



AGENDA

SHORELINE CITY COUNCIL REGULAR MEETING

Monday, October 16, 2017
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Approving Minutes of Regular Meeting of September 11, 2017	<u>7a1-1</u>	
Approving Minutes of Special Meeting of September 25, 2017	<u>7a2-1</u>	
(b) Authorizing the City Manager to Approve the Conditional Certificate of Property Tax Exemption for Paceline Apartments	<u>7b-1</u>	
(c) Authorizing the City Manager to Enter into a Grant Agreement with the Port of Seattle for \$54,990 for Economic Development Projects	<u>7c-1</u>	
(d) Adopting Ordinance No. 800 – Granting the Ronald Wastewater District a Non-Exclusive Franchise to Construct, Maintain, Operate, Replace and Repair a Sanitary Sewer System within Public Rights-of-Way	<u>7d-1</u>	
(e) Authorizing the City Manager to Execute an Amendment in the Amount of \$64,407 for the Professional Services Contract with Brown and Caldwell for the 2017 Surface Water Master Plan Update	<u>7e-1</u>	
8. STUDY ITEMS		
(a) Discussing the Proposed 2018 Budget – Department Presentations	<u>8a-1</u>	7:30

9. EXECUTIVE SESSION: Potential Litigation – RCW 42.30.110(1)(i)

9:00

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

9:20

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

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING

Monday, September 11, 2017
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.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

Deputy Mayor Winstead reported attending the Regional Water Quality meeting and hearing the final independent assessment report on the West Point Treatment Plant failure that happened in February 2017.

Councilmember McConnell reported attending a SeaShore Transportation Forum meeting and said they are reviewing an agreement to determine which members have voting privileges. She said a Washington State Road Usage Project Update was provided to determine how to replace the gas tax with other revenue sources.

Mayor Roberts reported that he met with Sound Transit Board Members and talked about ways to reduce costs for the Lynnwood Link Extension. He said Sound Transit also committed to better transparency in decision making and expressed a desire to continue to work with partner agencies to reduce costs and ensure the project is only slightly delayed. He also reported that the City Council toured the City's Maintenance Facilities this evening and saw the conditions of the Brightwater Portal Site, the North Maintenance Facility, and the Hamlin Yard Maintenance Facility.

Mayor Roberts announced that he signed a proclamation declaring September 17 – 23, 2017 as Constitution Week in the City of Shoreline.

5. PUBLIC COMMENT

Rosetta Kastama, Shoreline resident, asked the City to follow Seattle’s example and institute a different tax system. She recommended that the City purchase the Fircrest Residential Habilitation Center, reserve it for the differently abled, rebuild the laundry facility, build a park, and keep the Senior Center doors open. She said she is tired of property taxes increasing and that Shoreline relies too much on property and sales taxes which affect those least able to pay.

April Seamon, Shoreline resident and member of Boost Shoreline, commented that she is working on a local income tax ordinance. She encouraged the Council to adopt an ordinance to tax income for individuals earning \$250,000 and households earning \$500,000 annually. She said the tax recently passed by the State will hurt middle class people. She noted as a public school teacher conditions are deteriorating and the State cannot continue patching taxes together. She said new income sources are needed for Shoreline’s infrastructure and education improvements, and urged Councilmembers to be leaders and join in with Seattle.

Catherine Kennedy, Shoreline resident, asked Council to pass an ordinance to tax higher income families. She expressed concern with the tax structure in Washington State and said it burdens the poor and middle class. She said income tax will help Shoreline improve infrastructure, education, and fully fund the McCleary Decision. She encouraged Councilmembers to help Washington State move towards a statewide income tax.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Winstead and seconded by Councilmember Hall and unanimously carried, 7-0, the following Consent Calendar items were approved:

(a) Approving Minutes of Special Meeting of July 24, 2017, Regular Meeting of July 24, 2017, and Special Meeting of August 14, 2017

(b) Approving Expenses and Payroll as of August 25, 2017 in the Amount of \$4,690,385.68:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
7/16/17-7/29/17	8/7/2017	73395-73663	15101-15142	67690-67695	\$611,770.06
7/30/17-8/12/17	8/18/2017	73664-73920	15143-15184	67809-67816	\$772,756.52

\$1,384,526.58

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
8/3/2017	67509	67523	\$332,475.60
8/3/2017	67524	67550	\$6,053.76
8/3/2017	67551	67561	\$16,167.76
8/3/2017	67562	67562	\$1,669.69
8/8/2017	60020	60020	(\$60.00)
8/8/2017	67563	67563	\$60.00
8/10/2017	67564	67580	\$71,833.94
8/10/2017	67581	67597	\$467,370.34
8/10/2017	67598	67616	\$59,617.44
8/10/2017	67617	67635	\$36,760.91
8/10/2017	67636	67661	\$18,598.52
8/10/2017	67662	67684	\$25,310.63
8/10/2017	67685	67689	\$739.58
8/17/2017	67696	67719	\$244,314.05
8/17/2017	67720	67756	\$4,832.74
8/17/2017	67757	67775	\$79,025.28
8/17/2017	67776	67789	\$93,612.54
8/17/2017	67790	67803	\$14,054.00
8/18/2017	67804	67804	\$44,381.03
8/22/2017	67805	67806	\$4,000.00
8/22/2017	67805	67806	(\$4,000.00)
8/22/2017	67807	67808	\$4,000.00
8/24/2017	67817	67840	\$787,281.38
8/24/2017	67841	67861	\$7,364.84
8/24/2017	67862	67877	\$990,395.07
			<u>\$3,305,859.10</u>

(c) Adopting Ordinance No. 787- Amending the City's Commute Trip Reduction Plan

(d) Adopting Ordinance No. 794 - Budget Amendment for 2017 to Include Additional Personnel for the Light Rail Stations, City Planning, Building & Inspections and Engineering Programs

(e) Adopting Ordinance No. 796 - Amending the 2017 Salary Classification Table with the Removal of the Construction Inspection Supervisor Classification and the Addition of a Development and Construction Manager Classification

(f) Authorizing the City Manager to Execute an Interagency Agreement No. C1800027 with the Washington State Department of Ecology for Participation in the 2017-2019 Local Source Control Partnership

8. STUDY ITEMS

(a) Presentation on the King County Veterans, Seniors and Human Services Levy

Scott MacColl, Intergovernmental Relations Manager, introduced Leo Flor, King County Veterans & Human Services Levy Project Manager. Mr. MacColl shared that the Veterans, Seniors, and Human Services levy will be on the November 2017 Ballot. He said the Levy proposal has increased substantially and would generate \$343 Million over a six year period and \$1.1 Million per year for the City of Shoreline.

Mr. Flor provided basic information on the current Veterans and Human Services Levy, said it expires at the end of this year, and currently assesses \$.05/\$1,000 per assessed value. He shared the King County Council enacted Ordinance 18555 to place a new Veterans, Seniors, and Human Services Levy on the November 2017 Ballot that will assess \$.10/\$1,000 per assessed value for six years. He said \$355 Million in revenue will be generated, \$52.3 Million in the first year, and \$17 Million will be distributed to each group. He explained the conditions of the Levy and said 50% of proceeds must be used in year one to promote housing stability.

Mayor Roberts asked if the Ordinance distributes allocations geographically across the county. Mr. Flor replied allocations are not mandated in the Ordinance, but said there are conditions included in the implementation plan requiring his department to develop a methodology to account for geographic differences. He explained results areas are based on accountability planning for the three targets and include housing stability, healthy living, social engagement, financial stability, and system access and improvement. He described how King County is working to define "Housing Stability".

Councilmember McGlashan asked how the City can help seniors age in place when funding from organizations like United Way are going towards housing stability for the homeless. Mr. Flor explained that Ordinance 18555 allows funding to support organizations like the Meals on Wheels Program, and other organizations that support housing stability.

Mr. Flor reviewed how much \$.10/\$1,000 of assessed value is and what the cost to Shoreline and King County households would be monthly and yearly. He then reviewed the timeline process for proposed legislative actions.

Councilmember Hall asked how much revenue the Levy would generate in the first year and about regulations in the Ordinance to offset levy suppression. Mr. Flor replied \$52.3 Million of revenue would be generated in the first year and said money has been set aside to mitigate levy suppression. Councilmember Scully asked clarifying questions about tax suppression and who would qualify to receive mitigation funds. Mr. Flor responded that Parks and Fire Districts are set up to receive mitigation funding under the Ordinance.

Mayor Roberts asked Councilmembers if they are interested in endorsing the Levy on the November 2017 Ballot. Councilmember Salomon replied that he is and said consideration should be given to it since it closely relates to the City's core mission to provide Human Services assistance. Councilmember Hall recalled public testimony that expressed concern over

increasing taxes, and therefore he does not think it is a priority for the City. Councilmember Scully said he is not sure about supporting the Levy. On one hand, it supports the City's core mission to support Human Services, but on the other hand, it is a regressive tax which he does not support. He added that promoting a property tax increase may jeopardize the City's ability to raise needed revenue for the City.

Councilmember McGlashan asked why King County did not chose to just renew the current levy. Mr. Flor responded that the goal is to increase the use of Property Tax Exemptions (PTE), and work on legislation to expand the scope of the State's PTE Program to encompass levy lid lifts in order to provide rebates to fully disabled veterans, person with income at or below \$40,000 and age 61 or older, persons retired due to disability, and a surviving widower 57 years of age or older.

Mayor Roberts thanked Mr. Flor for the presentation but said he does not see a consensus among Councilmembers to endorse the Levy.

(b) Discussing the King County Conservation Land Initiative

Eric Friedli, Parks, Recreation and Cultural Services Director, introduced Bob Burns, King County Natural Resources and Parks Deputy Director. Mr. Friedli proposed that the Land Conservation & Preservation Program may assist the City in acquiring land needed to meet park demand identified in the Parks, Recreation, and Open Space Plan. Mr. Burns shared that the Land Conservation Program Initiative provides the opportunity to protect and conserve land. He explained the benefits of conserving land and displayed a map identifying lands that have been protected over years. He said there is a lot more to do like salmon recovery, creating habitats, addressing stormwater and flood issues, completing the great trail network by connecting missing links, creating more passive recreation opportunities, and protecting farmland. He identified six categories of remaining high conversation lands are natural areas, forest, farms, trail networks, rivers, and urban green space. He explained that protection is important now because the rate of growth of land costs is higher than the rate of growth on revenue streams. He stated growth diminishes opportunities to conserve land and that climate change is creating uncertainty. He explained the conservation target is 66,000 acres of land, and discussed how the program works, the costs, funding gaps, and where the funding would come from.

Councilmember Scully stated that the City has committed to a Transfer of Development Rights (TDR) Program and he highly recommends using them as a funding option. Mr. Burns responded that TDR has started to generated money.

Mr. Burns said they are using an Open Space Equity Analysis tool to assess health and demographic indicators to provide an open space assessment score to ensure every community in King County has good access and proximity to green and open spaces. He reviewed the next steps in the process and said the final report will be submitted to the King County Council in December 2017.

Mayor Roberts asked for a map of the areas in King County that lack proximity to green and open spaces. Mr. Burn said he will provide a map to Council.

(c) Discussing Ordinance No. 797 - SMC 13.12 Floodplain Management Code Update for FEMA Requirement

Councilmember Salomon left the meeting at 8:02 p.m.

Uki Dele, Surface Water Utility and Environmental Services Manager, provided background on the City's participation in the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP). She displayed a map showing the three floodplains (Thornton Creek, Boeing Creek, and Puget Sound) that Shoreline manages. She shared that FEMA performed an assessment of Shoreline's regulations and recommended two administrative updates to the Shoreline Municipal Code (SMC): SMC 13.12.105 Definitions and SMC 13.12.300B Special Flood Hazard Area, to provide consistency with updated FEMA regulations. She said Ordinance No. 797 is scheduled for adoption on October 2, 2017.

(d) Discussing Ordinance No. 782 - FCC Rule Amendments for Eligible Wireless Facilities

Julie Ainsworth-Taylor, Acting City Attorney, provided background on how the Federal Communications Commission has removed local authority to regulate wireless facilities. She reviewed the FCC Rules Section 6409(a) and the new Shoreline Municipal Code 20.40.605 that addresses the FCC Rules. She said Ordinance No. 782 is scheduled for adoption on September 25, 2017.

Councilmember McGlashan clarified that this FCC Rule only applies to modification of an existing structure and not to a new facility, and asked if the City still has control over siting requirements for new facilities. Ms. Ainsworth-Taylor confirmed that this FCC rule applies only to modifying existing structures and stated the City still retains control over siting requirements and certain limitations on the types of towers constructed. She said the regulations are due to the expanding wireless environment and that the 5G technology regulations will be the next piece to come forward.

9. ADJOURNMENT

At 8:12 p.m., Mayor Roberts declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, September 25, 2017
5:45 p.m.

Conference Room 222 - Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: None

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

GUESTS: Lorie Hoffman, Shoreline-Lake Forest Park (LFP) Arts Council Executive Director; Vicki Stiles, Shoreline Historical Museum Executive Director; and Bob Lohmeyer, Shoreline-LFP Senior Center Director

At 5:52 p.m., the meeting was called to order by Mayor Roberts.

Lorie Hoffman, Shoreline-LFP Arts Council Executive Director; Vicki Stiles, Shoreline Historical Museum Executive Director; and Bob Lohmeyer, Shoreline-LFP Senior Center Director provided the City Council an update on their organization's past, current, and future activities and events.

Ms. Hoffman shared that signature events for the Art Council include the Edible Book Festival and the East Meets West Concert. She talked about the newly implemented 6X6NW Art Exhibit and said other events they sponsor include Concerts in the Park; Shoreline Arts Festival; Adult Creative Workshops; Arts, Teen and Jazz Camps; Artist in Schools; Family Events; and art exhibits at the Gallery at Town Center. She talked about the Community Project Grants and said they were pleased at the diversity of the applicant pool. She expressed disappointment that King County Proposition No. 1 Sales Tax for Cultural Access Program did not pass, but noted that outside of Seattle, Shoreline and Lake Forest Park were the only two cities that passed Proposition 1, confirming a commitment to the Arts.

Councilmembers congratulated Ms. Hoffman for expanding the Arts Program, communicated a need for summer camps, and asked how long the camps run. Mr. Norris asked about the advertisement for the 6X6NW Art Exhibit. Ms. Hoffman replied that the duration for most camps is a semester, and that advisement for the exhibit was done through national art magazines, Craigslist's, and by word of mouth.

Ms. Stiles shared that the Shoreline Historical Museum incorporated 42 years ago and provides exhibits, tours, hands-on program for children, archive research, public lecture series, and

weekly social media posts on local history topics. She announced that Bill and Robin Montero were the 2016 Trillium Heritage Award Winners, and said the Museum's big events include the Golden Wheels Exhibit and the Hillwood History Walk. She reviewed the Museum's partnerships and funding sources, previewed 2017 and 2018 programs, talked about the value of her volunteers, and distributed the Museum's event calendar. She displayed designs of the new Collections and Research Facility, and said she anticipates it to be completed in 2018. She also noted the increasing cost of construction is a challenge for the project.

Mr. Lohmeyer distributed the Shoreline-LFP Senior Center Newsletter and activity calendar. He shared a story about Connie, Wes, and Fernando, patrons of the Center, to demonstrate how the Center positively impacted each of their lives. He presented demographics of the participants and stated of the 3,400 participants served, 50% are from Shoreline, 79.4% are women, and participants aged 75 and above and low income residents continue to be the primary beneficiary of services. He reviewed the services provided by the Center and funding sources. He thanked Councilmembers for the City's financial support and last year's emergency funding and said he anticipates the Center will have stable funding for the next two years. He said he is hopeful the King County Veterans, Seniors, and Human Services Levy will pass and replace the funding reduced by the United Way.

Councilmembers commented that the Center provides essential services to the residents of Shoreline and encouraged Mr. Lohmeyer to ask for assistance when it is needed. They inquired how the Center was able to increase its revenue. Mr. Lohmeyer replied that they increased rental revenues by \$30,000. He expressed appreciation for working with the Parks, Recreation, and Cultural Services Department and said he looks forward to closer cooperation between the two entities.

At 6:54 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Property Tax Exemption Program Contract for the Paceline Apartment Project
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

The Property Tax Exemption (PTE) program was instituted and subsequently updated by the Washington State legislature to provide incentives to construct multifamily housing as well as affordable housing. According to the Growth Management Act and the State Legislature, multifamily housing and affordable housing are needed throughout the Puget Sound metropolitan area to combat the negative environmental impacts population growth places on the region. Shoreline has offered a PTE program in appropriate areas for many years. Shoreline's PTE program was most recently extended to the Light Rail Station Areas through [Ordinance No. 766, adopted on April 10, 2017](#). The Shoreline PTE program requires that at least 20% of the project be affordable and provides the owner of a qualified project 12 years of tax exemption. Attachment A to this staff report provides the status of the PTE program at the present time.

A qualifying application for PTE was received for the 221-unit Paceline Apartment Project located at Aurora Avenue N and N 172nd Street. The City Manager approved the application and provided the applicant with a contract stating that the City will provide PTE in exchange for compliance with SMC 3.27. The applicant subsequently signed and returned the contract. SMC 3.27.060 specifies that the contract must be approved or denied by Council prior to the City Manager executing the contract and issuing a Conditional Certificate of Property Tax Exemption to the applicant.

RESOURCE/FINANCIAL IMPACT:

The PTE program provides an exemption to the owner for the *ad valorem* property tax of the value of new or rehabilitated multiple unit housing for the duration of the 12-year exemption period. When a PTE project is built, the value of the building improvements are not added to the City's assessed value until after the exemption period ends; therefore, while no tax burden is shifted to other tax payers, the City defers the property tax revenues of the project for the program duration. In addition, Staff time is required to process applications, file annual reports to the State and King County, and to monitor compliance with affordable housing requirements.

RECOMMENDATION

Staff recommends that the City Council approve the Paceline PTE Contract.

ATTACHMENTS:

Attachment A: 2017 PTE Program Report

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

2017 Property Tax Exemption Program Report - City of Shoreline

Currently in Program								
Units	Project	Type	Affordable	Start	End	Eligible Valuation	Tax Rate	2017 Exemption
129	Malmo	12-year affordable	26	1/1/2015	12/31/2026	27,932,700	1.58415	44,250
5	North City Development	12-year affordable	1	1/1/2015	12/31/2026	697,100	1.58415	1,104
165	Polaris	12-year affordable	165	1/1/2015	12/31/2026	see note		
299			192			28,629,800		45,354
Graduates								
Units	Project	Type		Start	End	Eligible Valuation	Tax Rate	2017 Revenue
88	Arabella	10-year market	n/a	1/1/2007	12/31/2016	20,812,300	1.58415	32,970
88						20,812,300		32,970
Conditional Certificates								
Units	Project	Type	Affordable	Cert. Date	Expiration	Status	Est. Completion	Final App
80	Aurora Micro	12-year affordable	16	12/23/2015	12/23/2018	C.O.	2017	no
163	Centerpointe	12-year affordable	33	1/4/2017	1/4/2020	Demolition	2019	no
60	Sunrise Eleven	12-year affordable	12	11/30/2015	11/30/2018	C.O.	2017	no
221	Paceline	12-year affordable	44	Applied		Construction	2018	no
72	205 Apartments	12-year affordable	14	12/28/2016	12/28/2019	Construction	2018	no
596			119					

NOTE: Polaris is 100% affordable and utilizes a program offering full property tax exemption; thus far the City's PTE program has acted as a backup.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Enter Into a Grant Agreement with the Port of Seattle for \$54,990 for Economic Development Projects
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

Staff is requesting that Council authorize the City Manager to execute an agreement with the Port of Seattle (POS) that will supply \$54,990 in grant funding to the City for three economic development projects. These projects include:

- 1) SeaSound Media Campus (\$25,000). The Port of Seattle generously supported Shoreline's efforts to create a prospectus to attract investors to a media campus. The Port desires to continue supporting this ground-breaking effort to create a media content creation industry in the Pacific Northwest by providing funding for on-going consultant support.
- 2) Home-based Business Support (\$9,990). Grant funding will allow the City to hire a consultant to study and interview many home-based businesses in Shoreline to aid with the creation of tailored support services.
- 3) Ridgecrest ROW Improvement Plan (\$20,000). The Ridgecrest neighborhood's commercial core is strategically located between the two light rail station areas. Grant funding will initiate the first step in revitalizing the publically owned right-of-way in that core.

RESOURCE/FINANCIAL IMPACT:

The \$54,990 of funding will be added to the Economic Development Program budget in 2017 through the Budget Amendment process that will occur in November of this year. Unused funding will be carried over to 2018, and work will be completed by May 31, 2018. The POS grant requires a \$27,495 match from the City of Shoreline which will be fulfilled through existing 2017 and 2018 economic development program budget for staff and consultants.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute an agreement with the Port of Seattle for \$54,990 to fund the economic development projects.

ATTACHMENTS:

Attachment A – Port of Seattle Draft Agreement

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



**ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT
BETWEEN
THE PORT OF SEATTLE AND THE CITY OF SHORELINE**

This Economic Development Partnership Agreement (the "Agreement") is made and entered into as of October _____, 2017, by and between the Port of Seattle (the "Port") and the City of Shoreline ("City"), both municipal corporations of the State of Washington (each, a "Party" or, collectively, the "Parties").

RECITALS

WHEREAS, engaging in the promotion of economic development is a recognized Port purpose authorized under RCW 53.08.245; and

WHEREAS, RCW 35.21.703 similarly authorizes cities to engage in economic development programs; and

WHEREAS, RCW 53.08.240(2) permits the Port to contract with another municipality to perform such undertakings each is authorized to perform; and

WHEREAS, the Port Commission of the Port of Seattle established the Economic Development Partnership Program (the "Program"), to advance the Port's Century Agenda, promote a dramatic growth agenda, support the creation of middle class jobs and help address the lack of economic development funding for local projects; and

WHEREAS, grant funding across the region is very limited for cities that want to pursue economic development projects or initiatives, and Washington State has not had an economic development grant program for over 20 years; and

WHEREAS, the Program will provide 38 King County cities per capita funding to advance local economic development throughout the region, and requires a 50% local match by the cities that receive the grants; and

WHEREAS, the Program will help the Port advance regional economic vitality through focused partnerships with King County cities; and

WHEREAS, the Program will make grants to cities that pursue programs and projects that stimulate business development, job creation and community revitalization, such as small business development, industry retention and expansion, and other economic development projects that support new investment and job creation;

NOW, THEREFORE, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to establish a contractual arrangement under which the Port will pay the City Program funds in the amount set forth on Section 2 solely for the purpose of carrying out the local initiative described in Exhibit A, attached and incorporated hereto by this reference (the "Project"). This Agreement shall be interpreted in furtherance of this purpose.
2. Responsibilities of the Port. The Port shall contribute Fifty-Four Thousand Nine Hundred Ninety and 00/100 Dollars (\$54,990.00) (the "Grant Funds") to assist the City in funding the Project. The Port shall disburse the Grant Funds to the City no later than thirty (30) days after receipt of a complete and correct invoice detailing those Project deliverables completed in accordance with Exhibit A. Subject to the requirements of this Section and of Section 18 (where applicable), the Port shall make the final payment of the Grant Funds to the City no later than June 1, 2018, or receipt of the final report, whichever occurs later.
3. Responsibilities of the City.
 - 3.1 The City shall contribute local funds equivalent to at least fifty percent (50%) of the Grant Funds towards the Project.
 - 3.2 The City may contract with local non-profits to complete the Project or elements of the Project; *provided*, that the Port shall not, under any circumstance, disburse the Grant Funds to any of the City's contractors or subcontractors.
 - 3.3 The City shall complete the Project by June 1, 2018.
4. Term. This Agreement shall become effective as of the date first set forth above, and shall terminate on July 30, 2018, unless earlier terminated under another provision of this Agreement.
5. Termination for Convenience. Either party may terminate this Agreement at any time for any reason, by giving the other party thirty (30) days' written notice. In the event the City has completed any portion of the Project by the time it receives the Port's notice of termination, the Port shall pay the City the percentage of the Grant Funds attributable to the City's completed portion of the Project.

6. Termination for Default. Except in the case of delay or failure resulting from circumstances beyond the control and without the fault or negligence of the City, the Port shall be entitled, by written or oral notice to the City, to terminate Agreement for breach of any of the terms and to have all other rights against the City by reason of the City's breach as provided by law.

7. Waiver. Failure at any time of the Port to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of the Port to enforce such provision at any subsequent time. No term or condition of this Agreement shall be held to be waived, modified or deleted except by a written amendment signed by the Parties

8. Partial Invalidity. If any provision of this Agreement is or becomes void or unenforceable by force or operation of law, all other provisions hereof shall remain valid and enforceable.

9. Indemnification and Hold Harmless Agreement. The City shall defend, indemnify, and hold harmless the Port, its Commissioners, officers, employees, and agents (hereafter, collectively, the "Port") from all liability, claims, damages, losses, and expenses (including, but not limited to attorneys' and consultants' fees and other expenses of litigation or arbitration) arising out of or related to the fulfillment of this Agreement; *provided*, however, if and to the extent that this Agreement is construed to be relative to the construction, alternation, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate, including moving or demolition in connection therewith, and therefore subject to Section 4.24.115 of the Revised Code of Washington, it is agreed that where such liability, claim, damage, loss or expense arises from the concurrent negligence of (i) the Port, and (ii) the City, its agents, or its employees, it is expressly agreed that the City's obligations of indemnity under this paragraph shall be effective only to the extent of the City's negligence. Such obligations shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any person or entity described in this paragraph. This paragraph shall not be construed so as to require the City to defend, indemnify, or hold harmless the Port from such claims, damages, losses or expenses caused by or resulting from the sole negligence of the Port.

In any and all claims against the Port, by any employee of the City, its agent, anyone directly or indirectly employed by either of them, or anyone for whose acts any of them may be liable, the indemnification obligation of this paragraph



shall not be limited in any way by any limitation on the amount or type of damages, compensation benefits payable by or for the City, or other person under applicable industrial insurance laws (including, but not limited to Title 51 of the Revised Code of Washington), it being clearly agreed and understood by the Parties hereto that the City expressly waives any immunity the City might have had under such laws. By executing this Agreement, the City acknowledges that the foregoing waiver has been mutually negotiated by the parties.

The City shall pay all attorneys' fees and expenses incurred by the Port in establishing and enforcing the Port's right under this paragraph, whether or not suit was instituted.

10. Comply with All Laws. The City shall at all times comply with all federal, state and local laws, ordinances and regulations, including but not limited to all environmental laws, which in any manner apply to the performance of this Agreement.

11. Integration. This Agreement, together with the attached Exhibit A, constitutes the entire agreement between the Parties and unless modified in writing by an amendment executed by the Parties, shall be implemented only as described herein.

12. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Any action arising out of this Agreement shall be brought in King County.

13. No Employment Relationship Created. The Parties agree that nothing in this Agreement shall be construed to create an employment relationship between the City and the Port.

14. No Entity Created. The Parties agree that nothing in this Agreement shall be construed to create a joint entity between the City and the Port.

15. Notices. Notices to the Port shall be sent to the following address:

Port of Seattle
Economic Development Division
P. O. Box 1209
Seattle, WA 98121

Notices to the City shall be sent to the following address:

City of Shoreline
Economic Development Manager



17500 Midvale Ave. N.
Shoreline, WA 98133

16. Audits and Retention of Records. The City shall retain and make all books, records and documents (the "Records") relating to the performance of this Agreement open to inspection or audit by representatives of the Port or Washington State during the term of this Agreement and for a period of not less than six (6) years after termination of the Agreement; *provided*, that if any litigation, claim or audit arising out of, in connection with or related to this Agreement is initiated, the City shall retain such Records until the later of (a) resolution or completion of litigation, claim or audit; or (b) six (6) years after the termination of this Agreement.

17. Amendment. This Agreement may only be amended by written agreement of the Parties.

18. Dispute Resolution. The Parties shall use their best, good faith efforts to cooperatively resolve disputes that arise in connection with this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement as of the date first set forth above.

PORT OF SEATTLE

CITY OF SHORELINE

By: Tim Jayne
Sr. Manager, Purchasing

By: Debbie Tarry
City Manager

Signature

Signature

Dated

Dated



EXHIBIT A - PROJECT

1. Scopes of Work and Project Metrics:

Scope of Work - Project A: SeaSound Media Campus

The City has developed a Prospectus to attract public and private investment partners for the SeaSound Media Campus (SMC). The City staff and team members instrumental in creating the Prospectus will engage in face-to-face meetings with potential investors in an effort to secure signed Letters of Intent that will allow the City to secure property and financing for SMC, to aid with lobbying efforts, and to craft the final design that best suits the partners’ needs in the development of a state-of-the-art campus for the media industry in the Pacific Northwest. The *SeaSound Media Campus* (SMC) will be designed for the local production of movies, television shows, commercials, and gaming content, and it will be flexible enough to provide a platform for new technology production to thrive. It will support large scale media creation, creation of original media content, virtual/augmented reality and provide media production infrastructure.

Project Metrics - Project A:

Metric(s) which will be used to measure the success of the project are:

- a. Letters of Intent from Investors that represent 50% of SMC.
- b. Percentage of leasable space.
- c. Number of meetings with potential investors.

The Port may request periodic project updates from the City.

Scope of Work - Project B: Home-based Business Survey

The City will conduct a surveys of licensed home-based businesses located in the City of Shoreline, consider their unique needs, and then design appropriate outreach and support services creating a home-based business and service program to encourage them to grow and thrive. The City will accomplish this by:

Goals:	Strategies:	Outcomes & Metrics	Deliverable
Learn about Shoreline home-based businesses	Develop basic facts about Shoreline home-based businesses and categorize them into eight groups	Outcome: Learn more basic facts about the majority of businesses in Shoreline Metric: Produce a spreadsheet counting home-based businesses	Executive Summary



		categorized into eight groups	
	Survey sixteen home-based business owners, two each from eight categories	Outcome: Identification of interests and concerns of each category Metric: Completed surveys	Interview Guide
	Provide findings, implications, and recommendations	Outcome: Better inform local decision and policy makers of the needs of local businesses in order to design support services and tailor appropriate code Metric: Anticipated businesses retained or expanded through action taken on recommendations	Executive Summary
Create programming to serve home-based businesses	Design & launch a new Shoreline business E-newsletter for home-based businesses	Number of businesses reached	First issue of e-newsletter
	Annual Home-based Business event designed to highlight and encourage	Number of home-based businesses attending; comments received from event.	Event

Project Metrics - Project B:

Metric(s) which will be used to measure the success of the project are:

- a. Categorization of home-based businesses;
- b. Surveying 16 home-based businesses, two from each category;
- c. Number of businesses reached through e-newsletter; and
- d. Number of home based businesses which attend the annual home-based business event and the comments received.

The Port may request periodic project updates from the City.



Scope of Work - Project C: Downtown Ridgecrest

The City will with the assistance of an experienced urban planner consultant, design a preliminary plan to improve the city-owned right-of-way in Downtown Ridgecrest. The actual improvements will then be considered individually, prioritized, and ultimately funded through the City of Shoreline Capital Improvement Project process. The City will accomplish this by:

Goals:	Strategies:	Outcomes & Metrics	Deliverable
Gather reliable, broad, and key information	Site visits, meetings with city staff, interviews with stakeholders	Outcome: Begin to formulate a plan for an area strategic to creating a place for economic activity in neighborhood commercial center Metric: Creation of a plan	Create workshop agenda and slide show
	Consolidate information graphically for internal planning and future use with developers and property owners	Metric: Develop Downtown Ridgecrest Right-of-way Base Map	ROW Base Map
Visioning Workshop	Facilitate community charrette	Outcome: Support of economic development/planning initiative at the neighborhood level Metric: Attendance, follow-on participation	3 hour workshop
Create preliminary ROW improvement plan	Consultant creates plan based on input to date	Public works ROW improvement projects ready for CIP process	Design with sketches, 3-D images of preliminary Downtown Ridgecrest ROW improvements

Project Metrics - Project C:

Metric(s) which will be used to measure the success of the project are:

Contract S-00319184 Economic Development Partnership Agreement
Between the Port of Seattle and the City of Shoreline



- a. Downtown Ridgecrest Base Map
- b. Attendance at neighborhood meeting and comments received
- c. Preliminary ROW Improvement Plan

The Port may request periodic project updates from the City.

2. Reporting and Final Report:

The following is our anticipated timeline for completion of Projects A, B, and C:

Project A: SeaSound Media Campus

- January 31, 2018: Progress report provided with 2017 invoice
- June 30, 2018: Final report documenting:
 - Letters of Intent from Investors
 - Percentage of leasable space represented by LOIs
 - Number of meetings with potential investors.

Project B: Home-based Business Survey

- January 31, 2018: Progress report provided with 2017 invoice
- March 31, 2018: Final Report of Survey
 - Categorization of 16 home-based businesses in 8 categories
 - Findings and recommendations
- June 30, 2018: Final Report of Business Outreach Efforts
 - Number of businesses reached through e-newsletter
 - Number of home based businesses attending home-based business event and comments received.

Project C: Downtown Ridgecrest

- January 31, 2018: Progress report provided with 2017 invoice
- June 30, 2018: Final report documenting metrics:
 - Downtown Ridgecrest Base Map
 - Attendance at neighborhood meeting and comments received
 - Preliminary ROW Improvement Plan

The Port may request periodic project updates from the City.

The City will submit a written report to the Port within 45 days of completion of the Scope of Work for each project identified above but no later than, June 1, 2018, a final report shall be submitted to the Port.

4. Definition and restatement of how funds are to be used.

Project A:



Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development Staff	\$ 0.00	\$10,000.00	\$10,000.00
Consultants	\$25,000.00	\$ 3,000.00	\$28,000.00
Printing SMC Prospectus	\$ 0.00	\$ 1,000.00	\$ 1,000.00
TOTAL	\$25,000.00	\$14,000.00	\$39,000.00

Project B:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development Staff	\$ 0.00	\$1,000.00	\$ 1,000.00
Consultant	\$9,990.00	\$2,760.00	\$12,750.00
Event costs, newsletter set up	\$ 0.00	\$1,000.00	\$ 1,000.00
Event marketing	\$ 0.00	\$ 235.00	\$ 235.00
TOTAL	\$9,990.00	\$4,995.00	\$14,985.00

Project C:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development, Planning & Community Development, and Public Works Staff	\$ 0.00	\$9,500.00	\$ 9,500.00
Consultant	\$20,000.00		\$20,000.00
Printing, Workshop	\$ 0.00	\$ 500.00	\$ 500.00
TOTAL	\$20,000.00	\$10,000.00	\$30,000.00



Cumulative Funding Projects A, B and C:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Project A	\$25,000.00	\$14,000.00	\$39,000.00
Project B	\$ 9,990.00	\$ 4,995.00	\$14,985.00
Project C	\$20,000.00	\$10,000.00	\$30,000.00
TOTAL FUNDS PROJECTS A, B AND C	\$54,990.00	\$28,995.00	\$83,985.00

Any funds obtained from the Port for the Economic Development Partnership Program are to be used specifically for projects that create jobs, foster business growth, and support the Port's business interests.

5. Port Approval and Recognition:

- a. All projects must utilize and identify the Port as a partner or sponsor. Prior to implementation, Port requires a review of the proposed placement of the Port logo on advertising, promotion materials, booth displays, online, digital or printed materials.
- b. Prior to specific advertising execution or implementation, the Port will review and approve the advertising placement and schedule.

6. The Agreement and Final Report:

TASK	DESCRIPTION	SCHEDULE
Task 1	Execute Contract by City	No later than October 29, 2017
Task 2	Execution of Contract by Port	No later than
Task 3	Final Report and Accounting: <ol style="list-style-type: none"> 1. Provide a detailed report on the results of the project as outlined in the Scope of Work 2. Provide a detailed report on the Project Metrics as outlined above. 3. Provide copies of all printed promotional materials. 4. Provide links to any softcopy materials. 	No later than June 30, 2018

Contract S-00319184 Economic Development Partnership Agreement
Between the Port of Seattle and the City of Shoreline



	5. Provide a detailed accounting of the monies spent, including City's 50% matching funds.	
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7. Miscellaneous:

No Port funds can be used to underwrite general or capital expenses associated with an event or program already in progress.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 800 – Granting the Ronald Wastewater District a Non-Exclusive Franchise to Construct, Maintain, Operate, Replace and Repair a Sanitary Sewer System within Public Rights-of-Way
DEPARTMENT:	City Manager’s Office
PRESENTED BY:	John Norris, Assistant City Manager
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

On October 14, 2002, the Shoreline City Council, via the adoption of Ordinance No. 306, granted the Ronald Wastewater District (District) a 15 year franchise. This franchise expires on October 22, 2017.

Also in 2002, the City and the District entered into a 15-year Interlocal Operating Agreement (IOA) in regards to sanitary sewer (wastewater) services. At the end of this 15 year term, which occurs on October 22, 2017, the mutual goal was for the City to fully assume the District as specifically authorized by RCW 35.13A. However, additional time is now needed to effectuate the orderly, seamless transition of governance of the District. To this end, on June 12, 2017, the City Council adopted a First Amendment to the 2002 IOA which allows for a two year extension of the IOA, with an option for the City to extend for an additional two years.

Given this IOA extension, the current Franchise Agreement that the District operates under must also be extended concurrent with the IOA extension. Proposed Ordinance No. 800 would provide for a new Franchise Agreement with the District that would cover a term concurrent with the IOA extension. Council discussed proposed Ordinance No. 800 on October 2, 2017 and directed staff to bring back the proposed ordinance for adoption.

RESOURCE/FINANCIAL IMPACT:

This Franchise will have no financial impact to the City. The franchise fees that the City currently receives from the Ronald Wastewater District will continue under this new Franchise Agreement.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 800.

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

BACKGROUND

On October 14, 2002, the Shoreline City Council, via the adoption of Ordinance No. 306, granted the Ronald Wastewater District (District) a 15-year franchise. This franchise will expire on October 22, 2017.

Also in 2002, the City and the District entered into a 15-year Interlocal Operating Agreement (IOA) in regards to sanitary sewer services. At the end of this 15 year term, which is also on October 22, 2017, the mutual goal was for the City to fully assume the District as specifically authorized by RCW 35.13A.

As the City Council is aware, numerous steps have been taken to achieve the assumption of the District by the City, including but not limited to, the joint development of an Assumption Transition Plan, the filing of notice of intentions with boundary review boards in King and Snohomish Counties, and the City defending its authority to assume the entirety of the Ronald Wastewater District in various court proceedings. The City's actions in regards to the boundary review boards, in both King and Snohomish Counties, and the courts have resulted in the need for additional time to effectuate an orderly, seamless transition of governance of the District, which has long been the goal of the City, so as to ensure no disruption in this public service for the community.

To this end, on June 12, 2017, the City Council adopted a First Amendment to the 2002 Interlocal Agreement which allows for a two (2) year extension of the IOA, with an option for the City to extend for an additional two (2) years. Given this extension of the IOA and the expiration of the current Franchise Agreement that the District operates under, a new Franchise Agreement must be granted that is concurrent with the extension authorized by First Amendment to the IOA. The reason that a new franchise must be granted, as opposed to an extension of the existing franchise, is because Shoreline Municipal Code (SMC) Section 12.25.080 states that a right-of-way franchise agreement shall not exceed 15 years. Thus, this SMC precludes the City from simply extending the existing franchise, requiring the granted of a new franchise agreement so as not to be in conflict with the SMC's time limitation.

Council discussed proposed Ordinance No. 800 (Attachment A) on October 2, 2017.

The staff report for this Council discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport100217-8c.pdf>.

At this discussion, Council directed staff to bring back the proposed ordinance for adoption. The District Board has also reviewed the proposed ordinance. Once adopted by the City Council, the District must accept the Franchise Agreement in writing.

DISCUSSION

Proposed Ordinance No. 800 would provide for a new Franchise Agreement with the Ronald Wastewater District. As can be seen in proposed Ordinance No. 800, the terms

of the newly proposed Franchise are nearly identical to the District's current franchise agreement except for minor 'housekeeping' edits and changes the following sections:

- **Recitals, “Whereas” Clauses:** The recitals for the Franchise have been updated to reflect the new Franchise Agreement with the District and to reflect the forthcoming Wastewater Utility Operating Services Agreement.
- **Section 1, Definitions:** The definitions for “Ronald” and “Ronald Wastewater District Sewer Service Area” were adjusted slightly so that they are consistent with the definitions of these terms as proposed in the forthcoming Wastewater Utility Operating Services Agreement. As well, the definitions for “Wastewater System”, “Wastewater Utility”, and “Wastewater Utility Operating Services Agreement” were added to reflect congruency with the forthcoming Wastewater Utility Operating Services Agreement.
- **Subsection 4.6, Blanket Permit:** This subsection currently states that Minor Activities and Blanket Activities are defined in a separately negotiated document, titled “Blanket Permit for Activities within the Public Right-of-Way”. This document was filed with the City Clerk’s Office using a specific Receiving Number. The content from the Blanket Permit has been updated and put into Exhibit A to the Franchise so that it now resides with the Franchise itself rather than in a separate location.
- **Subsection 4.9, Work Performed or Managed by the City:** Subsection 4.9 was added to the Franchise to exempt City staff working on behalf of the utility under the forthcoming Wastewater Utility Operating Services Agreement from needing a Right-of-way permit to perform or manage work in the Right-of-way on the District’s facilities. This permit requirement is still in place for the District, as all capital projects that the District would perform would be controlled by the District and subject to the permitting requirements in the franchise. Any repairs or other work that the City’s utility maintenance staff would perform or manage would be exempted.
- **Section 10, Insurance:** The insurance provisions in the Franchise were adjusted so that they are consistent with the provisions as proposed in the forthcoming Wastewater Utility Operating Services Agreement.
- **Section 12, Franchise Term:** The term of the Franchise Agreement was adjusted from 15 years to the term of the First Amendment of the 2002 Interlocal Operating Agreement, which is for two years from the effective date of the First Amendment of the 2002 Interlocal Operating Agreement plus, at the City’s sole option, an additional two years.
- **Section 14, Franchise Fee:** The date of the 2002 Interlocal Operating Agreement and the First Amendment to the Interlocal Operating Agreement were added to this section for context; the franchise fee itself is not being amended.
- **Section 19, Notice:** The responsible parties for the Franchise and their contact information was updated.
- **Exhibit A, Blanket Permit:** This section was updated as follows:
 - To remove the signature block and other content that was used when the Blanket Permit was a separate document outside of the Franchise Agreement;

- To acknowledge that the City will most likely be performing Minor Activities in the Right-of-way on behalf of the District; and
- To update the permit fee associated with the Blanket Permit so that it comports to the Blanket Permit Fee in the City's Fee Schedule.

RESOURCE/FINANCIAL IMPACT

This new franchise agreement will have no financial impact to the City. The franchise fees that the City currently receives from the Ronald Wastewater District will continue under this new franchise.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 800.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 800

ORDINANCE NO. 800

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, GRANTING RONALD WASTEWATER DISTRICT A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A SANITARY SEWER SYSTEM WITHIN PUBLIC RIGHTS-OF-WAY OF THE CITY OF SHORELINE, WASHINGTON.

WHEREAS, pursuant to its authority in RCW 35A.11.020 and RCW 35A.47.040, on October 14, 2002, the Shoreline City Council passed Ordinance No. 306 granting the Ronald Wastewater District (hereinafter “Ronald”) a non-exclusive franchise to construct, maintain, operate, replace, and repair a sanitary sewer system within public rights-of-way of the City of Shoreline during the term of which the City would not assume Ronald; and

WHEREAS, the term of the Franchise is 15 years from the effective date; the Franchise is currently set to expire on October 22, 2017; and

WHEREAS, on October 22, 2002, the City and Ronald entered into an Interlocal Operating Agreement (hereinafter, “2002 IOA”) that, among other things, provided for an orderly and predictable transition of Ronald to City ownership; the 2002 IOA also provided for a 15 year term; and

WHEREAS, on June 12, 2017, by motion, the City Council approved the First Amendment to the 2002 IOA and, on June 13, 2017, Ronald’s Board of Commission did the same; extending the term of the 2002 IOA by two (2) years; and

WHEREAS, included within the First Amendment to the 2002 IOA was the development of a Wastewater Utility Operating Services Agreement under which certain operations and functions of Ronald would be performed by the City; and

WHEREAS, the City now desires to enter into a new Franchise agreement with Ronald consistent and concurrent with the term of the amended 2002 IOA and reflecting the intent of the services agreement that will be executed subsequent to the adoption of this Ordinance; and

WHEREAS, the Council finds that it is in the best interests of health, safety and welfare of residents of the Shoreline community to grant a non-exclusive franchise to the Ronald Wastewater District for the operation of a sanitary sewer system within the City Right-of-way;

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

Section 1. Definitions. The following terms contained herein, unless otherwise indicated, shall be defined as follows:

1.1 City: The City of Shoreline, a municipal corporation of the State of Washington,

specifically including all areas incorporated therein as of the effective date of this ordinance and any other areas later added thereto by annexation or other means.

- 1.2. Days: Calendar days.
- 1.3. Director: The City Manager or designee.
- 1.4. Ronald: Ronald Wastewater District, a municipal corporation organized under Title 57 RCW and governed by its Board of Commissioners.
- 1.5. Facilities: All pipes, access ways, pump stations, storage facilities, equipment, and appurtenances thereto, located in the City's Right-of-way, utilized by Ronald in the operation of its activities. The abandonment by Ronald of any facilities as defined herein shall not act to remove the same from this definition.
- 1.6. Permittee: A person who has been granted a permit by the Permitting Authority, and Ronald operating under Section 4.6 Blanket Permit of this agreement.
- 1.7. Permitting Authority: The City department authorized to process and grant permits (permitting authority) required to work in the City's Right-of-way, or any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.
- 1.8. Person: An entity or natural person.
- 1.9. Right-of-way: As used herein shall refer to the surface of and the space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement, and/or road right-of-way now or hereafter held or administered by the City of Shoreline.
- 1.10. Ronald Service Area: All the territory located within the corporate boundaries of Ronald Wastewater District, plus those areas lying outside of the corporate boundaries of the District where the District's sanitary sewer system and appurtenances are now or may in the future be located or where the District is providing wastewater utility service to customers.
- 1.11. Wastewater System: Ronald's sanitary sewer collection and conveyance system, which is generally comprised of wastewater pipes, mains, pump stations, grinder pumps, storage facilities, manholes, and appurtenances thereto, not including any wastewater treatment facilities, together with all i) contractual and other rights for wastewater treatment and disposal, and ii) easements, access rights, and other real property interests (not including fee simple).
- 1.12. Wastewater Utility: The Ronald Wastewater District enterprise that owns the Wastewater System and related assets; provides sanitary sewerage services in the

Ronald Service Area, including maintenance and operation of the Wastewater System, customer billing, customer service, vendor contracting, and other functions; and levies and collects rates and charges.

- 1.13 Wastewater Utility Operating Services Agreement: A services agreement entered into between the City and Ronald on _____, 2017, setting for the roles and responsibilities of the City and Ronald regarding the City's performance of services and functions in operating and maintaining Ronald's Facilities and the provision of administrative and financial services and functions and Ronald's budgeting, reimbursement, and payment for the same.

Section 2. Franchise.

- 2.1. Pursuant to RCW 35A.47.040 the City hereby grants to Ronald, its successors and assigns, subject to the terms and conditions hereinafter set forth, a Franchise beginning on the effective date of this Ordinance.
- 2.2. This Franchise shall grant Ronald the right, privilege and authority, subject to the terms and conditions hereinafter set forth; to construct, operate, maintain, replace and use all necessary equipment and facilities related to its a sanitary sewer system, in, under, on, across, over, through, along or below the Right-of-way for the purpose of its sanitary sewer utility facilities as approved under City permits issued by the Permitting Authority pursuant to the Franchise and City ordinances.
- 2.3. This ordinance is to be construed as granting permission to Ronald to go only upon any public right-of-way described herein. Permission to go upon any other property owned or controlled by the City must be sought from the City on a case by case basis.

Section 3. Non-Interference of Facilities.

- 3.1. Ronald's Facilities shall be located, relocated and maintained within the Right-of-way so as not to unreasonably interfere with the free and safe passage of pedestrian and vehicular traffic and ingress or egress to or from the abutting property and in accordance with the ordinances of the City and laws of the State of Washington. Nothing herein shall preclude Ronald from affecting temporary road closures as reasonably necessary during construction or maintenance of its Facilities provided Ronald receives prior City approval, which shall not be unreasonably withheld. Whenever it is necessary for Ronald, in the exercise of its rights under this Franchise, to make any excavation in the Right-of-way, Ronald shall, upon completion of such excavation, restore the surface of the Right-of-way to a condition that meets the specifications established within the City of Shoreline Engineering Development Guide and pre-approved plans and in accordance with standards of general applicability imposed by the City by ordinance or administrative order.

Section 4. Right-of-Way Management.

4.1. Excavation.

4.1.1. During any period of relocation or maintenance, all surface structures, if any, shall be erected and used in such places and positions within the Right-of-way so as to interfere as little as possible with the safe and unobstructed passage of traffic and the unobstructed use of adjoining property. Ronald shall at all times post and maintain proper barricades and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or state law, including RCW 39.04.180, for the construction of trench safety systems.

4.1.2. Whenever Ronald excavates in any right-of-way for the purpose of installation, construction, repair, maintenance or relocation of its Facilities, it shall apply to the City for a permit to do so in accord with the ordinances and regulations of the City requiring permits to operate in the Right-of-way. In no case shall any such work commence within any Right-of-way without a permit, except as otherwise provided in this Ordinance. During the progress of the work, Ronald shall not unnecessarily obstruct the passage or use of the Right-of-way, and shall provide the City with plans, maps, and information showing the proposed and final location of any facilities in accordance with Section 15 of this Ordinance.

4.2. Abandonment of Ronald's Facilities. Ronald shall not abandon any of its Facilities within the Right-of- way without the prior written consent of the City

4.3. Restoration after Construction.

4.3.1. Ronald shall, after any installation, construction, relocation, maintenance, or repair of Facilities within the Right-of-way, restore the Right-of-way to at least the same condition existing prior to any such installation, construction, relocation, maintenance or repair. All concrete encased monuments, which have been disturbed or displaced by such work, shall be restored pursuant to all federal, state and local standards and specifications. Ronald agrees to promptly complete all restoration work and to promptly repair any damage caused by such work at its sole cost and expense.

4.3.2. If it is determined that Ronald has failed to restore the Right-of-way in accordance with this Section, the City shall provide Ronald with written notice, which shall include a description of actions the City believes necessary to restore the Right-of-way. If the Right-of-way is not restored in accordance with the City's notice within fifteen (15) days of that notice, the City, or its authorized agent, may restore the Right-of-way and Ronald shall be responsible for all reasonable costs and expenses incurred by the City in restoring the Right-of-way in accordance with this Section. The rights granted to the City under this Subsection shall be in addition to those otherwise provided by this Franchise.

- 4.4. Bonding Requirement. Ronald, as a public agency, is not required to comply with the City's standard bonding requirement for working in the City's Right-of-way.
- 4.5. Emergency Work, Permit Waiver. In the event of an emergency where any Facilities located in the Right-of-way are broken or damaged, or if Ronald's construction area for their Facilities is in such a condition as to place the health or safety of any person or property in imminent danger, Ronald shall immediately take necessary emergency measures to repair or remove its Facilities without first applying for and obtaining a permit as required by this Franchise. However, this emergency provision shall not relieve Ronald from later obtaining necessary permits for the emergency work. Ronald shall apply for the required permits the next business day following the emergency work or as soon as practical thereafter given the nature and duration of the emergency.
- 4.6. Blanket Permit. The terms "Minor Activities", "Blanket Activities", and "Major Activities" are defined in the "Blanket Permit for Activity Within The Public Right-of-Way," which is incorporated by reference and shown in Exhibit A to this Ordinance. Permittee shall be authorized to perform Blanket Activities under the terms and conditions of the Blanket Permit. All other activities except those activities determined to be "Minor Activities" or activities performed or managed by the City will require a separate permit in accordance with City ordinances.
- 4.6.1 The Permittee shall pay the City a permit inspection/processing fee in the amount set out in the Blanket Permit.
- 4.6.2 The Permittee shall provide a monthly list of Blanket Permit construction activity by the 10th of the following month listing the previous month's activity authorized under this Section.
- 4.6.3 For each separate use of the Right-of-way under this Section, and prior to commencing any work on the Right-of-way under this Section, the Permittee shall:
- (1) At least twenty- four (24) hours in advance of entering the Right-of-way, email or otherwise deliver to the Permitting Authority a City Inspection Request Form, as provided by the Permitting Authority. Said form shall include, at a minimum, the following information: Franchise ordinance number, street address nearest to the proposed work site; parcel number and description of work to be performed.
 - (2) Within twenty-four (24) hours after completing the work, email or deliver to the Permitting Authority a notice of completion in the form provided by the Permitting Authority.
- 4.6.4 The City reserves the right to alter the terms and conditions of this Subsection and

of the Blanket Permit by providing thirty (30) days written notice to the Permittee. Any change made pursuant to this Subsection shall thereafter apply to all subsequent work performed pursuant to this Subsection.

4.6.5 In the event the Permittee fails to comply with any of the conditions set forth in this Subsection, the City may provide written notice of termination to operate under this Subsection to Permittee, stating with specificity, the basis for the termination of the Permittee's authority.

4.7. Safety.

4.7.1. Ronald, in accordance with applicable federal, state, and local safety rules and regulations shall, at all times, employ ordinary care in the installation, maintenance, and repair of its Facilities utilizing methods and devices commonly accepted in the sanitary sewer industry to prevent failures and accidents that are likely to cause damage, injury, or nuisance to persons or property.

4.7.2. Ronald will make all reasonable effort to construct and maintain its Facilities in the Right-of-way in a safe and operational condition.

4.8. Dangerous Conditions, Authority for City to Abate.

4.8.1. Whenever Facilities or the operations of Ronald cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the adjoining Right-of-way, public or private property, the City may direct Ronald, at no charge or expense to the City, to take actions to resolve the condition or remove the endangerment. Such directive may include compliance within a prescribed time period.

4.8.2. In the event Ronald fails or refuses to promptly take the action, or if emergency conditions exist which require immediate action to prevent imminent injury or damage to persons or property, the City may take such action as it believes necessary and Ronald shall reimburse the City for its actual costs incurred.

4.9 Work Performed or Managed by the City. Whenever the City is performing or managing work in the Right-of-Way on Ronald's Facilities on behalf of Ronald under the terms of the Wastewater Utility Operating Services Agreement, the City shall not be required to obtain a permit for such work within the Right-of-way.

Section 5. Relocation of System Facilities.

5.1. Whenever the City causes the grading or widening of the Right-of-way or undertakes construction of any water or storm drainage line, lighting, signalization, sidewalk improvement, pedestrian amenities, or other public street improvement (for purposes other than those described in Section 5.3 below) and

such project requires the relocation of Ronald's then existing Facilities lying within that portion of the Right-of-way, or an area affected by such city projects, the City shall:

- (1) Provide Ronald, at least one hundred twenty (120) days prior to the commencement of such project written notice that a project is expected which will or may require relocation of a portion of Ronald's Facilities; and
- (2) Provide Ronald, at least sixty (60) days, with reasonable plans and specifications for such grading, widening, or construction and a proposed new location within or adjacent to the Right-of-way for Ronald's Facilities.

5.2. After receipt of such notice and the plans and specifications, Ronald shall relocate such Facilities within the Right-of-way as to accommodate such street and utility improvement project ten (10) days prior to commencement of the project unless there is agreement to a different schedule for coordinating completion of relocation of Facilities, provided, however, Ronald may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocations of its Facilities and the time schedule. The City shall within a reasonable time evaluate such alternatives and advise Ronald in writing whether one or more of the alternatives is suitable to accommodate work that would otherwise necessitate relocation of the Facilities. If so requested by the City, Ronald shall submit such additional information as is reasonably necessary to assist the City in making such evaluation. The City shall give each alternative full and fair consideration. In the event the City ultimately reasonably determines that there is no other reasonable or feasible alternative, then Ronald shall relocate its Facilities as otherwise provided in this Section 5. The City shall cooperate with Ronald to designate a substitute location for its Facilities within the Right-of-way. The cost of relocating such Facilities existing within the present limits of the City shall be paid as follows:

- (1) if the relocation occurs within five (5) years after Ronald initially constructed such Facility, then the relocation shall be at the City's sole cost;
- (2) if the relocation occurs more than five (5) years after Ronald initially constructed such Facility, then the relocation shall be at Ronald's sole cost.

5.3. Obligations under this Section 5 shall not apply whenever any person or entity, other than the City, requires the relocation of Ronald Facilities to accommodate the work of such person or entity within the Right-of way, or whenever the relocation of Ronald's Facilities within the Right-of-way is necessary to satisfy any requirement or condition of a City permit or approval issued on a land use action (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning,

land use, construction or development) for the benefit of any person or entity other than the City. However, in the event the City reasonably determines (and promptly notifies Ronald in writing of such determination) that the primary purpose of imposing such condition or requirement upon such person or entity which necessitates such relocation is to cause the construction of an improvement on the City's behalf and in a manner consistent with City approved improvement plans (as described in subsection 5.1 above) within a segment of the Right-of-way then Ronald shall require only those costs and expenses incurred by Ronald in integrating and connecting such relocated Facilities with Ronald's other Facilities to be paid to Ronald by such person or entity, and Ronald shall otherwise relocate its Facilities within such segment of the Right-of-way in accordance with the provisions of Subsection 5.1 above.

The provisions of this Subsection 5.3 shall in no manner preclude or restrict Ronald from making any arrangements it may deem appropriate when responding to a request for relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by such person or entity are not or will not become City owned, operated or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

- 5.4 Any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or other rights not arising under this Franchise, shall be borne fifty percent (50%) by the City, and fifty percent (50%) by Ronald.

Section 6. Compliance with Codes and Regulations.

- 6.1. The rights, privileges and authority herein granted are subject to and governed by this ordinance and all other applicable ordinances and codes of the City of Shoreline, as they now exist or may hereafter be amended. Nothing in this ordinance limits the City's lawful power to exercise its police power to protect the safety and welfare of the general public. Any location, relocation, erection or excavation by Ronald shall be performed by Ronald in accordance with applicable federal, state and city rules and regulations, including the City Public Works Policies and Pre-approved Plans, and any required permits, licenses or fees, and applicable safety standards then in effect or any Memorandum of Understanding with Ronald.
- 6.2. Upon written inquiry, Ronald shall provide a specific reference to either the federal, state or local law or the Washington Utilities and Transportation Commission (WUTC) order or action establishing a basis for Ronald's actions related to a specific franchise issue.
- 6.3. In the event that any territory served by Ronald is annexed to the City after the effective date of this Franchise, such territory shall be governed by the terms and conditions contained herein upon the effective date of such annexation.

Section 7. System Development Information

- 7.1. Ronald will assign a representative whose responsibility shall be to coordinate with the City on planning for Capital Improvement Plan projects including those that involve under grounding. At a minimum, such coordination shall include the following:
- (1) Ronald shall meet with the City, other franchisees and users of the Right-of-way, according to a schedule to be determined by the City, to schedule and coordinate construction.
 - (2) All construction locations, activities, and schedules shall be coordinated, as required by the City Manager or designee, to minimize public inconvenience, disruption, or damages.
 - (3) For the purpose of planning, Ronald and the City shall provide each other with a copy of their respective current adopted Capital Improvement Plan annually and upon request by the other party.

Section 8. Planning Coordination. The parties agree, as follows, to participate in the development of, and reasonable updates, to each other's planning documents.

- 8.1. For Ronald's service within the City limits, Ronald will participate in a cooperative effort with the City of Shoreline to develop a Comprehensive Plan - Utilities Element, that meets the requirements described in RCW 36.70A.070(4).
- 8.2. Ronald will participate in a cooperative effort with the City to ensure that the Utilities Element of the City's Comprehensive plan is accurate as it relates to Ronald's operations and is updated to ensure its continued relevance at reasonable intervals.
- 8.3. Ronald shall submit information related to the general location, proposed location, and approximate capacity of all existing and proposed Facilities within the City as requested by the Director within a reasonable time, not exceeding sixty (60) days from receipt of a written request for such information.
- 8.4. Ronald will update information provided to the City whenever there are major changes in Ronald's system plans for the City.
- 8.5. Ronald will provide information relevant to its operation within the City within a reasonable period of time after a written request to assist the City in its need to develop and update its Comprehensive Plan - Utilities Element, provided that such information is in Ronald's possession or can be reasonably developed from information in Ronald's possession.
- 8.6. The City will provide information relevant to Ronald's operations within a reasonable period of time following a written request to assist Ronald in the development or update of its Comprehensive Sewage System Plan, provided that

such information is in the City's possession, or can be reasonably developed from the information in the City's possession.

Section 9. Indemnification by Ronald and Shoreline.

- 9.1 Ronald hereby releases, covenants not to bring suit, and agrees to indemnify, defend and hold harmless the City, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards, attorney's fees, or liability to any person, including claims by Ronald's own employees to which Ronald might otherwise be immune under Title 51 RCW, arising from personal injury or damage to property allegedly due to the negligent or intentional acts or omissions of Ronald, its agents, servants, officers or employees in performing activities authorized by this Franchise. This covenant of indemnification shall include, but not be limited by this reference, claims against the City arising as a result of the acts or omissions of Ronald, its agents, servants, officers or employees except for claims for injuries and damages caused by the sole negligence of the City. If final judgment is rendered against the City, its elected officials, employees, agents, and volunteers, or any of them, Ronald shall satisfy the same. The City may appear in any proceeding it deems necessary to protect the City's or the public's interests.
- 9.2 The City hereby releases, covenants not to bring suit, and agrees to indemnify, defend and hold harmless Ronald, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards, attorney's fees, or liability to any person, including claims by City's own employees to which City might otherwise be immune under Title 51 RCW, arising from personal injury or damage to property allegedly due to the negligent or intentional acts or omissions of City, its agents, servants, officers or employees in performing construction, maintenance or other city activities within the Rights-of-way. This covenant of indemnification shall include, but not be limited by this reference, claims against Ronald arising as a result of the acts or omissions of City, its agents, servants, officers or employees except for claims for injuries and damages caused by the sole negligence of Ronald. If final judgment is rendered against Ronald, its elected officials, employees, agents, and volunteers, or any of them, City shall satisfy the same. Ronald may appear in any proceeding it deems necessary to protect Ronald's interests or the interests of its ratepayers.
- 9.3. In the event any such claim or demand be presented to or filed with either party, such party shall promptly notify the other thereof, which party shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand. In the event any suit or action be begun against either party based upon any such claim or demand, such party shall likewise promptly notify the other party thereof, which party shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.
- 9.4. Inspection or acceptance by one party of any work performed by the other at the

time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be settled prior to the culmination of any litigation or the institution of any litigation.

- 9.5. In the event either refuses to undertake the defense of any suit or any claim, after a request for defense and indemnification has been made pursuant to the indemnification clauses contained herein, and such refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal, such party shall pay all of the other party's costs and expenses for defense of the action, including reasonable attorney's fees or recovering under this indemnification clause as well as any judgement against the party.
- 9.6. Should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, then, in event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Ronald and the City, its officers, employees and agents, each party's liability hereunder shall be only to the extent of its negligence. This waiver has been mutually negotiated by the parties.

Section 10. Insurance. During the term of this Franchise and as pursuant to the terms of the Wastewater Utility Operating Services Agreement:

- 10.1. The City shall procure and maintain liability coverage related to the operation of the Wastewater Utility and for use of Ronald property and equipment damage..
- 10.2. Ronald shall procure and maintain property coverage for Ronald property and liability relating to the actions of the District Board of Commissioners.
- 10.3. Ronald shall waive subrogation against the City only for damage covered by Ronald's property insurance.
- 10.4. For the purpose of avoiding any uninsured exposure for Ronald, the City expressly waives all immunity and limitation of liability under the Industrial Insurance Act, Title 51 RCW, for any claims for personal or bodily injury brought by a City employee against Ronald. This waiver was the result of mutual negotiations of the City and Ronald.
- 10.5. The City and Ronald will coordinate insurance coverage to make sure that no gaps in coverage exist. Specifically, the City and Ronald will meet and confer in a timely fashion with the Washington State Risk Management Pool and the Washington Cities Insurance Authority to plan and obtain adequate insurance coverage for all necessary and appropriate Wastewater Utility and Wastewater System property, activities, events, and contingencies.

Section 11. Default / Enforcement.

- 11.1. The City reserves the right to revoke and terminate this Franchise and all rights and privileges of Ronald in the event of a substantial violation or material breach of its terms and conditions.
- 11.2. A substantial violation or material breach by Ronald shall include, but shall not be limited to, the following:
- (1) An uncured violation of any material provision of this Franchise, or any material rule, order or regulation of the City which would endanger the public health, safety and welfare;
 - (2) The practice of any fraud or deceit upon the Ratepayers served by the Wastewater Utility.
 - (3) The practice of any fraud or deceit upon the City.
 - (4) Misrepresentation of material facts in the negotiation of this Franchise or its implementation.
 - (5) The negligent failure or unreasonable refusal to provide the sanitary sewer services specified in the Franchise.
 - (6) A continuous and willful pattern of grossly inadequate service.
 - (7) An uncured failure to pay the fee associated with this Franchise.
- 11.3. No violation or breach of this Franchise shall occur which is without fault of either Ronald or the City, unless they are the result of circumstances beyond Ronald's or the City's reasonable control, such as Acts of God or unrelated third parties.

Neither Ronald, nor the City, shall be excused by economic hardship or by nonfeasance or malfeasance of its elected officials, officers, agents or employees.

Damage to equipment causing service interruption shall be deemed to be the result of circumstances beyond Ronald's or the City's control if it is caused by any negligent act or unintended omission of its employees (assuming proper training) or agents (assuming reasonable diligence in their selection), or sabotage, vandalism or malicious mischief by its employees or agents. Ronald, or the City, shall bear the burden of proof in establishing the existence of such conditions.

- 11.4. Except in the case of termination of this Franchise pursuant to Subsection 11.2(4), the City, or Ronald, prior to any termination or revocation of this Franchise, shall provide the other with detailed written notice describing any substantial violation or material breach upon which it proposes to take action. The party who is allegedly in breach shall have a period of 60 days following such written notice to cure the alleged violation or breach, or demonstrate to the other's satisfaction that a violation or breach has not occurred or does not exist, or submit a plan that is satisfactory to the other to correct the violation or breach. If, at the end of said 60-day period, the party giving such notice reasonably believes that a substantial violation or material breach is continuing and that the party in breach is not taking

satisfactory corrective action, the noticing party may, by written notice to the other party, declare that the party in breach is in default. Within 20 days after receipt of a written declaration of default, the party that is alleged to be in default may request, in writing, a hearing before the City Hearing Examiner, as provided by the City's development regulations.

The City Hearing Examiner's decision may be appealed by either party to the King County Superior Court within thirty (30) days following the date of the decision rendered.

- 11.5. The City may, in its discretion and without waiving its rights under Subsection 11.4 above, provide, in writing, for an extension of the period for Ronald to remedy any violation or breach of the Franchise terms or take such corrective action specified in the Notice and come into compliance with its obligations under this Franchise, so as to avoid its termination or revocation.
- 11.6 Any violation continuing for a period greater than 60 days may be remedied by the City at Ronald's expense, unless Ronald is diligently and in good faith proceeding with corrective action and its failure to complete corrective action is caused by unavoidable delays or events beyond its control.

Section 12. Franchise Term.

12.1 The term of the Franchise granted hereunder shall remain in full force and effect and binding upon the parties until 11:59 pm PST on June 22, 2019, unless terminated sooner pursuant to its terms or by written agreement of the parties.

12.2 The City, at its sole option, may no less than three (3) months prior to the end of the term of this Franchise extend this Franchise for an additional two (2) years by providing written notice to Ronald.

Section 13. Non-Exclusive Franchise. This Franchise is not and shall not be deemed to be an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises under, over, upon, and along the Right-of-way which do not interfere with Ronald's existing sanitary sewer system and its rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Right-of-way or affect the jurisdiction of the City over the same or any part thereof.

Section 14. Franchise Fee.

14.1. In consideration for the rights granted Ronald under this Franchise and the parties concomitant Interlocal Operating Agreement to occupy City Right-of-way for the purpose of operating a sanitary sewer utility within the City dated October

23, 2002, as amended by the First Amendment to the Interlocal Operating Agreement dated June 22, 2017, and as may be further amended, and as compensation for the City's recovery of actual administrative expenses incurred by the City that are directly related to receiving and approving permits, licenses, cost of inspections, this Franchise and inspecting plans for construction within the Right-of-way, Ronald agrees to pay the City a franchise fee of \$3,000.00 annually in addition to those fees identified in the Blanket Permit, Subsection 4.6, and the fees identified in Section 5 Interlocal Operating Agreement Fee of the First Amendment to the Interlocal Operating Agreement dated June 22, 2017. Proceeds of the franchise fee collected shall be distributed to the City no later than 30 days after the end of each calendar year.

Section 15. Records. As a condition of this Franchise, and without charge to the City, Ronald agrees to provide the City with available as-built plans, maps, and records that show the vertical and horizontal location of its Facilities within the Right-of-way, measured from the center line of the Right-of-way, using a minimum scale of one inch equals one hundred feet (1"=100'). If available as a standard format maintained by Ronald, maps shall be provided in Geographical Information System (GIS) or other digital electronic format used by the City and, upon request, in hard copy plan form used by Ronald. This information shall be provided between one hundred twenty (120) and one hundred eighty (180) days of the effective date of this Ordinance and shall be updated upon reasonable request by the City.

Section 16. Survival. All of the provisions, conditions and requirements of Subsections 4.1 Excavation, 4.2 Abandonment Of Ronald's Facilities, 4.3 Restoration After Construction, 4.8 Dangerous Conditions, Authority For City To Abate, Section 5 Relocation of System Facilities, and Section 9 Indemnification, of this Franchise, shall be in addition to any and all other obligations and liabilities Ronald may have to the City at common law, by statute, or by contract, and shall survive the City's Franchise to Ronald for the use of the areas mentioned in Section 2 herein, and any renewals or extensions thereof. This Ordinance shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of Ronald and all privileges, as well as all obligations and liabilities of Ronald shall inure to its heirs, successors and assigns equally as if they were specifically mentioned wherever Ronald is named herein.

Section 17. 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 other Section, sentence, clause or phrase of this Franchise Ordinance. The Parties may amend, repeal, add, replace, or modify any provision of this Franchise to preserve the intent of the parties as expressed herein prior to any finding of invalidity or unconstitutionality.

Section 18. Assignment. This Franchise shall not be sold, transferred, assigned, or disposed

of in whole or in part either by sale, voluntary or involuntary merger, consolidation or otherwise, without the written approval of the City. This Section shall not act to require City approval of any Ronald action to mortgage or otherwise encumber its facilities, or other action related to corporate financing, financial reorganization, or refinancing activity.

Section 19. Notice. Any notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:

President of the Board of Commissioners	City Manager
Ronald Wastewater District	City of Shoreline
PO Box 33490	17500 Midvale Avenue N
17505 Linden Avenue N	Shoreline WA 98133
Shoreline WA 98133-0490	

Section 20. Non-Waiver. The failure of either party to enforce any breach or violation by the other party of any provision of this Franchise shall not be deemed to be a waiver or a continuing waiver by the non-breaching party of any subsequent breach or violation of the same or any other provision of this Franchise.

Section 21. Alternate Dispute Resolution. If the parties are unable to resolve disputes arising from the terms of this Franchise, prior to resorting to a court of competent jurisdiction, the parties shall submit the dispute to a non-binding alternate dispute resolution process agreed to by the parties. Unless otherwise agreed between the parties or determined herein, the cost of that process shall be shared equally.

Section 22. Entire Agreement. This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution and acceptance hereof.

Section 23. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 24. Effective Date and Directions to City Clerk. A summary of this Ordinance, consisting of its title, shall be published in the official newspaper of the City. This Ordinance shall take effect and be in full force five days after publication. The City Clerk is directed to forward a certified copy of this Ordinance Ronald to accept in writing the terms of the Franchise.

Section 25. Ronald Acceptance of Franchise. Ronald shall have no rights under this Franchise as granted by this Ordinance, nor shall Ronald be bound by the terms and conditions of this Franchise unless Ronald shall, within thirty (30) days after the effective date of this Ordinance, file with the City its written acceptance of

this Franchise as granted by this Ordinance, in a form acceptable to the City Attorney.

PASSED BY THE CITY COUNCIL ON OCTOBER 16, 2017.

Christopher Roberts, Mayor

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____
Effective Date: _____

Exhibit A to Ordinance No. 800

BLANKET PERMIT FOR ACTIVITY WITHIN THE PUBLIC RIGHT-OF-WAY

The City hereby grants a Blanket Permit to Ronald, which shall commence upon the effective date of the Franchise approved under Ordinance No. 800 and remain in effect so long as the Franchise remains in effect, except where terminated earlier as provided herein. This Blanket Permit is subject to the following conditions:

1. This permit only authorizes those activities described in Section 8 of Exhibit A as "Blanket Activities." It does not authorize "Major Activities" as described in Section 9 of Exhibit A, which require a separate Right-of-Way Permit. "Minor Activities" as described in Section 7 of Exhibit A do not require either a Blanket Permit or Right-of-Way Permit.
2.
 - a. Ronald shall pay the City the permit fee identified in the City's Fee Schedule (Shoreline Municipal Code Section 3.01) for Right-of-way utility blanket permits per each use of the City right-of-way. The permit fee is a flat fee based on average administrative costs and inspection fees required to process each use of this Blanket Permit.
 - b. The City shall bill Ronald for the Blanket Permit activities with the regular monthly City Right-of-Way Permit invoicing.
 - c. Ronald shall provide payment of permit fees for the previous monthly activity upon receipt of invoice but no later than thirty (30) days after receiving a bill.
 - d. In the event the above stated inspection fee is changed during the term of this Blanket Permit, the new amount shall thereafter apply to all subsequent inspections made pursuant to this Permit.
3. For each separate use of the Right-of-way under this Blanket Permit, and prior to commencing any work on the Right- of-way under this Blanket Permit, Ronald shall:
 - a. Email or deliver the City Inspection Request Form at least 24 hours in advance which shall include the following information: blanket permit number, street address nearest to the proposed work site; parcel number and description of work to be performed.
 - b. Email or deliver the City's Right-of-Way Inspection Division notice of completion within 24 hours after completing the work.
4. Ronald shall hold the City and its officers, agents and employees harmless from all costs, claims or liabilities of any nature including attorney's fees, costs and expenses for or on account of injuries or damages sustained by any persons or property resulting from the negligent activities or omissions of Ronald, its agents or employees pursuant to this Agreement, or on account of any unpaid wages or other remuneration for services; and if a suit as described above be filed, Ronald shall appear and defend the same at its own cost and expense, and if judgment be rendered or settlement made requiring payment by the City, Ronald shall pay the same.
5. Ronald shall immediately restore and repair to the City's standards all Right-of-way which is in any way damaged or disturbed by Ronald. Ronald shall comply with all applicable laws and regulations ~~70122~~ performing any work pursuant to this Permit.

6. In the event Ronald fails to comply with any of the conditions set forth in this Blanket Permit, the City is authorized to immediately terminate this Blanket Permit by providing Ronald written notice of such termination. Further, the City may terminate this Blanket Permit at any time without cause by providing thirty (30) days written notice to Ronald. Notwithstanding any termination, Ronald will not be relieved of any liability to the City.
7. “Minor Activities” are normal maintenance activities performed by the City in the Right-of-Way on Ronald’s Facilities on behalf of Ronald under the terms of the Wastewater Utility Operating Services Agreement or other activities which do not disrupt the City road or traffic patterns within the City Right-of-way.

Examples of “Minor Activities” include:

- Utility locate processing
- Routine flushing, rodding, inspections
- Telespection of sewer lines
- Grade adjustments on manhole castings as result of asphalt overlays
- Manhole casting maintenance in gravel shoulder

8. “Blanket Activities” cause some disruption to the Right-of-way and possibly to traffic patterns but not to the degree where significant City involvement is required during the plan review and inspection processes. These activities require a Blanket Permit. All “Blanket Activities” require email or other written notification a minimum of 24 hours in advance, with the exception of emergency repairs. (Email or other written notification within the 24 hours after said emergency).

Examples of “Blanket Activities” include:

- Sewer line repair in pavement less than 55 square feet
- Sewer line repair in gravel shoulder 55 square feet or more
- Road repair related to failure overtop sewer line or within sewer trench less than 55 square feet
- Emergency clearing of sewer line blockages

9. “Major Activities” are major sewer related projects within the Right-of-way which involve removal of road surface, trench excavation, etc., and any disruption of traffic flow within the Right-of-way. These activities shall require a standard Right-of-Way Permit Application and plan submittal for each project. A Blanket Permit does not authorize these activities.

Examples of “Major Activities” include:

- Open cutting of pavement 55 square feet or more
- All mainline extensions
- Installation of all new laterals
- Any activities that disrupt traffic flow in arterials (full lane closure or more)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Execute an Amendment in the Amount of \$64,407 for the Professional Services Contract with Brown and Caldwell for the 2017 Surface Water Master Plan Update
DEPARTMENT:	Public Works
PRESENTED BY:	Uki Dele, Surface Water and Environmental Services Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City of Shoreline retained Brown and Caldwell to prepare an update to its Surface Water Master Plan that will guide the Surface Water Utility (Utility) for the next five to 10 years. This work is being completed in accordance with the original services contract (Contract No. 8401), effective July 7, 2016 and amended on March 9, 2017. As worked progressed, several of the tasks were modified and effort was adjusted to accommodate new information, respond to unanticipated needs of City staff, or provide additional support. Tonight’s action would authorize the City Manager to further amend Contract No. 8401 with Brown and Caldwell in the amount of \$64,407 to provide for the completion of the Surface Water Master Plan Update project.

RESOURCE/FINANCIAL IMPACT:

The proposed adjustment for the contract with Brown and Caldwell is \$64,407, and the 2017 Surface Water Capital Improvement Program budget has sufficient funds to cover the additional cost. The total proposed amended contract will be \$696,397.

Table 1. Budget Summary and Proposed Amendment

Contracted Budget	Proposed Adjustment	Proposed Amended Budget
\$631,990	\$64,407	\$696,397

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute an amendment to Contract No. 8401 with Brown and Caldwell for \$64,407 to provide completion of the Surface Water Master Plan Update project.

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

BACKGROUND

The 2017 Surface Water Master Plan (Master Plan) is a vision document that establishes a management strategy for the Surface Water Utility to help meet the established level-of-service goals and NPDES permit requirements. It also includes the development of both financial and policy processes for the Utility to implement the strategy. Staff are working with consultants Brown and Caldwell and FCS Group to update the City's 2011 Surface Water Master Plan (2011 Master Plan). The purpose of the Master Plan is to address drainage and water quality challenges associated with growth, increasing regulations, and aging infrastructure. The Master Plan will guide the Utility for the next five to 10 years including recommendations for capital improvements, programs, and a financial plan for long-term asset management.

Brown and Caldwell's work to update the Master Plan is being completed in accordance with the original services agreement between the City and Brown and Caldwell (Contract No. 8401), which became effective July 7, 2016 and was amended on March 9, 2017. As work progressed, several of the tasks were modified and effort was adjusted to accommodate new information, respond to unanticipated needs of City staff, or provide additional support.

DISCUSSION

Table 2 below summarizes the proposed adjustments to the contracted budget with Brown and Caldwell. This is followed by highlights of some key tasks that include scope adjustment. More details on the proposed amendment is provided in Attachment A.

Table 2. Proposed Amendment by Task

Scope Task	Contracted Budget, \$	Proposed Adjustment, \$	Proposed Amended Budget, \$
1. Review and consolidate data	12,705	0	12,705
2. Define levels of service (LOS)	33,176	0	33,176
3. Update asset management process	82,743	6,965	89,708
4. Regulatory Compliance	16,304	-13,056	3,249
5. Stormwater Treatment	15,914	0	15,914
6. Develop recommendations	44,674	33,000	77,674
7. Develop rate structure/financial planning	35,380	9,805	45,185
8. Evaluate utility billing	30,219	-2,384	27,835
9. Utility management policy review	37,683	2,820	40,503
10. Prepare master planning document	68,518	0	68,518
11. Present to City Council and public	47,807	-10,000	37,807
12. Project Management	69,004	19,000	88,004
13. Condition Assessment	38,177	8,665	46,842
14. System Capacity	49,512	0	49,512
15. Operations and Maintenance	35,174	9,592	44,766
16. Additional services (optional)	15,000	0	15,000
Total	631,990	64,407	696,397

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. This task is complete and will be closed to further charges.

Additional effort for this task included:

- The Asset Management Work Plan required additional effort to reconcile the results of the Utility Business Management Evaluation with anticipated staffing challenges.
- The discussion of the review of the AMWP was extensive and included a concentrated examination of each of the asset management recommendations with respect to timing, resources, and current activities to resolve potential conflicts. This meeting led to additional revisions to the Asset Management Work Plan.

Table 3. Task 3 Proposed Budget Adjustments

Contracted Budget	Proposed Adjustment	Proposed Amended Budget
\$82,743	\$6,965	\$89,708

Task 6: Develop project and program recommendations for CIP

The purpose of this task is to develop and prioritize project and program recommendations for inclusion in the Capital Improvement Program (CIP). This task is in progress. Remaining effort includes responding to reviewers’ comments and questions during draft Master Plan document review.

Additional effort for this task included:

- The number of project recommendations carried forward from the basin plans was larger than expected. The City’s spreadsheet contained 116 projects that had to be systematically screened for further prioritization.
- An additional workshop with City staff was held to review the screening process and results. The workshop required additional effort for preparing presentation materials, attending, and follow-up communications.
- The number of projects carried forward for detailed prioritization was greater than expected – 25 five projects/programs were scoped, but 40 projects were screened and 25 new programs were developed for a total of 65 projects and programs.
- Brown and Caldwell developed a detailed project prioritization spreadsheet tool that was not originally scoped. The tool has been provided to the City and may be useful for future prioritization efforts.
- Two prioritization workshops were conducted with City staff. Only one workshop was originally scoped for this effort. The second workshop required additional time for preparation, attendance, and follow-up.
- The level of effort required to evaluate three distinct project and program packages, or management strategies, was underestimated in the original scope. The Brown and Caldwell/FCS team worked with the City to determine how these packages should be developed and presented to Council. Three unanticipated meetings were held between City staff and the Brown and Caldwell/FCS team.

- The City requested that Brown and Caldwell develop a detailed cost break down for the 40 CIP projects and two CIP-related programs for the selected management strategy. This effort includes QA/QC reviews and conference calls with City staff to inputs and data needs.

Table 4. Task 6 Proposed Budget Adjustments

Contracted Budget	Proposed Adjustment	Proposed Amended Budget
\$44,674	\$33,000	\$77,674

Task 11: Present to City Council and Public

With the majority of Master Plan recommendations addressed by the City Council as of the August 7, 2017 Council meeting, less effort will be needed for the remaining presentation, which will cover key performance indicators and measures for new and enhanced programs. This task is in progress.

Table 5. Task 11 Proposed Budget Adjustments

Contracted Budget	Proposed Adjustment	Proposed Amended Budget
\$47,807	\$-10,000	\$37,807

COUNCIL GOAL ADDRESSED

This project amendment will address City Council Goal #2: Improve Shoreline’s Utility, transportation and environmental infrastructure.

RESOURCE/FINANCIAL IMPACT

The proposed adjustment for the contract with Brown and Caldwell is \$64,407, and the 2017 Surface Water Capital Improvement Program budget has sufficient funds to cover the additional cost. The total proposed amended contract will be \$696,397.

Table 6. Budget Summary and Proposed Amendment

Contracted Budget	Proposed Adjustment	Amended Budget
\$631,990	\$64,407	\$696,397

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute an amendment to Contract No. 8401 with Brown and Caldwell for \$64,407 to provide completion of the Surface Water Master Plan Update project.

ATTACHMENTS

Attachment A: Proposed Scope Amendment for Contract No. 8401 with Brown and Caldwell

Attachment A: Proposed Scope Amendment for Contract 8401

Surface Water Master Plan

The City of Shoreline (City) retained Brown and Caldwell (BC) to prepare an update to its Surface Water Master Plan that will guide the Surface Water Utility (Utility) for the next five to 10 years. This work is being completed in accordance with the original services agreement effective July 7, 2016 and amended on March 9, 2017. The City has identified the need for changes and additions to several tasks, and has asked BC to revise the scope of work, budget, and timeline accordingly. These changes are described in this Amendment 2.

Table 1 summarizes the proposed adjustments to the contracted budget. The table is followed by a task-by-task breakdown of the scope changes, including a summary of the current task budgets and proposed adjustments for each task. Estimates of the remaining balance on each of the task budgets are provided based on BC labor through September 14, 2017 and subconsultant invoices through August 18, 2017.

Table 1. Budget Summary for Amendment 2

Scope Task	Contracted task budget	Amount spent	Amount remaining ¹	Proposed adjustment	Amended budget	Amended amount remaining ¹
1. Review and consolidate data	12,705	12,705	0	0	12,705	0
2. Define levels of service (LOS)	33,176	33,176	0	0	33,176	0
3. Update asset management process	82,743	89,708	-6,965	6,965	89,708	0
4. Regulatory Compliance	16,304	3,249	13,056	-13,056	3,249	0
5. Stormwater Treatment	15,914	13,910	2,004	0	15,914	2,004
6. Develop recommendations	44,674	74,287	-29,613	33,000	77,674	3,387
7. Develop rate structure/financial planning	35,380	36,354	-974	9,805	45,185	8,831
8. Evaluate utility billing	30,219	27,835	2,384	-2,384	27,835	0
9. Utility management policy review	37,683	40,503	-2,820	2,820	40,503	0
10. Prepare master planning document	68,518	28,911	39,608	0	68,518	39,608
11. Present to City Council and public	47,807	30,952	16,855	-10,000	37,807	6,855
12. Project Management	69,004	77,250	-8,246	19,000	88,004	10,754
13. Condition Assessment	38,177	46,842	-8,665	8,665	46,842	0
14. System Capacity	49,512	46,368	3,145	0	49,512	3,145
15. Operations and Maintenance	35,174	41,766	-6,592	9,592	44,766	3,000
16. Additional services (optional)	15,000	0	15,000	0	15,000	15,000
TOTAL	631,990	603,815	28,176	64,407	696,397	92,582

1. BC labor through September 14, 2017. FCS group labor through August 18, 2017.

Task 1: Review and consolidate data

This task is complete and closed to further charges.

Task 2: Define levels of service (LOS)

This task is complete and closed to further charges.

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. The Asset Management Work Plan required additional effort to reconcile the results of the Utility Business Management Evaluation (UMBE) with anticipated staffing challenges. A 5-hour meeting was held with on March 13, 2017, the City to vet each of the asset management recommendations with respect to timing, resources, and current activities to resolve potential conflicts. This meeting led to additional revisions to the Asset Management Work Plan.

Proposed Budget Adjustments

Contracted task budget:	82,743	
Current amount remaining:	-6,965	100% spent
Proposed adjustment:	6,965	↑
Amended task budget:	89,708	
Amended amount remaining:	0	100% spent

This task is complete and will be closed to further charges.

Task 4: Regulatory compliance

The purpose of this task is to evaluate City policies and programs with respect to the anticipated requirements of the 2018-2022 NPDES Phase II Stormwater Permit. However, the permit has been delayed by one year to 2019 and little additional information has become available about what to expect. Additionally, Amendment 1 added scope to this task for review and prepare recommendations to changes in the Shoreline Municipal Code 13.10 Surface Water Utility (Surface Water Code) based on policy changes and anticipated regulatory needs. This Amendment 2 would eliminate the remaining scope for this task so the budget can be reallocated to other, higher-priority tasks.

Proposed Budget Adjustments

Contracted task budget:	16,304	
Current amount remaining:	13,056	20% spent
Proposed adjustment:	-13,056	↓
Amended task budget:	3,249	
Amended amount remaining:	0	100% spent

This task will be closed to further charges.

Task 5: Stormwater treatment

No proposed changes.

Task 6: Develop project and program recommendations for CIP

The purpose of this task is to develop and prioritize project and program recommendations for inclusion in the Capital Improvement Program (CIP). This task represents the bulk of the work completed in recent months as it has grown to include a greater number of projects, additional programs, costs and recommendations that pertain to both capital and operating budgets, as well as detailed evaluations of existing programs and staffing needs. Amendment 2 would cover the following additional efforts or changes from the original scope:

- **Additional Effort for Project Screening.** The number of project recommendations carried forward from the basin plans was larger than expected. The City's spreadsheet contained 116 projects that had to be systematically screened for further prioritization. This required an additional workshop with City staff to review the screening process and results. The workshop—which was held on February 13, 2017—required additional effort for preparing presentation materials, attending, and follow-up communications.

- **Additional Effort for Project Prioritization.** The number of projects carried forward for detailed prioritization was greater than expected. The original scope assumed that the “screening process will result in no more than 25 projects/programs for inclusion in the CIP.” However, a total of 40 projects were carried forward from the screening process. In addition, the effort required to develop the prioritization process and implement the prioritization scoring was greater than originally anticipated, as described below:
 - BC developed a detailed prioritization spreadsheet tool in Excel to manage the number of projects, as well as provide a prioritization scoring system that is transparent, repeatable, and based on over 20 criteria that stem from defined level of service targets. The development of a tool was not in our original scope. Note that this tool will be provided to the City and may be useful for future prioritization efforts.
 - BC conducted two prioritization workshops with City staff. The first workshop, which was held on March 17, 2017, addressed prioritization criteria and a weighted scoring system. The second workshop—held on April 27, 2017—addressed preliminary prioritization results and comments on project-specific scoring. Only one workshop was originally scoped for this effort. The second workshop required additional time for preparation, attendance, and follow-up.
- **Additional effort to develop program recommendations for utility operations.** As mentioned above, the original scope assumed a total of 25 projects and programs would be included in the CIP recommendations. In addition to the 40 projects listed above, 25 program recommendations were developed either as completely new programs or enhancements to existing programs. Moreover, the programs were evaluated as operational activities, which required some additional manipulation to integrate recommended improvements with existing processes and staffing needs, as described below:
 - Developing new programs required coordination with existing utility operations, determining staff assignments for new activities and/or the requisite breakdown between City staff and contracted services, estimating level of effort based on unit-costs as well as full time equivalents (FTEs) by Utility staff position (e.g., water quality specialist, engineering technician, CIP engineer, etcetera), and estimating non-labor costs associated with program activities.
 - Developing recommendations for enhanced existing programs required researching existing labor and non-labor costs, estimating increased effort (labor and non-labor) for specific enhancements, and developing FTE estimates by Utility staff position.
 - A modified prioritization approach had to be developed for the programs because of differences in how the scoring criteria would be applied.
- **Additional Effort for Management Strategies.** While it was recognized that some variations in project selection and activities corresponding to desired levels of service would be evaluated for the Master Plan, BC did not anticipate the effort required to evaluate three distinct project and program packages, or management strategies. BC and FCS Group worked with the City to determine how these packages should be developed and presented to Council. This process required three additional meetings with the City:
 - On May 8, 2017 three members of the BC/FCS Group team attended a meeting with City staff to discuss levels of service and how both projects and programs would be evaluated relative to these levels of service, in addition to the process for connecting levels of service to utility operations and performance metrics.
 - On May 22, 2017 three members of the BC/FCS Group team attended a meeting with City staff to discuss the development of “management strategies” such that three options could be presented to Council, along with three corresponding rate adjustments to cover the financial requirements.
 - On Jun 1, 2017 four members of the BC/FCS Group team attended a meeting with City staff to discuss the three management strategy options, propose a breakdown of they would be comprised, and explain how they would be evaluated.
- **Additional Effort for CIP Project and Program Cost Breakdown.** The City requested that BC develop a detailed cost break down for the 40 CIP projects and two CIP-related programs for the selected management strategy. Capital costs were divided into annual expenditures and then divided into the following cost categories: administration, real estate acquisitions, and construction—which is the required breakdown for input to the City’s CIP Budget Model. BC then escalated all of the costs across the planning horizon. This effort includes QA/QC reviews and conference calls with City staff to inputs and data needs.

Proposed Budget Adjustments

Contracted task budget:	44,674	
Current amount remaining:	-29,613	166% spent
Proposed adjustment:	33,000	↑
Amended task budget:	77,674	

Amended amount remaining: 3,387 96% spent

This task is in progress.

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. The additional effort was needed to run multiple iterations and incorporate new information into the revenue requirement model. New operating costs, changes to the project selections and programming, and edits to taxes and rents required model updates including new rate projections and estimated debt issuances for all management strategies. These updates were made after the initial completion of the revenue requirements and review by the City.

After the City Council approved the recommended *Proactive* management strategy and associated rate increases, BC and FCS Group assisted the City with incorporating financial data into their CIP Budget Model for 2018. This effort was expedited and included three conference calls between the BC/FCS Group team and City staff to respond to questions and assist with data inputs and appropriate assumptions.

Proposed Budget Adjustments

Contracted task budget:	35,380	
Current amount remaining:	-974	103% spent
Proposed adjustment:	9,805	↑
Amended task budget:	45,185	
Amended amount remaining:	8,831	80% spent

This task is in progress.

Task 8: Evaluate utility billing

The purpose of this task is to review the process and data associated with the King County administered utility billing, and cost evaluation of in-house billing for surface water customers. Task was completed under budget; therefore, BC is requesting that the remaining budget be reallocated to other tasks.

Proposed Budget Adjustments

Contracted task budget:	30,219	
Current amount remaining:	2,384	92% spent
Proposed adjustment:	-2,384	↓
Amended task budget:	27,835	
Amended amount remaining:	0	100% spent

This task is complete and will be closed to further charges.

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.

During the May 15th Council meeting, the City Council requested additional research on the self-certification policy. To respond to this request, BC performed additional research and prepared an evaluation that compared “status quo” with a self-certification approach to maintenance of private surface water facilities. BC interviewed the self-certification program manager at Seattle Public Utilities and reviewed data from the Shoreline and King County private facility programs. BC prepared two program summaries and estimated the relative efforts needed for each program.

Proposed Budget Adjustments

Contracted task budget:	37,683	
Current amount remaining:	-2,820	107% spent
Proposed adjustment:	2,820	↑

Amended task budget: 40,503
 Amended amount remaining: 0 100% spent

This task is complete and will be closed to further charges.

Task 10: Prepare master planning document

BC will use the results of the previous tasks to prepare the Master Plan document. No scope changes are proposed for this task. However, our original cost estimate for this task assumed a concise document and a streamlined approach for City document review and comment. The following assumptions are provided for clarification:

- One set of review comments will be addressed for the Preliminary Draft Master Plan, and one set of review comments will be addressed for the Draft Master Plan.
- The City will need to compile all internal reviews into one set of consolidated comments, it is the City's responsibility to resolve any conflicting or ambiguous comments, and to eliminate superfluous comments.
- Comments that cannot be addressed, or are outside the scope of work, will be responded to in a brief comment response matrix and discussed with the City Project Manager.
- 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.
- 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.

Thus, maintaining a concise document and streamlined approach to document reviews will be essential to avoiding an overage on this task.

Proposed Budget Adjustments

Contracted task budget: 68,518
 Current amount remaining: 39,608 42% spent
 Proposed adjustment: 0
 Amended task budget: 68,518
 Amended amount remaining: 39,608 42% spent

This task is in progress.

Task 11. Present to City Council and Public

Considerable effort was expended on this task to support the development of staff reports and prepare for City Council Meetings in July and August, for which we presented key information on management strategies and rate impacts. With the majority of Master Plan recommendations requested of and addressed by City Council as of the August 7th meeting, less effort will be needed for the remaining two City Council meetings. The finalize rate schedule will be presented as part of the budget for adoption in September/October and the overview of the Draft Master Plan in November. If we assume that BC will prepare one draft and one final version of a PowerPoint presentation for each of these and that no iteration is required on these presentation materials, then a portion of this task budget could be reallocated to other tasks.

Proposed Budget Adjustments

Contracted task budget: 47,807
 Current amount remaining: 16,855 65% spent
 Proposed adjustment: -10,000 ↓
 Amended task budget: 37,807
 Amended amount remaining: 6,855 82% spent

This task is in progress.

Task 12. Project management

This task covers team coordination, staff supervision, budget and schedule controls, status reports, and adherence to QA/QC procedures. The level of effort for this task has been greater than anticipated due the following:

- Correspondence with City staff to respond to questions and/or responding with interim data transmittals when needed, such as questions that arise during the City’s internal meetings, or in preparation for City Council meetings
- Managing multiple parallel efforts and scope changes that occur while responding to the City’s concerns.
- Extended project schedule due to additional requests and expanded scope within several tasks.
- Preparing project amendment documents including staff report for City Council.

Proposed Budget Adjustments

Contracted task budget:	69,004	
Current amount remaining:	-8,246	112% spent
Proposed adjustment:	19,000	↑
Amended task budget:	88,004	
Amended amount remaining:	10,754	88% spent

This task is in progress.

Task 13: Condition assessment

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 (CAMP). Per the original scope, BC developed automatic queries and GIS tools to expedite the prioritization processes. However, these efforts were expanded from just one method (applied to pipes) to three, with two additional tools developed to prioritize catch basins and manholes.

In addition to the activities in the original scope, the City asked BC to conduct a training session to demonstrate the tools, answer questions, and help with operating the tools on the City’s hardware and software systems. BC conducted the training session, and then prepared a more detailed User’s Guide based on staff questions during the training. The revised User’s Guide contains new examples that address potential changes in prioritization criteria and GIS field updates.

BC also prepared a second update to the CAMP document to incorporate previously missing manhole data and additional research on pump station condition assessments. This additional research became necessary due to lack of data available from the Cityworks system.

Proposed Budget Adjustments

Contracted task budget:	38,177	
Current amount remaining:	-8,665	123% spent
Proposed adjustment:	8,665	↑
Amended task budget:	46,842	
Amended amount remaining:	0	100% spent

This task is complete and will be closed to further charges.

Task 14: System capacity

No proposed changes.

Task 15: Operations and maintenance

The purpose of this task is to develop a draft and final O&M Manual. BC completed a draft O&M Manual and received comments from City staff. The following is a list of unanticipated efforts or changes from the original scope based on review comments: The City’s comments on the draft O&M Manual resulted in substantial changes and requests for new information and visuals. The requested additions required an additional meeting with the City’s maintenance staff to discuss standard operating procedures (SOPs), review photographs of facilities and activities, and detailed discussions regarding the current inspection methods for 22 assets. The comments also resulted in reorganizing each of the 22 standard operating procedures (SOPs). A review of Cityworks and GIS demonstrated the potential inclusion of nine SOPs in the O&M Manual (e.g., culverts, infiltration galleries, constructed wetlands, etc.). Additional effort included the investigation and recommended inclusion for these assets in the Cityworks and GIS systems and where appropriate a

new SOP or an update to an existing SOP. A second meeting at the City was needed to resolve comments from multiple City staff reviewers.

Addition effort is estimated to address staff comments on the final draft including reviewing and responding to staff comments and revision to text and tables. A new graphic (work process flow chart) developed by staff will need to be reformatted for inclusion in the document.

Proposed Budget Adjustments

Contracted task budget:	35,174
Current amount remaining:	-6,592 <i>119% spent</i>
Proposed adjustment:	9,592
Amended task budget:	44,766
Amended amount remaining:	3,000 <i>93% spent</i>

This task is in progress.

Task 16: Additional services (optional)

This task was added as part of Amendment 1 to cover additional efforts such as those described the tasks above. While the current task budget of \$15,000 could be reallocated to other tasks to cover some of the above-described changes, BC proposes to preserve this budget to cover any additional support activities identified by the City Project Manager. BC would conduct activities, such as these, only when authorized in writing by the City Project Manager. The Consultant’s total level of effort will be limited to the budget currently allocated for this task (\$15,000).

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2018 Proposed Budget Department Presentations		
DEPARTMENT:	Administrative Services Department		
PRESENTED BY:	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The City Manager presented the 2018 Proposed Budget to the City Council on October 9, 2017. Tonight's agenda includes an overview of the City departments' 2018 proposed budget requests. The 2018 Proposed Budget and 2018-2023 Capital Improvement Plan (CIP) has been made available to the public and is available on the City's website and at City Hall, the Shoreline Police Station, and the Shoreline and Richmond Beach libraries.

The focus of the departmental presentations will be on any significant changes between the department's 2017 budget and the 2018 proposed budget. The October 16 department review schedule and corresponding pages in the budget document are listed below:

<u>Department</u>	<u>Budget Pages</u>
City Council	103 – 108
City Manager's Office	111 – 122
Community Services	125 – 134
Administrative Services & Citywide	137 – 154
City Attorney	157 – 162
Human Resources	165 – 170
Police	173 – 186
Criminal Justice (Jail, Court & Public Defense)	189 – 194
Parks, Recreation & Cultural Services	197 – 212
Planning & Community Development	215 – 226

Staff plans to complete department reviews through the Planning & Community Development Department on October 16. On October 23, Council will review the Public Works Department, including the Surface Water and Wastewater Utilities, the 2018-2023 CIP. Staff will also describe the budgets in other funds.

Future budget discussions will be held on November 6 and November 13. Public hearings on the 2018 property tax levy and revenue sources will be held on November 6 and on the 2018 Proposed Budget on November 13. Adoption of the 2018 Proposed Budget and 2018 property tax levy are scheduled for November 20.

FINANCIAL IMPACT:

The 2018 Proposed Budget totals \$79.939 million, is balanced and includes adequate reserve levels to meet all adopted budget policies.

RECOMMENDATION

No action is required by the City Council. Department presentations will be for informational purposes and provide an opportunity for Council to ask specific questions regarding proposed department budgets.

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

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Sound Transit SR 522/SR523 Bus Rapid Transit (BRT) Project Update
DEPARTMENT:	Public Works, Transportation Division
PRESENTED BY:	Nytasha Sowers, Transportation Services Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The Sound Transit 3 (ST3) Plan includes a bus rapid transit (BRT) line on State Route 522/State Route 523 (NE 145th Street) from Shoreline to Woodinville, to open in 2024, and funding for multi-modal access improvements to transit stations. The ST3 Plan includes a “representative alignment” for SR 522/523 BRT, which is a conceptual scope of work and estimated costs for the project for the purpose of generating preliminary cost and planning data. Tonight, staff from Sound Transit, including Kamuron Gurol, HCT Corridor Development Director, will present an overview of the ST3 Plan and then focus on the SR 522/523 BRT project. The presentation will highlight the 145th Street (SR 523) segment of the project and next steps to implement the project.

RESOURCE/FINANCIAL IMPACT:

Staff will work with Sound Transit to further the design of the SR 522/523 BRT project along the 145th Street corridor (SR 523). As the ultimate design of Sound Transit’s project may not include all of the elements of the City’s adopted 145th Street Multi-modal Corridor Study Preferred Design Concept, the City may need to acquire funding to ensure all of the elements of the 145th Street Preferred Concept are realized (or “built”).

RECOMMENDATION

There is no action required with this agenda item as this report is for discussion purposes only. Council is encouraged to ask questions of Sound Transit staff regarding the ST3 Plan and SR 522/523 BRT project.

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

BACKGROUND

On April 11, 2016, the City Council adopted Resolution No. 393 which stated the Council's formal support for the ST3 ballot measure. ST3 includes creating a BRT line on SR 522/SR 523 from Woodinville to Shoreline, to open in 2024, and funding for multi-modal access improvements to transit stations. On November 8, 2016 the ST3 ballot measure was approved by over 54 percent of voters in the Puget Sound region.

The SR 522/523 BRT project will be developed along the SR 522 and SR 523 corridors, with a western terminus at the future Shoreline South/145th Link Light Rail station (serving the SR 523/I-5 interchange). The project will continue along SR 523 to the intersection with SR 522 (Bothell Way NE) and further continue along SR 522, 98th Avenue NE, NE 185th Street and Beardslee Blvd. to the University of Washington (UW) Bothell campus. BRT service, with limited capital improvements, will be provided from UW Bothell to Woodinville.

The ST3 Plan includes a "representative alignment" for SR 522/523 BRT, which is a conceptual scope of work and estimated costs for the project for the purpose of generating preliminary cost and planning data. The project will use general purpose lanes, queue jumps, and existing and new Business Access and Transit (BAT) lanes and bus only lanes as well as operational improvements. There are nine bus station pairs, three 300-stall parking garages, and a transit center planned at UW Bothell/Cascadia College as part of the project. See Attachment A to this staff report for the proposed project alignment.

As noted above, the project is scheduled to begin revenue service along the corridor by the end of 2024. An 18-month look ahead schedule for the project is included as Attachment B. As project development proceeds, updated schedules will be developed by Sound Transit and shared with project partners for review and input.

City of Shoreline 145th Street Multi-modal Corridor Study

On April 11, 2016 the City Council adopted the Preferred Design Concept for the 145th Street Multi-modal Corridor Study, which coincides with the SR 523 portion of the SR 522/523 BRT project. The staff report for this presentation is available at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport041116-8c.pdf>.

The 145th Street Multi-modal Corridor Study, although slightly different than the Sound Transit representative alignment for the SR 522/523 BRT project, assumes and strongly supports the operation of bus rapid transit service and improves safety, mobility and multi-modal access to the corridor for vehicles, bikes and pedestrians.

DISCUSSION

Sound Transit's BRT program development will involve coordinated planning, design, and implementation of BRT elements, including routes, stations, a bus operations and maintenance facility, vehicle fleet, rider information/technology integration, and branding, with service beginning in 2024. To meet the challenges of delivering the ST3

projects, Sound Transit has streamlined its project delivery model, and developed new approaches for working with project partners, stakeholders, and local jurisdictions.

In support of this streamline project delivery approach, Sound Transit is drafting a project partners' Concurrence Document for the project. The Concurrence Document is a non-binding document to be signed by applicable city managers that is intended to broadly describe roles, responsibilities, goals, and expectations for the public agencies participating in the project. Sound Transit has stated that this document and subsequent agreements will help the project partners cooperate effectively, so that revenue service begins on schedule by the end of 2024.

Tonight, staff from Sound Transit, including Kamuron Gurol, HCT Corridor Development Director, will present an overview of the ST3 Program and then focus on the SR 522/523 BRT project. The presentation will highlight the 145th Street (SR 523) segment of the project and next steps to implement the project.

COMMUNITY ENGAGEMENT

Sound Transit has stated that they will consult with their project partners to develop a Community Engagement and Communications Plan for the project that describes the process for convening and managing three community engagement groups - an Elected Leadership Group, a Stakeholder Group, and an Interagency Group – as well as engaging with the public and the media.

RESOURCE/FINANCIAL IMPACT

Staff will work with Sound Transit to further the design of the SR 522/523 BRT project along the 145th Street corridor (SR 523). As the ultimate design of Sound Transit's project may not include all of the elements of the City's adopted 145th Street Multi-modal Corridor Study Preferred Design Concept, the City may need to acquire funding to ensure all of the elements of the 145th Street Preferred Concept are realized (or "built").

COUNCIL GOALS ADDRESSED

This project is addresses the following City Council Goals:

- Council Goal 2: Improve Shoreline's infrastructure to continue the delivery of highly-valued public service.
- Council Goal 3: Continue preparation for regional mass transit in Shoreline.

RECOMMENDATION

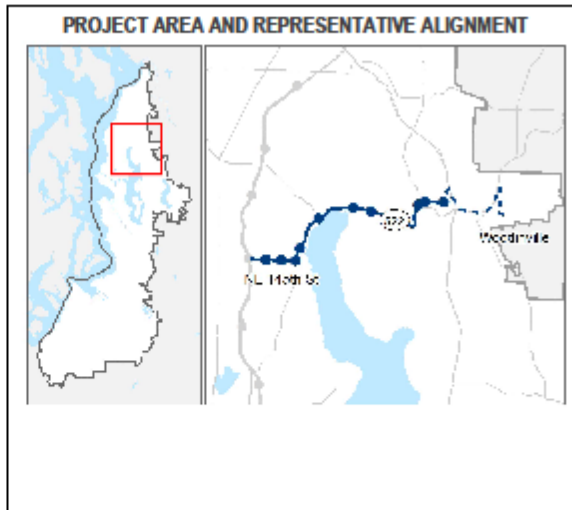
There is no action required with this agenda item as this report is for discussion purposes only. Council is encouraged to ask questions of Sound Transit staff regarding the ST3 Plan and SR 522/523 BRT project.

ATTACHMENTS

Attachment A – Sound Transit SR 522/SR 523 BRT Project Alignment
Attachment B – Sound Transit SR 522/SR 523 BRT Project Schedule

145th and SR 522 Bus Rapid Transit

Subarea	North King
Primary Mode	BRT
Facility Type	Corridor
Length	8 miles
Date Last Modified	July 1, 2016



SHORT PROJECT DESCRIPTION

This 8-mile BRT project would design and implement BRT on NE 145th Street/SR 523 from the Link station at I-5 to SR 522, with BRT treatments continuing on SR 522 to UW Bothell, and with connecting service at lower frequencies to Woodinville. On NE 145th Street, this project would include transit priority spot treatments, with two stations. On SR 522, the majority of the corridor through Lake Forest Park, Kenmore and Bothell will feature BAT lanes to downtown Bothell, and transit priority treatments on arterials to UW Bothell.

Note: The elements included in this representative project will be refined during future phases of project development and are subject to change.

KEY ATTRIBUTES	
REGIONAL LIGHT RAIL SPINE <small>Does this project help complete the light rail spine?</small>	No
CAPITAL COST <small>Cost in Millions of 2014 \$</small>	\$364 — \$389
RIDERSHIP <small>2040 daily project riders</small>	8,000 — 10,000
PROJECT ELEMENTS	<ul style="list-style-type: none"> • Approximately 8 miles of Bus Rapid Transit (BRT) with 9 pairs of stations and an expanded transit center at UW Bothell • Along NE 145th between I-5 and SR 522 (Lake City Way/Bothell Way), sections of the corridor will have bus lanes or queue jumps to reduce transit delays due to traffic, with BRT serving two station pairs on NE 145th Street, as well as a station pair where NE 145th and SR 522 intersect. • On SR 522, BRT will use business access transit (BAT) lanes on SR 522 from NE 145th Street to Bothell, then run on arterials to UW Bothell. Service continues to connect to I-405 BRT service and to Woodinville. The BAT lanes fill in existing "gaps" along SR 522 between NE 145th Street and 96th Avenue NE in Bothell, and add a westbound BAT lane between 98th and 96th Avenues NE • On SR 522, there will be seven pairs of stations, including where SR 522/NE 145th Street intersect, with the other station pairs serving Lake Forest Park, Kenmore, and Bothell • On-street bus transfer point at downtown Bothell, and at an expanded transit center at the UW Bothell • Three 300-space parking garages, located in Lake Forest Park, Kenmore and Bothell • BRT vehicle fleet purchase of 14 coaches (3-door articulated coaches with ST BRT livery) • Peak and off-peak headways from NE 145th Street to UW Bothell: 10 minutes • Peak and off-peak headways between UW Bothell and Woodinville: 20 minutes • Non-motorized access facilities (bicycle/pedestrian) and transit-oriented development (TOD)/planning due diligence (see separate document titled "Common Project Elements")

Attachment B. ST SR 522/SR 523 BRT Project Schedule, 18 month Look-ahead

