



STUDY SESSION

TUESDAY, JUNE 21, 2016

**LOCATION: BAINBRIDGE ISLAND CITY HALL
280 MADISON AVENUE N., BAINBRIDGE ISLAND, WASHINGTON**

AGENDA (TIMES LISTED ON THE AGENDA ARE APPROXIMATE)

1. EXECUTIVE SESSION

6:30 PM

A. Review Qualifications of an Applicant for City Employment

2. CALL TO ORDER / ROLL CALL

7:00 PM

Mayor: Val Tollefson

Deputy Mayor: Sarah Blossom

Councilmembers: Kol Medina Michael Scott
Ron Peltier Roger Townsend
Wayne Roth

**3. ACCEPTANCE OR MODIFICATION OF AGENDA/ CONFLICT
OF INTEREST DISCLOSURE**

4. PUBLIC COMMENT ON AGENDA ITEMS

7:05 PM

5. CITY COUNCIL DISCUSSION

A. 7:15 PM Review Options for Lodging Tax Advisory Committee
Process for 2017 Awards, AB 16-088 - Councilmembers Scott and
Townsend (Pg. 3)

B. 7:30 PM Potential Projects on City Farmland, AB 16-089 - Executive
(Pg. 8)

C. 8:00 PM Potential Projects at City Road Ends, AB 16-090 - Executive
(Pg. 13)

6. FOR THE GOOD OF THE ORDER

8:30 PM

7. ADJOURNMENT

8:35 PM

City of Bainbridge Island

City Council Agenda Bill



PROCESS INFORMATION

Subject: 7:15 PM Review Options for Lodging Tax Advisory Committee Process for 2017 Awards, AB 16-088 - Councilmembers Scott and Townsend (Pg. 3)	Date: 6/21/2016
Agenda Item: COUNCIL DISCUSSION	Bill No.: 16-088
Proposed By: Councilmembers Michael Scott (LTAC Chair) and Roger Townsend (LTAC Co-Chair)	Referrals(s):

BUDGET INFORMATION

Department: Executive	Fund:	
Expenditure Req:	Budgeted? Yes	Budget Amend. Req? No

REFERRALS/REVIEW

:	Recommendation:	
City Manager: N/A	Legal: N/A	Finance: N/A

DESCRIPTION/BACKGROUND

To discuss potential changes to the City's Lodging Tax Advisory Committee (LTAC), which is appointed annually to recommend awards from the Civic Improvement Fund, and to review the proposed criteria matrix that will be provided in the Request for Proposals (RFP) for 2017 projects.

In August, the City's RFP for 2017 projects will be reviewed in its final form by the City Council. The City anticipates releasing the RFP around September 1, 2016 with proposals due to the City by October 1, 2016.

The attached memo describes changes that are proposed for the upcoming award cycle for 2017 projects, including the proposed criteria matrix that would be used by the LTAC as part of their evaluation of project proposals.

RECOMMENDED ACTION/MOTION

Information only.

ATTACHMENTS:

Description	Type
▣ 2017 LTAC Options	Backup Material



CITY OF
BAINBRIDGE ISLAND

EXECUTIVE DEPARTMENT

MEMORANDUM

DATE: 6/21/2016

TO: CITY COUNCIL
CITY MANAGER DOUG SCHULZE

FROM: COUNCILMEMBERS MICHAEL SCOTT AND ROGER TOWNSEND

SUBJECT: OPTIONS FOR LODGING TAX ADVISORY COMMITTEE (LTAC)

Each year, the City appoints a Lodging Tax Advisory Committee (LTAC) to develop a funding recommendation for the award of the City's lodging tax funds. In recent years, this process has occurred annually in the fall, so the City Council can consider approval of the LTAC recommendation before the end of the calendar year. Funds are awarded to projects that are planned to take place in the following year.

In Fall, 2015 the LTAC recommended and the City Council approved \$160,000 in funding to eight local organizations for 2016 projects. Additional information about the award cycle for 2016 projects, and awards in recent prior years, can be found on the City's webpage:

<http://www.bainbridgewa.gov/236/Lodging-Tax-Advisory-Committee>.

Following the approval of 2016 awards, the Bainbridge Island Lodging Association (BILA) expressed concerns to the City about some aspects of the award process. Over the next few months, BILA representatives met with the LTAC Co-Chairs (Councilmembers Roger Townsend and Michael Scott) to discuss the City's process and the results of the recent award cycle. Additionally, the City sponsored two public meetings in May, 2016 to provide an opportunity for BILA and other LTAC stakeholders to come together to learn more about the LTAC framework and to share suggestions. The first of these meetings included a briefing from the State Auditor's Office and the second meeting provided a forum for LTAC members and community stakeholders to share ideas and discuss options for potential changes to the City's award process.

In addition to these discussions, City staff, the City Attorney, and the LTAC Co-Chairs reviewed the State requirements related to LTAC and considered administrative processes that could be improved. As a result of these efforts, the following approach is proposed for the next LTAC award cycle (scheduled for Fall, 2016 to approve awards for 2017 projects):

A. Legislative

- a. Update City Code to remove outdated content and cite State regulations by reference. For example, BIMC 3.65.040 includes a restriction to limit the funds used for tourism activities to 50%. This limit was intended to encourage the use of LTAC funds for capital projects. However, following changes in State law in 2013, most applicants are no longer eligible to use LTAC funding for capital projects.

B. Committee Structure

- a. Maintain the City's rule related to conflict of interest. The City currently requires that LTAC members cannot serve on the board or staff of organizations that are applying for funds. This practice is intended to reduce concerns about biased funding recommendations. Another option would be to allow LTAC members to recuse themselves from voting on their organization's proposal. However, recusal does not address the potential for biased voting on other competing proposals. In addition, the LTAC is typically a small committee, with only four community members in recent years. Recusal of one or more members from such a small body would diminish the effectiveness of the committee deliberations.
- b. Maintain one-year appointment terms. The concept for multi-year appointments was suggested and considered. However, this change seems impractical given the difficulty identifying appropriate candidates for even one-year terms. The City can encourage current members to re-apply in subsequent years, with the hope that this will help the committee to retain experienced members.
- c. Encourage multi-year participation from City Council Co-Chairs. This suggestion is intended to maintain as much experience as possible within the committee. Current practice is for a councilmember to begin serving on LTAC by assuming the non-voting, co-chair role, and to then move to voting chair the next year. If one or both co-chairs are available to serve for more than two years, more extended participation by experienced councilmembers could be encouraged.

C. Request for Proposals

- a. Review and revise the content and format of the Request for Proposals (RFP). Although the RFP is updated every year, a thorough review to confirm consistency with the current RCW and eliminate out-of-date definitions would be beneficial. As part of this update, relevant RCW and City Code should be cited by reference, to avoid duplication or confusion.

- b. Maintain the criteria matrix, but eliminate quantitative weighting/scoring. By including explicit criteria in the RFP that will be used to assess projects, the City Council can articulate goals for the funds, provide direction to the LTAC, and indicate areas of priority to potential applicants. However this matrix is a starting point for the LTAC review, and final funding recommendations are made based on other factors alongside these criteria. Quantitative weighting/scoring has sometimes been misconstrued to require a strictly quantitative decision-making by LTAC, which would not be desirable. We expect LTAC members to continue to evaluate applications based on the criteria in the matrix using both qualitative and quantitative analyses. For this reason, we recommend that the criteria remain within the RFP, subject to annual review by the City Council. For 2017, we recommend that the criteria remain the same as were used for 2016 projects. Please see Table 1.
 - c. Revise eligibility guidance to clearly indicate that only nonprofit organizations, municipalities, and public facilities districts are eligible to apply for LTAC funds. In 2016, a for-profit application was received and reviewed by the LTAC. The committee did not recommend funding for this project. Subsequent review by the City indicated that this type of applicant (a for-profit firm) should not be considered for LTAC funding.
- D. Committee Meetings
- a. Adjust meeting format to ensure focus on applicants. All LTAC meetings are open to the public and noticed as such. Previously, use of a smaller room setting and a more relaxed, conversational format have led to ad hoc discussion between LTAC members and meeting observers. It is important to ensure that meeting time is used effectively, and that – when needed – additional information is provided by applicants themselves. To facilitate this aspect, we recommend to change the LTAC meeting venue to the Council Chambers. This more formal setting will serve to provide separation between LTAC members and public observers. In addition, public comment should only be allowed when it is included on the LTAC’s noticed agenda.
 - b. Continue committee practice of receiving presentations from each applicant. This aspect of the committee review provides an important opportunity for LTAC members to hear directly from applicants and to learn additional detail about project goals and approach.
 - c. Offer applicants the opportunity to supplement their application materials if LTAC members raise questions or request additional information. By making this opportunity an explicit part of the review process, the applicants can respond if needed to LTAC member’s requests and feedback.

TABLE 1**Proposed Criteria – 2017 LTAC Projects**

Lodging Fund Project Evaluation – Basic Criteria	
A.	Encourages tourism from visitors traveling more than 50 miles and/or from visitors traveling from outside Washington State.
B.	Expected impact on increase in overnight stays on the island.
C.	Economic impact on Island businesses, facilities, events, and amenities.
D.	Potential to draw visitors to the Island and increase overnight stays during the off-season, i.e. Labor Day through Memorial Day.
E.	Applicant's demonstrated history of organizational and project success (not necessarily nor solely LTAC-funded project(s)).
F.	Project reflects partnerships with other organizations and businesses, to encourage cooperative tourism marketing and minimize duplication of services.
G.	Project goals and/or results can be objectively assessed.
H.	Project will leverage award funds with additional matching funds or donated in-kind goods or services.

City of Bainbridge Island

City Council Agenda Bill



PROCESS INFORMATION

Subject: 7:30 PM Potential Projects on City Farmland, AB 16-089 - Executive (Pg. 8)	Date: 6/21/2016
Agenda Item: COUNCIL DISCUSSION	Bill No.: 16-089
Proposed By: Deputy City Manager Morgan Smith	Referrals(s):

BUDGET INFORMATION

Department: Executive	Fund:	
Expenditure Req:	Budgeted?	Budget Amend. Req?

REFERRALS/REVIEW

:	Recommendation:	
City Manager: Yes	Legal: N/A	Finance: N/A

DESCRIPTION/BACKGROUND

In preparation for the 2017-18 Biennial Budget, City staff have been working with Friends of the Farms (FOF) to review potential projects associated with the public farmland owned by the City. The attached memo describes a proposed approach to identify projects that may be appropriate for City support and also proposes specific activities and funding levels for 2017 and 2018.

RECOMMENDED ACTION/MOTION

Information only.

ATTACHMENTS:

Description	Type
▣ Proposed Farm Projects	Backup Material



CITY OF
BAINBRIDGE ISLAND

EXECUTIVE DEPARTMENT

MEMORANDUM

DATE: 6/21/2016

TO: CITY COUNCIL
DOUG SCHULZE, CITY MANAGER

FROM: MORGAN SMITH, DEPUTY CITY MANAGER

SUBJECT: CITY SUPPORT FOR PROPOSED PROJECTS ON PUBLIC FARMLAND

Background:

The City owns more than 60 acres of public farmland spread over five sites. Management of these properties is provided by a local nonprofit, Friends of the Farms (FOF), through a “master lease and management agreement” that provides FOF with access to the City farmland for a term of 30 years (until January, 2042).

The master lease for City farmland has now been in effect for more than four years. This means that both FOF and City staff have a more complete understanding about how this partnership works in the “real world” and both organizations have gained insight on a number of topics not fully addressed/anticipated in the master lease. As one part of the transition to the next stage of this partnership, City staff and FOF have been engaged in a detailed review of potential projects related to the farmland, and have worked to establish a framework that can be used to identify which projects should be fully supported by FOF and which projects are appropriate to propose for City support/funding.

In recent years, the City’s Capital Improvement Plan (CIP) has included a “placeholder” for City farmland, to reflect the expectation that there would eventually be projects or activities related to these properties that are appropriate for City support. This placeholder did not specify an amount of funding.

For the 2017-18 Biennial Budget, City staff expect to recommend City funding to support several activities on the City farmland. In discussions with FOF staff, it was agreed that City support is appropriate to propose for the following types of activities:

- Repairs to significant buildings or structures, particularly in cases where repairs are needed to provide structural stabilization or to prevent additional deterioration. Structures located on the public farmland are the property of the City, and the City has a responsibility to ensure that these public assets are maintained at a level that preserves their essential viability and prevents unnecessary damage or deterioration.
- Repairs to other key infrastructure that is necessary to maintain the long-term viability of the City farmland and which are outside the scope of normal operations and maintenance. Some examples of key infrastructure include irrigation systems, access roads, and facilities for public use.
- Repairs that are primarily intended to accomplish historic preservation of buildings or structures, as opposed to repairs required to maintain functional use related to farm operations. For some projects with a preservation component, it may be appropriate to propose that the City and FOF share repair costs, with a preservation component to be supported by the City and basic/functional component to be supported by FOF.

Using this framework, City staff and FOF have identified a small number of potential projects for consideration for the 2017-18 Biennial Budget. Total estimated cost for these highest priority projects for 2017 is \$90,000. Detail on the proposed 2017 projects is provided below. Because these projects do not meet the City's criteria for capital expenditures, budget would be provided within the departmental budget for Public Works and would be identified as a cost center specific to the public farmland.

Going forward, City staff expects comparable ongoing support would be appropriate to preserve the viability of City farmland, maintain key infrastructure and achieve preservation goals. For 2018, City staff recommend a budget of \$40,000 to support these activities. During 2017, City staff and FOF will work to identify and prioritize appropriate projects for 2018 that would be eligible for City funding under the framework proposed above.

Highest Priority Projects Proposed for 2017:

Removal of underground storage tanks (UST) – Suyematsu Property \$60,000 (2017, one-time)

There are two underground storage tanks located on the property that were previously used to store fuel for farm vehicles and equipment. At the time of Mr. Suyematsu's passing (2012), the tanks were checked and confirmed as padlocked. Farm representatives indicated then that the tanks had not been in use for several years. The amount of fuel remaining in the tanks was checked at that time and was minimal. The tanks have remained locked and out of use since the City took ownership in 2012.

In 2015, the Board of the Friends of the Farms (FOF) formally requested that the City perform testing to investigate whether material from the underground storage tanks (UST's) had leaked into the surrounding soil. This testing was performed at a cost of \$8,000 to the City. Soil sampling and testing confirmed that there was evidence of fuel contamination within several areas of soil near to the UST's. The City received a bid for the removal of the UST's and the contaminated soil and proposes to complete this work in 2017. The work will be performed by a contractor with specific expertise in UST removal.

Completion of this project will address concerns about soil safety on the property going forward, and will mitigate the effects of past environmental contamination. The City's commitment to environmental stewardship and best management practices on the City farmland make this project a high priority. City staff believe this work falls outside of the scope of the master lease with FOF and should be completed using City funds and procurement processes.

Stabilization of Farmhouse Building – Suyematsu Property
\$15,000 (2017, one-time)

The farmhouse is currently used by FOF for farm intern housing, and hosts 4 interns each year. The building has been identified as a priority preservation project by the Historic Preservation Commission (HPC), and planning is underway to identify what short- and longer term plans will be for this building. This planning effort will rely on the participation of key stakeholders including FOF, HPC, City staff and other community user groups.

In the interim, the building is in deteriorated condition and FOF recommends that repairs to the roof and building exterior are needed to stabilize the structure and prevent further damage. As this building is located within the historic preservation area of the site, any repairs will be reviewed by the HPC and will be conducted in a manner that reflects the preservation goals for the property.

The goal of this work is to protect the building and ensure stabilization during the period that longer term plans are developed. The City has formally adopted the HPC plan for the preservation area within the Suyematsu property, and this building is a key component of the site's history. As such, protection and stabilization of this building is a high priority. City staff believe that protection and stabilization of key structures on the City farmland fall outside of the scope of the master lease with FOF and should be completed using City funds and procurement processes.

Repairs to Irrigation Systems/Risk Management – Suyematsu and Morales Properties
\$15,000 (2017, one-time)

Irrigation systems and water access are critical to the sustainability of the City farmland. Irrigation pumps and pumphouses must be maintained in good working order, and replaced when equipment life cycle has been exceeded. FOF has requested City review of the pumphouse and pump at Morales property, to determine whether repairs or replacement are needed to maintain the pump in working order. City staff (Public Works) and FOF will assess the irrigation at Morales and will also review pump systems at other properties to establish information about when future replacements should be anticipated. City staff believe that replacement of key irrigation structures on the City farmland falls outside of the scope of the master lease with FOF and should be completed using City funds, crew and/or procurement processes.

Access to sustainable and sufficient water supplies is also a high priority. Irrigation for Suyematsu farmers is provided from water stored in two ponds, with water access shared between the City's farmers and a neighboring property owner. Various agreements govern how much water is available to each party. The City should undertake a thorough review of these agreements to help to clarify the available water resources, to confirm that the impacts of these agreements are well-understood, and to support FOF in their work to ensure that City farmers are compliant with the terms. Due to the legal complexities involved, and the City's long-term interest in protecting access to water on the property, City staff believe that this work is outside of the scope of the master lease with FOF and should be completed using City staff and legal resources.

Annual Work to Maintain Fence Borders – Suyematsu Property
Cost = TBD (Annual/Ongoing)

The Suyematsu property is fully fenced, but dense vegetation in the area requires clearing to maintain the fence lines that is beyond the capacity of FOF's volunteer work parties. FOF has requested City support for this item, and proposes clearing vegetation along the full property perimeter, both sides of the fencing, two to three times per year. This work will keep property lines well-established and preserve the existing fencing. City staff will work to assess whether this work can be performed by Public Works crews and, if so, whether additional seasonal staffing is required. Alternative resources will also be considered and cost estimates for those options will be reviewed.

City of Bainbridge Island

City Council Agenda Bill



PROCESS INFORMATION

Subject: 8:00 PM Potential Projects at City Road Ends, AB 16-090 - Executive (Pg. 13)	Date: 6/21/2016
Agenda Item: COUNCIL DISCUSSION	Bill No.: 16-090
Proposed By: City Council	Referrals(s):

BUDGET INFORMATION

Department: Executive	Fund:
Expenditure Req:	Budgeted? Budget Amend. Req?

REFERRALS/REVIEW

:	Recommendation:
City Manager:	Legal: Finance:

DESCRIPTION/BACKGROUND

In preparation for the 2017-18 Biennial Budget, City Council requested time to discuss potential projects related to City road ends.

In 2011, the City Council specified that \$150,000 from Washington State Ferry settlement funds was to be designated for use in capital projects at City road end sites.

The Fletcher Landing redevelopment project was identified as a top priority, and work to plan and design that project moved forward. Construction will occur in Summer, 2016. Total project costs will be roughly \$135,000, leaving \$15,000 for other projects.

Repairs are required at the Woodland Dr. road end to replace stairs that have been significantly affected by erosion. That work has received permits and construction is planned for August, 2016 due to a specific fish window at that site. Because much of the work will be completed by City O&M crews, the project budget is not expected to exceed \$20,000. However City staff does not expect there will be significant WSF funds remaining after the Woodland Dr. project.

A similar situation at the Beach Dr. road end will require somewhat more significant repairs and resources. That project is planned for construction in Summer, 2017 at a cost of roughly \$50,000. If this repair cannot move forward, the steps at this site will need to be closed to public access, due to safety concerns. Some temporary measures will be taken in the meantime to secure the existing blocks and maintain public access during the interim.

Through the development of these recent projects, City staff have developed an understanding of the

complexity and cost associated with public access projects within the shoreline. Consideration of potential future projects should include an assessment of the likely level and range of use at the proposed site, and the public value added by the addition of new infrastructure. Project costs, permit requirements, and more general environmental impacts should also be considered. Other site specific considerations should include the availability of parking, proximity to other access sites, and ongoing maintenance costs.

RECOMMENDED ACTION/MOTION

Information only.