

City of Covington City Council
ANNUAL STRATEGIC PLANNING SUMMIT

Saturday, 29 January 2011
8:30 a.m. – 3:30 p.m.
Tacoma Nature Center, 1919 S Tyler St., Tacoma

AGENDA

THE CONTEXT FOR THIS YEAR'S SUMMIT:

During the past five years, the Covington City Council has articulated and implemented a bold, ambitious agenda. Council members have crafted and advocated a long-term vision for the City's future. They've also agreed on visionary policies and programs to improve Covington's quality of life. These policies and programs are intended to diversify the economy, protect the environment, strengthen public safety, expand transportation networks, improve parks and recreation, secure public finances, and build stronger partnerships between citizens, businesses, and government.

Tough choices, calculated risks, prioritized decisions, and prudent spending have enabled the Council to make progress in bringing its vision to life. But with today's difficult economic climate, the Council may be at a crossroads. Does it continue to advance an ambitious vision or does it "ease up" until the economy improves?

In preparing for this summit, interviews of the Council members, City Manager, and Management Team revealed that *they share a common interest in continuing to advance an ambitious vision and agenda*. They appear to be in agreement that maintaining the status quo is not good enough. Why? Because it really means stepping backward. If the City were to hold to the status quo until the economy improves, services would deteriorate because of the rising population, increasing public needs, and escalating program and service costs.

What is a bold, courageous, and inspiring vision for the City's future when economic recovery may not be just around the corner? What are the immediate choices and decisions that could lay the groundwork for future prosperity? How might the City fund initiatives and programs to achieve its vision if the "new norm" is very gradual growth and a financial standard lower than what we were used to prior to autumn 2008?

These are the key questions of this summit, and where the Council will focus most of its time.

THE SUMMIT'S GOALS:

1. Review our 2010 accomplishments and key factors that contributed to them.
2. Discuss how we continue to advocate and implement a bold, courageous, and inspiring vision for the City's future in light of the weak economy and the possibility that a "new norm" will mean very gradual growth and economic indicators that are not as robust as in the past.
3. Identify and discuss the partnerships, infrastructure, and marketing needed to implement the Council's vision for Town Center.
4. Discuss how we continue to provide levels of service for police, parks and recreation, and capital projects that the citizens of Covington have come to expect.
5. Identify what we need to do to ensure citizens better understand the City's role and services, the tough choices facing the community, and the implications of various options, strategies or actions.

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NOTE: Refreshments will be served beginning at 8:15 so come early to enjoy them and be prepared to begin the meeting precisely at 8:30.

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|------|------|---|-----------------------|
| I. | 8:30 | WELCOME! REVIEW TODAY'S PURPOSE | Mayor Harto |
| II. | 8:35 | REVIEW AGENDA AND GROUND RULES | Jim Reid, Facilitator |
| III. | 8:40 | IDENTIFY 2010 ACCOMPLISHMENTS | Mayor/Council |
| | | <ul style="list-style-type: none">▪ <i>What accomplishments of 2010 are we most proud of?</i>▪ <i>What were the key factors that contributed to them?</i> | |
| IV. | 9:00 | ASSESS THE RECENT PAST AND THE PRESENT | Everyone |
| | | <ul style="list-style-type: none">▪ <i>What has excited us during the last five years?</i>▪ <i>What has most frustrated us?</i>▪ <i>What are the strengths and weaknesses of the City's current policy development, external environment, and operations and resources?</i>▪ <i>What are the opportunities for and threats to these three areas?</i> | |

10:00 BREAK

V. 10:10 DISCUSS OUR VISION FOR THE FUTURE Mayor/Council

- *If a bold and ambitious vision is achieved or greatly advanced in ten years, what will the City look like?*
- *What do we want the community to say was the legacy of this Council?*
- *How will our vision be reflected in policy development, the external environment, and operations and resources?*
- *What options might we consider for funding the programs and projects needed to achieve our vision, particularly in light of the weak economy and what could be the "new normal" when the economy recovers?*
- *What are some of the strengths, weaknesses, and challenges of these potential funding sources?*

VI. 11:15 IMPLEMENTING OUR VISION FOR DOWNTOWN Mayor/Council

In the past few years we have reached consensus on a vision for the future of Town Center. We've also adopted policies and zoning to guide its development. Now we face the challenge of implementing the policies and zoning to ensure our vision becomes reality.

- *What partnerships are needed to implement our vision for Town Center? What should be our role and responsibility for achieving our vision, and what should be the role and responsibility of our partners?*
- *What infrastructure is needed to support downtown development? What sources of funding might be needed or available to improve or provide the infrastructure?*
- *What marketing is needed to attract new development to Town Center? Who are the target audiences? What messages need to be communicated?*

As this discussion concludes:

- *What does this discussion indicate about the levels of service the City can or will provide in Town Center?*
- *What does the discussion indicate about the challenges of advancing a bold, courageous, inspiring vision for downtown?*

12:15 LUNCH

Lunch will be provided.

- VII. 1:00 IMPLEMENTING OUR VISION IN OTHER AREAS Mayor/Council
- *Beyond Town Center, what levels of service do we strive for in providing police and parks and recreation services throughout the community? How is the level of service we want to offer reflected in the City's capital projects?*
 - *What challenges will we face in achieving these goals?*
 - *What funding sources might we need to consider, and what other strategies or tactics might we need to employ to provide the levels of service that citizens expect of the City and we seek to provide?*
- VIII. 2:00 BUILDING PUBLIC AWARENESS AND UNDERSTANDING Mayor/Council
- *What do we need to do to help the public better understand the Council's vision and the City's accomplishments?*
 - *What must we do to enable citizens to understand the implications to them of maintaining the status quo versus continuing to embark on a bold and ambitious path?*
- IX. 2:45 NEXT STEPS Mayor/Council
- *Is there agreement among us on today's discussions and the steps we need to take to implement that vision?*
- IX. 3:10 OTHER ISSUES ON THE HORIZON Mayor/Council
- *Are there other issues of interest to us that should be considered possible topics for future Council discussions?*
- X. 3:25 WRAP-UP: FINAL THOUGHTS Mayor/Council
- *What are we taking away from today's meeting?*
- 3:30 adjourn

Sessions I and II

No handouts

Session III

Identify 2010 Accomplishments

January 30, 2010 Annual Strategic Planning Summit Summary
Approved: February 23, 2010

CITY OF COVINGTON CITY COUNCIL
ANNUAL STRATEGIC PLANNING SUMMIT

Saturday, 30 January 2010
8:30 a.m. — 3:30 p.m.
Dumas Bay Center, Federal Way

SUMMARY

OF THE MEETING'S KEY DISCUSSIONS, DECISIONS, AND AGREEMENTS

Attending: Mayor Margaret Harto, Mayor Pro Tem Jeff Wagner, Council members Mark Lanza, David Lucavish, Marlla Mhoon, Jim Scott, and Wayne Snoey; City Manager Derek Matheson; and Management Team members Glenn Akramoff, Noreen Beaufriere, Rob Hendrickson, Kevin Klason, David Nemens, Sharon Scott, and Scott Thomas; City Engineer Don Vondran; Planning Commission Vice Chairman Daniel Key; Covington resident Leroy Stevenson; and facilitator Jim Reid.

This document is a summary of the City Council's strategic planning summit held on Saturday, 30 January 2010. As Mayor Harto said when she opened the session, "We are here today to articulate, initiate and follow-through on our vision."

EXPECTATIONS FOR TODAY'S SUMMIT

Each Council member stated her/his expectations for today's meeting as the way in which to set the tone and context for the annual strategic planning summit. Our expectations going into the meeting were:

- "Recharge" our batteries as Council members.
- Celebrate what we have accomplished and look ahead to the coming year.
- "Step up on the mountaintop," then look down at what is going on around us and identify and assess our goals.
- Find out where we are going to examine if we are changing direction.
- Because of the economy, step back to consider where we are heading and if we need to reprioritize.
- Look forward in a positive manner to see where the Council wants to go and to revitalize our commissions.
- We had a great year in 2009. The economy has not washed out our vision, but perhaps has added to the amount of time it will take to achieve it. Today we need to discuss the timing of achieving our vision and goals.

COUNCIL CITES PROUDEST ACCOMPLISHMENTS OF 2009

We began the annual strategic planning summit by highlighting the accomplishments of 2009 of which we as Council members are most proud. These are individual's perspectives; there wasn't any attempt or reason to reach consensus on them.

- Business breakfasts involved the business community (not just the Chamber of Commerce) in the City.
- The process of developing the Master Plan for the park @ 240th and 180th brought the community together.
- We are doing an even better job of involving the public in our processes and decision-making.
- The tri-city meetings with the Councils from Maple Valley and Black Diamond, and our leadership in organizing and convening them.
- Hiring Karla Slate as our community relations coordinator.
- The huge amount of public involvement in the process that led to the development of the Downtown Plan.
- Saturday Clean Covington Day sponsored by the Public Works Department in coordination with Karla Slate
- Process used to develop the 2010 budget; staff deserves credit for bringing to us a realistic picture.
- Major road improvements were completed, allowing for more expeditious travel around the city as well as easier, safer driving.
- The great successes of our lobbyist.
- The continuity stemming from the re-election of Council members in 2009.
- The positive feedback from the survey of citizens.
- Council involvement in regional issues and on regional forums. As a result, we are strengthening partnerships and relationships not with just bordering cities but with numerous jurisdictions.
- We did not cut back human services despite the downturn in the economy.
- Securing federal and state funding for commuter rail.
- Improvements to the process for applying to service on commissions: We rewrote the interview questions to make them more relevant, and we initiated a dialogue with incumbents.
- Improved community safety. And our officers are respectful of the citizens.
- We received compliments from citizens and the business community for the snow removal.
- The new fire station.
- The work of the staff is exemplary. It was not easy laying off ten employees because each employee is like a member of our family. But the remaining staff has stepped in to make the transition work well.
- Our citizens seem more comfortable bringing issues and problems to us. We listen to them, and efficiently handle or address the issues and problems they bring to us.
- Improved relations with The Covington Reporter.
- Changes at CEDC, including the participation of Enterprise Seattle.

We also cited things we need to contemplate as we move forward, and things we may want to act on. For example, we wish we had more revenues so we could have avoided laying off staff. But this time of economic slowdown and budgetary hardship may have a "silver lining" because it forces us to slow down to really see where we are and where we are going. Without the pressures to move as fast as we have been moving, we can reflect on what we have accomplished, and what we need to accomplish in the short- and long-term.

Two specific tasks—one the Council may want to act on, but for which there was no effort made to reach consensus, and one that it should act on because the development work is finished—are:

1. Develop design standards for downtown to ensure the vision for downtown that is contained within the Comprehensive Plan and the Downtown Plan is achieved.
2. Implement the plan we developed in 2009 for recognizing volunteers.

COUNCIL REAFFIRMS VISION, MISSION AND GOALS

At last year's strategic planning summit we added a sixth goal—addressing youth and families—to the goals that guide our achievement of the City's long-range vision. Today we reaffirmed that our vision, mission and goals continue to be the “touchstones” that guide decisions throughout the year. And we concluded that we made incredible progress in 2009 in advancing our vision and goals.

We spoke briefly about whether or not we are doing enough to advance the goal that addresses the City's neighborhoods, and concluded that a number of things are being done to achieve that goal. Among the current outreach efforts are: a.) Staff's outreach to neighborhood organizations; b.) Karla Slate's convening of meetings of representatives of Homeowner Associations; and c.) street sweeping to keep neighborhood streets clean.

In the spirit of working to continuously improve, we identified the following tasks that could be done to continue to advance our vision, mission and goals, and to better publicize what they mean to and how they guide us:

3. The Council should conduct a mid-year assessment of how we are doing in advancing the vision, mission and goals.
4. We should also discuss with the Commissions what they mean to the Council and how they guide us, and use that discussion to influence the Commissions' annual work plans.
5. Make the posters of our vision, mission and goals within City Hall more visible.
6. Print more posters and put them up around town. Ask the Chamber of Commerce and businesses to display them.
7. Periodically turn the poster containing the vision, mission and goals into an insert in The Reporter.

In addition, to continuously improve customer service, we identified these tasks:

8. Publish a street cleaning schedule so that citizens will know when their streets are to be swept, and coordinate so that the sweeping of streets is not conducted on the same day as garbage pickup.
9. Two or three days in advance of the street sweeping, post signs along the streets.

COUNCIL'S THOUGHT-PROVOKING DISCUSSION ON INFRASTRUCTURE, PARTICULARLY FOR TRANSPORTATION, OFFERS DIRECTION TO STAFF FOR 2010

Council member Wayne Snoey launched the discussion about the City's future infrastructure needs by presenting his initial thinking about potential innovations in the transportation arena, including transit, trails, and road projects that may be needed soon to relieve "choke points" along City streets or at key intersections. (The outline of the presentation accompanies this summary as a separate document.)

As a result of his presentation and the follow-up questions and reactions from the other Council members, we identified criteria that staff should use to guide the update of the Transportation Improvement Plan (TIP) later this year. *The criteria are:*

- Potential economic benefits of proposed projects, including potential benefits to City revenues and for the growth and expansion of the business community.
- If a project were not included (no action taken), would there be any detrimental or negative affects on the City's and business community's economic vitality?
- Consider "small" projects within downtown that would help complete the "downtown grid" or road and pedestrian connections.
- Address the needs on the perimeter of the City as well as downtown to enable people coming from outside the City to take advantage of shopping opportunities within Covington and to efficiently move traffic through town.
- In considering the downtown "core," emphasize projects that would enhance or strengthen "destinations" over those projects that would result in cars simply passing through the City. Would a project help get people more easily to a business destination downtown, for example, or would it ease congestion to make it easier to drive through the City?
- With a dwindling number of projects that are ready to be built, fund the design phase to get projects to the point at which construction could begin immediately or almost immediately if sufficient funding became available (i.e., phase projects).
- Public safety: What projects might allow fire and police vehicles to more easily and efficiently support the citizens during emergencies?
- Consider projects that might have a greater likelihood of receiving federal grants (meaning that they would also be more likely to make it onto the list of projects that the Puget Sound Regional Council includes when requesting federal funding for transportation projects).

Following the identification of and discussion about criteria for use in determining which projects should be included in the revised TIP, we identified the tasks we will need to undertake in 2010 and beyond to achieve our vision for the City's infrastructure. The tasks are:

10. Work with the Association of Washington Cities (AWC) to get the United States Congress and State Legislature to change laws or grant requirements pertaining to transportation projects so that federal and state grants can be used for design as well as construction.
11. Work with the Chamber of Commerce and private businesses to address parking needs, particularly downtown.
12. "Overlay" the ideas included in Council member Snoey's paper with the existing Capital Improvement Plan (CIP) and the TIP as part of the process of determining what should be included in the 2011-'16 TIP and in the revised CIP when it is next updated. (Note: Projects must be identified in the City's Comprehensive Plan before they can be included in the CIP or TIP.)
13. Include in the agenda for the tri-city meeting with the Maple Valley and Black Diamond City Councils the topic of transportation. Specifically, share with them our interests and vision for

transportation infrastructure, and projects we are considering to achieve them. This issue should be the subject of continuous dialogue with those two cities.

14. Work with the citizens to educate them about the community's needs, concerns and interests related to transportation, and to engage them in helping to determine priorities and funding options.
15. If the City were to submit a bond to voters to make progress in the transportation arena, consider placing before the voters two ballot measures, one to fund capital construction, and the other to fund operations and maintenance. At the very least, help citizens understand more accurately the costs of operations and maintenance so that they have the complete picture about the real costs of the City's transportation system and network.

In addition to the tasks identified on the previous page, Derek Matheson outlined for the Council the already-scheduled tasks that the City will embark on to update the TIP in 2010. They are:

16. In February the Council will discuss and consider the Transportation Impact Fee at a study session.
17. The Council will look to the 20-year CIP to determine what projects should be included in the TIF and six-year TIP.
18. The Council will then adopt the TIF and TIP.
19. In the longer term, when the City's Comprehensive Plan is updated, projects the Council would like to see included in the CIP and TIP will need to be put into the Comp Plan if they are not already there.

COUNCIL IDENTIFIES IDEAS TO IMPROVE PUBLIC COMMUNICATIONS

As in the past years at the Council's annual strategic planning summits, a major interest at today's meeting was continuously improving communications between City Hall and the public, and vice versa. The discussion was aided by two documents: the November 2009 Communications Audit, and "Key Messages," authored by Karla Slate, the City's new community relations coordinator.

As a result of the discussion, the Council brainstormed the following ideas to advance the City's interest in strengthening communications between the City and the citizens it serves. (Note: With the exception of the first two, these ideas were not specifically agreed-upon tasks, but they are numbered as such simply to maintain a running list of *potential* tasks by which to improve communications with the public. Council members said they would defer to Karla's expertise on which ones to implement.)

20. Develop a key message for the City to communicate to Covington's residents for each of the Council's six strategic goals.
21. The City should host an annual open house or town hall meeting around August 31st, the date of Covington's incorporation. A few ideas were generated as strategies to market the event or as elements of it; they were "food for thought," not specific instructions or directions. They were: a) hand out invitations to the open house at Covington Days; b) include a barbeque at the open house; and c) consider holding it at the new Fire Station.
22. Possibly in conjunction with the open house, host an annual recognition dinner. Work with the Chamber of Commerce to see if the Chamber would act as co-sponsor and co-host.
23. Regarding the open house/town hall and the annual recognition dinner, the Council should seek the advice and ideas of the members of the City's commissions.

24. Replace the annual dinner with our State legislative delegation with a meeting with each member of the delegation that includes the Mayor, City Manager and lobbyist.
25. For 2011, produce a calendar of citywide events. It was suggested that the calendar should contain the City's vision, mission and goals, and it might also include contact information for key City services.
26. Work with the Chamber of Commerce to identify Covington businesses with "reader boards," and find out if these businesses would be willing to periodically advertise or publicize City events or announcements on them.
27. If the City develops a calendar or some type of flyer with its vision, mission and goals or key contacts, consider inserting it into grocery store advertising or distributing it at events such as the Covington Community Sports Jamboree. And it might be possible to contact churches and other "faith based" community organizations to see if the City might be able to use their publications for announcing community events or for distributing this flyer.

The next four tasks constitute an endorsement of the recommendations from staff that were included in the Communications Audit (see page 6):

28. Move the City's communications functions to one department.
29. Create a citywide communications plan.
30. Develop a consistent and modern style for use in promoting the City.
31. Bring to the Council a proposal for the redesign of the City's website. We anticipate that this task will be completed after tasks 28-30 are finished. As part of the proposal, staff should consult with the Chamber of Commerce, which is updating its website for approximately \$5000, and research potential ways to use existing software technology to help keep down the costs of the update. (Staff may wish to consult with Councilmember David Lucavish on this.)

COUNCIL AGREES ON STRATEGIES TO IMPROVE "INTERNAL" SYSTEMS AND COMMUNICATIONS

After the discussion about how to improve communications between the City and public—"external" communications—we turned our attention to "internal" communications, i.e., the relationship between the Council and the City's commissions, and within the Council.

We agree that the duties and responsibilities of commissions are appropriate and do not need to be revised. We also agreed to not alter any "structural" elements of how the Planning Commission and CEDC are organized at this time (although we might decide to make changes to the CEDC agreement later based on the recommendations of Enterprise Seattle). But we do have an interest in bringing a bit more uniformity to the operations of three other commissions: Arts, Parks, and Youth and Family Services. Therefore, we agreed on the following:

- The members of each of those three commissions should have three-year terms that begin and end on March 31st. Because two of them currently have terms that begin and end on different dates, this change would be expected to be implemented starting in 2011.
- With each commission having seven members, terms should be staggered so that one year the terms of three members expire and those seats come up for appointment by the Council, and in each of the next two years, two members' terms expire and those seats are subject to appointment.
- As the terms of incumbents expire, the Council will treat them with the same respect, consideration and courtesy given all applicants. The Council must still evaluate their

applications and cannot automatically reappoint them. This means that each year new people will be encouraged to apply as well as incumbents, and everyone will be considered in an equitable manner.

- To clear up any confusion about who is eligible to occupy the “youth” seat on the three commissions, the eligibility language should state that “anyone who would be 14-18 years at the beginning of their term” is eligible to apply for that seat and would be eligible to serve as the youth representative on the commission.

We did not reach consensus on whether or not there should be term limits for service on the commissions, nor did we address another issue that was briefly raised, residency requirements. And two other issues that were briefly identified were not brought to resolution: designating positions on the commissions with a number, as is the case with the Council, and designating a secretary or some such support for each commission.

The task resulting from the discussion about the structure of the terms of the members of the Arts, Parks, and Youth and Family Services Commissions is:

32. Poll the current members of the three commissions to see how they feel about a term of service of three years, or whether two-year terms might be more attractive to potential commission members. Also ask for their reactions to the idea of term limits.
33. Develop new rules to guide the terms of members of the Youth and Family Services, Arts, and Parks Commissions that reflect the agreement of the Council (see preceding page) and bring that proposal to the Council in 2010 for adoption.

We agreed to begin using city email addresses for each Council member, and one “group” address by which citizens can efficiently access us all. We agreed that if a Council member forwards to Derek the collective email with a request for action or as an FYI, she/he would copy our colleagues so that they know we have communicated to the City Manager’s office. This will prevent each of us from having to write to Derek. We also agreed that if we want to propose that an action be taken in response to a citizen comment, we will submit that request to Derek, not any other staff person.

At the suggestion of Daniel Key, Vice Chair of the Planning Commission, we authorized staff to provide city email addresses for the Planning Commission. The same protocols that apply for the Council, as described in the preceding paragraph, should apply to the Planning Commission to keep the staff liaison and all the commission members informed about any responses or further communications.

34. Implement the Council decision to provide Council members and Planning Commissioners with individual and “group” city email addresses.

The Council briefly discussed taping Executive Sessions but concurred to not do so.

We also agreed to not pursue or undertake consideration of or changes to the solid waste franchise at this time. And we agreed to amend the Council rules to stipulate that our annual retreat will be held on the last Saturday of every January.

Finally, we reiterated our commitment to “no surprises” among Council colleagues, and to working in a collaborative fashion to ensure that when issues or proposals are raised, we provide sufficient time for each Council member to consider them. As has been our tradition, we will try to not vote on a major issue until a meeting after it is first made.

We also asked that staff do everything within its power to get the “meat of an item” into the briefing packets prior to Council meetings, but we recognize that there is on occasion “late breaking” information that prevents this from happening. We briefly discussed but decided to not ask staff to distribute meeting packets earlier because such a request would require staff to prepare the meeting packet for a future meeting before the upcoming meeting of the Council takes place.

OTHER ISSUES ON THE HORIZON

We concluded the retreat by briefly listing issues we anticipate will face the Council in the future, and which could be topics for future retreats or discussions. With the exception of the first issue, affordable housing, there wasn't any effort to try to reach consensus on these topics; they were ideas offered by individual Council members.

- Affordable housing
- “mud flaps” on trucks
- the use of “photo lights” at the intersection near City Hall
- having citizens purchase bricks or glass blocks with their names on them as a means of raising revenue for art in community parks
- education of the public on the transportation and infrastructure issues and choices facing the City
- develop strategies to more effectively involve youth in City government
- funding operations and maintenance of our infrastructure and facilities
- the size of new homes on lots, particularly the issue of large or “mega” houses being built on small lots in older, developed neighborhoods
- distinguish “remodel” from “rebuild” in the City zoning code
- an instruction manual for the construction or maintenance of sidewalks
- the use of volunteers: What if a group or organization of volunteers wants to volunteer “one time only” as opposed to in an on-going manner?
- extended turn lane from Covington Way to Highway 18 West
- create a list of community service projects from which high school students could select to become involved in

ADDENDUM: THE LIST OF TASKS IDENTIFIED AT THE SUMMIT

The following is a listing of the tasks that are identified in the summary of the annual strategic planning summit. The numbering of tasks in this list corresponds to the numbering in the preceding summary.

From page 3, Council Cites Proudest Accomplishments of 2009:

1. Develop design standards for downtown to ensure the vision for downtown that is contained within the Comprehensive Plan and the Downtown Plan is achieved
2. Implement the plan we developed in 2009 for recognizing volunteers.

From page 3, Council Reaffirms Vision, Mission and Goals:

3. The Council should conduct a mid-year assessment of how we are doing in advancing the vision, mission and goals.
4. The Council should also discuss with the Commissions what they mean to the Council and how they guide us, and use that discussion to influence the Commissions' annual work plans.
5. Make the posters of our vision, mission and goals within City Hall more visible.
6. Print more posters and put them up around town. Ask the Chamber of Commerce and businesses to display them.
7. Periodically turn the poster containing the vision, mission and goals into an insert in The Reporter.
8. Publish a street cleaning schedule so that citizens will know when their streets are to be swept, and coordinate so that the sweeping of streets is not conducted on the same day as garbage pickup.
9. Two or three days in advance of the street sweeping, post signs along the streets.

From pages 4-5, Council's Discussion on Infrastructure, Particularly for Transportation

10. Work with the Association of Washington Cities (AWC) to get the United States Congress and State Legislature to change laws or grant requirements pertaining to transportation projects so that federal and state grants can be used for design as well as construction.
11. Work with the Chamber of Commerce and private businesses to address parking needs, particularly downtown.
12. "Overlay" the ideas included in Council member Snoey's paper with the existing Capital Improvement Plan (CIP) and the TIP as part of the process of determining what should be included in the 2011-'16 TIP and in the revised CIP when it is next updated. (Note: Projects

must be identified in the City's Comprehensive Plan before they can be included in the CIP or TIP.)

13. Include in the agenda for the tri-city meeting with the Maple Valley and Black Diamond City Councils the topic of transportation. Specifically, share with them our interests and vision for transportation infrastructure, and projects we are considering to achieve them. This issue should be the subject of continuous dialogue with those two cities.
14. Work with the citizens to educate them about the community's needs, concerns and interests related to transportation, and to engage them in helping to determine priorities and funding options.
15. If the City were to submit a bond to voters to make progress in the transportation arena, consider placing before the voters two ballot measures, one to fund capital construction, and the other to fund operations and maintenance. At the very least, help citizens understand more accurately the costs of operations and maintenance so that they have the complete picture about the real costs of the City's transportation system and network.
16. In February the Council will discuss and consider the Transportation Impact Fee at a study session.
17. The Council will look to the 20-year CIP to determine what projects should be included in the TIF and six-year TIP.
18. The Council will then adopt the TIF and TIP.
19. In the longer term, when the City's Comprehensive Plan is updated, projects the Council would like to see included in the CIP and TIP will need to be put into the Comp Plan if they are not already there.

From pages 5-6, Council Identifies Ideas to Improve Public Communications

20. Develop a key message for the City to communicate to Covington's residents for each of the Council's six strategic goals.
21. The City should host an annual open house or town hall meeting around August 31st, the date of Covington's incorporation. A few ideas were generated as strategies to market the event or as elements of it; they were "food for thought," not specific instructions or directions. They were: a) hand out invitations to the open house at Covington Days; b) include a barbeque at the open house; and c) consider holding it at the new Fire Station.
22. Possibly in conjunction with the open house, host an annual recognition dinner. Work with the Chamber of Commerce to see if the Chamber would act as co-sponsor and co-host.
23. Regarding the open house/town hall and the annual recognition dinner, the Council should seek the advice and ideas of the members of the City's commissions.

24. Replace the annual dinner with our State legislative delegation with a meeting with each member of the delegation that includes the Mayor, City Manager and lobbyist.
25. For 2011, produce a calendar of citywide events. It was suggested that the calendar should contain the City's vision, mission and goals, and it might also include contact information for key City services.
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28. Move the City's communications functions to one department.
29. Create a citywide communications plan.
30. Develop a consistent and modern style for use in promoting the City.
31. Bring to the Council a proposal for the redesign of the City's website. We anticipate that this task will be completed after tasks 28-30 are finished. As part of the proposal, staff should consult with the Chamber of Commerce, which is updating its website for approximately \$5000, and research potential ways to use existing software technology to help keep down the costs of the update. (Staff may wish to consult with Councilmember David Lucavish on this.)

From page 7, Council Agrees on Strategies to Improve "Internal" Systems and Communications

32. Poll the current members of the three commissions to see how they feel about a term of service of three years, or whether two-year terms might be more attractive to potential commission members. Also ask for their reactions to the idea of term limits.
33. Develop new rules to guide the terms of members of the Youth and Family Services, Arts, and Parks Commissions that reflect the agreement of the Council (see page 6) and bring that proposal to the Council in 2010 for adoption.
34. Implement the Council decision to provide Council members and Planning Commissioners with individual and "group" city email addresses.

Memo

To: City Council
From: Derek Matheson, City Manager
CC: Management Team
Date: August 31, 2010
Re: Mid-Year Progress Report on 2010 City Council Summit

The City Council held its annual strategic planning summit on January 30, 2010. During the summit, Council directed a mid-year assessment of progress toward its vision, mission, and goals and summit summary. The Management Team met recently to review the summary and offers the following progress report:

Vision, Mission, and Goals

- Staff has scheduled a mid-year assessment for September 14, 2010.
- Council continues to hold joint meetings with its commissions. The one exception is the Youth & Family Services Commission, which prefers to meet jointly once its draft master plan is complete.
- Staff has placed up-to-date vision, mission, and goals posters at various locations throughout City Hall and the Aquatic Center. Staff recommends the city not place posters at other locations throughout the city due to a likely low return on investment for the amount of time involved.
- The vision, mission, and goals will appear in a future newsletter.
- A map showing the city's street sweeping schedule will be posted on the city's website this year. Staff recommends the city not post signs along streets prior to sweeping due to the amount of time involved.

Transportation

- Several city representatives have spoken with our congressman, our legislators, and congressional/legislative staff about the lack of stimulus and grant funds for capital project design. While they are sympathetic, it appears larger issues like the economy continue to take precedence. Staff will continue to advocate for funding.
- Council will adopt new parking standards in the Town Center and downtown as part of the downtown zoning process.

- Council adopted the six-year Transportation Improvement Program in June. Staff provided the Council with 1) the 20-year transportation Capital Improvement Program, 2) criteria developed at the retreat, and 3) Councilmember Wayne Snoey's ideas.
- Transportation is on the agenda for the tri-city joint council meeting.
- Staff continues to educate the community on transportation issues in the newspaper, newsletter, website, on Facebook, and in other forums.
- Council will review a decision card this fall to update the comprehensive plan's transportation element and Capital Improvement Program. However, it is unlikely the Council will be able to fund it this year.
- Council adopted a new traffic impact fee in June.

Public Communications

- Staff has not scheduled an open house/town hall. The Parks, Recreation, and Open Space Plan survey showed the public prefers festivals and events as a means to interact with the city and councilmembers.
- Staff organized a volunteer recognition event on August 4.
- Staff will replace the annual legislative dinner with individual meetings attended by the mayor, city manager, and lobbyist.
- The 2010-2011 residents guide features a citywide events calendar.
- Staff has used Multicare, Valley Medical, and schools' electronic reader boards to advertise city and community events.
- Staff will present a citywide communications plan to the Council this fall.
- Staff has reprogrammed existing website maintenance funds to redesign and maintain a new website.

Internal Communications

- Staff has surveyed commissioners, presented results and options to the Council, and will prepare ordinances to implement Council's direction.
- Staff has implemented individual councilmember e-mail addresses.

Miscellaneous

- Council will adopt new downtown design standards during the downtown zoning process.
- Staff continues to implement the 2009 volunteer recognition plan.

Session IV

No handouts

Session V

Discuss Our Vision for
the Future

CITY OF COVINGTON

Vision, Mission and Goals

VISION

Covington: Unmatched quality of life

MISSION

Covington is a place where community, business and civic leaders work together with citizens to preserve and foster a strong sense of community.

GOALS

Economic Development: Encourage and support a business community that is committed to Covington for the long-term and offers diverse products and services, family wage jobs, and a healthy tax base to support public services.

Downtown: Establish Downtown Covington as a vibrant residential, commercial, social, and cultural gathering place that is safe, pedestrian-friendly, well-designed, and well-maintained.

Youth and Families: Provide city services, programs and facilities such as parks and recreation and human services that emphasize and meet the needs of Covington's youth and families.

Neighborhoods: Establish and maintain neighborhoods that offer a variety of housing options that are diverse, safe, accessible, and well-designed.

Municipal Services: Plan, develop, implement, and maintain high quality capital infrastructure and services that reflect the needs of a growing community.

Customer Service: Recruit, support, and retain a professional team of employees, volunteers, and stakeholders who offer outstanding customer service, ensure stewardship of the public's money, and promote the City.



Session VI

Implementing Our Vision for Downtown

Memo

To: City Council
From: Derek Matheson, City Manager
Date: January 21, 2011 for Council Summit on January 29, 2011
Re: Town Center Implementation Strategies

The City Council's vision/mission/goals statement places downtown development and economic development among the city's highest priorities, and the city's comprehensive plan identifies the town center concept as the city's primary economic development focus.

Consistent with the summit's overall context, the downtown session offers the opportunity to step back and explore next steps for the town center concept. Staff offers the following near-term, multi-year town center implementation strategies. **Staff seeks Council's thoughts on these strategies and other possible strategies, as well as Council's relative priorities.**

- Regulations
 - Keep track of town center and downtown development regulations in need of tweaking and prioritize them via the Planning Commission work program.
- Infrastructure i.e. funding for transportation and public spaces
 - Pursue a Town Center Economic Impact and Infrastructure Cost Study to determine the town center's economic impact (including job creation and tax revenue generation) and infrastructure costs, and therefore position the city to seek the earmarks, grants, and participation in state tax increment financing programs necessary to fund town center infrastructure and catalyze private investment.¹
 - Determine when to incorporate town center transportation infrastructure into the CIP and TIP and determine the relative priority of SR 516 improvements versus town center improvements.
 - Continue to apply for grants for transportation projects and public space projects.
 - Continue to work with strategic partners to pursue better transit service.
 - Obtain a "right of first refusal" from the Kent School District and/or other property owners to purchase all or a portion of Covington Elementary and/or other properties for future public spaces.
 - Determine whether it is feasible to locate certain events and activities in the future town center to create a sense of inevitability about a civic plaza, public spaces, and pedestrian facilities.
 - Organize a joint meeting of the Council and utility district boards to bring all of our elected leaders up to speed on the city's downtown plan and the district's water and sewer plans, and discuss how we can work together to foster town center development.

- Support the Soos Creek Water & Sewer District's emerging downtown sewer plan.
- Incentives
 - Ensure as timely as practicable permit processing for the hospital and two emergency departments.
 - Determine whether and when to expand the Traffic Impact Fee Funding Source Adjustment Program to desirable town center uses.
 - Determine whether and when to create a property tax exemption program for the residential component of mixed-use development as permitted by state law.
 - Identify other incentive programs used by cities.
- Marketing
 - Organize a "Preview Covington"-like event to highlight economic development opportunities for businesses, property owners, and brokers.
 - Pursue a contract with Buxton (or the like) to determine which retail businesses are a fit for Covington's market and create a strategy to recruit them.ⁱⁱ
 - Determine whether and when to reinstitute an economic development consultant or staff position. (This may overlap partially with the bullet above.)
- Partnering
 - Continue to pursue partnerships with Green River Community College, Renton Technical College, MultiCare Health System, and Valley Medical Center to locate college programs – especially medical-related programs – in Covington as a first step toward a physical college presence in the town center.
 - Continue to support the Chamber's business retention efforts.

ⁱ Requires legislative or city appropriation; see Attachment 1

ⁱⁱ Requires city appropriation; see Attachment 2



City of Covington

16720 SE 271st Street, Suite 100 • Covington, WA 98042 • (253) 638-1110 • Fax: (253) 638-1122

Briefing Sheet

Town Center Economic Impact & Infrastructure Cost Study

Project Description:

On December 8, 2009, the Covington City Council adopted Comprehensive Plan amendments that will guide the development of a new town center.



With its birth as an unincorporated community crossroads, Covington naturally evolved as a retail shopping area oriented to vehicular travel and was not developed with complete transportation systems or a true downtown. Since incorporation, the community has consistently expressed the desire for a central gathering place.

The town center will be anchored by a public plaza where people can participate in local events, celebrations, and cultural activities. The public plaza will be surrounded by a civic complex comprised of mixed-use multiple story buildings. The main street will be typified by slow moving traffic, on-street parking, and visible retail businesses along the street. Differing types of residential development will be integrated in both mixed-use and stand alone buildings in the town center, as will differing types of retail, including large and small formats.

Project Purpose & Benefits:

The city is seeking \$50,000 for a Town Center Economic Impact & Infrastructure Cost Study to determine the town center's economic impact (including job creation and tax revenue generation) and infrastructure costs. This information will position the city to seek the earmarks, grants, and participation in state tax increment financing programs necessary to fund town center infrastructure and catalyze private investment.



Project Schedule:

Dependent on funding.

Contact Information:

Derek Matheson, City Manager,
(253) 638-1110,
dmatheson@ci.covington.wa.us

Funding Partners and Unfunded Needs:

This project is currently unfunded.



**City of Covington, WA
CommunityID Proposal**

Prepared by: Lisa Hill

Expiration Date: February 20, 2011



January 20, 2011

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I. SUMMARY

CommunityID is a proven retail development strategy that can be immediately implemented by Covington.

Buxton integrated proprietary technical capabilities with more than 500 cumulative years experience in retail management and local economic development to create CommunityID. This unique strategy has brought both innovation and a disciplined approach to municipal retail development efforts.

During the 60 business days it takes to complete CommunityID, civic leaders are actively involved in the process and make important decisions that guide the direction and results. The four main phases of the process are:

Researching and Verifying Covington's Retail Trade Area

This phase starts with the in-depth collection of the same location variables that Buxton uses to qualify locations for retail clients. Because of Buxton's unique capabilities, we can translate this retail-specific information into market intelligence that community leaders need to attract and grow their retail sectors.

Evaluating Covington's Retail Potential

The evaluation phase will clarify what makes Covington distinctive and valuable from a retailer's viewpoint. Through daily involvement in retail location analysis, Buxton has acquired the unmatched ability to evaluate a community's retail potential.

Matching Retailers and Restaurants to Covington's Market Potential

The consumer profile of Covington's trade area will be matched against the customer profiles of over 5,000 retailers and restaurants in Buxton's proprietary database. The final match list is developed with the input of community leaders so that it reflects the needs and desires of the residents.

Delivering Covington's Marketing Packages

Individual marketing (pursuit) packages for each retailer match are delivered electronically via SCOUT. Our exclusive online marketing system, SCOUT helps you to showcase your city in the best light. It gives you the ability to create presentations and quality documents and to share information in the match reports.

With CommunityID, Covington can unleash its full retail potential, seize new retail opportunities and expand existing businesses.

II. INTRODUCTION TO BUXTON

Since our founding in 1994, Buxton has been a leading force in retail location and development. We are recognized for creating solutions that provide results.

Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton leaders soon realized that the company's expertise in retail location and market analysis could also be leveraged to benefit communities desiring retail expansion. Please note that in this proposal the term "retail" is inclusive of all retail concepts.

CommunityID

Designed specifically for use in community economic development programs, Buxton's CommunityID process has assisted more than 450 public sector clients nationwide, resulting in the development of more than 35 million square feet of retail space. We integrate our impressive technical capabilities with more than 500 cumulative years of retail management and local economic development experience to help municipalities achieve their retail goals.

More than simply providing data, CommunityID supplies custom marketing materials and strategies targeting the unique location requirements of retailers, developers and commercial real estate brokers. CommunityID clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view. The combination of technical expertise and professional guidance gives municipalities the capacity to immediately implement an effective retail development program.

Benefits of CommunityID

With CommunityID you have immediate access to:

- **Retail Industry Expertise.** Gain a competitive position by working with professionals who have years of retail management experience plus current insights into your community and site selection processes and trends.
- **Community Development Best Practices.** Expand and sharpen your retail development focus by incorporating best practices discovered by Buxton through daily work with municipalities across the nation.

- **Proprietary Systems.** Gather useful information by having Buxton's technology specialists analyze your trade area accessing data stored on Buxton's in-house databases.
- **Personalized Content.** Advance your retail recruitment program by receiving personal guidance from our staff and ongoing insight into key industry topics via our monthly e-newsletter, webcasts and other interactive tools.
- **Long-Term Partnership.** As a Buxton client and partner you have unlimited access to our staff to help optimize your marketing efforts at the International Council of Shopping Centers (ICSC) annual meeting in Las Vegas, NV. Additionally a Buxton representative will be available for on-going calls and emails related to your retail needs.
- **Marketing Data and Tools.** Enhance your marketing messages and presentations by using SCOUT, Buxton's online trade area database and marketing tool, available to you for one year after project delivery.

III. NEEDS/CHALLENGES

Covington wants to understand and then capitalize on the retail development opportunities.

As communities increasingly compete for retail dollars, attracting the attention of retailers has become more challenging than ever. Marketing your community plays a dominant role in today's competitive economy. The challenge for the community is to attract retailers and developers by providing trade area information that is complete, accurate and up-to-date.

Using our proprietary methodologies, Buxton will collect and analyze your community's trade area information and give it to you in a format that is easy-to-use and appealing to real estate executives and developers. The best information, however, is useless without a plan for using it. Much more than data collection, CommunityID is an execution strategy that can help you build or revitalize your existing marketing and economic development program.

With CommunityID, you will be prepared to:

- Achieve your retail potential by establishing a long-term partnership with Buxton
- Integrate retail development into your economic development program
- Increase your success by preparing Covington to meet the needs of retailers
- Effectively position your community by leveraging your locations' strengths and minimizing weaknesses
- Convey Covington's advantages over competitors' advantages
- Establish credibility with retail decision makers
- Maximize time and resources by not pursuing unqualified prospects
- Win the confidence and trust of prospects by understanding their priorities
- Use competitive analysis to close the sale

IV. GOALS AND DESIRED RESULTS

The primary goal of CommunityID is to prepare Covington to successfully expand its retail sector.

CommunityID serves as the framework for developing a sustainable marketing program that not only achieves short-term goals but also endures to ensure the economic viability of the retail sector over the long-term. Such a marketing program will bring the following desired results:

- Residents' desires to shop and dine at home will be fulfilled
- Retail leakage will be minimized
- Tax revenues (property and sale/use taxes) will increase
- Employment opportunities will grow
- Covington's ability to capture other economic opportunities will be enhanced

V. PROCEDURES/SCOPE OF WORK

Once you have engaged Buxton to work with you in developing CommunityID, a project team will be assigned to guide you through the entire process—from initial data collection to final presentation of the results. This team consists of:

- Client services manager, who will serve as your primary source of communication during the project
- Geographic Information System specialist, who will analyze your trade areas and create customized maps and reports
- Professionals with backgrounds as retail executives and economic development practitioners, who will address your unique challenges and help maximize Covington's retail opportunities

Staff Visits

During visits to the community, Buxton's staff is able to make clear and candid assessments of the community's strengths, weaknesses and potential. Our daily involvement with over 1,900 retail and restaurant clients in finding optimal locations keeps us current on retail location trends. This provides a rational and analytical basis for helping Covington decide how to best focus resources on the most promising retail opportunities.

Data Collection

Buxton uses over 250 consumer and business databases that are updated throughout the year, and in some cases, every month. Although it is possible to obtain these databases for less expense on a community or regional basis, Buxton buys and is licensed to use the complete U.S. datasets. With this information Buxton will compare Covington's potential location to the universe of all retail locations operating in the U.S.

The following are some of the more well-known sources used in our studies, but there are dozens more that we employ to provide additional insight:

- Experian
- Simmons
- InfoUSA
- National Research Bureau
- Navteq Geographic Data
- Dunn & Bradstreet Business Data

Identify Market Influencers

All communities have special and often unique features that impact the local retail market and have to be taken into consideration to fully understand the market potential of the community. Such influencers include larger ethnic populations, significant new or expanded developments, military bases, universities and colleges, destination tourist attractions, prisons, medical facilities or major employers.

After identifying these market influencers in your community, Buxton will quantify and qualify their influence on the retail market and help to match retailers that can capitalize on these customer bases.

You will benefit from the project team's expertise and insight in these four areas:

1. Researching and verifying Covington's retail trade area
2. Evaluating Covington's retail potential
3. Matching retailers and restaurants to Covington's market potential
4. Delivering Covington's marketing packages

These four major components comprise the CommunityID process. Each component is explained in detail as follows:

1. Researching and Verifying Covington's Retail Trade Area

The location decision process for all retailers begins with the collection, analysis and evaluation of numerous location variables such as demand density, customer buying habits, economic trends, competition, traffic volumes, and available sites, to name a few.

The CommunityID process for Covington will also start with the in-depth collection of data using the same location variables that we use for our retail clients to qualify sites for the location of their retail stores and restaurants. One goal is to define current retail situations in Covington, in the trade area and in any neighboring communities that impact on Covington's retail environment. The other goal is to understand the community's expectations and desires. This analysis includes personal visits to the community, collection of data components necessary to conduct the analysis and identification of market influencers.

Drive-Time Trade Area Definition

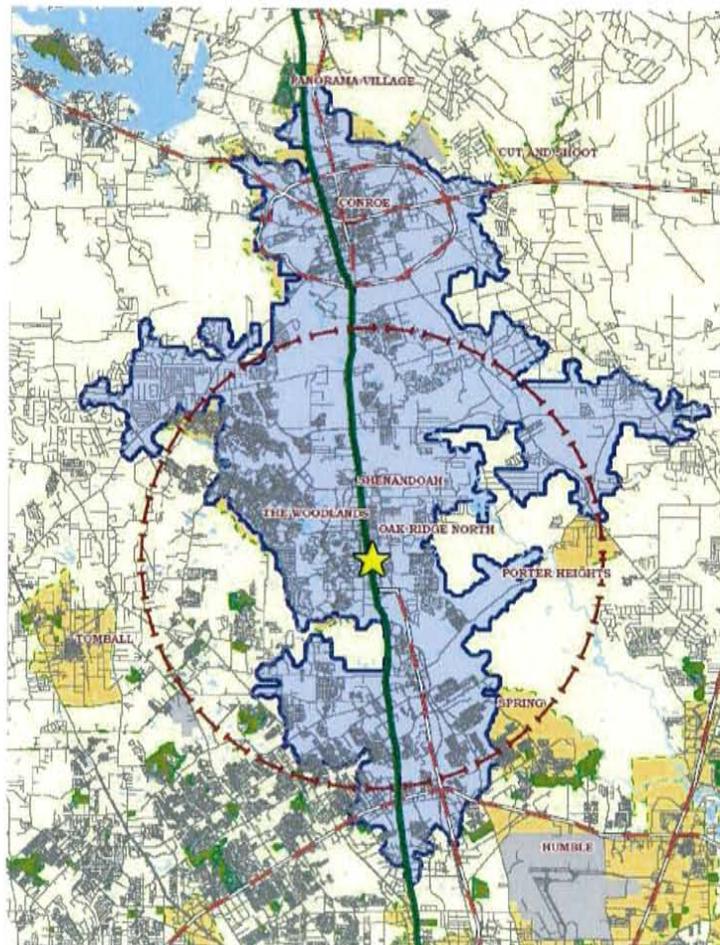
Customers today shop by convenience, measuring distance based on time, not mileage. CommunityID will employ a custom drive-time analysis to determine Covington's trade area. An example of a drive-time trade area is shown in Figure 1.

This custom analysis is developed using an in-house database supported by our knowledge of individual retail client's actual trade areas.

The resulting drive-time trade area map will be a polygon that more accurately depicts consumer shopping patterns than trade rings.

To assure the accuracy of the drive-time trade area, the draft maps are reviewed with community leaders and verified before proceeding with the next step.

Figure 1.Example - Drive-Time Trade Area



2. Evaluating Covington's Retail Potential

The purpose of the evaluation phase is to understand what makes Covington distinctive and valuable from a retailer's viewpoint and scrutiny.

Our evaluations capitalize on Buxton's knowledge about the retail marketplace and the location requirements and expectations of retailers. Combining this knowledge with our economic development competencies allow us to evaluate and recommend proven community practices. Our evaluations do not rely on dated government research or national/state statistics, all of which fail to reflect local realities. Rather, we implement our real-world experience gained from working with municipalities that have opened more than 35 million square feet of new or expanded retail space. We know how to help Covington sharpen your retail marketing strategy, aggressively market the city and improve your competitive performance.

Retail Leakage/Supply Analysis

The Retail Leakage/Supply Analysis provides an estimate of retail dollars flowing in or out of the trade area.

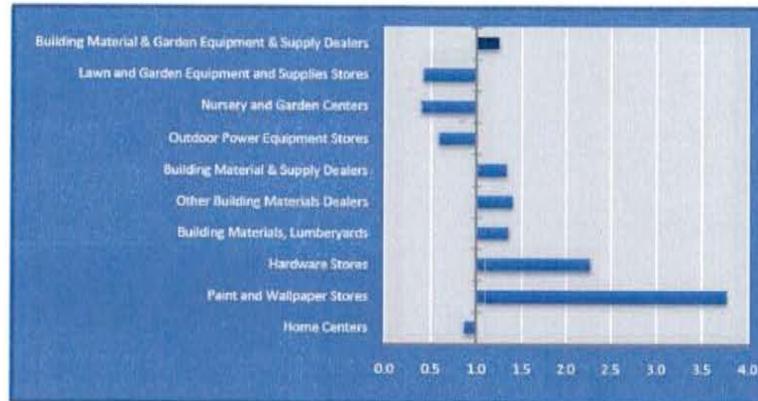
The two main components of this analysis are: 1) current sales (supply) by retail store type, in dollar amounts, and 2) estimated sales potential (demand) for retail store type, in dollar amounts.

We first calculate a sales gap index that illustrates your ability to capture your residents' expenditures. An example of this index is shown in Figure 2.

The sales gap index provides a relative comparison of leakage/surplus and an estimate of the dollars that are being spent outside the trade area (leakage) and the amount of dollars coming in from outside the trade area (surplus).

This report can be run via SCOUT at any location within the map view.

Figure 2.Example - Sale Gap Index



Customer Profiling

The CommunityID process will identify and analyze all the households in Covington’s drive-time trade area. Based on more than 75,000 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your community. Our in-house databases include both traditional demographic data and the most current psychographic lifestyle information for over 120 million households in the United States (as well as up to seven individuals living in each of these households).

Each household in a trade area falls into one of 60 market segments reflecting the buying habits of customers in the household. The blue line in Figure 3 graphically profiles the households in a city’s trade area.

Figure 3: Example - Psychographic Profile



Retail Site Assessment

Buxton will analyze up to two (2) distinct retail locations, selected by Covington. Based on our collective experience in retail locations, the following factors are considered:

- Psychographic analysis of households in trade area
- Demand for retail goods and services
- Site setting, situation and configuration
- Growth plans and relevant development
- Retail goals of the community

Buxton will develop a demand density profile of Covington's trade area. Demand density measures the bottom-line value of the customers in the trade area—who they are, how many there are and what they buy. One of the significant advantages of Buxton is our ability to take the demand density data and to creatively translate it into a proactive market strategy tailored to take advantage of Covington's strengths and to achieve its retail goals.

3. Matching Retailers and Restaurants to Covington's Market Potential

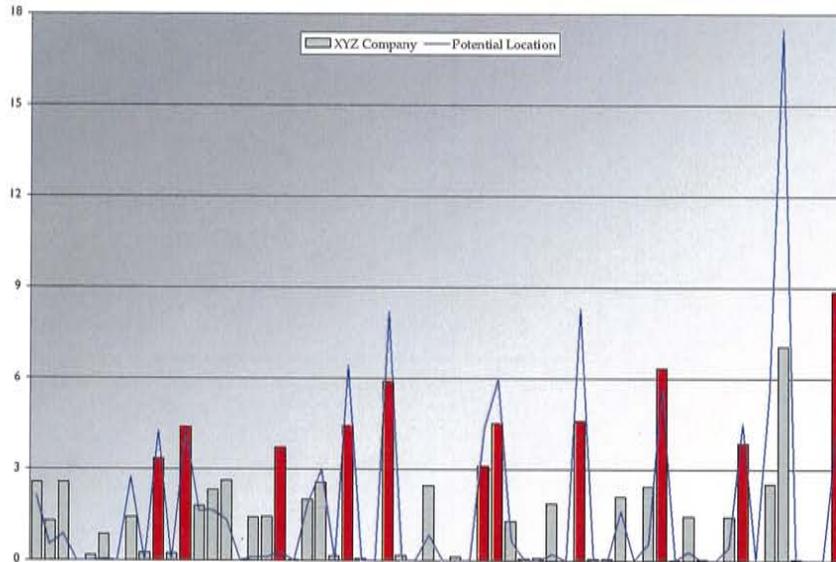
Once the site for retail matching has been selected and the consumer profiles in Covington's trade area have been determined, the CommunityID process will match these profiles against the customer profiles of 5,000+ retailers in our proprietary database.

In Figure 4, the blue line indicates the customer profile of households in a community's trade area. The red bar represents a specific retailer's customer profile. A similarity between the two profiles as shown in Figure 4 analyzed using Buxton's proprietary retail matching algorithm concludes that this site is an opportunity for a specific retailer to open a successful store.

This matching results in a list of possible retailers. To develop the preliminary retail match list, Buxton analyzes a number of factors about each possible retailer to qualify it. This analysis is designed to eliminate those retailers that for any reason would not be a candidate for Covington. Considered in this analysis are such factors as, verification of a retailer currently operating or expanding into your market, location of operations in similar cities, and competition and cannibalization from nearby locations.

Once this analysis is complete, the preliminary list of retailers will be discussed and reviewed with Covington. All retail matches will be available to Covington with the ability to select twenty (20) specific retailers for contact information.

Figure 4: Example - Trade Area Consumers Matched with Retailer Customer Profile



4. Delivering Covington’s Marketing Packages

Buxton will assemble individualized marketing (pursuit) packages for each targeted retailer. At Covington’s request, Buxton will customize each marketing package for presentation to individual retailers, developers, real estate brokers or potential franchisees. Because it is tailored to the specific needs of the target audience, each marketing package is ready to use as collateral marketing materials providing compelling and precise information that demonstrates Covington’s qualifications as a location.

Each marketing package contains:

1. Map of the retail site and trade area
2. Map of retailer’s potential customers
3. Retailer match report that compares the site’s trade area characteristics with the retailer’s locations in similar trade areas
4. Demographic and psychographic profiles of the households in the trade area

CommunityID targets not only specific companies but also the individual in the company who has the responsibility for location decisions. To provide the best possible reception when Covington contacts the targeted retailer, Buxton notifies each company that Covington has been qualified by Buxton as a potential viable location for a store, restaurant or development and should expect to be contacted by a representative of the city.

Figure 5: Example - Retail Match Report (Retail Match Report summarizes a city's location advantages for a specific retailer).

Profile Match Report

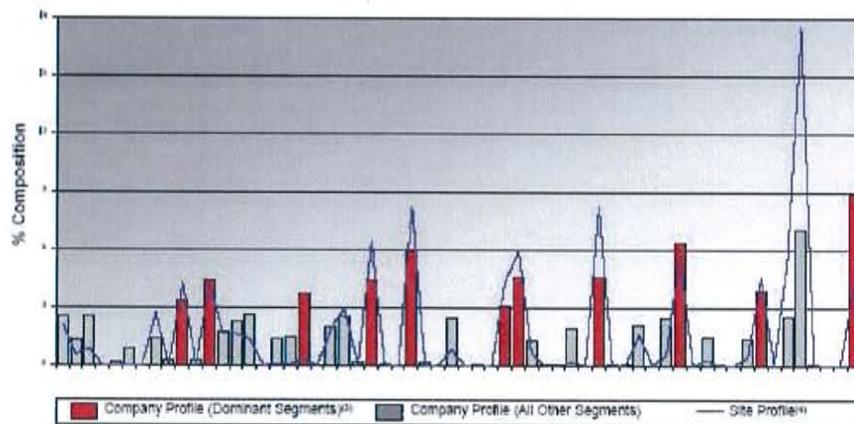
Company: Retailer XYZ

Report Date:

Site: W. BERRY & UNIVERSITY

Your Community, USA

Segmentation Profile⁽¹⁾ (7 Minute Drive Time)⁽²⁾



Trade Area Comparison (7 Minute Drive Time)

	Retailer XYZ Average Trade Area ⁽³⁾	Your Community, USA Site Trade Area	
		Current	Projected
Total Population	96,039	128,139	135,133
Total Households	36,790	45,799	49,573
Company Dominant Segment Households	22,122	33,871	36,662

⁽¹⁾ Segmentation Profile: Every U.S. household is classified into one of 60 distinct segments described by that household's lifestyle and spending habits.
⁽²⁾ Drive Time: Drive time is used to define the trade area.
⁽³⁾ Dominant Segments: Any segment that makes up at least 3 percent of a retailer's targeted profile (RED BARS). Those segments within the site's drive time trade area (BLUE LINE).
⁽⁴⁾ Average Trade Area: Retailer XYZ trade areas used in this comparison are similar in population and market type to Your Community, USA.

Consumer Propensity Report

Marketing and Merchandising Intelligence for Local Business

The Consumer Propensity Report (CPR) shows the lifestyle, product, and psychographic likelihood indices for the consumers within the trade area being analyzed. Major retail, restaurant, grocery, and consumer packaged goods firms use this very same information to drive marketing and merchandising decisions.

Each analyzed item is assigned a propensity index score with 100 being average. For example, if the consumers within a trade score a 120 for a given analysis item you know that those consumers are 20% more likely to participate in or purchase that item than the average American household. A propensity index score of 80 would indicate that those consumers would be 20% less likely than the average American household to participate in or purchase that item.

Information is provided for 32 major categories with over 4,800 total line items. Please note that line items are based upon national-level purchasing and lifestyle characteristics. These line items are then correlated to the underlying household characteristics of the consumers within the trade area being analyzed. Some line items may not be necessarily relevant or available currently in your market or region. The index score in these situations serves to indicate the degree to which the consumers would participate in or purchase that item if it were relevant and available. Often this is taken as an opportunity for expansion of a similar brand or concept within the category.

The CPR is designed to assist the City to develop local business retention and expansion strategies. The City will be armed with fact-based data to assist independent retailers to make merchandising and marketing decisions.

CPR Categories

Apparel	Food: Baking	Home Improvement
Automotive	Food: Condiments	Household Products
Beverages: Alcoholic	Food: Dairy	Lawn and Garden
Beverages: Non-alcoholic	Food: Frozen	Lifestyle Statements
Cable/TV/Radio	Food: General	Medicines/Drugs/Ailments
Cleaning Products	Food: Meat	Pets and Pet Food
Computer/Internet	Food: Snack/Dessert	Print Media
Dining	Health and Beauty	Shopping
Electronics	Hispanic: Spanish Media	Telecom
Entertainment/Leisure	Hispanic: Demographic	Tobacco
Financial Services	Home Furnishings/Appliances	

HOSPITALITY POTENTIAL AND DETERMINATION

The purpose of this analysis is to provide an understanding of its ability to support and attract certain regional/national hoteliers. The following scope outlines the process by which this will be done:

1. Establishment of trade area for study site based upon drive times
2. Analysis of the suitability of the site and its trade area. Factors considered include but are not limited to:
 - a. Psychographic analysis of households
 - b. Existing hoteliers (both local and regional/national) in the trade area and surrounding region
 - c. Occupancy rates
 - d. Site setting, situation and configuration
 - e. Growth plans and relevant development
3. Evaluation of counties and geographies to identify those comparable to the area. This is a critical step in the process of communicating to potential hoteliers that your opportunity can be compared to their existing experience. Some of the parameters utilized to create the list of similar communities will include the following:
 - a. Population
 - b. Population growth
 - c. Employment (by SIC)
 - d. Workplace segmentation
 - e. Distance to interstate
 - f. Road density scores

IDENTIFICATION OF MATCHES FOR SELECTED SITE

1. Comparison of site trade area with existing hospitality location trade areas
2. Identification of preliminary target list of matching hoteliers
3. Additional analysis of preliminary targets

DELIVERABLES

CommunityID deliverables will be presented to Covington via SCOUT, an electronic format (described below). Hard copies of all CommunityID deliverables including marketing packages are available upon request.

SCOUT is an online marketing system that will allow you to effectively use CommunityID by enabling you to showcase your best retail site to achieve maximum results. You can access CommunityID reports via SCOUT to reproduce maps, site-specific data and generate your own custom marketing presentations.

With SCOUT you are directly tied to Covington password protected data, maintained and updated in Buxton's databanks. Using your computer you can tailor reports and presentations and immediately respond to questions or information requests from retailers or developers. SCOUT allows you to:

- Graphically display and count the households that appeal to specific target retailers
- Create a Leakage/Surplus Analysis report for any location in your community
- Manage all your retail-specific data, from maps to photos to zoning information, in a central location
- Merge your community's existing marketing materials with CommunityID
- Select the information that best makes your case
- Store and retrieve information on retail buildings and sites
- Organize all relevant retail information in a central data center
- Present all materials electronically to recruit retailers and developers

Beginning in the third year, a complete refresh will be provided using updated data.

Deliverables include the following:

- Drive Time Trade Area Map
- Retail Site Assessment – includes Retail Leakage/Supply Analysis and Customer Profile
- Retail Match List

- Marketing (Pursuit) Packages
- An electronic presentation highlighting the CommunityID process and findings will be a part of the deliverables. It is designed for local presentations to chambers of commerce, civic clubs and other groups interested in the retail development of Covington.

VI. PROJECT TEAM

Team members for your project will include Buxton personnel with strong retail and economic development backgrounds as well those from operations: Vice President, Senior Vice President, Operations representative and Client Services representative.



Lisa Hill
Vice President
CommunityID Division

As vice president of the CommunityID division, Lisa works with proactive cities in California with their retail economic development efforts. She works with communities to maximize their ability to generate sales tax revenue and enhance quality of life for their citizens by successfully recruiting new retailers as well as maximizing current retail options. Lisa's California clients include Newport Beach, Crescent City, Cupertino, Pasadena, San Jose, Selma, Saratoga and many more.

Lisa received her B.A. degree from Texas Wesleyan University and is a member of the International Council of Shopping Centers (ICSC). Buxton has worked with more than 450 communities nationwide, helping to recruit over 20 million square feet of retail.



Chip Rodgers
Senior Vice President,
CommunityID Division

Chip has worked with numerous municipalities throughout the United States to maximize their sales tax growth and quality of life by successfully attracting new shopping and dining options. He has shared his insights and knowledge by speaking to economic development organizations such as Florida City and County Managers Association, Virginia Municipal League, Florida League of Municipalities and Texas Municipal League. Prior to joining Buxton, Chip was with Florida-based MPS, where he worked with city and county governments to develop strategies for delivering services to their residents via the Internet. Chip is a graduate of Oklahoma State University.



Janet Ehret
Client Services

Janet facilitates communication between clients and Buxton's operations teams. She ensures that the highest level of service is delivered to clients in a timely manner. Janet has worked with more than 250 municipalities throughout the United States.

Prior to joining Buxton, Janet worked as office manager of the Real Estate Department at RadioShack. Janet graduated from Mississippi State University with a major in marketing.



Philip Davis

Manager/Senior GIS Analyst

As senior analyst for the CommunityID division, Philip oversees every aspect of CommunityID projects in Buxton's GIS department. His duties include supervising daily operations, working with clients, managing projects and serving as a liaison between analysts and the sales team. Philip has managed the GIS function for more than 350 CommunityID projects for such clients as San Jose, CA; Atlanta, GA.; and Birmingham, AL. Working on projects for two divisions in the company has given Philip a complete understanding of both the retail industry and municipal needs, adding to his expertise in community retail recruitment. Philip graduated from the University of North Texas with a degree in Geography.



Chris Briggs

Director of Client Relations
CommunityID Division

As director of client relations for the CommunityID division, Chris works to align public sector partner needs with Buxton's ever-evolving capabilities. In this role he also serves as a liaison between Buxton's public sector partners and analytic staff.

Chris' extensive background with Buxton includes working in Senior GIS Analyst positions with the *CommunityID*, *CustomerID* and *HealthcareID* divisions. Most recently Chris served as Buxton's Director of Operations where he oversaw the people, processes, and technologies that support the entirety of Buxton's client base. This experience has instilled within Chris a unique perspective as to what Buxton's tools and insights can do to help its public sector partners in their efforts to create better communities.

Chris graduated from the University of North Texas. He was named the UNT College of Arts and Sciences Alumni of the Year in 2007, and he was recognized as the UNT Geography Outstanding Alumni for 2007. Chris served as a private sector partner on the planning committee for the 2009 International City Managers Association conference in Montreal.



Bill R. Shelton, CEcD

Partner
CommunityID Division

Bill is a founding partner of CommunityID, Buxton's retail development program for communities. For more than 20 years, Bill worked for the Fort Worth Chamber of Commerce, serving 16 years as its president. He is a Certified Economic Developer and is past chair of the American Economic Development Council. A founding member of the Texas Economic Development Council, he has served as the organization's president. Bill was honored with a lifetime membership to the International Economic Development Council. Bill's professional service also includes serving as dean of the Basic Economic Development Course at Texas A&M University. Bill holds a bachelor's degree in marketing from the University of Texas at Austin, and he completed post-graduate studies at Texas A&M University.



Harvey H. Yamagata

Partner
Buxton

Clients benefit from the expertise Harvey has gained during 35 years in retail, including leadership roles in brick and mortar, catalog and website retailing. His 20-year career at Tandy Corporation covered the time when the company grew

from \$350 million to \$3.5 billion in sales and took him from retailing in Europe to opening distributors in Asia. He headed the marketing efforts of the RadioShack Business Products division at a time when they held the major share in the burgeoning personal computer market. Harvey received a bachelor's degree from the University of Wisconsin and a master of business administration degree from Texas Christian University.

VII. PROJECT REQUIREMENTS

To effectively initiate this project, we request that you provide the following:

1. Project Liaison

- Covington will designate a project manager who will serve as Buxton's primary contact during the project.

2. Community Information and Reports

- Logo (vector file – request from your ad agency and/or printer)
- Addresses and descriptive information for the two (2) sites that will be evaluated
- Current traffic count data
- List of planned retail, commercial or mixed use (either proposed or in development) in the community
- List of major, national or regional retailers that have closed, left or moved from the community
- General community marketing materials, data and economic reports

Project Launch

A conference call with representatives of Covington and the Buxton Project Team will officially launch the project. The project launch will occur when:

1. An agreement is executed
2. The initial payment is received, and
3. The Community Information and Reports are received

VIII. TIMELINE

The following timeline is sequential and cumulative. It starts on the day of the project launch conference call.

Business Days	Client Responsibilities	Buxton Responsibilities
Start	Provide to Buxton all necessary community information.	
Day 1	Participate in the launch call.	Participate in the launch call.
Day 6		Trade Area Map post to SCOUT.
Day 13	Approve Trade Area Map.	
Day 18		Retail Site Assessment post to SCOUT.
Day 25	Approve Retail Site Assessment and submit selection of site for retail matching.	
Day 40		Retail Match List post to SCOUT.
Day 50	Submit selections of all retail matches to be included in the Retail Marketing Packages.	
Day 60		Retail Marketing Packages post to SCOUT.

By adhering to this timeline, the CommunityID deliverables (Retail Match Reports) will be sent on or before 60-days after the launch date.

Any missed target dates can delay the final delivery date. If there are extenuating circumstances that prevent target dates from being met, a new timeline will be developed.

Delays of more than 45 days in timeline schedule by the community will result in an administrative fee of five percent (5%) of the contract price to be charged.

IX. FEE FOR SERVICES

The cost for Community ID is \$35,000 payable in monthly payments of \$2,916 or 4 quarterly payments of \$8,750.

SCOUT will be delivered for one-year with this agreement and includes the following:

1. Waived - Monthly maintenance fee of \$1,000 per month
2. Waived - Set Up fee of \$3,000

After the first year, Covington may renew the subscription with Buxton and receive a full year access to Scout. The renewal will also include:

1. **A full refresh of information and psychographic analysis**
2. **An updated retail opportunities list**
3. **Contact information for site selection executive and initial contact/introduction letter from Buxton**
4. **Recruitment packages to highlight match, pertinent information and analysis**
5. **CPR report for local business owners**
6. **Leakage/Surplus analysis**
7. **Use of Buxton booth at ICSC national and regional conferences**

The fee for renewal is \$12,000 per year or \$1,000 per month. The first year begins upon completion of the project. Covington may cancel membership at any time with thirty (30) days written notice.

X. SIGNATURE PAGE

This agreement is between Covington and Buxton (the "Parties") for the performance of services described in this proposal. The Parties agree that an independent contractor/employer relationship is created as a result of this agreement. Buxton will not be considered an agent or employee of Covington for any purpose.

This agreement may be terminated by Covington at any time upon written notice of thirty (30) days. If this agreement is terminated, Buxton will be paid for services performed up to the date the written notice is received.

This agreement shall be administered and interpreted under the laws of the State of Texas. In order to avoid paying State of Texas Sales and Use Tax, Covington may be required to provide Buxton with a certificate indicating it is a non-profit corporation and not subject to Texas Sales and Use Tax.

Agreed and accepted this _____ day of _____, 2010.

Derek Matheson
City Manager
City of Covington
16720 SE 271st St, Suite 100
Covington, WA 98042

David Glover
Chief Financial Officer
Buxton
2651 S. Polaris Drive
Fort Worth, TX 76137



(Signature)

(Signature)

XI. ENDORSEMENTS/REFERENCES

Buxton prides itself on exceptional client service that results in ongoing client satisfaction. Following are just a few of many endorsements from CommunityID clients.

Kingsport, TN – Jeff Fleming, Assistant City Manager

Kingsport, Tennessee is a city of 44,000 in a county of 150,000 in an MSA of 303,000. Kingsport is part of the Johnson City-Kingsport-Bristol CSA (combined statistical area), with a population of approximately 500,000. Both Johnson City and Bristol are substantial retail centers as well. Tennessee distributes sales tax revenues based on point-of-sale, so retailing activity is highly competitive among municipalities and counties. There is no provision for a municipality or county to benefit from sales occurring in neighboring cities/counties, so it is definitely a high stakes proposition.

Were you satisfied with the finished product?

Yes, we were very satisfied. We were initially disappointed that Buxton did not identify some of the retailers we really wanted. They were very good to explain why we weren't a fit for certain retailers (like Costco, for example). If the numbers won't work, Buxton won't "cook them" just to make it look good. This speaks to their credibility in my opinion. It was an important "reality check" for our elected and appointed leaders to learn that retail isn't just a lobbying effort. It's a market-based research effort plus a lobbying effort.

Was it worth the money?

We have landed 2 shopping centers with the assistance of the Buxton data and we are in the process of redeveloping another. One generates \$55 million in annual sales, the other generates \$96 million. The third involves a complete overhaul of our mall (www.kingsporttowncenter.com), where private investors are taking it from an appraised tax value of \$33 million to \$92 million. While all of it cannot be specifically attributed to Buxton, it was certainly an integral part of the success. So, yes it was worth the money.

We have landed Target, Kohl's, Old Navy, Dress Barn, Lifeway, Shoe Carnival, Maurices, Michaels, Books-A-Million, ULTA, Dick's Sporting Goods, Best Buy, Tomy Thai, Batteries Plus, Ritz Camera, McAlister's, Hobby Lobby, Pier 1, Ross, TJMaxx, Petsmart, Chili's, Cootie Brown's, Salsarita's, Starbucks and Panera Bread.

Did it require a lot of city staff time? If so, about how many hours?

I wouldn't say it required a lot of time, but Buxton's timeline is controlled by the quickness of response from city officials. We opted to handle it at a staff level, i.e. there

was not a retail committee or an elected body involved. I would say we invested maybe a week's worth of 1 staff person's time (mine). Probably the most difficult process was deciding the beginning point for the analysis. We were hypersensitive about favoritism among competing sites.

After the analysis was complete, was it easy to set up appointments with the identified retailers/restaurateurs?

I have found that it's never easy to set up appointments with retailers/restaurateurs. In my experience, it is more important to support the developer(s) who are working in your community. For example, General Growth (the leasing agent for our mall and one of the largest retail management companies in the world) can get an appointment when a municipality cannot. The Buxton letter and data "greased the skids" for these meetings. GGP and I tag teamed the tenants. The tenant received individual letters from both GGP and I. When they arrived, they said they had never heard of Kingsport, Tennessee and now they hear about it every time they turn around. That is the power of the Buxton data. "Top of mind" name recognition that opens doors for your developers to be successful. GGP is just one example.

Were you satisfied with the team members that were assigned to your community?

Yes, they were great. They were very patient and helpful. As I said, they really helped us with a reality check without making us feel dumb!

Have you used SCOUT and is it easy to produce documents?

Yes and yes. I have also used it for non-retail projects. For example, we are siting an aquatic facility and I used some of the demographics in that site selection process.

Were there any other hidden fees?

Not that I recall. We were pretty skeptical, so we scrutinized greatly. We were not disappointed.

If you were to do it all over again, would you still contract with Buxton?

Absolutely. I have been very pleased.

South Bend, IN – Bill Schalliol, Economic Development Planner

Did you go through an RFQ process?

No. I met Buxton reps at the ICSC Spring Convention and my Mayor met Buxton reps at a regional ICSC event and we both were impressed with the services they offered and entered into a contract with Buxton through a professional services arrangement.

Did you have any viable candidates other than Buxton?

No. What we were shopping for at the time we crossed paths with Buxton was education about the retail recruitment and location process. Buxton, through their processes, helped us better understand who we were and what we could achieve.

Did you face any opposition to hiring Buxton? If so, any advice on how to win them over? Several are very skeptical. They think we can do it in-house with the existing resources and that the demographic/psychographic information is readily available on the internet.

Our local newspaper quoted some of our business leaders as saying, "We get three of us in a room, get some beer and pizza, and we could put together the same report that this Texas group is doing. How are a bunch of cowboys going to know what we need up here in South Bend??"

I can tell you from our specific experience, you can't do in-house what Buxton can do. The internet only will get you so far. And the key piece of information that the Buxton people give you that other services can't is the psychographic modeling component.

Did Buxton deliver on the deliverables promised under your contract?

Yes. We got everything promised and more. The data was fantastic and has been used again and again. We asked for an electronic copy of all the data and have put together data CD's for all of our real estate professionals and others that can use the data.

Were there any "hidden" fees or surprises outside the contract with Buxton?

We actually got more than we paid for. When we first started the process, we thought we were buying a product (and we did), but we also bought a relationship and so as we had questions we bounce questions off our reps. They have been great to work with.

When you received your target information did the Buxton team give you any training or pointers on how to approach the target?

That is the million dollar question. The answer is no and it is really no fault of Buxton's. As I have learned from the user community, everyone goes through the process for different reasons and uses the data for different purposes. We didn't really think through how we would use the data, so we struggled with things once we got our deliverables. But because Buxton has learned from communities like ours, they have created a very helpful user network to put communities in touch with other

communities. If you sign with Buxton, people all over the country are using this data and can help guide you.

Did you hire a fulltime recruiter or did you handle the target contact with in-house staff?

In addition to doing retail development, I do property acquisition, demolition coordination, and many other things. Once we realized we had all of this great information and had no tools to use it, we got all of our real estate reps and developers together, gave them the data, had a Buxton rep in to explain the data, and they have been using the data to bring retail to South Bend. When you don't have time to do it yourself, find people that do the job and use them, use them, use them.

If you hired someone, what qualifications did you look for?

A real estate background with some knowledge of marketing or a marketer with knowledge of retail would have been helpful. I think every person you talk to about Buxton would have a different answer based upon the needs.

If you did it in-house, what qualifications/training did the person have?

In my case, we got very involved with ICSC (International Council of Shopping Centers) and tried to learn as much as possible about retail and how it works.

Did any of the targets suggest new construction as an option?

Several of the retailers have built new construction or have become tenants in new construction projects.

How many interested targets did you have and of those how many ended up moving to your location? How many of those are still there?

Our process for our retail list was a bit different. Our market is a pretty commercial heavy market and so we were looking for retailers that were here or looking to expand. We were also trying to find tenants for older commercial corridors or for other areas. We have had one true success off of our selected retailer list, but we have several that were on our original match list that we used the Buxton data to attract or support their decisions. The psychographic data was a good tool in those decisions.

Of interested targets, what was their timeline for opening a location in your area?

Texas Roadhouse, is open and is operating well above expectations. And with operating taxes, sales taxes and employee taxes that the restaurant pays, our study has paid for itself with just this one hit.

If you had it to do all over again, would you do anything different? If so, please explain.

Yes. We would have created a retail strategy and thought through the process a bit better. The advantage that new users to the Buxton process have is the experiences and

successes/failures of those that have come before them. Get involved through the Buxton process and it will work well for your community.

Rochelle, IL – Peggy Friday, Commercial/Retail Development Coordinator

The value of the CommunityID Study is being realized each time we ascertain a new development project in Rochelle. The psychographic and demographic facts have been well received by developers, brokers, retailers and entrepreneurs whose due diligence has brought them to our community. The addition of the SCOUT tool is consistent with the City's new technology brand and updated mission and vision statements. Your generosity will be felt each time the SCOUT is used to promote Rochelle and Buxton.

We are pleased with the quality of your product and the superior level of customer service we have experienced. The professionalism of your staff is a direct reflection on the management team at Buxton. You continue to exceed our expectations.

Clemson, SC – Andy Blondeau, Program Manager

We're running out of places to put our new businesses... The Buxton marketing piece got us in the door. The site selector they sent to meet with us referenced the folder and said he was there as a result.

Pinetop-Lakeside, AZ – Connie Boggs, Main-Street Executive Director

Tell us your level of satisfaction or dissatisfaction with Buxton's report. Did Buxton deliver what they promised, on time and for the price you set with them?

Our satisfaction with the Buxton CommunityID report has been tremendous for Pinetop-Lakeside. We met with several of the retailers identified by the report at ICSC in Las Vegas. I was able to present them with their own individual study. Buxton delivered what they promised, on time and at the price we agreed on. They didn't just do a report for us they became involved in the community and they call us to find out what else they can help us with often. They just don't drop you after their work is complete.

Would you use them again? If so, why?

We will use Buxton again when it's time to update our report because of the initial work they did for us. We love working with their staff of professionals.

Tell us your opinion on the success you have had, or not, in getting any recommended companies to locate to your area.

After our meetings at ICSC I have followed up on the companies we met with. I am working on 2 big-boxes as we speak. Buxton has certainly opened the doors for us. Retailers recognize the Buxton name and realize our community is serious about retail if we took the time and money to have Buxton work for us.

What role do you believe the Buxton data may have played in supporting your recruitment efforts?

There is no better place than Buxton to get the best data out there. We depend on our second homeowners and data on this is not available or we could never have anyone else tell us where to find it except Buxton. When you present the Buxton report with the data available in your community to a retailer they listen.

If you've been successful, or if your answer is no so far, do you know if other retailers are seriously considering your trade area because of this process?

Buxton isn't the only answer to recruiting retail to your community. It is a tool. Your economic development team needs to be pro-active with the goals you have.

In addition, to the Buxton report we just completed an economic development DVD along with community tip sheets that are also being sent to the retailers Buxton identified. It's an ongoing process. If I ever have any additional questions about a certain retailer not identified by Buxton I can call my representative and you can rest assured I will have a call from him before I hang up the telephone. The process is lengthy...meetings, telephone calls, emails. Some of the things they require are aerials (expensive unless you have a friend who has an airplane), site plans etc. I have no doubt that they will locate but it's not a 30 day turn around if that's what you are expecting.

How aggressive have your local recruitment efforts been since receiving Buxton's report? What role did it play in the outcome?

You don't let the Buxton report sit on a shelf and gather dust if you are serious about retail recruitment and our community is. Our Town Council is very pro-active and they increased my operating budget this year to give me the needed tools to do a better job. I am a one woman operation. I love what I do for our community.

Duncanville, TX – Earle Jones, Director of Economic Development

We have had a wonderful relationship with Buxton. Not only did they provide us with a Phase 1 & Phase 2 report in 2004, they have continued to work with us on various projects of importance to our overall City economy. We are a city of almost 38,000 residents and are small, 11.2 square miles, contiguous to and surrounded on three sides by Dallas. We are what is known as a first tier suburb, in that we are closest of the southern suburban communities that ring Dallas.

Our major development took place in the 60's, 70's and early 80's. Our growth stagnated, and we have revitalized the City in the last 5 years, with some innovative new developments. Our most recent project success involves a 150,000 square foot Costco Club Warehouse, and a mixed-use multifamily and retail project with over 100,000 square feet of retail and 216 units of high quality, gated multifamily rental units along a creek which is to be a dedicated City Park with water flow, fountains, landscaping and lighting. We believe that Buxton played a significant part in our success in getting these projects. Thus far we have a number of restaurant prospects, several banks and a fitness club who have been interested in this location.

I would most certainly recommend Buxton and their services, for the reasons outlined above.

Denton, TX – Linda Ratliff, Director of Community Development**Get your money's worth?**

Yes. In addition to the CommunityID product, we asked them to review an incentive request we received from a developer for a 50 acre power center. We had never given retail an incentive at that time. Buxton's help with that project saved us \$750,000 in incentives and the project was built and produced almost \$2M in City property and sales tax in 2006.

Get any of the people on the list of 20 prospects to locate in Denton?

We either got the retailer or one similar. For example, instead of a Circuit City, we got a Best Buy; instead of a Linens N Things, we got a Bed Bath & Beyond. The only one we have not yet gotten is a furniture store. We have a few furniture stores in town. We were hoping for a Haverty's or something similar.

What was the most important thing(s) you got from the study?

We learned a lot about retail recruitment. The information was helpful in putting together our marketing pieces to distribute at ICSC (International Conference of Shopping Centers). We also learned the types of retail Denton could expect to recruit.

Would you use their services again?

We have. We called on Buxton to update their data for four sites that we highlighted in our retail piece. They turned it around very quickly so that we could get our brochure printed in time for the annual ICSC trade show. They also let us display our brochures at their booth at ICSC.

Cupertino, CA – Kelly Kline, Redevelopment/Economic Development Manager

Is there an estimated or “ballpark” retail/commercial square footage number that can be attributed (totally or in part) to Buxton’s services?

Are there any specific retailers that have located in Cupertino or another jurisdiction you served that can be attributed (totally or in part) to Buxton’s services?

It’s very hard to make those connections. Let me give you some feedback and examples that explain why.

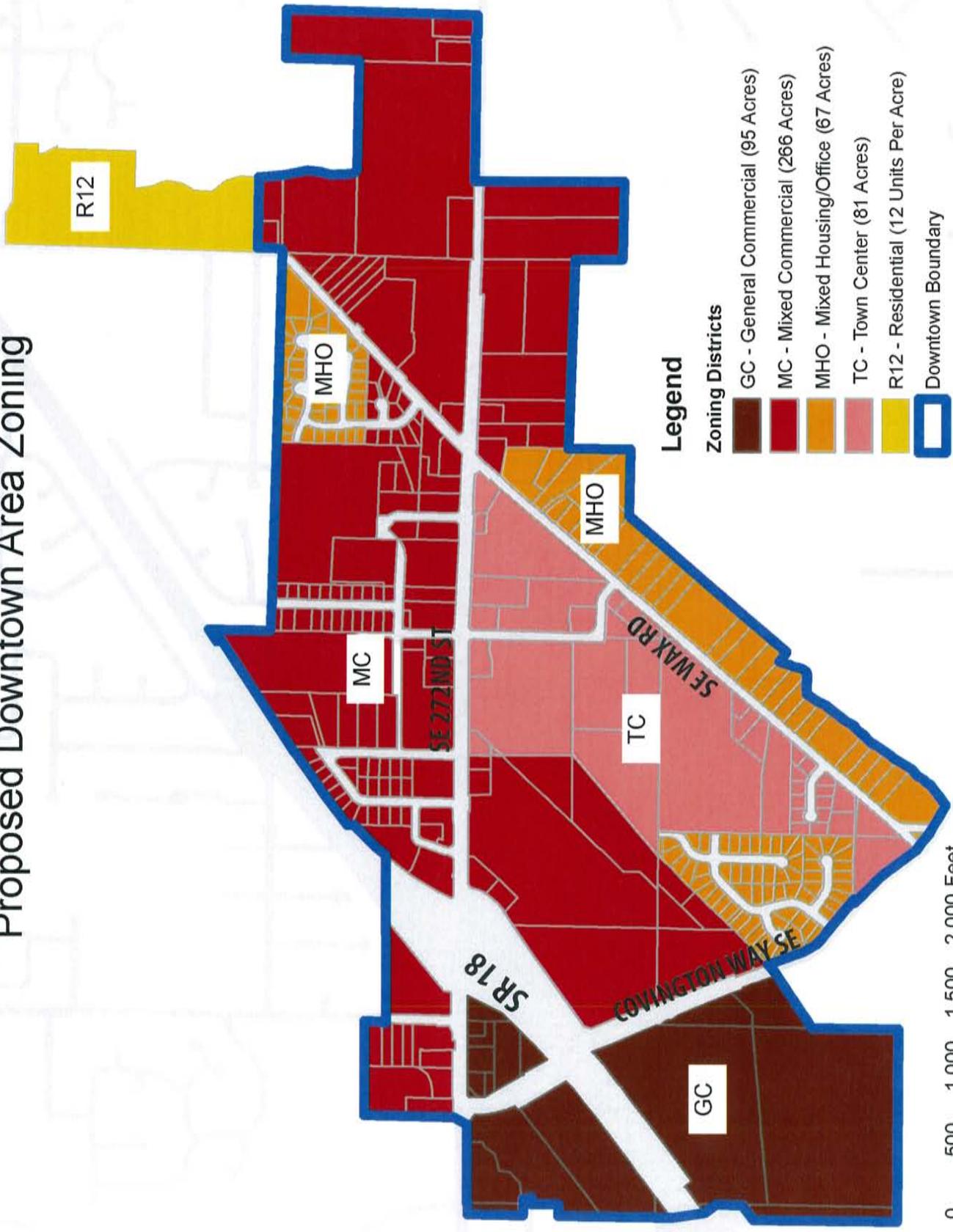
- *There are rarely immediate results in retail. Most respectable retailers are planning stores for 2-3 years down the road in their development cycle. By the time you know for sure whether the eagle has landed, you, the City Manager, and the City Council may be gone! This money must be viewed as a long-term investment.*
- *Sometimes deals go awry based on market conditions. We were very close to landing Borders in Downtown San Jose (thanks to Buxton’s efforts) and then the bottom fell out of the bookstore industry. They put a halt to all deals they had been pursuing, and now may not even last as a company.*
- *The Buxton match list can give you leverage with a developer who is claiming that there is no interest, or different interest than what actually exists.*
- *I recently used my match list to retain an existing shoe store. Their sales had been down, and they were ready to abandon our city. I showed them that several of their competitors were on our match list, and that there is significant leakage in this category. This data made them decide to give us a second shot. They are now going to increase their marketing efforts and store presence before they make any decisions about the future of the store.*

Bottom line – there are definitely a few total and partial success stories. But, more importantly, I can say that the list has opened doors previously closed tight, has extended conversations with retailers who had previously been “lukewarm”, and has provide value to me in so many ways that I can’t keep count.

Buxton is my partner in retail recruitment. This needs to be viewed as a holistic and powerful tool for your program. It will take years for your program to be successful and to have the tangible success that your decision makers are looking for. This will be an excellent first step. If I were you I would try to steer them away from trying view success as a one-store opening – it’s a dangerous road to go down! In some ways, making this expenditure is a stake in the ground – a commitment from the city that they value retail,

and that they are serious about their recruitment efforts. A relationship with Buxton sends a very strong message to the retail community.

Proposed Downtown Area Zoning



Legend

- Zoning Districts**
- GC - General Commercial (95 Acres)
 - MC - Mixed Commercial (266 Acres)
 - MHO - Mixed Housing/Office (67 Acres)
 - TC - Town Center (81 Acres)
 - R12 - Residential (12 Units Per Acre)
 - Downtown Boundary



NOTE: Parcel lines do not reflect recent road improvements, including 168th PL SE and 172nd PL SE.

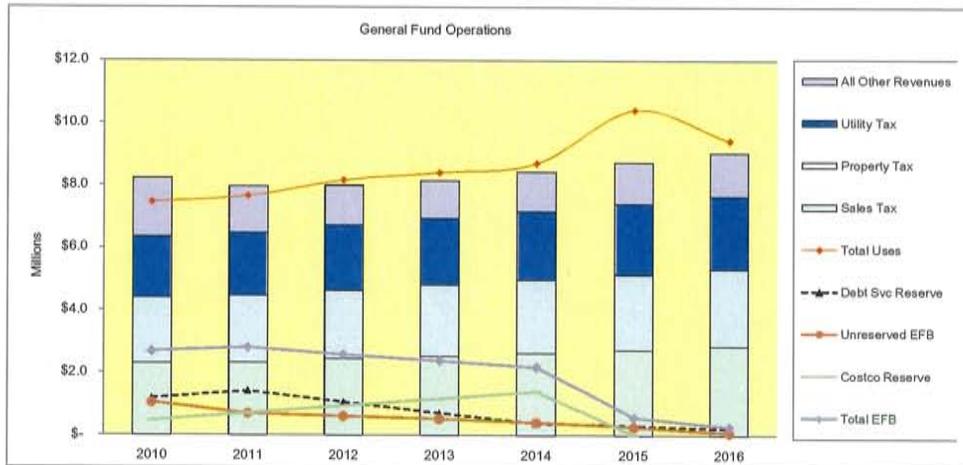


Session VII

Implementing Our Vision in Other Areas

CITY OF COVINGTON
GENERAL FUND LONG RANGE FORECAST
 2010-2016 Analysis in 000s

BASE BUDGET							
	2010	2011	2012	2013	2014	2015	2016
BEGINNING FUND BALANCE	\$ 2,301	\$ 2,674	\$ 2,789	\$ 2,557	\$ 2,364	\$ 2,164	\$ 560
REVENUES							
Sales Tax ¹	2,300	2,323	2,429	2,526	2,627	2,732	2,842
Property Tax ²	2,093	2,135	2,189	2,265	2,333	2,403	2,475
Utility Tax ³	1,957	2,016	2,076	2,138	2,203	2,269	2,337
Local Criminal Justice	335	352	369	388	407	428	449
Intergovernmental Revenues	379	235	109	112	116	119	123
Charges for Services	12	12	13	13	14	14	14
Fines & Forfeitures	123	123	129	136	142	150	157
Miscellaneous	39	40	41	43	44	45	47
Central Services Payment	380	392	411	432	454	476	500
Interfund Payment	205	125	131	138	145	152	160
BASE BUDGET REVENUES	7,823	7,752	7,908	8,191	8,484	8,787	9,102
EXPENDITURES							
Salaries and Wages	1,296	1,370	1,384	1,398	1,412	1,426	1,440
Personnel Benefits ⁴	478	509	580	661	754	859	979
Supplies	71	59	59	60	62	64	66
Other Services and Charges	1,341	1,370	1,384	1,398	1,439	1,483	1,527
Intergovernmental	3,230	3,640	3,750	3,937	4,134	4,341	4,558
Capital Outlay	6	-	-	-	-	-	-
Debt Service	13	13	14	15	15	16	17
Interfund Payment for Services	15	19	20	21	22	23	24
Operating Transfers less debt svc transfer ⁵	590	479	498	518	539	560	583
Debt Svc Transfer	410	704	932	877	827	774	774
BASE BUDGET EXPENDITURES	7,449	8,163	8,620	8,883	9,203	9,545	9,967
Operating Surplus/Deficit by Year	374	(411)	(712)	(603)	(719)	(767)	(865)
OTHER FINANCING USES							
Decision Cards/Budget Strategies ⁶	-	(525)	(480)	(499)	(519)	(540)	(562)
One-time Costco payout	-	-	-	-	-	1,386	-
TOTAL OTHER FINANCING USES	-	(525)	(480)	(499)	(519)	846	(562)
TOTAL USES	\$ 7,449	\$ 7,638	\$ 8,140	\$ 8,384	\$ 8,684	\$ 10,391	\$ 9,405
Sources over Uses	374	114	(232)	(194)	(200)	(1,603)	(303)
TOTAL ENDING FUND BALANCE	\$ 2,674	\$ 2,789	\$ 2,557	\$ 2,364	\$ 2,164	\$ 560	\$ 257
FUND BALANCE ANALYSIS							
DEBT SERVICE RESERVE ⁷	1,176	1,407	1,042	695	375	307	197
COSTCO RESERVE ⁸	462	693	924	1,155	1,386	-	-
UNRESERVED FUND BALANCE ⁹	1,036	689	591	514	402	253	61
TOTAL ENDING FUND BALANCE	\$ 2,674	\$ 2,789	\$ 2,557	\$ 2,364	\$ 2,164	\$ 560	\$ 257
10% fund balance target	\$ 642	\$ 689	\$ 716	\$ 745	\$ 780	\$ 817	\$ 857
Fund balance policy	Meets 10%	Meets 10%	Under 10%	Under 10%	Under 10%	Under 10%	Under 10%
Margin above/below the 10% threshold	\$ 394	\$ 0	\$ (124)	\$ (232)	\$ (378)	\$ (564)	\$ (796)



Notes:

1) Decisions cards are illustrations reflecting the impact to the fund in outlying years. If approved, they would be rolled into the base budget.

Footnotes:

¹ Sales tax is allocated at 80% of forecasted revenues to the General Fund and 20% to the Parks Fund. Beginning in 2012, GF will gain two percent at 82% and Parks will receive 18%. If the Council adopts the budget strategy, sales tax will be allocated at 84% for GF and 16% for Parks beginning in 2011.

² King County reduced the property tax levy due to a different interpretation of the City's ordinance. Language will be fixed in the 2011 ordinance. This increased the City's banked capacity to \$146,000.

³ This represents gross receipts for utility tax collections. Transfers are made to other funds.

⁴ Council approved a change to the medical plan beginning in 2011. Premium costs are slated to increase 2-4% in the wake of new federal legislation.

⁵ Operating transfers go to Streets and Parks.

⁶ For 2011, these strategies include revising the sales tax split for GF and Parks to 84% and 16% respectively, a reduction of the utility tax subsidy to Streets of \$25,000, adding the property tax banked capacity, and a revision of the interfund service payment from SWM to GF for an additional \$111,000.

⁷ This amount reflects the total reserve less an amount transferred to the debt service fund.

⁸ The City needs to reserve this amount to fund a total payout of \$1.4 million to Costco per Ordinance 09-07 adopted 8/14/07- interest earnings make up the difference.

⁹ Beginning in 2010 and for illustration purposes, the ending fund balance has been reduced to the minimum 10% with the remainder being applied to the debt service reserve.

CITY OF COVINGTON STREET FUND LONG RANGE FORECAST

2009-2015 Analysis in 000s

BASE BUDGET

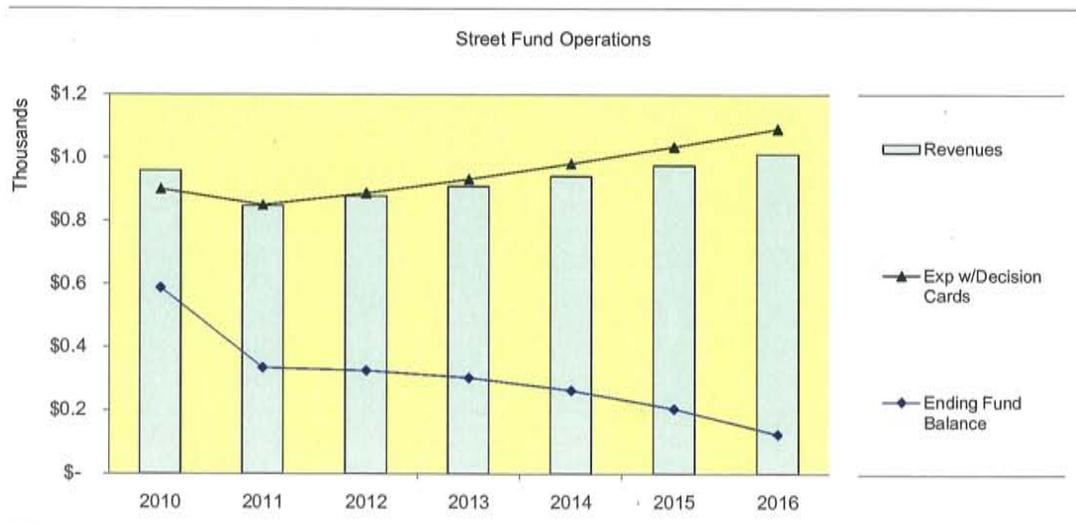
	2010	2011	2012	2013	2014	2015	2016
BEGINNING FUND BALANCE	\$ 529	\$ 587	\$ 334	\$ 325	\$ 302	\$ 263	\$ 204
REVENUES							
Street Fuel Tax	375	378	388	397	407	417	428
Licenses and Permits	194	199	209	219	230	242	254
Miscellaneous	13	1	1	1	1	1	1
Operating Transfer In	376	269	280	291	303	315	328
BASE BUDGET REVENUES	958	847	878	909	942	976	1,011
EXPENDITURES							
Salaries and Wages	249	285	288	293	299	305	311
Personnel Benefits	93	101	115	131	150	171	195
Supplies	44	48	48	49	50	52	53
Other Services and Charges	206	225	236	248	260	273	287
Intergovernmental	143	144	151	158	166	175	183
Debt Service: Principal	2	2	1	1	1	1	1
Interfund Payment for Services	163	73	76	80	84	88	93
BASE BUDGET EXPENDITURES	900	877	915	961	1,011	1,065	1,123
Operating Surplus/Deficit by Year	58	(29)	(38)	(52)	(69)	(89)	(112)
OTHER FINANCING USES							
Decision Cards/Budget Strategies	-	(27)	(28)	(29)	(30)	(31)	(32)
TOTAL OTHER FINANCING USES	-	(27)	(28)	(29)	(30)	(31)	(32)
TOTAL USES	\$ 900	\$ 849	\$ 887	\$ 932	\$ 981	\$ 1,034	\$ 1,091
Sources over Uses	58	(2)	(9)	(23)	(39)	(59)	(81)
TOTAL ENDING FUND BALANCE	\$ 587	\$ 585	\$ 325	\$ 302	\$ 263	\$ 204	\$ 123
FUND BALANCE ANALYSIS							
RESERVED FUND BALANCE	251	251	-	-	-	-	-
UNRESERVED FUND BALANCE	336	334	325	302	263	204	123
REET Payback¹	-	251	-	-	-	-	-
TOTAL ENDING FUND BALANCE	\$ 587	\$ 334	\$ 325	\$ 302	\$ 263	\$ 204	\$ 123
10% fund balance target	\$ 74	\$ 80	\$ 84	\$ 88	\$ 93	\$ 98	\$ 103
Fund balance policy	Meets 10%	Meets 10%					
Margin above/below the 10% threshold	\$ 513	\$ 254	\$ 241	\$ 214	\$ 170	\$ 107	\$ 20

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2010 other than ongoing costs.

Footnotes:

¹ Funds borrowed from REET to maintain the Street Fund's positive cash flow are being repaid in 2011.



CITY OF COVINGTON DEVELOPMENT SERVICES FUND LONG RANGE FORECAST

2010-2016 Analysis in 000s

BASE BUDGET

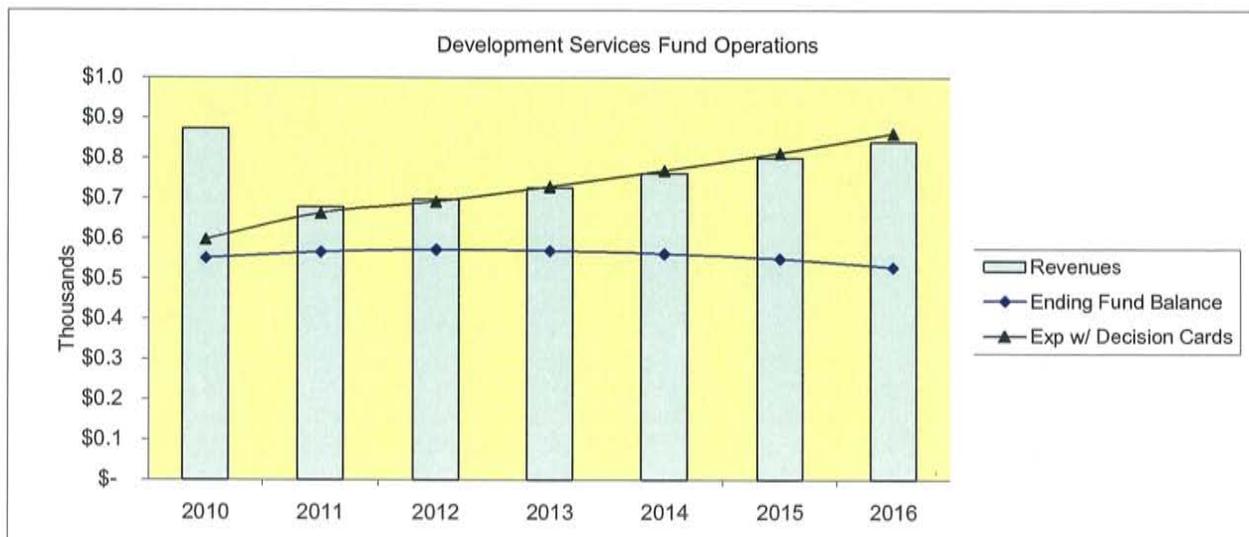
	2010	2011	2012	2013	2014	2015	2016
BEGINNING FUND BALANCE	\$ 274	\$ 550	\$ 565	\$ 571	\$ 568	\$ 561	\$ 548
REVENUES							
Licenses & Permits	524	403	415	432	454	476	500
Intergovernmental Revenues	4	2	2	2	2	2	3
Charges for Goods & Services	345	271	279	291	305	320	336
Miscellaneous	1	1	-	-	-	-	-
Operating Transfer In	-	-	-	-	-	-	-
BASE BUDGET REVENUES	873	677	697	725	761	799	839
EXPENDITURES							
Salaries and Wages	320	311	314	321	327	334	340
Personnel Benefits	106	116	132	150	171	195	223
Supplies	3	6	6	6	6	7	7
Other Services and Charges	28	76	80	84	88	92	97
Intergovernmental	42	49	51	54	57	59	62
Interfund Payment for Services ¹	98	103	108	113	119	125	131
Operating Transfer Out	-	-	-	-	-	-	-
BASE BUDGET EXPENDITURES	597	660	691	728	768	812	860
Operating Surplus/Deficit by Year	276	17	6	(3)	(7)	(13)	(21)
OTHER FINANCING USES							
Decision Cards/Budget Strategies	-	2	-	-	-	-	-
TOTAL OTHER FINANCING USES	-	2	-	-	-	-	-
TOTAL USES	597	662	691	728	768	812	860
Sources over Uses	276	15	6	(3)	(7)	(13)	(21)
Total Ending Fund Balance	\$ 550	\$ 565	\$ 571	\$ 568	\$ 561	\$ 548	\$ 527
Fund balance target	\$ 87	\$ 102	\$ 105	\$ 109	\$ 114	\$ 120	\$ 126
Fund balance policy	Meets 10%						
Margin above/below the 10% threshold	\$ 463	\$ 464	\$ 467	\$ 460	\$ 447	\$ 428	\$ 401

Notes:

- 1) This worksheet makes no assumptions as to new programs and decision cards past 2010 other than ongoing costs.
- 2) Budget strategies are outlined in the budget message.

Footnotes:

¹ Beginning in 2011, the interfund service payment will be paid to the General Fund if revenues exceed the forecast. The fund continues to pay Central Services.



CITY OF COVINGTON PARKS & RECREATION FUND LONG RANGE FORECAST

2010-2016 Analysis in 000s

BASE BUDGET

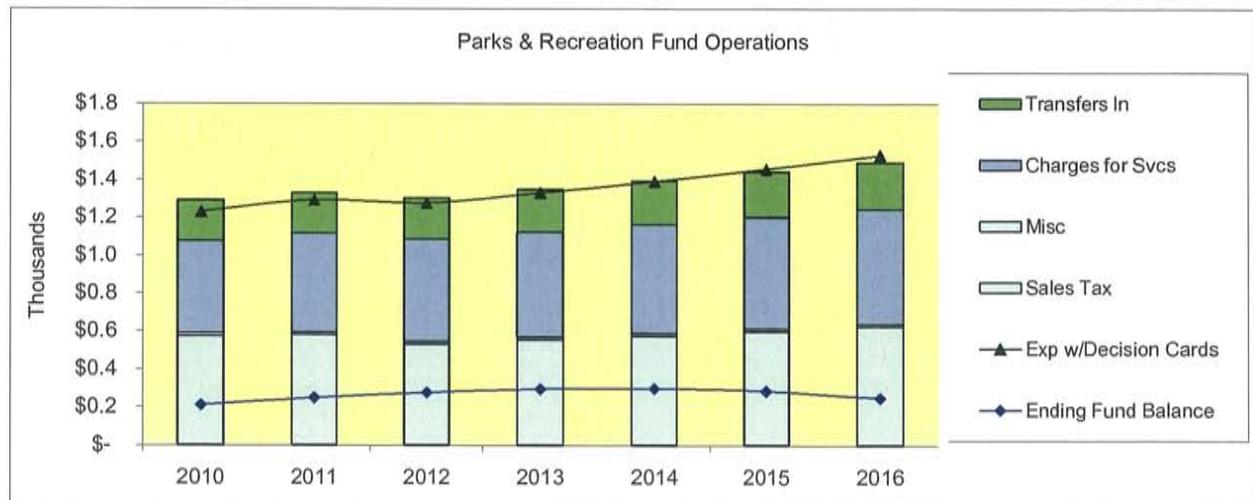
	2010	2011	2012	2013	2014	2015	2016
BEGINNING FUND BALANCE	\$ 143	\$ 209	\$ 247	\$ 275	\$ 293	\$ 298	\$ 283
REVENUES							
Sales Tax ¹	575	581	533	554	576	600	624
Charges for Goods and Services	486	522	538	554	570	588	605
Intergovernmental Revenues	5	-	-	-	-	-	-
Miscellaneous	16	14	14	15	15	16	16
Operating Transfer In	213	211	217	224	231	237	245
BASE BUDGET REVENUES	1,295	1,328	1,302	1,347	1,393	1,440	1,490
EXPENDITURES							
Salaries and Wages	563	560	565	577	588	600	612
Personnel Benefits	162	171	195	222	253	289	329
Supplies	124	114	115	116	120	123	127
Other Services and Charges	211	197	203	209	216	222	229
Intergovernmental	31	9	9	9	9	9	9
Interfund Payment for Services	110	122	128	135	141	148	156
Operating Transfer Out	27	27	27	27	27	27	27
BASE BUDGET EXPENDITURES	1,229	1,200	1,243	1,295	1,354	1,418	1,489
Operating Surplus/Deficit by Year	66	128	60	52	39	22	1
OTHER FINANCING USES							
Decision Cards/Budget Strategies	-	90	32	33	35	36	37
TOTAL OTHER FINANCING USES	-	90	32	33	35	36	37
TOTAL USES	\$ 1,229	\$ 1,290	\$ 1,275	\$ 1,328	\$ 1,389	\$ 1,454	\$ 1,526
Sources over Uses	66	38	28	19	4	(14)	(37)
TOTAL ENDING FUND BALANCE	209	247	275	293	298	283	247
10% fund balance target	\$ 120	\$ 117	\$ 122	\$ 127	\$ 133	\$ 139	\$ 146
Fund balance policy	Meets 10%						
Margin above/below the 10% threshold	\$ 89	\$ 130	\$ 153	\$ 167	\$ 165	\$ 144	\$ 101

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2010 except for ongoing programs.

Footnotes:

¹ Sales tax is allocated at 80% of forecasted revenues to the General Fund and 20% to the Parks Fund. Beginning in 2012, GF will gain two percent at 82% and Parks will receive 18%. If the Council adopts the budget strategy, sales tax will be allocated at 84% for GF and 16% for Parks beginning in 2011.



CITY OF COVINGTON

SURFACE WATER MANAGEMENT FUND LONG RANGE FORECAST

2010-2016 Analysis in 000s
BASE BUDGET

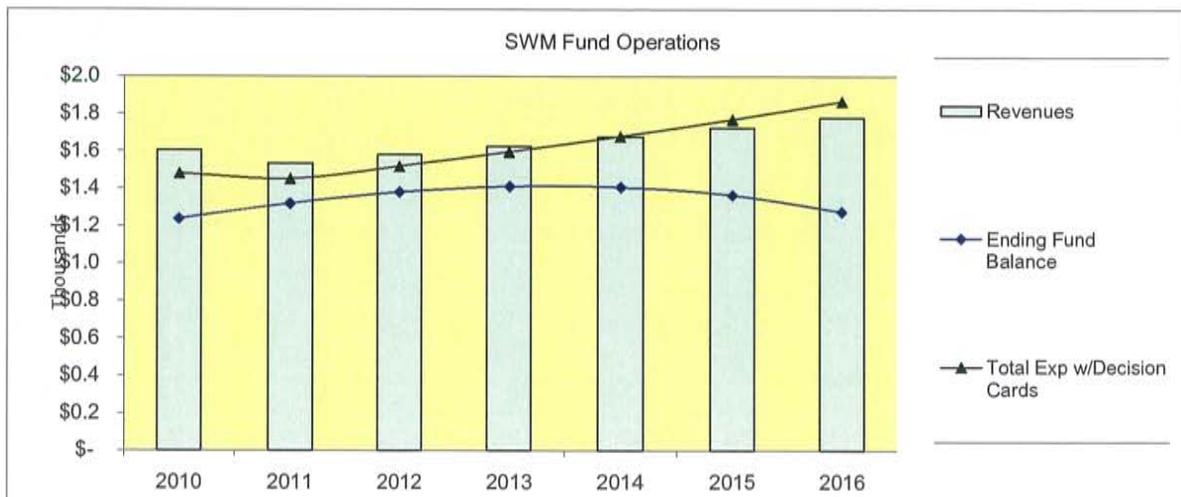
	2010	2011	2012	2013	2014	2015	2016
BEGINNING FUND BALANCE	\$ 1,112	\$ 1,236	\$ 1,317	\$ 1,378	\$ 1,409	\$ 1,406	\$ 1,363
REVENUES							
Customer Charges ¹	1,421	1,530	1,576	1,623	1,672	1,722	1,774
Intergovernmental Revenues	88	-	-	-	-	-	-
Miscellaneous	2	2	2	2	3	3	3
Operating Transfer In	92	-	-	-	-	-	-
BASE BUDGET REVENUES	<u>1,604</u>	<u>1,532</u>	<u>1,578</u>	<u>1,626</u>	<u>1,674</u>	<u>1,725</u>	<u>1,776</u>
EXPENDITURES							
Salaries and Wages	531	504	509	519	530	540	551
Personnel Benefits	189	191	218	248	283	323	368
Supplies	28	31	33	35	36	38	40
Other Services and Charges	188	196	205	216	226	238	250
Intergovernmental	152	78	82	86	91	95	100
Capital Outlay	-	-	-	-	-	-	-
Debt Service: Principal	-	-	4	4	4	4	4
Debt Service: Interest	34	35	31	31	31	31	31
Interfund Payment for Services	304	310	325	342	359	377	395
Operating Transfer Out	54	54	55	57	58	60	62
BASE BUDGET EXPENDITURES	<u>1,480</u>	<u>1,399</u>	<u>1,463</u>	<u>1,538</u>	<u>1,619</u>	<u>1,706</u>	<u>1,802</u>
Operating Surplus/Deficit by Year	123	134	115	88	56	18	(25)
OTHER FINANCING USES							
Decision Cards/Budget Strategies	-	52	54	56	59	61	64
TOTAL OTHER FINANCING USES	<u>-</u>	<u>52</u>	<u>54</u>	<u>56</u>	<u>59</u>	<u>61</u>	<u>64</u>
TOTAL USES	<u>\$ 1,480</u>	<u>\$ 1,451</u>	<u>\$ 1,518</u>	<u>\$ 1,594</u>	<u>\$ 1,677</u>	<u>\$ 1,767</u>	<u>\$ 1,865</u>
Sources over Uses	123	81	61	31	(3)	(43)	(89)
TOTAL ENDING FUND BALANCE	\$ 1,236	\$ 1,317	\$ 1,378	\$ 1,409	\$ 1,406	\$ 1,363	\$ 1,274
10% fund balance target	\$ 109	\$ 100	\$ 105	\$ 110	\$ 117	\$ 123	\$ 131
Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%	Meets 10%
Margin above the 10% threshold	\$ 1,127	\$ 1,217	\$ 1,273	\$ 1,298	\$ 1,289	\$ 1,240	\$ 1,143

Notes:

1) This worksheet makes no assumptions as to new programs and decision cards past 2010 other than ongoing costs.

Footnotes:

¹ This reflects 3% increases after 2010. An audit of drainage fees in 2010 revealed billing errors which will be rectified for 2011 collection.



City of Covington Revenue Options

Description	Current	Projected
Property tax banked capacity - must be used prior to a levy lid lift.		\$ 146,000
Utility tax 0.5%	\$ 2,060,000	\$ 185,000
Extend 5.5% utility tax to water and sewer via interlocal agreements		Variable
Levy lid lift	-	Variable
Countywide public safety 0.2% sales tax ballot measure		\$ 357,000
B&O Tax	-	-
Business licenses/renewals - current fee is \$39	\$ 47,000	Variable
Transportation Benefit District (TBD) - \$20 VLF	-	180,000 - 280,000
Metropolitan Parks District (MPD)	-	Variable
Lodging Tax	N/A	N/A
Gambling tax CMC 3.20	-	Unknown
Leasehold excise tax - the City does not currently collect leasehold excise tax	-	Unknown
Admission tax CMC 3.50	-	Variable
Capital reserve This is one-time money in the CIP: \$65,000 for Street CIP \$45,000 for Economic Development \$30,000 for the Maintenance Facility		\$ 140,000
SWM rate increases	\$ 1,259,000	Variable
REET - available in CIP (one-time)		\$ 40,000
Forfeiture money (Nationwide)		\$ 60,000
Parks 2011 Fee Increase (projected at \$65,000 - forecast has been reduced pending actual history)		\$ 30,000

City of Covington

Six Year Transportation Improvement Program

2011 - 2016

On June 22, 2010 the Covington City Council approved Resolution No. 10-15 adopting the Six Year Transportation Improvement Program for 2011 to 2016.

The Covington 2011-2016 Six-Year TIP is as follows:

Annual Safety Improvements

This new annual program provides for the ability to address minor transportation safety issues as they are identified. The scope of each improvement is anticipated to be \$10,000 to \$20,000 with a total of \$50,000 in the program. The project list and priorities will be submitted separately.

Annual Pedestrian Improvements

New pedestrian facilities are provided as an integral part of major street improvements. This new annual program will provide improvements for pedestrian facilities on an interim basis until the associated street project secures funding or to fill gaps generated by development activity. The scope of each improvement is anticipated to be \$5,000 to \$15,000 with a total of \$50,000 in the program. The project list and priorities will be submitted separately.

Major Capital Improvement Project Priorities

1. **CIP 1127 SE 272nd Street (SR 516) between Jenkins Creek and 185th Place SE**

This project is to widen and reconstruct a portion of SE 272nd Street between Jenkins Creek and 185th Place SE. This project will include the crossing of Jenkins Creek with a new structure for the stream, widening the street from 2-lanes to 5-lanes including curb and gutter, 8' sidewalks, access control features, landscaping and provisions for u-turns.



2. **CIP 1128 SE 272nd Street (SR 516) between 185th Place SE and 192nd Avenue SE**

This project is to widen and reconstruct a portion of SE 272nd Street between 185th Place SE and 192nd Avenue SE. This project will widen the street from 2-lanes to 5-lanes including curb and gutter, 8' sidewalks, access control features, landscaping and provisions for u-turns.



3. **CIP 1124 185th Place SE Extension from Wax Road/180th Ave SE to SE 272nd Street**

This project connects SE Wax Road/180th Avenue SE to SE 272nd Street via a new route and alignment designated as 185th Place SE. The street section will consist of a 3-lane urban arterial standard with curb, gutter and 8' sidewalks, landscaping strips, illumination and stormwater infrastructure. The project will also include crossing Jenkins Creek. The actual route and alignment will be determined during design.



4. **CIP 1063 SE 272nd Street between 160th Avenue SE and 164th Avenue SE**

This project provides for design and future construction of additional turn lanes, channelization, and signal modifications. Widening SE 272nd Street will require modifications to the existing stream crossing at the intersection. Project length is 800 feet. Construct street section consistent with the existing SR 516 section including illumination, landscaping, 10' wide sidewalks with street trees in planting wells.



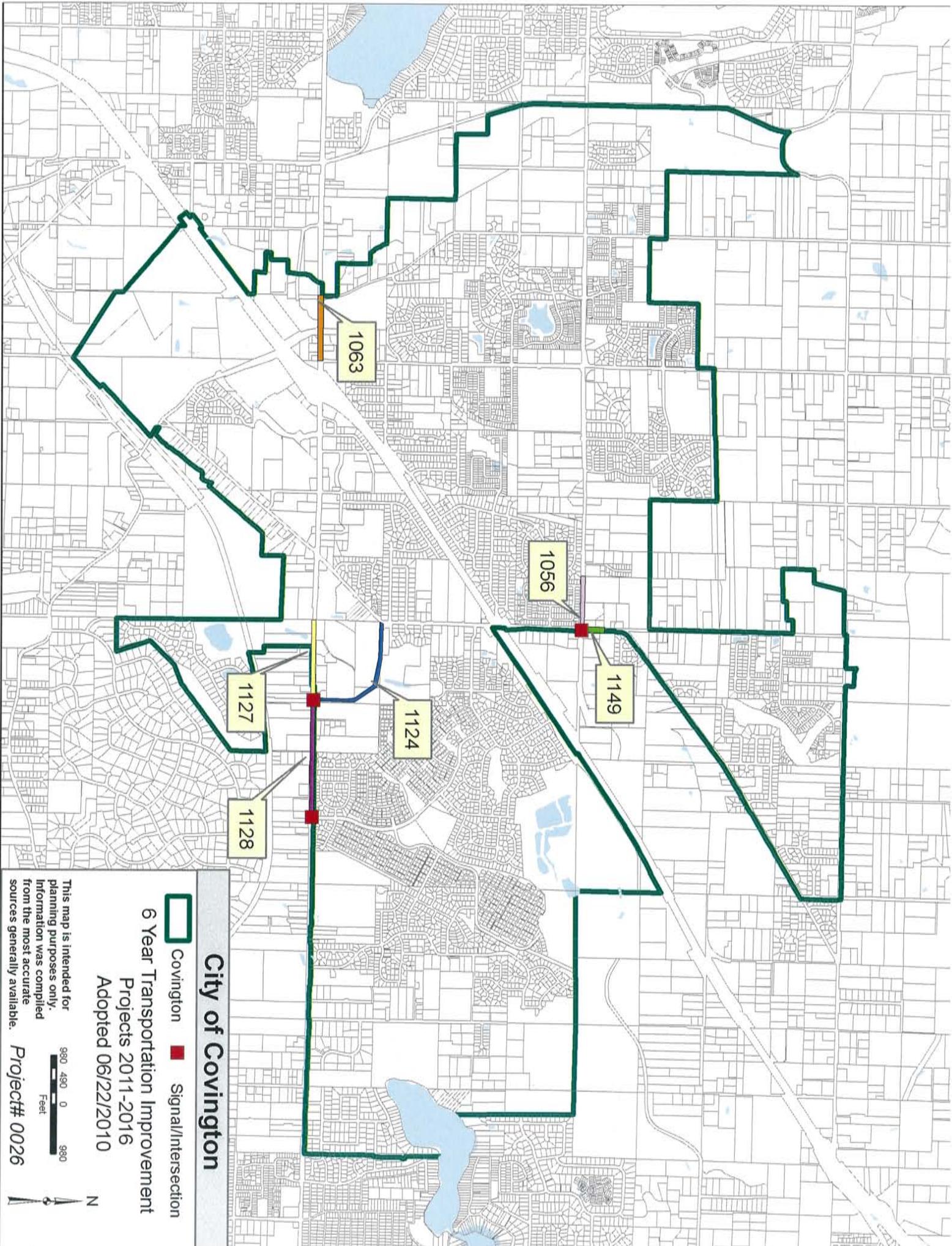
5. **CIP 1056 SE 256th Street between 172nd Avenue SE and 180th Avenue SE**
CIP 1149 180th Avenue SE between SE 256th Street and SE Wax Road (N)

Portions of these two larger CIP projects (see map – Attachment 1) are being combined to provide improvements adjacent to the new fire station at SE 256th Street and 180th Avenue SE. The improvements will include widening the north side of SE 256th Street from 180th Avenue SE to 176th Avenue SE to match the section at 168th Avenue SE. The frontage along 180th Avenue SE will be widened from the intersection to Crestwood Elementary School.



**CITY OF COVINGTON
2011 to 2016 Transportation Improvement Program
Summary**

Priority	City CIP #, Project Name, Termini, Major Class of Work	Phase	Funded	Expenditure Schedule in Thousands					
				Total Funds	1 2011	2 2012	3 2013	4 2014	5 2015
	Annual Safety Improvements	Total Cost	300	50	50	50	50	50	50
	Annual Pedestrian Improvements	Total Cost	300	50	50	50	50	50	50
1	1127, SE 272nd Street (SR 516) Jenkins Creek to 185th Place SE	Dgn R-o-W Const	1,474 1,205 12,008	1,474	1,205	12,008			
	Widen to 5 lanes & reconstruct, Sidewalks, New stream crossing	Total Cost	14,687	1,474	1,205	12,008	0	0	0
2	1128, SE 272nd Street (SR 516) 185th Place SE to 192nd Avenue SE	Dgn R-o-W Const	1,240 718 13,450		1,240	718	13,450		
	Widen to 5 lanes & reconstruct, Sidewalks, New signal.	Total Cost	15,408	0	1,240	718	13,450	0	0
3	1124, 185th Place SE Extension Wax Road/180th Avenue SE Roundabout to SE 272nd Street New Route, New Alignment, Access management.	Dgn R-o-W Const	974 4,645 10,511			974	4,645	10,511	
		Total Cost	16,130	0	0	974	4,645	10,511	0
4	1063, SE 272nd Street (State Route 516) 160th Avenue SE to 164th Avenue SE	Dgn R-o-W Const	949 1,369 10,223				949	1,369	10,223
	Signal modifications, add turn lanes, stream crossing.	Total Cost	12,541	0	0	0	949	1,369	10,223
5	Portions of 1056 and 1149 SE 256th Street and 180th Avenue SE Safety Improvements, Sidewalks	Dgn R-o-W Const	474 233 0					474	233
	Signal modifications, add right turn lane.	Total Cost	707	0	0	0	0	474	233
4%	Annual Construction Cost Increase	TOTAL	60,073	1,574	2,545	13,800	19,144	12,454	10,556



1063

1056

1149

1124

1127

1128

City of Covington

6 Year Transportation Improvement Projects 2011-2016
 Adopted 06/22/2010

This map is intended for planning purposes only. Information was compiled from the most accurate sources generally available.



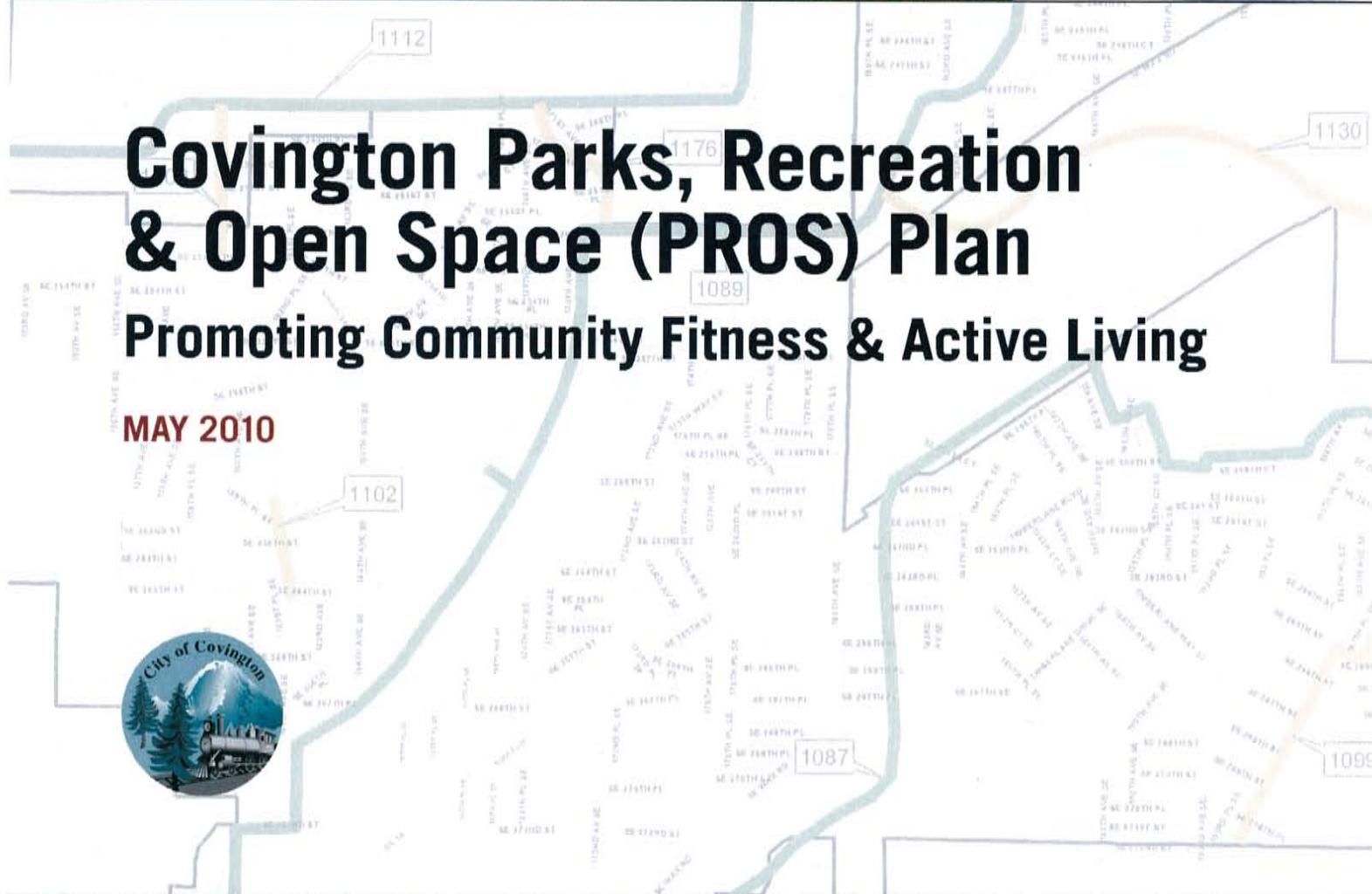
Project# 0026



Covington Parks, Recreation & Open Space (PROS) Plan

Promoting Community Fitness & Active Living

MAY 2010



Covington Parks, Recreation & Open Space (PROS) Plan

Promoting Community Fitness & Active Living

MAY 2010

“In addition to being a place to experience beauty in nature and preserve the ecological health of the community, parks can play a key role in the promotion of healthy and active lifestyles. Parks are an important public resource and careful thought should be devoted to determining how they should be modified to improve the health of our population. The current evidence suggests that there is enormous potential for parks to increase physical activity across the United States.”

*President’s Council on Physical Fitness and Sports Research Digest
Series 9, No.1, March 2008*

Andrew Mowen, PhD; The Pennsylvania State University
Andrew Kaczynski, PhD; University of Waterloo
Deborah Cohen, MD, MPH; RAND Corporation



ACKNOWLEDGEMENTS

City Council

Mayor Margaret Harto
Mayor Pro-Tem Jeff Wagner
Councilor Marlla Mhoon
Councilor Mark Lanza
Councilor David Lucavish
Councilor Wayne Snoey
Councilor Jim Scott

Parks & Recreation Commission

Kollin Higgins, Chair
Liz Fast, Vice-Chair
Conni Elliott
Martin Larson
Dave Aldous
Bryan Higgins
Steve Pand

City Staff

Derek Matheson, City Manager
Scott Thomas, Parks & Recreation Department Director
Pat Patterson, Recreation & Aquatics Manager
Ethan Newton, Aquatics Supervisor
Rachel Bahl, Senior Lifeguard

Consultant Team



Steve Duh, Project Manager
Mary Stewart
Kim Voros
Hannah Kapell



Su Midghall
Rebecca Ball



Gordon Wilson

Executive Summary

Introduction

Imagine Covington in 10 years, a walkable community with many options for healthy activity and facilities that serve as exceptional public gathering places and foster a sense of stewardship and pride. Consider a downtown plaza that acts as the community's living room and is the focal point for events and entertainment. Consider a pedestrian and bicycle friendly trail network that connects public facilities, such as the library, schools and parks, and that is built with safe routes, clear signage and access to the regional trails nearby. Consider expanded and accessible natural areas framed by local creeks and with environmental interpretive stations for outdoor education.

As a strategic road map for the future, this Parks, Recreation and Open Space (PROS) Plan envisions a city park system that will provide high-quality recreational opportunities for residents and visitors during the next decade and beyond. In addition to renovating and developing existing park lands, the plan calls for developing a system of interconnected shared-use trails and bikeways and enhancing recreation programming to serve a growing population. To provide planning and policy framework to support these efforts, the 2010 Covington PROS Plan includes:

- Goals and objectives for providing and maintaining services as the City continues to grow
- Summary of public outreach and community feedback
- Assessment of community and recreational needs
- Detailed analyses of the existing inventory including current conditions and management issues, along with a service area assessment and park gap analysis
- Capital improvements plan with projects ranked in order of priority
- Review of funding and implementation strategies

Major Challenges

Parks, trails, greenspaces, natural areas – these are essential elements of long-term community sustainability and a legacy for Covington's future. The fast pace of recent development and population growth reinforces the need to take seriously the City's role as an environmental steward and as a social steward, with the fundamental responsibilities to protect, maintain and enhance its natural resources, while also providing a rich environment to foster healthy, active and engaged citizens. In an effort to meet its vision for the future, several known challenges must be considered.

- **Funding Issues.** Expectations for parks and recreation services remain high in the minds of residents, and deservedly so, but operating and capital revenues are generally inadequate to meet public demand. The department must secure alternative funding to

enhance maintenance and renovate existing parks, establish a network of interconnected trails, acquire additional park land, and provide recreation opportunities to serve an ever growing community.

- **Maintaining Existing Facilities.** Residents voiced concerns with current maintenance levels, vandalism and surveillance. The need to reinvest in existing parks, specifically Jenkins Creek Park, was a recurring theme in public meetings. Any inability to address these issues will likely erode citizen support for the park and recreation system over time.
- **Active-Use Parks.** During the planning process, residents voiced a desire for more community park space to provide more sport fields, picnicking facilities and active recreation, in addition to smaller neighborhood parks with better geographic distribution. While site planning for Covington Community Park progresses, the City currently does not have a developed community park.
- **Increased Population.** By 2020, Covington's population is expected to exceed 20,000 people. Growth and development, while vital to the health of the local economy, place a strain on limited public funds for services and the availability of land for parks, trails and natural areas. While recent residential development projects have provided private parks throughout the City, larger areas of Covington are still unserved with parks within short walking distances.
- **Obesity-related health issues.** While statistics are not specifically available for Covington, increases in the rate of obesity are spurring a growing health epidemic - affecting recreation programming and the need to provide opportunities for active lifestyles. In the US, 66% of adults over 20 years of age are obese or overweight; for children between the ages of 6 and 11, 19% are overweight. In a 2007 report by the Washington State Department of Health, 60% of adults were obese or overweight, and 25% of 10th graders were overweight or at risk for becoming overweight.
- **Identity & Information.** While residents and local business people expressed their general support for Covington's nascent parks and recreation system, they voiced frustration about not knowing what the City has to offer in terms of programs and places to play, and they encouraged the City to more actively promote their offerings and support community events and activities.

While these challenges exist, they also provide a context to a set of new opportunities for enhancing Covington's park, trails and natural areas system and for expanding its recreation and health programming.

Major Recommendations

The key recommendations applied to the overall park and recreation system include the following:

- Establish a combined service standard for neighborhood and community parks of 8 acres per 1,000 people and an overall parks and natural areas service standard of 14 acres per 1,000.

- Acquire additional parkland to meet future demand, including one proposed community park and six neighborhood parks, along with a downtown plaza and natural area expansions.
- Explore partnership opportunities with regional healthcare providers and services to promote wellness activities, healthy lifestyles and communications about local facilities and the benefits of parks and recreation.
- Explore options with Maple Valley, Black Diamond and King County for the development of a joint community facility for recreation, fitness and leisure activities
- Develop and implement minimum design and development standards for park and recreation amenities within private developments.
- Review and consider long-term, stable funding sources, to include analysis of support for new sources of revenue by the voting public. Revise and re-enact the park impact fee program as a means to finance new park and trail acquisition and development.

Bringing the Plan to Life

Specific near-term actions include the following:

- Providing routine maintenance on all park properties and on the Aquatic Center to keep them safe and enjoyable
- Constructing phase 1 of Covington Community Park
- Renovating and re-opening Jenkins Creek Park
- Providing high priority open swim programs, swim instruction and aquatic activities
- Pursuing partnerships to provide community events and festivals, health and fitness programs and informational and educational programs
- Updating and publishing the parks brochure and map; enhancing web site content
- Acquiring land for Town Square Park

This plan is a road map for providing high-quality, community-driven parks, trails, open space and recreation facilities in Covington during the next 20 years. It articulates the City's vision for parks and recreation, provides tangible support for policies in the City's comprehensive plan and sets reasonable priorities. It is also a repository of critical data and analyses that will serve as a valuable benchmark in all future planning efforts.

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Session VIII

Building Public Awareness and Understanding

Shoreline's First Levy Lid Lift: It's Not About the Money

December 1, 2010

1

New Environment

- Eyman initiatives are catching up
- Cyclical recessions impact sales tax, gambling, development revenues

2

Building the Foundation

Strong Financial Strategies

- Good long-range financial forecasts updated frequently with Council and community
- Sound financial practices (e.g., one-time money for reserves or one-time capital)
- Reserves - operating, emergency, Revenue Stabilization Fund
- No audit fundings for 10 years
- AA+ bond rating
- S&P "strong" financial rating (despite limited commercial base and taxes)

3

Building the Foundation

- Strong Financial Strategies
 - Good long-range financial forecasts updated frequently with Council and community
 - Sound financial practices (e.g., one-time money for reserves or one-time capital)
 - Reserves - operating, emergency and Revenue Stabilization Fund
 - No audit fundings for 10 years
 - AA+ bond rating
 - S&P "strong" financial rating (despite limited commercial base and taxes)

4

Building the Foundation

- No audit fundings for 10 years
- AA+ bond rating
- S&P “strong” financial rating (despite limited commercial base and taxes)

5

The Long-Term Issue

- Largest Revenue Source – Property Tax
- 1% Annual Increase will not support on-going Services
 - Police Contract – Increase 4 to 5% Annually
 - Inflation increasing at higher rate
 - Materials & Supplies increasing at or above inflation rate
 - Gasoline, asphalt, health benefits, concrete, staff costs
- Other revenues not keeping pace either

6

2005 Community Prioritization Exercise (Net Cost = Cost Less Dedicated Revenue)

#1 = \$12.9 M	#2 = \$5.5 M	#3 = \$2.8 M	#4 = \$0.4 M	Have To = \$4.7 M
Police – Patrol, Investigation, Traffic Enforcement	24 Hr - Customer Response Team	School Resource Officer	Celebrate Shoreline	Jail & Court Services
Economic Development	Emergency Management	Police Storefronts	Museum	Liability Insurance
Street Operations & Maintenance	Park & Facility Maintenance	Current Planning	Arts	City-wide Equipment & Supplies
Human Services	Recreation Programs	Community Information	Intergovt. Participation	City Hall Mortgage
Land Use/Building Permits	Traffic Services	Neighborhood Programs		
	Long-Term Planning	Pool		

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Short-Term Strategy to Close Budget Gaps in Closest Years

Effective July 1, 2007

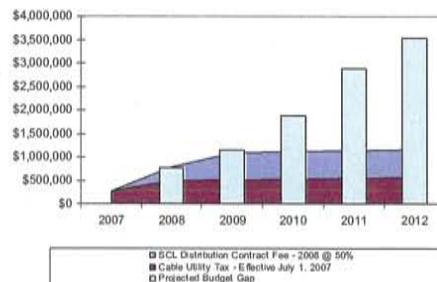
- Base Budget Reductions (\$78,000/yr)
- Increase Cable Utility Tax from 1% to 6% (\$500,000/yr)

Effective in 2008

- Fee Adjustments (\$47,000/yr)
- 3% Contract Payment from Seattle City Light on Distribution Portion of Electric Revenues (\$225,000/yr)

Effective in 2009

- Additional 3% Contract Payment for a total of 6% from Seattle City Light (\$225,000/yr)



8

Recommendations in 2006/2007

- Long-Term Strategy needed to address Structural problem
 - Establish a Citizen Committee to Explore
 - Property Tax Levy Lid Lift
 - Potential Election in 2009
 - Revenue Collection Starts in 2010

9

The Situation As Presented in March 2008

Year	Projected Budget Gap
2010	\$1 Million
2011	\$1.1 Million
2012	\$2 Million
2013	\$2.7 Million
2014	\$3.5 Million

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Citizen Committee Charter

- “Establish a Shoreline Community Advisory Committee to review and make recommendations to the City Council regarding the long-term strategy to provide City services and the funding of those services.”
- “The overall goal of the Community Advisory Committee (SCAC) will be to develop a recommendation to the City Council on the long-term strategy to provide community services and the funding mechanisms to provide those services.”

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Remember it is not all about the money

- The committee focus should not be strictly on money
- Broader perspective
 - Quality of Life
 - Values
 - What Do They Want Their Community to Be?
 - Their Investment of Their Tax Dollars
 - Why Shoreline?
 - What do they love? What would they change?

12

Committee Learned, Discussed & Debated

- **Meetings**
 - 20 Committee meetings, 3 Community Forums, and met with the City Council 2 times from March 2008 through April 2009
- **March 2008**
 - Survey Research – Citizen Satisfaction and Priorities (2006)
- **April 2008**
 - In-depth review of City Services
 - Cost Per Capita, Benchmarks to Other Cities
- **May 2008**
 - In-depth review of City Budget
 - Long-Term Financial Projections

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Committee Learned, Discussed & Debated

- **June - August 2008**
 - City Actions taken 2003-2008
 - In-Depth Review of Revenue Options
 - Property Tax Levy, Business Registration, Revenue Generating Business License, Increase in Gambling Tax Rate, Business & Occupation Tax, Increase in Utility Tax Rates, and Transportation Benefit District
 - In-Depth Review of City Services/Programs
 - Multi-year budget comparisons, Comparisons of revenue generating programs and tax supported programs, Identifying priority services
- **September 2008**
 - Interim Report to City Council

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Committee Learned, Discussed & Debated

- October 2008
 - Visioning Exercise (Planning Department)
- November 2008
 - Financial Policies
- December 2008
 - The Changing Financial Picture of Cities – Presented by Association of Washington Cities
 - How State Initiatives have Impacted Shoreline
 - Other City Comparisons

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Committee Learned, Discussed & Debated

- January 2009
 - Drafted Guiding Principles for Service Reductions
 - Identified priority services, debated across the board cuts vs. program reductions/eliminations
 - Prepared for Community Forums
- February 2009
 - Held 3 Community Forums – Test Their Recommendations
- March – April 2009
 - Reviewed Feedback from Community Forums
 - Finalized Recommendations & Report

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Preliminary Recommendations Presented at Community Forums

- Sustained Commitment to Efficiencies
- Maintain Current Levels of City Services
- Preferred Funding/Revenue Options
 - Council Approved
 - \$20 Vehicle License Fee for Transportation
 - Voter Approved
 - Additional License Fee for Transportation (\$21 - \$100)
 - Property Tax Levy Lid Lift (Above 1% Increase)
- Guiding Principles for Service Reductions – If Needed

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Committee Sponsored Community Forums

- 3 Held in the Month of February 2009
- Approximately 60 citizens attended
- Forums consisted of –
 - Presentation on City Values, Citizen Survey and City Finances
 - Presentation from Committee on preliminary recommendations
 - Questionnaire Survey to Get Feedback
 - Question & Answer Times
 - Break – Out Groups for citizens to provide more specific feedback to the committee on the recommendations

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Recommendations by Committee (15 of 18 Members Supported)

1. Sustain the City's commitment to efficiencies
2. Maintain services that preserve the quality of life that Shoreline residents and businesses value
3. Revenue Options
 - 2009 – Transportation Benefit District
 - Council Approved \$20 Vehicle License Fee for Transportation
 - Fall of 2010 or Later
 - Place a Property Tax Levy Lid Lift on the ballot for Voter Consideration
4. Guiding Principles for Service Reductions – If Needed
5. Expand Communication and Outreach

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Minority Opinion

- Concentrate on working smarter and spending the available dollars smarter.
- Potential loss of small business and sales tax revenue when raising property taxes
- Adopt firmer policies on regional issues
- Put to a vote any significant increase in indebtedness or cost to the citizen
- Protect Shoreline businesses from unfair and unequal tax assessments
- Complete disclosure of projected project and City department costs and their revenues

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Recommendation #3 Need for revenue enhancements

- Place a property tax levy lid lift on a future ballot for voter consideration
 - No earlier than fall of 2010, but possibly later
 - City should do additional polling research before placing on the ballot
 - Funding in 2010 budget
 - Increase for the preservation of specific services
 - Avoid any conflicting election dates with the School District

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Recommendation #3 Property Tax Levy Lid Lift

- I-747 said voters should be asked if property tax increase needed beyond 1%
- Each \$0.10 of levy = \$722,000 annual revenue
 - For each \$100,000 of AV it is a \$10 impact on property owner
 - Home valued at \$375,000 = \$37 increase
 - Need to consider impacts on businesses

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Recommendation #5 Provide on-going education regarding City services and finances to the Shoreline Community

- Phase I: Community Building and Education (Now through Early 2010)
 - *Property Taxes* – How does the 1% limit work
 - *City Services* – What services provided by the City, funding for services, services provided by other agencies
 - *Efficiencies* – What efficiencies has the City implemented?
 - *Continue to Clarify Priorities*
- Phase II: Dependent on Council Decisions (Spring/Summer 2010)
 - More direct information on property tax levy lid lift process
- Methodology
 - Speakers Bureau – Go to where the people are
 - Shoreline Enterprise & City Currents
 - Sponsored Community Forums
 - Use creative technology on the web
 - Open Houses

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Communication Strategy

- Messages
 - Hired Consultant to Help Us Focus
 - The Taxpayer is the Hero, Their Investment, Tell Stories – how has City made a difference
- Citywide newsletter/website stories
 - Strategic Plan on Information to Communicate
- Videos
- Involve Stakeholders/"Quality of Life Partners"
- Community presentations
 - You will need staff support and time allocated for this

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Citizen Input

- Citizen Satisfaction Surveys
 - Doing Since 2004
 - Every 2 Years
- 2008 Long-range financial citizen committee
- 2010 Polling
 - The Triangle
 - Do They Trust You?
 - Is It a Worthwhile Expenditure?
 - Is it a Reasonable Cost?

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General Mood

Do you feel things in the City of Shoreline are generally going in the right direction, or do you feel things have gotten pretty seriously off on the wrong track?

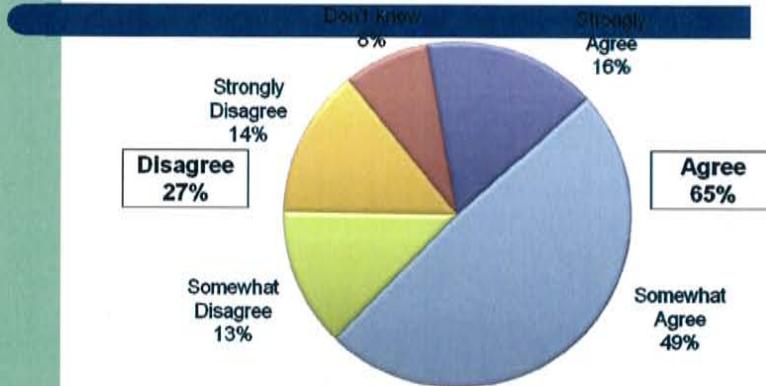


Thinking about the economy, over the next year do you think things will get better, get worse, or stay about the same?



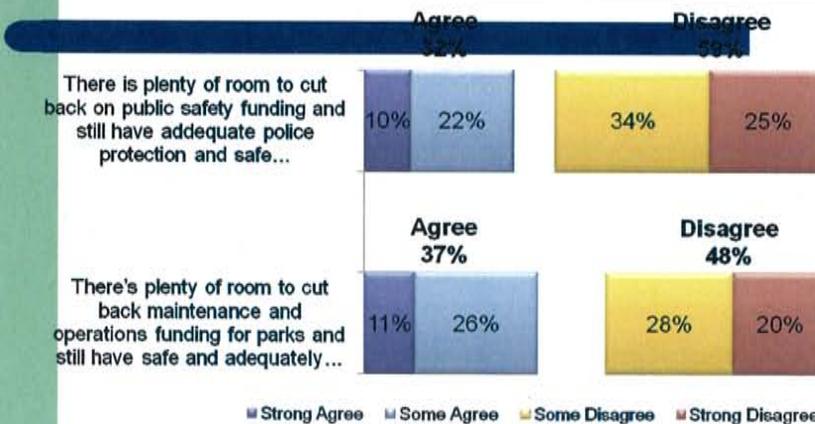
Trust City on Spending

I trust the City of Shoreline to spend my tax dollars responsibly.



Room for More Cutbacks?

Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements. If you do not have an opinion one way or the other, please just say so.



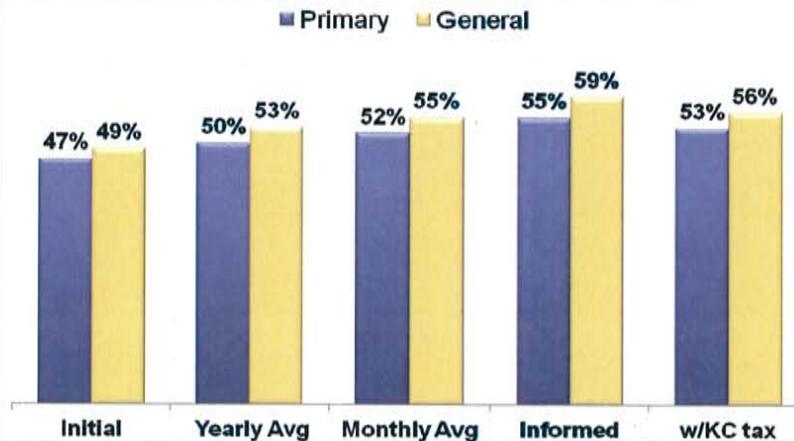
Polling Priority Summary

- *"Safety" is a key theme in residents' top priorities for City spending.*
 - *"Preserving neighborhood police patrols" is residents' top priority.*
 - *Safe playgrounds and safe parks and trails are also top priorities.*
- *A strong majority of residents found all of the information about why the measure is needed and how the funds might be used to be important.*
 - *The most important information focused on preserving parks for future generations, having a dedicated revenue source for public safety, and on the City's efforts to reduce costs and assure efficiency.*

Polling Funding Summary

- *Support for both options is higher in the 2010 General than the 2010 Primary.*
- *Support for Option B (total levy mil rate of \$1.30) is 6-8 points higher than support for Option A (total levy mil rate of \$1.40).*
- *Support for both options increases when respondents are told the average cost of the levy.*
- *The King County sales tax measure reduces support for Option A by 2-3 points and for Option B by 1-2 points.*
- *A public safety-only measure (no parks funding) would likely reduce overall support for the levy.*

Summary of Support 30 Cent Increase = \$11 Month



Shoreline Proposition 1

- Approved by Council 6-1 to be on ballot
- Provides funding to maintain current services:
 - Basic Public Safety Programs
 - Neighborhood Police Patrols, Crime Prevention Programs, School Resource Officer, East & West Storefront Programs
 - Maintaining and Operating Parks and Facilities
 - Playgrounds, Playfields, Pool
 - Community Services
 - Teen Programs, Senior Center, Human Services, Arts & Museum

Shoreline Proposition 1 November 2, 2010 Election

- 2011 Property Tax Rate = \$1.48/\$1,000 Assessed Value
 - Legal Limit = \$1.60/\$1,000
 - Rate in 2000 was \$1.60, 2001 was \$1.52
- Six Year Levy
 - Annual Levy Increase **Not to Exceed Inflation** (2012 – 2016)
 - Seattle CPI
 - Projected to average 2.4% Annually

	2012	2013	2014	2015	2016
Projected CPI	2.08%	2.33%	2.56%	2.61%	2.58%

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Shoreline Proposition 1 November 2, 2010 Election

- 2017 Levy based on 2016 Levy
 - Otherwise goes back to 2010 levy
- What will it Cost?
 - 2011 Averaged Value Home = \$325,000
 - 2011 Impact = \$91 or \$7.60/mo
 - Over Six Year Period
 - \$111/yr or \$9.25/mo
 - Each \$1 million value = \$280/yr or \$23/mo

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Ballot & Explanatory Statement

- Ballot Language is Critical
 - Use Polling Research to Help
 - Use an Expert to Help
 - This may be the only thing people see
 - Don't Under Estimate This Phase
- Explanatory Statement also Critical
 - Again – use the polling research

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Campaign

- You will need a “Yes” Committee
 - Need a strong leader
 - If you want it to pass it needs to be promoted
 - Need Endorsements
 - Fund Raise \$15,000
 - Signs, publications, mailers
 - Speakers Bureau, Door Belling
 - Staff & Council participation
- Assume you will have opposition

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Summary

- Successful - Passing with 56.2% Yes
- Long-Term Process
 - Political Commitment from Council
 - Strong Leadership from Directors
 - Citizen Involvement and Support
 - Support from Funding and Service Delivery Partners
- It is Not Just About the Money
 - Quality of Life