

REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

February 1, 2007

At 7:28 p.m. Mayor Sheckler announced that the Executive Session will last approximately another 10 minutes.

At 7:41 p.m. City Manager Piasecki announced that the regular meeting will begin in approximately 5 five minutes.

The regular study session of the Des Moines City Council was called to order by Mayor Sheckler at 7:46 p.m. in the Council Chambers, 21630 11th Avenue South, #B.

PLEDGE OF ALLEGIANCE to the Flag was led by Councilmember Kaplan.

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Dave Kaplan, Ed Pina, Carmen Scott and Dan Sherman. Absent: Councilmember Susan White. Also in attendance were City Manager Tony Piasecki, Acting City Attorney Richard Brown, Planning, Building and Public Works Director Grant Fredericks, Surface Water Management Engineer Loren Reinhold, Chief of Police Roger Baker and City Clerk Denis Staab.

MOTION was made by Councilmember Sherman, seconded by Councilmember Scott and passed unanimously, to excuse Councilmember White.

COMMENTS FROM THE PUBLIC

Wayne Corey, 22218 5th Avenue South

Mr. Corey noted that the community has been waiting for over a year to have a Police Substation opened in Redondo. He expressed support for Council approval of the Lease amendment on the Agenda this evening.

DISCUSSION ITEMS

Lakehaven Utility District's Comprehensive Water System Plan - Presentation

Surface Water Management Engineer Reinhold introduced Susan Boyd of PACE Engineers who helped prepare the District's Comprehensive Water System Plan. Ms. Boyd proceeded to review the Plan with highlights as follows:

- Goals & Objectives
 - Update Previous Plan
 - Comply with Regulatory Requirements
 - Coordinate with other jurisdictions and agencies
 - Evaluate ability of system to meet future needs
 - Consider all available water resources
 - Develop water reuse alternatives
 - Develop long range plan for improvement/development of system
- Water System
 - 28,500 Connections

- 450 miles of Pipe
- 2 Primary Zones (18 Sub-zones)
- 24 Wells
- 12 Reservoirs
- 7 Interties
- 3 SSP Connections

Ms. Boyd reviewed material distributed to Council including Demographics, Historical Demands, Projected Demands, Use by Customer Class, and Use by Month and Year, and continued with:

- Conservation
 - Major Focus of Current Planning Requirements
 - Reduce Overall Consumption
 - Reduce Normal Annual Average Demand
 - Reduce Total Peak Day Demand
 - Explore Markets for Reclaimed Water Use
 - Meet Requirements of SSP Memorandum of Understanding (Take steps to achieve 20% reduction in 10 years)

Ms. Boyd briefly reviewed a Water Reuse Plan that was completed by Carollo Engineers, noting this is a long term planning horizon of 50 years, and the program objectives are to:

- Recharge local aquifers to maintain water levels therein,
- reduce reliance of Puget Sound for effluent disposal, and
- discharge reclaimed water in the upland watershed to help sustain the hydrology in local rivers and streams
- In next six years, goal is to install sections of reclaimed water conveyance pipeline when the opportunity arises in conjunction with utility work along the planned route.

She continued by reviewing ranking of potential reclaimed water users and the proposed conveyance route, historical water production by source, the 2005 water demand summary, potential water supplies, storage analysis of existing source surplus and storage improvements, a transmission and distribution analysis, and concluded by noting a Preliminary Capital Improvement Plan budget comparison with project costs from 2006 through 2010.

Upon questioning, Lakehaven Utility District Manager, Don Perry advised that the District has sufficient generators to operate pumps in the event of a power loss, with 7 days worth of fuel to run the generators.

In conclusion it was noted that the final draft should be completed within 6 months at which time Council will be asked to approve a resolution to accept the final plan.

Lease Amendment Redondo Sub-station

Chief of Police Baker noted that at the direction of Council, the Police Department and Public Works Department have reviewed the Sub-station at Redondo Square and have worked with Joshua Green to outline and describe the remodeling project as a tenant improvement. He noted through a competitive bid process they have arrived at the final figures for the remodeling of the facility which is in front of Council this evening.

Upon questioning, Chief Baker stated that the lease agreement provides for five years from the time of occupancy.

Upon questioning as to how long before the facility will be able to be occupied, Planning, Building and Public Works Director Fredericks noted that Joshua Green is prepared to award the contract and should be ready to accept in about six weeks. He noted however, the City needs to install needed technology such as phones and computers and he estimates the place should be ready about the same time as police officers are on board.

Chief Baker estimated 30 to 60 days before new police personnel will be ready, which should be about the same time frame for furniture and technology installation, hopefully sometime in April. He further advised that the sub-station will be open limited hours for the public, the remaining time it will be open for law enforcement and traffic, and hopefully some assistance from police officers from Federal Way, Kent and King County. He noted the facility is being designed to be a magnet for law enforcement activity which is really needed in that particular area.

Upon questioning by Mayor Pro Tem Thomasson as to why Council did not have a copy of the proposed agreement in their packet, Acting City Attorney Brown stated that the agreement was suppose to be here by noon today, but Joshua Green staff informed him earlier that they are still working on a couple of minor items, including how to handle cost overruns.

Mayor Pro Tem Thomasson questioned how much the total cost will be including the furniture and technology.

Planning, Building and Public Works Director Fredericks responded there is \$51,630 available from 2006 MCI funds and an additional \$15,000 plus available for the furnishings, which will be carried forward to the 2007 budget. Of the \$51,630, a remaining balance of about \$100,000 will be reduced to around \$48,000 after project management costs.

In regards to using the bond issue revenues to pay the capital costs of the building, Mayor Pro Tem Thomasson remarked that the ballot title spoke to increasing the number of police officers, and even though the sub-station is police related, it is not what we said we were going to do with the money. He further noted that Council specifically said that the sub-station was not a part of the bond issue in any way. Therefore, in his opinion, to use any part of the bond funds to pay for the sub-station is not appropriate.

Chief Baker reminded Council that in restoring police positions they need to be completely outfitted and equipped, therefore the office furnishings go with the returning staff.

City Manager Piasecki noted that the cost of doing tenant improvements ended up being a great deal more than anticipated, however Council's direction was to still do this and see what kind of cost we end up with through a bidding process. That information is now before Council and it is now a matter of putting together a package to fund it. He advised that the general fund and the MCI is are rather tight. He also advised that the Levy Lid Lift money is coming in higher than anticipated because access values went up a little higher and Council took a 1% increase that would have normally gone into the general fund and placed it in with the Levy Lid Lift, therefore staff felt it was appropriate to use that to pay for the substation as Council had deemed it a high priority.

Councilmember Sherman noted that the substation is something new so it is within the spirit of the Levy Lid Lift while there still is adequate funding for hiring new personnel.

Chief Baker stated, in his opinion, using some of the Levy Lid Lift funds for the new substation stays with the spirit and purpose. He feels the substation will greatly enhance law enforcement ability to provide better services to the community which will positively impact the crime rate in the City. Upon questioning, he informed Council that the Levy Lid Lift will fund six new officers, 3 civilian officers, a records clerk and the final third to have a full time property and evidence technician.

MOTION was made by Mayor Sheckler, seconded by Councilmember Pina, to authorize the City Manager to enter into a lease amendment with Joshua Green Corporation for \$147,315.50 to provide City required tenant improvements using the balance in the 2006 MCI appropriation (approximately \$48,000) with the remainder to be paid in a lump sum from Fund 112, the Police Services Restoration Fund.

Councilmember Scott remarked that the amount Joshua Green Corporation has proposed is a savings around \$33,000 from the earlier bids. She noted that in order to staff the sub-station there will be a need for furniture and equipment and feels it is appropriate to use some of the extra Levy Lid Funds as needed for new offices.

Councilmember Sherman noted that earlier he did not support the sub-station without the officers to staff the facility, however now that there will be ample police staff he can support the idea.

Mayor Pro Tem Thomasson noted he cannot support the motion as he needs to see the actual agreement. He further noted that when we had this number of officers before and they were suitably housed in the existing Police facility, so to make it sound like we need this sub-station to house the new officers is not correct. He felt using the Levy Lid Lift funds for this project is inappropriate use based on what Council told the public.

Councilmember Pina commented that Police response to the south end of the City is really difficult, particularly during rush hours, therefore in his opinion, the facility is really needed.

After further discussion, Mayor Sheckler pointed out that his motion did not allow for any commitment for contingency funds or cost over-runs. City Manager Piasecki confirmed that he understands Council's position that this is a onetime lump sum.

VOTE ON MOTION: Motion passed 5 to 1 with Mayor Pro Tem Thomasson opposed.

9:12 p.m. Mayor Sheckler called for a 10 minute break.

Des Moines Creek Business Park (DMCBP) Economic Benefit Study

Planning, Building and Public Works Fredericks proceeded to brief Council with highlights as follows:

Economic Benefits

- Builds upon New Economic Strategy Triangle study completed in 2004
- Analyzes market support for project
- Estimates economic benefits of EIS alternatives:
 - Direct Jobs

- Gross Receipts
- Ongoing Annual Tax Revenues
- One-time Tax Revenues

Market Support for DMCBP

- Near-term: Demand for general industrial uses is highest and best use
- Long-term: Meeting demand for off-airport greatest opportunity for the site

Development Alternatives

- Alternative 1 - Loser Intensity
 - 50% Logistics (wholesale trade/warehousing supporting airport related services)
 - 30% Manufacturing
 - 20% Office/R&D
- Alternative 2 - Maximum Intensity
 - 25% Logistics
 - 25% Manufacturing
 - 50% Office/R&D

Economic Benefits of Alternatives

- Direct Jobs
 - 1,200 jobs for Alternative 1
 - 2,100 jobs for Alternative 2
 - 22-38% increase over 5,613 jobs estimated in 2003
 - Higher employment densities for office buildings than comparably sized manufacturing buildings
- Indirect & Induced Jobs
 - 2,100 jobs for Alternative 1
 - 3,500 jobs for Alternative 2
- Gross Receipts
 - \$209M/yr Direct + \$390M/yr Indirect for Alternative 1
 - \$337M/yr Direct + \$626M/yr Indirect for Alternative 2
- Ongoing Annual Tax Revenue
 - \$3.3M for Alternative 1
 - \$6.0M for Alternative 2
 - State collects 60-70% of total revenue
 - Des Moines (20%) - \$650K (Alt 1) to \$984k (Alt 2)
- One-time Tax Revenues
 - \$6.2M for Alternative 1
 - \$8.0M for Alternative 2
 - State collects approx. 75% of total under either alternative
 - Des Moines (9.5%) - \$593K (Alt 1) to \$767K (Alt 2)

Mayor Pro Tem Thomasson questioned whether Council will decide the ultimate use of this land and whether that will be a policy decision, or is this good information and ultimately the Port or its developers will decide.

Planning, Building and Public Works Fredericks commented that the short answer is the market place will decide. He advised Council that during the second development agreement discussions, we will address items like that, so there will be an opportunity to have more detailed

discussion and our Economic/Real Estate Consultant will help us understand how much influence we can exercise.

Mayor Pro Tem Thomasson advised that if he had the choice to set the policy he would go for the higher/better development, even it occurs a bit slower.

City Manager Piasecki advised that it will be part of the process of the second development agreement where Council can decide if they wish to be more restrictive, or more market driven.

Planning, Building and Public Works Fredericks requested Council not make decisions until after the final EIS is issued and the comment and appeal period ends, which will be the end of March.

Mayor Pro Tem Thomasson expressed concern that those types of documents are being written without any input from Council. He felt Council is not having policy discussions early enough to influence how documents are written. He felt Council should have adopted a preferred alternative before SEPA was done.

In conclusion, Planning, Building and Public Works Fredericks called Council's attention to the proposed schedule of the process through August 2007, distributed to Council this evening.

National Pollution Discharge Elimination System (NPDES) Permit Phase II Appeal

MOTION was made by Mayor Sheckler, seconded by Councilmember Pina, that the City of Des Moines join other Western Washington cities in appealing certain requirements of the Department of Ecology's Municipal Phase II NPDES Permit.

City Manager Piasecki advised that the cost to fund the appeal as contained in Council's packet show \$5,000 to \$10,000, however he noted that if not enough cities participate it could go as high as \$15,000. He noted eventually there will be an Interlocal agreement between the participants so there will be another opportunity for Council to actually join in, however this will give staff direction on whether to move forward.

Mayor Pro Tem Thomasson stated that the Environment Committee has reviewed this and when you read what a lot of the cities are complaining about, it reads as if they are whining. He felt that some of the things that the State says should be done or needs to be done, are things that we really should be doing in due course, such as maintaining our detention and water quality ponds. He stated this is forcing cities that may have neglected some of their duties, including Des Moines since we have not raised our SWM rates, to do what should be done. He felt that there does need to be some conversation as to whether the State has gone too far, such as a permit from both the State and the City to do a development, as this does not make a lot of sense. He expressed support to join as long as we are not a whiner, but deal with issues where we feel DOE may have gone to far.

Upon questioning, Surface Water Engineer Reinhold advised that the City has been applying the redevelopment standards since 2005. This generally applies to larger developments, not a single family home.

Councilmember Scott felt Des Moines needs to be the best we can and not contribute to problems. She would like to participate in the agreement to be in the position to oppose any ridiculous regulations.

City Manager Piasecki informed Council that once we enter into an agreement with other cities and we are represented by counsel, we can arrange to have our attorney come to an executive session and explore what is being done and what the issues are in more depth. He advised that there are a lot of good items pertaining to the environment, but the question is whose going to enforce and who is going to be the one to make homeowners, developers or builders pay more money to do these things.

Councilmember Kaplan advised that this is aimed to the Pollution Control Hearing Board which seems to be the proper venue, however anything beyond that level he would question whether or not the City should participate.

VOTE ON MOTION: Motion passed 5 to 1 with Councilmember Sherman opposed.

NEXT MEETING DATE

Mayor Sheckler noted the next regular meeting is February 15, 2007.

ADJOURNMENT

At 9:59 p.m. **MOTION** was made by Councilmember Kaplan, seconded by Councilmember Pina and passed unanimously, to adjourn.

Respectfully submitted,

Denis Staab
City Clerk