

AGENDA

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue South, Des Moines**

March 6, 2014 – 7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

BOARD AND COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORT

Item 1: EMERGING ISSUES

Item 2: DES MOINES EMERGENCY MANAGEMENT PLANNING UPDATE

CONSENT AGENDA

Page 1 Item 1: APPROVAL OF MINUTES

Motion is to approve the minutes from the January 9, 2014, January 30, 2014 and February 13, 2014 Regular City Council meetings.

Page 15 Item 2: SETTING PUBLIC HEARING DATE FOR DRAFT ORDINANCE 14-011, MODIFICATION OF ZONING REQUIREMENTS REGULATING COMMERCIAL SPACE REQUIREMENTS IN THE MARINA DISTRICT.

Motion is to adopt Draft Resolution No. 14-011 to set a public hearing on April 10, 2014 to consider Draft Ordinance No. 14-011 amending DMMC 18.115.050(9), "*Environmental performance standards, use restrictions, and general limitations.*"

Page 27 Item 3: 2014 DES MOINES DOLLARS FOR SCHOLARS SCHOLARSHIP RECEPTION
Motion is to adopt Draft Resolution 14-022, authorizing the use of the Des Moines Activity Center by Des Moines Dollars for Scholars for its 2014 Scholarship Reception, taking place on May 7, 2014; and, to direct the City Manager to execute the Agreement between the City of Des Moines and Des Moines Dollars for Scholars, substantially in the form as attached.

NEW BUSINESS

Page 37 Item 1: UPDATE ON MARINA FINANCIAL FORECASTS FOR OPERATIONS AND THE CAPITAL IMPROVEMENT PROGRAM

Staff Presentation: Harbormaster Joe Dusenbury

NEXT MEETING DATE

March 13, 2014 Regular City Council Meeting

ADJOURNMENT

1
MINUTES

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue South, Des Moines**

January 9, 2014 – 7:00 p.m.

CALL TO ORDER

Mayor Kaplan called the meeting to order at 7:02 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Councilmember Sheckler.

ROLL CALL

Council present: Mayor Dave Kaplan; Mayor Pro Tem Matt Pina; Councilmembers Jeremy Nutting, Melissa Musser, Jeanette Burrage, Bob Sheckler and Vic Pennington.

Staff present: City Manager Tony Piasecki; City Attorney Pat Bosmans; Harbormaster Joe Dusenbury; Parks, Recreation & Senior Services Director Patrice Thorell; Planning, Building & Public Works Director Dan Brewer; Community Development Manager Denise Lathrop; City Clerk Bonnie Wilkins.

CORRESPONDENCE

There were no correspondences.

COMMENTS FROM THE PUBLIC

- Joe Gaspers, owns property at 23601-23621 Pacific Highway South. Would like to see the building height restriction raised to 65-70 feet in that area and have the zoning changed to residential with mixed use.
- Ben Stewart, 22515 6th S #402, had 4 comments/concerns for Council:
 1. The new light at 219th & Marine View Drive is not bright enough and doesn't work.
 2. Thanked Council for closing the South Marina Parking Lot at 10:00 p.m. and asked for more patrol during the overnight hours.
 3. Marina Paid Parking – plan to restrict parking on 6th avenue?
 4. Commended Marina Personnel for all their hard work and dedication in 2013.
- Tom Gordon, 2126 104th Place SE, Bellevue. Spoke in favor of the Envision Midway Plan and increasing building heights in that area.

BOARD AND COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

Councilmember Pennington:

- No Report.

Councilmember Sheckler:

- No Report.

Councilmember Burrage:

- No Report.

Councilmember Pina:

- No Report-Go Hawks!

Councilmember Musser:

- Sound Cities Association Public Issues Meeting:
 - PIC meeting schedule for 2014.
 - King County 2015 Transportation Benefit District Vote.

Councilmember Nutting:

- No Report.

PRESIDING OFFICER'S REPORT

- Met with SeaTac Mayor, Todd Cutts and State Representative Mia Gregerson:
 - Fair distribution of Streamline Sales Tax.

ADMINISTRATION REPORT

Would like to have two Ordinances remanded to the Public Safety & Transportation Committee based on concerns from citizens:

1. Noise Ordinance.
2. LED Floodlight Ordinance for Residential Areas.

Direction/Action

Motion made by Mayor Pro Tem Pina to remand those two Ordinances to the Public Safety & Transportation Committee; seconded by Councilmember Nutting.

The motions passed 7-0.

Met with Tony Hettler, President of Destination Des Moines; He will be submitting the summer events calendar to Council soon.

City Manager Piasecki announced that Assistant City Manager Lorri Ericson plans to retire at the end of May.

CONSENT AGENDA

- Item 1: APPROVAL OF MINUTES
Motion is to approve the minutes from the Executive Sessions from September 5, September 12 and December 5, 2013 and the Regular City Council Minutes from December 5 and December 19, 2013.
- Item 2: APPROVAL OF VOUCHERS
Motion is to approve for payment vouchers and payroll transfers included in the attached list and further described as follows:
Claim Checks: \$1,975,884.51
Payroll Fund Transfers: \$414,424.36
Total Certified Wire Transfers, Voids, A/P and Payroll Vouchers: \$2,390,308.87
- Item 3: CONSULTANT CONTRACT AMENDMENT: TRANSPORTATION PROJECT MANAGER – LEONARD MADSEN
Motion is to approve Amendment 6 to the Contract with Leonard D. Madsen, continuing professional project management services for the Transportation Gateway Project through June 30, 2014 not to exceed \$38,000, and authorize the City Manager to sign the contract amendment substantially in the form submitted.

- Item 4: INTERAGENCY AGREEMENT WITH HIGHLINE COMMUNITY COLLEGE FOR THE SMALL BUSINESS DEVELOPMENT CENTER
Motion is to approve the Interagency Agreement with Highline Community College for support of the Small Business Development Center, and authorize the City Manager to sign the agreement, substantially in the form as submitted.

Direction/Action

Motion made by Councilmember Musser to approve the consent agenda; seconded by Mayor Pro Tem Pina.
The motion passed 7-0.

PUBLIC HEARING/CONTINUED PUBLIC HEARING

- Item 1: AMENDMENTS TO TITLE 18 DMMC, CONTINUED
Staff Presentation: City Attorney Pat Bosmans

City Attorney Bosmans gave a brief presentation to Council on continued Amendments to Title 18.

Direction/Action

Motion made by Councilmember Sheckler to continue the Public Hearing on Draft Ordinance No. 13-170 to January 30, 2014; seconded by Councilmember Musser.
The motion passed 7-0.

OLD BUSINESS

- Item 1: PAID PARKING AT THE MARINA AND BEACH PARK – STATUS REPORT
Staff Presentation: Harbormaster Joe Dusenbury

Harbormaster Joe Dusenbury and Parks, Recreation & Senior Services Director Patrice Thorell gave a brief power point presentation to Council on Paid Parking at the Marina and Beach Park.

Direction/Action

Motion made by Mayor Pro Tem Pina to remand the rezone of the property at the Planning, Building and Public Works facility to the Finance & Economic Development Committee for storage of Marina materials; seconded by Councilmember Nutting.
The motion passed 6-0.

The motion passed 6-0.

For: Mayor Kaplan; Mayor Pro Tem Pina; Councilmembers Nutting, Musser, Burrage and Pennington.

Abstain: Councilmember Sheckler.

At 8:10 p.m. Councilmember Sheckler left the meeting.

NEW BUSINESS

- Item 1: PACIFIC HIGHWAY SOUTH CORRIDOR POLICY DISCUSSION
Staff Presentation: Community Development Manager Denise Lathrop

Planning, Building and Public Works Director Dan Brewer and Community Development Manager Denise Lathrop gave a brief power point presentation on the Pacific Highway South Corridor Policy Discussion.

Direction/Action

Motion made by Mayor Kaplan to direct staff to proceed with Pacific Highway South corridor planning as outlined by Council; seconded by Councilmember Nutting.

The motion passed 6-0.

Item 2: 2015 COMPREHENSIVE PLAN PERIODIC UPDATE
Staff Presentation: Community Development Manager Denise Lathrop

Community Development Manager Denise Lathrop gave a brief power point presentation on the 2015 Comprehensive Plan Period Update.

No formal action was taken.

NEXT MEETING DATE

January 11, 2014; City Council Retreat

ADJOURNMENT

Motion made by Councilmember Nutting to adjourn; seconded by Councilmember Burrage. The motion passed 6-0.

The meeting was adjourned at 8:57 p.m.

Respectfully Submitted,
Bonnie Wilkins
City Clerk

MINUTES

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue South, Des Moines**

January 30, 2014 – 7:00 p.m.

CALL TO ORDER

Mayor Kaplan called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Councilmember Sheckler.

ROLL CALL

Council present: Mayor Dave Kaplan; Mayor Pro Tem Matt Pina; Councilmembers Jeremy Nutting, Melissa Musser, Jeanette Burrage, Bob Sheckler and Vic Pennington.

At 7:03 p.m. Councilmember Burrage joined the meeting.

Staff present: Assistant City Manager Lorri Ericson; City Attorney Pat Bosmans; Engineering Services Manager Brandon Carver; SWM Utility Manager Loren Reinhold; Planning, Community Development Manager Denise Lathrop; City Clerk Bonnie Wilkins.

CORRESPONDENCE

There were no correspondences.

COMMENTS FROM THE PUBLIC

- Amy Farquhar, 21937 7th Avenue S #222, introduced her new business, Sugars Gelato, to Council and passed out samples.
- J.C. Harris, 21834 12th Avenue S, is opposed to the paid parking proposal at the Marina and suggested Council market the Marina to increase revenue.
- Steve Comstock, 3402 I Street NE, Auburn, Coldwell Banker Commercial, working with Staff to develop a parcel of property on 259th & Pacific Highway South.
- Robert Hicks, 834 S 195th Street, is concerned about crime in his neighborhood and the lack of police presence.

BOARD AND COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

Councilmember Pennington:

- No Comment.

Councilmember Sheckler:

- Here to support Title 18.
- Arts Commission:
 - Grant opportunities.
 - Sad to hear Florence McMullin is no longer on Arts Commission.
- Go Hawks!

Councilmember Burrage:

- Go Hawks!
- South County Transportation Board.

Councilmember Pina:

- Master Builder's Elected Official Reception.
 - Met with other elected officials to talk about opportunities in Des Moines.
- Finance & Economic Development Committee:
 - Pacific Highway South Charter & Work Program.
 - Mixed Use Projects in Marina District.
 - Review of Fee Simple Ordinance.

Councilmember Musser:

- Municipal Facilities Committee:
 - Named Committee Chair.
 - Update on Request for Qualifications.
 - Meeting on February 12 with Goodfit Development and Weslead Capital.
 - Dining Hall Project Update:
 - Pre-Construction Planning.
- Arts Commission:
 - Presentation from Nancy Stephan, Art on Poverty Bay Outdoor Sculpture Gallery:
 - New sculptures for 2014 Art season.
 - Art around town for sale.
- Marina and Beach Park Paid Parking.
- Spoke at Pacific Middle School.
- Poverty Bay Wine Festival February 28-March 2nd at Landmark on the Sound.

Councilmember Nutting:

- Enrollment Growth and Facility Needs:
 - Met at Pacific Middle School.

PRESIDING OFFICER'S REPORT

- Marina Paid Parking Open House:
 - Building height discussion.
- School District Open House.
- Association of Washington Cities Day:
 - Elected Officials met with Representatives:
 - Transportation Improvements and Funding.
 - Fair Distribution of sales tax and streamline sales tax.
 - Funding the Public Works Trust Fund.
 - Special meeting of the King County Council:
 - Public Hearing on proposed Ordinances:
 - Transportation Issues.
- Loren Reinhold will continue as the City's Representative to the Water Resource Inventory Area 9.
- Working Washington:
 - Asking Council to support the \$15 per hour minimum wage.
- Thanked Dr. Alexander Szabo and Dorothy Smith for volunteering to serve on the Human Services Advisory Committee.

- Acknowledged Novella Perry, Rita Lambert and Victor Anderson for serving on the Senior Services Advisory Committee.
- Presented Marta Kalve a plaque for her outstanding service and dedication to the Human Services Advisory Committee.

ADMINISTRATION REPORT

There was no Administration Report.

Mayor Kaplan took Public Hearing Item 1 out of order to accommodate Councilmember Sheckler's vacation schedule.

PUBLIC HEARING/CONTINUED PUBLIC HEARING

Item 1: AMENDMENTS TO TITLE 18 DMMC, THE ZONING CODE
Staff Presentation: City Attorney Pat Bosmans

City Attorney Bosmans gave a brief presentation to Council on continued Amendments to Title 18 and explained some omissions that are now back in the Ordinance.

Mayor Kaplan asked 3 times if anyone wished to speak. Seeing none, Mayor Kaplan asked Council if they had any questions.

Mayor Kaplan closed the Public Hearing at 7:41 p.m.

Direction/Action

Motion made by Councilmember Sheckler to suspend Rule 26(a) in order to enact Draft Ordinance No. 13-170 on first reading; seconded by Mayor Pro Tem Pina. The motion passed 7-0.

Motion made by Councilmember Sheckler to enact Draft Ordinance No. 13-170, repealing and replacing Title 18 DMMC, the Zoning Code; seconded by Councilmember Nutting. The motion passed 7-0.

Motion made by Councilmember Sheckler to amend Draft Ordinance No. 13-170 to include Chapters 18.100, B-C Business Commercial Zone and 18.120, C-G General Commercial Zone and to amend the Draft Ordinance at p. 95 in the Residential Zone Primary Uses Tables 18.52.010A in Townhouse Development under RM-900 to read: P/L[15]; seconded by Councilmember Nutting.

The motion as amended passed 7-0.

Mayor Kaplan read Draft Ordinance 13-170 into the record.

At 7:46 p.m. Councilmember Sheckler left the meeting.

EXECUTIVE SESSION

At 7:46 p.m. Council went into an Executive Session. The purpose of the Executive Session was to discuss pending litigation under RCW 42.30.110 and the settlement pending in the matter before the Pollution Control Hearing Board No. 12-097c under RCW 42.30.110(1)(i). In attendance were Mayor Kaplan; Mayor Pro Tem Pina; Councilmembers Burrage, Musser, Nutting and Pennington. Also in attendance were Assistant City Manager Lorri Ericson; City Attorney Pat Bosmans; Assistant City Attorney Tim George; Planning, Building and Public Works Director Dan Brewer and SWM Utility Manager Loren Reinhold. The Executive Session concluded at 8:00 p.m.

The Regular Council Meeting resumed at 8:01 p.m.

CONSENT AGENDA

- Item 1: 2014 CITY COUNCIL VISION, MISSION STATEMENT, GOALS AND STRATEGIC OBJECTIVES
Motion is to adopt the Vision, Mission Statement, Goals and Strategic Objectives as amended by the City Council at the January 11, 2014 Council goal setting retreat.
- Item 2: APPROVAL OF VOUCHERS
Motion is to approve for payment vouchers and payroll transfers included in the attached list and further described as follows:
Claim Checks: \$2,021,742.87
Payroll Fund Transfers: \$856,275.89
Total Certified Wire Transfers, Voids, A/P and Payroll Vouchers: \$2,878,018.76
- Item 3: MAYORAL APPOINTMENT TO THE HUMAN SERVICES ADVISORY COMMITTEE
Motion is to confirm the Mayoral appointment of Dr. Alexander G. Szabo to a two year term on the Human Services Advisory Committee, effective immediately and expiring on December 31, 2015.
- Item 4: MAYORAL APPOINTMENTS TO THE SENIOR SERVICES ADVISORY COMMITTEE
Motion is to confirm the Mayoral appointment of Dorothy Smith to a four-year term on the City of Des Moines Senior Services Advisory Committee effective February 1, 2014 and expiring on December 31, 2017 and the Mayoral appointment of Jeanne Serrill to an unexpired term on the City of Des Moines Senior Services Advisory Committee effective February 1, 2014 and expiring on December 31, 2015.
- Item 5: DRAFT RESOLUTION NO. 14-006, SURPLUS OF PROPERTY – VEHICLES
Motion is to adopt Draft Resolution No. 14-006 declaring 10 City vehicles identified in Attachment 2 as surplus and authorizing disposal of said surplus vehicles by auction or trade-in.
- Item 6: NPDES RESOLUTION AND SETTLEMENT AUTHORITY
Motion is to authorize the City Manager, or his designee, to execute a settlement of the remaining issues in the appeal of the 2013-2018 NPDES Phase II Permit pending before the Washington State Pollution Control Hearings Board.

Item 7: WASHINGTON STATE HISTORICAL SOCIETY GRANT CONTRACT
Motion is to approve Contract HCP 15-20 with the Washington State Historical Society to receive funds in the amount of \$850,000 for the Covenant Beach Bible Camp Historic District Dining Hall Rehabilitation Project and to authorize the City Manager to sign said contract substantially in the form as attached.

Item 8: 2014-2015 RECYCLING PROGRAM FUNDING AND PROFESSIONAL SERVICES CONTRACT
First Motion is to authorize the City Manager to sign the 2013-2015 CPG Grant No. G1400145 between the City of Des Moines and the Washington State Department of Ecology; the 2014 LHWMP Grant No. EHS3364 between the City of Des Moines and the Seattle-King County Department of Public Health; and the 2014 WR/R Grant No. 5637571 between the City of Des Moines and the King County Department of Public Health.

Second Motion is to authorize the City Manager to sign the Professional Services Contract for the 2014-2015 Recycling Program between the City of Des Moines and Olympic Environmental Resources substantially in the form as submitted.

Councilmember Burrage removed Item 1 for a possible amendment.

Direction/Action

Motion made by Councilmember Nutting to approve the remainder of the consent agenda; seconded by Councilmember Musser.
The motion passed 6-0.

Motion made by Councilmember Burrage to adopt the Vision, Mission Statement, Goals and Strategic Objectives as amended by the City Council at the January 11, 2014 Council goal setting retreat; seconded by Councilmember Musser.

Friendly Amendment made by Councilmember Burrage to change the wording of Short Term Strategic Objectives to read "Business Retention and Attraction Plan for the City"; agreeable to the maker of the motion.
The motion, as amended, passed 6-0.

NEW BUSINESS

Item 1: 2014-2015 ON-CALL CONSULTANT AGREEMENTS FOR CIVIL ENGINEERING SERVICES

Staff Presentation: Engineering Services Manager Brandon Carver

Transportation Manager Carver gave a brief power point presentation.

Direction/Action

Motion made by Councilmember Pennington to approve the Consultant Agreements for On-Call Civil Engineering Services (2014-2015) with AMEC, BergerABAM, Blueline Group, ESA, Exeltech, Fehr & Peers, HDR, Kpff, KPG, Parametrix, Tetra Tech each up to \$1,000,000.00, and authorize the City Manager to sign the Agreements substantially in the form as submitted; seconded by Mayor Pro Tem Pina.

The motion passed 6-0.

- Item 2: PARAMETRIX TASK ORDER ASSIGNMENT FOR 2014 SWM
 COMPREHENSIVE PLAN
Staff Presentation: SWM Utility Manager Loren Reinhold

SWM Utility Manager Reinhold gave a brief presentation.

Motion made by Mayor Pro Tem Pina to approve the on-call Task Order Assignment 2014-01 with Parametrix for the 2014 Surface Water Comprehensive Plan in the amount of \$234,410.81, authorize a contingency in the amount of \$25,000, and further authorize the City Manager to sign said Task Order Assignment, substantially in the form as submitted; seconded by Councilmember Pennington.
The motion passed 6-0.

- Item 3: 2014 BUILDABLE LANDS ANALYSIS
Staff Presentation: Community Development Manager Denise Lathrop

Community Development Manager Lathrop gave a brief power point presentation.

No formal action was taken.

NEXT MEETING DATE

February 13, 2014, Regular City Council Meeting

ADJOURNMENT

Motion made by Councilmember Nutting to adjourn; seconded by Councilmember Burrage.
The motion passed 6-0.

The meeting was adjourned at 8:32 p.m.

Respectfully Submitted,
Bonnie Wilkins
City Clerk

11
MINUTES

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue South, Des Moines**

February 13, 2014 – 7:00 p.m.

CALL TO ORDER

Mayor Kaplan called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Councilmember Burrage.

ROLL CALL

Council present: Mayor Dave Kaplan; Mayor Pro Tem Matt Pina; Councilmembers Jeremy Nutting, Melissa Musser, Jeanette Burrage, Bob Sheckler and Vic Pennington.

Staff present: City Manager Tony Piasecki; City Attorney Pat Bosmans; Parks, Recreation and Senior Services Director Patrice Thorell; City Clerk Bonnie Wilkins.

CORRESPONDENCE

There were no correspondences.

COMMENTS FROM THE PUBLIC

Nancy Gosen, 21925 7th Avenue S #106, gave Council an Arts Commission update and read a thank you in advance letter from Anna Brodie on her possible appointment to the Arts Commission.

Rita Jorstad, 22218 5th Avenue S #104, asked Council to check into DMMC Code 18.41.110, 18.41.160 and 18.41.190, for proximity of tree placement at Cliff House Condominiums.

Jim Wilson, 22218 5th Avenue S #102, had the same concerns regarding the tree placement at Cliff House Condominiums.

BOARD AND COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

Councilmember Pennington:

- Attended Public Safety & Transportation Committee Meeting:
 - Transportation Gateway on 216th, East of Highway 99.
 - LED Streetlight Program.

Councilmember Sheckler:

- No Report.

Councilmember Burrage:

- Public Issues Committee Meeting:
 - Letter presented from Eastside County Transit.
 - How long can the public speak; 2 minutes.
 - Transportation Benefit District proposed by the County:
 - Sound Cities Association supporting.
 - Regional Transit Oriented Development Fund.

Councilmember Pina:

- Destination Des Moines Board Meeting:
 - 2014 Events.
- Master Builders Association Meeting.
- Municipal Facilities Committee Meeting.
- Poverty Bay Wine Festival, February 28-March 2, 2014.

Councilmember Musser:

- Destination Des Moines Board Meeting.
- Municipal Facilities Committee Meeting:
 - Marina Development to full Council at the end of March.
 - Pybuspublicmarket.org, indoor market.
- Environment Committee:
 - Elected Mayor Kaplan as Chair.
- Sports Night, March 21 at the Des Moines Field House:
 - Door prizes.
 - Auction.
 - Food/Beverages/Desserts.
 - Tickets are \$50 per person or a table of 8 for \$375.

Councilmember Nutting:

- Enrollment Growth & Facilities Needs for the Highline School District
- Senior Services Advisory Committee:
 - Welcomed new Committee members.
 - Committee goals for the year:
 - Continuing nutrition.
 - Take back meds program.
 - Continue to educate.

PRESIDING OFFICER'S REPORT

- Destination Des Moines Board Meeting.
- Master Builders Association Meeting.
- Environment Committee:
 - Elected Chair.
 - Tree Trimming Issues on both public and private property.
 - Transportation Note:
 - Majority Caucus Coalition.
 - Proposal-Fund Transportation.

Motion made by Councilmember Sheckler to hold a Public Hearing to consider different points of view in support of the King County Transportation Benefit District; seconded by Mayor Pro Tem Pina.

The motion passed 7-0.

ADMINISTRATION REPORT

Emerging Issues:

1. Attended the Master Builders Association monthly breakfast with Marion Yoshino.
2. Tree Reports:
 - a. Large tree in Big Catch Plaza not doing well. Arborist reports serious problems. Legacy Foundation has committed to finding largest tree they can to replace it with.

- b. Tree in Beach Park: Clipped corner of Picnic Shelter roof and the roof of the restroom building during storm.

CONSENT AGENDA

- Item 1: APPROVAL OF MINUTES
Motion is to approve the minutes of the January 9, 2014 Executive Session, the minutes from the December 12, 2013 and January 2, 2014 Regular City Council Meetings and minutes from the January 11, 2014 City Council Retreat.

- Item 2: APPROVAL OF VOUCHERS
Motion is to approve for payment vouchers and payroll transfers included in the attached list and further described as follows:
Claim Checks: \$1,263,273.57
Payroll Fund Transfers: \$425,104.10
Total Certified Wire Transfers, Voids, A/P and Payroll Vouchers: \$1,688,377.67

- Item 3: ARTS COMMISSION APPOINTMENT
Motion is to confirm the Mayoral appointment of Anna Brodie to an unexpired term on the City of Des Moines Arts Commission effective immediately and expiring on December 31, 2015.

- Item 4: SETTING PUBLIC HEARING DATE FOR DRAFT ORDINANCE 13-279, MODIFICATION OF PARKING PROVISIONS
Motion is to adopt Draft Resolution No. 13-279 to set a public hearing on March 13, 2014 to consider Draft Ordinance 13-279 amending DMMC 18.210.070(3), Modification of parking provisions.

- Item 5: 2014 DES MOINES ROTARY CLUB POVERTY BAY WINE FESTIVAL
Motion is to adopt Draft Resolution Nos. 14-016, authorizing the use of the Marina parking lot by the Rotary Club of Des Moines for the Tenth Annual Poverty Bay Wine Festival, taking place from February 28th to March 2, 2014; and, to direct the City Manager to execute the Agreement between the City of Des Moines and the Rotary Club of Des Moines, substantially in the form as attached.

Direction/Action

Motion made by Councilmember Musser to approve the consent agenda; seconded by Mayor Pro Tem Pina.
The motion passed 7-0.

At 7:37 p.m. Councilmember Sheckler left the meeting.

EXECUTIVE SESSION

At 7:37 p.m. Council went into an Executive Session. The purpose of the Executive Session was to discuss labor negotiations under RCW 42.30.140(4)(a). In attendance were Mayor Kaplan; Mayor Pro Tem Pina; Councilmembers Nutting, Musser, Burrage and Pennington. Also in attendance were City Manager Tony Piasecki. At 8:01 p.m. Mayor Kaplan announced that the Executive Session would last another 5 minutes. The Executive Session concluded at 8:08 p.m.

The Regular Council Meeting resumed at 8:08 p.m.

OLD BUSINESS

Item 1: 2014 SUMMER EVENTS – AGREEMENT WITH DESTINATION DES MOINES
Staff Presentation: Parks, Recreation & Senior Services Director
Patrice Thorell

Parks, Recreation & Senior Services Director Thorell gave a brief power point presentation to Council.

Direction/Action

Motion 1 made by Councilmember Musser to approve Draft Resolution 14-017 authorizing Destination Des Moines to use City property to conduct two summer events: Fireworks Over Des Moines on July 3-4, 2014 and the Waterland Festival on July 18-20, 2014; seconded by Mayor Pro Tem Pina. The motion passed 6-0.

Motion 2 made by Councilmember Musser to authorize the City Manager to sign the Agreement with Destination Des Moines for summer events specifying the responsibilities assumed by Destination Des Moines and identifying the in-kind services and facilities that will be provided by the City, substantially in the form as attached; seconded by Mayor Pro Tem Pina. The motion passed 6-0.

NEXT MEETING DATE

February 20, 2014, Regular City Council Meeting

ADJOURNMENT

Motion made by Councilmember Nutting to adjourn; seconded by Councilmember Musser. The motion passed 6-0.

The meeting was adjourned at 8:19 p.m.

Respectfully Submitted,
Bonnie Wilkins
City Clerk

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Setting Public Hearing Date for Draft Ordinance 14-011, Modification of zoning requirements regulating commercial space requirements in the Marina District

ATTACHMENTS:

1. Draft Resolution No. 14-011 setting a public hearing date for Draft Ordinance No. 14-011.
2. Draft Ordinance No. 14-011

FOR AGENDA OF: March 6, 2014

DEPT. OF ORIGIN: Economic Development

DATE SUBMITTED: February 25, 2014

CLEARANCES:

- Legal FB
- Finance N/A
- Marina N/A
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works DSB
- Police N/A
- Economic Development Manager WJ

APPROVED BY CITY MANAGER

FOR SUBMITTAL: DA

Purpose and Recommendation

The purpose of this agenda item is for City Council to consider Draft Resolution No. 14-011 which will set a public hearing date for the consideration of Draft Ordinance No. 14-011, amending DMMC 18.115.050(9), “*Environmental performance standards, use restrictions, and general limitations.*” The City Council can move forward with the consideration of this Ordinance by passing the following motion:

Suggested Motions

Motion 1: “I move to adopt Draft Resolution No. 14-011 to set a public hearing on April 10, 2014 to consider Draft Ordinance No. 14-011 amending DMMC 18.115.050(9), ‘*Environmental performance standards, use restrictions, and general limitations.*’”

Background

In recent months, the Finance and Economic Development Committee has heard from several property owners in the Marina District with concerns about commercial space requirements. In response to those

concerns, the Committee asked staff prepare a Draft Ordinance that would reduce the commercial space requirements in the Marina District for buildings that front 7th Avenue South, South of South 219th Street and north of South 227th Street from 60% to 33%. Consideration for additional reduction in the Draft Ordinance was also to be given to properties under 10,000 Square Feet. The Finance and Economic Development Committee has reviewed the Draft Ordinance and has agreed that the Draft Ordinance 14-011 is ready for consideration of the full Council. The proposed modifications would remain in effect until June 30, 2015, the same expiration date for the proposed extension of the Marina District parking waiver (Draft Ordinance No. 13-279).

Discussion

Because many parcels in the Downtown Commercial (D-C) Zone are small in size, particularly on 7th Avenue South, the commercial space requirements, together with the number of parking spaces required by the DMMC, could make it financially difficult to redevelop. When sites are considered in conjunction with dimensional requirements such as height limits, they may be constrained as to maximum developable square footage. Commercial space requirements per the DMMC may not leave enough available space on the site to justify redevelopment.

The City Council's continued support of the redevelopment of the Marina District as a commercially viable mixed use neighborhood is essential; it has become clear that many Marina District properties are not improved to the extent presently allowed by the City of Des Moines Comprehensive Plan and the Zoning Code. Relaxing commercial space requirements in the D-C Zone could make it more economically feasible for property owners to redevelop their properties.

Strategy 2-04-08 of the Land Use Element of the Comprehensive Plan states that the City should "encourage improvement of the Downtown Neighborhood by working with the business community and other representative organizations to achieve the goals of the City of Des Moines Comprehensive Plan".

Alternatives

The City Council may:

1. Adopt the proposed Draft Resolution.
2. Adopt the Draft Resolution with a different hearing date.
3. Decline to adopt the Draft Resolution.

Financial Impact

If development projects are able to move forward due to the proposed modifications, the impact is positive. There are several potential projects that would benefit from the proposed modifications.

Recommendation or Conclusion

Staff recommends that the City Council adopt Draft Resolution No. 14- 011 as written or amend the Resolutions to establish a different hearing date.

CITY ATTORNEY'S FIRST DRAFT 02/25/14

DRAFT RESOLUTION NO. 14-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, fixing a time for a public hearing to consider Draft Ordinance No. 14-011 which amends the "Environmental performance standards, use restrictions, and general limitations" codified in DMMC 18.115.050(9).

WHEREAS, the City Council is considering amendments to DMMC 18.115.050(9) relating to environmental performance standards, use restrictions, and general limitations for commercial properties in the Marina District, and

WHEREAS, a public hearing is necessary to receive public comment regarding this proposal, and

WHEREAS, a public hearing is required for adoption of an ordinance which amends a portion of the Title 18 DMMC commonly referred to as the Zoning Code; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

The matter of amendments to DMMC 18.115.050(9), "Environmental performance standards, use restrictions, and general limitations," is set for a public hearing before the City Council on Thursday, April 10, 2014, at 7:00 p.m., or as soon thereafter as the matter may be heard, in the City Council Chambers, 21630 11th Avenue South, Suite B, Des Moines, Washington.

ADOPTED BY the City Council of the City of Des Moines, Washington this 6th day of March, 2014 and signed in authentication thereof this ____ day of March, 2014.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

Resolution No. ____
Page 2 of ____

City Clerk

2/24/14 1:37 PM

CITY ATTORNEY'S FIRST DRAFT 02/24/2014

DRAFT ORDINANCE NO. 14-011

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON, relating to modifications of the zoning requirements regulating commercial space requirements for the area identified as the Marina District amending chapter 18.115 DMMC.

WHEREAS, approximately 53 acres of land area exists in the City's Marina District adjacent to Marine View Drive, 7th Avenue South, and within the City's Marina that is zoned DC, Downtown Commercial, and

WHEREAS, the Marina District neighborhood serves as the City's downtown core providing for multi-family residential, commercial and mixed use development, and

WHEREAS, the Council Finance and Economic Development Committee has determined that land in the Marina District is highly underutilized and that growth and vitality in the neighborhood is linked to providing for, accommodating, and encouraging property owners to develop to the highest and best use for, and

WHEREAS, personal service oriented commercial use and high residential density within mixed use development are both considered highest and best uses that are desired by the City, and

WHEREAS, the textual code amendments proposed by this Ordinance have been processed in accordance with the requirements of SEPA, a determination of nonsignificance (DNS) was issued on _____ by the responsible official, and the applicable SEPA comment period has concluded, and

WHEREAS, the textual code amendments proposed in this ordinance were provided to the Department of Commerce as required by RCW 36.70A.106, and

WHEREAS, pursuant to DMMC 18.20.080 amendment of the Zoning Code (Title 18 DMMC) is a legislative (Type VI) land use decision, and

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WHEREAS, pursuant to DMMC 18.20.210 amendments to the Zoning Code (Title 18 DMMC) require the City Council to conduct a public hearing to receive public comment regarding this proposal, and

WHEREAS, DMMC 18.30.100(3) requires that the date of the public hearing to consider amendments to Title 18 DMMC be set by motion of the City Council, and

WHEREAS, the City Council set the date for the public hearing by Resolution No. _____, fixing the public hearing for April 10, 2014, and

WHEREAS, notice of the public hearing was issued on _____, 2014 in accordance with the DMMC, and

WHEREAS, a public hearing was held on April 10, 2014 and all persons wishing to be heard were heard, and

WHEREAS, the City Council finds that the amendments contained in this Ordinance are appropriate and necessary; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1 DMMC 18.115.050 and section 277 of Ordinance No. 1591 entitled Environmental performance standards, use restrictions, and general limitations, are amended by adding new subsections to read as follows:

(1) Every use permitted within the D-C Zone pursuant to this chapter shall conform to the following general limitations and standards:

(a) As provided by chapter 9.64 DMMC, no use, activity, or equipment shall be permitted that creates a nuisance or is offensive, objectionable, or hazardous by reason of creation of odors, noise, sound, vibrations, dust, dirt, smoke, or other pollutants, noxious, toxic, or corrosive fumes or gases, radiation, explosion or fire hazard, or by reason of the generation,

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disposal, or storage of hazardous or dangerous wastes or materials in a manner(s) inconsistent with Title 70 RCW as presently constituted or as may be subsequently amended;

(b) Accessory uses are permitted that are customarily appurtenant or incidental to the principally permitted uses;

(c) All uses shall be primarily contained within an enclosed structure except the following:

(i) Outdoor seating and dining;

(ii) Signs;

(iii) Off-street parking, drive-through facilities, and loading areas;

(iv) Motor vehicle fuel pumps;

(v) Display of merchandise sold on site; and

(vi) Play/recreation areas.

(d) In reviewing a proposed permitted use, the City Manager or the City Manager's designee may waive or include minimal conditions as may be reasonably needed to ensure that the use is consistent with the purpose of the D-C Zone, and to minimize the likelihood of adverse impacts.

(2) Home occupations shall be permitted only as an accessory use; provided, that all of the following conditions and limitations are satisfied:

(a) The principally permitted use to which the home occupation is accessory shall be

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a legally permitted, constructed, and conforming residential component of a mixed use development;

(b) All conditions set forth in DMMC 18.52.010(A) are satisfied.

(3) Boat storage and repair shall be permitted only as an accessory use on property principally permitted for marina use and shall conform to the following additional limitations and standards:

(a) The size and location of all boat storage facilities shall be consistent with the council-adopted marina master plan;

(b) All out-of-water boat repair shall be within a fully secured and fenced area not accessible by the general public;

(c) All boat repair work shall have containment areas and employ disposal methods for pollutants and toxic substances consistent with Puget Sound Clean Air Agency and NPDES standards;

(d) Only those boats and similar vessels that will be immediately and actively under repair shall be moved to or placed within a designated boat repair facility.

(4) Adult entertainment facilities and adult motion picture theaters are not permitted in the D-C Zone.

(5) Nonconforming uses located in the D-C Zone shall be allowed to continue to exist, but only to the extent, size, or scale that these uses were legally authorized or licensed to operate by the City. A property containing a single business entity that is a nonconforming use shall not be allowed to add any other use components or otherwise increase the intensity or facet of the use unless all nonconforming use elements of the property are first completely removed from the

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site. A property containing multiple business entities and that has one or more nonconforming uses upon it shall not be allowed to add any other use components or otherwise increase the intensity or facet of that portion of the property or building containing uses that are nonconforming unless the addition of a new use results in the complete removal of that portion of the property or building containing a nonconforming use.

(6) Automobile repair, carwashes, automobile service stations, uses with drive-through facilities, and similar uses shall conform to the following limitations and standards:

(a) Automobile repair and the installation of automobile parts and accessories shall be wholly performed within an enclosed structure approved by the Building Official for such occupancy;

(b) Each automotive and service repair facility shall be limited to a maximum of one service bay for each 7,500 square feet of land area per business site;

(c) Service bays shall be fully utilized to store and park vehicles contracted for repair or service;

(d) The number of vehicles stored or parked outside for repair or service shall not be greater than the minimum number of required parking stalls serving the auto repair facility pursuant to chapter 18.210 DMMC;

(e) No outside parking or storage of employee vehicles, customer vehicles, or vehicles contracted for service shall occur in any area that is not designated and approved by the City as an on-site parking stall;

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(f) Motor vehicle fuel pump islands shall be set back a minimum of 15 feet from property lines;

(g) A six-foot-high, 100 percent sight-obscuring fence shall be provided along property lines that abut residentially zoned properties, unless waived by the residential property owner prior to building permit issuance.

(7) Welding repair (7692) is only permitted in an enclosed structure.

(8) Social service facilities shall conform to the following limitations and standards:

(a) Outdoor play/recreation areas for children shall be set back a minimum of five feet from property lines; and

(b) Unless specifically authorized by the City Manager or the City Manager's designee, passenger loading and unloading areas shall be provided on site.

(9) Mixed use development shall conform to the following limitations and standards:

(a) Mixed use structures shall contain area for retail trade or personal and business services, at street level as follows:

(i) Pedestrian access from the public sidewalk to the retail trade or personal and business services shall be provided, and

(ii) A minimum of 60 percent of the street level floor area shall be occupied by retail trade or personal and business services;

(iii) A minimum of 75 percent of the street level building frontage adjacent to public right(s)-of-way shall contain floor area

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for retail trade or personal and business services uses;

(iv) Building space allocated for retail trade or personal and business service uses at the street level shall have a minimum gross interior depth dimension of 55 feet measured perpendicular to the property line abutting the public street(s) serving the site.

(b) The City Manager or designee is authorized to consider and approve up to a 20% reduction of the bulk requirements specified in subsection (9)(a) of this section when a development proposal incorporates on-site parking substantially at street floor level for retail trade or personal and business service uses and the City Manager or designee determines that the proposed reduction(s) does not compromise, interrupt, or interfere with the desired functionality of the building or the continuity of City pedestrian-oriented design goals in the general area and pedestrian access to the site from the public sidewalk or right-of-way.

(c) Mixed use developments shall comply with all the requirements of chapter 18.155 DMMC, except for private recreational requirements established by DMMC 18.155.050(2).

(d) A detached structure that contains residential uses and does not meet the requirements for mixed use structures is prohibited.

(e) Except that, for buildings fronting on 7th Ave South, South of South 219th Street and north of South 227th Street, 9(a)(ii) is revised from 60 percent to 33 percent, and 9(a)(iii) through (iv) shall not apply. This exception is effective through June 30, 2015.

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(f) The exception identified in 9(e) is further modified for lots under 10,000 square feet in that 9(a)(ii) is revised to read "some of the street level floor area shall be occupied by retail trade or personal and business services". This exception is effective through June 30, 2015.

Sec. 2. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

(2) If the provisions of this ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this ordinance is deemed to control.

Sec. 3. Effective date. This ordinance shall take effect and be in full force thirty (30) days after its passage, approval, and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this _____ day of _____, 2014 and signed in authentication thereof this _____ day of _____, 2014.

M A Y O R

APPROVED AS TO FORM:

Assistant City Attorney

ATTEST:

City Clerk

Published:

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: 2014 Des Moines Dollars for Scholars
Scholarship Reception

FOR AGENDA OF: March 6, 2014

ATTACHMENTS:

1. Draft Resolution No. 14-022
2. Draft Agreement for the 2014 Des Moines Dollars for Scholars' Scholarship Reception Event

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: 2/24/2014

CLEARANCES:

- Legal AG
- Finance PL
- Marina N/A
- Parks, Recreation & Senior Services GB
- Planning, Building & Public Works N/A
- Police N/A
- Courts N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL AT

Purpose and Recommendation

The purpose of this agenda item is to request that the City Council adopt Draft Resolution No. 14-022 authorizing the use of the Des Moines Activity Center free of charge by the Des Moines Dollars for Scholars' Scholarship Reception on May 7, 2014.

Suggested Motion

Motion: "I move to adopt Draft Resolution No. 14-022, authorizing the use of the Des Moines Activity Center by Des Moines Dollars for Scholars for its 2014 Scholarship Reception, taking place on May 7, 2014; and, to direct the City Manager to execute the Agreement between the City of Des Moines and Des Moines Dollars for Scholars, substantially in the form as attached."

Background:

Des Moines Dollars for Scholars is a non-profit organization founded in 2000 which provides scholarships in the Des Moines and Normandy Park communities to deserving students based on their scholastic record, work experience, and community participation. Des Moines Dollars for Scholars will be hosting its 2014 Dollars for Scholars Scholarship Reception at the Des Moines Activity Center on May 7, 2014 from 5:00 p.m. to 8:00 p.m. and is requesting the Council waive the rental fee and cleaning deposit for this event.

Discussion:

It is projected that approximately 50 attendees will be present for the Event. Dollars for Scholars will work closely and cooperatively with the City to ensure Event safety and security.

Funds for Dollars for Scholars' scholarships are raised from local businesses and nonprofit organizations and every dollar donated goes directly to its scholarships. Between ten and fifteen scholarships totaling between \$12,000 and \$15,000 are expected to be presented this year. Dollars for Scholars has no budget for rental of a facility for this Event.

Alternatives:

None provided.

Financial Impact:

There will be minimal impact to the City of Des Moines Activity Center operations. By approving this agenda item, the rental fee in the amount of \$140.00 per hour (\$420.00), plus \$110.00 cleaning deposit, will be waived. Dollars for Scholars will set up and clean up the facility.

Recommendation/Conclusion:

The Des Moines' Dollars for Scholars Reception is a positive draw for the Des Moines community and therefore staff recommends approval of the use of the Des Moines Activity Center.

CITY ATTORNEY'S FIRST DRAFT 02/20/2014

DRAFT RESOLUTION NO. 14-022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing Dollars for Scholars to conduct its Scholarship Reception ("Event") at the Des Moines Activity Center and listing conditions under which such permission is granted.

WHEREAS, the non-profit and locally operated and supported Des Moines Dollars for Scholars is a grass roots organization founded in 2000 which provides scholarships to students in the Des Moines and Normandy Park communities, and

WHEREAS, Des Moines Dollars for Scholars wishes to conduct its Event at the Des Moines Activity Center on May 7, 2014, to honor those students who have earned scholarships based on their scholastic record, work experience, and community participation, and

WHEREAS, the Event will enhance the quality of life for residents of the City of Des Moines, and

WHEREAS, the City of Des Moines wishes to permit the Dollars for Scholars Event; and, at the same time, be held harmless from any liability arising from the existence of such activity; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. Permission to utilize the Activity Center facilities and marketing opportunities to conduct the 2014 Dollars for Scholars Event on May 7, 2014 is granted to Dollars for Scholars, subject to the following conditions:

(1) Dollars for Scholars shall defend and hold the City of Des Moines harmless from any liability which may result from the conduct of the Event or its activities; and an authorized official of Dollars for Scholars shall sign a written agreement, on behalf of Dollars for Scholars, that approval of this 2014 Event Resolution does not constitute a waiver of Dollars for Scholars' obligation to defend and hold the City of Des Moines harmless from any liability that may result from the conduct of the Event or its activities.

Resolution No. _____
Page 2 of 3

(2) The prime leadership of all Event committees shall be non-City personnel and it shall be clearly understood that assistance by City personnel is advisory to Dollars for Scholars.

(3) An authorized official of Dollars for Scholars shall execute a written agreement, on behalf of Dollars for Scholars, acknowledging its responsibilities for the conduct of Event activities and accepting such limitations as are contained in this resolution, in addition to such limitations as may be imposed by the City Council or City Manager, including, but not limited to:

(a) Dollars for Scholars agrees to take whatever measures are necessary to prevent damage to City facilities and to be responsible for any damage that may occur as a result of the Event.

(b) The hours of Event operations shall be as follows:

Wednesday, May 7, 2014 5:00 p.m. to 8:00 p.m.

(c) Set-up and take-down hours shall be determined by the City Manager or his designee.

(d) Dollars for Scholars will use all reasonable efforts to advertise the Event as a community Event.

Sec. 2. The City Manager is authorized, at his discretion, to grant permission to Dollars for Scholars to use and occupy for the purpose of the Event City facilities at the Des Moines Activity Center.

ADOPTED BY the City Council of the City of Des Moines, Washington this ____ day of _____, 2014 and signed in authentication thereof this ____ day of _____, 2014.

M A Y O R

Resolution No. _____
Page 3 of 3

APPROVED AS TO FORM:

Assistant City Attorney

ATTEST:

City Clerk

**AGREEMENT BETWEEN THE CITY OF DES MOINES AND DES MOINES
DOLLARS FOR SCHOLARS
2014 SCHOLARSHIP RECEPTION EVENT**

THIS AGREEMENT is entered into by and between the CITY OF DES MOINES, WASHINGTON (hereinafter “City”), a municipal corporation of the State of Washington, and the DES MOINES DOLLARS FOR SCHOLARS (hereinafter “Dollars for Scholars”) for the 2014 Scholarship Reception (“Event.”).

WHEREAS, the City finds that the Event enhances the quality of life for residents of the City of Des Moines, and

WHEREAS, Dollars for Scholars, as sponsor of the Event, carries out all activities as a non-profit and locally operated and supported organization which provides scholarships to students in the Des Moines and Normandy Park committees, and

WHEREAS, the City of Des Moines wishes to permit the Dollars for Scholars Event while at the same time being held harmless from any liability arising from the existence of such activities and to have Dollars for Scholars sponsor the Event pursuant to certain terms and conditions; now therefore,

IN CONSIDERATION of the mutual benefits and conditions listed below, the parties agree as follows:

(1) Dollars for Scholars agrees as follows:

(a) Dollars for Scholars shall conduct its 2014 Event in compliance with all federal, state, and local statutes, ordinances, and regulations. Dollars for Scholars further agrees as follows:

(b) The prime leadership of all Event committees shall be non-City personnel and it is clearly understood that assistance by City personnel is advisory to Dollars for Scholars.

(c) Dollars for Scholars shall defend, indemnify and hold the City of Des Moines, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the conduct of the event or its associated activities, except for injuries and damages caused by the sole negligence of the City. In the event that any suit based upon such claim, injury, damage, or loss is brought against the City, Dollars for Scholars shall defend the same at its sole cost and expense; provided, that the City retains the right to participate in said suit if any principal of governmental or public law is involved; and if final judgment be rendered against the City and its officers, agents, employees, or any of them, or jointly against the City and Dollars for Scholars and their respective officers, agents, and employees, or any of them, Dollars for Scholars shall satisfy the same.

(d) Dollars for Scholars shall remove all signage within ten (10) days after the final day of the Event.

(e) Dollars for Scholars acknowledges its responsibilities for the conduct of Event activities and accepts such limitations as are contained herein, in addition to such limitations as may be imposed by the City Council or City Manager.

(f) Dollars for Scholars agrees to take whatever measures are necessary to prevent damage to the Activity Center facilities and to be responsible for any damage that may occur as a result of the Event.

(g) The hours of the Event at the Des Moines Activity Center shall be:

Wednesday, May 7, 2014 5:00 pm – 8:00 pm.

(2) The City agrees as follows:

(a) Upon execution of this Agreement, the City grants permission to Dollars for Scholars to use and occupy, for the purpose of the Event, property located at 2046 S. 216th Street, Des Moines, WA.

(b) The City shall permit Dollars for Scholars to erect such special signage as is appropriate in the thirty (30) days prior to and during the event.

(3) Duration of Agreement. This Agreement will commence upon date of execution and ends upon renewal of this Contract, execution of a new Contract, City's written termination of the Contract as described in Section 4 of this Agreement, or Dollars for Scholars' decision not to have the Event, whichever is sooner. Provided, however all indemnification and hold harmless provisions of this Agreement shall survive the termination of this Agreement.

(4) Termination. This Agreement may be terminated by the City for good cause upon thirty (30) days' written notice to Dollars for Scholars of the City's intention to terminate the same. Good cause is defined as either:

(a) Failure of Dollars for Scholars to perform any requirement of this contract within ten (10) days after the City makes written demand for such performance; or

(b) Termination required for purposes of public health, safety, welfare or the public interest, as determined by a majority of the Des Moines City Council in open public meeting.

(5) Discrimination Prohibited. Dollars for Scholars shall not discriminate against any employee, applicant, vendor, or any person seeking to participate in Event festivities on the basis of race, color, religion, creed, sex, national origin, marital status, sexual orientation, or presence of any sensory, mental, or physical handicap.

(6) Entire Agreement. This Agreement contains the entire agreement between the parties and no other agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or bind any of the parties. Either party may request changes in the Agreement. Proposed changes mutually agreed upon will be incorporated by written amendments to this Agreement.

(7) Governing Law. The existence, validity, construction, and enforcement of this Agreement shall be governed in all respects by the laws of the State of Washington.

(8) Mediation/Arbitration Clause. If a dispute arises from or relates to this Agreement or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under the American Arbitration Association's Rules before resorting to arbitration. The mediator may be selected by agreement of the parties or through the American Arbitration Association. Following mediation, any unresolved controversy or claim arising from or relating to this Agreement or breach thereof shall be settled through arbitration which shall be conducted under the American Arbitration Association's Arbitration Rules. The arbitrator may be selected by agreement of the parties or through the American Arbitration Association. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

(9) Amendments/Authorization for Additional Services. This Agreement may be modified or amended and additional conditions may be authorized during the term of this Agreement upon the mutual written consent of the parties.

(10) Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competitive jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated as a result of such decision.

(11) Waiver. The waiver by either party of any breach of any term, condition, or provision of the Agreement shall not be deemed a waiver of such term, condition, or provision or any subsequent breach of the same or any condition or provision of this Agreement.

(12) Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(13) Time of Essence. Time is of the essence for each and all of the terms, covenants, and conditions of this Agreement.

(14) Concurrent Originals. This Agreement may be signed in counterpart originals.

(15) Ratification and Confirmation. Any acts consistent with the authority and prior to the effective date of this Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

CITY OF DES MOINES

DOLLARS FOR SCHOLARS

By: Anthony A. Piasecki
Its City Manager

By _____
Its _____

At the direction of the Des Moines City
Council In Open Public Meeting on
_____.

Date: _____

Date _____

APPROVED AS TO FORM:

Assistant City Attorney

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Update on Marina Financial Forecasts for Operations and the Capital Improvement Program.

ATTACHMENTS:

FOR AGENDA OF:

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: February 26, 2014

CLEARANCES:

- Legal N/A
- Finance cl
- Marina cl
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police N/A
- Courts N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this presentation is to provide the City Council an overview of operational, master planning and financial issues at the Marina.

Background

Marina Operations

The components of the Marina revenue stream are, in order of relative importance, moorage, (all types, including, winter moorage, dry sheds and guest moorage), leases and rentals, fuel sales, parking fees, storage fees, sale of electricity and other miscellaneous revenues.

Moorage is the core Marina business. Not only is it about two thirds of total revenue, almost all the gross profit comes from the moorage operations. Since 2005, growth in moorage revenue has averaged less than 2% a year, even after factoring in the rate increases adopted by the Council that were applied in 2007, 2008 and 2009, which averaged between 3 and 7% per year for those 3 years depending on the size of the slip. Essentially, increasing vacancy rates have eroded anticipated revenue gains from rate increases.

Leases and rentals have become a significant source of gross profits. The City has a lease with the operators of the boat yard and a yacht broker located on “L” Dock. In recent years, lease and rental revenues have been around \$90,000 per year and since the leased facilities are over forty years old and essentially depreciated out, the expenses associated with the leases are very low. Recently the Marina spent a significant amount upgrading the electrical system for the boat yard but again, averaged over the life of the facility the maintenance costs are very low.

It is reasonable to assume that total revenues from fuel sales will increase over the next five to ten years just because prices will probably increase, but the Marina uses a fixed mark-up per gallon so the gross profit is dependent on volume, not price. Since the volume tends to go down when prices spike up, it is possible for revenue to increase but gross profit to go down. Since 2005, gross profit from fuel sales has averaged \$95,000 per year and since there are not many other fuel docks in the South Sound, the staff believes it is reasonable to assume that the City can count on gross profits in that range for the foreseeable future.

Parking fees from the Redondo Facility is another high gross profit revenue source. Revenues from the lot have grown steadily since the lot was remodeled and a pay station was installed in 2002 in spite of declining fishing opportunities. Last year revenue was about \$82,000. Now that systems are in place for enforcement, increases in use do not impact overhead costs that much. Parking revenues have essentially replaced the revenues the Marina used to get from operating the sling launch but the parking revenues contribute to gross profits where the launch revenues did not.

Storage fees from the boat storage lot at the old Quartermaster site have consistently generated about \$20 -25,000 in revenue each year with very little expense.

Sales of electricity, fuel products and ice and bait along with the rental of lockers contribute a small amount to gross profits as does the moorage late fees and parking fines.

Marina Capital Improvement Plan

Planning for the future of the Marina facility began with studies done in the mid 1990’s and culminated with the adoption of the Marina Master Plan in 2002 and a subsequent update in 2007.

When the Marina was built in 1970 it was a facility where boaters who had slips could park and get to their boats and boaters who had trailerable boats could launch their boat and park their vehicle and trailer. There were no other public amenities like sidewalks, benches, the public fishing pier, landscaping, etc. All planning efforts to-date have been an attempt to address two basic issues:

- How does the City transition the salmon fishing based launch, guest moorage & fuel businesses, which were declining, to another business model based on larger boats, (the club and cruiser business).
- How can we accommodate the use of the Marina facility by non-boating members of the community who were using the Marina as an event venue, place to walk/exercise and to just enjoy the waterfront.
-

Discussion on these issues was started with the 2002 Master Plan process but the community was not ready to move away from the trailer boat launch business. Capital improvement projects done under the 2002 plan focused on upgrading the Redondo Boat Launching Ramp in anticipation of removing the

boat launch from the Marina and replacing the utility infrastructure, both projects that would keep most options open for future discussion.

By 2007 salmon fishing and trailer-boat launching had declined to the point where the City could commit to changes in the north end of the Marina. Projects completed so far under the 2007 Master Plan Update include dredging the entrance channel, replacing the entire water system, and the North Marina Combined Projects which included upgrades to the electrical utilities, replacing about 700 feet of bulkhead, installing new sidewalks and the promenade area, new landscaping, reconfiguration of the parking lots and a new travel-lift pier.

Discussion

Marina Operations

After more than three decades of steady, dependable performance the Marina's moorage revenues have become hard to predict. This is a problem that affects all of the marinas in the region and there are many opinions about where the industry is headed. They can be summarized by the follow three cases:

- “This is not a long term problem. The problem is caused entirely by the recession and as soon as jobs return and wages start increasing again, boating in the Puget Sound will return to historic patterns.”
- “This is the new normal” Historically there was a shortage of moorage on the Sound that resulted in 100% occupancies and long wait lists. The recession just returned us to a business model where supply and demand are more balanced which is what most areas of the country experience and boating will continue at this level with slow growth rates in revenues.”
- “There is a long-term decline in boating everywhere in the country because young people are not getting into boating like previous generations. As current boaters age the industry will experience a long-term decline in demand for moorage.”

In the staff's opinion neither model is entirely correct. While it is hard to see manufacturing jobs returning to previous levels, there are other good jobs being created. In addition, due to topography, tideland ownership patterns and environmental regulations, building more moorage capacity will be challenging which will tend to favor marina operators. Younger people are still getting into boating although not in the numbers in prior generations, but they tend to favor “warm water boating” on the inland lakes instead of fishing on the cold Puget Sound. Another factor in favor of growth in boating on the sound is that it is a unique body of water, underutilized, relatively safe with lots to do and boaters are never too far from a marina or park.

Marina Capital Improvement Program

The ability of the Marina to fund its capital improvement program has been impacted by the lower growth rates in revenues, particularly the lower growth rates in moorage revenues. All of the revenue streams discussed above help, (or hurt if they are declining), but because of the relative size of the moorage revenues and the fact that the gross profit margins are so high, moorage revenues have the most impact. As part of the 2002 and subsequent planning efforts, the Finance Department developed a 20 year “financial model” that was used to forecast revenues, expenses, dept service levels, operating profit and loss. With the model it is also possible to monitor debt reserve ratios and compare forecasts with actual results. Early in the planning process, moorage was projected to grow at rates between 2 & 3% per year. Since 2005, actual growth rates have been 1 to 2%. Projecting both growth rates to 2020 and

comparing them shows that the 1% difference will mean that moorage revenues in 2020 will be about \$350,000 per year less than originally expected.

The annual differences add up also. Each year that the moorage revenues grow by 1% less than expected adds to the accumulated total. The losses from 15 years of lower growth will be about \$3.5 million dollars. In the 2007 Master Plan Update, the financing plan assumed that contributions to capital from Marina operations between 2007 and 2020 would be about \$4.4 million dollars.

Financial Impact

Because of lower than expected growth in revenues the Marina can no longer support its' capital improvement plan. It is the staff's opinion that the City will soon face painful choices between supporting the general fund and replacing critical infrastructure in the Marina.

Attention to the expense side of the operation is critical, but assuming that payroll, the largest expense, is kept constant, operating costs will continue to rise as we have to replace more and more of a facility that is now 45 years old on a piecemeal basis.

Long term debt capacity is also critical. The staff has always assumed that a reasonable debt limit for the Marina was about \$10 million dollars, which is a lot for a marina with annual revenues of about \$4 million dollars. Annual debt service is about \$820,000 dollars now, almost as much as payroll. With lower growth in revenues we will have to find ways to fund projects with short-term financing or cash.

Conclusion

There are strategies in place to address the revenue issue that the Council and staff are actively working on. The Council recognized the need to diversify Marina revenues and early in 2012 they authorized a community process to determine the types of commercial development that would be accepted on the Marina floor. The City is now working with developers to find a project that will be compatible with our goals for the Marina operations and the community's use of the facility. The staff and the Council are also engaging the community on the issue of pay parking in the Marina and Beach Park.

There are other specific things the staff is doing now or can start doing to address the revenue issue.

- Keep increases in payroll at or below the increase in moorage revenues. This will be critical going forward because payroll is the largest operating expense. The plans being developed to merge the Marina with the Parks and Recreation Department will help keep payroll costs down.
- The staff is continuing to bolster current moorage revenues by developing annual and seasonal rate packages.
- The staff will begin looking at the current market for moorage, specifically the increase in seasonal use to see if there are opportunities for new services that can be offered.
- Continue to control expenses where ever possible.

Concurrence N/A