

**AGENDA**

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

**February 4, 2016 – 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: SOUND TRANSIT BRIEFING (FWLE)
- Item 3: TELECOMMUNICATIONS AUDIT

**CONSENT AGENDA**

Page 1 Item 1: DRAFT RESOLUTION 16-009; MANDATORY FURLOUGHS  
Motion is to adopt Draft Resolution No. 16-009 implementing mandatory furloughs for the City's regular non-represented employees, for the period beginning March 1, 2016 and ending December 31, 2016.

Page 7 Item 2: WASHINGTON STATE PARKS AND RECREATION COMMISSION CLEAN VESSEL SEWAGE DISPOSAL FACILITY GRANT  
Motion is to accept the Washington State Parks and Recreation Commission Clean Vessel Sewage Disposal Facility Grant No. CV 517-064 and to authorize the City Manager to sign the Grant Agreement substantially in the form as attached.

**NEW BUSINESS**

Page 17 Item 1: GOVERNMENT 101, PART 3: THE ART OF ECONOMIC DEVELOPMENT  
Staff Presentation: Assistant City Manager/Economic Development Director Michael Matthias

**EXECUTIVE SESSION**

Performance of a Public Employee under RCW 42.30.110(1)(g) – 30 minutes

**NEXT MEETING DATE**

February 11, 2016 City Council Meeting

**ADJOURNMENT**

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# AGENDA ITEM

## BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Mandatory Furloughs

AGENDA OF: February 4, 2016

ATTACHMENTS:

1. Draft Resolution No. 16-009 regarding the implementation of mandatory furloughs for all non-represented regular employees from March through December 2016.

DEPT. OF ORIGIN: Human Resources

DATE SUBMITTED: January 28, 2016

CLEARANCES:

Legal JB

Economic Development \_\_\_\_\_

Finance DM

Marina \_\_\_\_\_

Parks, Recreation & Senior Services \_\_\_\_\_

Planning, Building & Public Works \_\_\_\_\_

Police \_\_\_\_\_

Courts \_\_\_\_\_

APPROVED BY CITY MANAGER  
FOR SUBMITTAL: AA

**Purpose and Recommendation:**

The purpose of this agenda item is to implement mandatory furloughs for the City's regular non-represented employees. Staff recommends that the City Council approve this resolution so that the necessary savings not be delayed any further.

**Suggested Motion**

**Motion:** "I move to adopt Draft Resolution No. 16-009 implementing mandatory furloughs for the City's regular non-represented employees, for the period beginning March 1, 2016 and ending December 31, 2016."

**Background:**

As part of the 2016 budget process, the City Council directed management to negotiate furloughs as one of several cost savings measures to preserve essential services and ensure the City's ongoing ability to meet its financial obligations.

**Discussion:**

Over the past two months the City Manager and Human Resources Manager have met several times with committee members from the non-represented employee groups to give staff the opportunity to have a voice in determining how furloughs would be applied. While no consensus was reached with the non-represented employee committees, it is still necessary to implement mandatory furlough days in order for the City to meet its budget constraints. The City has expressed the intent to achieve the equivalent cost savings equitably with all employees, including union employees, so implementation for the non-represented employees is one step in that process.

**Alternatives:**

Alternatives to furloughs include further reductions in force by way of layoffs and/or additional cuts in City services and programs.

**Financial Impact:**

Through the budget process council set a target cost reduction in 2016 personnel compensation for the general fund of \$284,720. This target was met by several employees switching to the high deductible medical plan which is estimated to save approximately \$35,650 for the general fund not only in 2016 but in future years as well. The rest of the 2016 savings will come from the furlough program. The estimated savings from the furlough program is as follows (by fund, for both non-represented employees and union employees):

General Fund	\$248,450
Computer Ops	9,045
Street Fund	16,725
Marina Fund	30,055
SWM Fund	43,130
Equipment Rental Fund	5,235
Total City Furlough Savings	<u>\$352,640</u>
High Deductible Savings	<u>35,650</u>
Total City Savings	<u>\$ 388,290</u>

**Recommendation/Conclusion:**

Staff recommends approval of the attached Draft Resolution implementing furloughs for non-represented employees.

**DRAFT RESOLUTION NO. 16-009**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON**, regarding the implementation of mandatory furloughs for all non-represented regular employees for the period beginning March 1, 2016, and ending December 31, 2016.

**WHEREAS**, the City of Des Moines ("City") is experiencing a significant budget shortfall and must take cost savings measures to preserve essential services and ensure the City's ongoing ability to meet its financial obligations, and

**WHEREAS**, the City's non-represented employees exclude all those who are represented by labor organizations, specifically, the International Association of Machinists District 160, Teamsters Local 763, Des Moines Police Guild, and Des Moines Police Management Association, and

**WHEREAS**, the City's non-represented regular employees fall into three groups; the General Employees, those who are eligible for overtime compensation under the Fair Labor Standards Act (FLSA), the Exempt Employees, those who are exempt under the FLSA; and the remaining exempt employees group known as the Directors, which for purposes of this Resolution consists of all department heads, the Assistant City Manager and the City Manager, and

**WHEREAS**, the General Employees Negotiation and Advisory Committee and the Exempt Employees Negotiation and Advisory Committee were established to promote the relationship between non-represented employees and City management and to foster communication regarding employee relations issues such as compensation and benefits that affect non-represented employees, and

**WHEREAS**, City management met with the above committees and gave employees an opportunity to have a voice in determining how furloughs would be applied, yet no consensus was reached, and

**WHEREAS**, the City Council has determined that it is in the best interest of the City to implement mandatory furlough days to meet its financial obligations, and

**WHEREAS**, the City reserves the right to set wages for non-represented employees, to schedule and assign work, and to determine its hours of operation, and

**WHEREAS**, the City recognizes that for those employees whose hours are reduced because of furloughs, less work will be performed, and certain delays and/or reductions in service levels may result, and

**WHEREAS**, the City will make every reasonable effort to adjust work expectations to be commensurate with the reduced schedule, and

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**WHEREAS**, the City Council sincerely appreciates the dedication and hard work of its staff and regrets the impact that furloughs will have on them, and now, therefore,

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

**Sec. 1.** The City will shut down its facilities on the following dates to observe ten and a half (10½) furlough days:

<b>City Hall &amp; Other Facilities</b>	<b>Marina</b>
<u>Primarily the First Friday of the Month</u>	<u>Primarily the First Wednesday of the Month</u>
March 4, 2016	March 2, 2016
April 1, 2016	April 6, 2016
May 6, 2016	May 4, 2016
June 3, 2016	June 1, 2016
July 1, 2016	July 6, 2016
August 5, 2016	August 3, 2016
September 2, 2016	September 7, 2016
October 7, 2016	October 5, 2016
November 4, 2016	November 2, 2016
December 2, 2016	December 7, 2016
December 23, 2016 (fourth Friday)	December 24, 2016 (Saturday)

The half-day furlough on December 23 will be a full-day closure; full-time employees will be paid for four (4) hours if they use accrued vacation, pro-rated for part-time employees. The furlough on December 24 will also be a half-day furlough with a full-day closure, with full-time employees receiving the usual four (4) holiday hours for Christmas Eve.

**Sec. 2.** To administer the above furlough days, all regular non-represented employees shall take one of the following two options:

(1) **Unpaid Furlough Days.** Regular employees will take the above above-referenced days off without pay to the extent that they are regularly scheduled to work on those days (including days they have requested to use vacation or sick leave). To the extent that one or more of the above-referenced days falls on a regularly scheduled day off, the affected employee will select, with supervisor approval, equivalent alternate unpaid furlough hours during the same pay period.

(2) **Paid Furlough Days with Benefit Reduction.** Alternatively, eligible employees may choose a reduction in the City's contribution toward their healthcare benefits. Each employee who participates in the City's healthcare plans may choose this option provided they agree to contribute an additional share toward their healthcare coverage by payroll deduction effective

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March 1 through December 31, 2016, or when the furloughs are discontinued, whichever comes first. Such additional employee contribution will be equal to the savings the City would have experienced, including wage-related costs and benefits, had the employee taken the unpaid furlough days. In exchange for this benefit reduction, the employees will take the above above-referenced days off with pay to the extent that they are regularly scheduled to work on those days (including days they have requested to use vacation or sick leave). Paid furlough hours shall not count as hours worked towards the overtime threshold.

**Sec. 3. Furlough Administration.**

(1) To the extent that one or more of the above-referenced days falls on a regularly scheduled day off, the affected employee will select, with supervisor approval, an equivalent alternate furlough day during the same pay period. A furlough day is defined as eight (8) hours for full-time employees. Regular part-time employees will take furlough days on a prorated basis.

(2) Employees normally scheduled to work more hours on a scheduled furlough day than they are a required to take in furlough time, e.g., employees scheduled to work ten (10) hours, will be permitted to: (i.) revise their schedule during the workweek (e.g., switch to eight (8) hour days for the week or work additional hours during the workweek); or (ii.) use paid vacation leave; or (iii.) take unpaid leave to account for the difference between their normally scheduled shifts and their furlough time.

(3) Employees shall not perform City work during a furlough day except as follows:

(a) When a work assignment is necessary on a furlough day for business operations or due to an emergency or urgent matter, the employee and City may mutually agree that the employee will select, with supervisor approval, an equivalent alternative furlough day within the same pay period; such an assignment will require the pre-approval of the Department Director; or

(b) An employee may be assigned to work on a furlough day provided a contractor or other customer agrees to pay an additional fee to cover the cost for the employee to physically report to work. When so assigned, the employee will be paid at the overtime rate of one and one-half times their straight-time hourly rate for hours worked plus the commute time from employee's residence to the job site and the return commute time afterward. If the employee completes the call back assignment in less than three (3) hours, including the allowed commute time, the employee will receive a minimum of three (3) hours at the overtime rate. Such an assignment will require the pre-approval of the Department Director.

**Sec. 4.** Where a conflict exists between the terms of this Resolution and the Des Moines Personnel Manual, this Resolution shall control.

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**Sec. 5.** Any acts consistent with the authority and prior to the effective date of this Draft Resolution are hereby ratified and confirmed.

**ADOPTED BY** the City Council of the City of Des Moines, Washington this fourth day of February, 2016, and signed in authentication thereof this fourth day of February, 2016

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MAYOR

APPROVED AS TO FORM:

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City Attorney

ATTEST:

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City Clerk

# AGENDA ITEM

## BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Washington State Parks and Recreation Commission Clean Vessel Sewage Disposal Facility Grant.

ATTACHMENTS:

- 1. Grant No. CV 517-064

FOR AGENDA OF: February 4, 2016

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: January 27, 2016

CLEARANCES:

- Legal JB
- Finance N/A
- Marina [Signature]
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police N/A
- Courts N/A

APPROVED BY CITY MANAGER  
FOR SUBMITTAL: [Signature]

**Purpose and Recommendation**

The purpose of this Agenda Item is to request the Council’s authorization to accept a grant from the Washington State Parks & Recreation Commission Clean Vessel Sewage Program to be used to purchase a portable pump-out station and electric mobile cart for the Marina. The grant will cover 75% of the cost of purchasing the portable pump-out and mobile cart.

**Suggested Motion:** “I move to accept the Washington State Parks and Recreation Commission Clean Vessel Sewage Disposal Facility Grant No. CV 517-064 and to authorize the City Manager to sign the Grant Agreement substantially in the form as attached.”

**Background**

The Washington State Parks and Recreation Commission has managed the State’s Clean Vessel Program for many years. This program is a national program with funding coming from the Federal Government. The program’s intent is to fund and monitor the installation of sewage pump-outs on the nation’s waterways. The Marina has utilized this program to purchase three pump-outs, two of which are still in operation. The program will fund 75% of the cost of purchase of the portable pump-out and mobile cart. The program will also fund 75% of the annual costs to operate and maintain the pump and cart. The Marina has had a portable pump-out on site for several years but it reached the end of its useful life and was decommissioned last year.

**Discussion**

A portable pump-out unit can be used by Marina tenants to pump-out their holding tanks while the boat is still in their slip. The type of pump that will be purchased with the grant funds will also be useful to clean up fuel spills at the fuel dock and for transferring contaminated bilge water from vessels to the appropriate disposal facility. The last portable pump-out was used more for cleaning up fuel spills than for sewage tank pump-outs. The purchase will also include an electric cart that can be used to move the portable pump-out up and down the access ramps. The cart can also double as a tug that can move boats from the dry sheds and the storage yard to the sling launch deck.

**Financial Impact**

The purchase and ongoing maintenance, repairs and operating costs of the pump-out and the cart are partially paid by the Program, up to 75%. The total cost of the equipment will be \$10,727 and the Marina match will be \$2,682. The Marina staff has found this generation of pumps to be very reliable with low maintenance and repair costs. The only operating expenses are electricity and sewage disposal, which are minor expenses. The added benefit of being able to use the cart for a boat tug will allow the staff to decommission one of the old gas powered tugs which have become expensive to repair and maintain.

**Conclusion**

The portable pump-out and mobile cart will be valuable tools for spill clean-up and service delivery in the Marina. It will also encourage boaters to dispose of their sewage properly at a small cost to the Marina.

**Recommendation**

Staff recommends that the Council authorize the City Manager to sign the attached Grant Agreement.

**WASHINGTON STATE PARKS AND RECREATION COMMISSION**  
**CLEAN VESSEL SEWAGE DISPOSAL FACILITY GRANT**  
**PROJECT: PUMPOUT REPLACEMENT**  
**GRANTEE: CITY OF DES MOINES MARINA**  
**GRANT No. CV 517-064**

The Washington State Parks and Recreation Commission, herein referred to as Commission, and City of Des Moines Marina, herein referred to as Project Sponsor, do hereby enter into the following Boat Sewage Disposal Facility Grant agreement.

This grant document provides funding for the installation of boat sewage disposal equipment and operation and maintenance thereto as set out in the following terms and conditions, not otherwise appearing in statutes or regulations.

Project Sponsor shall install a boat sewage disposal facility and may subsequently request funds for operations and maintenance costs of the facility in accordance with the requirements of this grant construction document and all applicable state and Federal laws.

**RESPONSIBILITY FOR PROJECT**

The project itself is the sole responsibility of Project Sponsor. Commission undertakes no responsibilities to Project Sponsor, or to any third party, other than as expressly set out in this document. Project Sponsor shall be solely responsible for the design, permitting, development, construction, implementation, operation and maintenance of the project, as those phases are applicable to this project, and solely responsible for any claim or suit of any nature by any third party related in any way to the project.

If an archaeological survey is required, the survey costs are approved as part of this project. However, the survey must be completed, and the Project Sponsor must receive approval, in writing from the CVA Grant Manager, before proceeding to the construction phase.

**TERM**

The term of this agreement shall be from the date last signed below for a period of ten (10) years, two (2) years in order to accommodate the below construction activity, unless earlier terminated as provided for herein.

**SCOPE OF WORK**

Equipment to be purchased:

- Replace an existing portable pumpout with 75% funding from the CVA program

Project Sponsor shall complete the approved construction activities within a twelve (12) consecutive month period as a term of the acceptance of this construction grant. If the work is not satisfactorily completed within a twelve (12) month period, Project Sponsor will be in breach and Commission may, at its discretion, rescind the grant and require repayment of any grant funds already disbursed to Project Sponsor.

Commission may extend this construction period if, in its opinion, Project Sponsor has demonstrated in writing, a satisfactory showing of extenuating circumstances. Commission has the absolute right to accept or reject any request for additional time without any appeal rights for Project Sponsor.

Work will be considered complete, only when the following conditions are met:

- The activities and facilities described in the Scope of Work and this grant document are

- installed, functional and ready for use;
- On-site signs are in place; and
- Appropriate proof has been provided to Commission or an inspection by Commission or designee has been made,

### **FUNDING**

Commission will reimburse Project Sponsor for eligible activities only after Commission has accepted the work. The total reimbursement from Commission shall not exceed **Seventy-Five percent (75%)** from all eligible activities which shall not exceed the award amount of **Eight Thousand, Forty-Five, and 79/100ths Dollars (\$8,045.79)**. Reimbursement shall not be unreasonably withheld.

Project Sponsor agrees that as part of the requirement for reimbursement, Project Sponsor shall contribute matching funds of no less than **Twenty-Five percent (25%)** of the total project cost.

Matching funds provided by Project Sponsor on this grant may be in cash, in-kind, or volunteer time, but they must fall within the scope of the list of Eligible Expenses as identified below.

#### **Eligible Expenses (Including but not limited to):**

- Engineering fees;
- Project administration/coordination;
- Equipment as identified above in the Scope of Work;
- All applicable taxes and freight charges;
- Costs associated with installation of signs;
- All project-related permits and inspections fees as required by local, state, and Federal regulation, and final inspection of the facility by the local health department or department with jurisdiction to approve the operation of the facility;
- Shore works, pilings, and floats;
- Other items as deemed by Commission to be necessary to complete the Project.
- Operation and Maintenance activities, which include:
  1. Staff time to operate, repair, and maintain the equipment;
  2. Administrative time;
  3. Cost of parts, supplies, and materials directly related to care of the equipment;
  4. Costs of utilities to operate and maintain the equipment or costs of removal of sewage to treatment plant;
  5. Other items as deemed by Commission to be necessary.

#### **Prior Costs**

Commission will not reimburse Project Sponsor for any costs incurred prior to the effective date of this grant except for approved:

- Environmental permits, including the Substantial Development Application;
- Permits which must be complete prior to beginning construction;
- Preliminary engineering costs to design and add a project to marina, if needed.

#### **Construction and Installation**

For new construction and installation projects, Project Sponsor shall provide Commission with complete Plans and Specifications as applicable and a map showing the location of the Marina and specific latitude and longitude at the center of the Marina Harbor.

#### **Cost Increases**

Cost overruns are the responsibility of Project Sponsor and must be borne by Project Sponsor. Approval of any additional fund increases to address cost increases will be awarded solely at Commission's discretion. The grant agreement must be amended in writing and signed by both parties

before any reimbursements for any approved increased project costs can occur.

#### **Reimbursement of Funds**

Project Sponsor may request no more often than quarterly reimbursements for qualified expenses paid. Once Commission has approved and accepted the expense, Project Sponsor shall be reimbursed for **75% (seventy-five percent)** of the actual project costs incurred, up to the total reimbursement amount defined above as long as grant funds remain available.

Reimbursement shall take place after Project Sponsor has furnished a properly completed A-19 Invoice Voucher (provided by Commission) and provided any required supporting documentation. Supporting documentation could include, but is not limited to:

- Copies of all invoices and receipts, construction contracts, performance bonds, change orders, advertisements or other documents pertaining to construction of facility;
- Copies of SEPA documentation including permits/approvals necessary to complete the work;

#### **USE AND MAINTENANCE OF PROJECT**

Project Sponsor shall operate and maintain, or cause to be operated and maintained, the property or facilities which are the subject matter of this grant document as follows:

- Any property or facilities open to the public shall be open for the use by all segments of the public without restriction and in compliance to all applicable federal and state nondiscrimination laws, regulations, and policies.
- Project Sponsor shall grant access to all recreational vessels to use boat sewage disposal facility funded under this agreement.
- Access shall be allowed during normal marina operating hours and the operating hours shall be posted in a conspicuous location on the premises.
- Project Sponsor shall operate and maintain the facilities in accordance with all applicable Federal, State and local laws, orders, regulations and permits. Project Sponsor shall be responsible for all operation, maintenance, and repair of the facilities.
- As a condition of receiving the grant funds, Project Sponsor shall actively maintain the facility for no less than **ten (10) years or the full design life** of the equipment provided from this grant, **whichever is longer**.
- In the event an equipment breakdown occurs, Project Sponsor shall notify Commission within two (2) working days of breakdown. The facility must be repaired and fully operational within ten (10) working days after the breakdown where the breakdown can be remedied with normal expected repairs for five hundred dollars (\$500) or less. For repairs greater than five hundred dollars (\$500), the facility must be fully operational within twenty (20) days after the breakdown. A written report for all breakdowns must be submitted to Commission within two (2) weeks of the breakdown describing the problem(s), repair(s), and the cost(s).

#### **Use Records**

Project Sponsor shall monitor the use of the boat sewage disposal facility by installing a use counter mechanism, flow meter, or hour meter, and shall maintain records of use numbers in a manner as approved by Commission. On a form to be provided by Commission, Project Sponsor shall report the annual gallonage use by October 31st of every year for the period of October 1st through September 30<sup>th</sup> for the previous twelve (12) months each and every year of the facility's use whether any request for reimbursement occurred or not.

#### **Audits**

Project Sponsor shall maintain proper records and make them available for audits in accordance with applicable state and federal laws. Project Sponsor shall also resolve, to the satisfaction of Commission, any audit findings pertaining to funds under this grant document and shall pay

Commission for all disallowed or questioned costs disclosed in the final audit report.

#### **Periodic Inspections**

Grantee hereby grants to the Grantor, or its authorized representative, a right, equal in time to the serviceable life of the granted materials, to enter upon Grantee's property as deemed necessary by the Grantor for inspection, compliance, and monitoring purposes. These periodic inspections are intended to ensure continued compliant use of the materials, products, and workmanship to the original approved plans and specifications. These inspections will not include design/engineering adequacy after the original certification, and they do not require advance notification to the Grantee of such inspection or access.

#### **Liability Insurance**

If Project Sponsor is a private individual or company it shall provide a minimum of \$1,000,000.00 combined single limit insurance for comprehensive general liability for the duration of the grant document. Alternatively, if Project Sponsor is a public entity it shall provide a minimum of \$1,000,000.00 combined single limit insurance for comprehensive general liability under a Self-Insurance Risk Management Program, or Insurance Pool.

#### **Public Information Requirements**

Project Sponsor shall install the required signage to be provided by Commission, which is to be clearly visible to direct boaters entering the facility to sewage pumpout and dump stations. In addition, Project Sponsor shall provide signs or markers indicating fees, restrictions, operating instructions and a contact name and telephone number if the facility is discovered inoperable and cooperate in any related boater environmental education program administered or approved by Commission.

#### **Fees**

Project Sponsor may charge a maximum of a five-dollar (\$5.00) fee per use, with no justification, for the use of the pumpout facilities constructed with these grant funds. All fee proceeds shall be retained, accounted for, and used by the grant recipient to defray operation and maintenance costs.

#### **Spill Reporting and Cleanup**

In the event of a spill or leak of materials from the boat sewage disposal facility, it shall be Project Sponsor's responsibility to promptly begin and complete a thorough cleanup of the spill area. Notwithstanding any federal, state, or local reports that are required for any spill, Project Sponsor shall notify Commission of any and all spills within 24 hours from the time the spill is discovered.

#### **Ownership of Boat Sewage Disposal Facility**

Except as otherwise provided herein, Project Sponsor shall retain ownership of the boat sewage disposal facility during the term of the grant. Project Sponsor may, during the term of the grant, transfer or convey its ownership interest in the facility only if said transfer or conveyance is accompanied by an assignment of Project Sponsor's rights and obligations detailed in this grant document and only after prior written approval by the commission. Commission shall not unreasonably withhold its consent to such assignment. Project Sponsor shall not at any time during the term of the grant convert any facility which was acquired or constructed pursuant to the grant to a use other than those for which the assistance was originally approved.

#### **Assignment**

Project Sponsor may not assign this grant document, in whole or in part, without the prior written approval of Commission.

#### **Project Sponsor Not an Employee of Commission**

Project Sponsor, its employees or agents performing under this grant document are not considered to be employees or agents of Commission. Project Sponsor will not hold itself out as nor claim to be an

officer or employee of Commission and will not make any claim, demand, or application to or for any right or privilege.

#### **Governing Law**

This grant document shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this grant document, venue shall be proper only in Thurston County. Project Sponsor acknowledges the jurisdiction of the courts of the State of Washington.

#### **Severability**

If any provision of this grant document shall be held invalid, such invalidity shall not affect the other provisions of this grant document which can be given effect without the invalid provision, and to this end the provisions of this grant document are declared to be severable.

#### **Termination**

This construction grant may be terminated upon 60 (sixty) days written notice from Commission to Project Sponsor in the event Project Sponsor violates any provision of this grant document, or defaults in the performance of any requirement hereof. All obligations of Commission under this grant document may be suspended or canceled, at the option of Commission, if any of the following events occur:

- Project Sponsor will otherwise be unable to complete the project, or any part of it, on time or
- Project Sponsor has failed to comply with any or all of its obligations under this grant document.

In the event this grant document is terminated by Commission, Project Sponsor shall, within 30 (thirty) days of any such termination, repay to Commission all funds disbursed to Project Sponsor by Commission for the project described herein. Interest shall accrue at the rate of twelve percent (12%) per annum from the time Commission demands repayment of funds. In lieu of repayment, Commission may require that any property acquired under this grant document become Commission property, and Project Sponsors liability, if any, to repay monies shall be reduced by an amount reflecting the fair value of such property.

#### **Amendments**

This grant document may be amended only by mutual agreement of the parties in writing.

#### **No Waiver by Commission**

Failure by Commission to insist upon the strict performance of any provision of this agreement shall not affect Commission's right to require strict performance of the same provision in the future or any other provision. Failure by Commission to exercise any right based upon a breach, or acceptance by Commission of performance during such breach, shall not constitute a waiver of any of its rights or remedies with respect to such breach.

#### **Survival**

All obligations of Project Sponsor, which arise prior to the termination of this grant document, shall continue as obligations subject to the requirements of this grant document until fully performed. All Clauses of this grant construction document which require performance beyond the termination date shall survive the termination date of this document.

Future requests for O&M reimbursement following the termination date of this document shall only be allowed when requested on the proper forms provided by Commission and that reference this agreement number and are accompanied with appropriate supporting documentation provided that grant funds remain available for this purpose.

**Authority of Project Sponsor**

Project Sponsor, by the signature of the authorized representative below, represents and warrants that this grant document is a legal, valid, and binding obligation on behalf of Project Sponsor and is enforceable in accordance with its terms.

IN WITNESS WHEREOF, this grant document is executed by:

**City Of Des Moines Marina**

**Washington State Parks and Recreation Commission**

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

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

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

Title: Chief Financial Officer

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

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

**City Of Des Moines Marina**

Location: **22307 Dock Ave S, Des Moines, WA 98198-4690**

Mailing Address (if Different): **Same**

Phone: **(206) 824-5700**

Email: **swilkins@desmoineswa.gov**

Federal TIN: **91-6016496**

WA State UBI Number: **600-016-906**

**Washington State Parks and Recreation Commission – Boating Program**

Location: **1111 Israel Road SW, Tumwater, WA 98504-2650**

Mailing Address (if Different): **PO Box 42650, Olympia, WA 98504-2650**

Phone: **(360) 902-8555**

FAX: **(360) 586-6603**

Email: **boatpumpouts@parks.wa.gov**

APPROVED AS TO FORM  
By: Michael Ferguson AAG /s/  
August 2009



# Edson Product Quote

**JOHN NIX**  
 Edson Distribution - Pacific Northwestern States  
 6500 NW 287th Street  
 Ridgefield, WA 98642  
 206-799-8281  
 Email: jenseattle@juno.com

11/13/2015  
 Quote #433  
 Quote Valid to 12/13/2015

**PAYMENT TERMS**  
 50% w/Order,  
 Balance Prior to Shipment  
 OR  
 Payment Upon Receipt of Invoice

TO:  
 City of Dses Moines Marina  
 22307 Dock Street South  
 Des Moines, WA 98198-4627  
 (206) 824-5701  
 Scott Wilkins, (206) 383-0662  
[swilkins@desmoineswa.gov](mailto:swilkins@desmoineswa.gov)

Qty	Unit	Item #	Description	Unit Price	Extension
1	Ea	600200-EPC	ERG Powered Mobile Cart - 36 Volt DC Battery Powered	\$3,500.00	\$3,500.00
1	Ea.	160-A-2489 ©	Pallet Base, Stainless Steel w/60 gal. Tank Includes 20 Ft. Discharge Hose w/Fittings and and Racks for Discharge and Suction Hoses ( Fitted for Fork Lift Removal)	\$2,000.00	\$2,000.00
1	Ea.	25261	Double Diaphragm Pump, Electric -3/4 HP (110 Volt, 1 PH, 30:1 Gear Reduction, Neoprene Diaphragms and Check Valves)	\$2,995.00	\$2,995.00
1	Ea.	261-50-150	Suction Hose Assembly w/9 Boat Deck Fittings	\$495.00	\$495.00
			Emergency Repair Items	\$139.00	\$139.00
1	Ea.	25284	Spares Kit, Model #2500 Double Diaphragm Pumps - Includes 2 Ea. Neoprene Diaphragms and 4 Ea. Swing Valves	\$268.00	\$268.00

Product Total	\$9,397.00
*Shipping & Handling	\$400.00
Subtotal	\$9,797.00
Applicable WA St. Sales Tax @ 0.95%	\$930.72
<b>Total</b>	<b>\$10,727.72</b>

Notes: \* Freight determined at scheduled ship time  
 (Sensitive to fuel surcharges)

Ship To: As advised

Notes:

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# AGENDA ITEM

BUSINESS OF THE CITY COUNCIL  
City of Des Moines, WA

SUBJECT: The Art of Economic Development

AGENDA OF: February 4, 2016

ATTACHMENT:

DEPT. OF ORIGIN: Economic Development

DATE SUBMITTED: January 27, 2016

CLEARANCES:

[ X ] Economic Development *WMA*

APPROVED BY CITY MANAGER  
FOR SUBMITTAL: *SA*

**Purpose and Recommendation:**

The purpose of this agenda item is to provide a presentation on Economic Development.

**Suggested Motion**

MOTION: None

**Background:**

Economic Development involves a complex set of factors. This presentation will walk through the development process highlighting investment risk, timing and revenue generation in the short and long term. Structural revenues and the gap between development initiation and revenue generation will be explored.

Staff will present a Powerpoint that discusses economic development and the role of the City in fostering economic activity. The role of the public sector, the private sector and public/private partnerships (PPP) will be presented. Within this context the role of the City's Community Development Department and Building Department will also be reviewed. The presentation will also cover incentives, infrastructure finance, and the value of PPPs.

Finally, the presentation will discuss resources and support systems for the City to accomplish economic development.

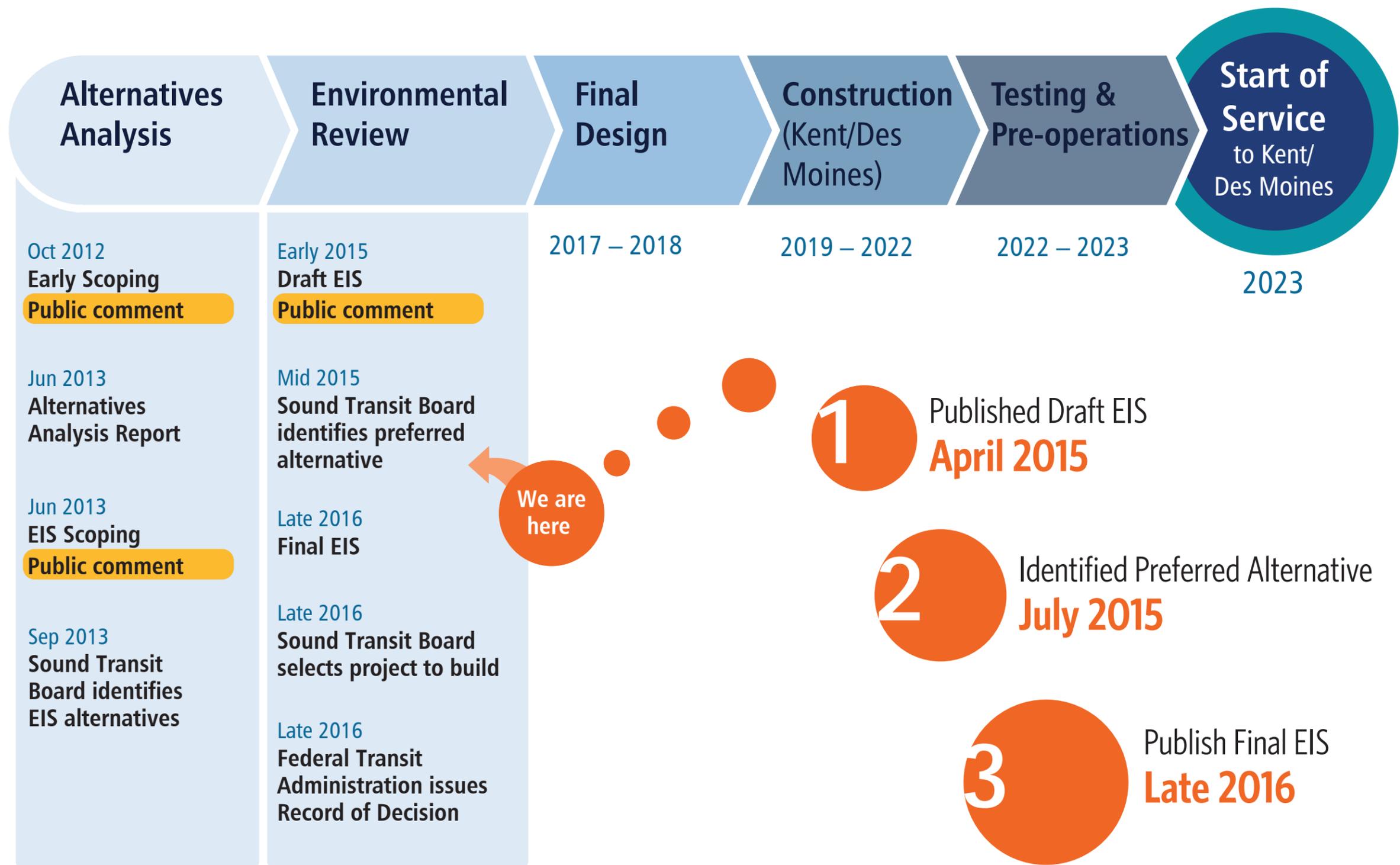
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# Federal Way Link Extension

Project Update

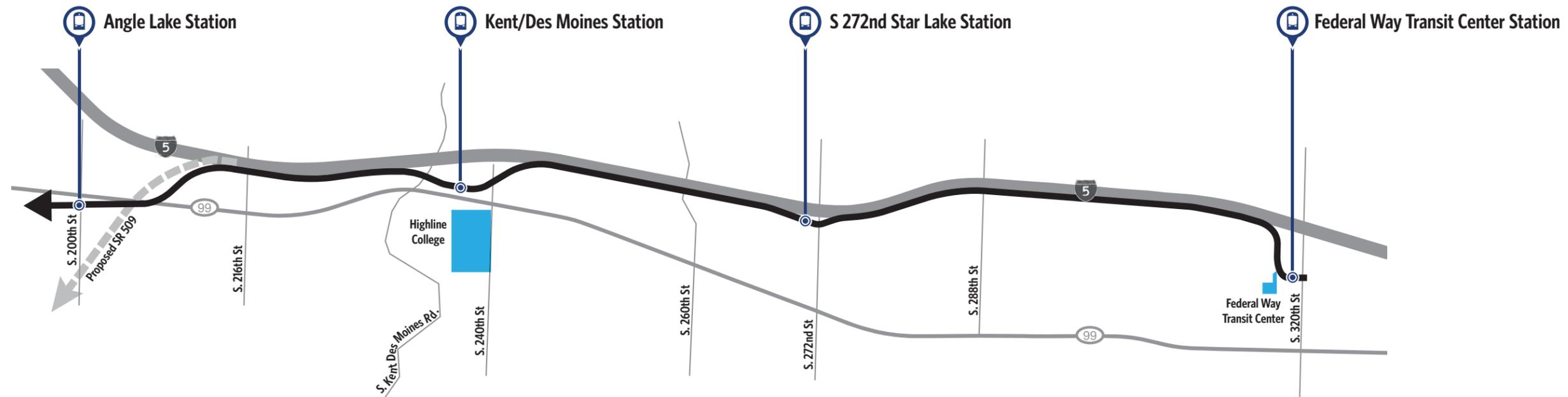


## Project Timeline



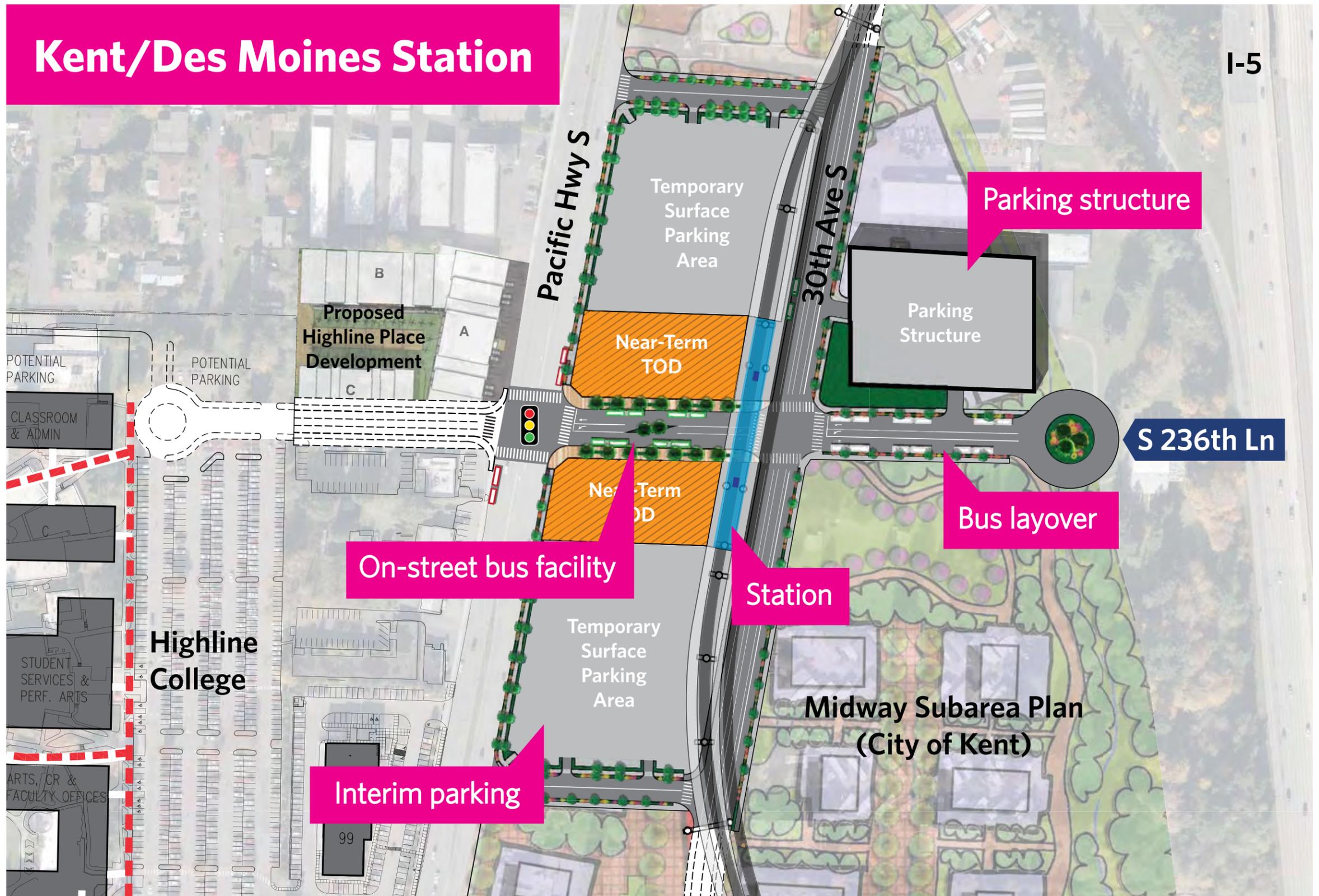
# Preferred Alternative

## Preferred Alternative



# Recommendations

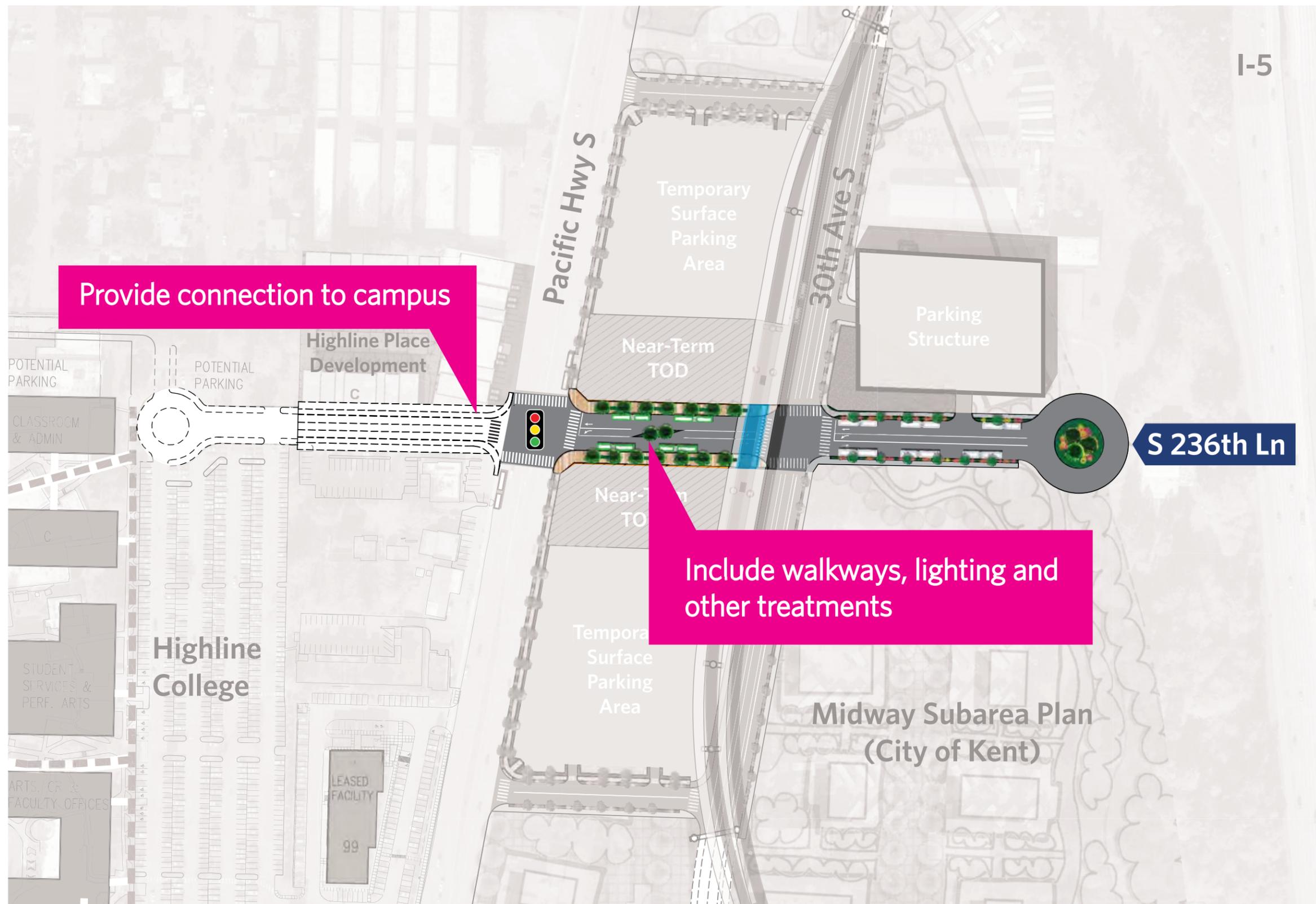
Stakeholder  
Workshops



# Recommendations

*in partnership with key stakeholders*

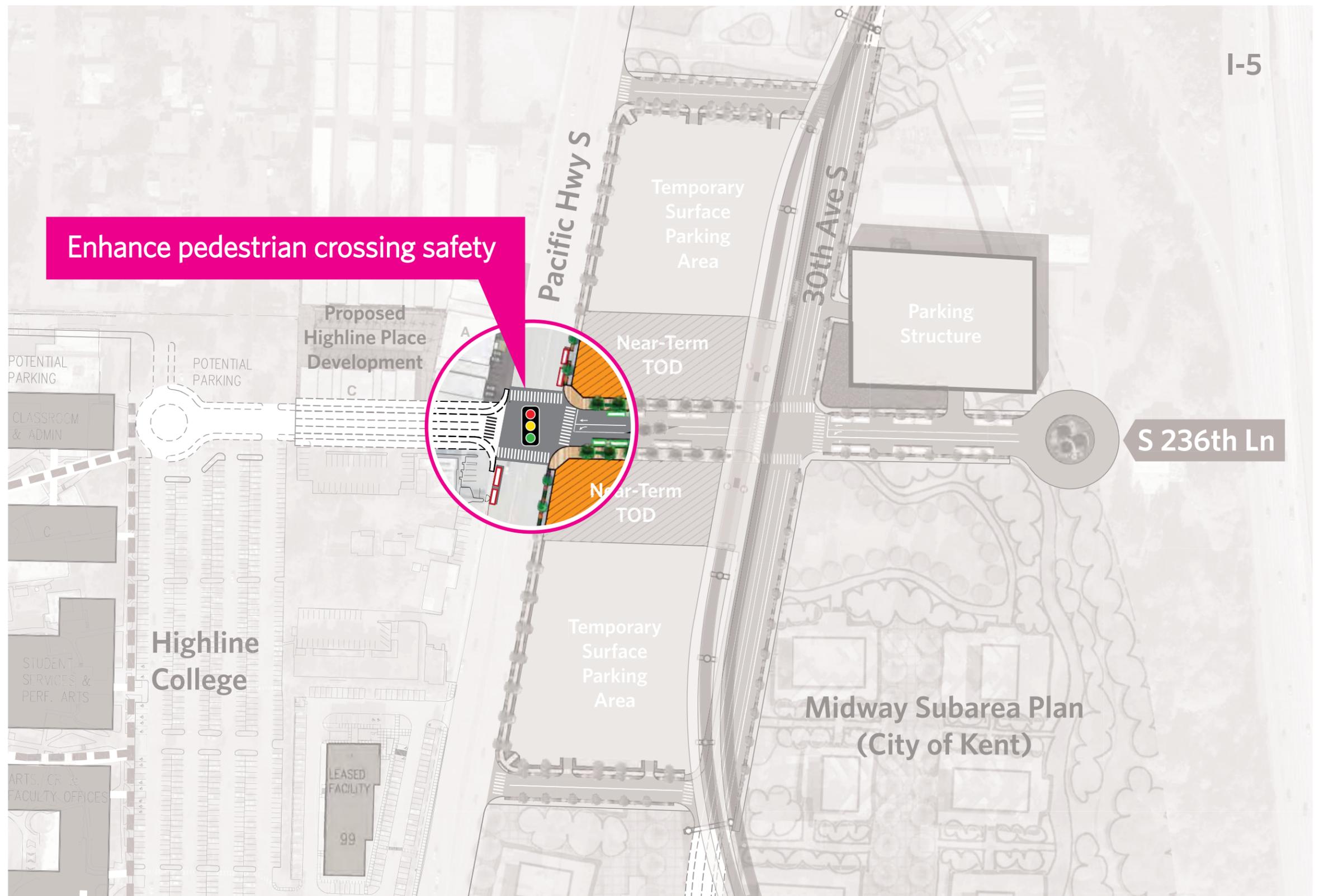
## Stakeholder Workshops



# Recommendations

*in partnership with key stakeholders*

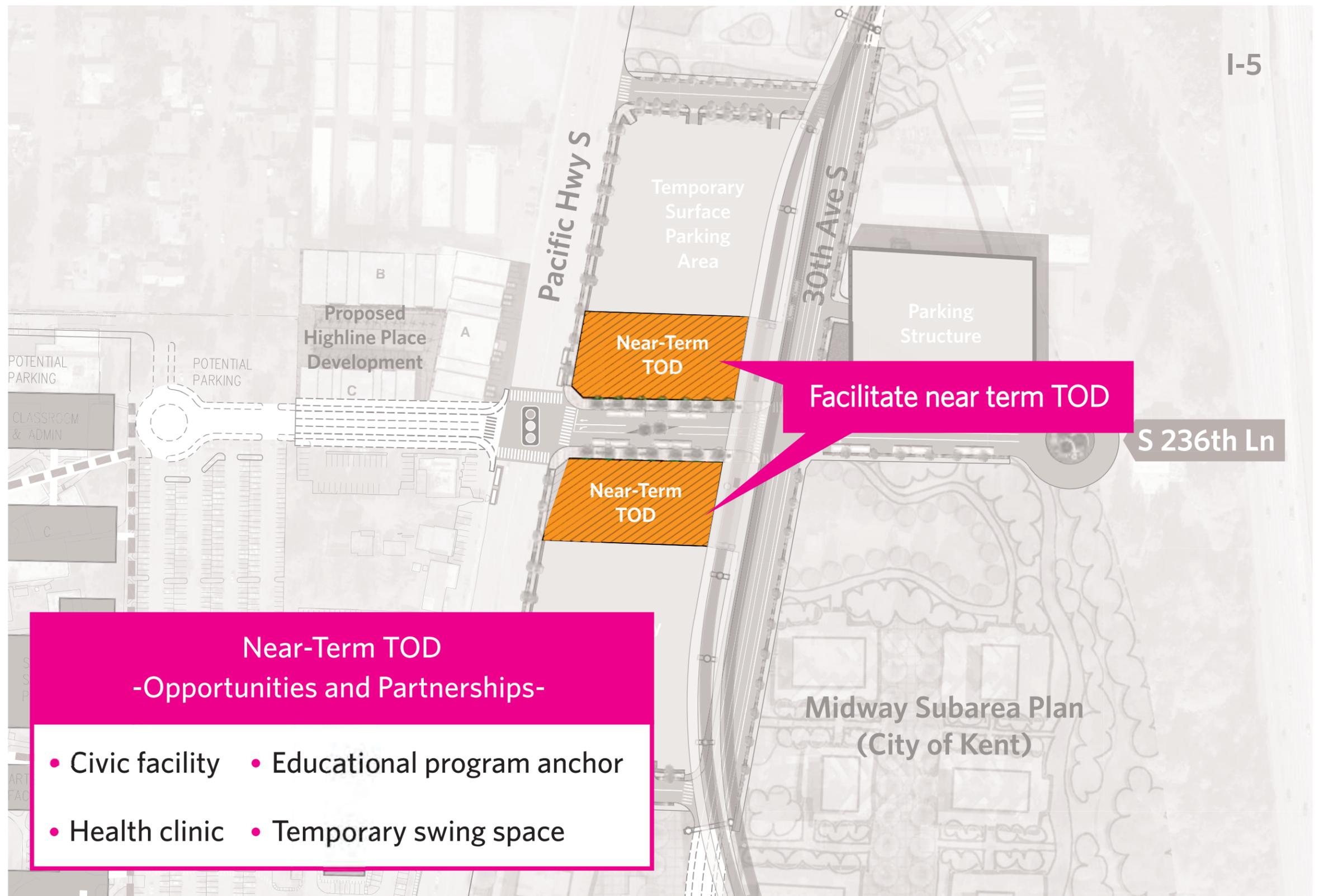
## Stakeholder Workshops



# Recommendations

*in partnership with key stakeholders*

## Stakeholder Workshops

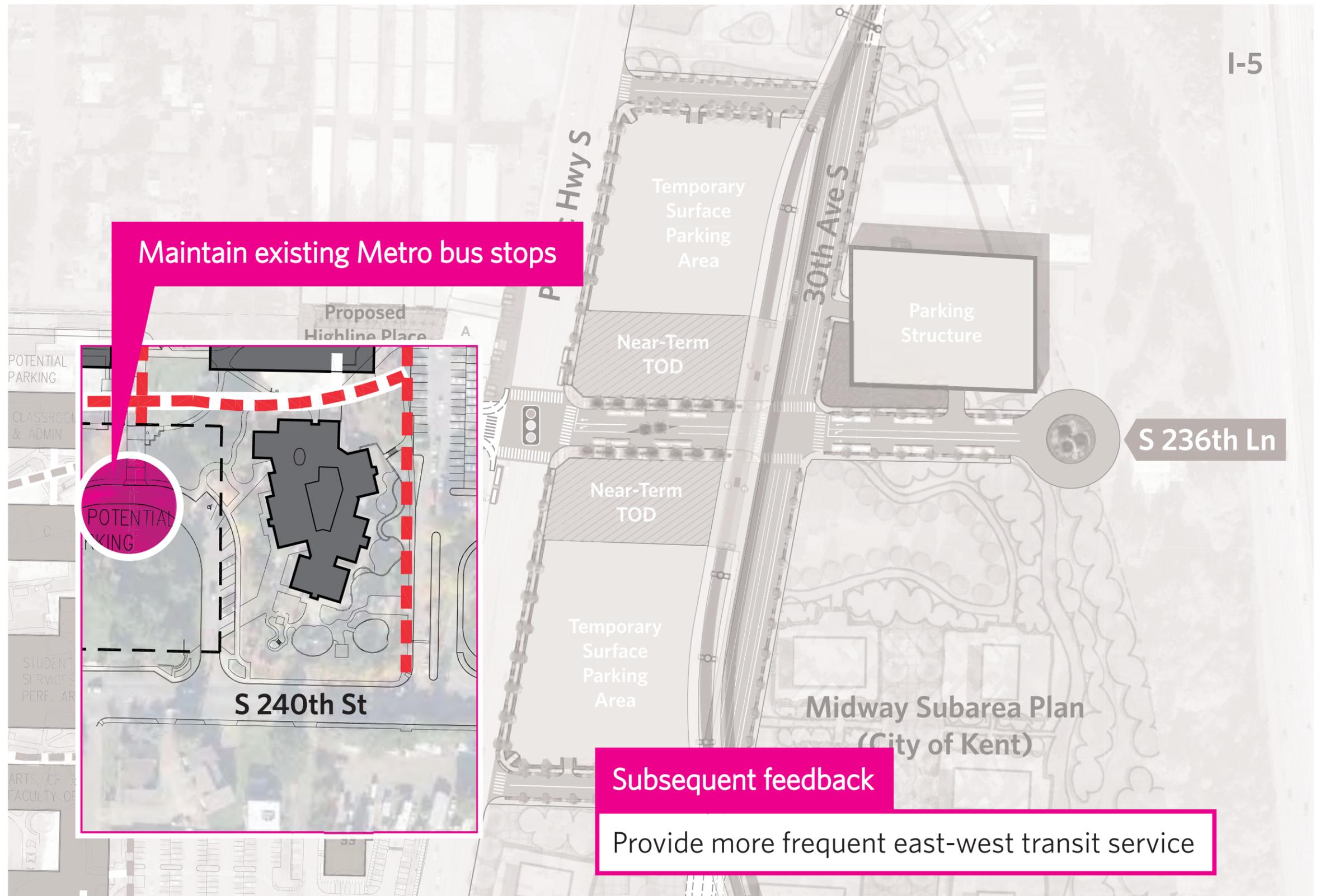


- Near-Term TOD**  
-Opportunities and Partnerships-
- Civic facility
  - Educational program anchor
  - Health clinic
  - Temporary swing space

# Recommendations

*in partnership with key stakeholders*

## Stakeholder Workshops



Maintain existing Metro bus stops

POTENTIAL  
PARKING

S 240th St

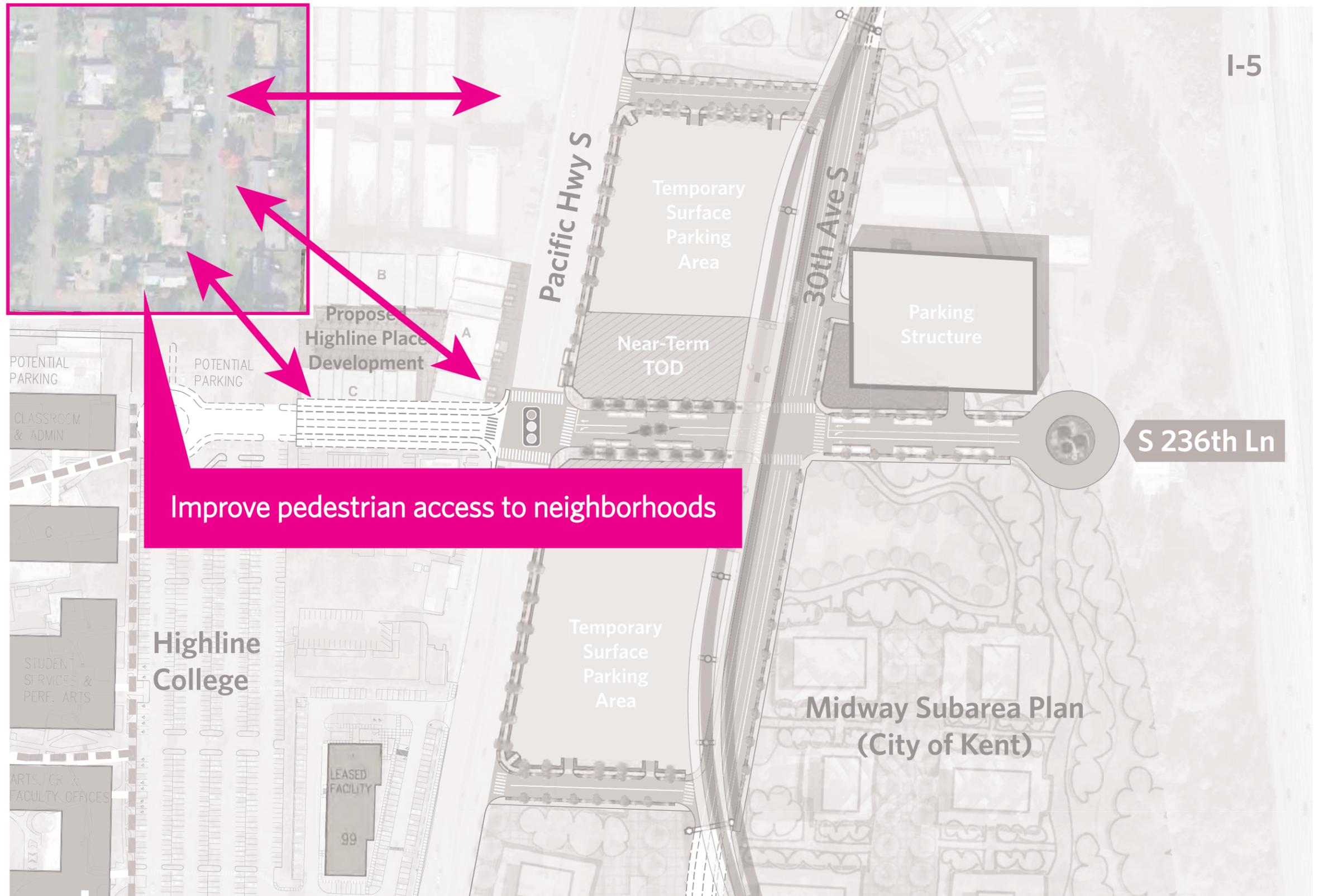
Subsequent feedback

Provide more frequent east-west transit service

# Recommendations

*in partnership with key stakeholders*

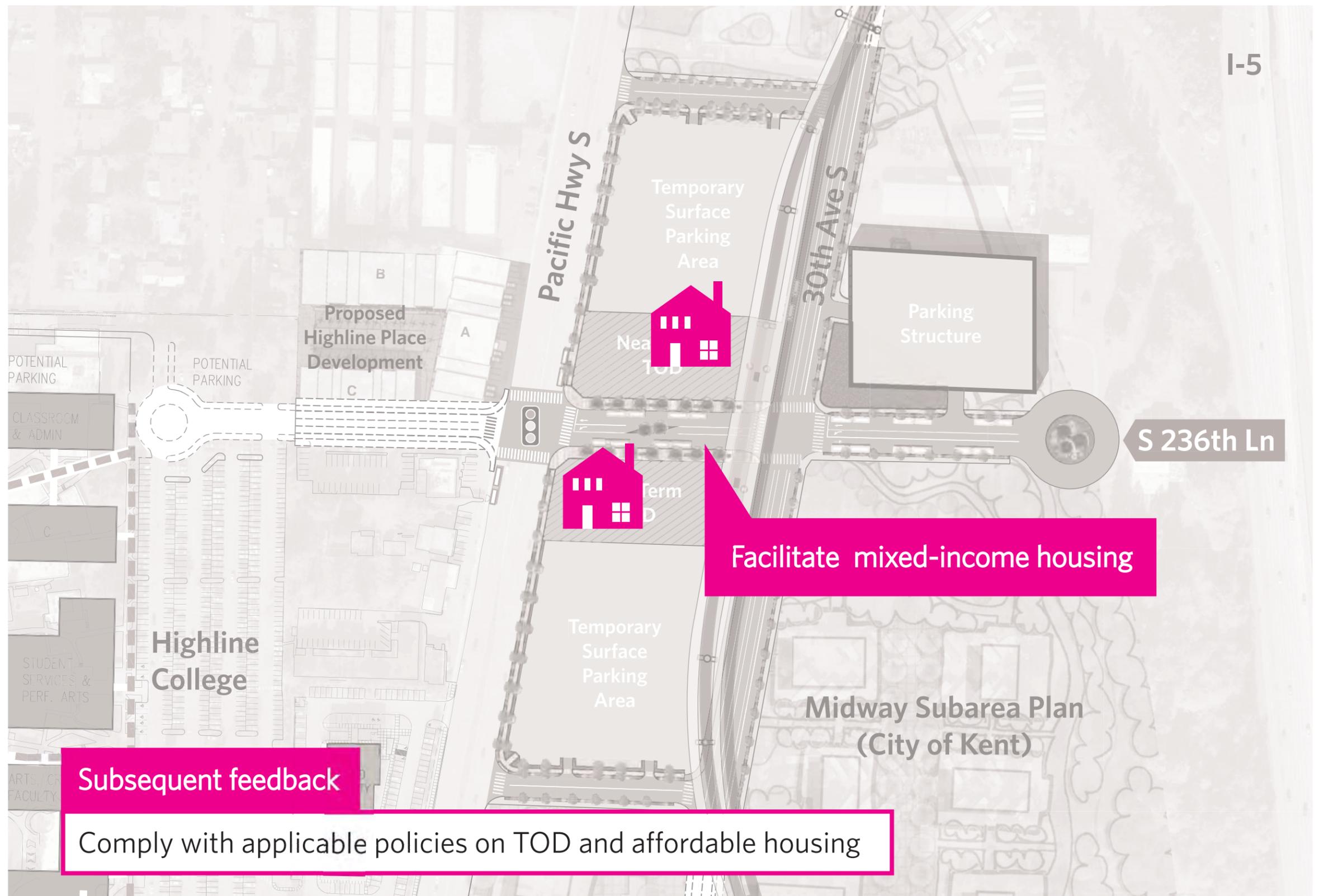
Stakeholder  
Workshops



# Recommendations

*in partnership with key stakeholders*

## Stakeholder Workshops



# Recommendations

*in partnership with key stakeholders*

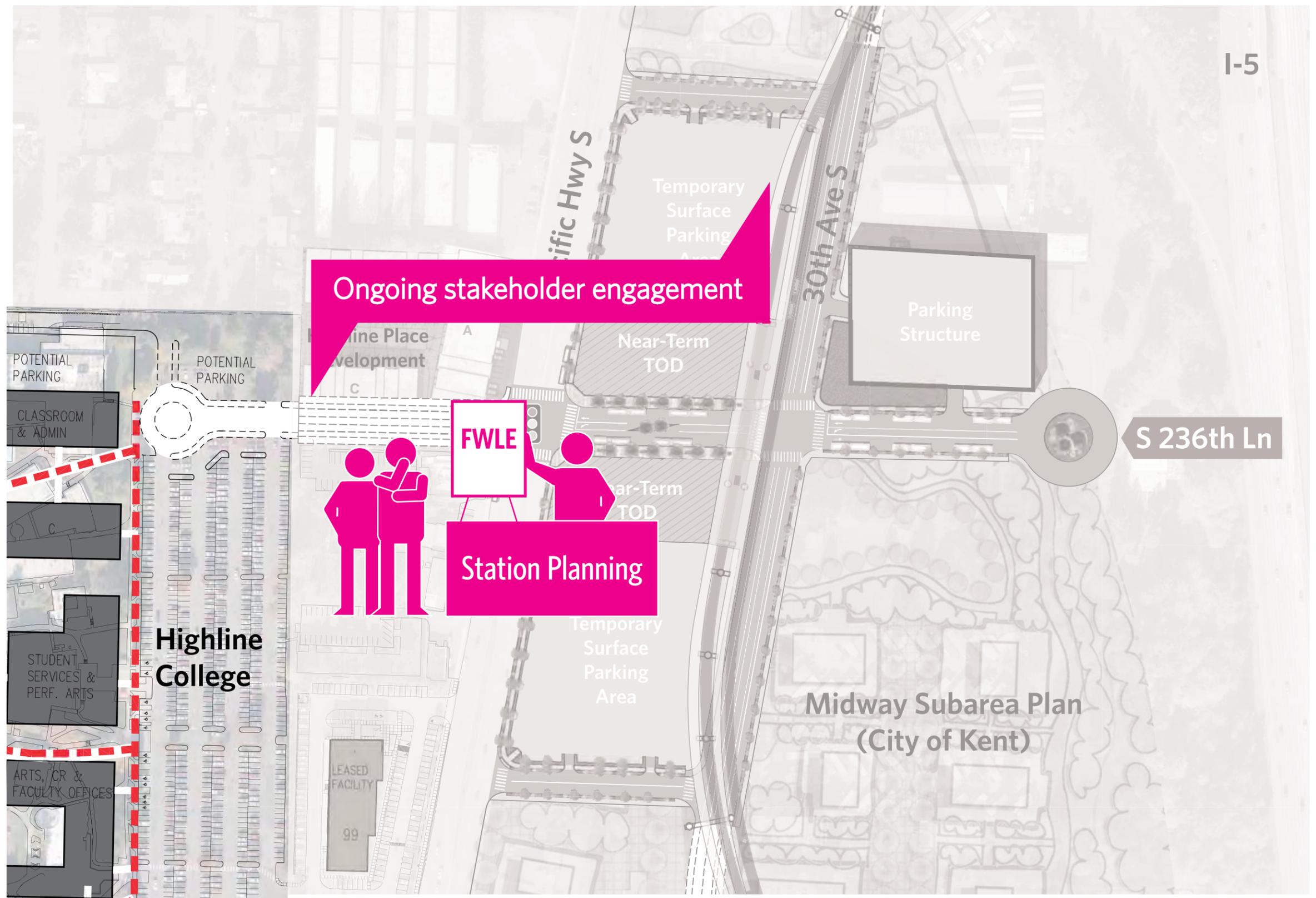
Stakeholder  
Workshops



# Recommendations

*in partnership with key stakeholders*

## Stakeholder Workshops





## Additional Workshops in February/March 2016

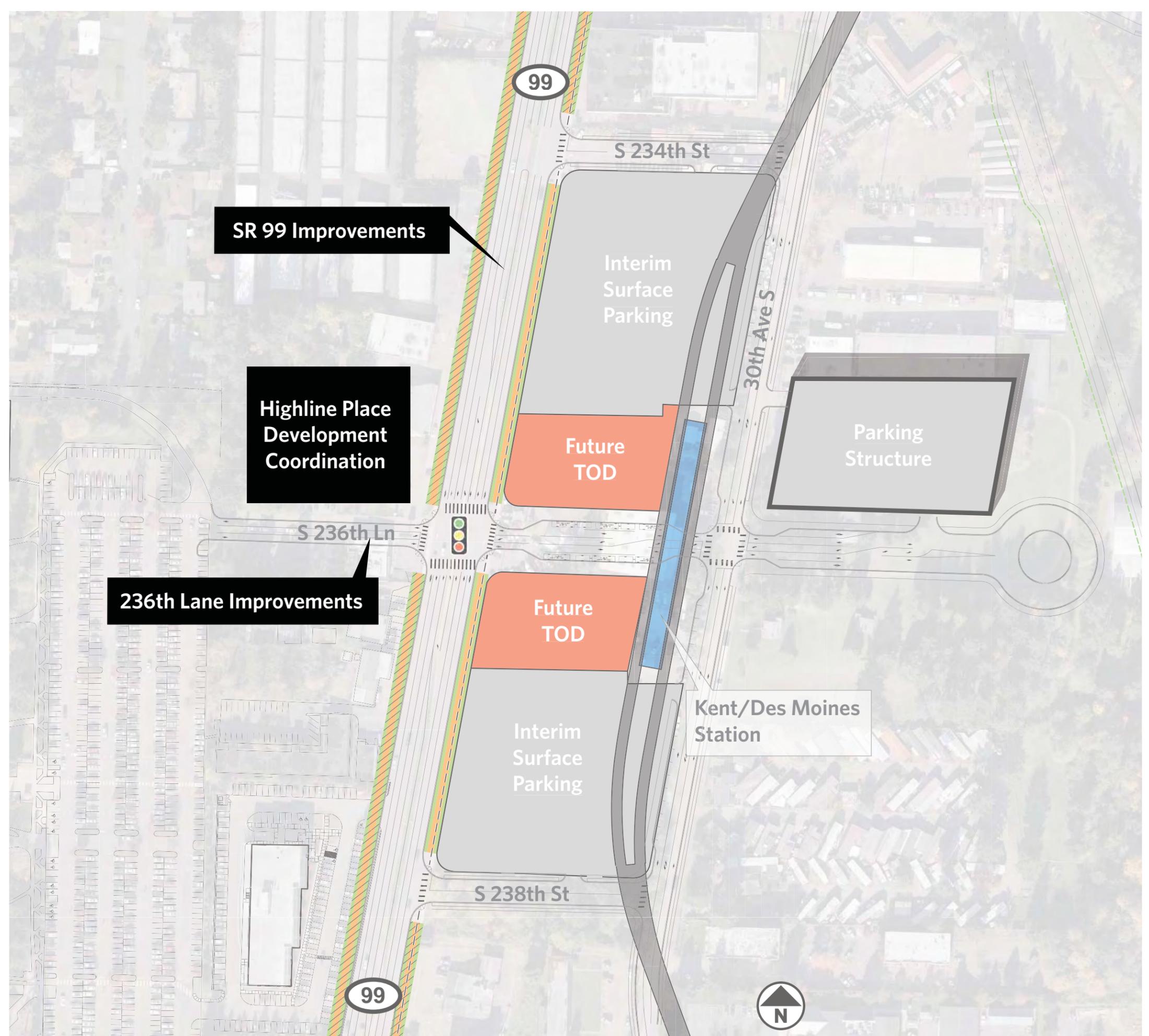
- S 272nd Station Area
- Kent/Des Moines Station Area

## Design Coordination



\*Not to scale. For illustration purposes only.

# Design Coordination



**Field Work**



**Noise and vibration testing**



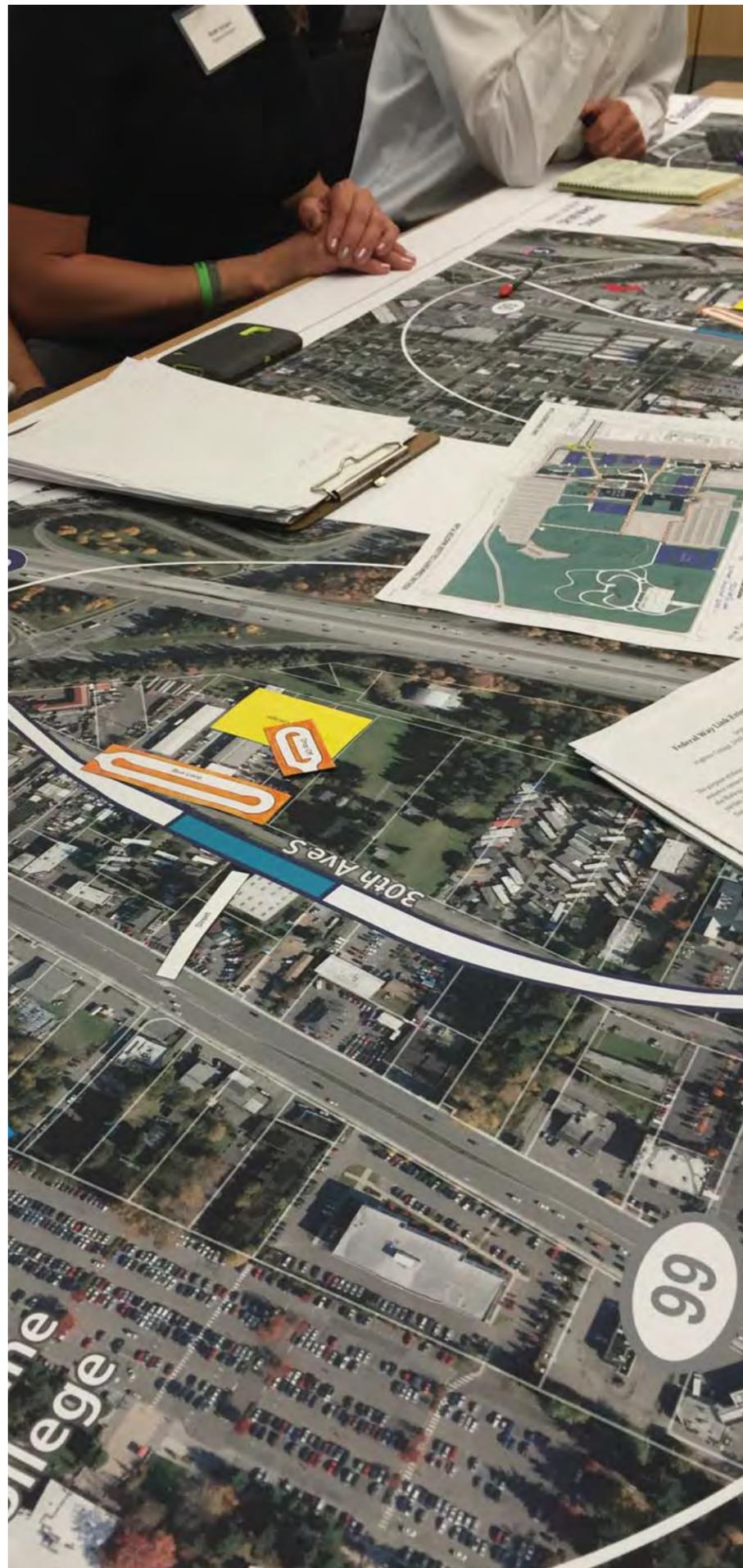
**Archaeological surveys**



**Geotechnical borings**



**Wetland surveys**

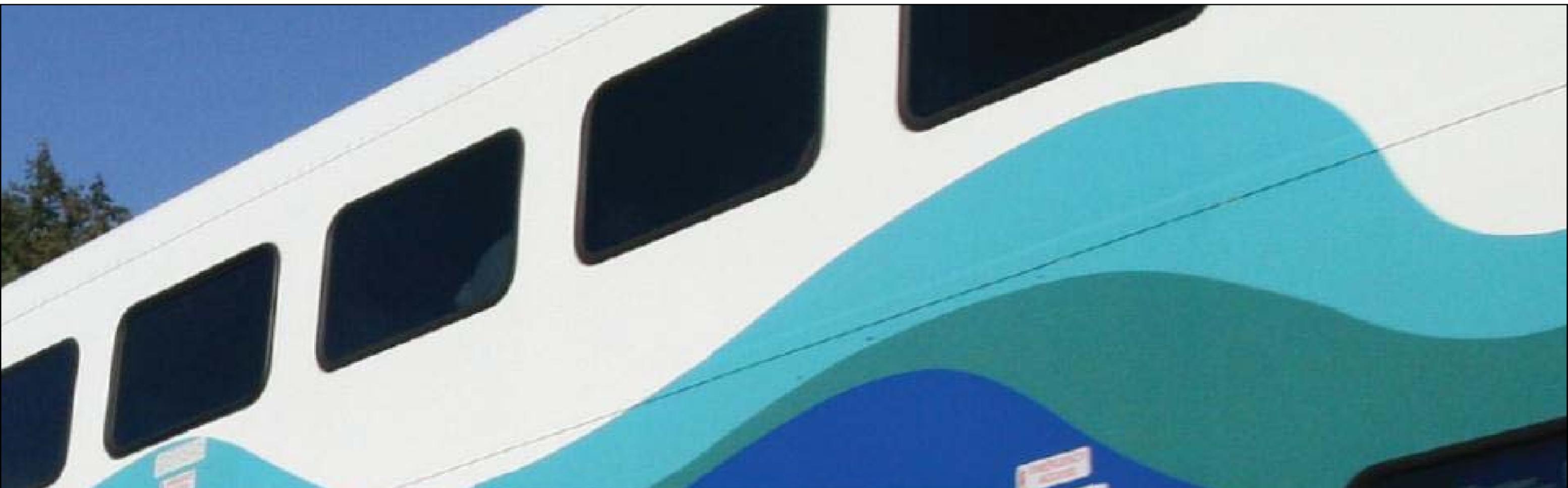


- Updated Technical Analysis
- DEIS Comment Responses

Process and  
Permits



- **Review/Approval Process**
- **Term Sheet/  
Development Agreement**
- **Code Amendments**



 **SOUNDTRANSIT**  
RIDE THE WAVE



# City Government 101

## Economic Development

February 4, 2016

### **The Art of Economic Development**

- ED is a complex process – will address some basic concepts especially relevant to Des Moines
- Many definitions of ED but primarily we will use the following definition:
  - ED is a series of actions taken to increase and enhance economic activity
  - These actions involve decisions made by the public sector and by the private sector
    - *One goal for tonight is to clarify the specific roles of the public and private sectors*

# DEVELOPMENT PROCESS

- Development is designed to change the status of specific land parcels
  - Can involve development on
    - Raw land
    - Redevelopment
    - Urban infill
  - It can be specific to a single parcel or involve multiple parcels
    - Requiring land assemblage
  - Development can have minor impacts or significant impacts which must be assessed and mitigated

# Development Steps (Private Sector)

- A parcel and potential use are identified
  - This process is in response to a market opportunity
    - If consumption-based then the proposed development is either responding to
      - current market demand
      - anticipated future market demand
        - a change in a market dynamic, for example, a proposed light rail station location
        - A change in income factors (higher incomes, for example)
    - If production-based factors can include:
      - Logistics – access to seaport, rail, airport, market locations
      - Cost efficiencies – land is relatively less expensive
      - Cluster advantages – other businesses doing similar things (Silicon Valley)
        - Presence of research enhancements – could be a University (Stanford, UC Berkeley)
      - Work force – availability of skilled employees

# Development Steps (Private Sector) -2

- Other key factors that drive private investment
  - Finance
    - Availability of capital for investment
      - soft costs
      - hard costs
  - Consideration of risk
    - Uncertainty = market factors and public sector (which we will come to)
    - Undercapitalized
    - A macroeconomic exogenous shock/ such as the recent over leveraging of real estate debt
    - A change in interest rates – actions by the US Federal Reserve
    - THE ACTIONS, ATTITUDE, AND KNOWLEDGE OF THE PUBLIC SECTOR
    - *Important to remember – unless a development can realize specific value from a public policy – developers are unconcerned about local political goals – they are driven by the market*

## Development Steps (Private Sector) - 3

- In the beginning...is due diligence to evaluate the risk/reward proposition of proposed development project
  - land acquisition
    - Soft money (reserve exclusive opportunity)
    - Earnest money (established sincere interest if property is taken off the market for a period of time)
    - Hard money (commitment)
- A potential development scheme (large or small) has to acquire information about the parcel under consideration
  - For example, if a retrofit of an existing building then a seismic and structural evaluation by an engineer is required

# Development Steps – Public Sector

- Now, the developer comes to the City prior to closing on the land and asks CD the following
  - Land Use/Zoning –
  - Permitted Uses
  - Height limitations
  - If necessary are there options to rezone or change the permitted uses?
  - SEPA requirements
  - Costs
    - SEPA/Design Review/Permits
  - Timing
  - Mitigation requirements
    - Impact Fees
    - Transportation impacts and concurrency
    - SEPA mitigation

# Development Steps – Public Sector - 2

- Infrastructure
  - Is the City planning improvements
    - Roadway
    - Stormwater
    - Any potential public investment
      - For example, light rail extension or new bus service
- Any significant demographic or pipeline changes
  - Is Highline College anticipating growth
  - Are there any major employers coming into the city (FAA)
  - Anticipated growth of passengers at SeaTac Airport
  - Other projects

# Regulatory Function of the City and other Agencies

- What are those regulatory functions & Public Process
  - Land Use Application
    - Environmental impacts (SEPA)
      - Infrastructure requirements met
  - Design Review
    - Compliance with Zoning Code and Development Regulations
    - Emergency Services access
    - Utilities
    - Other public agencies and other jurisdictions
  - Building Permit Application
    - Safe and compliant design consistent with International Building Code and City Municipal Code
  - Building inspections
  - Issuance of Certificate of Occupancy

# Development Steps

- The adjacent parcels
  - Importance
  - Potential
  - Impacts
- Local/regional political dynamic depending on the magnitude and type of development
  - Almost every developer will ask
    - **“Is the City Council supportive of this potential development?”**
    - And Dan, Tony and I say we can’t speak for the Council, however...
    - In certain instances we will ask the Mayor and/or Councilmembers to meet a developer or participate in a meeting with interested investors/developers

# Capacity of City to respond to Development Opportunities

- Regulatory Duties of the City
- Expertise of City of Des Moines staff
  - Building Official
  - Inspectors
  - Plan Review (team approach including EMS, utilities and others)
- Reducing uncertainty (function of mitigating risk for the developer/investor) by frontloading the review process
  - Preapps
  - The FAA as an example of expediting review process and complex review requirements (\$78 million building)

# What can we (public sector) do to increase Economic Development

- Understanding of local/regional demographics
  - Market demand dynamic
- Incentives
- Infrastructure investment
- Regional approaches
- Regional partners – huge complex public sector layers
  - Seattle/King County EDC (Associate Development Organization)
    - Example preparing and releasing press on Greencore
  - Department of Commerce
  - Soundside Alliance
  - Challenge Seattle
- Designated role of Port Authorities in WA to create, support and enhance ED (RCW 53)

# How can public sector partners and coalitions work?

- Avoid zero sum game
- Look for complementary zoning between cities
- Look for shared infrastructure improvements
  - Business Park – 24<sup>th</sup>/28<sup>th</sup> connection to SeaTac Airport
- Shared investment opportunities
  - Port of Seattle/Business Park
    - Partnership between the Port/City/Panattoni

# Tools Available to the City to Achieve ED

- Incentives
  - Tax Increment Finance
    - New Jersey, Washington and California
    - LIFT in Washington
      - Sales Tax Based increment
  - Multi-Family Tax Credit
- Local options
  - Relaxation of Mixed-use standards (sunsetting)
  - Relaxation parking requirements in the downtown (sunsetting)
- Various other state options

# Tools available to the City to achieve ED

- Land Use decisions and zoning
  - Increase productivity of existing commercially designated land
  - Increase multi-family residential densities
  - Allow for increased building heights
    - Success of the Theater and Seascape when City Council allowed for 10' height increase both applications were received within 5 minutes of the effective date and time.
- Expedite the development process
  - SEPA Planned Actions (Pacific Ridge) how this creates value for investment
  - Design Review
  - Permit issuance

# Tools Available to the City to Achieve ED

- Looks for synergies and integrated development patterns
- Matching development opportunities and/or finance opportunities with parcels
- The City perspective allows us to be aware of other potential development interests/scenarios
- Work to maximize positive impacts
  - Employment
  - Consumption
  - Housing
  - Quality of life/Amenities

# Tools Available to the City to Achieve ED

- Branding and Marketing
  - Develop a Story
    - Emphasize “competitive advantage”
    - Spread the story
    - Create from and add to the story
  - Other Resources
    - Seattle Southside Regional Tourism Authority
      - Promote tourism in Des Moines, SeaTac and Tukwila based on entryway to SeaTac
        - SeaTac provides gateway to the Pacific Northwest
  - Communication – send a unified message
    - City Currents
    - Council interactions
    - Community understanding
  - Turning Dirt

# What the City Cannot Do

- Select tenants for private development
- Control the timing of private investment and development

# Use of Public Resources

- Marina – land and potential development pattern
  - Master Planning
  - Parking
  - Infrastructure development constrained by existing utility corridors
  - Maximizing access and use of Beach Park grounds and facilities

# Public Private Partnerships (PPP)

- Value
  - For Des Moines a potential example is achieving human scale development on the Marina
  - Requiring public participation to make the deal pencil out
- Seen nationally as the wave of the future

# Revenue generation

- One time revenue
  - Sales tax on construction projects over \$15 million
  - Business and Occupation (B&O) tax on construction greater than \$15 million
- Additional Short Term revenue = pays for review process
  - SEPA
  - Design Review
  - Permits
- Real Estate Excise Tax (REET) for land and building transactions (restricted – used for certain City capital projects)

# Revenue

- On-Going Revenue from completed project development
- Importance of time lag to achieve structural revenue increases
  - Property tax on land and buildings (assessed once a year based on percentage complete)
  - Leasehold tax on leased property
  - B&O tax for tenants/occupants
  - Lodging tax (hotels/motels) restricted for tourism
  - Sales tax for retail
  - Utility tax

# So, What is the Art of Economic Development?

- Vision
  - Effectively connecting the City Council's Vision for the future of the City into an actionable economic development strategic process
    - (Subject to the degree that Vision is articulated)
  - Convey to the Council in an accurate manner what is possible
  - Provide a roadmap of how to get there
- Balance
  - Seek development patterns that celebrate the city's assets and historical values with new development opportunities that enhance the City's ability to survive and thrive