CITY OF AUBURN WASHINGTON

CITY COUNCIL STUDY SESSION AND SPECIAL FOCUS AREA
AUGUST 14, 2017 – 5:30 PM
Auburn City Hall
MINUTES

I. CALL TO ORDER

Deputy Mayor Largo Wales called the meeting to order at 5:32 p.m. in the Council Chambers of Auburn City Hall located at 25 West Main Street, Auburn.

A. Roll Call

Councilmembers present: Deputy Mayor Wales, Bob Baggett, Claude DaCorsi, John Holman, Bill Peloza, and Rich Wagner. Councilmember Yolanda Trout-Manuel was excused

Mayor Nancy Backus and the following department directors and staff members were present: City Attorney Daniel B. Heid, Police Commander Steve Stocker, Assistant Director of Engineering Services/City Engineer Ingrid Gaub, Innovation and Technology Director Paul Haugan, Parks, Arts and Recreation Director Daryl Faber, Finance Director Shelley Coleman; Assistant Finance Director Keven Fuhrer, Assistant Director of Community Development Services Jeff Tate, Parks Planning and Development Manager Jamie Kelly, Economic Development Manager Doug Lein, Real Property Analyst Josh Arndt, Tourism Coordinator Lorraine Chachare, Solid Waste and Recycling Supervisor Joan Nelson; Customer Care Manager Brenda Goodson-Moore, and City Clerk Danielle Daskam.

II. ANNOUNCEMENT, REPORTS AND PRESENTATIONS

A. Auburn Station Access Improvement Project – Preferred Alternative Site

The following Sound Transit representatives presented Sound Transit's preferred alternative sites for the Auburn Station Access Improvement Project: Chelsea Levy, Government and Community

Relations Officer; Sandra Fann, Project Manager; and Karen Kitsis, Development Director for South King and Pierce Counties.

Using a PowerPoint, Ms. Fann recapped the purpose of the project, its goals and objectives, scope and timeline. The available budget for a new Auburn Station garage is $60 million. The project will increase access for all riders to the Auburn Sounder Station, and the planning effort will determine the most effective and affordable mix of improvements. Sound Transit anticipates a preferred improvement package by the end of 2017. Environmental review and preliminary design will occur in 2018-2019. Property acquisition, final design and permitting is anticipated from 2019-2021. The garage could be open by 2023.

Ms. Fann reviewed the major elements included in cost estimates for the four potential sites and include: property acquisition, relocation and interim lots, garage construction, permits and art, management and administration, non-motorized improvements, contingencies, and where needed, pedestrian bridges, frontage improvements, access improvements, and parking technology.

Ms. Kitsis reviewed the four preferred sites for the new garage:

Site 1 First & B Streets Parking Lot – Cost $60.4 Million

This site would create up to 545 net new stalls and 675 total stalls; it has reasonable access for passengers to platform; vehicle access via two driveways; there are no major environmental concerns; there are existing on-site development rights until 2020; there is a higher potential for traffic mitigation, and it is a constrained site and requires right-of-way acquisitions

Site 2 Ace Hardware at West Main and C Street SW – Cost $75.7 Million

This site has the potential for up to 580 net new and total stalls, it has reasonable access for passengers to platform, vehicle access via two driveways, no major environmental concerns, lower potential for traffic mitigation. The site is considered constrained, requires right-of-way acquisitions and business relocations, and a requires construction of a pedestrian bridge.

Site 3 Sound Transit Parking Lot – Cost $80.9 million

This site has the potential for up to 525 net new and 635 total stalls, it has the easiest access for passengers to platform, vehicle access via two driveways, and no major environmental concerns. The site is extremely constrained and requires substantially more garage structure per stall.

Site 4 Machinists Union Hall at A Street SW and 2nd Street SW – Cost $65.3 Million

This site has the potential for up to 550 net new stalls, it has easy access for passengers to platform, there are no major environmental concerns, it could be connected to the existing garage. The site has higher potential for traffic mitigation, it is a constrained site and right-of-way acquisition would be required.

Next steps include a presentation to the Auburn Transportation Advisory Board (TAB) on August 23, 2017. A public open house will take place September 19, 2017. The timeline for the preferred alternative recommendation includes:

September 27, 2017	TAB recommendation to the Council
October 9, 2017	City Council Study Session presentation
October 16, 2017	City Council recommendation
November 9, 2017	Sound Transit Capital Committee
November 16, 2017	Sound Transit Board identifies preferred site

Deputy Mayor Wales questioned whether parking in the Sound Transit garages will remain free. Ms. Levy responded that Sound Transit has been evaluating methods for managing parking, including technology improvements to allow patrons to identify available parking, re-locate carpool meet-ups out of the garage, and charges for parking. Ms. Levy stated later this year the Sound Transit Board will have additional discussion regarding single occupancy parking permits.

Councilmember Baggett recommended lowering the speed bumps in the parking garage.

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Capital Project Status Report

Assistant Director of Engineering Services/City Engineer Gaub presented the status report on capital projects.

The Capital Projects Group of Community Development and Public Works is currently managing 35 active projects with a total cost of $58 million. Of these projects, 11 are in the design phase and 24 are under construction. Within the next three months, four additional projects are expected to enter the construction phase before the end of the year.

Significant projects underway include: CP1218, the Auburn Way South Corridor Safety Improvements (Muckleshoot Plaza to Dogwood Street SE); C222A – 277th-Auburn Way North to Green River Bridge; CP1511, M Street SE Improvements (3rd Street SE to East Main), which should be open by September 1, 2017.

There was brief discussion regarding CP1513, 22nd Street NE and I Street NE Round-a-bout and Improvements and the pedestrian safety improvements. Assistant Director Gaub stated 22 accidents have occurred at the intersection since 2011 and six of the accidents have involved pedestrians or bicyclists. Deputy Mayor Wales suggested a Channel 21 program to highlight the project.

Project CP1520, B Street NW Reconstruction has started with the necessary sewer work.

Deputy Mayor Wales requested a conceptual review of the Lea Hill Road at 104th Avenue project at the October 9th study session.

Project CP1523, Lake Tapps Parkway Preservation is ongoing.

Councilmember Peloza requested information on the location of the PRV Stations on Lea Hill.

Project CP1701, the Auburn Way South Dynamic Message Sign is underway east of the bridge over R Street SE. It will be a permanent variable message sign, which will help during concert and event seasons.

In response to questions from Councilmember Peloza, Assistant Director Gaub explained there are several different stages associated with Project CP1516, Auburn Municipal Airport Runway Enhancements. The City has applied for a grant for the design work, and next year, the City will apply for a construction grant for the project.

B. Parks/Open Space Plan

Parks, Arts and Recreation Director Faber and Parks Planning and Development Manager Kelly presented a brief overview of the Parks, Recreation and Open Space Plan, with an emphasis on Chapter 5 relating parks inventory and undeveloped spaces. Using a PowerPoint, Director Faber stated the Plan provides a six-year plan and a 20-year vision for Auburn's park system. The plan outlines goals and objectives, implementation strategies, capital improvements, and investment programs for the City's parks system. The plan is required in order to be eligible for state and federal grants.

Director Faber stated the City owns five properties that are not developed.

Goals of the Parks Department is to: 1) Serve all residents by providing a broad range of programs and facilities; 2) Provide healthy balanced activities with a mix of passive and active recreation opportunities; 3) Provide high quality parks that are well maintained; 4) Provide a park system that contributes to a positive image for Auburn; 5) Acquire and manage important open spaces in the city; 6) Provide a network of pedestrian and bicycle trails; and 7) Expand the existing park inventory where service standards are not being met, with an emphasis on the West Hill and Lea Hill areas.

Director Faber discussed the components of a neighborhood park versus a community park.

Neighborhood parks are primarily designed for non-supervised and non-organized play, are typically less than five acres, and serve neighborhoods within a half mile. The City has 23 neighborhood parks and examples include Shaughnessy Park and Rotary Park.

Community parks provide active and structured recreational opportunities for all ages. They are typically larger than 10 acres and have a 1-2 mile service radius. The City has 14 community parks and examples are Brannan Park and Game Farm Park.

Undeveloped park properties include: West Auburn lake property, Jacobsen Tree Farm on Lea Hill, Auburndale II, Lakeland nature area, and the 104th Street property on Green River.

Councilmember Wagner questioned whether more access to the river has been considered at Game Farm Park. Director Faber responded that no plans have been made for river access at Game Farm. Director Faber pointed out undeveloped community park space at 31495 104th Avenue SE, along the Green River. The City is just starting its master plan for the park property. Nearly two-thirds of the park is located within the floodplain, and it will likely be a nature park.

Council and Director Faber briefly spoke about Cedar Lanes Park. Director Faber stated the department is filling a low spot in the park to improve the sight corridors in the park. There is no wetland in the park. The department is also eliminating some non-native plant species and limbing-up some trees.

Director Faber directed the Council's attention to the Deferred Maintenance Plan. Director Faber stated the City is able to accomplish many of the projects with parks staff, volunteers, and grants.

Deputy Mayor Wales questioned how the park impact fees will be used. Director Faber stated a portion will be used for the 104th Street park property, the West Auburn lake property, and the Jacobsen Tree Farm Phase 1.

Deputy Mayor Wales inquired regarding homeless in Game Farm Wilderness Park. Director Faber stated the area is monitored and highly used by disc golf enthusiasts. It appears that many of the homeless encampments have either moved up river on the Segale property or on Muckleshoot Tribal property.

Deputy Mayor Wales suggested installation of lights and longer hours at Sunset Park.

IV. FINANCE AND ECONOMIC DEVELOPMENT DISCUSSION ITEMS

Councilmember Bob Baggett, chair of the Finance and Economic Development Special Focus Area, presided over the meeting during discussion of the Special Focus Area items.

A. Resolution No. 5310 – Solid Waste Contracts

Finance Director Shelley Coleman presented Resolution No. 5310 to extend the Solid Waste Collection Contract with Waste Management and the Memorandum of Understanding with

Republic Services for solid waste services in annexed areas. The current contract expires December 31, 2017. The extension would be through September 30, 2019.

In response to questions from Deputy Mayor Wales, Solid Waste and Recycling Supervisor Joan Nelson stated staff intends to request new services in the next contract that will cover the entire city.

B. Fire Relief and Pension Fund

Finance Director Coleman reviewed her memorandum in the agenda packet regarding the status of the Fire Pension Fund (FPF). The City is obligated to pay retirement benefits to active members as of March 1, 1970. The City has 13 retired members, which includes four beneficiaries. Director Coleman briefly reviewed how the excess FPF benefit is calculated.

Director Coleman stated the recent actuarial study found the present value of the future exceeds pension benefits to be provided to the City is $3,300,526.00, which was 10 percent higher than expected due to a four percent increase in demographic experience and six percent increase due to changes in benefit amounts compared to expectations. The value of the total assets available to fund future excess pension benefits is $2,412,576.00 leave an actuarial deficiency of $887,950.00. The deficiency does not include the state tax on fire insurance premiums of approximately $75,000.00 annually.

Based on the actuary's recommended contribution schedule, Director Coleman recommended the City make a $192,000.00 annual contribution to the fund for five years to cover the shortfall. The annual contribution would be reduced by the amount received from Fire Insurance Premium Tax revenue. The adjustment will be included in the next budget amendment.

C. 2016 Comprehensive Annual Financial Report

Assistant Finance Director Kevin Fuhrer presented a PowerPoint and an overview of the 2016 Comprehensive Annual Financial Report (CAFR) and primarily reviewed the structure of the document.

Assistant Director Fuhrer stated staff begins its work on the CAFR in November and finishes the CAFR in June of the next year.

Assistant Director Fuhrer reviewed the Introductory Section, which includes the list of city officials, the organizational chart, the letter of transmittal, and the City's Certificate of Achievement in Financial Reporting.

The Financial Section includes the Independent Auditor's Report on the financial statements, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplementary information, and fund financial statements and schedules.

The Statistical Section of the CAFR includes 10 years of economic data.

At 7:43 p.m., Deputy Mayor Wales recessed the meeting for about ten minutes for a brief intermission. The meeting was reconvened at 7:52 p.m.

D. Resolution No. 5311 – Investment Policy Update

Finance Director Coleman presented Resolution No. 5311, which adopts a revised investment policy. The existing policy has not been updated since 2003. Changes include:

- Increased maximum length of investment from 3 years to 5 years
- Removed Banker's Acceptances and Commercial Paper
- Updated references
- Added Standard & Poor's (S&P) and Moddy's minimum ratings reqirement

The resolution will be presented at the August 21, 2017 Council meeting for adoption.

E. 2nd Quarter 2017 Financial Report

Finance Director Coleman reviewed the second quarter 2017 status report based on financial data available as of July 25, 2017 for the period ending June 30, 2017 and sales tax information representing business activity that occurred through April 2017.

The General Fund revenues totaled $34.8 million compared to a budget of $34.0 million.

Director Coleman noted that sales and use tax generates 28 percent of General Fund revenue, and sales tax revenues are flat.

Councilmembers and Director Coleman briefly discussed the impact of streamlined sales tax and remote sales tax. The City receives just under $2 million in streamlined sales tax mitigation revenue from the state.

Property tax revenue totaled $11.0 million, which was 0.7 percent above budget expectations. The increase is attributable to an increase in assessed valuation and the use of banked capacity.

The City utility tax revenues exceeded budget by eight percent. Electric and natural gas revenues exceeded budget by $121,000.00 and $58,000.00 respectively. Leasehold excise taxes were also above budget. Cable utility tax revenues were below budget and could be a timing issue.

Building permit revenue collected through second quarter totaled $714,000.00 compared to a year-to-date budget of $727,000.00. However, development services fees are up.

Director Coleman also reviewed charges for services, development service fees, fines and penalties assessed by the court, miscellaneous revenue, real estate excise tax, and pet licensing.

Director Coleman briefly reviewed capital project expenditures, enterprise funds, and the investment portfolio.

F. Economic Development Update

Economic Development Manager Lein, Real Property Analyst Arndt, and Tourism Coordinator Chachere presented the Economic Development Update for the second quarter of 2017.

Manager Lein reviewed the following economic statistics:

	End 2nd Qtr. 2017	End 2nd Qtr. 2016
Single Family	110	146
Single Family Value	$34,250,066.97	$36,692,061.04
Commercial	180	184
Commercial Value	$41,559,958.41*	$52,969,188.65
New Business Licenses	113	69
Real Estate Excise Tax	$1,665,000.00	$2,068,000.00
Sales Tax Revenue	$8,493,000.00	$8,292,000.00

Manager Lein noted that approximately $42 million worth of commercial construction will be under review in the third quarter of 2017. The two blocks of South Division Street have not submitted permits at this time. The Holiday Inn has been approved, but the Hilton and Wyndham have not yet submitted their applications.

Manager Lein reviewed progress on the ten-year Economic Development Strategic Plan. Manager Lein reported that to date, no additional funding or staffing has been requested. Manager Lein stated that three budget amendments will be proposed in order to implement more of the Strategic Plan strategies and include one additional FTE, matching share for the Port grant for the business incubator and "buy local" program, funding for marketing and branding.

Strategic Plan highlights include:

- Launch and management of a business incubator
- Continued organization of 3NoNetworking events

- Improvements to business licensing database; capture Auburn based employers
- Continue to actively seek investors and developers for downtown projects
- Develop marketing packages for tourism destinations
- Coordinate efforts among ADA, BIA, Tourism, ED Office, Chamber of Commerce
- Leverage Auburn's community of business leaders to reach peers and cultivate stronger relationships

Real Property Analyst Arndt reviewed other real estate related tasks performed and not associated with the Strategic Plan, including sale and lease negotiations, property transfers, and property management.

Mr. Arndt reviewed Real Estate Tracking System software. The City owns 440 parcels of land. Through the tracking system, any City employee can determine when the property was acquired, the purpose of the acquisition, intended use of the property, and any restrictions attached to the property, relevant studies or reports the City has for the property. Through the tracking system staff will be able to identify potential surplus properties. To date, 72 parcels have been vetted and updated in the GIS system and another 117 parcels have partial information. Approximately 189 parcels have been researched to some degree.

Real Property Analyst Arndt reviewed proposed catalyst projects at GSA Park, the west side of the airport, and the old Farmers Market building on Auburn Way South. The Strategic Plan also provides for identifying and compiling deal-ready sites of property where the phase 1 environmental assessment has been completed, boundary surveys performed, impact fees determined, etc. Currently, staff performs the minimal services due to staff constraints.

Real Property Analyst Arndt reviewed efforts on business retention and attraction. Staff provides limited real estate services to the business community through access to the commercial real estate database (CoStar) for site selection and access to public information the City has on potential sites. Staff is not involved in lease negotiations.

Tourism Coordinator Chachere reviewed the activities of the Tourism Board and Lodging Tax Advisory Committee. She noted increased hotel owner/operator engagement. Ms. Chachere also spoke about recent hotel acquisitions and new ownership and remodels and renovations.

There are three pending hotels: Holiday Inn Express located off Highway 18 at C Street SW, Tru by Hilton at 307 Auburn Way South, and Wyndham at Auburn Way North and 49th Street NE.

Tourism Coordinator Chachere also spoke about regional and industry collaborations.

Some of the tourism initiatives underway include: rebranding with a new tourism website, video and logo; request for proposals for marketing, media buy and public relations; hotel support services through monthly concierge newsletters and hotel staff training; community outreach and engagement; attracting group travel/conferences; and participating in the 2018 Japan-America Grassroots Summit for the Seattle area.

Tourism Coordinator Chachere also shared data on hotel stays and benchmarks. Currently there are seven hotels with 561 room inventory. Occupancy levels and revenues are increasing compared to last year.

Economic Development Manager Lein updated the Council on the Business Improvement Area (BIA) Board.

Economic Development Manager Lein updated the Council on the following notable projects: Robertson Property Group, Auburn Development LLC mixed use seven-story project, Teutsch Partners LLC mixed use seven-story project, SpaceFlight Industries, three new hotels (discussed earlier), GSA site, North Auburn Logistics, Dave and Busters, LA Fitness, The Quarters, Vinifera Wine Bar and Bistro, Lakeland Commons, Geaux Brewing, and Scamp Brewing.

V. OTHER DICUSSION

There was no other discussion.

VI. NEW BUSINESS

There was no new business.

VII. MATRIX

Deputy Mayor Wales requested the addition of the following items to a future study session agenda: Council Chamber usage-City facilities usage by outside groups and traffic impact and mitigation fees and how they are being used.

Mayor Backus asked if the items are in addition to the items requested for the August 28th meeting. Deputy Mayor Wales responded in the affirmative. Mayor Backus requested Deputy Mayor Wales respond to Mayor Backus's email requesting additional information/detail on the items scheduled for the August 28th study session meeting.

VIII. ADJOURNMENT

There being no further discussion, the meeting adjourned at 9:58 p.m.

APPROVED this 5th day of September, 2017

LARGO WALES, DEPUTY MAYOR

Danielle Daskam, City Clerk