



AGENDA

SHORELINE CITY COUNCIL REGULAR MEETING

Monday, June 3, 2019
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 April 15, 2019	<u>7a1-1</u>	
Approving Minutes of Special Dinner Meeting of May 13, 2019	<u>7a2-1</u>	
(b) Adopting the Plan to Reprogram 2018 and 2019 Community Development Block Grant Capital Funding to Implement Approved Programs and Projects	<u>7b-1</u>	
(c) Authorizing the City Manager to Execute an Interlocal Agreement for the North Sound RADAR Navigator Program	<u>7c-1</u>	
8. ACTION ITEMS		
(a) Authorizing the City Manager to Approve Amendment #1 to the City's 2017-2027 Comprehensive Garbage, Recyclables and Compostables Collection Contract with Recology CleanScapes	<u>8a-1</u>	7:20
(b) Adopting Ordinance No. 858 – Amending SMC 3.01.500 Solid Waste Rate Schedule to Reflect Amendment to Recology CleanScapes Comprehensive Garbage Recyclables, and Compostables Collection Contract	<u>8b-1</u>	7:40
(c) Amending the 2019 Comprehensive Plan Docket to Remove Study of Zoning of Underutilized Property on Fircrest Campus	<u>8c-1</u>	7:50

9. STUDY ITEMS

- (a) Discussing Ordinance No. 861 - 2019-2020 Biennial Budget Amendment Amending Ordinance No. 855 for Phase 1 Improvements of the City Maintenance Facility 9a-1 8:05
- (b) Discussing Ordinance No. 862 - Authorizing the Refunding of Limited Tax General Obligation Bonds (City Hall) and Ordinance No. 864 - Amending Ordinance No. 829 to Extend the Delegation Period for Bond Anticipation Notes 9b-1 8:10
- (c) Discussing Resolution No. 438 - Approving the Sale of Limited Tax General Obligation Bonds Supported by the Shoreline Transportation District 0.2% Sales Tax as Authorized by Ordinance No. 853 9c-1 8:15

10. EXECUTIVE SESSION: Litigation – RCW 42.30.110(1)(i) 8:20

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.

11. ADJOURNMENT 8:50

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, April 15, 2019
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Hall, Deputy Mayor McConnell, Councilmembers McGlashan, Scully, Chang, Robertson, and Roberts

ABSENT: None.

1. CALL TO ORDER

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

2. FLAG SALUTE/ROLL CALL

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

(a) Proclaiming Sexual Assault Awareness Month

Mayor Hall proclaimed the month of April as Sexual Assault Awareness month and recognized the importance of support and advocacy in the aftermath of trauma.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

There were no Council reports.

5. PUBLIC COMMENT

John McCoy, Shoreline resident, said he requests that Councilmember McGlashan recuse himself from voting on Amendment No. 1 because the Councilmember has been a recipient of campaign donations from Irons Brothers Construction.

Justin Sakounthong, Shoreline resident, said he opposes Amendment No. 1, the proposed rezone at 1510 and 1517 Northeast 170th Street, because he does not feel it is right to change the zoning in an entire neighborhood for the benefit of one person or business.

Allison Sakounthong, Shoreline resident, said she opposes the proposed rezone in her neighborhood at 1510 and 1517 Northeast 170th Street because the business has been violating the current code and not been penalized. She said she wants the neighborhood kept residential.

Kristi Rettmann, Shoreline resident, said she lives next door to one of the parcels proposed for rezoning on Northeast 170th Street. She thanked Councilmember Roberts for his proposed amendment, said she is strongly opposed to the rezone, and asked Council to vote no to Amendment No. 1.

Carter Case, Shoreline resident, spoke about the importance of proposed Amendment No. 2 to strengthen the City's climate policy and urged Council to support the Amendment.

Annette Ademasu, Shoreline resident, said that the City has control over the sectors of building and transportation and shared recommendations for ways to make improvements.

Lee Keim, Shoreline resident, shared information on climate change and its health impacts. She said Amendment No. 2 is a critical step in committing Shoreline to stronger limits on global warming and asked that Council to approve it.

Yuna McCoy, Shoreline resident, said that safety and the wants and needs of the constituents of the neighborhood should be the focus of Council's decision-making regarding the proposed rezone at 1510 and 1517 Northeast 170th Street.

Kaye Pethe, Lake Forest Park resident, said she is an active volunteer at the Senior Center, and thinks the Center is an asset to the community. She said she looks forward to working with Council to make sure that the Center continues to be supported.

Duana Kolouskova, Bellevue resident, spoke on behalf of Irons Brothers Construction. She said the decision regarding proposed Amendments No. 1 and 4 should be focused on determining whether it is a suitable action for the area. She reminded Council that The Growth Management Act charges them with thoroughly considering what is appropriate in an urban setting and encouraged the Council to add both Amendments to the Docket.

Dejah Leger, Shoreline resident, said she is an employee of Irons Brothers Construction. She listed the uses permitted by the existing zoning at 1510 and 1517 Northeast 170th Street and described the former uses of the properties. She said it is appropriate for the City to continue to evaluate the proposed rezoning and urged Council to consider all the elements of the proposal.

Melissa Irons, Shoreline resident and owner of 1510 and 1517 Northeast 170th Street, listed the names of those present who support Amendment No. 1. She asked Council to come to a resolution on the proposed Amendment that will serve all parties and said this will only be done by allowing it to move forward for further consideration.

Ginger Hayra Gunn, Shoreline resident, said she is in support of Amendment No. 2 and shared information on the impacts of global warming.

Joshua Tubbs, Shoreline resident, asked Council to adopt Amendment No. 1. He said allowing the application to be studied would help create a plan that would serve the interests of all parties.

Jennifer Underwood, Shoreline resident, said she is in support of Amendment No. 1.

Ray Underwood Jr., Shoreline resident, said he is in support of Amendment No. 1.

Mark Rettmann, Shoreline resident, said as part of the Save Shoreline Neighborhoods he is opposed to the rezone of 1510 and 1517 Northeast 170th Street. He said the group of over 200 members represents the community's desire for the neighborhood zoning to be kept as it currently stands. He urged Council to reject Amendment No. 1 from the Final Comprehensive Plan Docket. He requested that Councilmember McGlashan recuse himself from voting on the proposal, citing conflict of interest.

Joseph Irons, Shoreline resident, spoke on behalf of Amendment No. 1, which was his private application for rezoning. He asked the City to heed the recommendation of the Planning Commission and continuing to study the application.

Theresa LaCroix, Shoreline resident, introduced herself as the new Shoreline-Lake Forest Park Senior Center Director and announced that their board is now a governing, rather than advisory, board. She spoke to the need for dedicated space for a Senior Center in the proposed Community and Aquatics Center.

Ginny Scantlebury, Shoreline resident and Senior Center board member, said the Seniors need, and will vote for, dedicated space in the proposed Community and Aquatics center for their multitude of activities.

John Cole, Shoreline resident, said his concern with proposed Amendment No. 1 is that the request will turn into a citywide solution, leading to encroachment of businesses in residential areas.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

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

- (a) Approving Minutes of Workshop Dinner Meeting of March 25, 2019**

8. ACTION ITEMS

(a) Adopting the 2019 Comprehensive Plan Amendment Docket

Councilmember McGlashan said that while he has received campaign contributions from Irons Brothers Construction, he does not let contributions sway his decision making. Margaret King, City Attorney, stated that Councilmember McGlashan has no legal obligation to recuse himself and said there is no legal conflict of interest in this legislative decision.

Councilmember Chang said she would be abstaining from the discussion and any voting on proposed Amendment No. 1 because of her personal connection with the applicant's family.

Steve Szafran, Senior Planner, reviewed the process to date, and reminded Council that tonight they will be adopting the 2019 Comprehensive Plan Docket, which is a list of Comprehensive Plan Amendments that will be studied later this year. He reviewed the Planning Commission's recommended 2019 Docket and summarized the potential amendments requested by Councilmembers. The Planning Commission recommendations to the 2019 Docket consisted of Recommended Amendment No. 1, rezoning the parcels at 1510 and 1517 NE 170th Street and Recommended Amendment No. 2, clarifying the intent to limit greenhouse gas emissions. The Council-proposed Amendments consisted of removing the Recommended Amendment No. 1, adding Council-proposed Amendment No. 3 regarding the Fircrest Surplus property, and adding Council-proposed Amendment No. 4, allowing offices in Medium Density Residential and conditionally in the R-8 Zone. He stated that Staff recommends adoption of the Planning Commission's recommendation with the addition of Council-proposed Amendment No. 3.

Councilmember Roberts moved adoption of the 2019 Comprehensive Plan Amendment Docket as recommended by the Planning Commission. The motion was seconded by Councilmember Scully.

Councilmember Robertson moved to amend the main motion to exclude Amendment No. 1 from the Docket. The motion was seconded by Councilmember Scully.

The majority of Councilmembers said they do not presently support the rezone but several supported further study.

Councilmember Robertson said that Community Business Zones have no place next to Single Family Zones and elaborated that a rezone is a permanent change that would outlive any of the current uses on the property. She said responsible planning includes maintaining appropriate buffers to respect the needs and uses of everyone involved. A study will not change her belief that this zoning request should not be approved.

Councilmember Scully emphasized that the Council is constrained by what they can consider in this decision, and that the decision would be made based on the facts in the Development Code and criteria in the Comprehensive Plan policies. He said his view will not change with additional consideration and he urged Council to remove the Amendment No. 1 from the Docket.

Mayor Hall said he believes the proposed rezone deserves further study. He said the City's Ten-Year Financial Stability Plan recognizes the importance for the City to diversify the revenue base. He pointed out the low retail and commercial property vacancy rates and said he understands the advantages to increasing the potential commercial tax base.

Deputy Mayor McConnell stated that Council should authorize staff and the Planning Commission to further research the rezone. She said the debate over it has become emotionally charged and reminded the community to treat each other with civility.

The motion on the amendment failed 2-4, with Councilmembers Robertson and Scully voting in favor, and Councilmember Chang abstaining.

Councilmember Roberts moved to amend the main motion by adding Council-proposed Amendment No. 4 to the Docket. The motion was seconded by Councilmember McGlashan.

Councilmember Roberts said that there may be a compromise that would alleviate concerns of the neighborhood while supporting businesses who have grown beyond being a home-based business and seek to be located in R-8 or R-12 zones. He explained that this amendment would potentially allow for a business with a conditional use permit to locate in an R-8 or R-12 zone.

Councilmember Scully said making a citywide change as a political compromise cuts out process safeguards that are in place.

Councilmember McGlashan said he will support the amendment because it is a compromise worthy of consideration. He said he has observed a gradual change in the makeup of 15th Avenue Northeast and said the concept of tiered designations may need to be revisited to increase business access in more areas.

Councilmember Robertson said she will support this amendment and stated that she is concerned with scope creep as the result of one-off decisions permanently modifying 15th Avenue Northeast. Councilmember Scully disagreed with the idea that there had been unintentional scope creep and asserted that he sees the neighborhood along 15th Avenue Northeast changing in accordance with current zoning.

Deputy Mayor McConnell said she supports the amendment and commented that she is aware of the changes in North City neighborhoods and said it is something Council needs to pay attention to.

Mayor Hall said he supports additional research on this issue. He stated that regionally residents are frustrated with long commutes, so cities are looking for ways to create opportunities for businesses to locate in residential zones when compatible. He said he sees a connection with these efforts and Recommended Amendment No. 2 to support efforts to limit global warming.

The motion to amend the main motion by adding Amendment No. 4 to the Docket passed 5-1, with Councilmember Scully voting no and Councilmember Chang abstaining.

Councilmember Scully moved to amend the main motion by including the Council-proposed Amendment No. 3 to the Final Comprehensive Plan Docket. The motion was seconded by Councilmember Robertson.

All Councilmembers with the exception of Councilmember Roberts said they support this Amendment.

Councilmember Scully said this amendment would enable the City to work with the State on a potential change to the Fircrest Campus property. He said proactive work is the best way to carefully study and influence the State's proposals. He recognized the concern that the study request came from the State Legislative Delegation and that the official landowner has not yet taken action on changes to the property.

Councilmember Roberts said he will vote against the amendment for procedural reasons. He explained that it does not make sense for staff to spend any money or do any work on this process until the State tells the City what portion of the property is being divided.

Councilmember McGlashan said he feels something will happen with the property and agreed that the City needs to be prepared to act immediately if the State decides to move forward.

Councilmember Chang confirmed that no money would be spent on this project until the State communicates definitive information. Ms. Tarry replied that the City has communicated to the Legislature that the State needs to subdivide the parcels before the City will begin study on the project.

Deputy Mayor McConnell said there is a lot of Legislative support for this project and that she agrees that money should not be spent too early on this study.

Mayor Hall explained that the Fircrest property land being discussed is not part of the Residential Habilitation Center (RHC) and the property being surplus would not affect the RHC. He pointed out that there is a regional housing crisis and it is important to find a way to create additional housing for a mix of income levels. He said he prefers partnering with the State and is hopeful a portion of the land can be designated for open space and an off-leash dog park.

The motion to modify the main motion by including the Council-proposed Amendment No. 3 to the Final 2019 Comprehensive Plan Docket passed 6-1, with Councilmember Roberts voting no.

It was stated that the Council unanimously supports Amendment No. 2, so it was not brought up for discussion.

The main motion as amended passed unanimously, 7-0.

9. ADJOURNMENT

At 8:19 p.m., Mayor Hall declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

DRAFT

CITY OF SHORELINE

SHORELINE CITY COUNCIL

SUMMARY MINUTES OF SPECIAL WORKSHOP DINNER MEETING

Monday, May 13, 2019
5:30 p.m.

Conference Room 303 - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Hall, Deputy Mayor McConnell, Councilmembers Chang, McGlashan, Roberts, Robertson, and Scully

ABSENT: None

STAFF: Debbie Tarry, City Manager

GUESTS: Dick Cushing, Waldron and Company

At 5:35 p.m., the meeting was called to order by Mayor Hall. Councilmember Roberts arrived at 5:40 p.m.

At 5:35 p.m., Mayor Hall recessed into Executive Session for a period of 75 minutes as authorized by RCW 42.30.110(l)(g) to review the performance of a public employee and stated that the Council is not expected to take action following the Executive Session. Debbie Tarry; City Manager, attended the Executive Session. The Councilmembers and Ms. Tarry were joined by Dick Cushing of Waldron and Company. At 6:50 p.m. Mayor Hall emerged from the conference room and announced that he was extending the Executive Session for a period of 5 minutes, until 6:55 p.m.

The Executive Session ended at 6:55 p.m. and the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of the Plan to Reprogram 2018 and 2019 Community Development Block Grant Capital Funding to Implement Approved Programs and Projects
DEPARTMENT:	Community Services Division
PRESENTED BY:	Bethany Wolbrecht-Dunn, Grants Administrator
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:

For the 2018 and 2019 program years, the City Council approved two Community Development Block Grant (CDBG) capital projects: the ongoing Sound Generations Minor Home Repair program and a Housing Set Aside. The goal of the Housing Set Aside was to reserve funds for future use in support of the development of to be determined affordable housing projects. In 2018, \$52,735 was allocated to the Housing Set Aside, and in 2019, \$116,081 was allocated. Additionally, the City has \$32,062 in recaptured major home repair loans available to allocate to a capital project. Together with the 2018 and 2019 funds, this totals \$200,878 in CDBG capital funds available.

Due to challenges of using CDBG funds for an affordable housing project, it has been determined that there are no local affordable housing projects on the immediate horizon that are able to use this capital funding. As there is a timeliness issue relating to the use of CDBG funds, staff is recommending the reprogramming of the funds to projects that can be completed within the program guidelines.

On May 20, 2019, the City Council held a public hearing and reviewed the recommendation for the reprogramming of CDBG capital funds. The Council was supportive of the recommendation and directed that this item be brought forward for adoption at tonight's Council meeting.

FINANCIAL IMPACT:

The City has \$200,878 in available CDBG capital funds. The City has an interlocal agreement with King County for the administration and management of the City's CDBG grant. As prescribed in the CDBG agreement, awarded projects would enter into agreements directly with King County. There is no financial impact to the City for the administration of these funds.

RECOMMENDATION

Staff recommends that Council move to adopt the plan to reprogram the 2018 and 2019 Community Development Block Grant Capital Funding as listed in Attachment A and authorize the City Manager to execute contracts and/or amendments with King County to implement the funded projects.

Approved By: City Manager City Attorney

BACKGROUND

The Federal Community Development Block Grant (CDBG) Program is one of the most enduring programs providing federal support to local jurisdictions. It was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG program is the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. CDBG funds can serve households with incomes up to 80% of the King County median income.

Every other year, the City reviews its human services funding allocation and develops a new two-year Human Services Funding Plan. Shoreline's funding for human services supports a system of local and regional services that together provide Shoreline residents with access to an array of services to enhance their well-being and to mitigate pressing needs. This plan specifies how the City will allocate both City General Fund dollars and CDBG funds. While the City allocates human services funding on a two-year cycle, CDBG capital projects are allocated on a yearly basis.

Of the approximately \$320,831 in CDBG funds available for Shoreline on a yearly basis, \$96,250 is allocated to regional projects (major home repair and homelessness response) and \$70,583 is allocated to CDBG administration, leaving approximately \$153,998 available for capital projects. For 2018 and 2019, the City supported the Sound Generations Minor Home Repair program and reserved funding for potential housing project(s) in a Housing Set Aside project. The CDBG funds allocated in the Housing Set Aside project was \$52,735 in 2018 and \$116,081 in 2019.

The challenges of CDBG regulations (timeliness, environmental, wage rates, administration) can make the funds difficult to use effectively, especially in situations when the CDBG funds are a small percentage of a larger project. While the City has been working with affordable housing providers with the intent to program the CDBG House Set Aside funds to an active project (including the 198th Street Affordable Housing Project), it has been determined that there are currently no housing projects that would be able and willing to use the funds.

Additionally, the City has \$32,062 in recaptured major home repair loans available to allocate to a capital project. Together with the 2018 and 2019 funds, this totals approximately \$200,878 in CDBG funds available for capital projects.

The CDBG funds are on an expenditure timeline and any project funded will need to move forward relatively quickly - as even with probable extensions, there will be a May 2020 deadline for use of the 2018 funds and the repaid home repair loans funding. To that end, staff has solicited applications for CDBG capital projects that would be able to complete them in a timely manner while meeting the capital needs of local agencies.

On May 20, 2019, the City Council held a public hearing and reviewed the recommendation for the reprogramming of CDBG capital funds. The staff report for this Council discussion item can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport052019-8a.pdf>.

DISCUSSION

Following a Request for Proposal process for the reprogramming of the \$200,878 in CDBG capital funding, the City received four applications totaling \$294,593 in requests. A staff committee was convened to review and make funding recommendations to the City Manager. The recommended projects for this reprogrammed funding are detailed below, and a complete list of applicants is shown in Attachment A.

Center for Human Services (CHS) – Fire Escape/Play Area, \$108,000

This project would replace the aging fire escape and would refurbish the children's outdoor play area at their main program site on 15th Avenue NE. The current fire escape is in poor condition and has been identified as part of a recent risk management review. Over 10,000 people receive services each year through CHS for assistance with mental health, substance abuse and family support.

Compass Housing – Water Leak Repair at Ronald Commons, \$44,189

The building that contains Ronald Commons and Hopelink Services on Aurora Avenue N has a serious leak issue that has and will likely continue to damage the foodbank space unless remedied. This project would design and implement a solution to the issue, procure the necessary fire-rated sealant and open walls, apply the sealant and restore the space to the original appearance and function.

Hopelink – Shoreline Service Center Capacity Improvements, \$42,404

The Hopelink Shoreline Center on Aurora Avenue N will be improved for client use by installing a moveable partition in the main conference room and by adding sound dampening carpet to improve privacy and comfort of the client space. Annually, the Hopelink Shoreline Center serves approximately 3,000 low-and-moderate income people in approximately 1,800 households. Services provided include energy assistance, financial assistance, employment services, adult education and family development case management. A partition in the large conference room would allow for an increase in capacity as two classes or meetings could use the space at the same time, where currently this is not feasible. The addition of sound deadening carpet would help Hopelink in their goal of utilizing a trauma-informed approach for their services, where they look to minimize sound and increase the privacy of the community members who are often seeking services due to an emergency or crisis in their life.

The recommendation also includes that the remaining \$6,285 of available funding would be available via a contingency for the projects located at the Hopelink/Ronald Commons site. The projects would be implemented under a combined contract with Hopelink as the lead agency.

Tonight's Council Meeting

The reprogramming of CDBG funds requires Council authorization and requires Council to hold a public hearing on the use of these capital funds. The City Council held a public hearing on May 20, 2019 and no comments were received. Also at this meeting, the Council concurred with staff's recommendation for reprogramming the CDBG capital funds and directed that this item be brought back for action at tonight's meeting.

FINANCIAL IMPACT

The City has \$200,878 in available CDBG capital funds. The City has an interlocal agreement with King County for the administration and management of the City's CDBG grant. As prescribed in the CDBG agreement, awarded projects would enter into agreements directly with King County. There is no financial impact to the City for the administration of these funds.

RECOMMENDATION

Staff recommends that Council move to adopt the plan to reprogram the 2018 and 2019 Community Development Block Grant Capital Funding as listed in Attachment A and authorize the City Manager to execute contracts and/or amendments with King County to implement the funded projects.

ATTACHMENTS

Attachment A: 2019 Supplemental Community Development Block Grant Capital Recommendations

2019 Supplemental Community Development Block Grant Capital Recommendations

Applicant	Project	Description	Request	Recommendation	Recommendation Details
Center for Human Services	Fire Escape/Play Area	This project would replace the fire escape platform/stairs and refurbish the children's outdoor play area at their main program site on 15th Avenue NE.	\$ 108,000	\$ 108,000	Fire escape first, play area scalable, if necessary.
Hopelink	Shoreline Service Center	The Shoreline Center will be improved by installing a moveable partition in the Sambataro Room and adding sound dampening carpet to improve privacy and comfort of the client space in the cubicle area.	\$ 42,404	\$ 42,404	
Compass Housing	Water Leak Repair at Ronald Commons	The building that contains Compass Housing and Hopelink services has a serious leak issue. This project would design and implement a solution to the issue, procure the necessary fire-rated sealant and open walls, apply sealant and restore the space to original appearance and function.	\$ 44,189	\$ 44,189	Remaining \$6,285 will be used as a contingency for these two projects. As these projects are located at the same location; Hopelink will be the lead agency.
King County Housing Authority	Westminster Manor Electrical	Project would replace the two main electrical distribution panels and 60 in-apartment panels in the Housing Authority's Westminster Manor complex. The electrical components are original to the building that was built in 1972.	\$ 100,000	\$ -	

Contingency: Any reduction in funds would first come from the \$6,285 in contingency, then split evenly amongst projects. Any increase in funds would be evenly distributed to projects.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Execute the Interlocal Agreement for the North Sound RADAR Navigator Program
DEPARTMENT:	Police
PRESENTED BY:	Shawn Ledford, Police Chief
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM-ISSUE STATEMENT:

In 2016, the Shoreline Police Department started a pilot program called RADAR - Response Awareness De-escalation and Referral. RADAR provides police officers with response plans designed to assist in the field with de-escalation and crisis intervention response. It also provides resources for officers to follow up with a mental health professional (MHP) for at risk individuals in the community. The goals of the RADAR program are to strengthen community/police partnerships, to increase the connection of at-risk individuals with effective behavioral health services and treatments, to enhance community and first responder safety by reducing the potential for police use of physical force, and to reduce repeat calls for service.

In 2018, Shoreline began discussions with other north King County cities to expand the RADAR program. Shoreline began partnering with the cities of Lake Forest Park, Kenmore, Bothell, and Kirkland on this program expansion. The North Sound RADAR cities requested funding for a consultant to help establish the expanded program, a project manager to oversee Mental Health Professional (MHP) Navigators and coordinate efforts between the cities, and four part-time MHP Navigators to work in the field to support law enforcement in the member cities to follow-up with individuals in crisis. The King County Council subsequently approved using Mental Illness and Drug Dependency (MIDD) Behavioral Health Sales Tax funds to support the North Sound RADAR program for 2019 and 2020.

To create the agreement for the joint use of the King County funding and the sharing of the RADAR resources, the North Sound RADAR cities developed an Interlocal Agreement for the North Sound RADAR Navigator Program. Tonight, staff is requesting Council authorization for the City Manager to enter into this Interlocal Agreement.

RESOURCE-FINANCIAL IMPACT:

King County MIDD Behavioral Health Sales Tax funds have been secured to support this program in 2019 and 2020. Beyond this biennium however, funding will need to be identified from King County, other grant opportunities, or from the North Sound RADAR cities to continue the program. The Interlocal assumes funding for the Program

Manager and other RADAR Navigator mental health professionals will come from outside agency grant funding and not from the parties. Shoreline Police overtime may be used when it's necessary to staff an extra police officer with the MHP navigator to focus on outreach.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute the interlocal agreement for the North Sound RADAR Navigator Program.

Approved By: City Manager _____ City Attorney _____

BACKGROUND

Over the past decade, police agencies have changed the way they respond to mental health-related calls for service. Police officers are expected to de-escalate crisis situations, provide real-time services to those in need, and conduct follow-up with the affected parties.

To respond to these changes, the Shoreline Police Department started a pilot program in 2016 called RADAR - Response Awareness De-escalation and Referral. RADAR provides police officers with response plans designed to assist in the field with de-escalation and crisis intervention response. It also provides resources for officers to follow up with a mental health professional (MHP) for at risk individuals in the community. The goals of the RADAR program are to strengthen community/police partnerships, to increase the connection of at-risk individuals with effective behavioral health services and treatments, to enhance community and first responder safety by reducing the potential for police use of physical force, and to reduce repeat calls for service. The RADAR program has received funds from a Federal Department of Justice grant, a Washington State Association of Sheriffs and Police Chiefs grant, and a large endowment from King County.

DISCUSSION

In 2018, Shoreline began discussions with other north King County cities to expand the RADAR program. Shoreline began partnering with the cities of Lake Forest Park, Kenmore, Bothell, and Kirkland on this program expansion. In June 2018, elected officials, city managers and law enforcement officers from these cities made a proposal to the King County Council to help fund a 'North Sound RADAR program'. The North Sound RADAR cities requested funding for a consultant to help establish the expanded program, a project manager to oversee Mental Health Professional (MHP) Navigators and coordinate efforts between the cities, and four part-time MHP Navigators to work in the field to support law enforcement in the member cities to follow-up with individuals in crisis. The King County Council subsequently approved using Mental Illness and Drug Dependency (MIDD) Behavioral Health Sales Tax funds to support the North Sound RADAR program for 2019 and 2020.

North Sound RADAR Program Interlocal Agreement

To create the agreement for the joint use of the King County funding and the sharing of the RADAR resources, the North Sound RADAR cities developed the Interlocal Agreement for the North Sound RADAR Navigator Program ("ILA"; Attachment A). The ILA gives equitable weight to the cities regarding the sharing of resources, generally based on population, workload and needs. The ILA also establishes an Executive Board, made up of representatives from the five cities, which serves as a joint decision making body for the program. The executive board governs and administers the ILA.

The City of Bothell will serve as the lead agency to manage the funding from King County, the staff and contracts that are necessary to support the program. The initial term of the ILA shall take effect retroactively from January 1, 2019, and shall remain in effect for three years until December 31, 2021. Following the Initial term, the ILA shall extend automatically between all five parties for additional 12-month periods until it is

terminated by a party, in which case the agreement will still remain in effect between the remaining parties until fully terminated.

COUNCIL GOAL(S) ADDRESSED

RADAR supports Council Goal #5 - to promote and enhance the City's safe community and neighborhood programs and initiatives.

RESOURCE/FINANCIAL IMPACT

King County MIDD Behavioral Health Sales Tax funds have been secured to support this program in 2019 and 2020. Beyond this biennium however, funding will need to be identified from King County, other grant opportunities, or from the North Sound RADAR cities to continue the program. The Interlocal assumes funding for the Program Manager and other RADAR Navigator mental health professionals will come from outside agency grant funding and not from the parties. Shoreline Police overtime may be used when it's necessary to staff an extra police officer with the MHP navigator to focus on outreach.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute the interlocal agreement for the North Sound RADAR Navigator Program.

ATTACHMENTS

Attachment A – Interlocal Agreement for North Sound RADAR Navigator Program

Interlocal Agreement for North Sound RADAR Navigator Program

Bothell Contract No. _____
Lake Forest Park Contract No. _____
Kenmore Contract No. _____
Kirkland Contract No. _____
Shoreline Contract No. _____

This interlocal agreement for regional Mental Health Professional (MHP) services (“Agreement”) is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, by and between the following parties:

- The City of Bothell, a Washington State municipal corporation, (“Bothell”)
- The City of Lake Forest Park, a Washington State municipal corporation, (“LFP”)
- The City of Kenmore, a Washington State municipal corporation, (“Kenmore”)
- The City of Kirkland, a Washington State municipal corporation, (“Kirkland”)
- The City of Shoreline, a Washington State municipal corporation, (“Shoreline”)

Bothell, LFP, Kenmore, Kirkland, and Shoreline, are also referred to collectively as “Parties” and individually as “Party.”

RECITALS

- The Parties are cities in close proximity to each other located in the north part of King County.
- Each Party has responsibilities and obligations to respond to emergent situations involving individuals and associated persons experiencing behavioral health crises.
- The Parties agree that it is in the best interest of their local communities to administer and coordinate a standardized set of protocols for assisting those experiencing a behavioral health crisis.
- The Parties further agree that is it in their best interests to share resources for behavioral health professionals to partner with law enforcement to connect at-risk individuals to the proper services.

AGREEMENT

To that end, the Parties agree as follows:

1. Purpose. The purpose and intent of this Agreement is to create the North Sound RADAR Navigator Program (“Program”): a group of municipalities partnering to provide its members with an economical mechanism for the efficient administration and coordination of a program for Response Awareness, De-escalation and Referral (“RADAR”) to be used in the event of behavioral health crises. The goals of the Program are to strengthen community/police partnerships, to increase the connection of at-risk individuals with effective behavioral health services and treatments, and to enhance community and first responder safety by reducing the potential for police use of physical force. The Program endeavors to provide shared resources for mental health professionals to partner with law enforcement to connect at-risk individuals to the proper services. The Program will provide law enforcement officers with response plans designed to assist in the field with de-escalation and crisis intervention response.

The Program seeks to protect the public peace, health, and safety; to preserve the lives and property of the people served by the Parties; and to ensure the safety of the residents in each community.

2. Effective Date and Duration. This Agreement shall take effect retroactively from January 1, 2019, and shall remain in effect for a period of 36 months (the "Initial Term"), although the term of the agreement will also be subject to available grant funding.
3. Term Extension and Early Termination. Following the Initial Term, this Agreement shall extend automatically between all parties for additional twelve-month periods until terminated by a Party, in which case the agreement will still remain in effect between the remaining Parties until terminated. A Party may terminate participation in the Program by giving notice to all other Parties at least six (6) months prior to the end of the then-current term or as provided in Section 6 below. A Party terminating its participation remains liable for any residual liabilities, obligations, or costs incurred prior to its termination of participation in this Agreement.
4. No Separate Entity. No separate legal or administrative entity is created by this Agreement. Rather, this Agreement establishes a joint operation of the Parties. The joint operation will be called the "North Sound RADAR Navigator Program" or "RADAR."
5. No Joint Venture. Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture, or other enterprise between the Parties.
6. Administration.
 - a. Subject to the directives of the North Sound RADAR Navigator Program Executive Board ("Board") established in Section 7 below, Bothell shall serve as the Lead Agency ("Lead Agency") for the Program. As Lead Agency, and with the approval of the Committee, Bothell shall select and hire the program manager for the Program ("Program Manager"). As the Program Manager's employer, Bothell is responsible for assigning and directing the Program Manager's job duties. The Lead Agency shall share all reports, documents, and written work products created for the Program with all Parties.
 - b. The Program Manager shall possess a Master's degree in social work, psychology, counseling, or a related field; possess a valid Washington State Department of Health license (LICSW, LASW, LICSWA, LMHC, LMHCA, LCPC, LCP, or other related license); and have at least two years' post-graduate experience working directly with individuals experiencing mental illness, homelessness, and/or substance use disorder. The Program Manager shall administer and coordinate the Program operations, and serve as the point of contact for all Parties. Additional duties of the Program Manager are described in Exhibit A, attached and incorporated by this reference.
7. Governance. A joint decision-making body, the North Sound RADAR Navigator Program Executive Board, shall govern and administer this Agreement and direct the Lead Agency's actions, functions, and duties, consistent with the terms and conditions of this Agreement and consistent with the policies outlined in the Program's Standard Operating Procedures to be created and adopted by the Board. Each Party shall appoint one representative to the Board. The Board shall meet at least quarterly and at such other times as is determined by the Board. At the request of one Party for a special or emergency meeting, the Board shall meet within a reasonable time after the request. The Board shall strive to make decisions by consensus. In the event consensus cannot be reached, a decision can be

made by a majority vote. Voting shall be on a “one party, one vote” basis. The Board shall comply with all provisions of Washington’s Open Public Meetings Act and Public Records Act. Bothell is entitled to make employer-related decisions regarding the Program Manager without Board input.

8. Operating Budget. The operating budget will be set annually. The Board shall meet as soon as possible in the first quarter of 2019 to set the budget for 2019. The Program’s operating budget for 2019 will consist of funds received from King County Mental Illness and Drug Dependency (MIDD) Grant. The 2019 budget may include any other costs incurred by the Lead Agency or any Party for or on behalf of the Program but must be approved in advance by the Board in writing. Beyond the 2019 budget, the Board shall meet in the second calendar quarter of each calendar year to approve and finalize the operating budget for the following calendar year.
9. Costs. Each Party shall be responsible for its own internal costs of participating in the Program, such as costs for staff time and facilities used for planning, training, and meetings. This Agreement assumes funding for the Program Manager and other RADAR Navigator mental health professionals will come from outside agency grant funding and not from the Parties.
10. Finance and Accounting Services. The Lead Agency will provide finance and accounting services for the Program and will maintain a separate fund in its accounting system for this purpose. Lead Agency accounting services shall be compensated by program funding per the Lead Agency’s City budget rules.
11. Ownership of Property. Except as agreed otherwise by the Parties in writing, title to property owned by a Party and used for the Program shall not be transferred to the Program or any other Party. All Parties must agree in advance to the acquisition or lease of property for the Program, and such property shall be jointly owned by all Parties unless agreed otherwise by the Parties in writing.
12. Regular Agency Operations: Each Party shall continue to fulfill its respective municipal functions and duties without reimbursement from any other Party to this Agreement. Although the Parties are administering and coordinating their Program response plans and programs under this Agreement, each Party shall retain sole discretion and full control over its own plans, programs, and resources.
13. Notices: Each Party is responsible for promptly notifying all other Parties of any personnel change or change in contact email or mailing address listed here. All Program-related email notices shall be sent to the Parties at the following addresses:

Bothell	Carol Cummings	Carol.cummings@bothellwa.gov
Bothell	Mike Johnson	Mike.Johnson@bothellwa.gov
Bothell	Jennifer Phillips	Jennifer.phillips@bothellwa.gov
LFP	Phil Hill	phil@ci.lake-forest-park.wa.us
LFP	Steve Sutton	ssutton@ci.lake-forest-park.wa.us
LFP	Paul Armbrust	parmbrust@ci.lake-forest-park.wa.us
Kenmore	Pete Horvath	peter.Horvath@kingcounty.gov
Kenmore	Rob Karlinsey	rKarlinsey@kenmorewa.gov
Kirkland	Cherie Harris	CHarris@kirklandwa.gov
Kirkland	Mike Ursino	MUrsino@kirklandwa.gov

Kirkland	Tracey Dunlap	tdunlap@kirklandwa.gov
Shoreline	Debbie Tarry	dtarry@shorelinewa.gov
Shoreline	Shawn Ledford	Shawn.Ledford@kingcounty.gov

All Program-related written notices shall be sent by mail or hand-delivered to:

Phil Hill, City Administrator
City of Lake Forest Park
 17425 Ballinger Way NE
 Lake Forest Park, WA 98155

Rob Karlinsey, City Manager
City of Kenmore
 18120 68th Ave NE
 Kenmore, WA 98028

Jennifer Phillips, City Manager
City of Bothell
 18415 101st Avenue NE
 Bothell, WA 98011

Tracey Dunlap, Deputy City Manager
City of Kirkland
 123 Fifth Avenue
 Kirkland, Washington 98033

Debbie Tarry, City Manager
City of Shoreline
 17500 Midvale Ave N
 Shoreline, WA 98133-4905

14. Indemnification: To the extent permitted by state law, and for the limited purposes set forth in this Agreement, each Party shall defend, hold harmless, and indemnify each other Party, its officers, elected officials, agents, and employees, while acting within the scope of their employment as such, from and against any and all claims (including demands, suits, penalties, liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever including attorney's fees) arising out of or in any way resulting from such Party's own negligent acts, errors, or omissions or willful misconduct related to such Party's participation and obligations under this Agreement, but only to the extent of each such Party's negligence. Each Party agrees that its obligations under this section extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance act provisions of Title 51 RCW.
15. No Third-Party Beneficiaries: This Agreement is for the sole benefit of the Parties. No other persons shall be deemed to have any rights in, under, or to this Agreement.

The Parties have executed this Agreement on the dates written below:

Lake Forest Park:

By Phil Hill, its City Administrator
City of Lake Forest Park

Date Signed: _____

The Parties have executed this Agreement on the dates written below:

Kenmore:

By Rob Karlinsey, its City Manager
City of Kenmore

Date Signed: _____

The Parties have executed this Agreement on the dates written below:

Kirkland:

By Tracey Dunlap, its Deputy City Manager
City of Kirkland

Date Signed: _____

The Parties have executed this Agreement on the dates written below:

Shoreline:

By Debbie Tarry, its City Manager
City of Shoreline

Date Signed: _____

The Parties have executed this Agreement on the dates written below:

Bothell:

By Jennifer Phillips, its City Manager
City of Bothell

Date Signed: _____

EXHIBIT “A”**RADAR Program Manager Duties and Responsibilities**

The following is a list of job duties and responsibilities of the RADAR Program Manager. The list includes examples of the duties and responsibilities and shall not be considered exhaustive or complete.

Functions and Activities:

- Develop job description and compensation for Mental Health Professionals (MHPs) to include qualification standards.
- Develop a team of Navigators.
- Assist in determining the number of Navigators needed.
- Meet with CJTC CIT staff.
- Coordinate administrative issues for the Navigators.
- Assist Navigators with administrative needs.
- Serve as the point of contact for the community on Navigator-related issues.
- Organize internal and external meetings related to the Navigator program.
- Work with community partners and program stakeholders.
- Attends regional meetings.
- Track outreach activities of the Navigator program.
- Assist the Program sergeant, Navigators, and CIT Officers with case tracking and referrals.
- Oversee RADAR alerts and Response Plan management to ensure consistency and accuracy.
- Assist with the sharing of RADAR alerts and Response Plans between cooperating agencies.
- Keep track of program statistics, including generating comprehensive reports as needed.
- Ensure inputting of WASPC Open Lattice data is regularly completed.
- Coordinate the development of the North Sounds RADAR Navigator policy.
- Oversee the program budget and grant(s).
- Ensure grant documentation requirements are met.
- Track budget expenditures.
- Track grant funds.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.
DEPARTMENT:	Public Works
PRESENTED BY:	Randy Witt, Public Works Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

In July of 2017, changes in market conditions started adversely affecting recycling economics around the world, but especially in North America's west coast markets that relied on marketing most materials to Chinese and other Asian companies. The changing material specifications, import bans, tariffs and other disruptions have forced local collection companies to increase processing levels, shift to other markets with higher shipping costs, and more aggressively control contamination levels, all in a market with dropping prices for recycled materials.

In August 2018, Recology requested an adjustment to the contract rates to address these changes and to improve the quality and processing of recycling materials. Staff and Recology have negotiated an amendment to certain terms and conditions of the contract related to the changing market conditions for recyclables materials, including a rate adjustment. This amendment was discussed at the March 18, 2019 and April 1, 2019 City Council meetings.

During these previous discussions with the City Council, questions were raised regarding any program that would include the review of individual recycling or compost bins. Staff has made changes to the proposed amendment in response to those questions. The amendment before Council tonight requires an extensive 6-month education and promotion program, that requires additional efforts beyond the on-going educational requirements of the contract. By November 1 of each year, Recology must submit an annual contamination monitoring protocol and enforcement procedure for commercial and multifamily customers for approval by the City Manager. Recology must provide 90 days notice to customers before implementation. If contamination levels are still in excess of the targets 24 months (2 years) after execution of this

amendment, then Recology, at its sole discretion, may implement further efforts to decrease contamination rates among single-family customers. The action before the Council tonight is approval of Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.

RESOURCE/FINANCIAL IMPACT:

This proposed amendment will increase single-family residential customers collection rates by \$1.35 per month and multifamily and commercial customers by \$2.10 per yard of garbage collected monthly. This rate increase will provide an estimated additional annual revenue of approximately \$572,000 for Recology to intensify their efforts to eliminate problematic materials from recyclable materials at collection points. The City's administrative fee revenue on the rate increase will generate approximately \$70,000 in additional City revenues, funding that could be used for City support of the proposed contractual and recycling program changes as well as for other environmental services.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.

Approved By: ___ City Manager ___ City Attorney

BACKGROUND

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

When the City competitively procured this collection contract, most collected recyclable paper fiber and plastic materials were marketed to large consumers in China. The markets at that time were based around the needs of China's consuming mills, which allowed higher contamination levels than were traditionally accepted by domestic end-users. Historically, Chinese mills permitted 10% or more contamination in imported bales of paper and plastics. In January 2018, the Chinese Government implemented regulations that mandated that its importing mills will only accept bales containing a contamination level of less than 0.5% impurities, and in May 2019 imports of recyclable material were halted. Other countries in Southeast Asia accept recycled materials with contamination levels higher than a 0.5% impurity level; however, these markets involve greater shipping costs and pay lower prices.

The City's contract with Recology allows that in the event of unforeseen temporary market circumstances that preclude or prevent compliance with the Contract's restrictions on disposal of collected recyclables and material contamination standards, Recology may request a temporary adjustment or other relief. For changes due to the market value of recyclables, the unforeseen market conditions must persist for more than nine months, after which Recology and the City may engage in good faith negotiations to determine a mutually acceptable course of action. This market situation led Recology to request adjustments to customer rates to reflect their increased costs. Staff retained a consultant, Jeff Brown from Epicenter Services, to assist in reviewing the request and assist with contract amendment negotiations. The proposed amendment reflects the results of those negotiations.

Proposed amendments were discussed at the March 18, 2019 and April 1, 2019 City Council meetings. The staff report for the March 18th meeting can be found at <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport031819-8b.pdf>, and the staff report for the April 1st meeting can be found at <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport040119-8b.pdf>.

DISCUSSION

In response to changed conditions for recycling markets, Recology originally proposed a significant increase to customer rates in order to make capital improvements to their Materials Recovery Facility (MRF) to allow it to handle a high level of incoming contamination, and to produce higher quality outbound material for domestic and export end-users. Staff concluded, however, that the proposed solution does not address the "root cause" of the contamination at the customer point of collection, creates a long-term expectation that operations at the MRF will sort recyclable materials and then dispose of the garbage (at a higher cost for both activities), and increases the work and cost

required to produce quality outbound recyclable material. Importantly, it also did not support the Council's environmental goals.

The City and Recology negotiated a proposed amendment that provides a rate increase with a requirement to reduce contamination at the source, and a principal goal to maintain an inbound contamination level from City customers of no greater than five percent (5%) by volume for collected Recyclables and no greater than three percent (3%) by volume for collected Compostables.

More specifically, the amendment includes an enhanced education and outreach program, with specific activities and deliverables through the end of 2019; monthly pad inspections along Recology routes to identify contaminants and develop targeted education and outreach efforts; development of an annual contamination and monitoring protocol and enforcement procedure for commercial and multifamily customers; establishment of a fee for the collection of contaminated recycling or compost containers as garbage for commercial and multifamily customers; and authorization for Recology to undertake, in extreme cases, the removal of recycling cart/containers from commercial and multifamily customers unable or unwilling to use the system properly. It also provides rate funding for processing improvements at the MRF. If 24 months (2 years) following execution of this amendment, contamination rates are still in excess of the targets, then Recology, at its sole discretion, can institute further efforts to decrease contamination rates among single family customers. The proposed Amendment # 1 to the Recology contract is in Attachment A.

April 1, 2019 City Council Discussion

At the April 1, 2019 Council meeting, staff presented an overview of the amendment with a focus on the plan to reduce contamination in customers' recyclable and compostable containers. In that discussion, there were a few issues that required clarification or additional information that may be useful to the Council's discussion tonight. The Amendment has been revised to include actions in the discussion below.

Enhanced Education and Outreach

With approval of the amendment, Recology is to undertake a robust outreach and education program (Attachment A), with specific deliverables through the end of 2019, to inform and educate all Shoreline customers of recyclable material list changes and recycling best practices. During that time, Recology will administer visual inspections of aggregate truck contents from City routes (*i.e.*, a "pad inspection" where recycle material from a truck is emptied on a pad and an assessment of the contamination is made). These will occur once a month targeting different routes. Based on pad inspection results, Recology will conduct targeted outreach to customers on individual routes found to have contamination in excess of acceptance standards.

Language Accessibility

Language accessibility has been incorporated in base requirements for annual education and promotion programs, per the following: Recology will provide translation services on an as needed basis in conjunction with all promotion, education and outreach efforts.

Commercial and Multifamily Contamination Monitoring Protocol and Enforcement Procedure

The amendment has been revised to include a contamination monitoring protocol and enforcement procedure specifically for commercial and multifamily customers. Recology is to develop and implement an annual contamination monitoring protocol and enforcement procedure, which is to be submitted to the City by November 1st of each year. This protocol must include the following elements: regular contamination monitoring and documentation; timely customer notification of contamination occurrences; and progressive enforcement, including warning letters or phone calls, fees for collection of contaminated recycling or compost containers as garbage, and the potential removal of services.

Contamination Reduction for Single-Family

If after twenty-four months (2 years) from the execution of this amendment contamination rates still exceed the targets, Recology, at its sole discretion, may institute further efforts to decrease contamination rates among single family customers.

Fee for Collection of Contaminated Recycling or Compost Containers as Garbage for Commercial and Multifamily Customers

There was discussion on the “Contamination Fee” for the collection of recycling or compostable containers with contamination in excess of the thresholds in the amendment as garbage. The term “Contamination Fee” seemed to convey a punitive action rather than a fee for service. To clarify this, this fee is now called a “Fee for Collection of Contaminated Recycling or Compost Containers as Garbage” and would only apply to commercial and multifamily customers. There is no proposed fee amendment that would apply to single-family customers.

Rate and Revenue Changes and Proposed Ordinance No. 858

The contract amendment will provide an increase in customer rates of \$1.35 per month per single-family residential customer, and an increase of \$2.25 per cubic yard of garbage collected each month from multifamily and commercial customers. These rates will become effective August 1, 2019.

The following table provides a summary of the revised rates with the changes in the proposed amendment for select residential and commercial service levels.

**City of Shoreline
Fee Schedules**

3.01.500 Solid Waste Rate Schedule				
Effective 8/1/2019				
Solid Waste Rate Schedule from CleanScapes				
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Total Fee
A. MONTHLY				
1. One 32-gallon Garbage Cart	4.43	\$ 1.35	\$ 10.07	\$ 11.42
B. WEEKLY RESIDENTIAL CURBSIDE SERVICE				
1. One 10-gallon Garbage Micro-Can	6.00	\$ 1.83	\$ 12.44	\$ 14.27
2. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$ 16.66	\$ 20.32
3. One 32/35 -gallon Garbage Cart	19.20	\$ 5.86	\$ 20.55	\$ 26.41
4. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$ 27.79	\$ 36.04
5. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$ 29.38	\$ 41.12
6. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$ 33.54	\$ 51.14
D. WEEKLY COMMERCIAL & MULTIFAMILY CAN AND CART				
1. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$ 14.77	\$ 18.43
2. One 32/35-gallon Garbage Cart	19.20	\$ 5.86	\$ 16.65	\$ 22.51
3. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$ 19.16	\$ 27.41
4. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$ 22.22	\$ 33.96
5. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$ 25.55	\$ 43.15
E. WEEKLY COMMERCIAL DETACHABLE CONTAINER (COMPACTED)				
1. 1 Cubic Yard Container	394.80	\$ 120.63	\$ 111.80	\$ 232.43
2. 1.5 Cubic Yard Container	789.60	\$ 241.28	\$ 206.34	\$ 447.62
3. 2 Cubic Yard Container	1,184.40	\$ 361.91	\$ 300.89	\$ 662.80
4. 3 Cubic Yard Container	1,579.20	\$ 482.55	\$ 410.04	\$ 892.59
5. 4 Cubic Yard Container	1,974.00	\$ 603.19	\$ 519.21	\$ 1,122.40
F. COMMERCIAL DETACHABLE CONTAINER (LOOSE)				
1. 1 Cubic Yard, 1 pickup/week	112.80	\$ 34.47	\$ 71.20	\$ 105.67
2. 1 Cubic Yard, 2 pickups/week	225.60	\$ 68.93	\$ 135.86	\$ 204.79

In addition, a Fee for Collection of Contaminated Recycling or Compost Containers as Garbage of \$25.00 per cubic yard of container size for Multifamily Complex or Commercial customers is established.

The full rate schedule with current and revised rates is attached in Attachment B. There is a separate staff report for Ordinance No. 858, which is item 8(b) on tonight's Council agenda.

Combined, the change in the single-family residential, and multifamily and commercial rates from the proposed amendment are estimated to generate additional annual revenue of approximately \$572,000 for Recology. The City will also receive an estimated additional \$70,000 through the administrative fee on the increase in contractor revenue related to this amendment.

Staff Impacts

Staff will be involved in development and review of enhanced education and outreach efforts to reduce recycling contamination in Shoreline. Supporting these activities may require contracting out some work activities or hiring part-time or extra help staff to ensure program success. The additional administrative fee revenue generated through

Amendment # 1 could be used to fund City implementation efforts and on-going contract support, as well as other environmental services.

Summary

Staff recommends the proposed amendment as the most reasonable way to provide a sustainable increase in the quality of materials collected in Shoreline. Reducing contamination at the source is more cost-effective in the long term than attempting to process increasing levels of contamination. However, this will require a significant effort on the part of Recology to educate customers as well as monitor and enforce preparation requirements of recyclables. Additionally, the City will need to support Recology in education and outreach efforts.

COUNCIL GOAL(S) ADDRESSED

This amendment implements City Council Goal 2: Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment, Action item number 4 - Implement the 2019-2021 Priority Environmental Strategies by achieving citywide Salmon-Safe certification, developing a citywide plan based on the Station Subarea Climate Action Analysis recommendations, and exploring ways to increase rates of solid waste diversion through enhanced recycling and composting. (Emphasis added to highlight recycling and composting).

RESOURCE/FINANCIAL IMPACT

This proposed amendment will increase single-family residential customers collection rates by \$1.35 per month and multifamily and commercial customers by \$2.10 per yard of garbage collected monthly. This rate increase will provide an estimated additional annual revenue of approximately \$572,000 for Recology to intensify their efforts to eliminate problematic materials from recyclable materials at collection points. The City's administrative fee revenue on the rate increase will generate approximately \$70,000 in additional City revenues, funding that could be used for City support of the proposed contractual and recycling program changes as well as for other environmental services.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.

ATTACHMENTS

Attachment A: Proposed Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.

Attachment B: Exhibit A to Proposed Ordinance No. 858

ATTACHMENT A

**AMENDMENT #1
TO THE COMPREHENSIVE GARBAGE, RECYCLABLES AND
COMPOSTABLES COLLECTION CONTRACT
BETWEEN
CITY OF SHORELINE
AND
RECOLOGY CLEANSAPES INC.**

This AMENDMENT #1 is made and entered into this _____ day of _____, 2019 by and between the City of Shoreline, a Washington municipal corporation (“City”), and Recology CleanScapes Inc. a Washington corporation (“Contractor”).

WHEREAS, the parties previously entered into a Comprehensive Garbage, Recyclables and Compostables Collection Contract dated May 25, 2016, Shoreline Receiving No. 8518 (“Contract”); and

WHEREAS, the international and domestic markets for the recyclables collected from residents and businesses by the Contractor have undergone significant adverse changes since the Contract was developed; and

WHEREAS, some materials are no longer feasibly recyclable, and the existing levels of contaminants in the collected recyclables and changes in market acceptance standards now require changes to the City’s recycling collection and education programs; and

WHEREAS, the parties desire to amend certain terms and conditions of the Contract related to adjusting to changing market conditions for recyclables materials;

NOW THEREFORE, in consideration of the terms, conditions, and covenants contained herein, the parties agree as follows:

Section 1. Rates. Certain customer rates set forth on Attachment B of the Contract shall be adjusted to reflect the Contractor’s increased cost of processing recyclable materials due to changes in the commodity market and the cost of re-educating customers as to new preparation requirements. The Collection Fee (i.e. non-Disposal Fee) component of all regular (i.e. monthly or weekly) container collection rates shall be increased by \$1.35 per month for single-family residential customers and increased by \$2.25 per cubic yard of garbage collected monthly for multifamily and commercial customers, effective August 1, 2019. This increase in the Collection Fee component of those rates shall be subject to the CPI adjustments set forth in Section 3.3.1 of the Contract effective January 1, 2020 and each January 1 thereafter. This special rate adjustment shall not apply to ancillary services, extra units, container rental, and other such fees.

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Section 2. Contract Section 3.1.12 Requirement to Recycle and Compost, Maintaining Quality Assurance Through Monitoring is revised as follows:

The Contractor shall recycle all Source-separated Recyclables collected and compost all Source-separated Compostables collected, unless express prior written permission is provided by the City. The City's goal is to maintain an inbound contamination level of no greater than ~~ten~~ five percent (~~10~~5%) by volume for collected Recyclables and no greater than three percent (3%) by volume (Inbound Contamination Levels) for collected Compostables. The Contractor shall use facilities that:

Process materials to a high standard to maximize the recovery and recycling of all ~~incoming~~ marketable recyclable and compostable materials;

- Are operated to minimize cross-contamination of materials that would result in otherwise Recyclable or Compostable materials being misdirected to a market or disposed where they would not be recovered;
- Are designed and operated to minimize the residual stream of otherwise Recyclable or Compostable materials destined for disposal; and
- Have sufficient pre-process screening staff, and equipment to ensure that otherwise recoverable materials do not cross-contaminate other separated Recyclable materials that are incompatible for the intended market consumer, rendering materials non-recyclable.

~~The City and Contractor agree that the Contractor is being fully compensated to recycle or compost materials to the highest level possible in keeping with specifications of market consumers. To this end, maximum cost effective recovery is a primary objective of the City's collection programs.~~

~~Concurrently with the start of this Contract, the Contractor shall implement an on route quality assurance program for Recyclables and Compostables consistent with industry best management practices for tagging, probationary periods, material rejection, and suspension of service. Attachment C contains flowcharts for current best management practices for route monitoring for both Single family Residential and Commercial/Multifamily sectors. The Contractor and City shall annually review and update these procedures via mutual agreement to ensure that contamination problems are addressed promptly, fairly and consistently for all sectors.~~

The Contractor shall immediately implement activities outlined in the annual education and promotion plan, per Section 3.3.5. By November 1 of each year, the Contractor shall submit an annual contamination monitoring protocol and enforcement procedure for commercial and multifamily customers for approval by the City Manager or his or her designee. The annual contamination monitoring protocol and enforcement procedure for commercial and multifamily customers shall include the following elements: regular contamination monitoring and documentation; timely customer notification of contamination occurrences; and progressive enforcement including warning letters or

ATTACHMENT A

phone calls, fees for collection of contaminated recycling or compost containers as garbage, and the potential removal of services.

The Contractor must inform customers of the contamination monitoring protocol and enforcement procedure at least 90 days before implementation. If the Contractor chooses to charge a fee for collection of contaminated recycling or compost containers as garbage for commercial and multifamily customers, such fees shall not be charged prior to January 1, 2020, and may only be implemented if monthly pad inspections along City routes show that aggregate data does not meet Inbound Contamination Levels. Any fee for collection of contaminated recycling or compost containers as garbage for commercial and multifamily customers must be in accordance with the annual contamination monitoring protocol and enforcement procedure and Attachment B.

Twenty-four (24) months after the amendment, if the aggregate data does not meet inbound contamination levels of no more than five percent (5%) by volume for collected Recyclables and no greater than three percent (3%) by volume for collected Compostables, the Contractor may, in its sole discretion, institute further efforts to decrease contamination rates among single family customers. The Contractor must inform customers of contamination protocol and procedures at least 90 days before implementation.

The Contractor shall provide such information as the City may request regarding aggregate contamination data that is collected and maintained by the Contractor on a monthly basis. However, notwithstanding the foregoing or any other provision of this Agreement, the Contractor shall not provide any information to the City regarding the contents of any individual residential customer's container.

Section 3. Contract Section 4.3.4 Other Modifications is revised as follows:

Except as otherwise expressly provided for by this Contract, Contractor shall not adjust or modify rates due to employee wage increases, changes in Compostables processing fees other than directed by the City subject to 4.3.3, Garbage collection service level shifts, or other changes affecting the collection system.

In the event that unforeseen temporary market circumstances prevents or precludes compliance with the recycling requirements of Section 3.1.12, the Contractor may request a temporary rate adjustment or other relief from the requirements of that Section 3.1.12. If the City determines that an adjustment is appropriate, the City and Contractor shall negotiate in good faith the amount and mechanism of any commodity value rate adjustment, with any adjustments to occur in conjunction with overall annual rate adjustments. In connection with this review, the City and Contractor may also consider whether it is desirable to change the list of Recyclable materials in Attachment D.

The City may request any and all documentation and data reasonably necessary to evaluate such request by the Contractor, and may retain, at its own expense, an independent third party to audit and review such documentation. ~~and such request.~~ If such third party is

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retained, the City shall take reasonable steps, consistent with State law, to protect the confidential or proprietary nature of any data or information supplied by the Contractor.

~~If an unforeseen market circumstance persists more than nine (9) months, the Parties agree to engage in good faith negotiations to determine a mutually acceptable course of action, including but not limited to eliminating the materials from the list of Recyclables, changing Customer preparation requirements, modifying Contractor rates, or any other mutually agreeable solution.~~

Section 4. Contract Section 3.3.4.1 Monthly Reports, is amended to add the following report:

- 11. A summary of contamination reduction efforts during the previous month.

Section 5. Contract Section 3.3.4.2 “Annual Reports”, is amended to add the following Annual Report:

- 11. Recyclable and compostable market conditions report.

Section 6. Contract Attachment B, Contractor Rates, is amended as set forth in Section 1 of this Amendment, and to add the following fee:

<u>Fee for Collection of Contaminated Recycling or Compost Containers as Garbage</u>	<u>\$25.00 per cubic yard of Container size (or per cart, for cart Customers) for Multifamily Complex or Commercial Customers</u>
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Section 7. Contract Section 3.3.5 Promotion and Education, is revised as follows:

3.3.5 Promotion and Education

The Contractor, at its own cost and at the direction and approval of the City, shall have primary responsibility for developing, designing, executing, and distributing public promotion, education, and outreach programs. The Contractor shall also have primary responsibility for Customer recruitment, providing annual service-oriented information and outreach to Customers, on-site commercial Recycling and Compostables technical assistance, distribution of City-developed promotional and educational pieces at the City’s direction, and implementation of on-going recycling promotions, education, and outreach programs at the direction of the City. All written materials, Customer surveys and other general communications provided to Customers by the Contractor shall be approved in advance by the City. Each September, the City and Contractor shall jointly plan the Contractor’s specific promotion and education program for the following year, including adjustments in materials and/or targeted audiences. This Annual Education and Promotion Plan (Education Plan) must include items included in Amended Attachment C, as the same may be adjusted from time to time by the

ATTACHMENT A

City Manager or his or her designee. Contractor's changes to the Education Plan from year to year should include education targeted to address issues raised through the date of the previous year's monthly contamination reports. The Education Plan will be updated annually and reported upon in the monthly and annual reporting, as outlined in sections 3.3.4.1 and 3.3.4.2 of this Contract. The Contractor shall develop a 2019-2020 Education Plan no later than July 1, 2019 that, in addition to the activities listed in this contract and Amended Attachment C, will inform and educate all Shoreline customers of the need for good recycling practices, updated service guidelines, recyclable material list changes, recycling tips and other educational and recycling resources. For the period of July 1, 2019 through December 31, 2019, the Education Plan will also include efforts and items listed in Attachment I.

The Contractor shall contact, at the City's request, the manager or owner of Multifamily Complex sites to encourage recycling participation, address concerns, space or contamination problems, provide outreach to residents, and inform the manager or owner of all available services and ways to decrease Garbage generation. The Contractor shall coordinate and work cooperatively with City staff and/or consultants hired to conduct outreach and education and provide technical assistance.

The Contractor shall, at the City's request, address concerns, space or contamination problems, and offer additional education or training to tenant businesses. The Contractor's educational efforts to Commercial Customers shall include offering to perform no-cost waste audits to determine areas that need improvement, developing and covering the cost of stickers or signage for interior collection containers, and delivering Commercial Customer program packets to the Commercial Customers or their tenants, as requested by the Commercial Customer, a commercial tenant, or the City. The Contractor shall coordinate and work cooperatively with City staff and/or consultants hired to conduct outreach and education and provide technical assistance.

The Contractor shall, upon request of a Commercial Customer or a tenant business, and at the Contractor's expense, conduct a site visit within one week of the request to review existing services, determine recycling potential, and assess space constraints for additional Containers.

Any additional promotional, educational, and informational materials provided by the Contractor to Customers in connection with the Contract shall be designed, developed, printed, and delivered by the Contractor, at the Contractor's cost, and subject to the City's final written approval as to form, content, and method of delivery. The City shall review and approve all materials and a minimum of a two (2) weeks City review period shall be provided in all cases by the Contractor to allow sufficient time for City review and approval.

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Section 8. Contract Attachment C, On-route Contamination Monitoring, is deleted in its entirety and replaced with:

Amended Attachment C, Base Requirements for Annual Education and Promotion Program for the City of Shoreline.

Section 9. Contract Attachment D, Recyclables List, is revised as follows:

Delete the following table row: "Plastic Bags and Films".

In witness whereof, the parties hereto have executed this Amendment to the May 25, 2016 Comprehensive Garbage, Recyclables and Compostables Contract as of the day and year first written above.

CITY OF SHORELINE

RECOLOGY CLEANSCAPES INC.

By _____

By _____

Its _____

Its _____

ATTEST:

By _____

APPROVED AS TO FORM:

By _____

ATTACHMENT A

Amended Attachment C: Base Requirements for Annual Education and Promotion Program for the City of Shoreline

The program below outlines minimum requirements that must be included in Recology's Annual Education and Promotion Plan. These requirements are in addition to the promotion and education activities that may be found in the current contract provisions. Recology will provide translation services on an as needed basis in conjunction with all promotion, education and outreach efforts. The goal of this program is to reduce the contamination in customers' Recyclables and Compostables Containers to a level of no greater than five percent (5%) by volume of collected Recyclables and no greater than three percent (3%) by volume of collected Compostables.

Promotion and Education Program Requirements: Ongoing

- Quarterly presentations to community groups, businesses and organizations, including the Shoreline Chamber of Commerce and Shoreline Neighborhood Associations (<http://www.shorelinewa.gov/our-city/neighborhoods>) regarding recycling and composting best practices, program materials and quality standards.
- Quarterly presentations to Shoreline residents and multifamily property owners/managers at The Recology Store, or on-site as requested for large commercial and multifamily properties, to raise awareness of recycling and composting best management practices.
- Quarterly outreach to school and community organization administrators or contacts to offer educational resources and summary information regarding specific site contamination issues.
- Monthly communications to raise awareness of recycling and composting best management practices and promote community presentations and events, such as the "Where Does It Go Workshops," via channels such as Facebook, Recology's Beyond Waste Bulletin, City newsletter and invoice messages.
- Monthly Load Level Monitoring of Recycle Contamination Levels.
 - Visual inspections of aggregate truck contents from City routes (i.e., a "pad inspection" where recycle material from a truck is emptied on a pad and an assessment of the contamination is made). These will occur once a month targeting different routes.
 - Monthly reporting regarding contamination reduction efforts and aggregate contamination data that is collected and maintained by Recology. (Recology will not provide information to City regarding the contents of any individual Customer's Container).
 - Based on pad inspection results, Recology will conduct targeted route-level outreach to customers on City routes found to have contamination in excess of acceptance standards. Outreach will take the form of route-level direct mailings to highlight common contaminants and provide instruction on proper disposal.

ATTACHMENT A

- Annual involvement and education presence at two additional City-sponsored events per year, as directed by the City, with the purpose of promoting good recycling practices.
- An annual schedule of scheduled on-site visits for commercial and multifamily customers will be offered, along with free educational resources (posters, signage, websites/links etc.) and staff trainings.
- Participation in regional and State programs – such as those listed below – to coordinate recycling market development and educational efforts.
 - Washington State Recycling Association
 - Washington Refuse & Recycling Association
 - Metropolitan Solid Waste Management Advisory Committee
 - Solid Waste Advisory Committee

ATTACHMENT A

Attachment I: Promotion and Education Program Requirements for July 1, 2019 – December 31, 2019

Enhanced Outreach: July 1, 2019 – December 31, 2019

- In addition to the requirements outlined in Attachment C, Recology will implement the following actions from July 1, 2019 – December 31, 2019:
 - i. Send updated service guides to all customers. Service guides will include recycling program changes, an updated accepted materials list, and information about new contamination standards and compliance efforts.
 - ii. Utilize social media and online platforms to communicate changes to accepted materials list, new contamination standards and recycling best practices with all Shoreline customers (such as via weekly social media posts, online images and graphics, etc.).
 - iii. Host at least one presentation (each) to Shoreline Chamber of Commerce and Shoreline Neighborhood Councils to educate on new recycling program materials and quality standards.
 - iv. Host at least four (4) presentations to Shoreline residents and multifamily property owners/managers at The Recology Store, or on-site as requested for large Commercial and Multifamily properties, to raise awareness of recycling and composting best management practices.
 - v. Provide outreach to at least four (4) school and community organization administrators or contacts to offer educational resources and summary information regarding specific site contamination issues.
 - vi. Attend at least two public events, such as Celebrate Shoreline and Shoreline Solarfest, or similar community events, to educate the public on new recycling program materials and quality standards, and to raise awareness of recycling and composting best management practices.

**City of Shoreline
Fee Schedules**

Attachment B

3.01.500 Solid Waste Rate Schedule

Effective 8/1/2019

Solid Waste Rate Schedule from CleanScapes				
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
A. MONTHLY				
1. One 32-gallon Garbage Cart	4.43	\$ 1.35	\$8.72-\$10.07	\$10.07-\$11.42
B. WEEKLY RESIDENTIAL CURBSIDE SERVICE				
1. One 10-gallon Garbage Micro-Can	6.00	\$ 1.83	\$11.09-\$12.44	\$12.92-\$14.27
2. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$15.31-\$16.66	\$18.97-\$20.32
3. One 32/35 -gallon Garbage Cart	19.20	\$ 5.86	\$19.20-\$20.55	\$25.06-\$26.41
4. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$26.44-\$27.79	\$34.69-\$36.04
5. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$28.03-\$29.38	\$39.77-\$41.12
6. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$32.19-\$33.54	\$49.79-\$51.14
7. Additional 32 Gallon Cans (weekly svc)	-	\$ 5.87	\$ 7.77	\$ 13.64
8. Extras (32 gallon equivalent)	-	\$ 1.35	\$ 2.95	\$ 4.30
9. Miscellaneous Fees:				
a. Extra Yard Debris (32 gallon bag/bundle/can)				\$ 3.11
b. 2nd and Additional 96-Gallon Yard Waste Cart				\$ 6.22
c. Return Trip				\$ 6.22
d. Roll-out Charge, per 25 ft, per cart, per time				\$ 3.11
e. Drive-in Charge, per month				\$ 6.22
f. Extended Vacation Hold (per week)				\$ 1.00
g. Overweight/Oversize container (per p/u)				\$ 3.11
h. Redelivery of one or more containers				\$ 10.37
i. Cart Cleaning (per cart per cleaning)				\$ 10.37
C. ON-CALL BULKY WASTE COLLECTION				
1. Non-CFC Containing Large Appliances ("white goods"), per item				\$ 20.73
2. Refrigerators/Freezers/Air Conditioners per item				\$ 31.10
3. Sofas, Chairs, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
4. Mattresses, Boxsprings, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
D. WEEKLY COMMERCIAL & MULTIFAMILY CAN AND CART				
1. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$13.80-\$14.77	\$17.46-\$18.43
2. One 32/35-gallon Garbage Cart	19.20	\$ 5.86	\$14.99-\$16.65	\$20.85-\$22.51
3. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$16.92-\$19.16	\$25.17-\$27.41
4. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$19.10-\$22.22	\$30.84-\$33.96
5. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$21.17-\$25.55	\$38.77-\$43.15
6. Extras (32-gallon equivalent)	-	\$ 1.35	\$ 4.06	\$ 5.41
7. Miscellaneous Fees:				
a. Weekly 64-gal Cart Yard Debris/Foodwaste service				\$ 24.92
b. Return Trip				\$ 7.89
c. Roll-out Charge, per addtn'l 25 ft, per cart, per p/u				\$ 1.97
d. Redelivery of containers				\$ 13.14
e. Cart Cleaning (per cart per cleaning)				\$ 13.14

**City of Shoreline
Fee Schedules**

Attachment B

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
E. WEEKLY COMMERCIAL DETACHABLE CONTAINER (COMPACTED)				
1. 1 Cubic Yard Container	394.80	\$ 120.63	\$82.57 -\$111.80	\$203.20 -\$232.43
2. 1.5 Cubic Yard Container	789.60	\$ 241.28	\$162.50 -\$206.34	\$403.78 -\$447.62
3. 2 Cubic Yard Container	1,184.40	\$ 361.91	\$242.43 -\$300.89	\$604.34 -\$662.80
4. 3 Cubic Yard Container	1,579.20	\$ 482.55	\$322.36 -\$410.04	\$804.91 -\$892.59
5. 4 Cubic Yard Container	1,974.00	\$ 603.19	\$402.30 -\$519.21	\$1,005.49 -\$1,122.40
6. 6 Cubic Yard Container	2,961.00	\$ 892.63	\$440.56 -\$615.93	\$1,333.19 -\$1,508.56
F. COMMERCIAL DETACHABLE CONTAINER (LOOSE)				
1. 1 Cubic Yard, 1 pickup/week	112.80	\$ 34.47	\$61.46 -\$71.20	\$95.93 -\$105.67
2. 1 Cubic Yard, 2 pickups/week	225.60	\$ 68.93	\$116.37 -\$135.86	\$185.30 -\$204.70
3. 1 Cubic Yard, 3 pickups/week	338.40	\$ 103.40	\$171.26 -\$200.49	\$274.66 -\$303.89
4. 1 Cubic Yard, 4 pickups/week	451.20	\$ 137.88	\$226.16 -\$265.13	\$364.04 -\$403.01
5. 1 Cubic Yard, 5 pickups/week	564.00	\$ 172.34	\$281.06 -\$329.77	\$453.40 -\$502.11
6. 1.5 Cubic Yard, 1 pickup/week	169.20	\$ 51.70	\$ 85.63 -\$100.24	\$137.33 -\$151.94
7. 1.5 Cubic Yard, 2 pickups/week	338.40	\$ 103.40	164.71 -\$193.94	\$268.11 -\$297.34
8. 1.5 Cubic Yard, 3 pickups/week	507.60	\$ 155.11	\$243.77 -\$287.61	\$398.88 -\$442.72
9. 1.5 Cubic Yard, 4 pickups/week	676.80	\$ 206.81	\$322.84 -\$381.30	\$529.65 -\$588.11
10. 1.5 Cubic Yard, 5 pickups/week	846.00	\$ 258.51	\$401.91 -\$474.98	\$660.42 -\$733.49
11. 2 Cubic Yard, 1 pickups/week	225.60	\$ 68.93	\$110.25 -\$129.74	\$179.18 -\$198.67
12. 2 Cubic Yard, 2 pickups/week	451.20	\$ 137.88	\$213.92 -\$252.89	\$351.80 -\$390.77
13. 2 Cubic Yard, 3 pickups/week	676.80	\$ 206.81	\$317.60 -\$376.06	\$524.41 -\$582.87
14. 2 Cubic Yard, 4 pickups/week	902.40	\$ 275.74	\$421.27 -\$499.21	\$697.01 -\$774.95
15. 2 Cubic Yard, 5 pickups/week	1,128.00	\$ 344.68	\$524.94 -\$622.37	\$869.62 -\$967.05
16. 3 Cubic Yard, 1 pickup/week	338.40	\$ 103.40	\$148.97 -\$178.20	\$252.37 -\$281.60
17. 3 Cubic Yard, 2 pickups/week	676.80	\$ 206.81	\$291.38 -\$349.84	\$498.19 -\$556.65
18. 3 Cubic Yard, 3 pickups/week	1,015.20	\$ 310.21	\$433.78 -\$521.46	\$743.99 -\$831.67
19. 3 Cubic Yard, 4 pickups/week	1,353.60	\$ 413.62	\$576.19 -\$693.10	\$989.81 -\$1,106.72
20. 3 Cubic Yard, 5 pickups/week	1,692.00	\$ 517.02	\$1,129.11 -\$1,275.25	\$1,646.13 -\$1,792.27
21. 4 Cubic Yard, 1 pickup/week	451.20	\$ 137.88	\$187.70 -\$226.67	\$325.58 -\$364.55
22. 4 Cubic Yard, 2 pickups/week	902.40	\$ 275.74	\$368.84 -\$446.78	\$644.58 -\$722.52
23. 4 Cubic Yard, 3 pickups/week	1,353.60	\$ 413.62	\$549.99 -\$666.90	\$963.61 -\$1,080.52
24. 4 Cubic Yard, 4 pickups/week	1,804.80	\$ 551.49	\$731.11 -\$886.99	\$1,282.60 -\$1,438.48
25. 4 Cubic Yard, 5 pickups/week	2,256.00	\$ 689.37	\$912.25 -\$1,107.10	\$1,601.62 -\$1,796.47
26. 6 Cubic Yard, 1 pickup/week	676.80	\$ 206.81	\$265.17 -\$323.63	\$471.98 -\$530.44
27. 6 Cubic Yard, 2 pickups/week	1,353.60	\$ 413.62	\$523.77 -\$640.68	\$937.39 -\$1,054.30
28. 6 Cubic Yard, 3 pickups/week	2,030.40	\$ 620.42	\$782.35 -\$957.72	\$1,402.77 -\$1,578.14
29. 6 Cubic Yard, 4 pickups/week	2,707.20	\$ 827.23	\$1,040.95 -\$1,274.77	\$1,868.18 -\$2,102.00
30. 6 Cubic Yard, 5 pickups/week	3,384.00	\$ 1,034.04	\$1,299.55 -\$1,591.83	\$2,333.59 -\$2,625.87
31. 8 Cubic Yard, 1 pickup/week	902.40	\$ 275.74	\$333.89 -\$411.83	\$609.63 -\$687.57
32. 8 Cubic Yard, 2 pickups/week	1,804.80	\$ 551.49	\$661.20 -\$817.08	\$1,212.69 -\$1,368.57
33. 8 Cubic Yard, 3 pickups/week	2,707.20	\$ 827.23	\$988.53 -\$1,222.35	\$1,815.76 -\$2,049.58
34. 8 Cubic Yard, 4 pickups/week	3,609.60	\$ 1,102.98	\$1,315.84 -\$1,627.60	\$2,418.82 -\$2,730.58
35. 8 Cubic Yard, 5 pickups/week	4,512.00	\$ 1,378.72	\$1,643.16 -\$2,032.86	\$3,021.88 -\$3,411.58

**City of Shoreline
Fee Schedules**

Attachment B

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
36. Extra loose cubic yard in container, per pickup	-	\$ 7.97	\$ 6.12	\$ 14.09
37. Extra loose cubic yard on ground, per pickup	-	\$ 7.97	\$ 19.26	\$ 27.23
38. Detachable Container Miscellaneous Fees (per occurrence):				
a. Stand-by Time (per minute)				\$ 2.10
b. Container Cleaning (per yard of container size)				\$ 13.14
c. Fee for Collection of Contaminated Recycling or Compost Containers				\$ 25.00
d. Redelivery of Containers				\$ 26.29
e. Return Trip				\$ 13.14
Service Level (based on pick ups)	Daily Rent	Monthly Rent	Delivery Charge	Haul Charge
G. COMMERCIAL & MULTIFAMILY DROP-BOX COLLECTION				
1. Non-compacted 10 cubic yard Drop-box (6 boxes)	8.26	\$ 82.67	\$ 148.82	\$ 210.12
2. Non-compacted 15 cubic yard Drop-box	8.26	\$ 82.67	\$ 148.82	\$ 210.12
3. Non-compacted 20 cubic yard Drop-box (7 boxes)	8.26	\$ 115.75	\$ 148.82	\$ 255.00
4. Non-compacted 25 cubic yard Drop-box	8.26	\$ 132.28	\$ 148.82	\$ 277.37
5. Non-compacted 30 cubic yard Drop-box (11 boxes)	8.26	\$ 148.82	\$ 148.82	\$ 299.77
6. Non-compacted 40 cubic yard Drop-box (2 boxes)	8.26	\$ 165.35	\$ 148.82	\$ 344.58
7. Compacted 10 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 265.63
8. Compacted 20 cubic yard Drop-box (3 boxes)			\$ 165.35	\$ 288.03
9. Compacted 25 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 310.42
10. Compacted 30 cubic yard Drop-box (4 boxes)			\$ 165.35	\$ 332.85
11. Compacted 40 cubic yard Drop-box (1 box)			\$ 165.35	\$ 377.65
12. Drop-box Miscellaneous Fees				Per Event
a. Return Trip				\$ 32.85
b. Stand-by Time (per minute)				\$ 2.10
c. Container cleaning (per yard of container size)				\$ 13.14
d. Drop-box directed to other facility (per one-way mile)				\$ 3.94
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Haul Charge
H. TEMPORARY COLLECTION HAULING				
1. 2 Yard detachable Container	270.00	\$ 19.06	\$ 136.46	\$ 155.52
2. 4 Yard detachable container	540.00	\$ 38.11	\$ 138.84	\$ 176.95
3. 6 Yard detachable container	810.00	\$ 57.17	\$ 141.24	\$ 198.41
4. 8 Yard detachable container	1,080.00	\$ 76.21	\$ 143.62	\$ 219.83
5. Non-compacted 10 cubic yard Drop-box				\$ 193.65
6. Non-compacted 20 cubic yard Drop-box				\$ 223.44
7. Non-compacted 30 cubic yard Drop-box				\$ 253.24
8. Non-compacted 40 cubic yard Drop-box				\$ 268.13
Service Level	Delivery Fee	Daily Rental	Monthly Rental	
I. TEMPORARY COLLECTION CONTAINER RENTAL AND DELIVERY				
1. 2 Yard detachable container	\$ 85.61	\$ 4.89	\$ 58.70	
2. 4 Yard detachable container	\$ 85.61	\$ 4.89	\$ 58.70	
3. 6 Yard detachable container	\$ 85.61	\$ 4.89	\$ 58.70	
4. 8 Yard detachable container	\$ 85.61	\$ 4.89	\$ 58.70	
Service Level	Delivery Fee	Daily Rental	Monthly Rental	
5. Non-compacted 10 cubic yard Drop-box	\$ 110.08	\$ 7.34	\$ 88.06	
6. Non-compacted 20 cubic yard Drop-box	\$ 110.08	\$ 7.34	\$ 88.06	
7. Non-compacted 30 cubic yard Drop-box	\$ 110.08	\$ 7.34	\$ 88.06	
8. Non-compacted 40 cubic yard Drop-box	\$ 110.08	\$ 7.34	\$ 88.06	
J. EVENT SERVICES				Per Day
1. Delivery, provision, collection of a set of 3 carts (G, R & C)				\$ 32.85
K. HOURLY RATES				Per Hour
1. Rear/Side-load packer + driver				\$ 164.27

**City of Shoreline
Fee Schedules**

Attachment B

2. Front-load packer + driver	\$	164.27
3. Drop-box Truck + driver	\$	164.27
4. Additional Labor (per person)	\$	88.73

[Ord. 806 § 3 (Exh. A), 2017; Ord. 758 § 3 (Exh. A), 2016; Ord. 728 § 3 (Exh. A), 2015; Ord. 622 § 3 (Exh. A), 2011; Ord. 585 § 3(b) (Exh. B), 2010; Ord. 563 § 4 (Exh. B), 2009]

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 858 - Amending SMC 3.01.500 Solid Waste Rate Schedule to Reflect Amendment # 1 to the City's 2017-2027 Comprehensive Garbage, Recyclables, and Compostables Collection Contract with Recology CleanScapes Inc.
DEPARTMENT:	Public Works
PRESENTED BY:	Randy Witt, Public Works Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

In July of 2017, changes in market conditions started adversely affected recycling economics around the world, but especially in North America's west coast markets that relied on marketing most materials to Chinese and other Asian companies. In August 2018, Recology requested an adjustment to the contract rates to address these changes and to improve the quality and processing of recycling materials. Staff and Recology have negotiated an amendment to certain terms and conditions of the contract related to the changing market conditions for recyclables materials, including a rate adjustment. This proposed contract amendment and proposed Ordinance No. 858, which provides for the rate adjustment, were discussed at the March 18, 2019 and at the April 1, 2019 City Council meetings. The proposed contract amendment will be discussed tonight before consideration of this ordinance.

The action before the Council tonight is adoption of proposed Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule to reflect the amendment to Recology CleanScapes Comprehensive Garbage, Recycles, and Compostables Collection Contract.

RESOURCE/FINANCIAL IMPACT:

This proposed amendment will increase single-family residential customers collection rates by \$1.35 per month and multifamily and commercial customers by \$2.10 per yard of garbage collected monthly. This rate increase will provide an estimated additional annual revenue of approximately \$572,000 for Recology to intensify their efforts to eliminate problematic materials from collection points through education and incentives, an increase in monitoring and rejection of unacceptable material at the curb, as well as

support for material handling process changes. The City's administrative fee revenue on the recycling rate increase will generate approximately \$70,000 in additional City revenues; funding that could be used for City support of the proposed contractual and recycling program changes as well as other environmental services.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule.

Approved By: City Manager City Attorney

BACKGROUND

In 2016, the City Council entered into a 10-year contract for the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection Services with Recology CleanScapes Inc. (Recology). The contract was adopted on May 2, 2016, and collection services under the new contract started on March 1, 2017.

When the City competitively procured this collection contract, most collected recyclable paper fiber and plastic materials were marketed to large consumers in China. The markets at that time were based around the needs of China's consuming mills, which allowed higher contamination levels than were traditionally accepted by domestic end-users. Historically, Chinese mills permitted 10% or more contamination in imported bales of paper and plastics. In January 2018, the Chinese Government implemented regulations that mandated that its importing mills will only accept bales containing a contamination level of less than 0.5% impurities, and in May 2019 imports of recyclable material were halted. Other countries in Southeast Asia accept recycled materials in with contamination levels less than the 0.5% impurity level, however these markets involve greater shipping costs and pay lower prices.

The City's contract with Recology allows that in the event of unforeseen temporary market circumstances that preclude or prevent compliance with the rate structure, Recology may request a temporary adjustment or other relief. The unforeseen market conditions must persist for more than nine months, after which Recology and the City would need to engage in good faith negotiations to determine a mutually acceptable course of action. This market situation led Recology to request adjustments to customer rates to reflect their increased costs. Staff retained a consultant, Jeff Brown from Epicenter Services, to assist in reviewing the request and assist with contract amendment negotiations. The proposed amendment reflects the results of those negotiations.

To fully implement the amendment, staff prepared Ordinance No. 858 (Attachment A) that amends SMC 3.01.500 to reflect the updated rate schedule, and Exhibit A to proposed Ordinance No. 858 that contains the amended 2019 Shoreline rates. Proposed Ordinance No. 858 was discussed at the March 18, 2019 and April 1 2019 City Council meetings. The staff reports for these discussions can be found at the following links -

March 18, 2019:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport031819-8b.pdf>.

April 1, 2019:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport040119-8c.pdf>.

DISCUSSION

With approval of Amendment # 1 to the City's 2017 – 2027 Comprehensive Garbage, Recyclables, and Compostables Collection contract with Recology, proposed Ordinance

No. 858 is necessary to amend SMC 3.01.500 to reflect the updated rate schedule. If adopted, proposed Ordinance No. 858 would become effective August 1, 2019.

When this proposed Ordinance was discussed on March 18 and April 1, while some Councilmembers had some concerns with the proposed Recology contract amendment, there were no concerns expressed with the proposed rate increase in Ordinance No. 858. If Council does not adopt Amendment #1 to the Recology's contract, Council will not take any action on this agenda item and this proposed Ordinance will be pulled from Council consideration.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 858 amending SMC 3.01.500 Solid Waste Rate Schedule.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 858

Attachment A – Exhibit A: Amended Solid Waste Fees Rate Schedule - SMC 3.01.500

ORDINANCE NO. 858

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING SHORELINE MUNICIPAL CODE SECTION 3.01.500 SOLID
WASTE RATE SCHEDULE AS ADOPTED BY ORDINANCE NO. 841.**

WHEREAS, the 2019-2020 Final Biennial Budget for the City of Shoreline was adopted by Ordinance No. 841; and

WHEREAS, Section 3 of Ordinance No. 841 adopted Shoreline Municipal Code (SMC) Section 3.01.500, which sets forth the solid waste fees imposed by the City's authorized solid waste collection company, Recology CleanScapes, Inc. (Recology); and

WHEREAS, the international and domestic markets for the recyclables collected from residents and businesses have undergone significant adverse changes with some materials no longer feasibly recyclable, and the existing levels of contaminants in the collected recyclables and changes in market acceptance standards now require changes to the City's recycling collection programs; and

WHEREAS, due to changes in market conditions which have adversely affected recycling economics, Recology requested amendment to its 10-year Comprehensive Garbage, Recycles, and Compostables Collection Contract (Receiving No. 8518), including an increase to the contract rates effective August 1, 2019; and

WHEREAS, an increase in the solid waste fees to address recycling economics is in the public health and welfare of the citizens of Shoreline;

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

Section 1. Amendment – SMC 3.01.500 Solid waste fees. SMC 3.01.500 Solid waste fees is amended as set forth in Exhibit A, attached hereto.

Section 2. 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 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take at 12:01 am PST August 1, 2019.

PASSED BY THE CITY COUNCIL ON JUNE 3, 2019

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2019
Effective Date: August 1, 2019

**City of Shoreline
Fee Schedules**

Attachment A -Exhibit A

3.01.500 Solid Waste Rate Schedule

Effective 8/1/2019

Solid Waste Rate Schedule from CleanScapes				
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
A. MONTHLY				
1. One 32-gallon Garbage Cart	4.43	\$ 1.35	\$8.72-\$10.07	\$10.07-\$11.42
B. WEEKLY RESIDENTIAL CURBSIDE SERVICE				
1. One 10-gallon Garbage Micro-Can	6.00	\$ 1.83	\$11.09-\$12.44	\$12.92-\$14.27
2. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$15.31-\$16.66	\$18.97-\$20.32
3. One 32/35 -gallon Garbage Cart	19.20	\$ 5.86	\$19.20-\$20.55	\$25.06-\$26.41
4. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$26.44-\$27.79	\$34.69-\$36.04
5. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$28.03-\$29.38	\$39.77-\$41.12
6. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$32.19-\$33.54	\$49.79-\$51.14
7. Additional 32 Gallon Cans (weekly svc)	-	\$ 5.87	\$ 7.77	\$ 13.64
8. Extras (32 gallon equivalent)	-	\$ 1.35	\$ 2.95	\$ 4.30
9. Miscellaneous Fees:				
a. Extra Yard Debris (32 gallon bag/bundle/can)				\$ 3.11
b. 2nd and Additional 96-Gallon Yard Waste Cart				\$ 6.22
c. Return Trip				\$ 6.22
d. Roll-out Charge, per 25 ft, per cart, per time				\$ 3.11
e. Drive-in Charge, per month				\$ 6.22
f. Extended Vacation Hold (per week)				\$ 1.00
g. Overweight/Oversize container (per p/u)				\$ 3.11
h. Redelivery of one or more containers				\$ 10.37
i. Cart Cleaning (per cart per cleaning)				\$ 10.37
C. ON-CALL BULKY WASTE COLLECTION				
1. Non-CFC Containing Large Appliances ("white goods"), per item				\$ 20.73
2. Refrigerators/Freezers/Air Conditioners per item				\$ 31.10
3. Sofas, Chairs, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
4. Mattresses, Boxsprings, per item	-	\$ 7.63	\$ 13.99	\$ 21.62
D. WEEKLY COMMERCIAL & MULTIFAMILY CAN AND CART				
1. One 20-gallon Garbage Cart	12.00	\$ 3.66	\$13.80-\$14.77	\$17.46-\$18.43
2. One 32/35-gallon Garbage Cart	19.20	\$ 5.86	\$14.99-\$16.65	\$20.85-\$22.51
3. One 45-gallon Garbage Cart	27.00	\$ 8.25	\$16.92-\$19.16	\$25.17-\$27.41
4. One 60/64-gallon Garbage Cart	38.40	\$ 11.74	\$19.10-\$22.22	\$30.84-\$33.96
5. One 90/96-gallon Garbage Cart	57.60	\$ 17.60	\$21.17-\$25.55	\$38.77-\$43.15
6. Extras (32-gallon equivalent)	-	\$ 1.35	\$ 4.06	\$ 5.41
7. Miscellaneous Fees:				
a. Weekly 64-gal Cart Yard Debris/Foodwaste service				\$ 24.92
b. Return Trip				\$ 7.89
c. Roll-out Charge, per addtn'l 25 ft, per cart, per p/u				\$ 1.97
d. Redelivery of containers				\$ 13.14
e. Cart Cleaning (per cart per cleaning)				\$ 13.14

**City of Shoreline
Fee Schedules**

Attachment A -Exhibit A

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
E. WEEKLY COMMERCIAL DETACHABLE CONTAINER (COMPACTED)				
1. 1 Cubic Yard Container	394.80	\$ 120.63	\$82.57 -\$111.80	\$203.20 -\$232.43
2. 1.5 Cubic Yard Container	789.60	\$ 241.28	\$162.50 -\$206.34	\$403.78 -\$447.62
3. 2 Cubic Yard Container	1,184.40	\$ 361.91	\$242.43 -\$300.89	\$604.34 -\$662.80
4. 3 Cubic Yard Container	1,579.20	\$ 482.55	\$322.36 -\$410.04	\$804.91 -\$892.59
5. 4 Cubic Yard Container	1,974.00	\$ 603.19	\$402.30 -\$519.21	\$1,005.49 -\$1,122.40
6. 6 Cubic Yard Container	2,961.00	\$ 892.63	\$440.56 -\$615.93	\$1,333.19 -\$1,508.56
F. COMMERCIAL DETACHABLE CONTAINER (LOOSE)				
1. 1 Cubic Yard, 1 pickup/week	112.80	\$ 34.47	\$61.46 -\$71.20	\$95.93 -\$105.67
2. 1 Cubic Yard, 2 pickups/week	225.60	\$ 68.93	\$116.37 -\$135.86	\$185.30 -\$204.70
3. 1 Cubic Yard, 3 pickups/week	338.40	\$ 103.40	\$171.26 -\$200.49	\$274.66 -\$303.89
4. 1 Cubic Yard, 4 pickups/week	451.20	\$ 137.88	\$226.16 -\$265.13	\$364.04 -\$403.01
5. 1 Cubic Yard, 5 pickups/week	564.00	\$ 172.34	\$281.06 -\$329.77	\$453.40 -\$502.11
6. 1.5 Cubic Yard, 1 pickup/week	169.20	\$ 51.70	\$ 85.63 -\$100.24	\$137.33 -\$151.94
7. 1.5 Cubic Yard, 2 pickups/week	338.40	\$ 103.40	164.71 -\$193.94	\$268.11 -\$297.34
8. 1.5 Cubic Yard, 3 pickups/week	507.60	\$ 155.11	\$243.77 -\$287.61	\$398.88 -\$442.72
9. 1.5 Cubic Yard, 4 pickups/week	676.80	\$ 206.81	\$322.84 -\$381.30	\$529.65 -\$588.11
10. 1.5 Cubic Yard, 5 pickups/week	846.00	\$ 258.51	\$401.91 -\$474.98	\$660.42 -\$733.49
11. 2 Cubic Yard, 1 pickups/week	225.60	\$ 68.93	\$110.25 -\$129.74	\$179.18 -\$198.67
12. 2 Cubic Yard, 2 pickups/week	451.20	\$ 137.88	\$213.92 -\$252.89	\$351.80 -\$390.77
13. 2 Cubic Yard, 3 pickups/week	676.80	\$ 206.81	\$317.60 -\$376.06	\$524.41 -\$582.87
14. 2 Cubic Yard, 4 pickups/week	902.40	\$ 275.74	\$421.27 -\$499.21	\$697.01 -\$774.95
15. 2 Cubic Yard, 5 pickups/week	1,128.00	\$ 344.68	\$524.94 -\$622.37	\$869.62 -\$967.05
16. 3 Cubic Yard, 1 pickup/week	338.40	\$ 103.40	\$148.97 -\$178.20	\$252.37 -\$281.60
17. 3 Cubic Yard, 2 pickups/week	676.80	\$ 206.81	\$291.38 -\$349.84	\$498.19 -\$556.65
18. 3 Cubic Yard, 3 pickups/week	1,015.20	\$ 310.21	\$433.78 -\$521.46	\$743.99 -\$831.67
19. 3 Cubic Yard, 4 pickups/week	1,353.60	\$ 413.62	\$576.19 -\$693.10	\$989.81 -\$1,106.72
20. 3 Cubic Yard, 5 pickups/week	1,692.00	\$ 517.02	\$1,129.11 -\$1,275.25	\$1,646.13 -\$1,792.27
21. 4 Cubic Yard, 1 pickup/week	451.20	\$ 137.88	\$187.70 -\$226.67	\$325.58 -\$364.55
22. 4 Cubic Yard, 2 pickups/week	902.40	\$ 275.74	\$368.84 -\$446.78	\$644.58 -\$722.52
23. 4 Cubic Yard, 3 pickups/week	1,353.60	\$ 413.62	\$549.99 -\$666.90	\$963.61 -\$1,080.52
24. 4 Cubic Yard, 4 pickups/week	1,804.80	\$ 551.49	\$731.11 -\$886.99	\$1,282.60 -\$1,438.48
25. 4 Cubic Yard, 5 pickups/week	2,256.00	\$ 689.37	\$912.25 -\$1,107.10	\$1,601.62 -\$1,796.47
26. 6 Cubic Yard, 1 pickup/week	676.80	\$ 206.81	\$265.17 -\$323.63	\$471.98 -\$530.44
27. 6 Cubic Yard, 2 pickups/week	1,353.60	\$ 413.62	\$523.77 -\$640.68	\$937.39 -\$1,054.30
28. 6 Cubic Yard, 3 pickups/week	2,030.40	\$ 620.42	\$782.35 -\$957.72	\$1,402.77 -\$1,578.14
29. 6 Cubic Yard, 4 pickups/week	2,707.20	\$ 827.23	\$1,040.95 -\$1,274.77	\$1,868.18 -\$2,102.00
30. 6 Cubic Yard, 5 pickups/week	3,384.00	\$ 1,034.04	\$1,299.55 -\$1,591.83	\$2,333.59 -\$2,625.87
31. 8 Cubic Yard, 1 pickup/week	902.40	\$ 275.74	\$333.89 -\$411.83	\$609.63 -\$687.57
32. 8 Cubic Yard, 2 pickups/week	1,804.80	\$ 551.49	\$661.20 -\$817.08	\$1,212.69 -\$1,368.57
33. 8 Cubic Yard, 3 pickups/week	2,707.20	\$ 827.23	\$988.53 -\$1,222.35	\$1,815.76 -\$2,049.58
34. 8 Cubic Yard, 4 pickups/week	3,609.60	\$ 1,102.98	\$1,315.84 -\$1,627.60	\$2,418.82 -\$2,730.58
35. 8 Cubic Yard, 5 pickups/week	4,512.00	\$ 1,378.72	\$1,643.16 -\$2,032.86	\$3,021.88 -\$3,411.58

**City of Shoreline
Fee Schedules**

Attachment A -Exhibit A

Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	2019 Amended Fee Total
36. Extra loose cubic yard in container, per pickup	-	\$ 7.97	\$ 6.12	\$ 14.09
37. Extra loose cubic yard on ground, per pickup	-	\$ 7.97	\$ 19.26	\$ 27.23
38. Detachable Container Miscellaneous Fees (per occurrence):				
a. Stand-by Time (per minute)				\$ 2.10
b. Container Cleaning (per yard of container size)				\$ 13.14
c. Fee for Collection of Contaminated Recycling or Compost Containers				\$ 25.00
d. Redelivery of Containers				\$ 26.29
e. Return Trip				\$ 13.14
Service Level (based on pick ups)	Daily Rent	Monthly Rent	Delivery Charge	Haul Charge
G. COMMERCIAL & MULTIFAMILY DROP-BOX COLLECTION				
1. Non-compacted 10 cubic yard Drop-box (6 boxes)	8.26	\$ 82.67	\$ 148.82	\$ 210.12
2. Non-compacted 15 cubic yard Drop-box	8.26	\$ 82.67	\$ 148.82	\$ 210.12
3. Non-compacted 20 cubic yard Drop-box (7 boxes)	8.26	\$ 115.75	\$ 148.82	\$ 255.00
4. Non-compacted 25 cubic yard Drop-box	8.26	\$ 132.28	\$ 148.82	\$ 277.37
5. Non-compacted 30 cubic yard Drop-box (11 boxes)	8.26	\$ 148.82	\$ 148.82	\$ 299.77
6. Non-compacted 40 cubic yard Drop-box (2 boxes)	8.26	\$ 165.35	\$ 148.82	\$ 344.58
7. Compacted 10 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 265.63
8. Compacted 20 cubic yard Drop-box (3 boxes)			\$ 165.35	\$ 288.03
9. Compacted 25 cubic yard Drop-box (2 boxes)			\$ 165.35	\$ 310.42
10. Compacted 30 cubic yard Drop-box (4 boxes)			\$ 165.35	\$ 332.85
11. Compacted 40 cubic yard Drop-box (1 box)			\$ 165.35	\$ 377.65
12. Drop-box Miscellaneous Fees				Per Event
a. Return Trip				\$ 32.85
b. Stand-by Time (per minute)				\$ 2.10
c. Container cleaning (per yard of container size)				\$ 13.14
d. Drop-box directed to other facility (per one-way mile)				\$ 3.94
Service Level	Pounds Per Unit	Disposal Fee	Collection Fee	Haul Charge
H. TEMPORARY COLLECTION HAULING				
1. 2 Yard detachable Container	270.00	\$ 19.06	\$ 136.46	\$ 155.52
2. 4 Yard detachable container	540.00	\$ 38.11	\$ 138.84	\$ 176.95
3. 6 Yard detachable container	810.00	\$ 57.17	\$ 141.24	\$ 198.41
4. 8 Yard detachable container	1,080.00	\$ 76.21	\$ 143.62	\$ 219.83
5. Non-compacted 10 cubic yard Drop-box				\$ 193.65
6. Non-compacted 20 cubic yard Drop-box				\$ 223.44
7. Non-compacted 30 cubic yard Drop-box				\$ 253.24
8. Non-compacted 40 cubic yard Drop-box				\$ 268.13
Service Level		Delivery Fee	Daily Rental	Monthly Rental
I. TEMPORARY COLLECTION CONTAINER RENTAL AND DELIVERY				
1. 2 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
2. 4 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
3. 6 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
4. 8 Yard detachable container		\$ 85.61	\$ 4.89	\$ 58.70
Service Level		Delivery Fee	Daily Rental	Monthly Rental
5. Non-compacted 10 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
6. Non-compacted 20 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
7. Non-compacted 30 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
8. Non-compacted 40 cubic yard Drop-box		\$ 110.08	\$ 7.34	\$ 88.06
J. EVENT SERVICES				Per Day
1. Delivery, provision, collection of a set of 3 carts (G, R & C)				\$ 32.85
K. HOURLY RATES				Per Hour
1. Rear/Side-load packer + driver				\$ 164.27

**City of Shoreline
Fee Schedules**

Attachment A -Exhibit A

2. Front-load packer + driver	\$	164.27
3. Drop-box Truck + driver	\$	164.27
4. Additional Labor (per person)	\$	88.73

[Ord. 806 § 3 (Exh. A), 2017; Ord. 758 § 3 (Exh. A), 2016; Ord. 728 § 3 (Exh. A), 2015; Ord. 622 § 3 (Exh. A), 2011; Ord. 585 § 3(b) (Exh. B), 2010; Ord. 563 § 4 (Exh. B), 2009]

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Reconsideration of the 2019 Comprehensive Plan Amendment Docket		
DEPARTMENT:	Planning & Community Development		
PRESENTED BY:	Steven Szafran, AICP, Senior Planner Rachael Markle, AICP, Director		
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 processes Comprehensive Plan amendments once a year, with exceptions only in limited situations. Proposed amendments are collected throughout the previous year with a deadline of December 1st for public and staff submissions of amendments to be considered in the following year. The Comprehensive Plan Docket establishes the amendments that will be reviewed and studied during the year by staff and the Planning Commission prior to their recommendation to the City Council for final approval to amend the Comprehensive Plan.

The Council adopted the Final 2019 Comprehensive Plan Amendment Docket on April 15. Amendment #3, amending the Fircrest Land Use Designation and Concurrent Rezone of a portion of the Fircrest Campus, was added to the Docket on April 15 and since that time, the State failed to pass legislation related to Fircrest to budget for the allocation of a portion of underutilized property to the King County Housing Authority and to transfer up to five acres of property to the City of Shoreline. Instead, the State directed the Department of Natural Resources to develop a plan to have this occur in the future. Staff has included a copy of the draft of the proviso that is included in the State budget. There will be no transfer of property from the State to the City for recreational purposes as part of this year’s legislative process.

Since the Department of Natural Resources will be developing a plan for the excess property at Fircrest for the next year, staff would not be able to analyze a Comprehensive Plan amendment and concurrent rezone for a portion of the Fircrest campus until DNR and the State has a plan in place. Given this, Mayor Hall requested this amendment be removed from the Final 2019 Docket. Tonight, the Council will vote to reconsider Amendment #3 on the 2019 Docket while that State completes a plan for the excess property at Fircrest.

RESOURCE/FINANCIAL IMPACT:

If Council approves the removal of Amendment #3, there will be no impact to staff time or financial resources by the City. In the future, if the State approves a plan for excess property at Fircrest, this amendment will require staff time from several departments:

Planning and Community Development (PCD), Public Works (PW), Parks, Recreation and Cultural Services (PRCS), Administrative Services (ASD), and the City Manager's Office (CMO). Docketing this amendment would likely require adjustments to the City's 2019/2020 Workplan. Consultants are also needed to complete environmental and traffic studies (estimated \$110,000-\$130,000), and possibly assist with the development of planning and outreach materials for a robust community engagement process. The City anticipates resources to be provided by the State and King County to support this effort. The State has also indicated that they will transmit up to five (5) acres of property to the City for community recreation/open space needs.

RECOMMENDATION

Staff recommends that the Council reconsider Amendment #3 on the 2019 Comprehensive Plan Docket and approve to remove Amendment #3 until the State completes a plan for the Fircrest campus.

Approved By: City Manager City Attorney

BACKGROUND

The State Growth Management Act, RCW 36.70A, limits consideration of proposed Comprehensive Plan amendments to no more than once a year. To ensure that the public can view the proposals within a concurrent, city-wide context, the Growth Management Act directs cities to create a docket that lists the amendments to be considered in this “once a year” review process.

Proposed amendments are collected throughout the previous year with a deadline of December 1st for public and staff submissions of suggested amendments to be considered in the following year. The Docket establishes the amendments that will be reviewed and studied during the year by staff and the Planning Commission prior to their recommendation to the City Council for final approval to amend the Comprehensive Plan by the end of the following year.

The Planning Commission considered the Preliminary 2019 Comprehensive Plan Amendment Docket on February 7, 2019 and voted to forward the Preliminary 2019 Docket to the City Council for consideration. The Council then discussed the Preliminary 2019 Docket on March 18, 2019. The staff report for this March 18th discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport031819-8a.pdf>.

The Final 2019 Docket (**Attachment A**) was adopted on April 15 with four proposed amendments. Based on Council’s decision to docket amendments 1-4, the next step would be for staff to analyze these amendments during 2019 and make a recommendation to the Planning Commission. The Planning Commission will then discuss the amendments and hold a public hearing on each item on the Docket. Staff will present Planning Commission’s recommendation on each of the amendments on the Docket later in the fall of 2019.

DISCUSSION

On February 22, 2019, the City Council received a letter from the 32nd District Legislators (**Attachment B**) requesting that the City Council consider adding an amendment to the 2019 Docket regarding state-owned property on the Fircrest Campus that the Department of Health and Human Services (DSHS) has determined is not needed for the future operation of the Fircrest School. The 32nd District Legislators’ request was for a Comprehensive Plan amendment and a concurrent rezone. This item was added to the 2019 Docket as Amendment #3 on April 15.

At the time of the request, Council was not yet interested in taking the lead to amend the land use and zoning for the underutilized property unless there was a public benefit to doing so, such as a property transfer to the City of land that could be used to meet the community’s park, recreation and open space needs. Council expressed that if the State requested a change in land use designation and zoning, that they would need to subdivide the underutilized property from the Fircrest Campus. Council indicated that if these uncertainties could be resolved, Council may consider a role in changing the land use designation and zoning for the underutilized property.

The State failed to pass legislation related to Fircrest to budget for the allocation of a portion of underutilized property to the King County Housing Authority and to transfer up to five acres of property to the City of Shoreline. Instead, the State directed the Department of Natural Resources to develop a plan to have this occur in the future. The plan must be submitted to the appropriate committees by December 31, 2019. Staff has included a copy of the draft of the proviso that is included in the State budget (**Attachment C**).

The proviso stated there will be no transfer of property from the State to the City for recreational purposes as part of this year's legislative process. Instead, the State allocated \$250,000 to the Department of Natural Resources to develop a plan for excess property at Fircrest and the appropriation by the State is provided solely for the following purposes:

1. The department must, in consultation with the department of social and health services and the office of financial management, develop recommendations for future use of underutilized portions of the Fircrest School campus, including the southeast and southwest corners. Recommendations must include options for developing affordable housing and public open space on underutilized portions of the Fircrest School campus and any specific statutory language necessary to implement these recommendations. Recommendations must consider:(a) current zoning restrictions; (b) current use; (c) current ownership; (d) current revenue generating capacity; (d) any specific statutory language necessary to implement these recommendations and (e) any legal constraints.
2. The department must submit a report to the appropriate committees of the legislature by December 31, 2019.

Since the Department of Natural Resources will be developing a plan for the excess property at Fircrest for the next year, staff would not be able to analyze a Comprehensive Plan amendment and concurrent rezone for a portion of the Fircrest campus until DNR and the State has a plan in place.

Amendatory Motion to Remove this Amendment:

Mayor Hall requested this amendment be removed from the Final 2019 Docket. If Council would like to remove this amendment, a Councilmember would need to move to modify the Council's Recommendation as follows:

I move to modify the Council's recommendation by removing Amendment #3 from the Final 2019 Comprehensive Plan Amendment Docket.

RESOURCE/FINANCIAL IMPACT

If Council approves the removal of Amendment #3, there will be no impact to staff time or financial resources by the City. In the future, if the State approves a plan for excess property at Fircrest, this amendment will require staff time from several departments: Planning and Community Development (PCD), Public Works (PW), Parks, Recreation

and Cultural Services (PRCS), Administrative Services (ASD), and the City Manager's Office (CMO). Docketing this amendment would likely require adjustments to the City's 2019/2020 Workplan. Consultants are also needed to complete environmental and traffic studies (estimated \$110,000-\$130,000), and possibly assist with the development of planning and outreach materials for a robust community engagement process. The City anticipates resources to be provided by the State and King County to support this effort. The State has also indicated that they will transmit up to five (5) acres of property to the City for community recreation/open space needs.

RECOMMENDATION

Staff recommends that the Council reconsider Amendment #3 on the 2019 Comprehensive Plan Docket and approve to remove Amendment #3 until the State completes a plan for the Fircrest campus.

ATTACHMENTS

Attachment A – Final 2019 Comprehensive Plan Amendment Docket
Attachment B – February 22, 2019 Letter from the 32nd District Delegation
Attachment C – State Budget Proviso Related to Fircrest



2019 COMPREHENSIVE PLAN AMENDMENT DOCKET

The State Growth Management Act generally limits the City to amending its Comprehensive Plan once a year and requires that it create a Docket (or list) of the amendments to be reviewed.

Final 2019 Comprehensive Plan Amendments

1. Change the Land Use Designation from Medium Density Residential to Mixed-Use 2 and change the Zoning from Residential, 8 units/acre (R-8) to Community Business (CB) of Two Parcels at 1510 and 1517 NE 170th Street.
2. Update Natural Environment Goal V by limiting greenhouse gas emissions to 1.5° C of global warming above pre-industrial levels.
3. Amend Comprehensive Plan Figure LU-1 Land Use Designations to change the portion of the Fircrest Campus that has been determined by the Department of Social and Health Services (DSHS) to be surplus to the operation and support of the Residential Habilitation Center (RHC) from “Campus” to “Mixed Use 2”. Additionally, the City’s Official Zoning Map would be amended to change the surplus Fircrest property from Fircrest Campus Zone (FCZ) to Neighborhood Business or Community Business to implement the proposed “Mixed Use 2” land use designation. References in the Comprehensive Plan and Development Code to the acreage of the Fircrest Campus and maps would also need to be amended to reflect the removal of the surplus property from the total acreage of the Campus.
4. Amend Comprehensive Plan Policy LU2 to allow for professional offices in the R-8 and R-12 zones.

Estimated timeframe for Council review/adoption: November 2019.



Legislative Building

Washington State Legislature

Olympia, WA 98504-0600

February 22, 2019

The Honorable Will Hall
Shoreline Mayor
17500 Midvale Avenue N
Shoreline, WA 98133-4905

Re: The Fircrest Campus

Dear Mayor Hall and Members of the Shoreline City Council:

We are writing to discuss the uses of state property on the Fircrest campus in Shoreline. Under state law, designated state agencies must identify under-utilized state-owned land suitable for the development of affordable housing. The Department of Social and Health Services has determined that a portion of state-owned land on the Fircrest campus is no longer needed for operating the Fircrest School and that property has a strong potential as a site for affordable housing.

We are particularly interested in affordable housing and with the surplus property determination in mind, we would like to express our support for the following uses of underutilized state-owned lands on the Fircrest campus:

- Promote the mixed-income, mixed-use development of affordable housing on underutilized state property at Fircrest.
- Ensure community benefit with open space, a community garden, and a dog park.
- Create conditions for the development of a family-wage jobs center.

As the re-visualization of the Fircrest campus takes place, we reaffirm our support for the Fircrest School and maintaining, in perpetuity, the only campus-based residential community within the Seattle urban corridor providing medical care and support services for people with intellectual and developmental disabilities. As a community, we must continue care and services for our most vulnerable citizens, and the safety, health, and well-being of Fircrest residents remains a priority.

To begin the community engagement process, we respectfully request the Council direct a comprehensive plan amendment with a concurrent rezone be added to the 2019 docket.

Specifically, we ask that you amend the Comprehensive Plan Figure LU-1 Land Use Designations to change the portion of the Fircrest Campus that has been determined by the Department of Social and Health Services (DSHS) to be surplus to the operation and support of the Residential Habilitation Center (RHC) from "Campus" to "Mixed Use 2". Additionally, amend the City's Official Zoning Map to change the surplus Fircrest property from Fircrest Campus Zone (FCZ) to Neighborhood Business or Community Business to implement the proposed "Mixed Use 2" land use designation. Amend references in the Comprehensive Plan and Development Code to the acreage of the Fircrest Campus and maps to reflect the removal of the surplus property from the total acreage of the Campus.

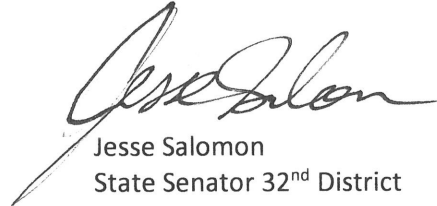
Comprehensive Plan and Development Code to the acreage of the Fircrest Campus and maps to reflect the removal of the surplus property from the total acreage of the Campus.

Finally, we would like to create a strong partnership with the city and community as we reimagine the future uses of under-utilized, state-owned property at Fircrest for affordable housing and community benefit. We stand ready to take legislative action to promote and support the development of mixed-income, mixed-use affordable housing with community benefit on under-utilized property at Fircrest. Please advise us regarding the Council's desired level participation in the planning process as we plan for the future uses at Fircrest.

Sincerely,



Cindy Ryu
State Representative 32nd District, Pos. 1



Jesse Salomon
State Senator 32nd District



Lauren Davis
State Representative 32nd District, Pos. 2

Cc:

Honorable Doris McConnell, Deputy Mayor
Honorable Susan Chang, Councilmember
Honorable Keith McGlashan, Councilmember
Honorable Chris Roberts, Councilmember
Honorable Betsy Robertson, Councilmember
Honorable Keith Scully, Councilmember
Debbie Tarry, City Manager
Nathan Daum Economic Development Program Manager
Jim Hamond Intergovernmental/CMO Program Manager

NEW SECTION. **Sec. 1. FOR THE DEPARTMENT OF NATURAL
RESOURCES**

Fircrest Property (xxxxxxxx)

The appropriation is subject to the following conditions and limitations:

The appropriation is provided solely for the following purposes:

(1) The department must, in consultation with the department of social and health services and the office of financial management, develop recommendations for future use of underutilized portions of the Fircrest School campus, including the southeast and southwest corners. Recommendations must include options for developing affordable housing and public open space on underutilized portions of the Fircrest School campus and any specific statutory language necessary to implement these recommendations. Recommendations must consider: (a) current zoning restrictions; (b) current use; (c) current ownership; (d) current revenue generating capacity; (d) any specific statutory language necessary to implement these recommendations and (e) any legal constraints.

(2) The department must submit a report to the appropriate committees of the legislature by December 31, 2019.

Appropriation:

Charitable, Educational, Penal, Reformatory, Institutional Account—State	\$250,000
Prior Biennia (Expenditures).....	\$0
Future Biennia (Projected Costs).....	\$0
TOTAL.....	\$250,000

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing Ordinance No. 861 - 2019-2020 Biennial Budget Amendment Amending Ordinance No. 855 for Phase 1 Improvements of the City Maintenance Facility
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director Rick Kirkwood, Budget and Tax 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:

On April 22, 2019, staff provided an update on the Distributed City Maintenance Facility (CMF) Analysis completed by TCF Architecture to the City Council, including completed conceptual design alternatives and cost estimates. Staff sought, and the City Council provided direction, regarding moving forward on Phase 1 of the CMF improvements and developing a budget amendment to appropriate funds in the General Fund and Surface Water Utility Fund to provide contributions to the General Capital Fund necessary to fund the Phase 1 improvements. Further, on May 20, 2019, staff asked for authorization to purchase a modular building to be placed at the North Maintenance Facility (NMF) site as part of the CMF Phase 1 “early work”.

The amended 2019-2020 Capital Improvement Program (CIP) includes appropriations for the CMF project totaling \$391,789. The project is estimated to cost \$30.587 million (in 2020 dollars); however, an increase of the 2019-2020 budget for the CMF project to \$1,746,614 is necessary to ensure Phase 1 improvements expected to be completed in this biennium will not have an adverse impact on other projects in the General Capital Fund.

The 2019-2020 Biennial Budget reflects the designation of \$4.0 million of the General Fund’s fund balance for the CMF project by the end of the biennium; however, no use of this fund balance for this project has been appropriated. Within the Surface Water Utility Fund, deferral of the 25th Avenue NE Flood Reduction Improvement project is needed based on the CMF project schedule, which makes capital funding available for the Surface Water Utility’s share of the Phase 1 improvements. A portion of the General Fund’s fund balance will cover the Street Fund’s contribution as well as the Wastewater Utility’s share of the Phase 1 improvements until reimbursement can be accomplished upon assumption of the Ronald Wastewater District. Therefore, staff proposes amending the 2019-2020 Biennial Budget by increasing appropriations to provide transfers to the General Capital Fund from the General Fund, in the amount of \$1,112,254, and Surface Water Utility Fund, in the amount of \$242,571, and increasing appropriations in the General Capital Fund by \$1,354,825.

Proposed Ordinance No. 861 provides for this amendment and is presented tonight for the City Council's review and discussion. Proposed Ordinance No. 861 is scheduled to be brought back to the City Council for adoption on June 17, 2019.

FINANCIAL IMPACT:

Adoption of proposed Ordinance No. 861 impacts expenditures and resources, as follows:

- Increases 2019-2020 biennium appropriations for capital expenditures, as follows:
 - City Maintenance Facility project in the General Capital Fund by \$1,354,825, thereby increasing the 2019-2020 project budget to \$1,746,614
- Increases 2019-2020 biennium appropriations for transfers out, as follows:
 - General Fund of \$1,112,254 to the General Capital Fund
 - Surface Water Utility Fund of \$242,571 to the General Capital Fund
- Provides transfers in, as follows:
 - General Capital Fund of \$1,354,825 from the General Fund (\$1,112,254) and Surface Water Utility Fund (\$242,571)
- Uses available fund balance totaling \$1,112,254 in the General Fund and \$242,571 in the Surface Water Utility Fund

The net impact of proposed Ordinance No. 861 is an increase in 2019-2020 biennium appropriations totaling \$2,709,650 comprised of expenditure appropriations totaling \$1,354,825 and interfund transfers totaling \$1,354,825.

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for the City Council to review proposed Ordinance No. 861 and provide staff direction. If the City Council does not have any concerns, staff will schedule adoption of proposed Ordinance No. 861 on June 17, 2019.

Approved By: City Manager City Attorney

BACKGROUND

On April 22, 2019, staff provided an update on the Distributed City Maintenance Facility (CMF) Analysis completed by TCF Architecture to the City Council, including completed conceptual design alternatives and cost estimates. The staff report for this Council discussion is available at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport042219-9b.pdf>.

Further, on May 20, 2019, staff asked for authorization to purchase a modular building to be placed at the North Maintenance Facility (NMF) site as part of the CMF Phase 1 “early work”. That staff report noted the current budget is not sufficient to cover the cost of the facilities for the Grounds Maintenance crew use at the NMF site. The staff report is available for this Council discussion at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport052019-7e.pdf>.

The amended 2019-2020 Capital Improvement Program (CIP) includes appropriations for the CMF project totaling \$391,789. The anticipated expenditures and revenues to support phasing of the CMF project are shown in the table below:

Estimated Expenditures and Resources (may not foot due to rounding)

Project Work Item	Estimated Amounts (\$ in Thousands)				
	Phase 1			Future Phases*	Total
	2019	2020	2021		
Expenditures					
Staff Time	\$54	\$45	\$45	\$135	\$279
Distributed Facilities Study	\$40				\$40
NMF Site – Early work	\$716				\$716
NMF Site – 25 th Ave NE Frontage				\$440	\$440
NMF Site – Ballinger Wy Frontage				\$812	\$812
NMF Site – Design		\$116		\$348	\$464
NMF Site – Construction				\$3,936	\$3,936
Brightwater Site – Design	\$188	\$188			\$376
Brightwater Site – Construction			\$3,169		\$3,169
Hamlin Yard – Design		\$400		\$1,225	\$1,625
Hamlin Yard – Temp. Relocation				\$1,000	\$1,000
Hamlin Yard – All Park Frontage				\$2,730	\$2,730
Hamlin Yard – Construction				\$15,000	\$15,000
Total Expenditures	\$998	\$749	\$3,214	\$25,626	\$30,587
Resources					
2019-2024 CIP Budget	\$358	\$33	\$0	\$0	\$392
Unprogrammed Funding	\$640	\$715	\$3,214	\$25,626	\$30,195
Total Revenues	\$998	\$749	\$3,214	\$25,626	\$30,587

* Phase 1 2021 costs and Future Phases costs are estimated in 2020 dollars and will require escalation for future budgeting.

Estimated expenditures listed in the above table were created using preliminary design information developed in late 2018 and escalated to 2020 dollars. As the project progresses, refined cost estimates will be presented in future CIP updates and appropriated in future biennial budgets.

Funding source allocations were estimated by fund whose operations have maintenance activities served by the Phase 1 and overall CMF improvements. The seven key City user groups are: Streets Operations, Grounds Maintenance, Parks Operations, Surface Water and Wastewater maintenance crews, as well as Police and Facilities/Fleet. Staff finalized the allocation methodology and determined the appropriate mix of funding sources. The estimated Phase 1 improvement costs by fund and year are shown in the table below:

Estimated Phase 1 Improvement Costs by Fund and Year

Fund	2019	2020	2021	Total
General Fund	\$462,273	\$330,994	\$983,532	\$1,776,799
Street Fund	\$376,671	\$295,235	\$1,166,095	\$1,838,001
Surface Water Fund	\$139,903	\$102,668	\$987,388	\$1,229,959
Wastewater Fund	\$19,267	\$19,603	\$77,140	\$116,010
Total	\$998,114	\$748,500	\$3,214,155	\$4,960,769

The 2019-2020 Biennial Budget reflects the designation of \$4.0 million of the General Fund’s fund balance for the CMF project by the end of the biennium; however, no use of this fund balance for this project has been appropriated. Within the Surface Water Utility Fund, construction funding for daylighting and floodplain storage work is currently programmed under the 25th Avenue NE Flood Reduction Improvement project as a 2023 expenditure; however, deferral is needed based on the CMF project schedule, which makes capital funding available for the Surface Water Utility’s share of the Phase 1 improvements. A portion of the General Fund’s fund balance will cover the Street Fund’s contribution as well as the Wastewater Utility’s share of the Phase 1 improvements until reimbursement can be accomplished upon assumption of the Ronald Wastewater District.

An update of the six-year CIP will be presented later this year reflecting the \$3.2 million budget necessary to complete the balance of Phase 1 improvements in 2021, which will be programmed with adoption of the 2021-2022 Biennial Budget. The City has applied for a \$500,000 state capital budget request to partially fund 2020-2021 design and construction of improvements at the Brightwater site. This funding is listed in the final state capital budget. Timing and means for obtaining this funding have not yet been determined but is currently assumed to be applicable to 2021 project expenditures.

Expenditures for future phases are estimated to total \$25.6 million (2020 dollars) to finish design and construction of the CMF improvements. Final design of the North Maintenance Facility (NMF) site will be tentatively scheduled in the CIP in the 2021-2022 biennium and construction in the 2023-2024 biennium with Hamlin Yard improvements following that effort, which is outside of the current six-year CIP.

DISCUSSION

As was noted above, the amended 2019-2020 CIP includes appropriations for the CMF project totaling \$391,789. An increase of the 2019-2020 budget for the CMF project to \$1,746,614 is necessary to ensure Phase 1 improvements expected to be completed in this biennium will not have an adverse impact on other projects in the General Capital Fund.

Staff proposes amending the 2019-2020 Biennial Budget by increasing appropriations to provide transfers to the General Capital Fund from the General Fund, in the amount of \$1,112,254, and Surface Water Utility Fund, in the amount of \$242,571 and increasing appropriations in the General Capital Fund by \$1,354,825. Proposed Ordinance No. 861 provides for this amendment and is presented tonight for the City Council's review and discussion. Proposed Ordinance No. 861 is scheduled to be brought back to the City Council for adoption on June 17, 2019.

ALTERNATIVES ANALYZED

Alternative 1: Take no action

If the City Council chooses to not approve proposed Ordinance No. 861, there would not be sufficient budget authority to complete Phase 1 improvements for the City Maintenance Facility project, including facilities for the Grounds Maintenance crew use, within the proposed schedule without impacting other projects in the General Capital Fund.

Alternative 2: Approve Ordinance No. 861 (Recommended)

Approval of proposed Ordinance No. 861 will provide the budget authority to cover the cost of the Phase 1 improvements for the City Maintenance Facility project within the proposed schedule and without impacting other projects in the General Capital Fund.

FINANCIAL IMPACT

Adoption of proposed Ordinance No. 861 impacts expenditures and resources, as follows:

- Increases 2019-2020 biennium appropriations for capital expenditures, as follows:
 - City Maintenance Facility project in the General Capital Fund by \$1,354,825, thereby increasing the 2019-2020 project budget to \$1,746,614.
- Increases 2019-2020 biennium appropriations for transfers out, as follows:
 - General Fund of \$1,112,254 to the General Capital Fund
 - Surface Water Utility Fund of \$242,571 to the General Capital Fund
- Provides transfers in, as follows:
 - General Capital Fund of \$1,354,825 from the General Fund (\$1,112,254) and Surface Water Utility Fund (\$242,571)
- Uses available fund balance totaling \$1,112,254 in the General Fund and \$242,571 in the Surface Water Utility Fund

The net impact of proposed Ordinance No. 861 is an increase in 2019-2020 biennium appropriations totaling \$2,709,650 comprised of expenditure appropriations totaling \$1,354,825 and interfund transfers totaling \$1,354,825.

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for the City Council to review proposed Ordinance No. 861 and provide staff direction. If the City Council does not have any concerns, staff will schedule adoption of proposed Ordinance No. 861 on June 17, 2019.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 861

ORDINANCE NO. 861

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING THE 2019-2020 FINAL BUDGET BY INCREASING APPROPRIATIONS IN THE GENERAL FUND, GENERAL CAPITAL FUND, AND SURFACE WATER UTILITY FUND.

WHEREAS, the 2019-2020 Final Budget was adopted by Ordinance No. 841 and subsequently amended by Ordinance Nos. 852, 854 and 855; and

WHEREAS, on April 22, 2019, the City Council discussed various scenarios for the City Maintenance Facility and determined that Scenario A provides the best long-term, holistic approach for the project; and

WHEREAS, on May 20, 2019, the City Council authorized the purchase of a modular building to be placed at the North Maintenance Facility site as part of the City Maintenance Facility Phase 1 “early work”; and

WHEREAS, an increase of the 2019-2020 budget for the City Maintenance Facility project is necessary to ensure Phase 1 improvements expected to be completed in this biennium will not have an adverse impact on other projects in the General Capital Fund; and

WHEREAS, funding source allocations were estimated by fund whose operations have maintenance activities served by the Phase 1 and overall City Maintenance Facility improvements, including Streets Operations, Grounds Maintenance, Parks Operations, Surface Water and Wastewater maintenance cres, as well as Police and Facilities/Fleet; and,

WHEREAS, a portion of the General Fund’s fund balance will cover the Street Fund’s contribution as well as the Wastewater Utility’s share of the Phase 1 improvements until reimbursement can be accomplished upon assumption of the Ronald Wastewater District; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget and, therefore, the 2019-2020 Final Budget, as amended, needs to be amended to reflect the increases and decreases to the City’s funds;

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

Section 1. Amendment – 2019-2020 Final Budget. The City hereby amends the 2019-2020 Final Budget, as adopted by Ordinance No. 841 and amended by Ordinance Nos. 852, 854, and 855 by increasing the appropriation for the General Fund by \$1,112,254; for the General Capital Fund by \$1,354,825; and for the Surface Water Utility Fund by \$242,571; and by increasing the Total Funds appropriation to \$209,744,780, as follows:

Fund	Current Appropriation	Revised Appropriation
General Fund	\$97,852,409	\$98,964,663
Street Fund	3,975,505	3,975,505
Code Abatement Fund	200,000	200,000
State Drug Enforcement Forfeiture Fund	46,718	46,718
Public Arts Fund	268,717	268,717
Federal Drug Enforcement Forfeiture Fund	26,000	26,000
Property Tax Equalization Fund	0	0
Federal Criminal Forfeiture Fund	0	0
Transportation Impact Fees Fund	162,000	162,000
Park Impact Fees Fund	175,000	175,000
Revenue Stabilization Fund	0	0
Unltd Tax GO Bond 2006	3,389,937	3,389,937
Limited Tax GO Bond 2009	3,320,072	3,320,072
Limited Tax GO Bond 2018	1,660,400	1,660,400
Limited Tax GO Bond 2013	519,771	519,771
General Capital Fund	33,321,386	34,676,211
City Facility-Major Maintenance Fund	288,936	288,936
Roads Capital Fund	35,116,539	35,116,539
Surface Water Capital Fund	19,734,665	19,977,236
Wastewater Utility Fund	4,931,699	4,931,699
Vehicle Operations/Maintenance Fund	1,088,547	1,088,547
Equipment Replacement Fund	921,829	921,829
Unemployment Fund	35,000	35,000
Total Funds	\$207,035,130	\$209,744,780

Section 2. 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 3. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 4. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON JUNE 17, 2019

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Publication Date: _____, 2019
Effective Date: _____, 2019

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussion of Ordinance No. 862 - Authorizing the Refunding of Limited Tax General Obligation Bonds (City Hall) and Ordinance No. 864 - Amending No. 829 to Extend the Delegation Period for Bond Anticipation Notes

DEPARTMENT: Administrative Services Department

PRESENTED BY: Sara Lane, Administrative Services Director

ACTION: Ordinance Resolution Motion
 Discussion Public Hearing

PROBLEM/ISSUE STATEMENT:

Bond refinancing (refunding) is an important debt management tool for state and local government issuers. Refunding bonds are commonly issued to achieve interest cost savings, remove or change burdensome bond covenants, or restructure the stream of debt service payments. Proposed Ordinance No. 862 authorizes the refunding of all or a portion of the City’s outstanding Limited Tax General Obligation Bonds, Series 2009B (Taxable Build America Bonds – Direct Payment) that were issued in 2009 (the “2009 Bonds”) for the construction of Shoreline City Hall.

On August 6, 2018, the City Council approved Ordinance No. 829 authorizing the issuance of Limited Tax General Obligation Bond Anticipation Notes (BAN) to support property acquisition for the Parks Recreation and Open Space (PROS) plan, including the Community and Aquatic Center (CAC). Ordinance No. 829 delegated authority to issue the debt at any time during the authorization period, which was limited to one year. Because the acquisition of property for the CAC was delayed while alternative sites were evaluated, staff would like to extend the delegation period. Proposed Ordinance No. 864 amends Ordinance No. 829 to extend the delegation period to February 1, 2020.

Tonight, Council will be discussing both proposed Ordinance No. 862 and 864. Council is scheduled to adopt both ordinances on June 17, 2019.

RESOURCE/FINANCIAL IMPACT:

The refunding of the 2009 Bonds is estimated to provide net interest savings of approximately \$2,600,000 (present value of \$2,079,000 and 11.1% of refunded bonds).

True interest costs on BANs will not exceed 3.25%. The debt service (interest) payments may be partly or fully offset by income from investment properties with the balance of payments funded by the City’s General Fund and other legally available funds. Principal is due at maturity and is expected to be paid from longer term take out financing. The BANs will be issued for a term not to exceed three years.

RECOMMENDATION

Staff recommends that Council discuss proposed Ordinance Nos. 862 and 864 and direct staff to bring these ordinances back to the Council for adoption on June 17, 2019.

Approved By: City Manager City Attorney

BACKGROUND

Proposed Ordinance No. 862 - Bond Refunding

Bond refinancing (refunding) is an important debt management tool for state and local government issuers. Refunding bonds are commonly issued to achieve interest cost savings, remove or change burdensome bond covenants, or restructure the stream of debt service payments. The City has one debt issue that is currently a good candidate for refunding. The Government Finance Officers Association (GFOA) recommends that present value savings from refunding's be at least 3.00%.

In July 2009, the City issued \$18,340,000 in councilmanic Limited Tax General Obligation Bonds, Series 2009B (Taxable Build America Bonds – Direct Payment) (the “2009 Bonds”) for construction of City Hall. These bonds mature between 2019 and 2039 with interest rates ranging from 4.69% to 6.40%. Build America Bonds were offered as an incentive to build during the economic downturn and provide a subsidy for a portion of the interest by the Federal Government.

While the interest rates on these bonds are all very good, the current bond market offers savings that make refunding beneficial to the City and its taxpayers. Staff has worked with Fred Eoff from PFM Financial Advisors, LLC, the City's financial advisor, to monitor the bond market and determine whether refunding might be advantageous to the City. Based on an analysis of the City's current debt and the market, staff is recommending that Council approve a delegating ordinance that authorizes staff to pursue refunding of the debt at any time in the next 12 months. Proposed Ordinance No. 862 (Attachment A) would provide for this refunding.

Council may recall authorizing a similar refunding in November 2016 via [Ordinance No. 764](#). Unfortunately, market changes in response to the general election and subsequent tax law changes eliminated the ability to proceed with that refunding. Recent, and anticipated, market changes have again made the refunding possible and beneficial.

Proposed Ordinance No. 864 - Amendment to Ordinance No. 829

On August 6, 2018, the City Council approved [Ordinance No. 829](#) authorizing the issuance of Limited Tax General Obligation Bond Anticipation Notes (BANs) to support property acquisition for the Parks Recreation and Open Space (PROS) plan, including the Community and Aquatic Center (CAC). Ordinance No.829 authorized issuance of up to \$25 million in BANs. The ordinance included a delegated authority that allowed up to one year from the effective date of the ordinance to issue the debt. Because the acquisition of property for the CAC was delayed while alternative sites were evaluated, staff would like to extend the delegation period. Council discussed and provided direction about the preferred location for the CAC at its meeting on May 20, 2019.

DISCUSSION

Proposed Ordinance No. 862 - Bond Refunding

Refunding of these bonds is estimated to provide annual savings averaging \$122,000 per year commencing in 2020. The net present value savings of the complete refunding is estimated to be \$2.08 million (approximately 11.1% of the par amount of the refunded

2009 Bonds). Savings is valued by comparing new debt service versus prior debt service after deduction of the Federal subsidy.

Bond Method of Sale

The delegating ordinance provides the City the option to do either a public sale (also referred to as Underwritten Bonds) or a private placement (also referred to as Direct Purchase Bonds). Depending on market conditions, the City may pursue an RFP for potential investors as a private placement. Due to the size of this financing, however, the City's financial advisor has indicated that this sale may be more advantageous as a competitive publicly offered sale.

Bond Refunding Parameters

In the delegating ordinance, Council authorizes the sale of refunding bonds subject to the following parameters:

- Maximum Principal Amount: \$18,000,000
- Minimum Net Present Value Savings: 3.00%
- Maturity Date: No later than 12/1/2039
- True Interest Cost (in aggregate) not to exceed: 3.50%

Proposed Ordinance No. 864 - Amendment to Ordinance No. 829

Staff do not anticipate being able to complete acquisition of the preferred CAC property prior to the expiration of the delegation authority. Further, the earliest that the City would be able to issue debt supported by a successful Bond Measure in the general elections would be February of 2020. Therefore, to pursue acquisition of the preferred property prior to February 2020, the City will still need to issue BANs. Additionally, the City is currently waiting for a decision on Grant Funding for several Parks Property Acquisitions that will not be received until after the current BAN authorization expires. If successful, the City may choose to issue BANs in order to expedite acquisition of those properties.

Given this, staff recommends extending the expiration date of Ordinance No. 829 to February 1, 2020 as provided in proposed Ordinance No. 864.

Tonight's Council Discussion

Tonight, Council will be discussing both proposed Ordinance No. 862 and 864. Council is scheduled to adopt both ordinances on June 17, 2019. When these two ordinances are brought back to Council for adoption, they will be brought back as separate agenda items.

RESOURCE/FINANCIAL IMPACT

The refunding of the 2009 Bonds is estimated to provide net interest savings of approximately \$2,600,000 (present value of \$2,079,000 and 11.1% of refunded bonds).

True interest cost on BANs will not exceed 3.25%. The debt service (interest) payments may be partly or fully offset by income from investment properties with the balance of payments funded by the City's General Fund and other legally available funds.

Principal is due at maturity and is expected to be paid from longer term take out financing. The BANs will be issued for a term not to exceed three years.

RECOMMENDATION

Staff recommends that Council discuss proposed Ordinance Nos. 862 and 864 and direct staff to bring these ordinances back to the Council for adoption on June 17, 2019.

ATTACHMENTS

- Attachment A: Proposed Ordinance No. 862, including Exhibit A
- Attachment B: Build America Bonds Refunding Summary - LTGO Debt Service Savings Calculations from Refunding 2009 City Hall Debt
- Attachment C: Proposed Ordinance No. 864

CITY OF SHORELINE, WASHINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

ORDINANCE NO. 862

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Shoreline, Washington (the “City”), issued its Limited Tax General Obligation Bonds, Series 2009B (Taxable Build America Bonds – Direct Payment) (the “2009 Bonds”) in the original principal amount of \$18,340,000; and

WHEREAS, Ordinance No. 556 (the “2009 Ordinance”) provides that the City may call the 2009 Bonds maturing on or after December 1, 2021 (the “Refunded Bonds”), for redemption on or after December 1, 2019, in whole or in part on any date, at the price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, the Council deems it in the best interest of the City to issue limited tax general obligation refunding bonds (as further defined herein, the “Bonds”) to redeem the Refunded Bonds as described herein and to pay costs of issuing the Bonds; and

WHEREAS, the Council wishes to delegate authority to the City Manager (the “Designated Representative”), for a limited time, to select the method of bond sale for the Bonds authorized hereunder that is in the best interest of the City (if any) and to approve the interest rates, maturity dates, redemption terms and principal maturities for the Bonds within the parameters set by this ordinance, in order to effect such a refinancing; and

WHEREAS, the Bonds shall be sold by either a private placement or be underwritten, all as set forth herein;

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

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Acquired Obligations means the Government Obligations acquired by the City under the terms of this ordinance and each Escrow Agreement to effect the refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Administrative Services Director means the City's Administrative Services Director, or the successor to such officer.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Underwritten Bonds (including persons holding Underwritten Bonds through nominees, depositories or other intermediaries).

Bond Counsel means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means one or more contracts, if any, for the purchase of any Underwritten Bonds sold by negotiated sale to the initial purchaser, executed pursuant to Section 11.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

Bond Registrar means (a) for any Underwritten Bonds, initially, the fiscal agent of the State, and (b) for any Direct Purchase Bonds, the fiscal agent of the State or the Administrative Services Director of the City.

Bonds mean the limited tax general obligation refunding bonds authorized to be issued pursuant to this ordinance.

Call Date means December 1, 2019.

Certificate of Award means one or more certificates, if any, for the purchase of any Underwritten Bonds sold by competitive sale awarding the Bonds to the bidder as set forth in Section 11 of this ordinance.

City means the City of Shoreline, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

City Attorney means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

City Manager means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

City Mayor or *Mayor* means the duly elected and acting Mayor of the City or the successor to the duties of such office.

Closing means the date of issuance and delivery of a series of Bonds to the applicable Underwriter or Direct Purchaser.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means one or more written undertakings for the benefit of the owners and Beneficial Owners of any Underwritten Bonds as required by Section (b)(5) of the Rule.

Council or *City Council* means the Shoreline City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

Debt Service Fund means one or more funds or accounts created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

Designated Representative means the City Manager of the City, or his or her written designee.

Direct Purchase Bonds means any Bonds or Bond sold to a Direct Purchaser pursuant to Section 11 of this ordinance.

Direct Purchaser means any bank or other financial institution selected to purchase (or to accept delivery of one or more Direct Purchase Bonds to evidence the City's obligations under a Loan Agreement) one or more Direct Purchase Bonds pursuant to Section 11 of this ordinance.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for any Underwritten Bonds pursuant to Section 3 of this ordinance.

Escrow Agent means the trust company or state or national bank having powers of a trust company selected by the City to serve as escrow agent pursuant to Section 7 of this ordinance.

Escrow Agreement means one or more Escrow Deposit Agreements between the City and the Escrow Agent to be dated as of the date of Closing of the Bonds.

Escrow Fund means the fund or account established by the Escrow Agent under the Escrow Agreement executed in connection with the redemption of the Refunded Bonds.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means one or more certificates executed by the Administrative Services Director or City Manager setting forth the requirements of the Code for maintaining the tax exemption of interest on the Bonds to be dated as of the date of Closing for such Bonds, and attachments thereto.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such chapter may be hereafter amended or restated.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC.

Loan Agreement means one or more loan or purchase agreements, if any, between the City and a Direct Purchaser under which the Direct Purchaser will make a loan to the City, evidenced by a Direct Purchase Bond, or under which the Direct Purchaser will purchase the Direct Purchase Bond.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure document(s) prepared and delivered in connection with the issuance of any Underwritten Bonds.

Projects mean the capital projects refinanced with proceeds of the Refunded Bonds.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this ordinance.

Refunded Bonds mean the 2009 Bonds.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds of a series are held in book entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Sale Document means the Bond Purchase Contract, Certificate of Award, or Loan Agreement, if any, executed by the Designated Representative in connection with the sale of the Bonds, which shall provide for the name, principal and interest payment dates and amounts, redemption/prepayment rights, description of the Refunded Bonds, and other terms to describe such Bonds as determined to be necessary by the Designated Representative.

State means the State of Washington.

2009 Bonds mean the City's Limited Tax General Obligation Bonds, Series 2009B (Taxable Build America Bonds – Direct Payment), issued pursuant to the 2009 Ordinance as described in the recitals of this ordinance.

2009 Ordinance means Ordinance No. 556 passed by the Council on July 29, 2009, authorizing the issuance of the 2009 Bonds.

Underwriter means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for any Underwritten Bonds selected pursuant to Section 11.

Underwritten Bonds means Bonds, if any, sold pursuant to a negotiated or a competitive sale by the City to an Underwriter pursuant to Section 11 of this ordinance.

Section 2. Purpose and Authorization of Bonds. For the purpose of defeasing and refunding the Refunded Bonds and paying related costs of issuance, the City is hereby authorized to issue and sell limited tax general obligation refunding bonds in an aggregate principal amount not to exceed \$18,000,000 (the "Bonds"). The Bonds shall be general obligations of the City, shall be designated "City of Shoreline, Washington, Limited Tax General Obligation Refunding Bonds, 2019," or other such designation as set forth in the applicable Sale Document. The Bonds shall be dated as of

the date of Closing of the Bonds. The Bonds shall be fully registered as to both principal and interest and shall be sold as either Direct Purchase Bonds or Underwritten Bonds. The Bonds authorized herein may be combined with other limited tax general obligation bonds of the City and sold as a single series and issue if determined to be in the best interest of the City.

Section 3. Bond Details; Registration, Exchange and Payments.

(a) *Underwritten Bonds.*

(1) Bond Details. Any Bonds may be sold as Underwritten Bonds. Underwritten Bonds shall be issued in denominations of \$5,000, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest payable on the dates set forth in the applicable Sale Document; and shall be subject to optional and/or mandatory redemption and mature on the dates and in the principal amounts set forth in the applicable Sale Document.

(2) Bond Registrar/Bond Register. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agent. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Underwritten Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Underwritten Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Administrative Services Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Administrative Services Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Underwritten Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the certificate of authentication of the Bonds.

(3) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Underwritten Bond as the absolute owner thereof for all purposes (except as otherwise provided in this ordinance or in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Underwritten Bond shall be made only as described below, but such Underwritten Bond may be transferred as provided herein. All such payments made as described below shall be valid and shall satisfy and discharge the liability of the City upon such Underwritten Bond to the extent of the amount or amounts so paid.

(4) DTC Acceptance/Letters of Representations. The Underwritten Bonds initially shall be held in fully immobilized form by DTC acting as depository. The

City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Underwritten Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Underwritten Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Underwritten Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Underwritten Bonds.

(5) Use of Depository.

(A) The Underwritten Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Underwritten Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Administrative Services Director pursuant to subsection (B) below or such substitute depository’s successor; or (iii) to any person as provided in subsection (D) below.

(B) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Administrative Services Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Administrative Services Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(C) In the case of any transfer pursuant to clause (i) or (ii) of subsection (A) above, the Bond Registrar shall, upon receipt of all outstanding Underwritten Bonds, together with a written request on behalf of the Administrative Services Director, issue a single new Underwritten Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Administrative Services Director.

(D) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute

depository can be obtained, or (ii) the Administrative Services Director determines that it is in the best interest of the Beneficial Owners of the Underwritten Bonds that such owners be able to obtain physical bond certificates, the ownership of such Underwritten Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Administrative Services Director shall deliver a written request to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Underwritten Bonds together with a written request on behalf of the Administrative Services Director to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(6) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Underwritten Bond may be registered and Underwritten Bonds may be exchanged, but no transfer of any such Underwritten Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Underwritten Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Underwritten Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Underwritten Bond(s) (or Underwritten Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Underwritten Bond, in exchange for such surrendered and cancelled Underwritten Bond. Any Underwritten Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Underwritten Bonds of the same series, date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Underwritten Bond during the 15 days preceding any principal payment or redemption date.

(7) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Underwritten Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or Beneficial Owners of Bonds.

(8) Place and Medium of Payment. Both principal of and interest on the Underwritten Bonds shall be payable in lawful money of the United States of America. Interest on the Underwritten Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Underwritten Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Underwritten Bonds are no longer held by a depository, interest on the Underwritten Bonds shall be paid by check or draft mailed to

the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Underwritten Bonds (received by the Bond Registrar at least by the record date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Underwritten Bonds shall be payable upon presentation and surrender of such Underwritten Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Underwritten Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Underwritten Bonds until it is paid.

(b) *Direct Purchase Bonds.*

(1) Bond Details. Any Bonds may be sold as Direct Purchase Bonds. Direct Purchase Bonds shall be dated as of the date of delivery to the Direct Purchaser, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the date set forth in the applicable Sale Document. Direct Purchase Bonds shall bear interest from the dated date or the most recent date to which interest has been paid at the interest rate set forth in the applicable Sale Document. Interest on the principal amount of Direct Purchase Bonds shall be calculated per annum on a 30/360 basis, or as otherwise provided in the Bond and in the applicable Sale Document. Principal of and interest on Direct Purchase Bonds shall be payable at the times and in the amounts as set forth in the payment schedule attached to the Direct Purchase Bond.

(2) Registrar/Bond Registrar. The Administrative Services Director or the fiscal agent of the State shall act as Bond Registrar for any Direct Purchase Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Direct Purchase Bonds if transferred or exchanged in accordance with the provisions of the Direct Purchase Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance with respect to Direct Purchase Bonds.

(3) Registered Ownership. The City and the Bond Registrar may deem and treat the Registered Owner of any Direct Purchase Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(4) Transfer or Exchange of Registered Ownership. Direct Purchase Bonds shall not be transferrable without the consent of the City unless (i) the Direct Purchaser's corporate name is changed and the transfer is necessary to reflect such change, or (ii) the transferee is a successor in interest of the Direct Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets. Notwithstanding the foregoing, Direct Purchase Bonds may be transferred upon satisfaction of the requirements, if any, set forth in the applicable Sale Document and the Direct Purchase Bonds.

(5) Place and Medium of Payment. Both principal of and interest on Direct Purchase Bonds shall be payable in lawful money of the United States of America. Principal and interest on Direct Purchase Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Direct Purchaser and the City.

Section 4. Redemption and Purchase of Bonds.

(a) *Redemption of Bonds.* The Bonds shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 11. The Bonds shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 11.

(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds at any time at a price deemed reasonable by the Designated Representative.

(c) *Selection of Bonds for Redemption.* If the Underwritten Bonds are held in book-entry only form, the selection of particular Underwritten Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Underwritten Bonds are no longer held by a depository, the selection of such Underwritten Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Underwritten Bonds having the same maturity date, the particular Underwritten Bonds or portions of Underwritten Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of an Underwritten Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by \$5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if

the Underwritten Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Underwritten Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date, (B) the redemption price, (C) if fewer than all outstanding Underwritten Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (F) the place where such Underwritten Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Underwritten Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if

notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Underwritten Bonds.

The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

Section 7. Refunding Plan; Application of Bond Proceeds.

(a) *Plan of Refunding.* The City proposes to defease and/or refund the Refunded Bonds as set forth herein. A portion of the proceeds of the Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the

2009 Bond Ordinance and to pay costs of issuance and administrative costs of the refunding.

The proceeds of the Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

(1) interest on the Refunded Bonds as such becomes due on and prior to the Call Date; and

(2) the redemption price (100% of the principal amount) of the Refunded Bonds on the Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(b) *Escrow Agent; Escrow Agreement.* The Designated Representative is hereby authorized to solicit proposals from and to select an Escrow Agent. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease and/or redeem the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be used to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of the Bonds and the administrative costs of the refunding. In order to carry out the purposes of this section, the Designated Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent.

(c) *Call for Redemption of 2009 Bonds.* The City hereby sets aside available funds of the City and sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to make the payments described above. The City further calls the Refunded Bonds for redemption on the Call Date in accordance with the provisions of the 2009 Bond Ordinance authorizing the redemption and retirement of the 2009 Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Bonds and delivery of cash and/or Acquired Obligations to the Escrow Agent. The Escrow Agent is hereby authorized and directed to provide for the giving of notices of defeasance and/or redemption of the Refunded Bonds in accordance with the applicable provisions of the 2009 Bond Ordinance. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Treasurer, or, at the direction of the Treasurer, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this section. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to or to the order of the Treasurer shall be credited to the Refunding Account (which is hereby authorized to

be created) or other funds created under the Escrow Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Chief Financial Officer) and applied in accordance with the provisions of this ordinance, the Escrow Agreement, and with the laws of the State for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 8. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of the Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects refinanced with proceeds of the Bonds other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of such projects, unless it has received an opinion of nationally recognized Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code until all Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least three years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this section will survive payment in full or defeasance of the Bonds.

Section 9. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of a fund or account to be used for the payment of debt service on the Bonds (the “Debt Service Fund”). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an ad valorem tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

Section 11. Sale of Bonds.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the Bonds, to approve the selection of the Refunded Bonds, and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the Bonds. The Designated Representative is hereby authorized to approve the issuance of the Bonds and to approve whether the Bonds shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth below.

(b) *Direct Purchase.* If the Designated Representative determines that the Bonds are to be sold by private placement, the Designated Representative shall solicit proposals to purchase the Direct Purchase Bonds and to select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Bonds shall be sold to the Direct Purchaser pursuant to the terms of a Loan Agreement.

(c) *Negotiated Bond Sale.* If the Designated Representative determines that the Bonds are to be sold by negotiated public sale, the Designated Representative shall solicit bond underwriting proposals and shall select the Underwriter that submits the proposal that is in the best interest of the City. Such Bonds shall be sold to the Underwriter pursuant to the terms of a Bond Purchase Contract.

(d) *Competitive Sale.* If the Designated Representative determines that the Bonds are to be sold at a competitive public sale, the Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in an amount not less than one percent of the principal amount of the offering accompany each bid; and (4) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Designated Representative shall cause the notice of sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to the terms of a Certificate of Award.

(e) *Sale Parameters.* The Designated Representative is hereby authorized to approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, and redemption rights for the Bonds in the manner provided hereafter so long as:

(1) (1) the aggregate principal amount of the Bonds does not exceed \$18,000,000,

(2) the final maturity date for the Bonds is no later than December 1, 2039,

(3) the Bonds are sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded Bonds (calculated by deducting scheduled federal subsidy payments with respect to the Refunded Bonds from annual debt service and assuming no future sequestration of such payments) of at least 3.0%,

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 3.50%, and

(5) the Bonds are sold (in the aggregate) at a price not less than 98%.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the applicable Sale Document for the Bonds. Following the execution of the applicable Sale Document, the Designated

Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 11 shall expire one year (365 days) after the effective date of this ordinance. If a Sale Document for the Bonds has not been executed by such date, the authorization for the issuance of such Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council.

(f) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Administrative Services Director and the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 12. Undertaking to Provide Ongoing Disclosure; Covenants.

(a) The City covenants to execute and deliver at the time of Closing of any Underwritten Bonds a Continuing Disclosure Certificate. The Administrative Services Director and the City Manager are each hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any Underwritten Bonds with such terms and provisions as such individuals shall deem appropriate and in the best interests of the City.

(b) The City may agree to provide the Direct Purchaser certain financial or other information and agree to such additional covenants as determined to be necessary by the Designated Representative and as set forth in the Loan Agreement and approved by the Designated Representative pursuant to Section 11.

Section 13. Defeasance. In the event that money and/or noncallable Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such money and the

principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder. The City shall give or cause to be given written notice of defeasance in accordance with the Continuing Disclosure Certificate.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 15. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 16. Payments Due on Holidays. If an interest and/or principal payment date for the Bonds is not a business day, then payment shall be made on the next business day and no interest shall accrue for the intervening period.

Section 17. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel and without further action of the Council, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 18. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON JUNE 17, 2019.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Pacifica Law Group LLP
Bond Counsel

Date of Publication: _____, 2019
Effective Date: _____, 2019

Exhibit A

Form of Bond

[DTC LANGUAGE][TRANSFER RESTRICTIONS]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF SHORELINE

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 20[___]

INTEREST RATE: %

MATURITY DATE:

[CUSIP NO.:]

REGISTERED OWNER:

PRINCIPAL AMOUNT:

[The City of Shoreline, Washington (the “City”) hereby acknowledges itself to owe and for value received promises to pay, but only from the sources and as hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the date of delivery, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above (the “Interest Rate”). Interest on this bond shall accrue from its dated date until paid and shall be computed per annum on the principal amount outstanding on a 30/360 basis. Principal of and accrued interest on this bond shall be payable on the dates set forth in the payment schedule attached hereto.] [The City of Shoreline, Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 201_, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20 ___, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the “Bond Registrar”). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.]

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 862 duly passed by the City Council on June 17, 2019 (the “Bond Ordinance”). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond [is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$_____ and] is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) to refund certain limited tax general obligation bonds of the City (the "Refunded Bonds"), and (b) to pay costs of issuance and costs related to the administration of the refunding.

[insert description of redemption or prepayment terms]

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due on and after such date. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Shoreline, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 20____.

[SEAL]

CITY OF SHORELINE, WASHINGTON

By _____ /s/ manual or facsimile
Mayor

ATTEST:

_____/s/ manual or facsimile
City Clerk

[FOR UNDERWRITTEN BONDS]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Refunding Bonds, 20____, of the City of Shoreline, Washington, dated _____, 20____.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____

[FOR DIRECT PURCHASE BONDS]

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the _____ (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made by the City as provided in the Bond Ordinance.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 20____		

PAYMENT SCHEDULE

Principal and interest on this bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment
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CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. 862 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on June 17, 2019, as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect five (5) days after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. The Ordinance has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of June, 2019.

City Clerk

City of Shoreline, Washington
Limited Tax Refunding Bonds, Series 2019
(Refunds Series 2009 BAB LTGO)

	Prior Debt Service (gross interest)	Prior Debt Service (net of full 35% subsidy)	Refunding Debt Service (Current Rates)	Nominal Savings	PV Savings @ 2.35%
2019	525,577	341,625	217,084	124,541	123,816
2020	1,641,155	1,273,250	1,150,738	122,513	119,430
2021	1,631,301	1,273,845	1,148,938	124,908	118,959
2022	1,620,435	1,273,782	1,151,338	122,445	113,945
2023	1,607,108	1,272,120	1,147,738	124,382	113,079
2024	1,597,723	1,274,770	1,153,338	121,432	107,870
2025	1,581,548	1,273,006	1,147,738	125,268	108,689
2026	1,568,848	1,275,251	1,151,338	123,913	105,030
2027	1,549,318	1,271,306	1,148,738	122,569	101,490
2028	1,533,263	1,271,371	1,145,138	126,233	102,094
2029	1,520,378	1,275,245	1,150,538	124,708	98,530
2030	1,500,358	1,272,732	1,149,538	123,195	95,085
2031	1,482,233	1,273,201	1,147,338	125,864	94,885
2032	1,461,920	1,272,248	1,148,938	123,311	90,810
2033	1,444,420	1,274,873	1,149,138	125,736	90,442
2034	1,424,420	1,275,873	1,152,938	122,936	86,382
2035	1,401,920	1,275,248	1,150,138	125,111	85,865
2036	1,380,360	1,276,984	1,153,288	123,697	82,893
2037	1,355,920	1,276,848	1,150,300	126,548	82,795
2038	1,328,600	1,274,840	1,151,338	123,503	78,892
2039	1,303,400	1,275,960	1,151,238	124,723	77,781
Total	30,460,199	25,824,380	23,216,847	2,607,533	2,078,760

CITY OF SHORELINE, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES

ORDINANCE NO. 864

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING CITY ORDINANCE NO. 829 RELATING TO THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$25,000,000 TO PROVIDE INTERIM FINANCING FOR A PORTION OF THE COSTS OF THE CITY’S PARKS, RECREATION AND OPEN SPACE PLAN AND COSTS OF ISSUING THE NOTES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on July 31, 2017, the Shoreline City Council (the “Council”) unanimously adopted the 2017-2023 Parks, Recreation & Open Space Plan (the “PROS Plan”); and

WHEREAS, after due consideration the Council adopted Ordinance No. 829 on August 8, 2018 authorizing the issuance and sale of one or more series of short-term obligations in the form of limited tax general obligation bond anticipation notes in the aggregate principal amount of not to exceed \$25,000,000 (the “Notes”) for the purpose of financing the acquisition of property for park and recreational purposes and the payment of other capital expenditures described in the PROS Plan; and

WHEREAS, the sale and issuance of the Notes is contingent on satisfaction of certain parameters relating to maximum interest rates, final maturity dates, redemption terms and principal maturities as set forth in Ordinance No. 829; and

WHEREAS, the Council now desires to amend Ordinance No. 829 to extend the delegation period for the Notes and other matters related thereto, as provided herein;

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

Section 1. Definitions. Except as otherwise provided herein, definitions used in this ordinance shall have the meanings set forth in Ordinance No. 829.

Section 2. Amendment to Ordinance No. 829: Section 10 (Sale of Notes).
Section 10 (Sale of Notes) of Ordinance No. 829 is hereby amended to read as follows
(deletions are ~~stricken~~, additions are double underlined):

Section 10. Sale of Notes.

(a) *Note Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the Notes in one or more series and to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Notes. Notes may be issued pursuant to this ordinance at one time or from time to time as provided herein. The Designated Representative is hereby authorized to approve the issuance, from time to time, of one or more series of Notes and to determine whether the Notes of such series shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth below.

(b) *Direct Purchase.* If the Designated Representative determines that the Notes of a series are to be sold by private placement, the Designated Representative shall solicit proposals to purchase the Direct Purchase Notes and to select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Notes shall be sold to the Direct Purchaser pursuant to the terms of a Loan Agreement.

(c) *Negotiated Note Sale.* If the Designated Representative determines that the Notes of a series are to be sold by negotiated public sale, the Designated Representative shall solicit underwriting proposals and shall select the Underwriter whose proposal the Designated Representative believes is in the best interest of the City. Such Notes shall be sold to the Underwriter pursuant to the terms of a Note Purchase Contract.

(d) *Competitive Sale.* If the Designated Representative determines that the Notes of a series are to be sold at a competitive public sale, the Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in an amount not less than one percent of the principal amount of the offering accompany each bid; (4) cause notice of the public sale to be given; and (5) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Designated Representative shall cause the notice of sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. Such Notes shall be sold to the Underwriter pursuant to the terms of a Certificate of Award.

(e) *Sale Parameters.* The Designated Representative is hereby authorized approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, and redemption rights for each series of Notes in the manner provided hereafter so long as:

(1) the aggregate principal amount (face amount) of all Notes issued pursuant to this ordinance does not exceed \$25,000,000;

(2) the final maturity date for each series of Notes is no later than 36 months from date of issuance of such series;

(3) the true interest cost for each series of Notes does not exceed 3.25%;

(4) the Notes of each series are sold (in the aggregate) at a price not less than 98%; and

(5) the coupon rate for each maturity of the Notes of each series does not exceed 5.00%.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the applicable Sale Document for a series of Notes. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the Notes approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 10 shall expire on February 1, 2020. ~~one year after the effective date of this ordinance.~~ If a Sale Document for the Notes of a series has not been executed by such date, the authorization for the issuance of such series of Notes shall be rescinded, and such Notes shall not be issued nor their sale approved unless such Notes shall have been re-authorized by ordinance of the Council.

(f) *Delivery of Notes; Documentation.* The proper officials of the City, including the Administrative Services Director and the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Notes to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Notes in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a municipal Note insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Notes as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Notes for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Notes and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 3. Ratification. Except as hereby amended, the remaining terms and conditions of Ordinance No. 829 are hereby ratified and confirmed in all respects. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 4. Corrections by Clerk. Upon approval of the City Attorney and Note Counsel and without further action of the Council, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 5. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON JUNE 17, 2019.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Pacifica Law Group LLP
Note Counsel

Date of Publication: _____, 2019
Effective Date: _____, 2019

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. ____ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on _____, 2019, as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect five (5) days after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. The Ordinance has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2019.

City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing Resolution No. 438 - Approving the Sale of Limited Tax General Obligation Bonds Supported by the Shoreline Transportation District 0.2% Sales Tax as Authorized by Ordinance No. 853
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

At the November 6, 2018 General Election, Shoreline voters approved a 0.2% increase in the Sales Tax Rate for the Shoreline Transportation Benefit District (TBD). This funding will support delivery of the Sidewalk Program and must be dedicated to the repayment of debt. On March 18, 2019 the City Council approved Ordinance No. 853 authorizing the issuance of a series of debt issues over a period of 10 years where repayment would be supported by that sales tax revenue for a period of up to 20 years (the term of the tax). Ordinance No. 853 provided that each individual series of bond issues would be approved by Council through a sale resolution.

Proposed Resolution No. 438 (Attachment A) is the first sale resolution to be presented to Council in this series. Tonight, Council is scheduled to discuss proposed Resolution No. 438. It is scheduled to be brought back to Council for adoption on June 17, 2019.

FINANCIAL IMPACT:

This initial series will be for an amount not to exceed \$10,000,000. Issuance costs are estimated at \$49,500 and annual debt service is estimated at \$800,000 per year for 15 years. Issuance costs and debt service will be paid by the TBD 0.2% sales tax revenue over a term not to exceed 15 years.

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for the City Council to review proposed Resolution No. 438. Adoption of proposed Resolution No. 438 is currently scheduled for June 17, 2019.

Approved By: City Manager City Attorney

BACKGROUND

At the November 6, 2018 General Election, Shoreline voters approved a 0.2% increase in the Sales Tax Rate for the Shoreline Transportation Benefit District (TBD). This funding will support delivery of the Sidewalk Program and must be dedicated to the repayment of debt. On March 18, 2019, the City Council Approved Ordinance No. 853 (Attachment B) authorizing issuance of a series of Limited Tax General Obligation bonds (Bonds) over a 10-year period that will be repaid by the revenue generated by the 0.2% TBD Sales Tax. The ordinance irrevocably pledges the TBD 0.2% Sales Tax to the repayment of the debt and the use of general property tax to support repayment of bonds if TBD revenues are not adequate to meet the scheduled debt service. The staff report for the adoption of Ordinance No. 853 can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport031819-7e.pdf>.

The principal amount of all issues in the series is limited to \$42 million, which is the amount that staff estimates could be supported by the estimated \$59 million in revenue that would be collected over the 20 Year period. Ordinance No. 853 provided that each individual series of bond issues would be approved by the City Council through a sale resolution. Proposed Resolution No. 438 is the first sale resolution to be presented to Council in this series.

Staff is developing a schedule for the delivery of the sidewalk implementation plan. The issue of the first series of bonds is expected to support the delivery of design for approximately five (5) sidewalk projects and construction of four (4) of those projects. The next series will fund the construction of those designed in phase I but not able to be constructed (which is estimated to be one (1) project), along with the design of the next round of sidewalks. Should the actual design and construction costs exceed the estimated costs, then the next series will be issued sooner. Should the actual costs be less than estimated costs, then this issue would support more construction and design and the next issue might be postponed. The TBD Sales Tax Debt Analysis is provided as Attachment D.

DISCUSSION

Tonight, staff will present proposed Resolution No. 438 for Council review and discussion. Proposed Resolution No. 438 delegates authority to execute the applicable Sale Document and delegates authority for a limited time to the Administrative Services Director with the following limitations:

Maximum Principal Amount Not to Exceed - \$10 Million. The actual amount of the issue will be determined in the next few months as the projects are further refined. Should the actual costs exceed the estimated costs, then the next series will be issued sooner. Should the actual costs be less than estimated costs, then this issue would support more construction and design and the next issue might be postponed.

Method of sale – Proposed Resolution No. 438 delegates authority to issue the bonds through either a negotiated sale, private placement, or public sales depending on the market circumstances. Staff will work with the City's Financial Advisor to determine the

best approach given market conditions and to conduct an RFP to ensure that the City obtains the best possible terms. Staff anticipates using either a negotiated or private placement, anticipating that the cost of conducting a public sale would not provide enough interest rate advantage to offset the additional cost.

Maturity Date - Bonds will be issued with maturity date no later than December 31, 2034.

True Interest Cost not to exceed - 3.0%.

FINANCIAL IMPACT

This initial series will be for an amount not to exceed \$10,000,000. Issuance costs are estimated at \$49,500 and annual debt service is estimated at \$800,000 per year for 15 years. Issuance costs and debt service will be paid by the TBD 0.2% sales tax revenue over a term not to exceed 15 years.

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for the City Council to review proposed Resolution No. 438. Adoption of proposed Resolution No. 438 is currently scheduled for June 17, 2019.

ATTACHMENTS

- Attachment A: Proposed Resolution No. 438
- Attachment B: Ordinance No. 853
- Attachment C: Draft Schedule for Sidewalk Implementation
- Attachment D: TBD Sales Tax Debt Analysis

CITY OF SHORELINE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS
RESOLUTION NO. 438

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, APPROVING THE SALE OF THE CITY'S LIMITED TAX GENERAL OBLIGATION BONDS, 2019 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000 TO PROVIDE FUNDS TO FINANCE THE COSTS OF CARRYING OUT CERTAIN TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO, ALL IN ACCORDANCE WITH ORDINANCE NO. 853 OF THE CITY.

WHEREAS, the City Council (the "Council") of the City of Shoreline, Washington (the "City") by Ordinance No. 853 passed on February 25, 2019 (the "Bond Ordinance"), authorized the issuance and sale of one or more series of limited tax general obligation bonds of the City in the aggregate principal amount of not to exceed \$42,000,000 (the "Bonds") for the purpose of providing funds to finance costs related to transportation improvement projects (as defined in the Bond Ordinance, the "Projects") and to pay costs of issuing each series of Bonds; and

WHEREAS, the terms of each series of Bonds shall be consistent with the Bond Ordinance and the provisions of and additional parameters set forth in a sale resolution to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, after due consideration the Council has determined that it is in the best interest of the City to authorize the issuance and sale of a first series of limited tax general obligation bonds (the "2019 Bonds") under the terms of the Bond Ordinance and this resolution to pay a portion of the costs of the Projects; and

WHEREAS, this Council wishes to delegate authority to the City Manager (the "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, denominations, redemption terms and other terms of the 2019 Bonds within the parameters set by this resolution;

BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON:

Section 1. Definitions. Except as otherwise defined herein, capitalized terms used in this resolution have the meanings set forth in the Bond Ordinance. As used herein, the following terms shall have the following meanings:

Bond Ordinance means Ordinance No 853 of the City passed on February 25, 2019, as it may be amended, replaced and/or supplemented from time to time.

2019 Bonds mean the Limited Tax General Obligation Bonds, 2019 authorized to be issued in the aggregate principal amount of not to exceed \$10,000,000 under the terms of this resolution and the Bond Ordinance.

Section 2. Authorization of Issuance and Sale of the 2019 Bonds. The Issuance of the 2019 Bonds, designated as the “City of Shoreline, Washington Limited Tax General Obligation Bonds, 2019,” in the aggregate principal amount of not to exceed \$10,000,000, dated as of their date of delivery, is hereby approved. The 2019 Bonds shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Sale Document; and shall mature on the dates and in the principal amounts set forth in the Sale Document, as approved and executed by the Designated Representative pursuant to this resolution. The 2019 Bonds shall be sold as Direct Purchase Bonds or Underwritten Bonds.

Section 3. Redemption.

(a) **Redemption of Bonds.** The 2019 Bonds shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 4 of this resolution. The 2019 Bonds shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 4.

(b) **Purchase of Bonds.** The City reserves the right to purchase any or all of the 2019 Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(c) **Selection of Bonds for Redemption.** If the Underwritten Bonds of a series are held in book-entry only form, the selection of particular Underwritten Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Underwritten Bonds are no longer held by a depository, the selection of such Underwritten Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Underwritten Bonds having the same maturity date, the particular Underwritten Bonds or portions of

Underwritten Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of an Underwritten Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by \$5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Underwritten Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Underwritten Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date, (B) the redemption price, (C) if fewer than all outstanding Underwritten Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (F) the place where such Underwritten Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related

optional redemption of Underwritten Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

If addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Underwritten Bonds.

The foregoing notice provisions of this Section 3, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 4. Acceptance of Offer/Authorization of Sale Document.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the 2019 Bonds, and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the 2019 Bonds. The Designated Representative is hereby authorized to approve the issuance of the 2019 Bonds and to approve whether the 2019 Bonds shall be sold in a private placement to a Direct

Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth in the Bond Ordinance.

(b) *Sale Parameters.* The Designated Representative is hereby authorized to approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, denomination(s), and redemption rights for the 2019 Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal (face) amount of the 2019 Bonds does not exceed \$10,000,000,
- (2) the final maturity date for the 2019 Bonds is no later than 12/1/2034,
- (3) the true interest cost for the 2019 Bonds does not exceed 3.00%,
- (4) the 2019 Bonds are sold (in the aggregate) at a price not less than 98%; and
- (5) all other terms of the 2019 Bonds are otherwise in compliance with the terms of the Bond Ordinance and this resolution.

Subject to the terms and conditions set forth in this section and the Bond Ordinance, the Designated Representative is hereby authorized to execute the applicable Sale Document for the 2019 Bonds. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the 2019 Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this section shall expire one year (365 days) after the effective date of this resolution. If a Sale Document for the 2019 Bonds has not been executed by such date, the authorization for the issuance of such series of 2019 Bonds shall be rescinded, and such 2019 Bonds shall not be issued nor their sale approved unless such 2019 Bonds shall have been re-authorized by resolution of the Council.

(c) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Mayor, Administrative Services Director, City Clerk and City Manager, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the 2019 Bonds to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the 2019 Bonds in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a bond insurance policy delivered by a bond insurer to insure the payment when due of the principal of and interest on all or a portion the 2019 Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The

Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 5. Security; Combined Issues. The Bonds authorized herein may be combined with other limited tax general obligation bonds of the City and sold as a single series and issue if determined to be in the best interest of the City. In the event that the Bonds authorized herein are combined with other limited tax general obligation bonds of the City and sold as a single series, the TBD Revenues shall be pledged to the portion of the combined series of bonds allocable to the Projects and related costs of issuance.

Section 6. Further Authority. The City Officials, their agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the 2019 Bonds and for the proper use and application of the proceeds of such sale.

Section 7. Severability. The covenants contained in this resolution shall constitute a contract between the City and the owners of each and every 2019 Bond. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the 2019 Bonds.

Section 8. Effective Date. This resolution shall be effective after its passage as provided by law.

PASSED BY THE CITY COUNCIL ON JUNE 17, 2019.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Pacifica Law Group LLP
Bond Counsel

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Resolution No. ____ (the "Resolution") is a full, true and correct copy of a resolution duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on _____, 2019 as that Resolution appears in the minute book of the City; and the resolution will be in full force and effect after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Resolution No. ____ has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2019.

City Clerk

ORDINANCE NO. 853

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$42,000,000 TO FINANCE COSTS RELATED TO TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING EACH SERIES OF BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, Chapter 36.73 RCW enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems; and

WHEREAS, pursuant to Chapter 36.73 RCW, on June 25, 2009 the Shoreline City Council (the "Council" or the "City Council") approved Ordinance No. 550 creating the Shoreline Transportation Benefit District (the "District") with boundaries coterminous with the City of Shoreline, Washington (the "City"); and

WHEREAS, the District was originally organized as a legally separate municipal entity and taxing authority from the City; and

WHEREAS, on October 22, 2015, the City Council approved Ordinance No. 726, whereby the Council assumed the rights, powers, immunities, functions and obligations of the District, as allowed by Second Engrossed Substitute Senate Bill 5987, Section 302 (July 15, 2015), and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; and

WHEREAS, Chapter 36.73 RCW permits the City (acting through its assumed powers of the District) to impose various fees and charges with and without a public vote, including vehicle licensing fees and sales and use taxes; and

WHEREAS, on November 8, 2018, the qualified electorate in the City approved a sales and use tax in accordance with RCW 82.14.0455 in the amount of two-tenths of one percent (0.2%) for a period of not more than 20 years (the "TBD Sales and Use Tax") for the purpose of paying debt service on bonds issued to finance the construction, maintenance, rehabilitation, repair and/or preservation of (a) sidewalks and pedestrian improvements in the City in order to improve pedestrian access and safety and/or the extension of the condition and life cycle of the City's sidewalk pedestrian system, and (b) other sidewalks in the City, including those identified in the Sidewalk Prioritization Plan and related Prioritization Matrix (as defined in Resolution No. 430 adopted by the Council on July 30, 2018, and as each may be amended, supplemented and restated from time to time), and to provide for related pedestrian improvements as set out in the City's American with Disabilities Act Transition Plan through the City's annual budget (as further defined in Resolution No. 430, the "Projects"); and

WHEREAS, the City Council now determines that it is in the best interest of the City to

make such transportation improvement Projects; and

WHEREAS, after due consideration the Council has further determined that it is in the best interest of the City to authorize the issuance and sale from time to time of one or more series of limited tax general obligation bonds (as further defined herein, the “Bonds”) to pay a portion of the costs of the Projects and related costs of issuance; and

WHEREAS, the Bonds authorized herein shall be payable from and secured by, among other sources of funds, transportation benefit district revenue received by the City (acting through its assumed powers of the District) under Chapter 36.73 RCW from the TBD Sales and Use Tax (the “TBD Revenue”); and

WHEREAS, the terms of each series of Bonds shall be consistent with this ordinance and the provisions of and additional parameters set forth in a sale resolution (the “Sale Resolution”) to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, the Council now desires to authorize the issuance of one or more series of Bonds, subject to the provisions of the applicable Sale Resolution, as set forth herein;

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

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Administrative Services Director means the City’s Administrative Services Director or the successor to such officer.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Underwritten Bonds (including persons holding Underwritten Bonds through nominees, depositories or other intermediaries).

Bond Counsel means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means one or more contracts, if any, for the purchase of any Underwritten Bonds sold by negotiated sale to the initial purchaser, executed pursuant to Section 12 and the applicable Sale Resolution.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of a series of Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

Bond Registrar means (a) for any Underwritten Bonds, initially, the fiscal agent of the State, and (b) for any Direct Purchase Bonds, the Administrative Services Director of the City or the fiscal agent of the State, as set forth in the Sale Resolution.

Bonds mean the limited tax general obligation bonds authorized to be issued from time to time in one or more series pursuant to this ordinance in the aggregate principal amount of not to exceed \$42,000,000.

Certificate of Award means one or more certificates, if any, for the purchase of any Underwritten Bonds sold by competitive sale awarding the Bonds of a series to the bidder as set forth in Section 12 of this ordinance and the applicable Sale Resolution.

City means the City of Shoreline, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

City Attorney means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

City Manager means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

City Mayor or **Mayor** means the duly elected and acting Mayor of the City or the successor to the duties of such office.

Closing means the date of issuance and delivery of a series of Bonds to the applicable Underwriter or Direct Purchaser.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means one or more written undertakings for the benefit of the owners and Beneficial Owners of any Underwritten Bonds as required by Section (b)(5) of the Rule.

Council or **City Council** means the Shoreline City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

Debt Service Fund means one or more funds or accounts created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

Designated Representative means the City Manager of the City, or his or her written designee.

Direct Purchase Bonds means any Bond or Bonds sold to a Direct Purchaser pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Direct Purchaser means any bank or other financial institution selected to purchase one or more Direct Purchase Bonds (or to accept delivery of one or more Direct Purchase Bonds to evidence the City's obligations under a Loan Agreement) pursuant to Section 12 of this ordinance.

District means the Shoreline Transportation Benefit District established by the City pursuant to Chapter 36.73 RCW and Ordinance No. 550 of the City Council, as the same may be amended from time to time.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for any Underwritten Bonds pursuant to this ordinance.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means one or more certificates of the City pertaining to the tax-exemption of interest on a series of Tax-Exempt Bonds, and any attachments thereto.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such Chapter may be hereafter amended or restated.

Letter of Representations means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

Loan Agreement means one or more loan or purchase agreements, if any, between the City and a Direct Purchaser under which the Direct Purchaser will make a loan to the City, evidenced by a Direct Purchase Bond, or under which the Direct Purchaser will purchase the Direct Purchase Bond.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of any Underwritten Bonds.

Project Fund means the fund or account created pursuant to Section 8 of this ordinance.

Projects mean the transportation improvement projects identified in the TBD Sales and Use Tax Resolution that are eligible transportation benefit district projects as described in Chapter 36.73 RCW and Shoreline Municipal Code 3.60.020.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this ordinance.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds of a series are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Sale Document means the Bond Purchase Contract, Certificate of Award or Loan Agreement, if any, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Sale Resolution means a resolution of the City Council adopted in connection with each series of Bonds pursuant to Section 12 of this ordinance.

State means the State of Washington.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

Tax-Exempt Bonds mean any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 12.

TBD Revenue means revenue remitted to the City from the TBD Sales and Use Tax.

TBD Sales and Use Tax means the sales and use tax imposed by the City (acting through its assumed powers of the District) in accordance with RCW 82.14.0455 and Chapter 36.73 RCW, as each may be amended from time to time, in the current amount of two-tenths of one percent (0.2%) and approved by the qualified electors in the City on November 8, 2018, as further described in the TBD Sales and Use Tax Resolution.

TBD Sales and Use Tax Resolution means Resolution No. 430 adopted by the Council on July 30, 2018, and any amendments thereto.

Underwriter means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series of Bonds selected pursuant to Section 12.

Underwritten Bonds means Bonds of a series, if any, sold pursuant to a negotiated or a competitive sale by the City to an Underwriter pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Section 2. Authorization of the Projects. The Council hereby approves the construction, maintenance, rehabilitation, repair and/or preservation of the Projects, as such Projects are to be more fully described in the plans and specifications prepared by and filed with the City.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Projects. Such Projects shall be complete with all necessary equipment and appurtenances.

The City will determine the exact specifications for the Projects, and the components thereof, as well as the timing, order and manner of completing the components of the Projects. The City may alter, make substitutions to, and amend the Projects as it determines are in the best interests of the City and consistent with the general descriptions provided herein.

Section 3. Authorization and Description of Bonds. For the purpose of paying and/or reimbursing the City for costs of the Projects and paying costs of issuance, the City is hereby authorized to issue and sell from time to time one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$42,000,000 (the “Bonds”).

The Bonds of each series shall be general obligations of the City and shall be designated “City of Shoreline, Washington, Limited Tax General Obligation Bond[s],” with the year and any applicable series or other designation, all as established by the related Sale Resolution. The Bonds of each series shall be fully registered as to both principal and interest and shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bonds of each series shall be dated as of the date of Closing for such series of Bonds and shall mature on the date or dates and in the principal amounts, bear interest at the rates and payable on such dates, be subject to redemption and/or purchase prior to maturity, and be subject to other terms and parameters set forth in the applicable Sale Resolution. The Bonds of each series shall be sold as either Direct Purchase Bonds or Underwritten Bonds.

Section 4. Registration, Exchange and Payments.

(a) *Underwritten Bonds.* The terms of this Section 4(a) shall apply to any Underwritten Bonds unless otherwise provided for in the applicable Sale Resolution.

(1) Bond Details. Any Bonds of a series may be sold as Underwritten Bonds. Underwritten Bonds shall be issued in denominations of \$5,000 each, or any integral multiple thereof, within a series and maturity.

(2) Bond Registrar/Bond Register. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of State fiscal agencies. The City shall cause the Bond Register to be

maintained by the Bond Registrar. So long as any Underwritten Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such Underwritten Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Administrative Services Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Administrative Services Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Underwritten Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the certificate of authentication on the Bonds.

(3) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Underwritten Bond of a series as the absolute owner thereof for all purposes (except as provided in a Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Underwritten Bond shall be made only as described in Section 4(a)(8), but such Underwritten Bond may be transferred as herein provided. All such payments made as described in Section 4(a)(8) shall be valid and shall satisfy and discharge the liability of the City upon such Underwritten Bond to the extent of the amount or amounts so paid.

(4) DTC Acceptance/Letters of Representations. The Underwritten Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Underwritten Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Underwritten Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Underwritten Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Underwritten Bonds.

(5) Use of Depository.

(A) The Underwritten Bonds of a series shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Underwritten Bond of each series maturing on each of the maturity dates for such Underwritten Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Underwritten Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be

qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Administrative Services Director pursuant to subparagraph (B) below or such substitute depository's successor; or (iii) to any person as provided in subparagraph (D) below.

(B) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Administrative Services Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Administrative Services Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(C) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (A) above, the Bond Registrar shall, upon receipt of all outstanding Underwritten Bonds together with a written request on behalf of the Administrative Services Director, issue a single new Underwritten Bond for each maturity of that series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Administrative Services Director.

(D) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Administrative Services Director determines that it is in the best interest of the Beneficial Owners of the Underwritten Bonds that such owners be able to obtain physical bond certificates, the ownership of such Underwritten Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Administrative Services Director shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Underwritten Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Underwritten Bonds of a series together with a written request on behalf of the Administrative Services Director to the Bond Registrar, new Underwritten Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(6) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Underwritten Bond may be registered and Underwritten Bonds may be exchanged, but no transfer of any such Underwritten Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Underwritten Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Underwritten Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Underwritten Bond (or Underwritten Bonds at the option of the new Registered Owner) of the same date, series, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Underwritten Bond, in exchange for such surrendered and cancelled Underwritten Bond. Any Underwritten Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Underwritten Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be

obligated to register the transfer of or to exchange any Underwritten Bond during the 15 days preceding any principal payment or redemption date.

(7) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Underwritten Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or Beneficial Owners of Bonds.

(8) Place and Medium of Payment. Both principal of and interest on the Underwritten Bonds shall be payable in lawful money of the United States of America. Interest on the Underwritten Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Underwritten Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Underwritten Bonds are no longer held by a depository, interest on the Underwritten Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Underwritten Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Underwritten Bonds shall be payable upon presentation and surrender of such Underwritten Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Underwritten Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Underwritten Bond until the Underwritten Bond is paid.

(b) Direct Purchase Bonds. The terms of this Section 4(b) shall apply to any Direct Purchase Bonds unless otherwise provided for in the applicable Sale Resolution.

(1) Bond Details. Any Bonds of a series may be sold as Direct Purchase Bonds.

(2) Registrar/Bond Registrar. The Administrative Services Director or the fiscal agent of the State shall act as Bond Registrar for any Direct Purchase Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Direct Purchase Bonds if transferred or exchanged in accordance with the provisions of the Direct Purchase Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance with respect to Direct Purchase Bonds.

(3) Registered Ownership. The City and the Bond Registrar may deem and treat the Registered Owner of any Direct Purchase Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(4) Transfer or Exchange of Registered Ownership. Direct Purchase Bonds shall not be transferrable without the consent of the City unless (i) the Direct Purchaser's corporate name is changed and the transfer is necessary to reflect such change, (ii) the transferee is a

successor in interest of the Direct Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets, or (iii) such transfer satisfies requirements set forth in the Sale Resolution relating to such Direct Purchase Bonds.

(5) Place and Medium of Payment. Both principal of and interest on Direct Purchase Bonds shall be payable in lawful money of the United States of America. Interest on Direct Purchase Bonds shall be calculated as provided in the applicable Sale Resolution or Loan Agreement relating to such Direct Purchase Bonds. Principal and interest on Direct Purchase Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Direct Purchaser and the City.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Redemption of Bonds.* The Bonds of each series shall be subject to optional and/or mandatory redemption prior to their stated maturity to the extent set forth in the related Sale Resolution.

(b) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the Administrative Services Director plus accrued interest to the date of purchase.

Section 6. Form of Bonds. The Bonds of each series shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by the City Council in the applicable Sale Resolution.

Section 7. Execution of Bonds. The Bonds of each series shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted, or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a certificate of authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such certificate of authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance and the applicable Sale Resolution.

Section 8. Application of Bond Proceeds; Project Fund. The Administrative Services Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the

proceeds of each series of Bonds, net of any Direct Purchaser or Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of such Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Projects and, unless otherwise provided by the City, to pay costs of issuance of such Bonds.

The Administrative Services Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Upon completion of the Projects, any remaining Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the allocable series of Bonds.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of such Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Projects other than in the ordinary course of an established government program under Treasury Regulation § 1.141-2(d)(4) or (ii) any real property components of the Projects, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Tax-Exempt Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of each series of Tax-Exempt Bonds, the City may designate such Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions.

Section 10. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein which may be one or more segregated accounts held within another fund, to be used for the payment of debt service on each series of Bonds, designated as the “Limited Tax General Obligation Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

The City hereby further irrevocably pledges all TBD Revenues to the portion of each series of Bonds issued to finance the Projects and related costs of issuance.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

Section 12. Sale of Bonds; Sale Resolution.

(a) *Bond Sale.* The Bonds authorized hereunder shall be sold from time to time in one or more series, any of which may be sold in a combined offering with other limited tax general obligation bonds and/or notes of the City, at the option of the Designated Representative. The Bonds of each series shall be sold pursuant to the applicable Sale Resolution adopted by the City Council.

(b) *Sale Resolution.* Consistent with Chapter 39.46 RCW, the Sale Resolution shall authorize a designated representative, which may be the Designated Representative identified in this ordinance, to accept, on behalf of the City, an offer to purchase the applicable series of Bonds, which acceptance must be consistent with the terms of this ordinance and the terms and any additional parameters set forth in the Sale Resolution. The Sale Resolution shall authorize the execution of the applicable Sale Document and shall set forth the method of sale, whether such series of Bonds shall be issued and sold as Tax-Exempt Bonds or Taxable Bonds, and the terms for such Bonds or parameters with respect to interest rate(s), maturity date(s), redemption provisions, principal maturities, and any other terms applicable to such series of Bonds. A form of Sale Resolution is attached hereto as Exhibit B and incorporated herein by this reference.

The Bonds authorized herein may be issued and sold from time to time and at any time as determined by the Council subject to the terms of the applicable Sale Resolution. To the extent of any conflict between the terms of this ordinance and a Sale Resolution, the terms of such Sale Resolution shall control with respect to that authorized series of Bonds.

Notwithstanding anything herein to the contrary, the aggregate principal (face) amount of all Bonds issued hereunder shall not exceed \$42,000,000 without further action of the Council, and the authorization to issue Bonds from time to time under the terms of this ordinance shall expire on December 31, 2029. After such date, no additional Bonds shall be issued under this

ordinance nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the City Council.

(c) *Direct Purchase.* If the Designated Representative determines that the Bonds of a series are to be sold by private placement, the Designated Representative shall select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Bonds shall be sold to the Direct Purchaser pursuant to the terms of the applicable Sale Resolution and any related Loan Agreement.

(d) *Negotiated Bond Sale.* If the Designated Representative determines that the Bonds of a series are to be sold by negotiated public sale, the Designated Representative shall select the Underwriter that submits the proposal that is in the best interest of the City. Such Bonds shall be sold to the Underwriter pursuant to the terms of the applicable Sale Resolution and the related Bond Purchase Contract.

(e) *Competitive Sale.* If the Designated Representative determines that the Bonds of a series are to be sold at a competitive public sale, the Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) establish the criteria for a good faith deposit; (4) cause notice of the public sale to be given; and (5) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Designated Representative shall cause the notice of sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to the terms of the applicable Sale Resolution and the related Certificate of Award.

(f) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and the applicable Sale Resolution and execution of the applicable Sale Document, the proper officials of the City, including the Designated Representative, the Mayor, the Administrative Services Director, and the City Clerk, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds of a series to the Direct Purchaser or the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds of a series in accordance with the terms of the applicable Sale Resolution and related Sale Document. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of such series of Bonds as provided therein.

Section 13. Preliminary and Final Official Statements. The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure; Covenants.

(a) The City covenants to execute and deliver at the time of Closing of any Underwritten Bonds a Continuing Disclosure Certificate. The Administrative Services Director and the City Manager are each hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any Underwritten Bonds with such terms and provisions as such individuals shall deem appropriate and in the best interests of the City.

(b) The City may agree to provide the Direct Purchaser certain financial or other information and agree to such additional covenants as determined to be necessary by the Designated Representative and as set forth in the applicable Sale Resolution and/or Loan Agreement and approved by the Designated Representative.

Section 15. Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the Registered Owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 16. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 17. Payments Due on Business Days. If an interest and/or principal payment date for the Bonds is not a business day, then payment shall be made on the next business day and no interest shall accrue for the intervening period.

Section 18. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.


Section 19. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON MARCH 18, 2019.



Mayor Will Hall

ATTEST:



Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:



Danna Oregon
Pacifica Law Group LLP
Bond Counsel

Date of Publication: March 21, 2019
Effective Date: March 26, 2019

EXHIBIT A

FORM OF BOND

[DTC LANGUAGE]

[TRANSFER RESTRICTIONS]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF SHORELINE

LIMITED TAX GENERAL OBLIGATION BOND, 20__[(Taxable)]

INTEREST RATE: ___%

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Shoreline, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 20__, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20__, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 853 duly passed by the City Council on March 18, 2019 and Resolution No. ___ duly passed by the City Council on _____, 20__ (collectively, the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$42,000,000 and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary to pay the costs of certain transportation improvements and to pay costs of issuance.

The bonds of this issue are subject to [prepayment/redemption prior to their stated maturities] as provided in the [Bond Purchase Contract/Certificate of Award/Loan Agreement].

The City has irrevocably covenanted with the owner of this bond that it shall include in its annual budget and levy taxes annually, within and a part of the tax levy permitted to the City without a vote of the electorate, upon all the taxable property in the City in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond when due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The City has further irrevocably pledged all TBD Revenues to the portion of the Bonds allocable to the Projects.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Shoreline, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 20__.

[SEAL]

CITY OF SHORELINE, WASHINGTON

By _____ /s/ manual or facsimile
Mayor

ATTEST:

_____/s/ manual or facsimile
City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Bonds, 20__, of the City of Shoreline, Washington, dated _____, 20__.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____

[FOR DIRECT PURCHASE BONDS]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is the Limited Tax General Obligation Bonds, 20__, of the City of Shoreline, Washington, dated _____, 20__, described in the within-mentioned Bond Ordinance.

[Administrative Services Director],
as Bond Registrar

REGISTRATION CERTIFICATE

This Bond is registered in the name of the Registered Owner on the books of the City, in the office of the Administrative Services Director of the City, as to both principal and interest. All payments of principal of and interest on this Bond shall be made by the City as provided in the Bond Ordinance.

Date of Registration Name and Address of
Registered Owner

_____, 20____

PAYMENT SCHEDULE

Principal and interest on this Bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment
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EXHIBIT B

FORM OF SALE RESOLUTION

CITY OF SHORELINE, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, APPROVING THE SALE OF THE CITY’S LIMITED TAX GENERAL OBLIGATION BONDS, [20__] IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$[_____] TO PROVIDE FUNDS FOR THE PURPOSE OF FINANCING THE COSTS OF CARRYING OUT CERTAIN TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO, ALL IN ACCORDANCE WITH ORDINANCE NO. 853 OF THE CITY.

WHEREAS, the City Council (the “Council”) of the City of Shoreline, Washington (the “City”) by Ordinance No. 853 passed on March 18, 2019 (the “Bond Ordinance”), authorized the issuance and sale of one or more series of limited tax general obligation bonds of the City in the aggregate principal amount of not to exceed \$42,000,000 (the “Bonds”) for the purpose of providing funds to finance costs related to transportation improvement projects (as defined in the Bond Ordinance, the “Projects”) and to pay costs of issuing each series of Bonds; and

WHEREAS, the terms of each series of Bonds shall be consistent with the Bond Ordinance and the provisions of and additional parameters set forth in a sale resolution to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, after due consideration the Council has determined that it is in the best interest of the City to authorize the issuance and sale of limited tax general obligation bond[s] (the [“20__ Bonds”]) under the terms of the Bond Ordinance and this resolution to pay a portion of the costs of the Projects; and

WHEREAS, this Council wishes to delegate authority to the City Manager (the “Designated Representative”), for a limited time, to approve the interest rates, maturity dates, denominations, redemption terms and other terms of the [20__ Bonds] within the parameters set by this resolution;

BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON:

Section 1. Definitions. Except as otherwise defined herein, capitalized terms used in this resolution have the meanings set forth in the Bond Ordinance. As used herein, the following terms shall have the following meanings:

Bond Ordinance means Ordinance No. 853 of the City passed on March 18, 2019, as it may be amended, replaced and/or supplemented from time to time.

[20__ Bonds] mean the Limited Tax General Obligation Bond[s], 20__ authorized to be issued in the aggregate principal amount of not to exceed \$ _____ under the terms of this resolution and the Bond Ordinance.

Section 2. Authorization of Issuance and Sale of the [20__ Bonds]. The Issuance of the [20__ Bonds], designated as the “City of Shoreline, Washington Limited Tax General Obligation Bonds, 20__,” in the aggregate principal amount of not to exceed \$[_____], dated as of their date of delivery, is hereby approved. The [20__ Bonds] shall be fully registered as to both principal and interest; shall be in the denomination of [\$5,000 each, or any integral multiple thereof, within a maturity]; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Sale Document; and shall mature on the dates and in the principal amounts set forth in the Sale Document, as approved and executed by the Designated Representative pursuant to this resolution. The [20__ Bonds] shall be sold as Direct Purchase Bonds or Underwritten Bonds.

[Section 3. Redemption.]

(a) ***Redemption of Bonds.*** The [20__ Bonds] shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 4 of this resolution. The [20__ Bonds] shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 4.

(b) ***Purchase of Bonds.*** The City reserves the right to purchase any or all of the [20__ Bonds] offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(c) ***Selection of Bonds for Redemption.*** If the Underwritten Bonds of a series are held in book-entry only form, the selection of particular Underwritten Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Underwritten Bonds are no longer held by a depository, the selection of such Underwritten Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Underwritten Bonds having the same maturity date, the particular Underwritten Bonds or portions of Underwritten Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of an Underwritten Bond of a denomination greater than \$5,000, the City and the Bond

Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by \$5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Underwritten Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Underwritten Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date, (B) the redemption price, (C) if fewer than all outstanding Underwritten Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (F) the place where such Underwritten Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Underwritten Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

If addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Underwritten Bonds.

The foregoing notice provisions of this Section 3, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

[Section 4. Acceptance of Offer/Authorization of Sale Document.]

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the [20__ Bonds], and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the [20__ Bonds]. The Designated Representative is hereby authorized to approve the issuance of the [20__ Bonds] and to approve whether the [20__ Bonds] shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth in the Bond Ordinance.

(b) *Sale Parameters.* The Designated Representative is hereby authorized to approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, denomination(s), and redemption rights for the [20__ Bonds] in the manner provided hereafter so long as:

- (1) the aggregate principal (face) amount of the [20__ Bonds] does not exceed \$ _____,
 - (2) the final maturity date for the [20__ Bonds] is no later than _____,
 - (3) the true interest cost for the [20__ Bonds] does not exceed _____%,
 - (4) the [20__ Bonds] are sold (in the aggregate) at a price not less than 98%;
- and
- (5) all other terms of the [20__ Bonds] are otherwise in compliance with the terms of the Bond Ordinance and this resolution.

Subject to the terms and conditions set forth in this section and the Bond Ordinance, the Designated Representative is hereby authorized to execute the applicable Sale Document for the [20__ Bonds]. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the [20__ Bonds] approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 4 shall expire _____ after the effective date of this resolution. If a Sale Document for the [20__ Bonds] has not been executed by such date, the authorization for the issuance of such series of [20__ Bonds] shall be rescinded, and such [20__ Bonds] shall not be issued nor their sale approved unless such [20__ Bonds] shall have been re-authorized by ordinance of the Council.

(c) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Mayor, Administrative Services Director, City Clerk and City Manager, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the [20__ Bonds] to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the [20__ Bonds] in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a bond insurance policy delivered by a bond insurer to insure the payment when due of the principal of and interest on all or a portion the [20__ Bonds] as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 5. Further Authority. The City Officials, their agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the [20__ Bonds] and for the proper use and application of the proceeds of such sale.

Section 6. Severability. The covenants contained in this resolution shall constitute a contract between the City and the owners of each and every [20__ Bond]. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the [20__ Bonds].

Section 7. Effective Date. This resolution shall be effective after its passage as provided by law.

PASSED BY THE CITY COUNCIL ON _____, 20__.

Mayor

ATTEST:

City Clerk

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. 853 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March 18, 2019 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Ordinance No. 853 has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of March, 2019.

City Clerk

Sidewalk Program Implementation

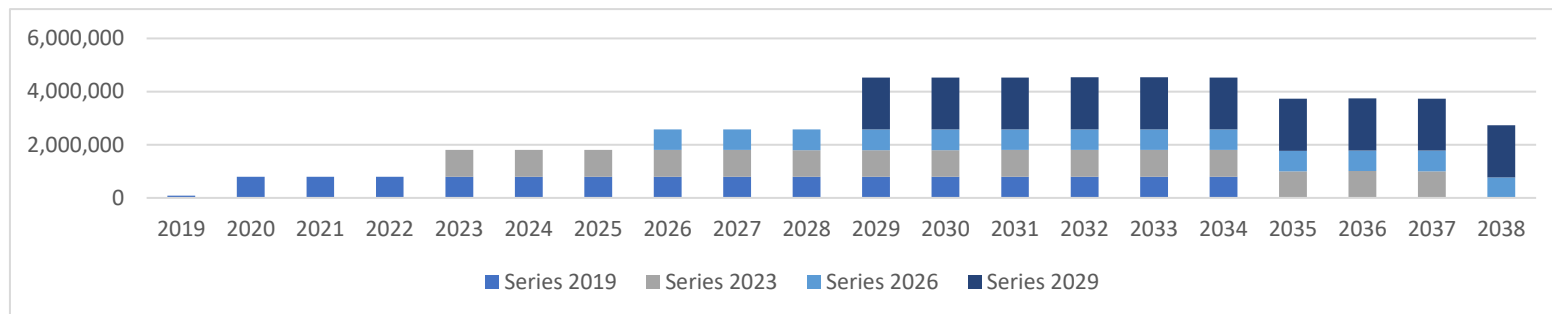
Draft Schedule - With Planned Timing for Issuing Bond Series

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030-35
Task/Element												
Round 1												
<i>Bond Sale Resolution to Council</i>												
<i>Bond Issuance</i>												
Design (Projects 1-4)		#1-4										
Construction (Projects 1-3)		# 1	#2 & 3									
Round 2												
Revenue/Project Cost Forecast Update												
Bond Series Resolution to Council												
Bond Issuance												
Design (Projects 5-8)				#5, 6 & 7	#8							
Construct (Projects 4-7)				#4	#5 & 6	#7						
Round 3												
<i>Revenue/Project Cost Forecast Update</i>												
<i>Bond Sale Resolution to Council</i>												
<i>Bond Issuance</i>												
Design (Projects 9-12)						#9,10	#11	#12				
Construct (Projects 8-12)						#8	#9,10	#11-12				
Round 4												
<i>Revenue/Project Cost Forecast Update</i>												
<i>Bond Issuance /Sale Resolution as needed</i>												
Design (based on additional revenue)												
Construct (based on additional revenue)												
Round 5												

City of Shoreline, Washington
Sidewalk Improvement Project
Transportation Benefit District 0.2% Tax Analysis

Series Model

Year Ending 12/31	Tax Revenue	Debt Series				Annual Residual Tax	Cumulative Residual Tax
		2019	2023	2026	2029		
2019	2,083,198	88,800				1,994,398	1,994,398
2020	2,159,113	800,200				1,358,913	3,353,311
2021	2,235,089	797,400				1,437,689	4,791,000
2022	2,310,977	799,000				1,511,977	6,302,977
2023	2,391,469	799,800	1,005,729			585,940	6,888,917
2024	2,475,051	799,800	1,006,000			669,251	7,558,168
2025	2,561,103	799,000	1,001,750			760,353	8,318,521
2026	2,650,071	797,400	1,006,500	777,171		69,000	8,387,522
2027	2,741,881	800,000	1,004,750	776,600		160,531	8,548,053
2028	2,837,260	796,600	1,001,750	773,100		265,810	8,813,863
2029	2,935,926	797,400	1,002,500	774,700	1,953,879	(1,592,553)	7,221,310
2030	3,037,903	797,200	1,001,750	775,500	1,955,250	(1,491,797)	5,729,513
2031	3,143,427	796,000	1,004,500	775,500	1,957,250	(1,389,823)	4,339,690
2032	3,252,614	798,800	1,005,500	774,250	1,956,000	(1,281,936)	3,057,753
2033	3,365,667	800,400	1,004,750	776,750	1,956,500	(1,172,733)	1,885,020
2034	3,482,635	800,800	1,002,250	772,750	1,953,500	(1,046,665)	838,355
2035	3,603,648		1,003,000	772,500	1,957,000	(128,852)	709,503
2036	3,728,850		1,006,750	775,750	1,956,500	(10,150)	699,353
2037	3,858,412		1,003,250	777,250	1,957,000	120,912	820,265
2038	3,974,164		1,002,750	777,000	1,958,250	236,164	1,056,430
	58,828,459	12,068,600	16,063,479	10,078,821	19,561,129		



City of Shoreline, Washington
Sidewalk Improvement Project
Transportation Benefit District 0.2% Tax Analysis

Sources and Uses

	Series 2019	Series 2023	Series 2026	Series 2029	Total
Sources:					
Par Amount	8,880,000	10,925,000	7,365,000	15,175,000	42,345,000
Premium	1,236,402	1,203,564	737,286	1,505,967	4,683,219
Total	\$10,116,402	\$12,128,564	\$8,102,286	\$16,680,967	\$47,028,219
Uses:					
UW Discount	62,160	76,475	51,555	106,225	296,415
Costs of Issuance	49,500	49,500	49,500	49,500	198,000
Deposit to Project Fund	10,004,742	12,002,589	8,001,231	16,525,242	46,533,804
Total	\$10,116,402	\$12,128,564	\$8,102,286	\$16,680,967	\$47,028,219