrounding area or conditions can be established to mitigate adverse impacts;
7. The location, size and height of buildings, structures, walls and fences, and screening vegetation for the special use shall not hinder or discourage the appropriate development or use of neighboring properties;
8. The special use is not in conflict with the basic purposes of this title; and
9. The special use is not in conflict with the standards of the critical areas regulations, Chapter 20.80 SMC, Critical Areas, or Shoreline Master Program, SMC Title 20, Division

**C. Decision Criteria (Light Rail Transit Facility/System only).** In addition to the criteria in SMC 20.30.330(B), a Special Use Permit for a light rail transit system/facilities located anywhere in the City may be granted by the City only if the applicant demonstrates the following standards are met:

1. The proposed light rail transit system/facilities uses energy efficient and environmentally sustainable architecture and site design consistent with the City's Guiding Principles for Light Rail System/Facilities and Sound Transit's design criteria manual used for all Light Rail Transit Facilities throughout the System and provides equitable features for all proposed light rail transit system/facilities;



2. The use will not result in, or will appropriately mitigate, adverse impacts on City infrastructure (e.g., roads, sidewalks, bike lanes (as confirmed by the performance of an Access Assessment Report or similar assessment) to ensure that the City’s transportation system (motorized and non-motorized) will be adequate to safely support the light rail transit system/facility development proposed. If capacity or infrastructure must be increased to meet the Decision Criteria set forth in this Section 20.30.330(C), then the applicant must identify a mitigation plan for funding or constructing its proportionate share of the improvements; and

3. The applicant demonstrates that the design of the proposed light rail transit system/facility is generally consistent with the City’s Guiding Principles for Light Rail System/Facilities.

**20.40.438 Light rail transit system/facility.**

E. The following supplemental submittal items are required to permit a light rail transit facility or light rail transit system within the City:

1. A Construction Management Plan or agreement will be completed before any building permit may be issued for the proposal;

2. A Post Construction Parking Operational Management Plan or agreement will be completed before light rail service begins and will include management and enforcement techniques to guard against such impacts as off-site parking in surrounding neighborhoods;

3. An Access Assessment Report is required for light rail transit system/facilities. The Access Assessment Report will analyze, identify and prioritize multi modal access improvements. The Access Assessment Report is intended to supplement the analysis and mitigation included in any environmental review document prepared for the proposed project. In general the Access Assessment Report will address: improvements near the stations for pedestrians and bicycles, paratransit riders, and “kiss and ride” users. A more specific scope for the Access Assessment Report will be agreed to by the applicant and the City. The City may require third party review of the Access Assessment Report at the applicant’s expense.

F. Project and Permitting Processes Light Rail System/Facility.

1. Accelerated Project and Permitting Process.

a. All City permit reviews will be completed within a mutually agreed upon reduced number of working days within receiving complete

permit applications and including subsequent revisions in accordance with a fully executed Accelerated Project and Permitting Staffing Agreement between the City and the project proponent.

b. The fees for permit processing will be determined as part of the Accelerated Project Permitting Staffing Agreement.

c. An Accelerated Project and Permitting Staffing Agreement shall be executed prior to the applicant's submittal of the Special Use Permit application; or the applicant may choose to utilize the City's standard project and permitting processes set forth in SMC 20.40.438(F)(2).

## 2. Standard Project and Permit Process.

a. All complete permit applications will be processed and reviewed in the order in which they are received and based on existing resources at the time of submittal.

b. Cost: Permit fees will be charged in accordance with SMC 3.01.010. This includes the ability for the City to charge its established hourly rate for all hours spent in excess of the estimated hours for each permit.

c. Due to the volume of permits anticipated for development of a light rail system/facilities in the City, in absence of an Accelerated Project Permitting Staffing Agreement, the Target Time Limits for Decisions denoted in SMC 20.30 may be extended by the Director if adequate staffing is not available to meet demand.

## **20.50.240 Site design.**

### **F. Public Places.**

1. Public places are required for the commercial portions of development at a rate of four square feet of public place per 20 square feet of net commercial floor area up to a public place maximum of 5,000 square feet. This requirement may be divided into smaller public places with a minimum 400 square feet each.
2. Public places may be covered but not enclosed unless by subsection (F)(3) of this section.
3. Buildings shall border at least one side of the public place.
4. Eighty percent of the area shall provide surfaces for people to stand or sit.
5. No lineal dimension is less than six feet.
6. The following design elements are also required for public places:

- a. Physically accessible and visible from the public sidewalks, walkways, or through-connections;
- b. Pedestrian access to abutting buildings;
- c. Pedestrian-scaled lighting (subsection H of this section);
- d. Seating and landscaping with solar access at least a portion of the day; and
- e. Not located adjacent to dumpsters or loading areas;
- f. Amenities such as public art, planters, fountains, interactive public amenities, hanging baskets, irrigation, decorative light fixtures, decorative paving and walkway treatments, and other items that provide a pleasant pedestrian experience along arterial streets.
- g. Accessible potable water and electrical power shall be supplied to the exterior of high capacity transit centers, stations and associated parking.

**20.50.330 Project review and approval.**

B. **Professional Evaluation.** In determining whether a tree removal and/or clearing is to be approved or conditioned, the Director may require the submittal of a professional evaluation and/or a tree protection plan prepared by a certified arborist at the applicant's expense, where the Director deems such services necessary to demonstrate compliance with the standards and guidelines of this subchapter. Third party review of plans, if required, shall also be at the applicant's expense. The Director shall have the sole authority to determine whether the professional evaluation submitted by the applicant is adequate, the evaluator is qualified and acceptable to the City, and whether third party review of plans is necessary. Required professional evaluation(s) and services may include:

1. Providing a written evaluation of the anticipated effects of proposed construction on the any development within five (5) feet of a tree's critical root zone that may impact the viability of trees on a-and off site.

**20.50.350 Development standards for clearing activities.**

D. **Site Design.** Site improvements shall be designed and constructed to meet the following:

- ~~1. Trees should be protected within vegetated islands and stands rather than as individual, isolated trees scattered throughout the site.~~
2. 1. Site improvements shall be designed to give priority to protection of trees with the following characteristics, functions, or location including where the critical root zone of trees on adjoining property are within five (5) feet of the development:
  - a. Existing stands of healthy trees that have a reasonable chance of survival once the site is developed, are well shaped to withstand the

wind and maintain stability over the long term, and will not pose a threat to life or property.

- b. Trees which exceed 50 feet in height.
- c. Trees and tree clusters which form a continuous canopy.
- d. Trees that create a distinctive skyline feature.
- e. Trees that have a screening function or provide relief from glare, blight, commercial or industrial harshness.
- f. Trees providing habitat value, particularly riparian habitat.
- g. Trees within the required yard setbacks or around the perimeter of the proposed development.
- h. Trees having a significant land stability function.
- i. Trees adjacent to public parks, open space, and critical area buffers.
- j. Trees having a significant water-retention function.

**20.50.360 Tree replacement and site restoration.**

A. Plans Required. Prior to any tree removal, the applicant shall demonstrate through a clearing and grading plan, tree retention and planting plan, landscape plan, critical area protection and mitigation plan, or other plans acceptable to the Director that tree replacement will meet the minimum standards of this section. Plans shall be prepared by a qualified person or persons at the applicant's expense. Third party review of plans, if required, shall be at the applicant's expense.

B. The City may require the applicant to relocate or replace trees, shrubs, and ground covers, provide erosion control methods, hydroseed exposed slopes, or otherwise protect and restore the site as determined by the Director.

C. Replacement Required. Trees removed under the partial exemption in SMC 20.50.310(B)(1) may be removed per parcel with no replacement of trees required. Any significant tree proposed for removal beyond this limit should be replaced as follows:

- 1. One existing significant tree of eight inches in diameter at breast height for conifers or 12 inches in diameter at breast height for all others equals one new tree.
- 2. Each additional three inches in diameter at breast height equals one additional new tree, up to three trees per significant tree removed.
- 3. Minimum size requirements for replacement trees ~~replaced~~ under this provision: deciduous trees shall be at least 1.5 inches in caliper and evergreens six feet in height.

Exception 20.50.360(C):

*4a. No tree replacement is required when the tree is proposed for relocation to another suitable planting site; provided, that relocation complies with the standards of this section.*

*2b. The Director may allow a reduction in the minimum replacement trees required or off-site planting of replacement trees if all of the following criteria are satisfied:*

*i. There are special circumstances related to the size, shape, topography, location or surroundings of the subject property.*

*ii. Strict compliance with the provisions of this Code may jeopardize reasonable use of property.*

*iii. Proposed vegetation removal, replacement, and any mitigation measures are consistent with the purpose and intent of the regulations.*

*iv. The granting of the exception or standard reduction will not be detrimental to the public welfare or injurious to other property in the vicinity.*

*3c. The Director may waive this provision for site restoration or enhancement projects conducted under an approved vegetation management plan.*

4. Replacement trees required for the Lynnwood Link Extension project shall be native conifer and deciduous trees proportional to the number and type of trees removed for construction, unless as part of the plan required in SMC 20.50.350(A) the qualified professional demonstrates that a native conifer is not likely to survive in a specific location.

5. Tree replacement where tree removal is necessary on adjoining properties to meet requirements in 20.50.350(D) or as a part of the development shall be at the same ratios in C. 1, 2, and 3 above with a minimum tree size of 8 feet in height. Any tree for which replacement is required in connection with the construction of a light rail system/facility, regardless of its location, may be replaced on the project site.

6. Tree replacement related to development of a light rail transit system/facility must comply with SMC 20.50.360(C).

**20.50.370 Tree protection standards.**

The following protection measures shall be imposed for all trees to be retained on-site or on adjoining property, to the extent offsite trees are subject to the tree protection provisions of this Chapter, during the construction process.

A. All required tree protection measures shall be shown on the tree protection and replacement plan, clearing and grading plan, or other plan submitted to meet the requirements of this subchapter.

B. Tree dripline areas or critical root zones as defined by the International Society of Arboriculture shall be protected. No fill, excavation, construction materials, or equipment staging or traffic shall be allowed in the dripline areas of trees that are to be retained.

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

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

**PROBLEM/ISSUE STATEMENT:**

The City is required to adopt a six-year Capital Improvement Plan (CIP) to identify and approve projects based on projected revenues and expenditures. The adopted CIP sets the direction for staff in the development and implementation of capital projects throughout the City. The 2017-2022 CIP will be submitted to Council for review in October and approval in November along with the 2017 Proposed Budget.

At tonight's meeting, Council will be provided with the opportunity to review the status of the four capital funds including any significant changes to projects that were approved in the 2016-2021 CIP. Council will also have the opportunity to provide input and direction to staff for the development of the 2017-2022 CIP.

**RESOURCE/FINANCIAL IMPACT:**

The six-year Capital Improvement Plan must be balanced based on reasonable assumptions of revenues and expenditures. Direction and priorities provided by Council tonight will be utilized to develop the 2017-2022 CIP. In addition to financial constraints, the availability of staff resources will be incorporated into the timing or scheduling of various projects.

**RECOMMENDATION**

No formal action is required tonight; however, City staff is looking for feedback and direction from the Council for use in the development of the 2017-2022 CIP. Staff is specifically looking for feedback and direction on the following items:

- As discussed at the May 16, 2016 Council update on the Police Station at City Hall project, staff has recommended the use of General Fund balance as the primary funding source for remaining costs associated with this project.
- Concurrence to delay programming additional Parks projects until the completion of the Parks, Recreation and Open Space (PROS) Plan.
- Support for adding Duct Cleaning as a new project for Facilities Major Maintenance.
- Prioritizing use of increased revenues from the transportation eligible component of REET to fund such things as grant match instead of general fund contributions.
- Direction and prioritization on additional funding for the following projects:

- N/NE 145<sup>th</sup> Street funding for early property acquisition,
- Funding to move the 185<sup>th</sup> Corridor Study from conceptual plans towards design, environmental review and property acquisition, and
- Funding for Westminster Way and NE 155<sup>th</sup> Street to ensure improvements can be made that supports redevelopment within the Community Renewal Area.
- Not include additional new sidewalk projects until the pedestrian priority element of the Transportation Master Plan is completed and a consistent revenue source is identified.
- Evaluation of a funding source for sidewalk maintenance needs including an increase in the vehicle license fee as part of the 2017 budget process.
- Within the Surface Water Fund, place 10<sup>th</sup> Avenue NE Drainage Improvements and NE 148<sup>th</sup> Street Infiltration Facilities on hold until clearer direction is available on State grant funding.
- Implementation of the surface water utility rates as identified in the 2011 Surface Water Master Plan and included in the current CIP.

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



## **INTRODUCTION**

The City is required to adopt a six-year Capital Improvement Plan (CIP). This plan is broken into four funds – General, Facilities Major Maintenance, Surface Water and Roads. The 2016-2021 CIP was adopted on November 23, 2015 with the 2016 annual operating budget. Similarly, the 2017-2022 CIP will be adopted in November 2016 and amended on April 25, 2016.

## **BACKGROUND**

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

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

The Council also adopts a six-year Transportation Improvement Plan (TIP), as required by law, that defines projects and priorities for transportation related projects. State law requires the TIP to be adopted by July of each year. The 2017-2022 TIP, adopted by Council on May 23, 2016, serves as a guide for establishing priorities for the CIP and can be found at the following link: [2017-2022 Transportation Improvement Plan](#).

The Surface Water Utility is unique from the other capital funds in that it is funded almost entirely by surface water utility fees, and must address operating needs and capital needs with this funding. As operating needs increase, there is less available revenue for capital needs and vice-versa. The Council has the discretion to adjust the rates of the utility as necessary to ensure adequate revenue to meet the operational and capital needs of the utility.

In addition to the existing Surface Water Master Plan, Surface Water Utility has also developed Basin Plans for the various watersheds in Shoreline. The Thornton Creek Watershed Plan, the Boeing Creek and Storm Creek Basin Plans, the McAleer Creek Basin Plan, and the Lyon (Ballinger) Creek Basin Plan can all be found at the following link: <http://www.shorelinewa.gov/government/departments/public-works-/surface-water-utility/studies-plans>.

As well, the Puget Sound Drainages Basin Plan is underway and is scheduled for completion in 2016. All of these plans identify needs and priorities within the applicable basins. The Surface Water Master Plan update will evaluate all the Basin Plans and develop citywide surface water system priorities and recommend an appropriate funding structure.

### **CIP Discussion and Adoption Schedule**

The Council will review and approve the CIP in conjunction with the 2017 Proposed Budget this fall. The following table provides a list of proposed dates for the 2017 Budget process with Council:

Discussion of Preliminary 2017-2022 CIP	August 15, 2015
Discussion of Preliminary 2017 Budget and CIP	September 19, 2016
Discussion of 2017 Proposed Budget and 2017-2022 CIP	October 10,17, 24, 2016
Public Hearing and Discussion on Proposed 2017 Budget and 2017-2022 CIP	October 31, 2016
Public Hearing and Council Discussion on 2017 Property Tax and Revenue Sources	November 7, 2016
Final Discussion of the Proposed 2017 Budget and 2017-2022 CIP	November 14, 2016
Adoption of 2017 Budget, 2017 CIP and Property Tax Levy	November 21, 2016

## **DISCUSSION**

Fund summaries are included for all four capital funds as attachments to this staff report. These fund summaries include updated costs for existing projects and updated revenue forecasts. Based on these updates, the summary shows an updated fund balance. In both the General Capital Fund and Roads Capital Fund, the increases in fund balance are primarily a result of increased Real Estate Excise Tax (REET) projections. The projections, which are formulated with a consistent methodology, are based on recent years' activities and current King County forecasts. Updated projections contribute to increasing fund balances in both the General and Roads Capital Funds; however, it is important to remember this is a variable revenue source and requires some caution or awareness when programming this funding source into projects and programs.

### **UPDATE ON 2016-2021 CIP**

Attachment A includes a summary of currently funded capital projects and the status of the projects. Projects with significant adjustments to either schedule or budget have been highlighted in the attachment.

On February 22, 2016, staff discussed with Council challenges with current staffing levels to manage the expanding capital program. The February 22 staff report can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport020116-8b.pdf>.

As a result of that conversation, Council approved an additional two Capital Project Manager positions. Staff is still working to fill those two additional positions, plus the position originally approved with the 2016 budget to manage the N/NE 145<sup>th</sup> Street project. At one point a candidate who had accepted a position, but then recinded that acceptance to take a position with another entity. The first review of applications for the current recruitment efforts is scheduled for Tuesday, May 31. Depending on the outcomes of that review, staff will determine if other steps need to be considered.

As a result of these on-going vacancies there are still several projects that are unstaffed and project schedules will need to be updated in the 2017-2022 CIP. The schedules

have not been updated in the Fund Summaries because the revised schedules will not be known until the additional staff is on-board.

### **GENERAL CAPITAL FUND**

The General Capital Fund contains a combination of facility, park and open space projects. Funding for these projects typically come from General Fund revenues, REET and grants when available. This fund also includes voter approved King County Trail Levy funds and seizure funds, both federal and state, collected through the Police Department when transferred to support specific qualified projects.

Attachment B is the fund summary for the General Capital Fund. The ending fund balance is currently estimated at a low of \$800,000 in 2016 and growing to \$2.5 million in 2021. The following projects and issues have been identified in the General Fund:

- Police Station at City Hall - On May 16, 2016 staff provided Council with an update on the Police Station at City Hall project. The fund summary includes the revised project estimates. In drafting the CIP staff will utilize a variety of revenues for remaining funding, including use of fund balance as a result of increased REET, before other sources of revenue, such as financing or General Fund contributions, are used.
- North Maintenance Facility - Staff updated the Council on this project on February 22, 2016. That update identified several next steps utilizing the current budget, including refining cost estimates, reviewing the impacts of the Critical Area regulations, and exploring funding alternatives. Staff has made progress on all of these items but no definitive information is available for this update. Staff will propose funding strategies for inclusion in the CIP at a later date.
- Turf and Lighting -Field Replacement - Staff is proceeding with repairs to both turf and light poles at Shoreline A&B Field this summer. The field will be closed for two weeks in July for the turf repairs and an additional week in August for selected light pole replacements. At the Twin Ponds Park Fields, replacement of turf and lighting is scheduled in 2017; however the project is currently unstaffed.
- Parks, Recreation and Open Space (PROS) Plan - Development of this plan is underway with a draft expected in early 2017. No significant changes are proposed for the CIP until the PROS plan is completed and priorities are established. As a reminder, the PROS Plan includes the Aquatic and Community Center Feasibility Study, condition assessments for restrooms and playgrounds and a Parks and Open Space plan associated with the light rail subareas.
- Parks Repair and Replacement - This program has been expanded to include maintenance of natural areas in addition to the historical use for playgrounds, parking lots and playfields.

### **FACILITIES MAJOR MAINTENANCE FUND**

This fund supports major maintenance capital improvements at City facilities such as the Shoreline Pool, Spartan Gym, the current Police Station and City Hall. Funding is through an annual General Fund contribution of \$124,032. The 2016-2021 CIP included an additional General Fund contribution of approximately \$625,000 to fund major pool repairs. The Fund Summary can be found in Attachment C. The following specific projects and issues have been identified within this fund:

- Shoreline Pool Long-Term Maintenance - Construction associated with major repairs are nearly complete with the pool scheduled to re-open in early June. Repairs included upgraded lighting, resurfacing the pool bottom and other improvements that will extend the life of the pool by another seven to 10 years while long-term options for the pool are evaluated. The CIP for this project includes an ongoing \$20,000 per year of maintenance for the mechanical infrastructure and related systems as needed.
- Richmond Highlands Recreation Center – Upcoming repairs include roof replacement, painting, replacing the furnaces and hardwood floor replacement. Costs are estimated at \$250,000 and will be completed over the next several years as budget is available as long term options for recreation and aquatic facilities are evaluated.
- Duct Cleaning - This is a new program that would establish an initial and on-going cleaning of air ducts at the pool, community centers and other buildings, including City Hall. This program would increase the life span of HVAC systems, reduce future maintenance, save energy and improve air quality for staff and users of the facility. The cost for this program is estimated at \$12,000. This funding amount is the initial investment that places the City on a three to five year cycle. This program is currently unfunded.
- Restrooms - Added as a new program last year, it is largely unfunded. As part of the PROS plan, an assessment of the restroom facilities is anticipated shortly. Depending on the results of the preliminary report, repair or replacement needs may be identified for 2017 or 2018, ahead of completion of the PROS Plan. The PROS plan will consider both modular and site-built restroom replacements. Depending on the size and scope of any early work, it may need to be included in Facilities Major Maintenance or as a General Capital project.
- General Level of Funding - The fund is currently set at a constant \$124,032 per year and essentially allocated as follows:
  - \$4,032 - Restricted funding for annual accrual sufficient to recoat the City Hall Parking Garage in a predictive cycle,
  - \$50,000 - City Hall and Pool Long Term Maintenance, and
  - \$70,000 - Other Major Repair and Maintenance.

In 2015, Cityworks was implemented for asset management. This system is currently collecting information that will be used to support data driven decision regarding Facilities Major Maintenance funding. The results of this data will be utilized in subsequent years to assist in identifying appropriate funding levels and/or needs in this program.

## **SURFACE WATER UTILITY FUND**

The Surface Water Utility Fund must address both operational and capital expenditures for the utility, which creates unique financial and programmatic challenges. Attachment D to this staff report is the fund summary for Surface Water Utility Fund focusing on the capital projects and programs. Attachment D also shows the utility rate increases and rate structure as developed in the 2011 Surface Water Master Plan. Different from the other funds, the utility fund is required to maintain a “Minimum Working Capital” to support operational needs. Based on the preliminary fund summary, the fund indicates less than \$10,000 as the “Variance above Minimum Working Capital” at the end of 2016

growing to over \$2.4 million in 2022. This fund summary does include the issuance of \$4 million in bonds split between 2017 and 2018 that are programmed in 2016 and 2017 in the current CIP. The following projects and issues have been identified within this fund:

- Surface Water Master Plan - The project to update the Surface Water Master Plan has started in 2016 and is expected to be completed in 2017. This update will address project priorities and rate structure. As a result, staff is not anticipating funding new projects or making significant changes until the update is completed.
- 10<sup>th</sup> Avenue NE Drainage Improvements - This project was funded primarily by grants. The grant has been awarded but the funding has not been released as part of the state budget. As a result, staff has put this project “on hold” until staff gets different direction or information on the grant. The alternative would be to fund the project with Surface Water fund balance, of which there is not adequate funding for this project and remaining priorities.
- NE 148<sup>th</sup> Street Infiltration Facility - This project is in the same position as 10<sup>th</sup> Avenue NE Drainage Project. Staff is similarly recommending placing this project “on hold” until the funding issue is resolved.
- Hidden Lake Dam Removal - This project was discussed with Council on May 23, 2016. The project is included in the current CIP based on the staff recommendation at that meeting. Cost and funding requirements will be further developed in the next phase of the work. Staff will seek to obtain grant funding for the work, particularly for the habitat and fisheries aspects of the project.
- Operating Costs - As mentioned previously, the Surface Water Capital Fund is closely influenced by the Utility’s operating expenditures. As staff moves into the development of the operating budget, there will be a focus on compliance with the NPDES permit which may increase operating expenditures and correspondingly decrease revenues available for capital projects.

## **ROADS CAPITAL FUND**

The Roads Capital Fund contains projects categorized as pedestrian/non-motorized projects, system preservation projects and safety/operation projects. Funding for these projects comes through a variety of funding sources including REET, vehicle license fees, the General Fund and various grants.

Attachment E to this staff report shows the fund summary for the Roads Capital Fund. This summary includes updated estimates for current project expenditures and revenue projections. The summary anticipates the lowest fund balance of \$2.6 million in 2017; increasing to \$5.9 million by 2021. The following projects and issues have been identified within this fund:

- Annual Road Surface Maintenance Program - In 2016, this program was adjusted to rotate annually between performing asphalt overlays and Bituminous Surface Treatment (BST). Pending the timing of WSDOT authorization and completion of the bid package, the 2016 asphalt overlay planned for portions of 15<sup>th</sup> Avenue NE and Meridian Avenue N will be performed late 2016 or early 2017. In 2017, BST will be utilized. Staff is utilizing the results of pavement condition ratings completed in 2015 to determine the priorities for both overlay and BST.

One route still being reviewed and evaluated is N 175<sup>th</sup> Street from Interstate-5 to 15<sup>th</sup> Avenue NE. This route received BST treatment several years ago and with high temperatures, the surface has softened and become sticky. The pavement condition rating is largely based on a visual inspection and therefore 175<sup>th</sup> Street scored as though it was in relatively good condition. Staff has contracted with WSDOT to perform a more detailed analysis (Falling Weight Deflectometer Testing) on the subgrade and structural integrity of the road. Based on current pavement condition ratings, the roadway segments are not competitive for system preservation grants. Dependent on the detailed analysis conducted by WSDOT, staff will determine if the project would be competitive for grants or if this is a project that will need to be funded completely with local dollars. The cost estimate for this project is approximately \$1.2 million dollars, which is more than the annual funding for the Annual Road Surface Maintenance Program. Staff will be reviewing the priorities and cost estimates which may result in annual increases or decreases in funding within the program.

- Aurora Avenue N - As this project moves to completion and close-out, staff is updating final project costs and projections. The latest updates indicate approximately \$1.3 million will be available for re-programming. Rather than returning this revenue to the fund balance and programming it into other projects, staff is preparing to bring this issue to Council to discuss alternatives and options for how to utilize the savings. These options include items such as appropriating funding to the Public Arts program (restoring the 1% for Arts contribution), converting lighting on Aurora to LED (first two miles) and other modifications along the corridor. Staff intends to bring this to Council in August 2016 so that recommendations can be included in the draft 2017-2022 CIP.
- N/NE 145<sup>th</sup> Street – Currently, the CIP includes the Design and Environmental phase of 145<sup>th</sup> Street from SR-99 to Interstate-5. As a result of the completed corridor study two other projects have been identified for the CIP. One is the 145<sup>th</sup> Street and the I-5 Interchange Project that is being worked on closely with WSDOT, Sound Transit, the City of Seattle and others. The second is the off-corridor bike improvements that would improve non-motorized access to the future light rail station at 145<sup>th</sup> Street. In addition to these two new projects, staff intends to add funding for right of way acquisition, including early acquisition. Grant applications have been submitted for right of way acquisition for the segment from SR 99 to I-5, and design and environmental for the I-5 Interchange.
- N 175<sup>th</sup> Street Design - Recently funded through a grant, this project will begin design in 2017. The City portion of the project is funded by Transportation Impact Fees (TIF). The City collected \$254,780 in 2015 and projects an additional \$200,000 in 2016 as a result of TIF. The City portion of the match is currently estimated at \$360,000. Additional TIFs will be used for future phases of the N 175<sup>th</sup> Street project or other growth projects previously defined.
- Sidewalks or Other Non-motorized Improvements - Staff does not anticipate including new sidewalk projects in the draft CIP for two primary reasons. First, the Transportation Master Plan update scheduled to start later this year, will include review and prioritization of non-motorized facilities. Second, there is not a dedicated funding source for new sidewalks. The City's sidewalk maintenance program has been underfunded and primarily funded by general fund contributions. Use of

increased vehicle license fees has been identified as a potential revenue source for sidewalk maintenance and will be explored as part of the 2017 budget.

- Vehicle License fees - An increase in motor vehicle license fees by \$20 per vehicle would result in an additional \$780,000 annually in revenue. Should Council approve such a fee increase, the funding could first replace the existing \$252,000 General Fund contribution to the Roads Capital Fund that is primarily used for sidewalk maintenance as identified as a strategy in the 10-year Financial Sustainability Plan. The remaining \$528,000 could be used to address a growing list of sidewalk maintenance projects. Consideration of an increase in the vehicle license fee to fund this need will be made during the 2017 budget development process. If an increase were included as part of the 2017 budget, it would take six months for implementation by the Department of Revenue, and as such full implementation of an expanded maintenance program would not occur until 2018.
- Additional Project Funding - The current CIP has several projects funded for design or preliminary phases with no additional funding for construction. Based on available fund balance, staff would recommend funding the following projects as priorities:
  - N/NE 145<sup>th</sup> Street - Identified previously for funding for early property acquisition.
  - Westminster Way and N 155<sup>th</sup> Street - A key project within the Community Renewal Area is funded for preliminary design but additional funding could be used to construct improvements, leverage funding, or partner with developers for implementing the improvements.
  - N 185<sup>th</sup> Corridor - The corridor study will start later this year and is essential to identify the roadway cross-section associated with the 185<sup>th</sup> Street Subarea Plan. Staff is already seeing an increase in development on this corridor and the City will benefit by planning and preparing for future capital investment. The specifics of what should be expected or anticipated will be better known at the corridor study progresses.
- Additional Unfunded Projects -
  - 3<sup>rd</sup> Avenue NW/Richmond Beach Road Intersection Improvements - This intersection has a long history of having some of highest number of collisions within the City. Recent improvements to the signal and future re-channelization of Richmond Beach Road should improve safety, but these improvements are small relative to an eventual need to re-build the intersection and signal. The collision history at this location should make it very competitive within several grant programs.
  - N 160<sup>th</sup> Street and Greenwood Avenue N - The configuration of the intersection between N 160<sup>th</sup> Street and Shoreline Community College is confusing and challenging for buses, cars and pedestrians. The Community College and School District are interested in partnering with the City to improve this intersection.
  - Guardrail Maintenance and Retrofit - Staff recognizes a need to inspect, perform condition assessments and ultimately repair and/or bring up to current standards the guardrails throughout the City.
  - Sound Transit Bike Trail - This project could provide non-motorized facilities along the entire Sound Transit alignment, thus providing better connectivity to

the light rail stations. Staff is working with Sound Transit to ensure their design does not preclude the construction of such facilities.

- Grant Funding - Over the past several years, Council has supported use of General Fund balance for development of a grant match program. To date, staff has been able to leverage \$1.4 million of General Fund contribution into \$5.8 million of grant funding. The current CIP includes an additional \$400,000 for the grant match program in 2017. Based on preliminary feedback and direction, staff will attempt to utilize existing Roads Capital Funds to sustain the grant match program. Attachment F includes a summary of the current grant match fund.
- Additional Grant Projects – In the May 9, 2016 Council presentation staff identified several projects that staff has recently submitted for grant proposals. Preliminary results on some of these grant opportunities should be known by the end of June. Depending on the results, these projects will be included in the draft CIP. Similarly there are additional grant opportunities for later in the summer. Attachment F includes a summary of the recent grant proposals and the potential match for the projects.

### **UPDATE ON STAFFING AND RESOURCES**

In February, staff brought to Council a concern that there were not adequate resources to deliver the currently funded projects within the CIP. Council supported and approved the hiring of two additional Engineer II -Capital Project Managers to deliver existing capital projects. As well, in April 2016 as part of the Supplemental Budget Request, Council approved another Engineer II for the 175<sup>th</sup> Corridor Project that has recently received grant funding. These three new positions join the one Engineer II position that Council approved for the 145<sup>th</sup> Corridor Project as part of the 2016 budget adoption.

This equates to four new Engineer II positions to support the capital program that have yet to be filled. The positions are currently advertised and another round of interviews should take place in mid-June. As a result of these vacancies, there are still several capital projects that are not staffed. These projects are identified in Attachment A as “unstaffed” and new schedules will be more fully developed once staff is hired. Adjustments to schedules will be shown in the draft 2017-2022 CIP to the extent possible.

Staff will continue to analyze the staffing needs as part of the development of the CIP and the operating budget.

### **COUNCIL GOAL(S) ADDRESSED**

The CIP impacts or addresses several Council Goals, including:

- Council Goal 1: Strengthen Shoreline’s Economic Base
- Council Goal 2: Improve Shoreline’s utility, transportation and environmental infrastructure.
- Council Goal 3: Prepare for two Shoreline light rail stations



## **RESOURCE/FINANCIAL IMPACT**

The six-year CIP must be balanced based on reasonable assumptions of revenues and expenditures. Direction and priorities provided by Council tonight will be utilized to develop the 2017-2022 CIP. In addition to the financial constraints the availability of staff resources will be incorporated into the scheduling of various projects. Based on the current backlog of capital projects, any new projects will most likely be scheduled to begin in 2018 and possibly 2019.

## **RECOMMENDATION**

No formal action is required tonight; however, City staff is looking for feedback and direction from the Council for use in the development of the 2017-2022 CIP. Staff is specifically looking for feedback and direction on the following items:

- As discussed at the May 16, 2016 Council update on the Police Station at City Hall project, staff has recommended the use of General Fund balance as the primary funding source for remaining costs associated with this project.
- Concurrence to delay programming additional Parks projects until the completion of the Parks, Recreation and Open Space (PROS) Plan.
- Support for adding Duct Cleaning as a new project for Facilities Major Maintenance.
- Prioritizing use of increased revenues from the transportation eligible component of REET to fund such things as grant match instead of general fund contributions.
- Direction and prioritization on additional funding for the following projects:
  - N/NE 145<sup>th</sup> Street funding for early property acquisition,
  - Funding to move the 185<sup>th</sup> Corridor Study from conceptual plans towards design, environmental review and property acquisition, and
  - Funding for Westminster Way and NE 155<sup>th</sup> Street to ensure improvements can be made that supports redevelopment within the Community Renewal Area.
- Not include additional new sidewalk projects until the pedestrian priority element of the Transportation Master Plan is completed and a consistent revenue source is identified.
- Evaluation of a funding source for sidewalk maintenance needs including an increase in the vehicle license fee as part of the 2017 budget process.
- Within the Surface Water Fund, place 10<sup>th</sup> Avenue NE Drainage Improvements and NE 148<sup>th</sup> Street Infiltration Facilities on hold until clearer direction is available on State grant funding.
- Implementation of the surface water utility rates as identified in the 2011 Surface Water Master Plan and included in the current CIP.

## **ATTACHMENTS**

Attachment A – Summary of Current CIP Projects  
Attachment B – General Capital Fund Summary  
Attachment C – Facilities Major Maintenance Fund Summary  
Attachment D – Surface Water Utility Fund Summary  
Attachment E – Roads Capital Fund Summary  
Attachment F – Grant Match Summary

**GENERAL and FACILITY MAJOR MAINTENANCE CAPITAL FUNDS  
CURRENT PROJECT SUMMARY**

**Attachment A**

	<b>Current Status</b>	<b>Comment</b>
<b><u>CURRENT PARKS PROJECTS</u></b>		
KING COUNTY, TRAILS AND OPEN SPACE REPLACEMENT LEVY	on-going	low priority project; programming of future funds to be done later this year
PARKS REPAIR AND REPLACEMENT	on-going	resurfacing several parking lots
REGIONAL TRAIL SIGNAGE	delayed	no staff resources; low priority
PARKS, RECREATION AND OPEN SPACE UPDATE	in progress	underway for completion in early 2017
TURF & LIGHTING REPAIR AND REPLACEMENT	in progress	repairs to Shoreline A&B scheduled for summer 2016. Twin Ponds potentially delayed based on staffing resources
<b><u>FACILITIES PROJECTS</u></b>		
MAINTENANCE FACILITY	preliminary design	designer has developed concept; cost estimates being refined and funding strategy being developed
POLICE STATION	in design	proceeding on schedule

<b><u>FACILITY MAJOR MAINTENANCE</u></b>		
SHORELINE POOL LONG TERM MAINTENANCE	construction	completion on schedule for early June
SPARTAN RECREATION CENTER	minor expenditures	no change
RICHMOND HIGHLANDS COMMUNITY CENTER LONG TERM MAINTENANCE	minor expenditures	no change

\* highlighted project represent those projects with significant changes in schedule and/or budget

**SURFACE WATER UTILITY CAPITAL FUND  
CURRENT PROJECT STATUS**

**Attachment A**

	<b>Current Status</b>	<b>Comment</b>
<b>BASIN PLANNING AND OTHER</b>		
PUGET SOUND DRAINAGES BASIN PLAN	Proceeding	nearing completion of basin plan
SURFACE WATER MASTER PLAN	Proceeding	consultant selection complete; project will not be completed until 2017
THORNTON CREEK CONDITION ASSESSMENT	on-hold	Delayed due to staffing
<b>CAPACITY</b>		
10TH AVE DRAINAGE IMPROVEMENTS	on-hold	delayed due to grant funding not being available
NE 148TH INFILTRATION FACILITIES	on-hold	delayed due to grant funding not being available
25TH AVE NE FLOOD REDCUTION IMPROVEMENTS	in design	
BOEING CREEK REGIONAL STORMWATER FACILITY	on-hold	Delayed due to staffing
<b>REPAIR AND REPLACEMENT</b>		
GOHEEN REVETMENT	completed	construction completed. Plant establishment and monitoring on-going
HIDDEN LAKE DAM REMOVAL	alternative analysis completed	recommended solution approved by solution. Approved alternative will be programmed into CIP
STORMWATER PIPE REPLACEMENT PROGRAM	construction and design	construction in progress for 2016. Design in progress for 2017. Bonds anticipated for 2017
SURFACE WATER SMALL PROJECTS	design	designs in progress

\* highlighted project represent those projects with significant changes in schedule and/or budget

**ROADS CAPITAL FUND  
CURRENT PROJECT STATUS**

**Attachment A**

	<b>Current Status</b>	<b>Comment</b>
<b><u>REPAIR AND REPLACEMENT</u></b>		
<b>Pedestrian / Non-Motorized Projects</b>		
BIKE SYSTEM IMPLEMENTATION	on-hold	design delayed due to staffing
TRAFFIC SAFETY IMPROVEMENTS	in process	
<b>System Preservation Projects</b>		
ANNUAL ROAD SURFACE MAINTENANCE PROGRAM	design and prep	This program has two elements: Asphalt overlay - design complete for Meridian Ave N and 15th Ave NE. Construction may occur in late 2016 or be delayed until spring 2017.  BST - staff is doing prep work in 2016 for 2017 program
CURB RAMP, GUTTER AND SIDEWALK MAINTENANCE PROGRAM	design	design delayed due to staffing
10TH AVENUE NW BRIDGE	Construction	scheduled for completion in July 2016
TRAFFIC SIGNAL REHABILITATION PROGRAM	in process	
<b><u>CAPACITY CONSTRUCTION</u></b>		
<b>Pedestrian / Non-Motorized Projects</b>		
25th AVENUE SIDEWALKS		being designed with North Maintenance Facility
ECHO LAKE SAFE ROUTES TO SCHOOL	design	proceeding slowly as a result of staffing
EINSTEIN SAFE ROUTE TO SCHOOL	completed	education and enforcement being finalized
INTERURBAN TRAIL/BURKE-GILMAN CONNECTORS	on-hold	in design; project schedule has been impacted by staffing
<b>Safety / Operations Projects</b>		
AURORA AVENUE NORTH 192ND - 205TH	final completion	finalizing construction and close-out
145TH CORRIDOR DESIGN AND ENVIR. (SR 99 TO I-5)	on-hold	pending staffing to begin design
ROUTE DEVELOPMENT PLAN FOR THE 145TH CORRIDOR	Completed	approved by Council; finalizing final report
185th CORRIDOR STUDY	on-hold	delayed due to staffing
MERIDIAN AVE N & N155TH ST SIGNAL IMPROVEMENT		design start in late 2016 pending staffing
N175TH ST- STONEAVE NE TO I-5		design start in 2017
RADAR SPEED SIGNS	in process	
WESTMINSTER AND 155TH IMPROVEMENTS	on-hold	delayed due to staffing

\* highlighted project represent those projects with significant changes in schedule and/or budget

**City of Shoreline 2017 - 2022 Capital Improvement Plan  
Program Summary  
General Capital Fund**

	PRIOR-YRS	2016CB	2016E	2017E	2018E	2019E	2020E	2021E	2022E	6-YEAR TOTAL	TOTAL PROJECT
<b>PROJECT EXPENDITURES</b>											
<b><u>PARKS PROJECTS</u></b>											
BALLINGER NEIGHBORHOOD PARKS	-	-	-	-	150,000	-	-	-	-	150,000	150,000
KING COUNTY, TRAILS AND OPEN SPACE REPLACEMENT LEVY	34,495	36,000	30,000	110,000	110,000	110,000	-	-	-	330,000	394,495
PARK AT TOWN CENTER	121,430	-	-	-	-	200,000	-	-	-	200,000	321,430
PARK ECOLOGICAL RESTORATION PROGRAM	3	36,323	36,323	-	-	-	-	-	-	-	36,326
PARKS REPAIR AND REPLACEMENT	2,060,243	229,980	216,415	227,236	238,597	250,528	263,054	265,816	275,000	1,520,231	3,796,889
PARKS, RECREATION AND OPEN SPACE UPDATE	12,449	87,551	87,551	-	-	-	-	-	-	-	100,000
REGIONAL TRAIL SIGNAGE	72,699	85,906	85,906	-	-	-	-	-	-	-	158,605
TURF & LIGHTING REPAIR AND REPLACEMENT	2,845	194,655	152,500	1,700,000	145,000	-	-	-	-	1,845,000	2,000,345
<b><u>FACILITIES PROJECTS</u></b>											
NORTH MAINTENANCE FACILITY	3,030,837	567,912	567,912	-	-	-	-	-	-	-	3,598,749
POLICE STATION AT CITY HALL	225,649	6,986,304	4,200,000	3,335,979	-	-	-	-	-	3,335,979	7,761,628
POOL & RECREATION FACILITY MASTER PLANNING	-	115,000	100,000	-	-	-	-	-	-	-	100,000
RECREATION FACILITIES EXTERIOR SECURITY LIGHTING	-	-	-	25,000	-	-	-	-	-	25,000	25,000
<b><u>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</u></b>											
ECHO LAKE PARK IMPROVEMENTS	478,042	-	-	-	-	-	-	-	-	-	478,042
SALTWATER PARK PEDESTRIAN BRIDGE MAJOR REPAIR	534,940	-	-	-	-	-	-	-	-	-	534,940
SHORELINE POOL REPAIR/REPLACEMENT NEEDS ANALYSIS	-	-	-	-	-	-	-	-	-	-	56,359
SHORELINE VETERAN'S RECOGNITION	51,721	33,279	33,279	-	-	-	-	-	-	-	85,000
TRAIL CORRIDORS	2,530,529	-	-	-	-	-	-	-	-	-	2,530,529
<b><u>NON-PROJECT SPECIFIC</u></b>											
GENERAL CAPITAL ENGINEERING	647,518	80,091	80,091	85,000	40,000	40,000	40,000	40,000	40,000	285,000	1,012,609
COST ALLOCATION CHARGES	-	23,977	23,977	23,977	25,000	25,000	25,000	25,000	25,000	148,977	172,954
CITY HALL DEBT SERVICE PAYMENT	-	664,546	664,546	663,946	662,546	677,546	663,250	663,250	663,782	3,994,320	4,658,866
<b>TOTAL EXPENDITURES</b>	<b>9,859,758</b>	<b>9,141,524</b>	<b>6,278,500</b>	<b>6,171,138</b>	<b>1,371,143</b>	<b>1,303,074</b>	<b>991,304</b>	<b>994,066</b>	<b>1,003,782</b>	<b>11,834,507</b>	<b>27,972,765</b>
<b>REVENUES</b>											
REAL ESTATE EXCISE TAX	-	1,038,146	1,160,493	1,195,965	1,261,315	1,286,415	1,393,487	1,446,024	1,537,797	8,121,003	
SOCCER FIELD RENTAL CONTRIBUTION	-	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	780,000	
INVESTMENT INTEREST	-	31,384	31,384	58,676	21,207	36,391	49,517	66,575	85,905	318,270	
SALE OF CURRENT POLICE STATION	-	1,065,000	-	1,265,000	-	-	-	-	-	1,265,000	
LIMITED TAX GENERAL OBLIGATION BOND 2013	-	1,471,317	1,471,317	-	-	-	-	-	-	-	
FUTURE GRANTS	-	-	-	-	75,000	200,000	-	-	-	275,000	
GENERAL FUND CONTRIBUTION	-	1,050,000	1,050,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000	
KC - 4CULTURE DEV.AUTH.	-	20,000	20,000	-	-	-	-	-	-	-	
KC TRAIL LEVY FUNDING RENEWAL	-	110,000	110,000	110,000	110,000	110,000	-	-	-	330,000	
KING CONSERVATION DISTRICT GRANT	-	36,323	36,323	-	-	-	-	-	-	-	
RECREATION & CONSERVATION OFFICE	-	-	-	250,000	-	-	-	-	-	250,000	
STATE AND FEDERAL DRUG FORFEITURE FUND	-	400,000	400,000	-	-	-	-	-	-	-	
TREASURY SEIZURE FUND	-	2,802,444	2,039,541	-	-	-	-	-	-	-	
TREASURY SEIZURE FUND - POTENTIAL	-	-	774,247	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>		<b>8,167,893</b>	<b>7,236,584</b>	<b>3,059,641</b>	<b>1,647,522</b>	<b>1,812,806</b>	<b>1,623,004</b>	<b>1,692,599</b>	<b>1,803,702</b>	<b>11,639,273</b>	
<b>BEGINNING FUND BALANCE</b>		224207	2,953,678	3,911,762	800,265	1,076,644	1,456,376	1,958,076	2,526,608	3,911,762	
TOTAL REVENUES			7,236,584	3,059,641	1,647,522	1,812,806	1,623,004	1,692,599	1,803,702	11,639,273	
RESTRICTED AMOUNT FOR TURF REPLACEMENT						130,000	130,000	130,000	130,000	520,000	
TOTAL EXPENDITURES			6,278,500	6,171,138	1,371,143	1,303,074	991,304	994,066	1,003,782	11,834,507	
<b>ENDING FUND BALANCE</b>	<b>2,953,678</b>		<b>3,911,762</b>	<b>800,265</b>	<b>1,076,644</b>	<b>1,456,376</b>	<b>1,958,076</b>	<b>2,526,608</b>	<b>3,196,528</b>	<b>3,196,528</b>	
IMPACT ON OPERATING BUDGET			-	10,100	10,303	10,510	10,510	10,723	-		

City of Shoreline 2017 - 2022 Capital Improvement Plan  
Program Summary  
City Facility Major Maintenance Fund

	PRIOR-YRS	2016CB	2016E	2017E	2018E	2019E	2020E	2021E	2022E	6-YEAR TOTAL	TOTAL PROJECT
<b>PROJECT EXPENDITURES</b>											
<b><u>GENERAL FACILITIES</u></b>											
POLICE STATION LONG-TERM MAINTENANCE	141,806	-	-	-	-	-	-	-	-	-	141,806
CITY HALL LONG-TERM MAINTENANCE	-	-	-	42,000	20,000	84,000	80,000	80,000	-	306,000	306,000
CITY HALL PARKING GARAGE LONG-TERM MAINTENANCE	119,349	-	-	-	-	10,000	-	-	-	10,000	129,349
ROOF REPLACE & MAJOR REPAIR	-	89,670	89,670	-	-	-	-	-	-	-	89,670
<b><u>PARKS FACILITIES</u></b>											
PARKS RESTROOMS LONG-TERM MAINTENANCE	-	-	-	-	-	-	-	30,000	-	30,000	30,000
SHORELINE POOL LONG-TERM MAINTENANCE	451,162	768,584	768,584	20,000	20,000	20,000	20,000	20,000	-	100,000	1,319,746
RICHMOND HIGHLANDS COMMUNITY CENTER LONG-TERM MAINTENANCE	246,675	2,000	2,000	15,000	80,000	-	2,000	-	-	97,000	345,675
SPARTAN RECREATION CENTER	12,110	6,500	6,500	19,000	9,000	-	4,500	-	-	32,500	51,110
<b>TOTAL EXPENDITURES</b>	<b>971,103</b>	<b>866,754</b>	<b>866,754</b>	<b>96,000</b>	<b>129,000</b>	<b>114,000</b>	<b>106,500</b>	<b>130,000</b>	<b>-</b>	<b>575,500</b>	<b>2,413,357</b>
<b>REVENUES</b>											
GENERAL FUND OPERATING TRANSFER		124,032	124,032	124,032	124,032	124,032	124,032	124,032	124,032	744,192	
GENERAL FUND CONTRIBUTION		658,303	658,303							-	
SHORELINE SCHOOL DISTRICT										-	
INVESTMENT INTEREST		449	449	12	765	834	1,208	1,845	1,705	6,371	
<b>TOTAL REVENUES</b>		<b>782,784</b>	<b>782,784</b>	<b>124,044</b>	<b>124,797</b>	<b>124,866</b>	<b>125,240</b>	<b>125,877</b>	<b>125,737</b>	<b>750,563</b>	
<b>BEGINNING FUND BALANCE</b>			84,800	830	28,874	24,672	35,538	54,278	50,155	830	
TOTAL REVENUES			782,784	124,044	124,797	124,866	125,240	125,877	125,737	750,563	
TOTAL EXPENDITURES			866,754	96,000	129,000	114,000	106,500	130,000	-	575,500	
<b>ENDING FUND BALANCE</b>	<b>84,800</b>		<b>830</b>	<b>28,874</b>	<b>24,672</b>	<b>35,538</b>	<b>54,278</b>	<b>50,155</b>	<b>175,893</b>	<b>175,893</b>	
IMPACT ON OPERATING BUDGET			-	-	-	-	-	-	-		

**City of Shoreline 2017 - 2022 Capital Improvement Plan  
Program Summary  
Surface Water Utility Fund**

	PRIOR-YRS	2016CB	2016E	2017E	2018E	2019E	2020E	2021E	2022E	6-YEAR TOTAL	TOTAL PROJECT
<i>PROPOSED UTILITY RATE INCREASE</i>			4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%		
<i>SWM RATE RESIDENTIAL SF HOME ANNUAL FEE</i>			152	160	168	176	185	194	204		
<b>PROJECT EXPENDITURES</b>											
<i><b>CAPACITY</b></i>											
10TH AVE NE DRAINAGE IMPROVEMENTS	-	250,000	-	250,000	-	-	-	600,000	30,000	880,000	880,000
25TH AVE. NE FLOOD REDUCTION IMPROVEMENTS	217	880,000	341,930	615,000	370,000	2,817,853	-	-	-	3,802,853	4,145,000
BOEING CREEK REGIONAL STORMWATER FACILITY STUDY	-	200,000	50,000	150,000	-	-	-	-	-	150,000	200,000
NE 148TH INFILTRATION FACILITIES	81,907	368,886	7,500	376,701	-	-	-	-	-	376,701	466,108
<i><b>REPAIR AND REPLACEMENT</b></i>											
GOHEEN REVETMENT REPAIR	399,929	20,626	20,626	11,500	6,000	6,000	6,000	-	-	29,500	450,055
HIDDEN LAKE DAM REMOVAL	109,513	61,213	61,212	40,000	160,000	70,000	850,000	-	-	1,120,000	1,290,725
STORMWATER PIPE REPLACEMENT PROGRAM	757,869	657,103	591,530	235,000	40,000	520,000	180,000	820,000	-	1,795,000	3,144,399
SURFACE WATER SMALL PROJECTS	2,369,025	215,723	215,723	100,000	-	-	-	-	-	100,000	2,684,748
<i><b>OTHER</b></i>											
PUGET SOUND DRAINAGES BASIN PLAN	173,569	271,432	271,432	-	-	-	-	-	-	-	445,001
SURFACE WATER MASTER PLAN	-	500,000	250,000	400,000	-	-	-	-	-	400,000	650,000
THORNTON CREEK BASIN CONDITION ASSESSMENT	-	100,000	-	150,000	150,000	-	-	-	-	300,000	300,000
<i><b>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</b></i>											
BALLINGER CREEK DRAINAGE STUDY (LYONS CREEK BASIN)	179,632	4,000	4,000	-	-	-	-	-	-	-	183,632
MCALDER CREEK BASIN PLAN	391,945	4,000	4,000	-	-	-	-	-	-	-	395,945
NORTH FORK THORNTON CREEK LID STORMWATER RETROFIT	795,348	-	-	-	-	-	-	-	-	-	795,348
SURFACE WATER GREEN WORKS PROJECTS	625,020	-	-	-	-	-	-	-	-	-	625,020
<i><b>NON-PROJECT SPECIFIC</b></i>											
SURFACE WATER CAPITAL ENGINEERING	2,190,242	158,013	158,013	170,000	175,000	185,000	190,000	200,000	210,000	1,130,000	3,478,255
COST ALLOCATION CHARGES	812,119	190,448	190,448	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	2,202,567
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>5,167,875</b>	<b>3,881,444</b>	<b>2,166,414</b>	<b>2,698,201</b>	<b>1,101,000</b>	<b>3,798,853</b>	<b>1,426,000</b>	<b>1,820,000</b>	<b>440,000</b>	<b>11,284,054</b>	<b>22,336,803</b>
<b>REVENUES</b>											
INVESTMENT INTEREST		18,877	18,877	12,314	48,002	131,197	51,923	60,745	63,652	367,833	
DEPARTMENT OF ECOLOGY BIENNIAL STORMWATER CAPACITY GRANT		-	-	-	-	-	-	-	-	-	
DEPARTMENT OF ECOLOGY STORMWATER RETROFIT GRANT		-	-	-	-	-	-	-	-	-	
DOE STORMWATER PRE-CONSTRUCTION GRANT		250,000	-	250,000	-	-	-	-	-	250,000	
KING COUNTY FLOOD ZONE DISTRICT OPPORTUNITY		110,898	110,898	110,898	110,898	110,898	110,898	110,898	110,898	665,388	
WA STATE STORMWATER FINANCIAL ASSISTANCE PROGRAM		290,625	-	290,625	-	-	-	-	-	290,625	
FUTURE FUNDING - BONDS		2,000,000	-	2,000,000	2,000,000	-	-	-	-	4,000,000	
<b>TOTAL CAPITAL REVENUES</b>		<b>2,670,400</b>	<b>129,775</b>	<b>2,663,837</b>	<b>2,158,900</b>	<b>242,095</b>	<b>162,821</b>	<b>171,643</b>	<b>174,550</b>	<b>5,573,846</b>	
<b>BEGINNING FUND BALANCE</b>			2,095,313	820,902	1,811,411	3,881,557	1,527,161	1,786,618	1,872,103	820,902	
TOTAL CAPITAL REVENUES			129,775	2,663,837	2,158,900	242,095	162,821	171,643	174,550	5,573,846	
TOTAL CAPITAL EXPENDITURES			2,166,414	2,698,201	1,101,000	3,798,853	1,426,000	1,820,000	440,000	11,284,054	
SURFACE WATER FEES			4,004,586	4,540,815	4,767,856	5,006,249	5,256,561	5,519,389	5,795,359	30,886,230	
OPERATING GRANTS			50,000	-	-	-	-	-	-	-	
PUBLIC WORKS DEBT SERVICE PAYMENT		344,431	344,431	337,534	335,902	334,269	332,637	332,637	332,637	2,005,616	
AMOUNT RESTRICTED - LOAN MAINTENANCE FACILITY DEBT SERVICE		119,086	119,086	119,086	119,086	119,086	-	-	-	357,258	
STORMWATER PIPE REPL DEBT SERVICE PAYMENT		182,391	-	182,391	364,783	364,783	364,783	364,783	364,783	2,006,306	
<b>TOTAL DEBT SERVICE</b>		<b>645,908</b>	<b>463,517</b>	<b>639,011</b>	<b>819,771</b>	<b>818,138</b>	<b>697,420</b>	<b>697,420</b>	<b>697,420</b>	<b>4,369,180</b>	
TOTAL OPERATING EXPENDITURES			2,828,841	2,876,931	2,935,839	2,985,748	3,036,506	3,088,127	3,140,625	18,063,777	
<b>ENDING FUND BALANCE</b>	<b>2,095,313</b>	<b>820,902</b>	<b>1,811,411</b>	<b>3,881,557</b>	<b>1,527,161</b>	<b>1,786,618</b>	<b>1,872,103</b>	<b>3,563,967</b>	<b>3,563,967</b>		
MINIMUM REQUIRED RESERVE (20% OPER REV)			810,917	908,163	953,571	1,001,250	1,051,312	1,103,878	1,159,072		
DEBT SERVICE/FUND BALANCE RATIO (MINIMUM 1.25)				2.83	4.73	1.87	2.56	2.68	5.11		
VARIANCE ABOVE MINIMUM REQUIRED RESERVE			9,985	903,247	2,927,986	525,911	735,305	768,225	2,404,895		
IMPACT ON OPERATING BUDGET			-	-	10,000	-	-	-	-		

City of Shoreline 2017 - 2022 Capital Improvement Plan  
Program Summary  
Roads Capital Fund

	PRIOR-YRS	2016CB	2016E	2017E	2018E	2019E	2020E	2021E	2022E	6-YEAR TOTAL	TOTAL PROJECT
<b>PROJECT EXPENDITURES</b>											
<b><u>REPAIR AND REPLACEMENT</u></b>											
<b><u>Pedestrian / Non-Motorized Projects</u></b>											
BIKE SYSTEM IMPLEMENTATION	-	642,725	642,725	-	-	-	-	-	-	-	642,725
TRAFFIC SAFETY IMPROVEMENTS	1,584,689	172,954	172,954	157,881	160,775	163,814	167,005	167,005	-	816,480	2,574,123
<b><u>System Preservation Projects</u></b>											
10TH AVENUE NW BRIDGE	168,854	383,207	370,000	-	-	-	-	-	-	-	538,854
ANNUAL ROAD SURFACE MAINTENANCE PROGRAM	13,036,866	2,336,320	2,214,984	1,000,000	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	6,900,000	22,151,850
CURB RAMP, GUTTER AND SIDEWALK MAINTENANCE PROGRAM	2,266,597	236,419	152,517	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	3,619,114
TRAFFIC SIGNAL REHABILITATION PROGRAM	1,413,233	162,339	162,339	115,763	121,551	127,628	134,010	134,010	-	632,962	2,208,534
<b><u>CAPACITY CONSTRUCTION</u></b>											
<b><u>Pedestrian / Non-Motorized Projects</u></b>											
25TH AVE. NE SIDEWALKS	-	60,000	60,000	510,000	25,000	-	-	-	-	535,000	595,000
ECHO LAKE SAFE ROUTES TO SCHOOL	3,376	514,124	116,000	405,000	5,624	-	-	-	-	410,624	530,000
EINSTEIN SAFE ROUTE TO SCHOOL	666,828	43,793	4,566	-	-	-	-	-	-	-	671,394
INTERURBAN TRAIL/BURKE-GILMAN CONNECTORS	108,482	436,017	436,017	-	-	-	-	-	-	-	544,499
<b><u>Safety / Operations Projects</u></b>											
145TH CORRIDOR - 99TH TO I5	62	2,447,977	2,447,977	2,447,977	-	-	-	-	-	2,447,977	4,896,016
145TH CORRIDOR STUDY	477,333	128,884	128,884	-	-	-	-	-	-	-	606,217
185TH CORRIDOR STUDY	89	600,000	600,000	-	-	-	-	-	-	-	600,089
AURORA AVENUE NORTH 192ND - 205TH	38,757,214	4,821,217	4,821,217	596,762	-	-	-	-	-	596,762	44,175,193
MERIDIAN AVE N & N 155TH ST SIGNAL IMPROV	-	58,929	58,929	300,000	-	-	-	-	-	300,000	358,929
N 175TH ST - STONE AVE N TO I5	-	2,665,000	2,665,000	1,435,000	-	-	-	-	-	1,435,000	4,100,000
RADAR SPEED SIGNS	-	120,456	120,456	-	-	-	-	-	-	-	120,456
RICHMOND BEACH RE-CHANNELIZATION	-	-	-	200,000	-	-	-	-	-	200,000	200,000
WESTMINSTER AND 155TH IMPROVEMENTS	-	250,000	250,000	200,000	-	-	-	-	-	200,000	450,000
<b><u>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</u></b>											
AURORA AVENUE NORTH-145TH TO 192ND SAFETY IMPROVEMENTS	433,574	3,543	7,472	-	-	-	-	-	-	-	441,046
NE 195TH SEPARATED TRAIL	536,081	10,000	-	-	-	-	-	-	-	-	536,081
<b><u>NON-PROJECT SPECIFIC</u></b>											
ROADS CAPITAL ENGINEERING	1,920,776	215,805	215,805	235,000	255,000	265,000	280,000	295,000	-	1,330,000	3,466,581
TRANSPORTATION MASTER PLAN UPDATE	-	100,000	100,000	200,000	-	-	-	-	-	200,000	300,000
COST ALLOCATION CHARGES	-	64,767	64,797	50,000	50,000	50,000	50,000	50,000	50,000	300,000	364,797
<b>TOTAL EXPENDITURES</b>	<b>61,374,054</b>	<b>16,474,476</b>	<b>15,812,639</b>	<b>8,053,383</b>	<b>1,917,950</b>	<b>2,006,442</b>	<b>2,031,015</b>	<b>2,046,015</b>	<b>1,450,000</b>	<b>17,504,805</b>	<b>94,691,498</b>
<b>REVENUES</b>											
REAL ESTATE EXCISE TAX	-	1,038,146	1,160,493	1,195,965	1,261,315	1,286,415	1,393,487	1,446,024	1,537,797	8,121,003	
GENERAL FUND SUPPORT	-	954,179	954,179	650,955	247,812	244,822	241,938	239,403	236,924	1,861,854	
INVESTMENT INTEREST	-	37,415	37,415	53,145	69,627	87,710	106,760	128,646	152,465	598,354	
GENERAL FUND CONTRIBUTION	-	850,000	1,002,517	202,517	152,517	152,517	152,517	152,517	152,517	965,102	
RESIDENTIAL PARKING ZONE PERMIT	-	-	-	-	-	-	-	-	-	-	
CMAQ	-	346,673	1,144,367	2,191	-	-	-	-	-	2,191	
FEDERAL - STP	-	6,009,695	6,008,961	3,358,775	-	-	-	-	-	3,358,775	
FTA - RAPID RIDE	-	599,236	1,135,415	-	-	-	-	-	-	-	
HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)	-	1,793,945	1,841,853	293,456	-	-	-	-	-	293,456	
KING COUNTY METRO	-	172,860	247,860	-	-	-	-	-	-	-	
REGIONAL MOBILITY	-	-	-	-	-	-	-	-	-	-	
SAFE ROUTES TO SCHOOL	-	516,763	116,000	405,000	9,000	-	-	-	-	414,000	
TRANSPORTATION IMPROVEMENT BOARD	-	289,601	704,344	2,074	-	-	-	-	-	2,074	
TRANSPORTATION BENEFIT DISTRICT	-	1,031,824	1,031,824	780,000	780,000	780,000	780,000	780,000	780,000	4,680,000	
UTILITY REIMBURSEMENTS	-	633,486	951,073	-	-	-	-	-	-	-	
TRANSPORTATION IMPACT FEES	-	359,775	359,775	193,725	-	-	-	-	-	193,725	
WSDOT - PEDESTRIAN & BICYCLE SAFETY PROGRAM	-	448,989	403,273	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>		<b>15,082,587</b>	<b>17,171,804</b>	<b>7,137,803</b>	<b>2,520,271</b>	<b>2,551,464</b>	<b>2,674,702</b>	<b>2,746,590</b>	<b>2,859,703</b>	<b>20,490,534</b>	
<b>BEGINNING FUND BALANCE</b>			<b>2,183,867</b>	<b>3,543,032</b>	<b>2,627,453</b>	<b>2,594,983</b>	<b>3,140,006</b>	<b>3,783,693</b>	<b>4,484,267</b>		
TOTAL REVENUES			17,171,804	7,137,803	2,520,271	2,551,464	2,674,702	2,746,590	2,859,703		
TOTAL EXPENDITURES			15,812,639	8,053,383	1,917,950	2,006,442	2,031,015	2,046,015	1,450,000		
RESTRICTED AMOUNT FOR GRANT MATCHING			-	-	634,791	-	-	-	-	634,791	
<b>ENDING FUND BALANCE</b>		<b>2,183,867</b>	<b>3,543,032</b>	<b>2,627,453</b>	<b>2,594,983</b>	<b>3,140,006</b>	<b>3,783,693</b>	<b>4,484,267</b>	<b>5,893,970</b>		
IMPACT ON OPERATING BUDGET			-	75,270	119,351	119,474	119,519	119,519	-		



## Grant Summary

Projects using grant match funding

Project/Revenue	Grant Agency/Program	2016	2017	2018	Balance	grant amount
starting balance (2014-2019 CIP)					300,000	
GF contribution (2015-2020 CIP)		200,000			500,000	
Bike Implementation Plan	PSRC- STP/Non-motorized Countywide	(86,768)			413,232	555,957
Echo Lake Safe Routes to School	WSDOT- Safe Routes to School	(10,000)			403,232	520,000
HSIP- Speed Radar Signs	WSDOT- City Safety	(943)			402,289	119,513
HSIP - Meridian and 155th Intersection	WSDOT- City Safety	(6,544)			395,745	352,385
N/NE145th St (Aurora to I-5)	PSRC- STP Countywide	(660,954)			(265,209)	4,235,000
GF Contrib. (prop. 2016-2021 CIP)		500,000	400,000		634,791	

Projects using other source for grant match

Other Grants (other match source)						
15th Ave NE Overlay (Roads Capital)	PSRC- STP/Preservation/ Countywide					858,050
Meridian Ave N (Roads Capital)	PSRC- STP/Preservation/ Countywide					523,325
175th Design (Transportation Impact Fee)	PSRC- STP Countywide					3,546,500

Projects recently submitted for grants

Project	Program	Total Project	Request	City Match
Linden Avenue N, N 175th St to N 182nd Sidewalks	WSDOT Pedestrian and Bicycle Safety Program	\$ 1,133,357	\$ 1,133,357	\$ -
N 195th Street, Interurban Trail to Ashworth Ave N Sidewalks	WSDOT Pedestrian and Bicycle Safety Program	\$ 393,140	\$ 393,140	\$ -
15th Avenue NE, N 155th to N 160th Preservation	KCPEC Federal Countywide Program through PSRC	\$ 762,713	\$ 587,289	\$ 175,424
NW 200th, 3rd to Aurora Avenue N Preservation	KCPEC Federal Countywide Program through PSRC	\$ 726,291	\$ 559,244	\$ 167,047
Greenwood Avenue N, 148th to 160th Preservation	KCPEC Federal Countywide Program through PSRC	\$ 663,089	\$ 510,578	\$ 152,511
SR-523 (N/NE 145th Street), I-5 to Aurora ROW	KCPEC Federal Countywide Program through PSRC	\$13,200,000	\$ 6,350,000	\$ 500,000
SR-523 (N/NE 145th Street) & I-5 Interchange PE	KCPEC Federal Countywide Program through PSRC	\$ 4,500,000	\$ 3,892,500	\$ 607,500