



**CITY COUNCIL MEETING**

**May 17, 2016 – Agenda**

Mt. Si Senior Center, 411 Main Ave. S., North Bend, Washington

**7:00 P.M. – CALL TO ORDER, ROLL CALL, FLAG SALUTE**

**CONSENT AGENDA:**

	<b>Pg.#</b>
<b>1) Minutes</b> Special Workstudies of March 22 & April 12, 2016, Council Workstudy of April 26, 2016 & Council Meeting of May 3, 2016	<b>1</b>
<b>2) Payroll</b> <b>May 5, 2016 – 27465</b> through <b>27471</b> , in the amount of <b>\$195,674.68</b>	
<b>3) Checks</b> <b>May 17, 2016 – 62750</b> through <b>62813</b> , in the amount of <b>\$525,039.19</b>	
<b>4) AB16-053</b> Resolution – RE Reimbursement for WWTP Critical Improvements	Ms. Masko <b>15</b>
<b>5) AB16-054</b> Motion – Authorizing Contract with Valbridge for Appraisal Services	Ms. Lindell <b>21</b>
<b>6) AB16-055</b> Motion – Authorizing Golder Work Order for Construction Admin of Mt Si Springs VFD Project	Mr. Rigos <b>37</b>
<b>7) AB16-056</b> Motion – Authorizing Tetra Tech Work Order Amendment for Bendigo Right Turn Lane Project	Mr. Rigos <b>47</b>

**CITIZEN’S COMMENTS:** (Please restrict comments to 3 minutes)

**COMMISSION AND COMMITTEE REPORTS:**

Planning Commission	Community & Economic Development – Councilmember Pettersen
Parks Commission	Finance & Administration – Councilmember Rosen
Economic Development Commission	Public Health & Safety – Councilmember Gothelf
	Transportation & Public Works – Councilmember Loudenback
	Mayor Pro Tem – Councilmember Loudenback
	Eastside Fire & Rescue Board – Councilmember Gothelf

**INTRODUCTIONS:**

<b>8) AB16-057</b> Resolution – Accepting Cedar Falls Way Walkway Project as Complete	Mr. Rigos <b>57</b>
<b>9) AB16-058</b> Motion – Authorizing Second Amendment to Piccola Fire Station Lease	Ms. Lindell <b>61</b>

**MAYOR, COUNCIL & ADMINISTRATOR CONCERNS AND INITIATIVES:** (Business and general information presented that may be deliberated upon by the Council. Formal action may be deferred until a subsequent meeting; immediate action may be taken upon a vote of a majority of all members of the Council.)

**Executive Session** – To Discuss Potential Litigation, pursuant to RCW 42.30.110(1)(i)

**ADJOURNMENT:**

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CITY OF NORTH BEND  
CITY COUNCIL  
SPECIAL WORKSTUDY NOTES  
**March 22, 2016 – 1:30 p.m.**  
Cedar River Watershed Education Center, 19901 Cedar Falls Road SE, North Bend, WA

Mayor Hearing called the meeting to order at 1:30 p.m.

Councilmembers Brenden Elwood, Alan Gothelf, Trevor Kostanich, Ross Loudenback, Jeanne Pettersen, Jonathan Rosen and Martin Volken were present.

**Staff Present:** Mayor Ken Hearing, City Administrator Londi Lindell, Public Works Director Mark Rigos, and Community & Economic Development Director Gina Estep.

**Common Meeting Objectives**

Council engaged in an exercise to determine their objectives for the meeting. Mayor Hearing noted his objective for the meeting was to come together as a group with the end result being a well-functioning Council. Councilmembers listed the following objectives for the Special Workstudy:

- Councilmember Elwood
  - (i) Operationalize our terms “Rural, Small Town, Preserve, Enhance, Etc.”
  - (ii) Reach Alignment on our “Vision Statement and Brand Statement” Based on the above statement.
  - (iii) Discover commonalities and areas of/for opportunity with respect to our Grand Vision: i.e. Do we have it all? To create a strong narrative that Council can write and stand behind as we share our future.
- Councilmember Gothelf - Make sure our code matches our vision.
- Councilmember Kostanich
  - (i) To come to a team consensus on vision (next 15 years) for development in North Bend.
  - (ii) Single family focus but full UGA zoning also important.
- Councilmember Loudenback
  - (i) Everyone leaves alive.
  - (ii) Feeling as though they have been heard.
  - (iii) Understanding the complexities of changing zoning and codes and the downstream effects on current and future residents of North Bend.
- Councilmember Pettersen
  - (i) Common vision for future growth, including plans for review and rewrite of residential codes – LDR, HDR, CLDR.
  - (ii) Compare our codes to other cities.

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- Councilmember Rosen
  - (i) Identify amount of growth needed to satisfy our existing infrastructure deficiencies (roads, water, sewer, parks, etc.) and then determine amount of growth necessary to meet our ongoing responsibilities (police, fire, labor, etc.).
  - (ii) Rewrite our entire zoning codes.
- Councilmember Volken - Create a cohesive strategy on how to deal with the growth pressures that does not stand in conflict with the agreed upon Brand and Vision for our Town. This strategy should ultimately provide a solid tool for development decisions.

### **History of Residential Land Use Regulation**

City Administrator Lindell and Mayor Hearing discussed the history of residential land use regulations in North Bend including that Council had been good stewards of protecting the rural character of North Bend by preserving over 800 acres of park and farm land in partnership with Snoqualmie through Tollgate and Meadowbrook Farms. They also discussed the 10 year development moratorium and Great Recession that resulted in little or no development in North Bend and how that contrasted with the incredible amount of development activity in the last few years. The Mayor and Administrator also discussed how Councils have changed over the last decade from “property right” and “anti-regulation” Councils who strongly favored allowing persons to control growth on their property to a more neutral Council who believed in reasonable regulation to insure growth matched the citizen’s vision for maintaining the rural character and small town feeling of North Bend. Council discussed the history of the residential zoning in North Bend and the concerns they had based on what they see getting built.

### **Compare Home Purchase/Community Vision**

Council provided the following input regarding why they each purchased their home in order to determine what features citizens might value in the North Bend environment:

- (i) Councilmember Loudenback – Price, location and proximity to work relevant to Puget Sound region, attractive area, semi-rural;
- (ii) Councilmember Volken – Proximity to outdoor recreation, wanted to walk and ride bicycle to town, views;
- (iii) Councilmember Rosen – Small town rural, “Mayberry”, price;
- (iv) Councilmember Elwood – River/Mountain, felt like Bozeman Montana where he grew up, proximity to urban services;
- (v) Councilmember Kostanich – Walkability, community, close to outdoor recreation;

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- (vi) Councilmember Gothelf – Rural, felt like childhood neighborhood, price, small town vib, community; and
- (vii) Councilmember Pettersen – Water, near a city, scenic views, small town, hiking.

**Vision Workshop – Visioning Work Exercise**

Council engaged in an interactive word rating session designed to draw out the common adjectives for the key elements of the Community Vision of what it means to them to preserve the rural character, natural beauty, and small town scale of North Bend. The following words received large consensus from Councilmembers as follows:

**Preserve Rural Character**

- Large Areas of Open Space
- More Space Around Homes
- Lots of Green Areas
- A Small Population
- A Small Town Feel

**Preserve Natural Beauty**

- Protect Rivers
- Preserve Nature Views, Mountain Views
- Mt Si and other Mountains
- Forests
- Undeveloped Ridges
- Open Fields
- Valleys, Lakes, Open Space
- No human pollution, clean air
- Trees

**Preserve Small Town Scale**

- Walkability
- Low Density
- Vibrant Downtown
- Know they neighbor
- Safe
- Quiet
- Connected to Trails
- Friendliness

Mayor Hearing recessed the meeting at 3:15 p.m. for a short break.

The meeting was called back to order at 3:30 p.m.

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### **Vision Workshop – Map Exercise**

Councilmembers and Mayor Hearing paired up and drew an “ideal neighborhood” and after completion each group presented it as follows:

Councilmember Loudenback/Mayor Hearing – Whole town, river through town, equestrian, hotel, lots of recreation, connected trail system, lots of greenery, active recreation in town, parks and recreation connected, Minimum Lot Size: 8,000 to 10,000 sq ft.

Councilmembers Gothelf & Elwood – Winding, wide roads, cul-de-sacs, mixed lots sizes, setbacks varied, low light pollution, sidewalk on one side of street, centralized park, 15-20 feet between homes, connected trails to other neighborhoods, 33 to 38 feet wide roads. Main roads could be wider. Rolled curb street standard. Lot size 8,500 and up to 1 acre in varied size.

Councilmembers Pettersen & Kostanich – Natural environment providing buffering and trail connectivity. Architectural diversity, custom building, varied setbacks. Large setbacks, space between and around houses, 1 to 2 story mixed homes, tree preservation, evergreen gateway, trail connections, fire pit, barbeque. Minimum lot size 15,500.

Councilmembers Volken & Rosen — varied lots sizes. Winding road with communal focal point in the middle of the neighborhood, homes orienting to the views, trails over sidewalks, intersecting trails, and neighborhood business serving that little area, land dictated the development. Protect view preservation and no cookie cutter homes. Minimum Lot size 10,000 to 20,000.

### **Common Vision Directs Code Change**

The following common aspects were identified as a result of the map exercise and Council directed CED staff to work with CED Committee to come up with a work plan to move code amendments forward to address the following:

- Winding roads and wider roads were preferred by Council.
- Most Council preferred larger lot sizes than currently exists in the City’s Low Density Residential zone and wanted minimum lot sizes of 8,000 to 20,000 outside of the downtown core.
- Trails connecting the neighborhoods.
- Integrated parks with social features such as fire pits and barbeques.

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- Setbacks
  - Varied Setbacks
  - Larger Setbacks between houses
  
- Architectural diversity
  - No cookie cutter
  - Mix of two story and one story homes
  
- Protect Views –
  - Orient homes to the views of mountains, rivers and natural features
  
- Infill development – ensure new two story does not block view for existing homes.
  
- Tree preservation
  
- More Significant Variation in Lot Sizes Desired - varied sizes within the neighborhood.
  
- Break up Low Density Residential – More Diversity
  
- Sidewalks – sidewalks on one side and/or no sidewalks. Landscape buffer of 10' on major arterials on ROW.
  
- Architectural diversity.
  - No cookie cutter houses.
  - Vary styles of houses in a plat.
  
- Height limits. Some Council were interested in discussing reducing the maximum height of 35' to a lower number to better meet Council's goal of preserving the rural character. Height diversity was also desired - a mix of 1 and 2 story homes.
  
- No multifamily in single family or LDR zones

**Adjournment**

The workstudy adjourned at 5:22 p.m.

ATTEST:

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Kenneth G. Hearing, Mayor

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Gina Estep, CED Director



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CITY OF NORTH BEND  
CITY COUNCIL  
SPECIAL WORKSTUDY NOTES  
**April 12, 2016 – 7:00 p.m.**

City Hall Conference Room, 211 Main Ave. N., North Bend, WA

Mayor Pro Tem Loudenback called the meeting to order at 7:00 p.m.

Councilmembers Gothelf, Kostanich, Loudenback, Pettersen, and Rosen were present. Councilmembers Elwood and Volken were excused

**Staff Present:** Mayor Ken Hearing, City Administrator Londi Lindell, Public Works Director Mark Rigos, Community & Economic Development Director Gina Estep, Associate Planner Lynn Hyde, and Records Coordinator Kym Smith.

**Guests Present:** Linda Pruitt, Co-owner, The Cottage Company

**Presentation – Cottage Housing**

Community & Economic Development Director Estep introduced Linda Pruitt, Co-owner of the Cottage Company, who provided a presentation on Cottage Housing.

Ms. Pruitt explained her real estate development company was based in Seattle and was recognized as a leader in innovative single family housing choices which included clustered cottages, pocket neighborhoods and infill developments in the following Western Washington communities: Langley, Winslow, Shoreline, Kirkland, Redmond and Shoreline.

She detailed the journey that Seattle, Langley and Kirkland had taken in exploring cottage housing in their communities and noted they were motivated by a desire to compliment the housing already in place in their community and round out the needs of their demographics and citizens. She commented that the decrease in household size over the last few decades has increased demand for smaller cottage style homes which more municipalities were recognizing.

Ms. Pruitt discussed “Innovative Housing” which included several medium density housing types such as cottages, row houses, and courtyard housing. She noted location was the key to any successful development and that they needed to be walkable, close to shopping and services, and appeal to buyers which were usually single women, empty nesters and couples resizing from larger homes. Other appealing features included aesthetically pleasing architectural design, low operating costs, and simple yet luxurious construction. Ms. Pruitt added that cottages designed in clusters also created the opportunity for human connection and community.

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After discussion and questions from Council, Ms. Pruitt suggested the City could adopt a “Demonstration ”municipal code that the City of Kirkland had previously used which consisted of a Request for Proposals process in which developers submit their ideas for design after they had located and secured a piece of property.

Council requested staff draft an ordinance similar to the City of Kirkland’s cottage zoning code and route it through committee to ensure it was the best fit for North Bend. Council specified the cottages cap out at 1,500 square feet with a maximum height of 1 ½ stories and no more than 24 units in two adjoining cottage developments.

**Adjournment**

The workstudy closed at 9:07 p.m.

ATTEST:

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Ross Loudenback, Mayor Pro Tem

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Kym Smith, Records Coordinator

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CITY OF NORTH BEND  
CITY COUNCIL  
WORKSTUDY NOTES  
**April 26, 2016 – 7:00 p.m.**  
City Hall Conference Room, 211 Main Ave. N., North Bend, WA

Mayor Pro Tem Loudenback called the meeting to order at 7:02 p.m.

Councilmembers Elwood, Gothelf, Kostanich, Loudenback, Pettersen, Rosen and Volken were present.

**Staff Present:** Community & Economic Development Director Gina Estep, Associate Planner Lynn Hyde, and Records Coordinator Kym Smith.

**Discussion of Cottage Housing and Next Steps**

Community & Economic Development Director Estep noted recent discussion regarding Cottage Housing had occurred at the Special Workstudies on March 22<sup>nd</sup>, April 5<sup>th</sup>, and April 12<sup>th</sup> and at tonight's meeting she would like to have a more informal discussion with solid input from Council.

Ms. Estep mentioned Council's desire to maintain North Bend's rural character and small town atmosphere and questioned how it would apply to the corridor located between North Bend Way and Cedar Falls Way. She explained the Cottage Residential Zone located between North Bend Way and Cedar Falls Way was a quintessential corridor because it separated the City's two main arterials and was planted with mature trees. If the City were to rezone this area Low Density Residential as infill (like Kirkland), even with 30% tree retention, there will be an impact to the community. She compared the potential outcome to Snoqualmie Ridge's core center where there were a lot of single family residential homes on smaller lots mixed in with tiny cottages like the Baker Street Cottages. She expressed concern that this was clearly not the vision of rural character Council was looking for as they had indicated no "sea of sameness", or lot after lot mixed, with a higher density that engulfed smaller lots.

Ms. Estep noted her staff had limited time to research the previously mentioned issues and proposed the following to Council:

- 1) Enter into a "not to exceed \$7,500 contract" with a planning firm for detailing of the zoning design standards for the area. This would allow the City access to professional drafting design tools and City Planners would aid in the process to keep expenditures to a minimum.
- 2) Take planning to the next level by "Shadow Platting" which consisted of laying out a design that includes roads, buffers, parks, trails, trees, etc. This

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would help with decision of constructing a buildable product and having that product be something the market can support.

After discussion and Council inquiry into available options, Ms. Estep explained she thought it useful to reach out to other planners in other communities to see what was working for them and a consultant would be the best option for this purpose as they often had better contacts in the industry. Council requested Ms. Estep investigate this option and expressed a desire to have the consultant attend a Council Workstudy in late May or late June to finalize the full scope of the project based upon their input. They commented they were interested in innovative type housing/zoning that would provide options for the “Missing Middle”.

**Adjournment**

The workstudy closed at 8:28 p.m.

ATTEST:

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Ross Loudenback, Mayor Pro Tem

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Kym Smith, Records Coordinator

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**NORTH BEND CITY COUNCIL MINUTES**

**May 3, 2016**

Senior Center, 411 Main Ave. S., North Bend, Washington

**CALL TO ORDER, ROLL CALL:**

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

**Councilmembers Present:** Elwood, Gothelf, Kostanich, Pettersen, Rosen and Volken. Councilmember Loudenback was excused.

Mayor Hearing announced agenda items AB16-049 Ordinance Amending Taxes, Rates & Fees Schedule RE Support Costs, AB16-050 Ordinance Amending NBMC 5.04 RE B&O Tax & AB16-051 Ordinance Adopting NBMC 3.26 Commercial Parking Tax would be moved from the consent agenda to the main agenda for discussion.

**CONSENT AGENDA:**

**Minutes** – Special Workstudy of April 5, 2016 & Council Meeting of April 19, 2016

**Payroll – April 20, 2016 – 27458 through 27464**, in the amount of **\$151,164.16**

**Checks – May 3, 2016 – 62683 through 62749**, in the amount of **\$267,403.65**

**AB16-048** – Ordinance 1585 Amending NBMC RE Code Enforcement

Councilmember Gothelf **MOVED**, seconded by Councilmember Elwood to approve the consent agenda as amended. The motion **PASSED** 6-0.

**CITIZENS COMMENTS:**

**Dave Olson**, 440 Main Avenue S, provided an update on Kiwanis activities.

**Del Newton**, Representative of Snoqualmie Valley Moose Lodge #1666, mentioned the good works his organization provided to the community and requested City staff assistance with a Special Events Permit for July 29 – 31<sup>st</sup> event the Lodge was planning. He also requested consideration of a possible variance on the property line between the Moose Lodge and City parking lot.

Mayor Hearing requested Mr. Newton contact him tomorrow regarding his requests.

**ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:**

**Proclamation – Building Safety Month**

Mayor Hearing read a proclamation declaring May 2016 as Building Safety Month in the City of North Bend.

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**INTRODUCTIONS:**

**AB16-049** – Ordinance 1586 Amending Taxes, Rates & Fees Schedule RE Support Costs **Audio: 7:56**

Assistant City Administrator/Finance Director Masko provided the staff report.

Councilmember Rosen **MOVED**, seconded by Councilmember Gothelf to approve AB16-049, an ordinance increasing the Professional, Administrative and Support Cost Rates and amending the Taxes, Rates & Fees Schedule, as a first and final reading. The motion **PASSED** 6-0.

**AB16-050** – Ordinance 1587 Amending NBMC 5.04 RE B&O Tax **Audio: 10:56**

Assistant City Administrator/Finance Director Masko provided the staff report.

The following individuals spoke regarding the Ordinance Amending NBMC 5.04 RE B&O Tax:

**Sharon Wiltshire**, 249 Bendigo Blvd. S

**Michael Thomas**, 1231 LaForest Drive SE

Councilmember Rosen **MOVED**, seconded by Councilmember Gothelf to approve AB16-050, an ordinance amending North Bend Municipal Code Section 5.04, as a first and final reading. The motion **PASSED** 6-0.

**AB16-051** – Ordinance Adopting NBMC 3.26 Commercial Parking Tax **Audio: 19:18**

City Administrator Lindell and Assistant City Administrator/Finance Director Masko provided the staff report.

The following individuals spoke regarding the Ordinance Adopting NBMC 3.26 Commercial Parking Tax:

**Steve Krakowski**, 21526 SE Main Street, Gresham, OR, District Manager for TA

**Larry Costich**, 1516 3<sup>rd</sup> Avenue W, Seattle, Legal Counsel to TA Operating

**Dutch Siedentopf**, 46226 SE 139<sup>th</sup> Place

**Michael Thomas**, 1231 LaForest Drive SE

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**Jean Buckner**, 46226 SE 139<sup>th</sup> Place

**Rich Wiltshire**, 249 Bendigo Blvd. S

**Sharon Wiltshire**, 249 Bendigo Blvd. S

Councilmember Pettersen **MOVED**, seconded by Councilmember Rosen to remand AB16-051, an ordinance adopting NBMC 3.26 Commercial Parking Tax to a Council Workstudy for further discussion. The motion **PASSED** 6-0.

**AB16-052** – Ordinance 1588 Amending NBMC RE Franchise Utility & Street Lighting

**Audio: 1:04:43**

Senior Planner McCarty provided the staff report.

The following individuals spoke regarding the Ordinance Amending NBMC RE Franchise Utility & Street Lighting:

**Jean Buckner**, 46226 SE 139<sup>th</sup> Place

**Gary Fancher**, 47532 SE 137<sup>th</sup> Street, Planning Commission Chair

Councilmember Pettersen **MOVED**, seconded by Councilmember Rosen to approve AB16-052, an ordinance amending NBMC Chapter 19.06, and repealing Chapters 12.08 and 19.07 concerning Franchise Utilities and Street Lighting, as a first and final reading. The motion **PASSED** 6-0.

**MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:**

Councilmembers thanked everyone for their participation and providing input on agenda items.

Councilmember Gothelf announced the April 26<sup>th</sup> special ballot measure regarding a Regional Fire Authority for King County Fire Districts 10 and 38 did not pass.

City Administrator Lindell thanked citizens for their input and recognized the Council for their active involvement in the public process.

Mayor Hearing thanked those that provided comments at tonight's meeting and encouraged anyone to contact him if they had an issue they wished to discuss with him.

**ADJOURNMENT:**

Councilmember Rosen **MOVED** to adjourn, seconded by Councilmember Elwood. The motion **PASSED** 6-0.

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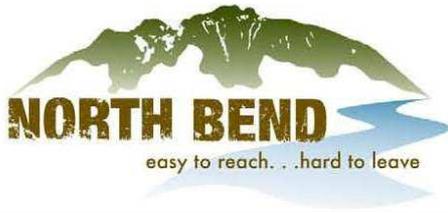
The meeting adjourned at 8:18 p.m.

ATTEST:

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Kenneth G. Hearing, Mayor

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Kym Smith, Records Coordinator

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## City Council Agenda Bill

<b>SUBJECT:</b>	<b>Agenda Date: May 17, 2016</b>	<b>AB16-053</b>
<b>A Resolution Declaring the City’s Intent to Reimburse Certain Wastewater Treatment Plant Critical Improvements Project Expenditures from Bonds that may be Issued in the Future</b>	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	X
	Public Works – Mark Rigos	
Cost Impact:		
Fund Source:		
Timeline: Immediate		
<b>Attachments:</b> Resolution		
<p>SUMMARY STATEMENT:</p> <p>The Mayor and City Council have directed staff to move forward with certain Wastewater Treatment Plant (WWTP) Critical Improvement projects. This Resolution provides for a mechanism to reimburse the City with proceeds from tax-exempt bonds or other obligations that may be issued in the future.</p> <p>Reimbursement resolutions are authorized under Treasury Regulation Sec. 1.150-2 and are utilized to preserve the option for the future issuance of tax exempt bonds for capital projects. The reimbursement resolution captures the capital costs incurred for the stated projects up to 60 days prior to the official declaration of intent to reimburse. In order to take advantage of such reimbursement, the potential bond issuer (the City) must adopt a resolution stating its intent to reimburse the previous expenditures from bond proceeds within 60 days after the original expenditure. This means that the City would be able to reimburse itself for capital expenditures associated with the WWTP Critical Improvement projects that have been incurred since March 17, 2016 if this resolution is adopted tonight. This resolution does not bind the Council to the issuance of bonds for this project. However, failure to adopt such a reimbursement resolution within 60 days after the original capital expenditure would foreclose the City from reimbursing itself from bond proceeds.</p>		
<p>COMMITTEE REVIEW AND RECOMMENDATION: This resolution was discussed by the Finance and Administration Council Committee at its April 5, 2016 meeting.</p>		
<p>RECOMMENDED ACTION: <b>MOTION to approve AB16-053, appointing the Assistant City Administrator/Finance Director for the purpose of designating certain expenditures for reimbursement from bonds that may be authorized and approved by the City for issuance in the future.</b></p>		
<b>RECORD OF COUNCIL ACTION</b>		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2016		



## RESOLUTION

### A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, APPOINTING THE ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR FOR THE PURPOSE OF DESIGNATING CERTAIN EXPENDITURES FOR REIMBURSEMENT FROM BONDS THAT MAY BE AUTHORIZED AND APPROVED BY THE CITY FOR ISSUANCE IN THE FUTURE

**WHEREAS**, the City of North Bend, Washington (the “City”) issues tax-exempt obligations, including bonds, notes, and leases from time to time for the purpose of financing its governmental activities; and

**WHEREAS**, the City intends to commence preliminary work, including contracting for preliminary work, to prepare for the Wastewater Treatment Plant Critical Improvements Project to be financed by tax-exempt obligations, which project includes, but is not limited to, Utility Local Improvement District 6 pump station improvements, ultraviolet disinfection system upgrades, Effluent Temperature mitigation, and SCADA system upgrades (the “Projects”), and intends to reimburse itself for certain expenditures from proceeds of the future bond issue; and

**WHEREAS**, the United States Department of the Treasury has published regulations (the “Regulations”) governing the ability of the City to use the proceeds of tax-exempt obligations for reimbursement of prior expenditures; and

**WHEREAS**, the Regulations require that a governmental entity declare its intent to issue tax-exempt bonds to reimburse itself for expenditures made prior to the issuance of such bonds before the expenditures are incurred;

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AS FOLLOWS:**

**Section 1.** Pursuant to U.S. Treasury Regulation Section 1.150-2(e), the City reasonably expects to pay for expenditures described herein with money in its Sewer Fund and expects to reimburse the Sewer Fund for such expenditures with the proceeds of tax-exempt bonds or other obligations, including but not limited to a tax-exempt line of credit, to be issued by the City (the “Reimbursement Bonds”). The City reasonably expects to spend money in its Sewer Fund for certain capital expenditures relating to the Projects, including but not limited to architectural and engineering fees and other preliminary expenditures.

**Section 2.** The City Council hereby appoints and designates the Assistant City Administrator/Finance Director (the “Authorized Representative”) as the official responsible for issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2.

Upon a determination by the Authorized Representative that the costs of a particular capital project may be reimbursed from the proceeds of tax-exempt obligations of the City, the Authorized Representative is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit A. Each certificate so executed shall become a part of the official records of the City available for public inspection and review.

**Section 3.** The maximum principal dollar amount of Reimbursement Bonds expected to be issued for the Projects described in Section 1 is \$3,000,000.

**Section 4.** The adoption of this resolution shall not obligate the City to issue Reimbursement Bonds. The issuance of the Reimbursement Bonds shall require separate and additional official approval by the City Council.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17<sup>TH</sup> DAY OF MAY, 2016.**

**CITY OF NORTH BEND:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Kenneth G. Hearing, Mayor**

\_\_\_\_\_  
**Pacifica Law Group LLP, Bond Counsel**

**ATTEST/AUTHENTICATED:**

Effective:

Posted:

\_\_\_\_\_  
**Susie Oppedal, City Clerk**

**EXHIBIT A**

**FORM OF OFFICIAL INTENT CERTIFICATE**

Pursuant to Resolution No. \_\_\_\_ of the City of North Bend, Washington (the “City”), the undersigned, Assistant City Administrator/Finance Director of the City hereby states as follows:

Section 1. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the “Reimbursement Bonds”).

Section 2. The maximum principal amount of Reimbursement Bonds expected to be issued is \$3,000,000.

Section 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the City’s Sewer Fund for project costs related to the City’s Wastewater Treatment Plant Critical Improvements Project, which project includes, but is not limited to, Utility Local Improvement District 6 pump station improvements, ultraviolet disinfection system upgrades, Effluent Temperature mitigation, and SCADA system upgrades.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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Assistant City Administrator/Finance Director





## City Council Agenda Bill

<b>SUBJECT:</b>		<b>Agenda Date: May 17, 2016</b>	<b>AB16-054</b>
<b>A Motion Authorizing the Mayor to enter into a Professional Services Agreement for Appraisal Services</b>		Department/Committee/Individual	
		Mayor Ken Hearing	
		City Administrator – Londi Lindell	X
		City Attorney - Mike Kenyon	
		City Clerk – Susie Oppedal	
		Community & Economic Development – Gina Estep	
		Finance – Dawn Masko	
		Public Works – Mark Rigos	
Cost Impact: \$48,000			
Fund Source: Sewer Fund (ULID No.6)			
Timeline: Immediate			
<b>Attachments:</b> Professional Services Agreement			
<p><b>SUMMARY STATEMENT:</b></p> <p><b>Background:</b> By adoption of Ordinance No. 1293 in November 2007, as amended by Ordinance No. 1312, the City approved the creation of Utility Local Improvement District No. 6 for the purpose of constructing a new sanitary sewer for the benefit of property owners within the ULID No. 6 boundaries. Construction of the sewer system was completed in 2011. In March 2012, by Ordinance No. 1542, the City approved a final assessment roll levying special assessments against the properties specially benefitted by the creation of the new sewer system. A small group of property owners within the boundaries of ULID No. 6 challenged the validity of their assessments on the grounds that the sewer system improvements described in the Ordinances did not match what was actually constructed, and further challenged the amounts of their assessments. The Court of Appeals ultimately agreed with the protestors that their assessments were invalid, but noted that the City could conduct a reassessment. The City Council then adopted Ordinance No. 1507 to correct the deficiencies in the original Ordinances and to specifically authorize the reassessment of the parcels involved in the earlier appeal. The objecting property owners then filed a second lawsuit challenging the authority of the City to conduct a reassessment and further contesting the validity of Ordinance No. 1507. The King County Superior Court recently granted summary judgment in favor of the City, upholding Ordinance No. 1507 and affirming the City’s right to proceed with the reassessment. No appeal having been filed, that judgment is now final.</p> <p><b>Proposed Contract:</b> To proceed with the reassessment, the City must determine the special benefits of the sewer system extension for the 17 parcels that are the subject of reassessment under Ordinance No. 1507. This entails an appraisal of the fair market values of the properties both before and after the sewer system was built. The City has identified Robert Macaulay, MAI, Senior Managing Director of Valbridge Property Advisors to conduct the appraisals and develop the reassessment roll. Mr. Macaulay is widely viewed as one of the leading LID appraisers in the State of Washington. The previous appraiser for the ULID No. 6, Deborah Foreman, also of Valbridge, has now retired, but her appraisal files and one of her assistant appraisers remain available to assist Mr. Macaulay in efficiently completing his work.</p> <p><b>Cost of Appraisal Paid by Property Owners:</b> RCW 35.44.020(7) specifically allows costs incurred by the City for the ULID, including all appraisal and legal costs, to be included in the assessments levied against the specially benefitted properties.</p>			
<p><b>COMMITTEE REVIEW AND RECOMMENDATION:</b> This Contract was reviewed by the Finance and Administration Committee on May 3, 2016 and the Committee recommended this Agreement be placed on the Consent Agenda for approval.</p>			

## City Council Agenda Bill

**RECOMMENDED ACTION: MOTION to approve AB16-054, authorizing a Professional Services Agreement with Valbridge Property Advisors for appraisal services, in an amount not to exceed \$48,000.00.**

### RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2016		

**PROFESSIONAL SERVICES AGREEMENT**  
**City of North Bend and Valbridge Property Advisors**

This Agreement is entered into by and between the City of North Bend, Washington, a municipal corporation of the State of Washington, hereinafter referred to as "the City," and Valbridge Property Advisors, hereinafter referred to as "the Consultant."

WHEREAS, the City has determined the need to have certain services performed for its citizens; and

WHEREAS, the City desires to have the Consultant perform such services pursuant to certain terms and conditions; NOW, THEREFORE,

IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Scope of Services to be Performed by Consultant.** The Consultant shall perform those services described on Exhibit "A" attached hereto and incorporated herein by this reference as if fully set forth. In performing such services, the Consultant shall at all times comply with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
2. **Compensation and Method of Payment.** The City shall pay the Consultant for services rendered within ten (10) days after City Council voucher approval. The Consultant will bill the City monthly based upon actual time expended and expenses incurred on the project. Based on the fee proposal in Exhibit "B", the Consultant shall be paid a total amount not to exceed Forty Eight Thousand Dollars and No/100 (\$48,000.00) without written modification of the Agreement signed by the City. The Consultant shall complete and return Exhibit "C", Taxpayer Identification Number, to the City prior to or along with the first billing invoice submittal.
3. **Duration of Agreement.** This Agreement shall be in full force and effect for a period of up to one year commencing upon full execution by both parties and terminating twelve (12) months thereafter, unless sooner terminated under the provisions hereinafter specified or extended through a mutually agreed upon written amendment to this agreement.
4. **Ownership, Form, and Use of Documents.** All documents, drawings, specifications, and other materials produced by the Consultant in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. The Consultant shall provide to the City all final documents, reports, or studies in printed and electronic form unless otherwise designated in Exhibit A. Unless otherwise directed in writing by the City, all final documents, reports, or studies shall be provided to the City in both a PDF and Word format. Where applicable, all Complete Plan Set Drawings shall include all Specifications and shall be submitted to the City in the most updated version of AutoCAD in an unrestricted format and in accordance with City Code. The Consultant shall not be responsible for any use or modifications of said documents, drawings, specifications, or other materials by the City or its representatives for any purpose other than the project specified in the Agreement.
5. **Independent Consultant.** The Consultant and the City agree that the Consultant is an independent Consultant with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Consultant nor any employee of the Consultant shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to the Consultant or any employee of the Consultant.

6. **Indemnification.** The Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys' and expert witness fees, arising from injury or death to persons or damage to property occasioned by any negligent act, omission, or failure of the Consultant, its officers, agents, and employees, in performing the work required by this Agreement. With respect to the performance of this Agreement and as to claims against the City, its officers, agents, and employees, the Consultant expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees, and agrees that the obligation to indemnify, defend, and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of the Consultant. This waiver is mutually negotiated by the parties. This paragraph shall not apply to any damage resulting from the sole negligence of the City, its agents, and employees. To the extent that any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of the City, its agents, or employees, this obligation to indemnify, defend, and hold harmless is valid and enforceable only to the extent of the negligence of the Consultant, its officers, agents, and employees.
  
7. **Insurance.**
  - A. The Consultant shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/aggregate for personal injury and property damage. Said policy shall name the City of North Bend as an additional named insured and shall include a provision prohibiting cancellation or reduction in the amount of said policy except upon thirty (30) days prior written notice to the City. Cancellation of the required insurance shall automatically result in termination of this Agreement.
  
  - B. In addition to the insurance provided for in Paragraph A above, the Consultant shall procure and maintain in full force professional liability insurance for those services delivered pursuant to this Agreement that, either directly through Consultant employees or indirectly through contractual or other arrangements with third parties, involve providing professional services. Such professional liability insurance shall be maintained in an amount not less than \$1,000,000 combined single limit per claim/aggregate. For the purposes of this Paragraph "professional services" shall include, but not be limited to, the provision of any services provided by any licensed professional.
  
  - C. Certificates of coverage as required by Paragraphs A and B above shall be delivered to the City within fifteen (15) days of execution of this Agreement.
  
8. **Record Keeping and Reporting and "Red Flag" Rules.**
  - A. The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement and compliance with this Agreement.
  
  - B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.
  
  - C. The Consultant has received, and shall adhere to, the City's Identity Theft Prevention Program ("Red Flag" rules) a copy of which is attached as Exhibit "D".

9. **Taxes, Licenses and Permits.**
- A. The Consultant shall procure and maintain a City Business License in accordance with NBMC Chapter 5.04, Business Licenses and Business and Occupation Tax, prior to beginning work under this agreement. The Consultant shall also ensure that, and be responsible for, all Consultants, sub-Consultants, and suppliers, obtain a City Business License.
- B. The Consultant acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Contract, including NBMC Chapters 5.04 and 5.05, and the Consultant agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law. If the City does not receive, or is assessed, made liable, or responsible in any manner for such charges or taxes, the Consultant shall reimburse and hold the City harmless from such costs, including attorney's fees. The Consultant shall also require all Consultants, sub-Consultants, and suppliers, pay all charges and taxes in accordance with this section.
- C. In the event the Consultant fails to pay any taxes, assessments, penalties, or fees imposed by the City or any other governmental body, then the Consultant authorizes the City to deduct and withhold and/or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. This provision shall, at a minimum, apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from the Consultant's total compensation.
10. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the performance of this Agreement. The City shall have the right to conduct an audit of the Consultant's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of the Consultant.
11. **Termination.** This Agreement may at any time be terminated by the City upon giving to the Consultant thirty (30) days written notice of the City's intention to terminate the same. If the Consultant's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement immediately.
12. **Discrimination Prohibited.** The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant under this Agreement on the basis of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state or local law or ordinance, except for a bona fide occupational qualification.
13. **Assignment and Subcontract.** The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.
14. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Either party may request changes to the Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

15. **Notices.** Notices to the City of North Bend shall be sent to the following address:

Londi K. Lindell, City Administrator  
City of North Bend  
211 Main Avenue North  
P.O. Box 896  
North Bend, Washington 98045  
Phone number: (425) 888-1211

Notices to the Consultant shall be sent to the following address:

Robert J. Macaulay, MAI  
Valbridge Property Advisors  
419 Berkeley Avenue, Suite A  
Fircrest, WA 98466  
Phone Number: (253) 274-0099

16. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorney and expert witness fees, and costs of suit.

CITY OF NORTH BEND, WASHINGTON

VALBRIDGE PROPERTY ADVISORS

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

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

Kenneth G. Hearing

Robert J. Macaulay

Title: Mayor

Title: WA State Certified Appraiser

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

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

Attest/Authenticated:

\_\_\_\_\_  
Susie Oppedal, City Clerk

Approved As To Form:

\_\_\_\_\_  
Michael R. Kenyon, City Attorney

**Corporate Office**

Smith Tower	2927 Colby Avenue	18728 Bothell Way NE	419 Berkeley Avenue
506 2nd Avenue	Suite 100	Suite B	Suite A
Suite 1001	Everett, WA 98201	Bothell, WA 98011	Fircrest, WA 98466
Seattle, WA 98104	425-258-2611 phone	425-450-4040 phone	253-274-0099 phone
206-209-3016 phone	425-252-1210 fax	425-688-1819 fax	425-688-1819 fax
425-688-1819 fax			

valbridge.com

April 8, 2016

Mr. David A. Linehan  
Kenyon Disend, PLLC  
The Municipal Law Firm  
11 Front Street South  
Issaquah, WA 98027-3820

RE: Proposal for appraisal of 17 tax parcels for reassessment purposes for the City of North Bend ULID No. 6, North Bend, WA

Dear Mr. Linehan:

As requested and based on the information provided, we have prepared a time and fee estimate for completion of appraisal services on the above-referenced North Bend ULID No. 6 project. The scope of services we recommend follows the scope of services undertaken for a similar reassessment for the City of Edgewood in 2014. A project report summarizing our special benefit estimates for the 17 individual tax parcels will be made, together with individual restricted report format appraisals. As indicated, the date of value will be September 23, 2011. The cost/benefit ratio utilized in the original study will be utilized for assessment allocation unless the appraisers are directed differently.

Based on preliminary review of the information provided, it appears approximately 10 individual reports may be needed depending on highest and best Use and larger parcel conclusions. A number of the parcels are contiguous and under the same ownership; however, the exact number of reports needed will require further analysis as we get more involved in the project.

The appraisals will be developed and the reports prepared in accordance with, and subject to, the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

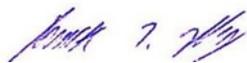
Projects like this are fairly time consuming as both before sewer and after sewer market value estimates are made to determine each property's special benefit amount. Additionally, the valuation date is in 2011 under different market conditions than exist today. Based on our hourly rates and time expended on other similar projects our cost estimate is summarized below.

Appraiser	Tasks	Estimated Hours	Hourly Rate	Total
Robert J. Macaulay, MAI	Individual property inspections, market data review/analysis and project and individual report preparation.	120	\$300	\$36,000
Ashley K. Zacharia Associate	Property inspections, market research and report preparation assistance.	120	\$100	\$12,000
<b>Total</b>				<b>\$48,000</b>

The above fee estimate reflects an average report cost of \$4,800, assuming ten reports are needed and accounts for the unique challenges of the project assignment. The estimate also does not include any hearing testimony or preparation time. This cost will be billed separately at our hourly rates summarized above and a separate agreement may be needed prior to commencement of this work. Based on our current schedule, completion time would be approximately 8 to 10 weeks upon authorization to proceed.

Thank you for the opportunity to present this proposal; if you have any questions, please feel free to call.

Respectfully submitted,  
VALBRIDGE PROPERTY ADVISORS|MACAULAY & ASSOCIATES



\_\_\_\_\_  
Robert J. Macaulay, MAI  
WA State Certified - General Appraiser No. 1100557

Authorized by:

\_\_\_\_\_  
Ms. Londi Lindell, City of North Bend Administrator

\_\_\_\_\_  
Date

EXHIBIT C

CITY OF NORTH BEND  
P.O. Box 896  
211 Main Avenue North  
North Bend, WA 98045  
Phone: (206) 888-1211  
FAX: (206) 831-6200

TAX IDENTIFICATION NUMBER

In order for you to receive reimbursement from the City of North Bend, we must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires us to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of North Bend before or along the submittal of the first billing voucher.

Please check the appropriate category:

Corporation       Partnership       Government Agency  
 Individual/Proprietor       Other (please explain)

TIN#: -- - - - - - - - -

SS#: -- - - - - - - - -

Print Name: \_\_\_\_\_

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

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Signature (required)

EXHIBIT D

CITY OF NORTH BEND  
IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The City of North Bend developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission’s Red Flags Rule (“Rule”), which implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with the oversight and approval of the City’s Finance Director. After consideration of the size and complexity of the City’s operations and account systems, and the nature and scope of the City’s activities, the City Council determined that this Program was appropriate for the City, and therefore approved this Program by the adoption of Ordinance No.1351 on the 21 day of April, 2009.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling Requirements of the Red Flags Rule.

Under the Red Flags Rule, every financial institution and creditor is required to establish an identity theft prevention program tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- Identify relevant red flags as defined in the Rule and this Program for new and existing covered accounts, and incorporate those red flags into the Program;
- Detect red flags that have been incorporated into the Program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Update the Program periodically to reflect changes in risks to customers or to the safety and soundness of the City from identity theft.

B. Red Flags Rule Definitions Used in this Program.

For the purposes of this Program, the following definitions apply:

Account. “Account” means a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes.

Covered Account. A “covered account” means:

a. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and

b. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from identity theft.

Creditor. “Creditor” has the same meaning as defined in Section 701 of the Equal Credit Opportunity Act, 15 U.S.C. 1691a, and includes a person or entity that arranges for the extension, renewal or continuation of credit, including the City.

Customer. A “customer” means a person or business entity that has a covered account with the City.

Financial Institution. “Financial institution” means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other entity that holds a “transaction account” belonging to a customer.

Identifying Information. “Identifying information” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, address, telephone number, social security number, date of birth, government passport number, employer or taxpayer identification number or unique electronic identification number.

Identity Theft. “Identity theft” means fraud committed using the identifying information of another person.

Red Flag. A “red flag” means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

Service Provider. “Service provider” means a person or business entity that provides a service directly to the City relating to or in connection with a covered account.

### III. IDENTIFICATION OF RED FLAGS

In order to identify relevant red flags, the City shall review and consider the types of covered accounts that it offers and maintains, the methods it provides to open covered accounts, the methods it provides to access its covered accounts, and its previous experiences with identity theft. The City identifies the following red flags, in each of the listed categories:

A. Notification and Warnings from Credit Reporting Agencies - Red Flags.

- Report of fraud accompanying a credit report;
- Notice or report from a credit agency of a credit freeze on a customer or applicant;
- Notice or report from a credit agency of an active duty alert for an applicant; and
- Indication from a credit report of activity that is inconsistent with a customer’s usual pattern or activity.

B. Suspicious Documents - Red Flags.

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing customer information (such as a person’s signature on a check appears forged); and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information -Red Flags.

- Identifying information presented that is inconsistent with other information the customer provides (such as inconsistent birth dates);

- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a driver's license);
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another customer;
- An address or phone number presented that is the same as that of another person;
- Failing to provide complete personal identifying information on an application when reminded to do so (**however, by law social security numbers must not be required**); and
- Identifying information which is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account - Red Flags.

- Change of address for an account followed by a request to change the account holder's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use (such as very high activity);
- Mail sent to the account holder is repeatedly returned as undeliverable;
- Notice to the City that a customer is not receiving mail sent by the City;
- Notice to the City that an account has unauthorized activity;
- Breach in the City's computer system security; and
- Unauthorized access to or use of customer account information.

E. Alerts from Others - Red Flag.

- Notice to the City from a customer, a victim of identity theft, a law enforcement authority or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft.

IV. DETECTING RED FLAGS

A. New Accounts.

In order to detect any of the red flags identified above associated with the opening of a **new account**, City personnel will take the following steps to obtain and verify the identity of the person opening the account:

- Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- Verify the customer's identity (for instance, review a driver's license or other identification card);
- Review documentation showing the existence of a business entity; and
- Independently contact the customer.

B. Existing Accounts.

In order to detect any of the red flags identified above for an **existing account**, City personnel will take the following steps to monitor transactions with an account:

- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses; and
- Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event City personnel detect any identified red flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the red flag:

A. Prevent and Mitigate Identity Theft.

- Monitor a covered account for evidence of identity theft;
- Contact the customer with the covered account;
- Change any passwords or other security codes and devices that permit access to a covered account;
- Not open a new covered account;
- Close an existing covered account;
- Reopen a covered account with a new number;
- Not attempt to collect payment on a covered account;
- Notify the Finance Director for determination of the appropriate step(s) to take;
- Notify law enforcement; or
- Determine that no response is warranted under the particular circumstances.

B. Protect Customer Identifying Information.

In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City shall take the following steps with respect to its internal operating procedures to protect customer identifying information:

- Secure the City website but provide clear notice that the website is not secure;
- Undertake complete and secure destruction of paper documents and computer files containing customer information;
- Make office computers password protected and provide that computer screens lock after a set period of time;
- Keep offices clear of papers containing customer identifying information;
- Request only the last 4 digits of social security numbers (if any);
- Maintain computer virus protection up to date; and
- Require and keep only the kinds of customer information that are necessary for City purposes.

## VI. PROGRAM ADMINISTRATION

### A. Oversight.

The Finance Director or other designated city employee at the level of senior management shall be responsible for developing, implementing, and updating the Program.

The Finance Director shall also be responsible for the Program administration, for appropriate training of City staff on the Program, for reviewing the annual staff report required under the Program, as well as any other staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the Program.

### B. Staff Training and Reports.

City staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of red flags, and the responsive steps to be taken when a red flag is detected. Additionally, a compliance report shall be provided annually to the Finance Director. The annual compliance report shall at a minimum address the following:

1. The effectiveness of the City's policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
2. Service provider arrangements;
3. Significant incidents involving identity theft and the City's response; and
4. Recommendations for material changes to the Program.

### C. Service Provider Arrangements.

In the event the City engages a service provider to perform an activity in connection with one or more covered accounts, the City shall take the following steps to require that the service provider performs

its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the Program and with all instructions and directives issued by the Finance Director relative to the Program; or
- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the service provider's identity theft prevention program and will take appropriate action to prevent and mitigate identity theft; and that the service providers agree to report promptly to the City in writing if the service provider in connection with a City covered account detects an incident of actual or attempted identity theft or is unable to resolve one or more red flags that the service provider detects in connection with a covered account.

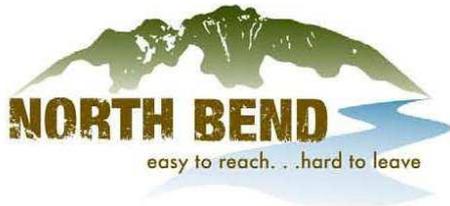
D. Customer Identifying Information and Public Disclosure.

The identifying information of City customers with covered accounts shall be kept confidential and shall be exempt from public disclosure to the maximum extent authorized by law, including RCW 42.56.230(4). The City Council also finds and determines that public disclosure of the City's specific practices to identify, detect, prevent, and mitigate identity theft may compromise the effectiveness of such practices and hereby direct that, under the Program, knowledge of such specific practices shall be limited to the Finance Director and those City employees and service providers who need to be aware of such practices for the purpose of preventing identity theft.

VII. PROGRAM UPDATES

The Program will be periodically reviewed and updated to reflect changes in risks to customers and to the safety and soundness of the City from identity theft. The Finance Director shall at least annually review the annual compliance report and consider the City's experiences with identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the City maintains and changes in the City's business arrangements with other entities and service providers. After considering these factors, the Finance Director shall determine whether changes to the Program, including the listing of red flags, are warranted. If warranted, the Finance Director shall present the recommended changes to the City Council for review and approval.





## City Council Agenda Bill

<b>SUBJECT:</b>	<b>Agenda Date: May 17, 2016</b>	<b>AB16-055</b>
<b>A Motion Authorizing a Work Order with Golder &amp; Associates for Construction Administration of the Mt. Si Springs Pump Station VFD and Motor Replacement Project</b>	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos, P.E.	X
Cost Impact: Not to Exceed \$79,104		
Fund Source: Water Capital		
Timeline: Immediate		
<b>Attachments:</b> Work Order		
<b>SUMMARY STATEMENT:</b>		
<u>City's Water Sources</u>		
<p>The City currently has two sources of water to supply drinking water to its citizens. The Mt. Si Spring source was developed in the 1960's and the Centennial Well was developed in 2010. The City cannot currently maximize the use of the Mt. Si Springs source due to a lack of control of pump speeds on the 50 year old source pumps. During the summer months, there is water available at the Spring, but because the pumps at that station are single-speed, we cannot use that water without violating our water right. This means that all water used in the dry season has to be supplied from the Centennial Well. Since 2010, during this time of year, river flows are low, requiring the City to mitigate for water pumped from Centennial Well. This mitigation water is purchased from Seattle Public Utilities (SPU) at a cost of \$1.65 per hundred cubic feet. The average mitigation flows required during this time of year is approximately 400 gallons per minute, or 53 cubic feet per minute.</p>		
<u>Improve Efficiency – Save Money</u>		
<p>Water mitigation costs can have a significant impact on the water operating budget particularly in times of drought. For example, your 2015-2016 Biennial Budget included \$60,000 for mitigation water for calendar year 2015. Staff is seeking ways to reduce this annual operating cost and this proposed project will have that effect. Staff is proposing the replacement of two existing single-speed pumps at the Spring plant with variable frequency drive (VFD) pumps, which will give us the ability to use the water we have historically “left on the table”. This means we would be able to reduce the amount of water obtained from the Centennial Well, thereby reducing the amount of mitigation water required, which reduces costs in purchasing mitigation water from SPU. Additionally, this would replace the two aging pumps which are nearing the end of their useful life with new technology that will be more efficient and reduce operating costs.</p>		
<u>Design Contract – Purchase Equipment</u>		
<p>In September 2015, City Council authorized a work order with Golder and Associates to design a variable frequency drive pump system for the Mt. Si Springs domestic water supply source. Also authorized at that time was the purchase of equipment for the project in an amount not to exceed \$200,000.</p>		
<u>Construction Administration</u>		
<p>Before you is a proposed work order with Golder and Associates to continue utilizing their expertise in this field by providing assistance in the administration of construction of the project. Work included in the scope consists of bidding and award assistance, submittal review, design clarification, field inspection and observation, record drawings, and instrumentation and controls support. Due to current staff workload this support is critical to the success of this project and staff highly recommends approval of this work order.</p>		

## City Council Agenda Bill

<b>COMMITTEE REVIEW AND RECOMMENDATION:</b> This item was discussed at the May 11, 2016 Transportation and Public Works Committee meeting with a recommendation for approval and placement on the consent agenda.		
<b>RECOMMENDED ACTION: MOTION to approve AB16-055, authorizing a work order with Golder &amp; Associates for construction administration of the Mt. Si Springs Pump Station VFD project, in an amount not to exceed \$79,104.</b>		
<b>RECORD OF COUNCIL ACTION</b>		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2016		

**CITY OF NORTH BEND  
WORK ORDER  
2016-17**

This work order dated the \_\_\_\_\_ day of \_\_\_\_\_ 2016 is to specify services to be provided under the On-Call Professional Services contract which has been entered into by the CITY OF NORTH BEND (City) and Golder & Associates (Consultant). This work order is for the below mentioned project/scope of work.

Work Order No.: 2016-17

Project Name: Mt Si Spring Pump Replacement

Project No.: U-015 Amount: \$79,104

City Project Lead: Donald DeBerg, PE  
City Engineer (Authorized cost of work not to be exceeded without written authorization)

**SCOPE OF WORK:**

Golder Associates will assist with construction administration and instrumentation and controls for the construction of the Mount Si Springs Pump Replacement project. The detailed scope of work and fee estimate are included as Exhibit A.

– Reimbursement will be on a time & material basis with a Not to Exceed limit of \$79,104 without written permission.

**CONSULTING FIRM:**

**CITY OF NORTH BEND:**

\_\_\_\_\_  
Authorized Signature                      Date

\_\_\_\_\_  
Authorized by    Date

**NOTE:** *The City of North Bend will not be liable for charges for services not authorized by a fully executed work order.*

**Budget Number: 401-200-005-594-34-63-00**



## EXHIBIT A



Per request of the City of North Bend (City), this scope of work describes requested construction support services for the Mt. Si Spring Pump Replacement Project. This work will be completed under the terms agreed upon between the City and Golder Associates Inc. (Golder). We appreciate the opportunity to continue work with the City on this project.

Per your emails on February 16 and March 24, 2016 and the phone discussion on April 14, 2016, the following directives were used in development of this amendment.

- Provide supporting documents for the bid package consisting of a call to bid, revised technical specifications, drawings, and a cost estimate in a format applicable for the bid item table.
- Support during bidding is included (pre-bid walk at the site, answering bidders' written questions, preparing addenda, and assistance with the selection of the apparent low bidder).
- Submittal reviews and responses to Requests for Information (RFIs) are included up to a budgeted amount, not to be exceeded unless approved by the City.
- Attend pre-construction meeting.
- A budget of nine (9) site visits is included and will be at the request of the City. Five (5) additional site visits are included in a contingency budget.
- Assist with punchlist development and attend the facility start-up.
- Assist with preparation of record (as-built) drawings.
- Instrumentation and Controls Engineering Support
- Contingency Support

## 1.0 CONSTRUCTION SUPPORT TASKS

Golder will support City staff during the construction phase for the Mt. Si Spring Pump Replacement Project. City staff will provide overall construction management; Golder will provide support in the following areas.

### 1.1 Bidding Support

Golder will provide supporting documents to the City to include in the bid package. These documents will consist of updated technical specifications, drawings, plus a call to bid document. The previously transmitted cost estimate will be updated and reformatted to be applicable for the bid item table included with the tender documents. The specifications will be revised per Section 1.7 to include the following: contractor requirements for equipment installation, an additional specification for a new pressure transducer used for flow measurement at the pond overflow, an additional specification as well as a new drawing for a new flow meter in the pump house, and requirements for the changes to the chlorine injection system.

Golder will provide support during bidding in the form of: scheduling the pre-bid walk at the site, attending the pre-bid meeting, answering formal questions submitted by the Contractor and preparing bid addenda, reviewing and confirming bid packages, if necessary, and provide assistance to the City with the selection of the apparent low bidder. This task assumes a total of 4 bid inquiry responses may be required and preparation of 2 addenda.



## 1.2 Submittal Reviews

Submittal reviews will be performed by Golder within the time limits provided in the project specifications. All submittals and submittal-related communications will be directed through City staff. Submittal review will be performed on an on-call basis up to the amount budgeted. Effort will not exceed this budget amount without specific authorization from the City.

It is assumed that approximately 6 submittal reviews for mechanical and electrical equipment are required.

## 1.3 Design Clarifications/RFIs

During the construction phase of the project, Golder will provide design clarifications and/or respond to requests for information (RFI) as requested by the City. Design clarifications will be provided on an on-call basis up to the amount budgeted. A total of 6 RFIs are estimated for this task. Effort will not exceed this budget amount without specific authorization from the City. All design clarification and RFIs made by the Contractor shall be forwarded to the City. Golder will not respond to the Contractor directly and shall not proceed with work to answer design clarifications or RFIs without prior approval from the City. Golder will not direct the Contractor to make any changes or deviations from the Contract Documents as this responsibility and authority shall only lie with the City.

## 1.4 Site Visits

Per the City's direction, twice weekly visits during construction are anticipated with additional site visits for specific contractor questions. For these visits, a project-specific Health and Safety Plan will be developed. We have budgeted for the following visits.

- Pre-construction visit with the City and Contractor.
- Nine (9) site visits during construction, including one visit for oversight of the pressure transducer installation.
- Pre-start-up, punchlist development.
- One visit for start-up.

## 1.5 Punchlist Development and Start-Up

Golder will perform a prestart-up site visit at the facility to inspect the completed construction. We will develop a list of work to be corrected and provide to the City for the development of the punchlist.

Once all punchlist items have been corrected and the facilities are deemed to be complete by the City, we will attend the start-up.

## 1.6 Prepare Record Drawings

Golder will prepare record (as-built) drawings based on the information provided by the Contractor. The Contractor is responsible for tracking all relevant field changes to the approved construction drawings. Those changes will be translated to an updated AutoCAD format for the City.

## 1.7 Instrumentation and Controls Engineering Support

For this support, Golder will provide the following:

- A pressure transducer specification for the existing weir, to be used as the basis for flow measurement and application requirements,
- A specification and installation drawing for a new flow meter on the existing discharge line in the pump station.

- A specification or description of work for modifications to the chlorine injection system to vary the dose by flow rate.
- A control narrative for the Mt. Si Springs Booster Pump Station to be used as the basis for PLC programming by the City's SCADA integrator, and control logic associated with the new equipment, as well as control parameters for the different modes of operation of the pump station.

Based on information received from the City, we have assumed that the existing chlorination equipment is compatible with the proposed modifications (capable of receiving 4-20 mA input) and no additional equipment beyond new wiring is required. The control narrative will be based on receiving and reviewing the existing operating sequence and PLC program, existing equipment, and any new operational requirements provided by the City for the pump replacement project.

Golder has the capabilities in house to perform the integration, but believe it is in the best interest of the City to utilize their existing integrator, based on their familiarity with the system. The new specifications, information and narrative, will be provided to the City for inclusion into the construction bid package. During the submittal process, Golder will review submittals in accordance with our scope of work included in Section 1.2. We have also included optional time to allow for some expected I&C engineering support during the construction phase. If needed, this office support will be used to assist the City with work directly associated with the new specifications, drawing, and control narrative. Golder has not included any time for work associated with programming the pressure transducer, variable frequency drives, PLC and SCADA system components for the pump replacement project.

## 1.8 Contingency Tasks

We have included additional time in a contingency line-item should the City require further assistance. These consist of:

- Five additional site visits.
- Reviewing change order documentation provided by the Contractor (assuming a total of 8 hours).
- Instrumentation & Control Construction Support (assuming a total of 46 hours), including travel.

## ASSUMPTIONS

- The City will provide the front-end documents and compile the bid package with the information provided by Golder and will advertise the bid through the MRSC Roster System.
- The City will receive the bids and transmit to Golder for review. The City will award the project to the selected Contractor.
- If needed, the City will handle any structural and special inspections, daily construction inspections, and general construction administration services with the contractor. Special inspections will be performed by a special inspections company procured by the City.
- The City is responsible for receiving submittals from the Contractor and distributing submittals to the appropriate parties for review. The City shall determine acceptance status of each submittal based on recommendations and comments made by the reviewing parties. The City is responsible for returning submittals to the Contractor and for maintaining copies of the submittals within the project file.
- The City shall perform an initial cursory review of all submittals to determine if minimum requirements for content and format are met. If these requirements are not met, the City will return the submittal to the Contractor for revision prior to commencement of review.

## **COST**

The total estimated fee for this scope is \$63,473 with an additional \$15,631 in contingency effort. The hours and fees are broken down in two tables following this page.

## **SCHEDULE**

The bidding support portion of this scope of work will begin upon notice to proceed from the City, anticipated to be in May. Construction support activities will begin once the work is awarded to the successful bidder.

013-00218

**Table 1 - Estimated Golder Labor Effort**

Sub-Tasks	Principal	Associate	Senior Engineer	Senior Project Engineer	Project Engineer	CAD	Admin	Total Hours	Cost per Task
Bidding Support		10	26	2			2	40	\$ 7,040
Submittal Reviews		6	6	10				22	\$ 3,800
Design Clarifications/RFIs		12	3	3				18	\$ 3,390
Site Visits (includes documentation and startup)		13	34	57				104	\$ 17,385
Record Drawings		2	4	6		12		24	\$ 3,290
Project Management		6	10					16	\$ 2,950
Instrumentation & Controls Engineering Support		10	26	51	46	6		139	\$ 21,065
<b>TOTAL HOURS</b>	<b>0</b>	<b>59</b>	<b>109</b>	<b>129</b>	<b>46</b>	<b>18</b>	<b>2</b>	<b>363</b>	
Rate/hr (\$\$)	\$ 230	\$ 200	\$ 175	\$ 155	\$ 130	\$ 105	\$ 90		
<b>Total Labor Cost:</b>	<b>\$ -</b>	<b>\$ 11,800</b>	<b>\$ 19,075</b>	<b>\$ 19,995</b>	<b>\$ 5,980</b>	<b>\$ 1,890</b>	<b>\$ 180</b>		<b>\$ 58,920</b>

**Table 2 - Reimbursible Expenses**

<b>Reimbursible Expenses</b>		
Mileage		\$ 428
Per Diem	0	\$30/day
Office Service Fee	7%	\$ 4,124
<b>Total Reimbursible Expenses</b>		<b>\$ 4,553</b>
<b>Subtotal Estimated Fee</b>		<b>\$ 63,473</b>
<b>Contingency/Management Reserve</b>		<b>\$ 15,631</b>
<b>Total Fee for Construction Support Services</b>		<b>\$ 79,104</b>





# City Council Agenda Bill

<b>SUBJECT:</b>	<b>Agenda Date: May 17, 2016</b>	<b>AB16-056</b>
<b>A Motion Authorizing Amendment #4 to Tetra Tech Work Order for Bendigo Right Turn Lane Transportation Capital Project</b>	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos, P.E.	X
Cost Impact: \$1,646.37		
Fund Source: Streets Capital (310)		
Timeline: Immediate		
<b>Attachments:</b> Exhibit A – Work Order Amendment (3 pages), Ramp Photo		

**SUMMARY STATEMENT:**

On April 21, 2015, Council authorized the Mayor to enter into a contract with Tetra Tech to design a northbound right turn lane at the intersection of Bendigo Boulevard (State Route 202) and West Park Street. This project was listed as the #2 priority transportation capital project in the City’s 2015 – 2020 Transportation Improvement Program (TIP).

The design of the right turn lane is nearing 100% completion. To date, there have been two amendments to the contract. Amendment #1 was for preparing right of way plans and coordinating with WSDOT to dedicate additional right of way to encompass the roadway and sidewalk and was necessary because the project is widening the roadway. Amendment #2 was for substantially more coordination with WSDOT and franchise utility companies than originally estimated. Amendment #3 was for preparation of a full stormwater Technical Information Report.

Amendment #4 is related to additional work necessary to design, and include in the plans, a replacement curb ramp and sidewalk panel on the northeast corner of the intersection. This was not included in the original scope of work because it was beyond the original project limits. In their plan review, WSDOT noted that the Americans with Disabilities Act (ADA) and their interpretations of such act require that when a curb ramp is being modified by a project, the curb ramps across the street also need to be evaluated and updated if they do not meet current ADA standards. Current ADA standards do not allow any utility lids within the limits of a curb ramp or landing. The curb ramp on the northeast corner of the intersection currently contains a utility vault access iron lid (see attached photo). As such, WSDOT will not approve the project plans until they show relocation of the vault lid and reconstruction of the curb ramp to meet standards.

Staff has reviewed the proposal and determined that the fee estimate is reasonable for the level of effort required to create this report. Staff recommends approval of this item to allow this transportation capital project to meet all of the requirements of the North Bend Municipal Code.

Item	Fee Estimate
Original Contract	\$53,496.95
Amendment #1	\$ 2,253.68 (Administratively Approved)
Amendment #2	\$ 6,358.79
Amendment #3	\$ 4,613.47
Amendment #4	\$ 1,646.37
<b>Total Revised Contract</b>	<b>\$68,369.26</b>

## City Council Agenda Bill

COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Transportation and Public Works (TPW) Committee at the May 11, 2016 meeting and was recommended for approval and placement on the consent agenda.

RECOMMENDED ACTION: **MOTION to approve AB16-056, authorizing Amendment #4 to Tetra Tech work order for the Bendigo Right Turn Lane Project, in an amount not to exceed \$1,646.37.**

<b>RECORD OF COUNCIL ACTION</b>		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2016		





**EXHIBIT A**

Scope of Work  
Supplement 4

Bendigo BLVD at Park Street – North Bound Right Turn Lane

**PROJECT DESCRIPTION**

On behalf of the City of North Bend, the work to be performed by Tetra Tech consists of preparing the full design, bid support, and potential construction support services to constructing a northbound right turn lane at the intersection of Bendigo BLVD (SR 202) and Park Street in the City of North Bend.

This scope of work is supplemented to include additional design support to replace non ADA compliant sections of the NE corner ADA ramp and associated work related to relocation of the PSE power vault.

**I. DESIGN SERVICES**

**Task 3 – Design, PS&E, and Coordination**

Develop full Plans, specifications and engineers estimate as well as supporting design documentation, utility coordination, and WSDOT coordination to prepare this project for advertisement to construct.

**Subtask 3.1 Plans, Specifications, and Estimate**

Additional effort is needed to replace a portion of the NE corner ADA ramp (east ramp and landing) in order to obtain full ADA compliance. Additional design work is also required to detail the replacement of a large sidewalk panel that will be removed adjacent to the ramp as part of a PSE power vault relocation. This vault relocation is also related to obtaining ADA compliance as the existing vault is within the east ramp and landing.

The ADA MEF documentation for submittal to the WSDOT will also be revised and finalized.

Deliverable:

- No specific deliverable is added due to this supplement. The final PS&E will be revised to include the added design details



Consultant Fee Determination

**EXHIBIT B**

Tetra Tech, Inc.  
 City of North Bend  
 Bendigo BLVD (SR 202) at Park Ave - North Bound Right Turn Lane

Contract #2015-7, Supplement 4 NE Corner ADA Ramp Reconstruction

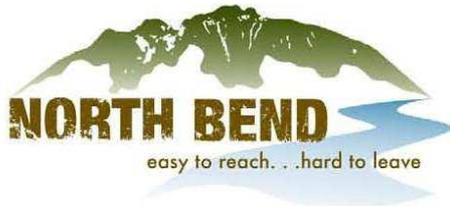
100-BEL-15-056

Work Element	Rates						Tetra Tech, Inc				TOTAL
	65.00	45.00	29.00	AA	169.32% OH	35.0% FEE	DSC	169.32% OH	35.0% FEE	TOTAL	
3.0 Design, PS&E, and Coordination 3.1 Plans, Specifications and Estimate	SO Sr. Project Manager	KO Project Engineer	AA	CADD/GIS	TOTAL	DSC	169.32% OH	35.0% FEE	TOTAL		
	1	8	4	4	13	\$ 541.00	\$ 916.02	\$ 189.35	\$ 1,646.37		
	1	8	4	4	13	\$ 541.00	\$ 916.02	\$ 189.35	\$ 1,646.37		
	REIMBURSABLE EXPENSES (REIMB):										
	Design Services Mileage										
	Reproduction										
	Total:										
	0										
	TOTAL										
	\$ 1,646.37										









## City Council Agenda Bill

<b>SUBJECT:</b>		<b>Agenda Date: May 17, 2016</b>		<b>AB16-057</b>	
<b>A Resolution Accepting the Cedar Falls Way Walkway Project as Complete and Authorizing the Release of Retainage</b>		Department/Committee/Individual			
		Mayor Ken Hearing			
		City Administrator – Londi Lindell			
		City Attorney - Mike Kenyon			
		City Clerk – Susie Oppedal			
		Community & Economic Development – Gina Estep			
		Finance – Dawn Masko			
		Public Works – Mark Rigos, P.E. X			
Cost Impact: N/A					
Fund Source: N/A					
Timeline: Immediate					
<b>Attachments:</b> Resolution					
<b>SUMMARY STATEMENT:</b>					
<p>Advertisements for construction bids on the Cedar Falls Way Sidewalk Project were made in October, 2015. The City had a bid opening on November 4, 2015 and received eleven bids, the lowest bid coming from Fury Site Works, Inc. in the amount of \$82,827.07, not including tax. There were two change orders for the project. The following is a summary of costs (not including tax) and contract time for the project:</p>					
	<b>Contract Price</b>	<b>Contract Time to Substantial Completion</b>	<b>Contract Time to Physical Completion</b>		
Original	\$ 82,827.07	20 Days	25 Days		
Change Order #1 – Install Erosion Control Blanket	\$ 2,150.00	1 Day	1 Day		
Change Order #2 – Remove Material from Ditch & Install Bollard; Install Concrete Curb Ramp	\$ 6,306.64	6 Day	6 Day		
Final	\$ 91,283.71	27 Days	32 Days		
Difference	\$ 8,456.64	6 Days	6 Days		
<p>The final construction cost was \$91,283.71, not including taxes, or 110% of the original project bid. The project was completed within the allowable working days.</p>					
<p>Funding for design, permitting, and construction was supplied by the City’s Street Capital account.</p>					
<p>Retainage cannot be released until the project has been accepted by City Council, all liens have been satisfied, if any, and all taxes have been paid. Upon receipt of all necessary documentation, retainage will be released.</p>					
<b>COMMITTEE REVIEW AND RECOMMENDATION:</b> This item was discussed at the May 11, 2016 Transportation and Public Works Committee and was recommended for approval.					
<b>RECOMMENDED ACTION: MOTION to approve AB16-057, a resolution accepting the Cedar Falls Way Walkway Project as complete and authorizing the release of retainage.</b>					
<b>RECORD OF COUNCIL ACTION</b>					
<i>Meeting Date</i>	<i>Action</i>		<i>Vote</i>		
May 17, 2016					



## RESOLUTION

### **A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, ACCEPTING THE CONSTRUCTION WORK FOR THE CEDAR FALLS WAY WALKWAY PROJECT AND AUTHORIZING THE RELEASE OF RETAINAGE**

**WHEREAS**, the City had available funds in the Street Capital account to provide funds for the Cedar Falls Way Walkway Project; and

**WHEREAS**, the City contracted with Gray and Osborne, Inc., for design services for the Cedar Falls Way Walkway Project; and

**WHEREAS**, upon completion of design, advertisement was made in October, 2015 for three (3) weeks for construction bids; and

**WHEREAS**, on November 4, 2015, bids were opened at the North Bend City Hall and read aloud at the prescribed time with eleven (11) bids having been received; and

**WHEREAS**, the resulting lowest responsive and responsible bidder out of eleven (11) bids received was Fury Site Works, Inc. at \$82,827.07; and

**WHEREAS**, the construction of the Cedar Falls Way Walkway Project was declared Physically Complete on April 26, 2016; and

**WHEREAS**, the final construction cost of the project was \$91,283.71, with two (2) change orders; and

**WHEREAS**, the City must accept the projects prior to submitting for releases from the State Department of Revenue, Department of Labor and Industries, and the Employment Security Department for the retainage of the contractors;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND,  
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The City of North Bend accepts the Fury Site Works, Inc. work on the Cedar Falls Way Walkway Project.

**Section 2.** The City of North Bend authorizes the release of the retainage on the contract upon receipt of the appropriate clearances from the state.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,  
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17<sup>TH</sup> DAY OF  
MAY, 2016.**

**CITY OF NORTH BEND:**

**APPROVED AS TO FORM:**

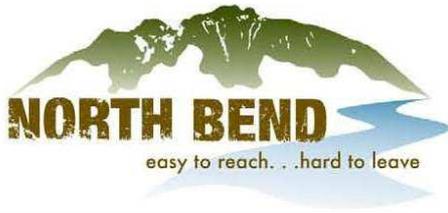
\_\_\_\_\_  
**Kenneth G. Hearing, Mayor**

\_\_\_\_\_  
**Michael R. Kenyon, City Attorney**

**ATTEST/AUTHENTICATED:**

Effective:  
Posted:

\_\_\_\_\_  
**Susie Oppedal, City Clerk**



## City Council Agenda Bill

<b>SUBJECT:</b>	<b>Agenda Date: May 17, 2016</b>	<b>AB16-058</b>
<b>A Motion Authorizing a Second Amendment to the Fire Station Lease with Piccola Cellars to Increase the Premises and Rent to Allow Boxley Music Fund to Perform</b>	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	X
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos	
Cost Impact: N/A - Additional Rent Revenue		
Fund Source:		
Timeline: Immediate		

**Attachments:** Lease

**SUMMARY STATEMENT:**

The North Bend City Council has consistently advocated for redevelopment of North Bend’s downtown, particularly by attracting businesses that promote tourism and encourage visitors to North Bend. In February 2014 the City entered into a Lease with Piccola Cellars (“Lease”), a winery that bottles various wines and produces a unique wine tote that is compatible with many outdoor activities. Piccola Cellars demographic for its totes are skiers, hikers and other outdoor enthusiasts.

Piccola has been operating its tasting room and bottling business at the City’s old Fire Station since 2014 and occasionally provides music at this venue. During this same time period, a 501(c)(3) known as Boxley’s Music Fund, Northwest Music Fund or JazzClub Northwest (“Jazz Club”) has been providing jazz music at various venues including Boxley’s Restaurant located at 101 W. North Bend Way. The Jazz Club provides a benefit to the City by providing two significant festivals: The Jazz Walk and The Blues Walk. Both of these events bring visitors to our community and result in stimulating the local economy. The Jazz Club is based upon a membership that is funded through annual fees members pay in exchange for the right to hear music and occasionally eat food at a location. The Jazz Club no longer operates at Boxley’s Restaurants and wishes to play music at the Fire Station Property and serve food at the Fire Station Property. The City desires to accommodate the Jazz Club due to the public benefit from the continuation of the Jazz Club and the continuation of the public festivals.

The attached Second Amendment to the Lease provides for the Jazz Club’s operation at the Fire Station and has the following significant terms:

- **Premises** – The size of the Premises are increased from the existing two bays to the total 4 bays of the old Fire Station so long as the Jazz Club is allowed to operate on the premises. If the Jazz Club ceases operation, then Piccola is required to negotiate for this additional area.
- **Rent** – Rent is increased from \$1300 a month to \$1800 a month for the two additional bays. Initially, the bays will be primarily used to store the Jazz Club supplies (e.g. pianos, instruments). However, once the area is used for dining tables, etc., then the rent will be increased to \$2400 a month. At the end of the initial 5 year term which expires February 4, 2019, Tenant has one 5 year option to extend the term and the rent is increased to the greater of either \$3,000 or 90% of the fair rental value.
- **Tenant Improvements - Restaurant** – The Jazz Club and Piccola will be making various tenant improvements described and shown in Exhibit A-2 at their sole cost and in compliance with all applicable codes and regulations. Initially, they plan to obtain a 45 day food cart permit to provide food and set up tables in the extra two bays while they work on obtaining necessary health permits for a restaurant. Tenant is also constructing a second restroom as required by the code and various new walls to create dining spaces. Tenant is also removing walls to better

## City Council Agenda Bill

<p>connect the spaces. At a later date, Tenant may make improvements to construct restaurant facilities if funding is available but again all of such improvements will be at Tenant's sole cost and expense.</p> <p>Piccola and the Jazz Club (although not a party) have all reviewed and approved the attached Second Amendment. This additional revenue was not included in the 2015-2016 Biennial Budget so staff will be suggesting during the next budget amendment that these rental funds be deposited into the Downtown Revitalization Fund to be reinvested into economic redevelopment.</p>		
<p>COMMITTEE REVIEW AND RECOMMENDATION: This matter was considered by the Finance and Administration Council Committee at its April 5, 2016 Council Committee.</p>		
<p>RECOMMENDED ACTION: <b>MOTION to approve AB16-058, authorizing a Second Amendment to the Fire Station Lease originally entered into between the City of North Bend and Piccola Cellars on February 5, 2014, in a final form approved by the City Attorney.</b></p>		
<b>RECORD OF COUNCIL ACTION</b>		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2016		

**SECOND AMENDMENT TO FIRE STATION LEASE**

THIS SECOND AMENDMENT TO FIRE STATION LEASE (“Amendment”) is dated effective the 1<sup>st</sup> day of May 2016 and is entered into between the CITY OF NORTH BEND, a Washington municipal corporation (“Landlord”) and the GREAT HERON LLC, a Washington Limited Liability Corporation, EDMONDS WINERY LLC, A Washington Limited Liability Corporation d/b/a PICCOLA CELLARS and LA BOTTE PICCOLA WINE COMPANY (“Tenant”).

**I  
RECITALS**

A. Landlord and Tenant entered into that certain Lease dated February 5, 2014, as amended by First Amendment dated May 5, 2015 (“Lease”) covering certain premises commonly known as the prior North Bend Fire Station and located at 112 W. Second Street, North Bend, Washington (“Property”);

C. The parties wish to expand the area of the Premises described in the Lease in connection with Tenant expanding its operations to allow the operation of a nonprofit music and jazz club that provides a cultural benefit to the public through the delivery of public festivals including The Blues Walk and The Jazz Walk and the parties have agreed to modify the provisions in the Lease covering the Premises and the payment of Rent;

D. Any capitalized terms in this Second Amendment shall have the meanings set forth in the Lease.

NOW, THEREFORE, the parties agree as follows:

**II**

**1. Premises.** Article 1 of the Lease shall be amended as follows:

Landlord is the owner of real property that currently operates as a city hall and formerly operated as a fire station and is commonly known as 112 W. Second Street for the fire station and 211 Main Avenue North for the city hall in North Bend, Washington 98045, legally described as Lots 10, 11 and 12 of Plat Block 5 of the Snoqualmie Addition filed in King County, Washington (the “Property”). Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain portion of the Property consisting of approximately ~~2000~~ 3300 square feet located in ~~four westerly two~~ former fire bays, together with a nonexclusive right to use the common parking, storage, utility, and other common areas and common facilities designated on the site plan attached hereto as Exhibit A, and A-1 and made a part hereof (the “Premises”). The additional two fire bays and the additional 1300 square feet of Premises is being leased to Tenant in order to allow Northwest Music Fund d/b/a as JazzClubs Northwest, a 501(c)(3) corporation (“Jazz Club”) to provide music at the Premises. In the event the Jazz Club ceases to operate on the Premises, the Lease will automatically be amended within sixty (60)

days of such event and the Premises will be reduced to the original two (2) bays and original 2,000 square feet.

2. **Rent.** Section 3.1(a) “Initial Term” and 3.1(b) shall be amended as follows:

(a) **Initial Term.** Beginning on the Commencement Date and continuing to the Expiration Date, Tenant shall pay to Landlord without notice, offset or deduction, on or before the first day of each month, monthly rent in the amount of One Thousand ~~Eight Three~~ Hundred Dollars (\$~~1800+300~~.00) (“Rent”) so long as approximately 1,100 square feet as shown in the attached site plan attached as Exhibit A-1 is used primarily as storage space. Tenant intends to convert this portion of the Premises at some later date to be used for dining and/or restaurant purposes and at such time, the monthly rent shall be increased to an amount equal to Two Thousand Four Hundred Dollars and No/100 (\$2400.00). The Rent is based partially upon the cultural benefit to the citizens from the operation of the Jazz Club so there shall be no cover charge associated with providing the music. In the event the Jazz Club ceases to operate on the Premises, the parties agree the Rent will be adjusted to reflect the current then fair market rental for comparable space in the same rental market. Further, the Rent shall be adjusted annually by the amount of any increase from the prior year in the Consumer Price Index for Urban and Wage Earners and Clerical Workers (CPI-W) for the Seattle-Tacoma-Bremerton area.

(b) **Option Period.** Rent for the Option Period shall be adjusted to the greater of either (i) ~~Three~~ Thousand Dollars and 00/100 (\$~~3000+2,000~~.00) or (ii) ninety percent (90%) of the current fair market rental for comparable space in the same rental market as of the date the Option Period is to commence, taking into account the specific provisions of the Lease which will remain constant (“Fair Market Rent”). Landlord shall advise Tenant of the Fair Market Rent for the Premises no later than thirty (30) days after receipt of Tenant’s written request.

3. **Additional Improvements to the Premises.** Tenant wishes to make certain additional improvements to the Premises more particularly described in Exhibit A-2 attached to this Second Amendment and incorporated by this referenced (“Improvements”). All improvements shall be made at Tenant’s sole cost and expense and any such Improvements which become attached to the Property and become fixtures shall remain with the Property upon the expiration of the Term and Tenant shall not be entitled to any payment for such Improvements. The parties agree that the useful life of the Improvements will expire prior to the expiration of the Term. Tenant shall obtain all necessary permits and approvals and shall make the Improvements in accordance with all applicable building codes and regulations. The Improvements shall revert back to the Landlord upon the expiration of the Term and any Option Term. The indemnification set forth in Section 17.1 of the Lease shall apply fully to the making of such Improvements.

**4. All Other Provisions of Lease Remain in Full Force and Effect.**

All other provisions of the Lease not specifically amended by the First Amendment or this Second Amendment shall remain in full force and effect.

DATED effective the 1st day of May, 2016.

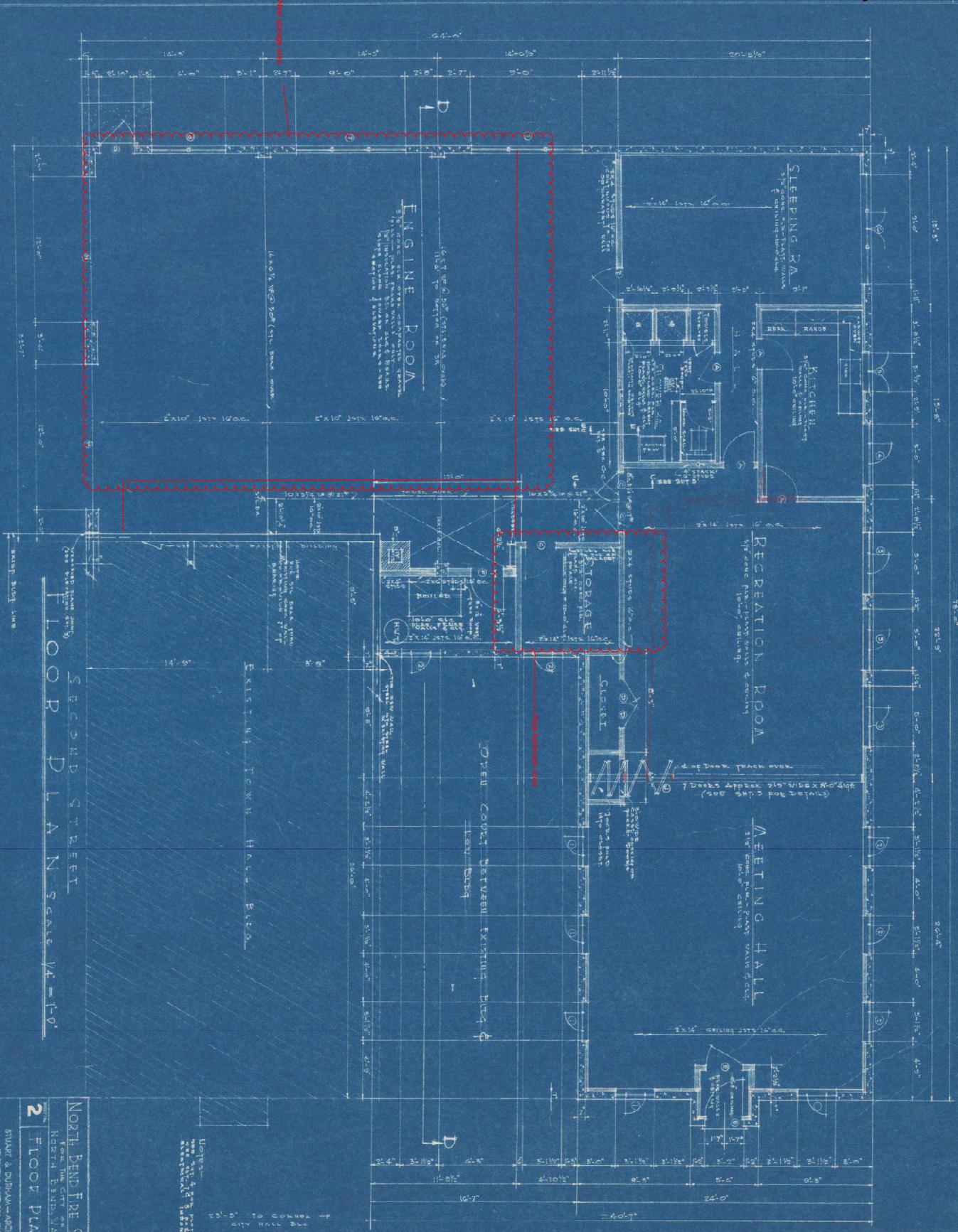
PICCOLA

CITY OF NORTH BEND

By: \_\_\_\_\_  
Salvador Leone  
CEO President, Managing Partner

By: \_\_\_\_\_  
Kenneth G. Hearing  
Mayor





SECOND STREET  
 FLOOR PLAN SCALE 1/4" = 1'-0"

**2 FLOOR PLAN**

NORTH BEND FIRE STATION  
 300 1/2 ST. N.  
 NORTH BEND, WISCONSIN

STUBER & DREW - ARCHITECTS  
 200 NORTH GARDNER ST. SUITE 200  
 MADISON, WISCONSIN 53703

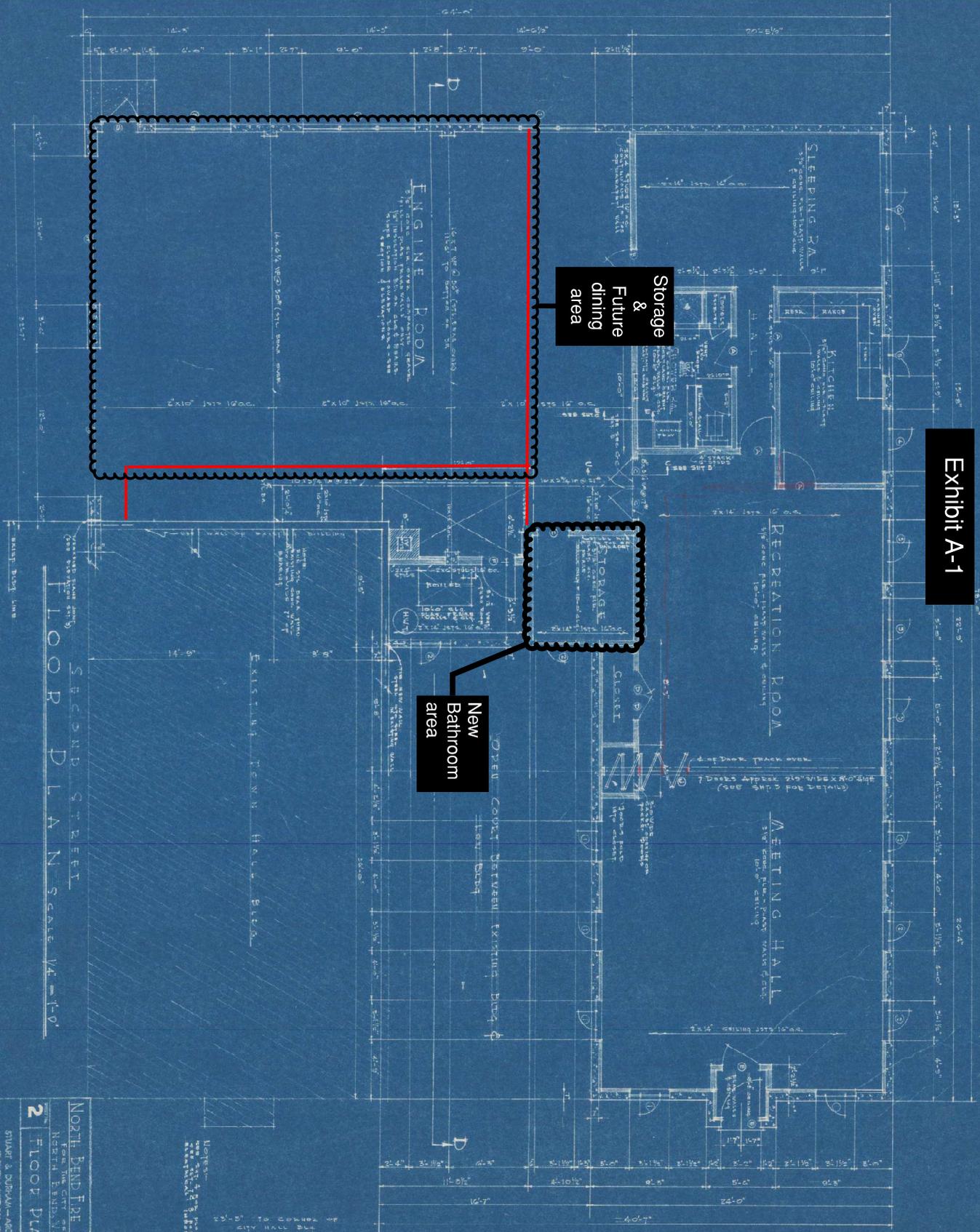
DATE: 05/17/16

PROJECT NO: 16-001

Notes:  
 SEE 3RD FLOOR PLAN FOR MECHANICAL & ELECTRICAL INFORMATION



Exhibit A-1



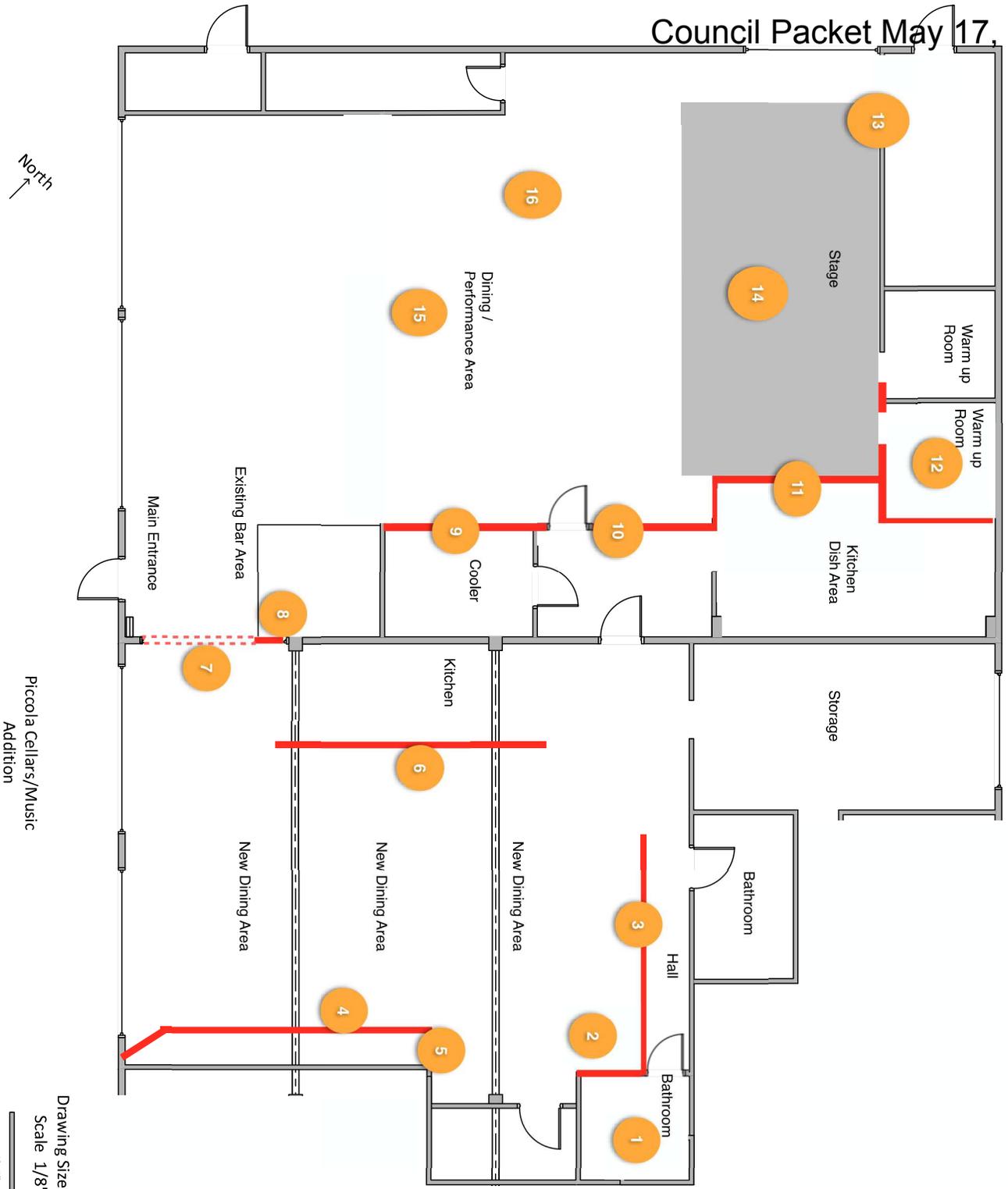
Storage & Future dining area

New Bathroom area

NORTH BEND FIRE STATION  
 2 FLOOR PLAN  
 STUBER & DUNHAM-ARCHITECTS







- The List:
- 1 - Add plumbing for Bathroom (ADA) raise floor.
  - 2 - Move door to new restroom
  - 3 - Wall to block patrons from seeing into restrooms from seating area
  - 4 - Wall to hide electrical and alarm panels
  - 5 - Door
  - 6 - Kitchen half wall
  - 7 - Demo concrete post and open up to make entrance larger
  - 8 - Frame in edge (Add Header Beam if necessary) - Structural engineer
  - 9 - extend wall above cooler to ceiling
  - 10 - add door in new wall
  - 11 - new wall and demo half wall currently there
  - 12 - frame in second backstage warm up room. same dimensions as other backstage room
  - 13 - add second exit for emergency exit
  - 14 - new stage 14 x 23
  - 15 - demo existing wall
  - 16 - add track lighting
- electric outlets on stage, etc.???

Piccola Cellars/Music Addition

Drawing Size 11" x 17"  
 Scale 1/8" = 1'  
 8'-0"

5/1/2016

