

**FINANCE & ADMINISTRATION  
COMMITTEE MEETING AGENDA FOR**

**May 17, 2021**

**1:15 p.m. – 3:15 p.m.**

The Spokane City Council's Finance & Administration Committee meeting will be held at **1:15 p.m. on May 17, 2021** as a Webex Meeting, 808 West Spokane Falls Boulevard, Spokane, Washington.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council.

The meeting will be open to the public, with the possibility of moving or reconvening into executive session only with the members of the City Council and the appropriate staff. No legislative action will be taken. No public testimony will be taken and discussion will be limited to appropriate officials and staff.

**AGENDA**

**I. Call to Order**

**II. Approval of Minutes from April 19, 2021 Meeting**

**III. Consent Items**

- A. Division BRT Locally Preferred Alternative Concurrence
- B. Federal Transit Authority Grant for TOD Land Use Planning
- C. 2021 Residential Chipseal
- D. SBO for Selection for Executive Recruitment Services

**IV. Discussion Requests**

- |                                                                            |                               |
|----------------------------------------------------------------------------|-------------------------------|
| A. Airport's Joint Resolution – King Beverage (10 min)                     | Larry Krauter                 |
| B. Airport's Joint Resolution – Wear Tek GRUBB LLC (10 min)                | Larry Krauter                 |
| C. Amusement Device Ordinance (5 min)                                      | Brian McClatchey              |
| D. Cannon Sheltering Services (5 min)                                      | Cassi Brown                   |
| E. Ordinance for Housing and ARP Fund Creation (5 min)                     | Michelle Hughes               |
| F. SBO for Fund 1630 for 3 Communication Specialist Positions (5 min)      | M. Hughes/B. Schaeffer        |
| G. SBO for Water Hydroelectric Services Employee Parking Lot Build (5 min) | Stephen Burns                 |
| H. SBO to Establish Budget Authority for the Cannon Day Shelter (5 min)    | Tonya Wallace                 |
| I. SBO for New Debt Management Software (5 min)                            | Tonya Wallace                 |
| J. SBO for Spokane Police Academy Training Range (5 min)                   | Paul Ingiosi                  |
| K. SBO for Park Playground Equipment (5 min)                               | Paul Ingiosi                  |
| L. SBO for Park Aquatics Support (5 min)                                   | Paul Ingiosi                  |
| M. SBO for City Recovery Plan (5 min)                                      | CM Mumm                       |
| N. Resolution for City Recovery Plan (5 min)                               | CM Mumm                       |
| O. Firefighters Truck SIP Purchase (5 min)                                 | CM Mumm                       |
| P. Resolution to Lift Hiring Freeze (5 min)                                | CM Wilkerson/Brian McClatchey |

**V. Committee Briefs**

- A. None

**VI. Standing Topic Discussions**

- |                                      |                                     |
|--------------------------------------|-------------------------------------|
| A. Monthly Financial Reports (5 min) | Paul Ingiosi                        |
| B. COVID Monthly Update (5 min)      | Meghann Steinolfson/Johnnie Perkins |

## **VII. Adjournment**

The next Finance & Administration Committee meeting will be on **Monday, June 21, 2021 at 1:15 p.m.**

*AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [msteinolfson@spokanecity.org](mailto:msteinolfson@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.*

*“A good financial plan is a road map that shows us exactly how the choices we make today will affect our future”  
– Alexa Von Tobel*

**STANDING COMMITTEE MINUTES**  
**City of Spokane**  
**Finance & Administration Committee**  
**April 19, 2021 – DRAFT**

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**Attendance**

Council Member Becky Wilkerson, Council Member Candace Mumm, Council President Breean Beggs, Council Member Karen Stratton, Council Member Kate Burke, Council Member Lori Kinnear, Council Member Michael Cathcart, Mark Carlos, Tonya Wallace, Hannahlee Allers, Amie Blain, Alisha Shaw, Brandi Pritchard, Breanna Perry, Brian McGinn, Garrett Jones, Jacob Hensley, Kristen Becker, Marlene Feist, Michael Sloon, Michelle Hughes, Paul Ingiosi, Shauna Harshman, Tara Alfano, Kelly Collins, and Tyler Benner

**I. Call to Order**

This meeting started at 1:17 p.m. and was conducted through Webex.

**II. Approval of Minutes**

Meeting Minutes for March 15, 2021 were approved.

**III. Consent Items Approved without Discussion:**

- A. Ordinance Repealing Capital Fund Accounts
- B. K&L Gates – Outside Counsel Contract Amendment
- C. Purchase of CAT Backhoe
- D. Overhead Door/NationServe Contract Renewal

**IV. Discussion Requests**

- A. SBO for Mail Courier – Mike Sloon  
Mike Sloon advised this was approved in 2020, but required additional work with Local 270. He advised this is for .5 FTE and is part of the current budget. Please see the agenda packet for documents submitted to the committee.
- B. SBO for Water Yards East Parking Upgrade – Steve Burns  
Steve Burns explained this is a request to move from the Unappropriated Reserves account to the Fixed Assets account. CP Beggs requested more information regarding the reasoning for this due to the expense. Steve explained that previous plans have not been carried through, and with this being next to the District 81 School under construction, it is a good location. Marlene Feist provided more insight into the need for the lot in this location, and she explained that it will make the Water Department valuable in the neighborhood. CM Mumm mentioned that this will provide free parking for employees at this location, and there is an equity issue since employees at other locations do not have free parking. Marlene Feist advised all employees have free bus passes, and there are other sites that offer free parking for employees, such as the Nelson Service Center. She also advised that it is an improvement that is consistent with other parking areas. CP Beggs requested a cost breakdown. Steve Burns advised that the current estimate is an engineer's estimate. Please see the agenda packet for documents submitted to the committee.
- C. SBO for 2021 Windstorm Expenses – Paul Ingiosi  
Please see the agenda packet for documents submitted to the committee.

- D. SBO for Parks & Recreation/Golf SIP Carryover – Michelle Hughes  
Michelle explained the background behind the previous carryovers, and that this item is a housekeeping item for the final draw, which is the next item on the agenda. Please see the agenda packet for documents submitted to the committee.
- E. Resolution for Final SIP Loan Draw for Golf Courses – Michelle Hughes  
Please see the agenda packet for documents submitted to the committee.
- F. SBO for Ulupalakua Lease Extension for Spokane EnVision Site – CP Beggs  
CP Beggs explained that the lease is in the City's name, and the City will sign an agreement with Spokane Workforce Center for reimbursement for the time period of December 1, 2020 through May 31, 2021. After May 31, 2021, Spokane County is interested in splitting costs with the City to continue. CM Kinnear asked if anyone has an update on the site's success since it is a very expensive project, and there seems to be a lot of space. CP Beggs confirmed that documentation can be obtained to show the progress. CM Stratton stated that she has visited the site personally and that it is very impressive. She said they have set up a food bank, and she has referred constituents to the site. Please see the agenda packet for documents submitted to the committee.
- G. Lease Extension for Spokane EnVision Site – CP Beggs  
Please see the agenda packet for documents submitted to the committee.
- H. Hearing Examiner ILA – Brian McGinn  
Brian McGinn explained a backup Hearing Examiner is needed, and this agreement is very similar to other City agreements for Hearing Examiner services. Please see the agenda packet for documents submitted to the committee.
- I. SMC for Parking and Fee Schedule – Kris Becker  
Kris Becker explained this is resulting from the 2019 parking study. Please see the agenda packet for documents submitted to the committee.
- J. Fastenal Value Blankets – Thea Prince  
Thea Prince explained this is a value blanket that can be used by multiple departments for vending machines for employees. She explained we have used Fastenal for the last five years.
- K. Source of Income Ordinance – CP Beggs  
CP Beggs explained that this is an expansion of Section 8 protection to Rental Assistance. He also mentioned that since the state recently passed the "Just Cause" eviction language, this ordinance may not be needed. CM Cathcart asked if this expense is being covered by the City 100%. CP Beggs confirmed the City is covering the expense 100%, and that landlords would not be responsible for any portion. CM Stratton discussed with CP Beggs about possibly using federal dollars. Please see the agenda packet for documents submitted to the committee.

## **V. Committee Briefs**

- A. SAO Exit Report – Tyler Benner and SAO Representatives  
Tyler Benner introduced the SAO team. They included Alisha Shaw, Breanna Perry, Tara Alfano, Kelly Collins, and Brandi Pritchard. CM Kinnear and CP Beggs have requested additional information regarding the City directors and staff involved in the discussions and interviews. Council members discussed future process discussions. Please see the agenda packet and attached presentation for documents submitted to the committee. The final version of the State Auditor's report can be found [here](#).



- B. Priority Based Budgeting – Tonya Wallace  
Tonya Wallace presented the Priority Based budgeting plan for 2021. CM Kinnear requested moving the final approval up to the middle of December 2021, from December 31, 2021. CM Cathcart asked for clarification regarding the Council meetings, and Tonya confirmed they are full Council meetings. CP Beggs mentioned that the Capital Budget process was a difficult process last year, and he asked for Council input prior to it being taken to the Planning Commission. He also suggested having a dedicated discussion regarding the Public Safety Levy. CP Beggs requested an update on the funding for the consulting RFP for Police and Fire overtime. Tonya advised that project will be commencing within the next 60 days, due to being postponed during the Questica project. CM Mumm requested an update on playground equipment and related budgeting. Tonya Wallace advised she will work to provide a timely update on this item. Please see the agenda packet for documents submitted to the committee.

## **VI. Standing Topic Discussions**

- A. COVID Monthly Update – Marlene Feist  
Marlene Feist provided a COVID update. CM Mumm discussed with Marlene possible opportunities to provide information related to COVID, such as testing and vaccination, to the public. CM Cathcart and Marlene discussed reopening plans for employees. Please see the attached presentation.
- B. Monthly Financial Reports – Paul Ingiosi  
Paul Ingiosi reviewed the monthly financial reports. Please see the agenda packet and attached presentation for documents submitted to the committee.
- C. Quarterly Investment Update – Jake Hensley  
Please see the agenda packet and attached presentation for documents submitted to the committee.
- D. SIP Loan Update – Jake Hensley  
Please see the agenda packet for documents submitted to the committee.

## **VII. Adjournment**

The meeting was adjourned at 3:02 p.m. The next meeting is scheduled for May 17, 2021 at 1:15 p.m.

Prepared by:

Amie Blain

Approved by:

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Chair

Council Member Betsy Wilkerson

For further information contact: Amie Blain, 509-625-6585



## Office of the Washington State Auditor

Pat McCarthy

### Exit Conference: City of Spokane

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

#### Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2019 through December 31, 2019 - see draft report.

#### Audit Highlights

- We appreciate the City's commitment to safeguarding public funds and developing control systems that ensure compliance with laws and regulations.
- We would like to thank the City directors, management, and staff for their professionalism and for making every effort to provide us with requested documents timely.

#### Recommendations not included in the Audit Reports

##### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### Finalizing Your Audit

##### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

##### **Management Representation Letter**

We have included a copy of representations requested of management.

##### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$150,000 and actual audit costs will approximate that amount.

## **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in May 2021 and will cover the following general areas:

- Financial Statement [including Comprehensive Annual Financial Report Opinion Letter]
- Federal Programs

The estimated cost for the next audit based on current rates is \$260,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

### **Questions?**

Please contact us with any questions about information in this document or related audit reports.

**Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)**

**Brandi Pritchard, CFE, Assistant Director of Local Audit, (360) 489-4591, [Brandi.Pritchard@sao.wa.gov](mailto:Brandi.Pritchard@sao.wa.gov)**

**Alisha Shaw, Program Manager, (509) 329-3702, [Alisha.Shaw@sao.wa.gov](mailto:Alisha.Shaw@sao.wa.gov)**

**Tara Alfano, Assistant Audit Manager, (509) 329-3702, [Tara.Alfano@sao.wa.gov](mailto:Tara.Alfano@sao.wa.gov)**

**Breanna Perry, Audit Lead, (509) 329-3702, [Breanna.Perry@sao.wa.gov](mailto:Breanna.Perry@sao.wa.gov)**

## AUDIT RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, City operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we identified areas where the City could make improvements. These recommendations are included with our report as a finding.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of the City of Spokane from January 1, 2019 through December 31, 2019.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the City's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

The City contacted the State Auditor's Office in March 2020 requesting a special review of activities in the Community Housing and Human Services (CHHS) Department because of concerns Department staff raised. Specifically, the concerns related to the procurement of public works contracts, evaluation and award of sub-recipient agreements, potential conflicts of interest and inappropriate payments for contracted services.

Based on our risk assessment for the year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- CHHS Department – public works procurement, awarding of sub-recipient agreements, conflicts of interest, and compliance with contract payment terms

- Procurement – sole source exemptions, purchases and public works project change orders
- Utility billing – credit program eligibility and billing adjustments
- Accounts payable – fuel and travel credit card expenditures, employee travel reimbursements, and payroll and vendor electronic funds transfers
- Compliance with the allowable use of federal grant funds – Congestion Mitigation and Air Quality Program
- Police Department cash receipting – timeliness and completeness of deposits and use of fee schedules

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **2019-001 The City's Community Housing and Human Services Department bypassed established internal controls regarding procurement of public works contracts, conflicts of interest, sub-recipient agreements, and contractor payments.**

#### ***Background***

The City's Community Housing and Human Services Department (Department) oversees services and community partnerships to support low to moderate income populations in Spokane. In fiscal year 2019, the Department operated on a \$9 million budget. The Department awards grant and local funds through agreements with sub-recipients that provide services to the community. The Department also manages properties and public works projects related to these services. The Department experienced turnover in the Department Director position three times from 2016 through 2019.

City Department directors are responsible for designing and following internal controls that provide reasonable assurance of compliance with state laws and City policies and of safeguarding public resources.

The City contacted the State Auditor's Office in March 2020, requesting a special review of activities in the Department because of concerns Department staff raised. Specifically, the concerns related to the procurement of public works contracts, evaluation and award of sub-recipient agreements, potential conflicts of interest and inappropriate payments for contracted services.

#### ***Description of Condition***

##### ***Public works procurement***

For public works projects, the City's purchasing policy requires informal competition using the small works roster when project costs are between \$10,000 and \$300,000.

Our audit found the Department did not comply with City policy and procedure for two public works contracts awarded in 2019. Specifically, for these public works contracts for flooring repairs of \$11,400 and \$13,300, the Department could not provide documentation to demonstrate it performed informal solicitations, as City policy requires.

### *Sub-recipient agreements*

The Department does not have adopted policies or written procedures for awarding sub-recipient agreements for necessary services. The Department's informal practice is to solicit services from sub-recipients by posting a request for proposals (RFP) on the City's website and then performing risk assessments and evaluations of proposals received to select the most qualified sub-recipient.

We reviewed three sub-recipient agreements approved in 2019 of \$881,482, \$740,000 and \$495,841 for warming center and shelter operations. The Department could not provide evidence it followed its practice and solicited an RFP or performed a competitive bidding process for these agreements.

### *Conflict of interest*

The City's Municipal Code and state law prohibit municipal officers or employees from participating in the making of contracts in which the officer or employee has a beneficial or personal interest, either directly or indirectly. The Municipal Code requires employees to notify supervisors or appointing authorities of potential conflicts of interest and for supervisors or appointing authorities to resolve and document the disposition of the potential conflicts of interest.

In our review of the three sub-recipient agreements noted above, we found two of the agreements awarded had an appearance of a conflict of interest, which may violate the City's Municipal Code and state law. Further, there was no documentation to evidence the Department or City resolved the potential conflicts of interest. Specifically, we noted:

- In November 2019, the Department recommended for award a \$740,000 agreement to a sub-recipient, despite the Department identifying the sub-recipient as "high risk" during a July 2019 selection process. According to the Pre-Award Applicant Risk Assessment Summary form, the sub-recipient was deemed high risk, in part, due to an unclear relationship with a charitable organization the sub-recipient identified as a partner. Additionally, according to Department staff, a City Council member participated in the July 2019 award process. The Public Disclosure Commission website shows that the founders of the charitable organization contributed to the City Council member's mayoral election campaign in 2019. Although the City did not award the July 2019 agreement to the sub-recipient, this relationship still existed at the time the Department recommended, and the City awarded, the November 2019 agreement to the high risk sub-recipient.

- The Department also recommended for award one sub-recipient agreement for \$495,841 in November 2019. According to Department staff, a Department Director responsible for the shelter and warming center programs participated in awarding the agreement and then left the City for employment with the sub-recipient. We noted the Department Director left the City in October 2019 before the City approved the agreement.

#### *Gifts of public funds*

The Washington State Constitution, Article 8, Section 7 prohibits local governments from giving any money or credit to or in aid of any individual, association, company or corporation except for the necessary support of the poor and infirm. The Department awarded one consulting agency agreement of \$15,000 in 2017 to provide free housing legal clinics to citizens, and the agreement terms stated the “City will reimburse the consultant at actual cost for expenditures that are pre-approved by the City in writing and are necessary and directly applicable to the work required by this agreement . . .

The Department reimbursed the consulting agency for two mortgage payments and one car loan payment for one of the agency’s employees in 2017 totaling \$2,453, which are personal, non-business expenses. According to Department staff, a Department Director approved making the payments to the consulting agency as an alternative form of compensation for the employee’s service hours worked under the agreement, contrary to the express terms of the agreement.

#### *Cause of Condition*

According to the City, Department staff felt pressure and influence from Department directors, and those Department directors felt pressure and influence from a City Council member to approve projects, contracts, agreements and transactions that bypassed established internal controls, Department practices and the City’s adopted policies and procedures.

#### *Effect of Condition*

##### *Public works procurement*

Because the Department did not comply with the City’s purchasing policy and procedure, it cannot ensure it allowed for fair and equitable opportunities for contractors to submit quotes on public works projects and that it received the lowest responsible bidder for the projects.



### *Sub-recipient agreements*

Without written policies and procedures, the Department cannot ensure employees follow a consistent and equitable process to evaluate, select and award agreements to the most qualified sub-recipients.

### *Conflict of interest*

The City Council member and Department Director did not comply with the City's Municipal Code to notify supervisors or appointing authorities in writing when they identified the appearance of conflicts of interest. Therefore, there was no resolution and disposition of the potential conflicts before City employees and elected officials participated in awarding sub-recipient agreements. Any actual or potential conflicts of interest could violate the City's Municipal Code and state law.

### *Gifting of public funds*

In 2017, the Department did not comply with agreement terms to reimburse the consulting agency for the actual cost of expenditures that are necessary and directly applicable to the work required by the agreement. The Department did not have any other documentation showing the City pre-approved these costs as allowable business expenses or that the consulting agency had performed the agreed upon services in accordance with the agreement terms for the amounts paid. Further, the Department's reimbursement to the consulting agency for personal expenses might be considered a gift of public funds and might violate the State Constitution.

### ***Recommendations***

The Department should follow its established internal controls and practices and comply with City policies and procedures. Specifically, the Department should:

- Follow the City's purchasing policy and procedure for the procurement of public works projects
- Establish written policies or procedures to ensure employees use a consistent and equitable process to evaluate, select and award agreements to sub-recipients
- Ensure employees and elected officials notify supervisors or appointing authorities in writing when they have actual or potential conflicts of interest and resolve and document the disposition of such conflicts of interest in accordance with the City's Municipal Code
- Communicate methods that allow employees to report improper actions or concerns

- Reimburse consultants for actual and appropriate business expenses and maintain documentation to demonstrate consultants perform necessary and applicable work in accordance with agreement terms

## ***City's Response***

*The Community, Housing and Human Services Department (CHHS) of the City of Spokane appreciates the State Auditor's Office for its comprehensive and timely response to the request to evaluate the process and procedures related to public works procurement processes, conflicts of interest, sub-recipient agreements and the gifting of public funds. Though this work was initiated by the City of Spokane, your recommendations for how we can improve the delivery of services and provide appropriate oversight and accountability is appreciated and will guide departmental procedures moving forward. Thank you for the opportunity to respond to the audit recommendations. We acknowledge the findings and have developed a course of action that will ensure CHHS staff are fully educated and aware of the methods to report improper actions or raise concerns. This audit response specifically addresses the following areas:*

### ***1) Public Works Procurement***

*Within six months of the date indicated on this response letter, the CHHS department, in collaboration with other subject-matter expert department and disciplines for development, review, and implementation, will:*

- *Establish protocol and implement a training program facilitated by the City's Purchasing department that addresses and aligns with specific sections of the City's adopted policies and procedures with the City's Procurement of Goods, Services and Works outlined in Spokane Municipal Code Title 07, Chapter 06. The training program will be designed in a manner that promotes proficiency and understanding of the established protocol.*
- *Collaborate with Human Resources and the Purchasing department to ensure that all staff have been provided training on Personnel Policies and Procedures regarding how to report fraud, waste, abuse and whistleblower protections.*
- *Include a training program in onboarding of future CHHS department employees facilitated by the City's Purchasing department that addresses and aligns with specific sections of the City's adopted policies and procedures with the City's Procurement of Goods, Services and Works outlined in Spokane Municipal Code Title 07, Chapter 06. The training program will be designed in a manner that promotes proficiency and understanding of the established protocol.*

- *Require current and future staff to participate in and acknowledge completion of training through and electronic training platform.*

*Additionally, annually CHHS department leadership and employees will:*

- *Review current or updated specific sections of the City's adopted policies and procedures with the City's Procurement of Goods, Services and Works outlined in Spokane Municipal Code Title 07, Chapter 06.*
- *Review current or updated Personnel policies and procedures regarding how to report fraud, waste, abuse and whistleblower protections.*

## **2.) Sub-recipient Agreements**

*Within six months of the date indicated on this response letter, the CHHS department, in collaboration with other subject-matter expert departments and disciplines for development, review, and implementation, will develop and implement written policies and procedures related to sub-recipient agreement selections based on funder requirements and established best practices that include a transparent process. These policies and procedures will:*

- *Require employees to use a consistent and equitable process to evaluate, select and award agreements to sub-recipients.*
- *Require all selection committee members, including elected officials, to acknowledge with their signature having received and read conflict of interest policies and procedures. In addition to receiving and reading the policy, members should sign a form declaring any potential conflicts and fitness to participate in that specific award process. These documents will be retained as part of the RFP process.*
- *Ensure consultants are reimbursed for actual and appropriate business expenses and maintain documentation to demonstrate consultants perform necessary and applicable work in accordance with agreement terms. The program manager shall sign or electronically approve the payment for processing and review by a separate, independently managed department.*

## **3.) Conflict of Interest**

*Within six months of the date indicated on this response letter, the CHHS department employees and elected officials will:*

- *Review the notification process and written documentation requirements for actual and potential conflicts of interest in accordance with specific sections Spokane Municipal Code.*
- *Review and acknowledge specific sections of The Washington State Constitution, Article 8, Section 7, Revised Code of Washington Law 42.23.030 and Spokane Municipal Code Title 01, Chapter 04A, Section 030*

*addressing Code of Ethics and Prohibited Conduct, prohibited interest in contracts and credit not be loaned to states.*

- *Sign a form indicating acknowledgement of reading aforementioned City municipal codes and understanding disposition of conflicts of interests. In addition to receiving and reading the policy, members should sign a form declaring any potential conflicts and fitness to participate in that specific award process. These documents will be retained as part of the RFP process.*

*Additionally, future employees of the CHHS department and elected officials will:*

- *Be informed of this process during the onboarding and training process.*
- *Provide ongoing education and review updated policies regarding conflict of interest.*

#### **4.) Gifting of Public Funds**

*Within six months of the date indicated on this response letter, the CHHS department will:*

- *Require current employees to attend and complete the Gifting of Public Funds training provided by Municipal Research and Services Center (MRSC) that references The Washington State Constitution, Article 8, Section 7 and Spokane Municipal Code Title 01, Chapter 04A, Section 030 addressing Code of Ethics and Prohibited Conduct. Following the training, employees will be required to sign a form acknowledging the training.*
- *Provide CHHS department specific training with a detailed process for CHHS leadership and staff members to use if an invoice or document is in question. The training program will be designed in a manner that promotes proficiency and understanding of the established protocol.*

*Moving forward, employees of the CHHS department will:*

- *Attend and complete the Gifting of Public Funds training provided by MRSC as part of the onboarding and training process.*
- *Require employees to stay proficient by participating in updated or refresher MRSC trainings or information regarding changes and best practices for use of public funds.*

*Finally, as an overall measure, the City's Performance Audit team will be periodically engaged to review and identify other potential control gaps requiring attention and mitigation. That team will work with the CHHS Department and City Council to proactively strengthen any identified training and process needs. The City will also renew efforts to raise awareness of ways employees can raise*

*concerns to their supervisors, human resources, and/or anonymously through contracted resources as desired and appropriate.*

*We appreciate the State Auditors due diligence and thorough assessment of CHHS operations and the recommendations provided to guide policies and procedures moving forward.*

### ***Auditor's Remarks***

We appreciate the City being proactive in identifying risks and bringing these concerns to our attention. The City was very helpful during our review and we appreciate its commitment to strengthening internal controls and its policies and procedures. We will continue to work with the City as it implements policies and procedures and are committed to providing any guidance or resources we can to help the City establish strong control systems. We will review the status of corrective action taken during our next audit.

### ***Applicable Laws and Regulations***

City Purchasing Policy, Section 5.3.4, Public Works, states:

All informal competition purchases in this category require the use of the Small Works Roster.

Purchases \$10,000 or less do not require competition.

Purchases over \$10,000 to \$300,000 require informal competition.

Purchases over \$300,000 require formal competition.

City Purchasing Policy, Section 5.2, Purchasing Code of Ethics, states in part:

Employees making procurements for the City shall conduct themselves in an ethical manner as follows:

They shall not participate in the selection, award or administration of a purchase if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee or member of the employee's immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for contract.

They will behave with impartiality, fairness, openness, integrity, and professionalism in their dealings with suppliers.

City Municipal Code, Chapter 01.04A Code of Ethics, Section 01.04A.030 Prohibited Conduct, states in part:

The following shall constitute a violation of this Code of Ethics:

A. General Prohibition Against Conflicts of Interest.

In order to avoid becoming involved or implicated in a conflict of interest or impropriety, or an appearance of conflict of interest or impropriety, no current City officer or employee shall have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction or professional activity, or incur an obligation of any nature, that might be seen as conflicting with the City officer or employee's proper discharge of his or her official duties, the conduct of official City business or as adverse to the interests of the City. Performance of a legally required duty by a City officer or employee shall not be considered a violation of the Code of Ethics.

1. Any employee who becomes aware that he or she might have a potential conflict of interest that arises in the course of his or her official duties shall notify in writing his or her supervisor or appointing authority of the potential conflict.
2. Upon receipt of such a notification, the supervisor or appointing authority shall take action to resolve the potential conflict of interest within a reasonable time, which may include, but is not limited to, designating an alternative employee to perform the duty that is involved in the potential conflict. The supervisor or appointing authority shall document the disposition of the potential conflict in writing in files maintained by the appointing authority. The supervisor or appointing authority may request an advisory opinion from the Ethics Commission before addressing and resolving of the potential conflict.

B. Personal Interests in Contracts Prohibited.

No City officer or employee shall participate in his or her capacity as a City officer or employee in the making of a



contract in which he or she has a personal interest, direct or indirect, or performs in regard to such a contract some function requiring the exercise of discretion on behalf of the City. Except, that this prohibition shall not apply where the City officer or employee has only a remote interest in the contract, and where the fact and extent of such interest is disclosed and noted in the official minutes or similar records of the City prior to formation of the contract, and thereafter the governing body authorizes, approves or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the City officer(s) having the remote interest as defined below.

**D. Personal Influence in Contract Selection Prohibited.**

No City officer or employee shall influence the City's selection of, or its conduct of business with, a corporation, person or firm having or proposing to do business with the City if the City officer or employee has a personal interest in or with the corporation, person or firm, unless such interest is a remote interest and where the fact and extent of such interest is disclosed and noted in the official minutes or similar records of the City prior to formation of the contract, as defined in the preceding section. Provided, however, that no City officer or employee may receive anything of value from the City as a result of any contract to which the City shall be a party except for the City officer or employee's salary or lawful compensation.

RCW 42.23.030 – Interest in contracts prohibited, states in part:

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein.

Washington State Constitution, Article 8, Section 7 – Credit Not to Be Loaned states:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.



## RELATED REPORTS

### Financial

Our opinion on the City's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the City's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

A financial statement audit over the City's pension trust fund, Spokane Employees' Retirement System, was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the City's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE CITY

The City of Spokane is the second largest city in the state with an estimated population of 222,000 residents. The City was incorporated in 1881 and adopted its first charter in 1910. The City provides police, fire, inspection, street, library, parks and recreation, traffic engineering, water, sewer, solid waste and general administrative services. In 2001, the City changed to a strong-mayor form of government.

An elected, seven-member Council and an independently elected Mayor govern the City. The Council appoints management to oversee the City's daily operations and its 2,100 employees. For fiscal year 2019, the City operated on an annual general fund budget of approximately \$183.6 million.

### Contact information related to this report

Address:	City of Spokane 808 W. Spokane Falls Blvd. Spokane, WA 99201-3304
Contact:	Sally Stopher, Director of Grants, Contracts and Purchasing
Telephone:	509-625-6032
Website:	<a href="http://www.spokanecity.org">www.spokanecity.org</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the City of Spokane at <http://portal.sao.wa.gov/ReportSearch>.



CITY OF SPOKANE  
808 W. SPOKANE FALLS BLVD.  
SPOKANE, WASHINGTON 99201-3327  
509.625.6250

March 15, 2021

Washington State Auditor's Office  
316 W. Boone Avenue, Ste. 680  
Spokane, WA 99201

To the Office of the Washington State Auditor:

We are providing this letter in connection with your accountability audit of the City of Spokane for the period from January 1, 2019 through December 31, 2019. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.



Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

**General Representations:**

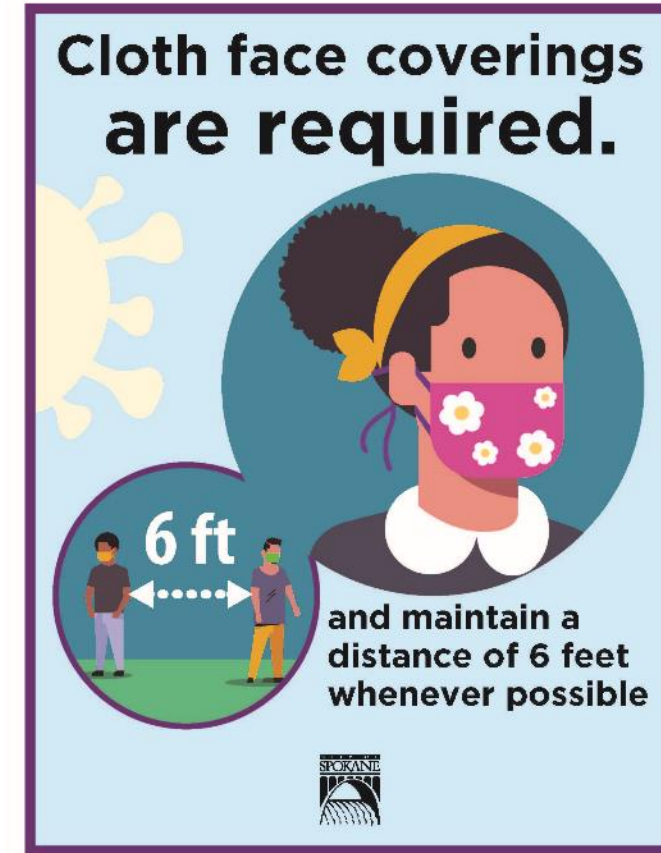
1. We have provided you with unrestricted access to people you wished to speak with and made available requested and relevant information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.
  - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.

3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.
10. We are responsible for taking corrective action on audit findings and have developed a corrective action plan.

  
\_\_\_\_\_  
Nadine Woodward  
Mayor  
\_\_\_\_\_  
Sally Stopher  
Director of Grants, Contracts,  
and Purchasing

# Managing through COVID

- Making plans to reopen public counters:
  - City Hall – Floors 1 and 3
  - Fire Station 1
- Services:
  - 3-1-1, utility billing, taxes & licenses, dvlpr services center, etc.
- Tentative Reopening Date = May 3
  - Dependent on staying in Phase 3
- What would it look like:
  - Soft reopening
  - Initially limited hours
  - Some services may require appointments
  - Adherence to best practices – masking, physical distancing
    - Distancing dots, plexiglass dividers, extra cleaning
- Plans are being reviewed; more details to come



**From:** [Ingiosi, Paul](#)  
**To:** [City Council Members and Staff](#)  
**Cc:** [Wallace, Tonya](#); [Blain, Amie](#)  
**Subject:** March 2021 Financial Report - Finance Committee - 4/19/21  
**Date:** Monday, April 19, 2021 3:09:11 PM  
**Attachments:** [3. Finance Committee 4-19-21 Monthly Reports - March 2021.pdf](#)

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Council Members and Staff,

Attached is the PDF version of the PowerPoint we shared at today's Finance & Administration Committee meeting.

A couple of quick notes:

- Page 4, Fines & Forfeits (Traffic & Parking Violations) actually had the highest year-to-date dollar variance; Business Taxes (Taxes on Private Utilities) were actually second
- Page 6, this shows the month-to-month percent changes in sales tax distribution (Spokane's March 2021 was 21% less than February 2021)
- Page 8, this shows the year-to-year percent changes in sales tax distribution (Spokane's March 2021 was 1% more than March 2020)

Please let us know if you have any questions or comments.

-Paul

Paul Ingiosi  
Director of Management and Budget  
Finance Department  
City of Spokane  
(509) 625-6061 – Office  
(509) 655-0061 – Mobile

# Finance Committee

## Monthly Reports – March 2021

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FINANCE AND ADMINISTRATION

APRIL 19, 2021

# Monthly General Fund Report

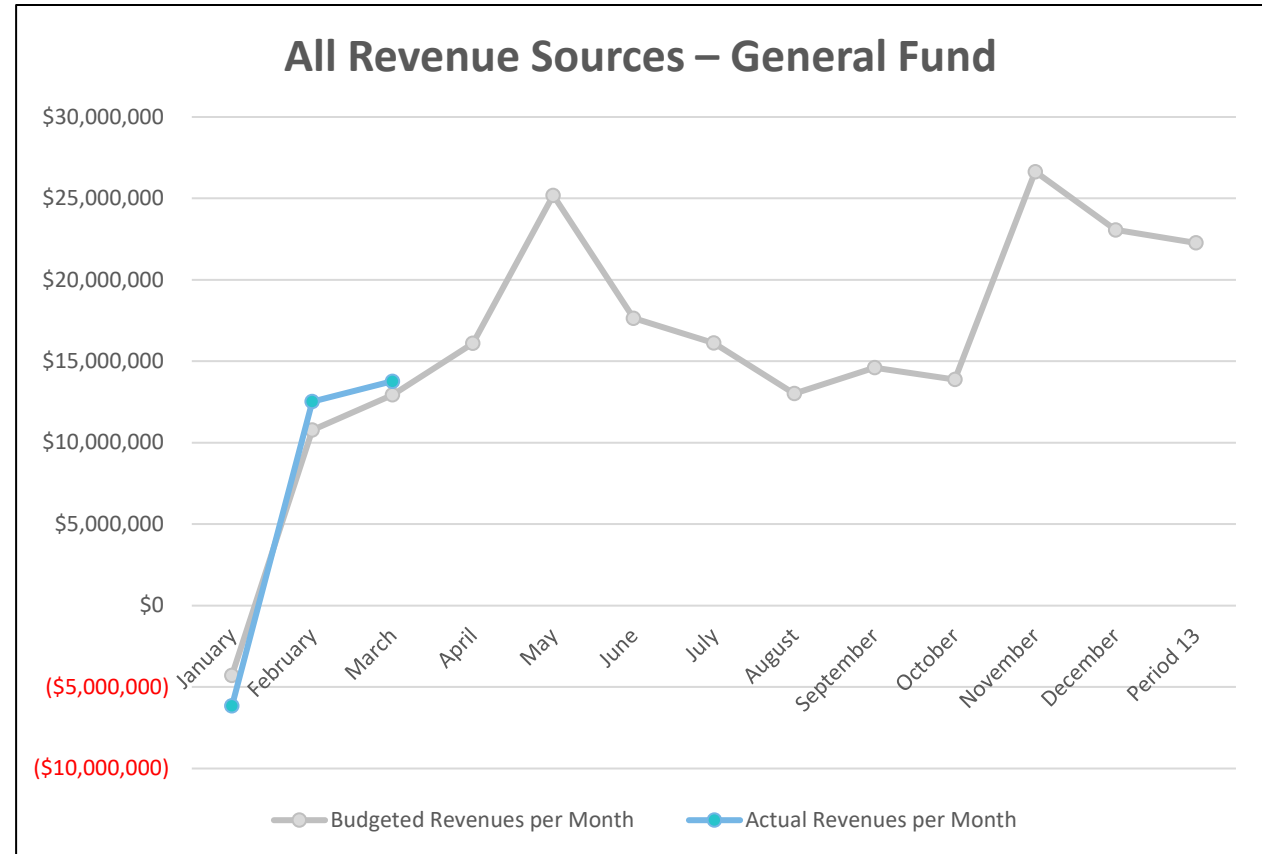
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- GF Revenues are approximately 2% above budget through March
  - \$20.1 million collected against \$19.7 million budget
  - Primarily due to timing of charges and revenue received
  - Sales, Property, and Utility are approximately 2% below budget through March
- GF Expenditures are approximately 4% below budget through March
  - \$46 million in expenses against \$48 million budget
  - Salaries and Benefits - \$2.5 million under budget
- Uniform OT – Through March, Police and Fire had spent 21% and 51% of their respective annual OT budgets



# Monthly General Fund Report - Revenue

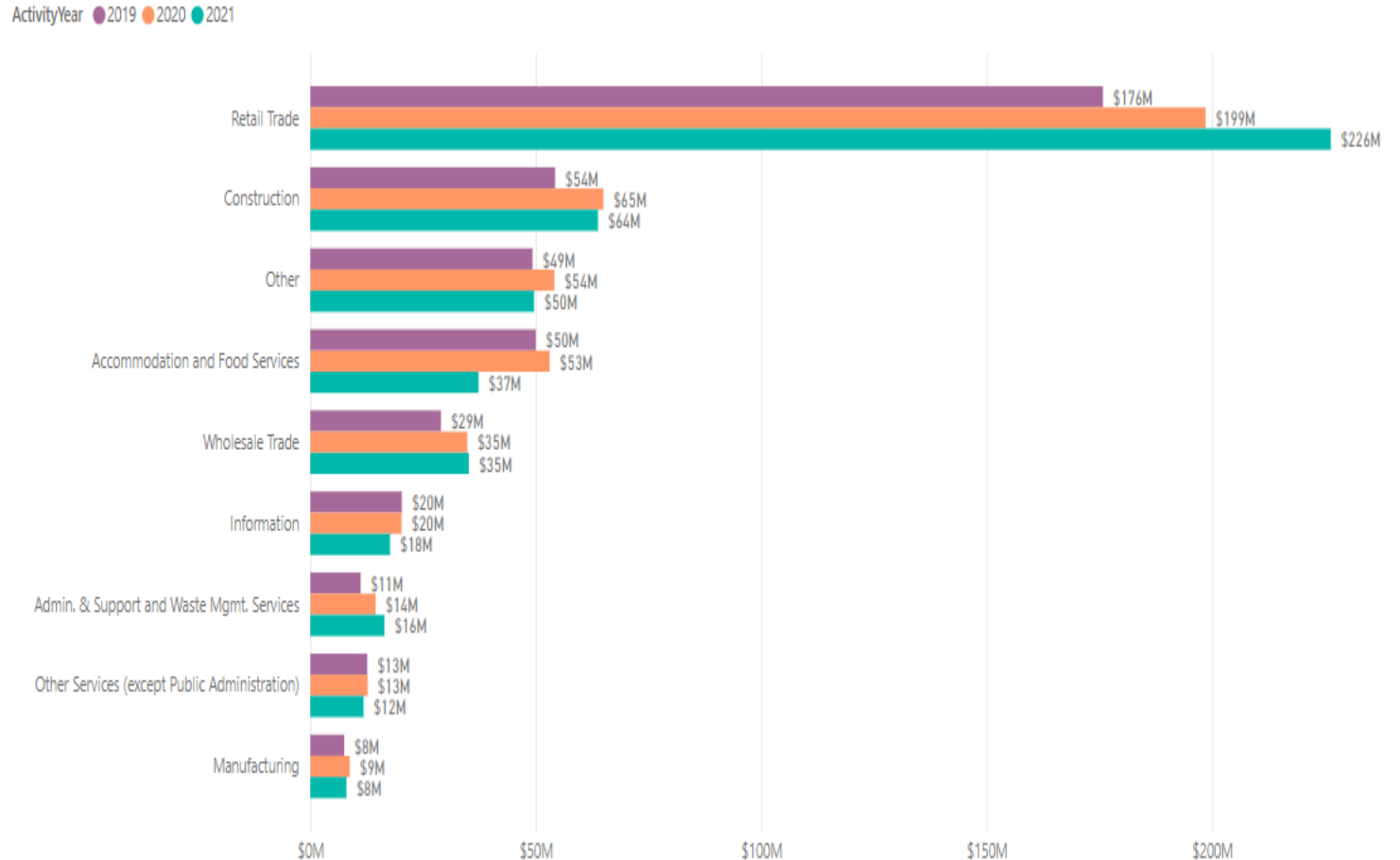
- Through March 2021, total General Fund revenue is approximately \$400,000 above budget (2.3%)
- Total General Fund revenue is up 6.5% as compared to FY20



Revenue Category	2021 Current Budget	YTD Projection	YTD Actuals	YTD Variance	Actuals Vs. Prior Year
<b><u>Sales Tax</u></b>	<b>51,063,259</b>	<b>3,721,847</b>	<b>3,821,242</b>	<b>99,395</b>	<b>268,268</b>
<u>Local Retail Sales Tax</u>	46,814,259	3,525,655	3,494,095	(31,560)	130,653
<b><u>Property Tax</u></b>	<b>47,349,955</b>	<b>156,964</b>	<b>142,973</b>	<b>(13,991)</b>	<b>(11,462)</b>
<b><u>Interfund Taxes</u></b>	<b>44,250,000</b>	<b>5,016,902</b>	<b>5,173,768</b>	<b>156,866</b>	<b>487,703</b>
<b><u>Business Taxes</u></b>	<b>24,339,000</b>	<b>4,920,589</b>	<b>4,537,857</b>	<b>(382,732)</b>	<b>(162,751)</b>
<u>Taxes on Private Utilities</u>	24,077,000	4,901,589	4,533,994	(367,595)	(165,654)
<b><u>Charges for Services</u></b>	<b>19,179,591</b>	<b>2,091,248</b>	<b>3,359,935</b>	<b>1,268,688</b>	<b>1,590,640</b>
<b><u>Licenses &amp; Permits</u></b>	<b>6,784,900</b>	<b>1,455,639</b>	<b>1,268,214</b>	<b>(187,425)</b>	<b>(107,425)</b>
<u>Business Registrations</u>	4,073,000	994,764	1,022,954	28,190	96,940
<u>Franchise Fees</u>	2,423,000	400,783	179,432	(221,351)	(213,416)
<b><u>Miscellaneous Revenue</u></b>	<b>4,301,982</b>	<b>830,179</b>	<b>668,838</b>	<b>(161,341)</b>	<b>(462,175)</b>
<u>Interest Earnings</u>	3,138,600	633,773	400,627	(233,146)	(559,668)
<b><u>Intergovernmental Revenues</u></b>	<b>4,064,023</b>	<b>230,741</b>	<b>664,140</b>	<b>433,399</b>	<b>9,681</b>
<u>Marijuana Use Tax</u>	440,000	108,997	113,642	4,645	1,558
<b><u>Fines &amp; Forfeits</u></b>	<b>2,098,650</b>	<b>916,258</b>	<b>463,976</b>	<b>(452,282)</b>	<b>(77,342)</b>
<u>Traffic &amp; Parking Violations</u>	1,830,500	801,967	395,736	(406,232)	(55,774)
<b><u>Other Taxes</u></b>	<b>1,395,800</b>	<b>337,479</b>	<b>26,744</b>	<b>(310,735)</b>	<b>(162,874)</b>
<u>Admission Tax</u>	1,050,000	371,452	26,537	(344,915)	(162,808)
<b><u>Operating Transfer-In</u></b>	<b>3,074,108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Budgeted/Other</b>	<b>40,000</b>	<b>0</b>	<b>1,483</b>	<b>1,483</b>	
<b>TOTAL</b>	<b>207,941,268</b>	<b>19,677,847</b>	<b>20,129,172</b>	<b>451,325</b>	<b>1,372,262</b>

# Monthly General Fund Report – Taxable Sales

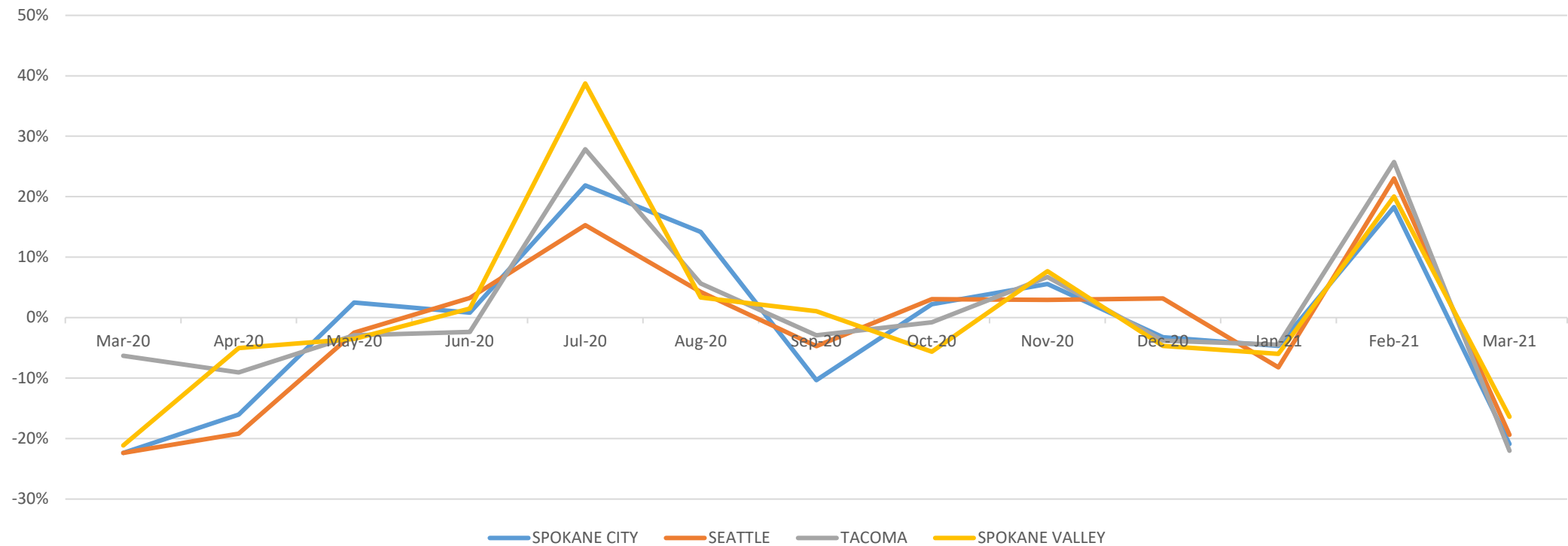
- Taxable Sales for January 2021 were up 1% compared to January 2020
- Through January:
  - Retail Trade +14%
  - Construction -1.9%
  - Accommodation and Food Services -29.7%
- Total Taxable Sales for January were approximately \$466 million, an increase of \$4.4 million over 2020



# Monthly General Fund Report – Sales Tax

SALES TAX REPORT		2020										2021			12-Month Change
	Approx. Annual (\$ in millions)	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
BENTON COUNTY	\$ 12.3	-23%	-18%	21%	5%	-1%	32%	-13%	-11%	45%	-20%	-13%	31%	-7%	29%
KENNEWICK	\$ 20.2	-27%	-4%	-2%	-6%	31%	2%	12%	-13%	13%	-5%	-2%	20%	-24%	11%
CLARK COUNTY	\$ 40.1	-22%	-9%	8%	-1%	17%	12%	5%	-6%	5%	-5%	-4%	25%	-19%	21%
VANCOUVER	\$ 43.4	-23%	-10%	1%	-3%	21%	9%	-1%	-4%	11%	-4%	-5%	25%	-19%	13%
KING COUNTY	\$ 132.0	-20%	-18%	2%	0%	22%	6%	-1%	-1%	5%	-2%	-7%	26%	-23%	-2%
SEATTLE	\$ 237.7	-22%	-19%	-2%	3%	15%	4%	-5%	3%	3%	3%	-8%	23%	-19%	-7%
PIERCE COUNTY	\$ 69.0	-17%	-12%	9%	3%	24%	6%	2%	-7%	6%	-5%	5%	11%	-19%	15%
TACOMA	\$ 49.5	-6%	-9%	-3%	-2%	28%	6%	-3%	-1%	7%	-4%	-4%	26%	-22%	8%
SPOKANE COUNTY	\$ 35.9	-23%	-10%	9%	0%	28%	8%	-2%	-5%	5%	-7%	-3%	16%	-18%	14%
SPOKANE CITY	\$ 49.5	-22%	-16%	2%	1%	22%	14%	-10%	2%	6%	-3%	-5%	18%	-21%	1%
SPOKANE VALLEY	\$ 25.1	-21%	-5%	-4%	1%	39%	3%	1%	-6%	8%	-5%	-6%	20%	-16%	23%
YAKIMA COUNTY	\$ 13.7	-16%	-3%	8%	6%	12%	3%	-2%	-1%	7%	-8%	-8%	16%	-19%	6%
YAKIMA CITY	\$ 18.7	-19%	-3%	4%	2%	18%	7%	-7%	-1%	11%	-6%	-7%	16%	-15%	14%

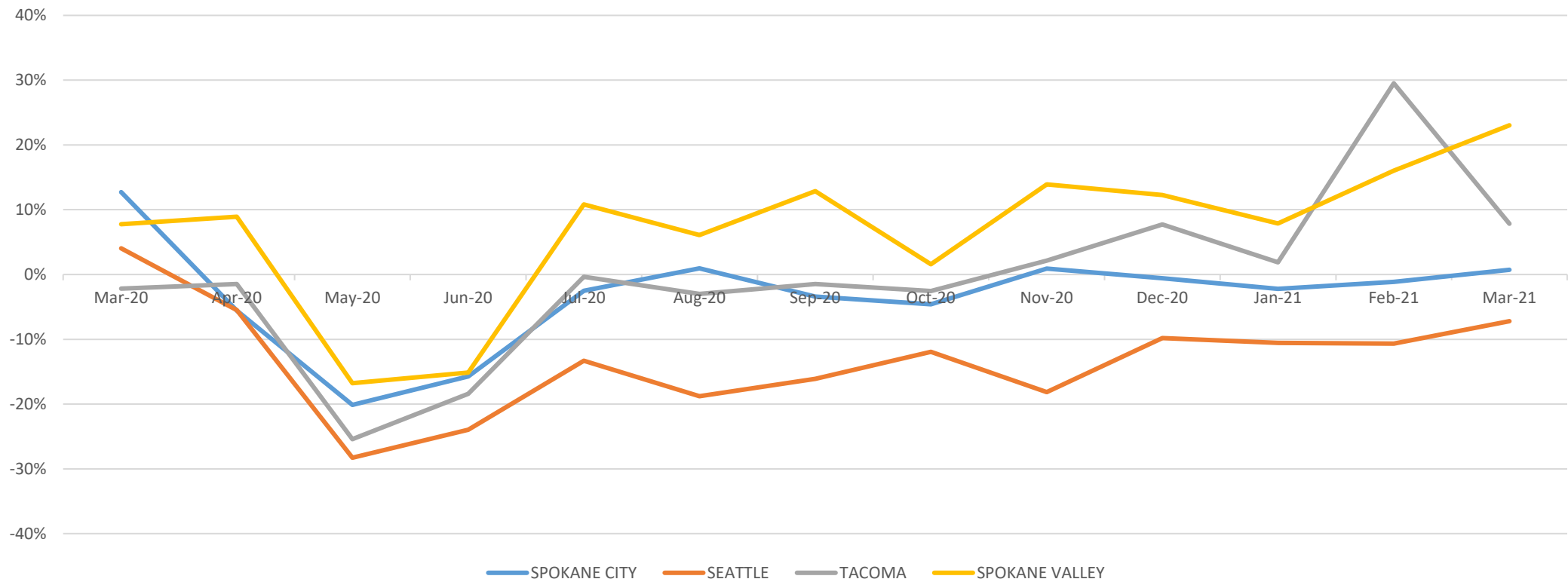
# Monthly General Fund Report – Sales Tax



# Monthly General Fund Report – Sales Tax

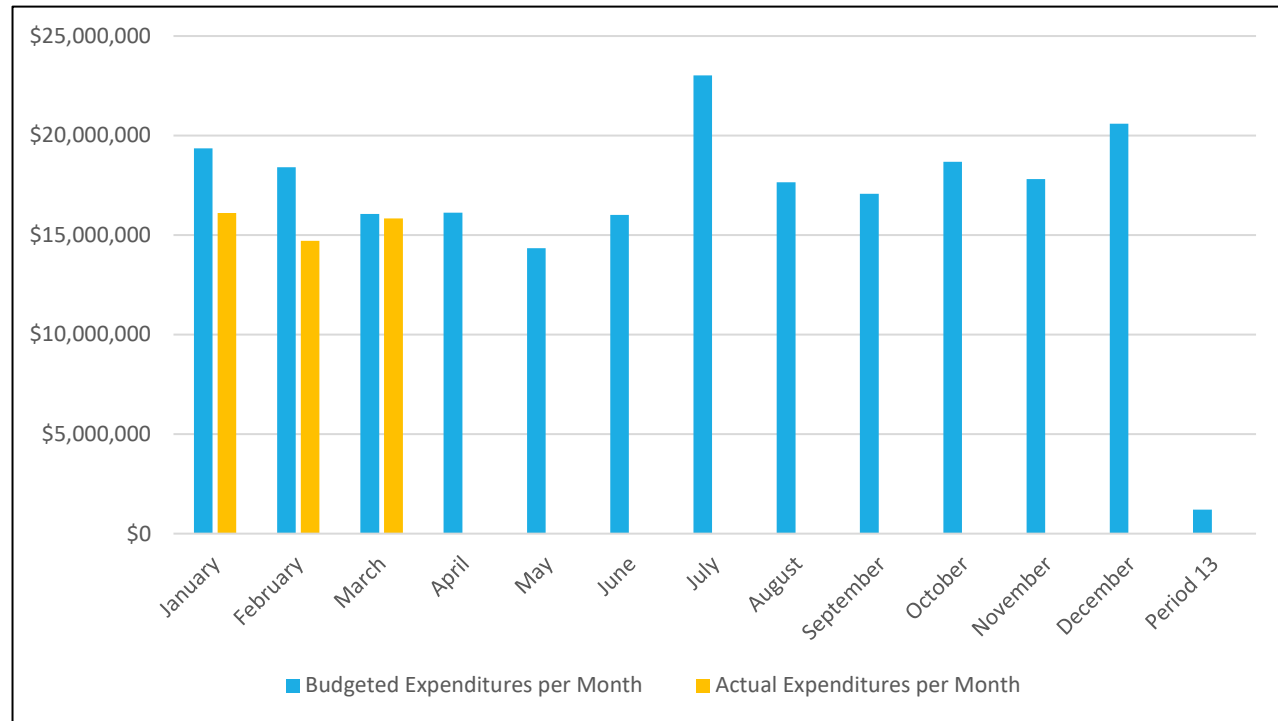
SALES TAX REPORT		2020										2021		
	Approx. Annual (\$ in millions)	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
BENTON COUNTY	\$ 12.3	-5%	-8%	-2%	-13%	-37%	-11%	-1%	-4%	3%	13%	-6%	8%	29%
KENNEWICK	\$ 20.2	11%	12%	-19%	-18%	0%	-7%	11%	-5%	6%	9%	5%	8%	11%
CLARK COUNTY	\$ 40.1	6%	4%	-10%	-4%	3%	9%	16%	13%	14%	14%	17%	18%	21%
VANCOUVER	\$ 43.4	9%	4%	-16%	-12%	5%	1%	8%	3%	8%	11%	12%	8%	13%
KING COUNTY	\$ 132.0	8%	-1%	-22%	-13%	-3%	-8%	-3%	-2%	-3%	-1%	-1%	1%	-2%
SEATTLE	\$ 237.7	4%	-5%	-28%	-24%	-13%	-19%	-16%	-12%	-18%	-10%	-11%	-11%	-7%
PIERCE COUNTY	\$ 69.0	10%	0%	-13%	-3%	13%	11%	19%	9%	15%	14%	26%	19%	15%
TACOMA	\$ 49.5	-2%	-1%	-25%	-18%	0%	-3%	-1%	-3%	2%	8%	2%	30%	8%
SPOKANE COUNTY	\$ 35.9	15%	2%	-5%	-13%	11%	5%	1%	7%	5%	3%	9%	6%	14%
SPOKANE CITY	\$ 49.5	13%	-6%	-20%	-16%	-3%	1%	-3%	-5%	1%	-1%	-2%	-1%	1%
SPOKANE VALLEY	\$ 25.1	8%	9%	-17%	-15%	11%	6%	13%	2%	14%	12%	8%	16%	23%
YAKIMA COUNTY	\$ 13.7	8%	13%	-2%	7%	4%	5%	6%	8%	6%	5%	2%	9%	6%
YAKIMA CITY	\$ 18.7	10%	5%	-12%	-7%	3%	6%	5%	2%	8%	7%	4%	9%	14%

# Monthly General Fund Report – Sales Tax



# Monthly General Fund Report - Expense

- Through March 2021, total General Fund expenses are approximately \$2M below budget (4.2%)
- By category:
  - Salary & Benefits -12%
  - Supplies -45%
  - Services +13%





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# Quarterly Investment Report

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Q1 – AS OF MARCH 31, 2021

APRIL 19, 2021



# Objectives (Page 1)



## CITY OF SPOKANE Quarterly Investment Report As of March 31, 2021

April 19, 2021

This report presents the City's investment portfolio for the quarter ending March 31, 2021. It has been prepared to comply with regulations contained in Washington State RCW 35.39 and Spokane Municipal Code Chapter 7.15. The report includes all investments managed by the City. As required, the report provides information on the investment type, issuer, maturity date, cost, and current market value for each security.

The investment objectives of the City of Spokane are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating and capital spending requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds under its direct control. Interest earned on pooled cash and investments is allocated monthly to the various funds based on the respective fund's average monthly investment balance. It is common for governments to pool the cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

The City retains direct control of its investments. Primarily, investments are held by the City in a safekeeping account with Bank of New York Mellon. Exceptions to this rule would include investments held by trustees related to bond financings, which are held by US Bank, and Spokane Investment Pool Loans.

### *Investment Portfolio Benefits all Funds*

The City's cash and investment portfolio represents money from all City funds with the exception of Employee Retirement, Police Pension, and Fire Pension funds. City funds include the General Fund, enterprise funds, internal service funds, capital projects funds, and other funds which are restricted to specific purposes.

In general, monies held by the City are either allocated by the City Council for spending or are purposefully retained in reserve. For example, the money in the Capital Outlay Funds have been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, approximately \$21.1 million is purposefully held in reserve to meet the City's contingency reserve policy of 10% of operating expenditures. In addition, approximately \$7.4 million is purposefully held to meet the City's Revenue Stabilization policy of 3.5% of operating revenues.

## 1. SAFETY

- Preservation of capital, through diversification

## 2. Liquidity

- Meet all reasonably anticipated operating and capital spending requirements

## 3. Return

- Attaining a commensurate rate of return throughout budgetary and economic cycles

# General Fund Investment Balances (Page 1)



## CITY OF SPOKANE Quarterly Investment Report As of March 31, 2021

April 19, 2021

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### Contingency Reserve

10% of Budgeted Operating Expenditures +  
Investment Earnings

- \$21.1 Million

### Revenue Stabilization

3.5% of Budgeted Operating Revenues +  
Investment Earnings

- \$7.4 Million

# Current Cash And Investment Summary (Page 2)

## Quarterly Investment Report

### Current Cash and Investment Summary

The following is a summary of the City's cash and investments based on market value as of March 31, 2021, compared with the prior quarter.

	December 31, 2020	March 31, 2021	Percent of Total
Cash	\$84,927,534	\$65,684,641	16.17%
Fixed Income	274,144,596	296,759,380	73.06%
SIP Loans	41,763,648	43,763,648	10.77%
<b>TOTAL</b>	<b>\$400,835,778</b>	<b>\$406,207,669</b>	<b>100.00%</b>

There are a number of factors which result in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. For example, the majority of City Property Taxes are received in May and November of each year. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced according to market values provided by Bank of New York Mellon at the end of each month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At March 31, 2021, the market value of the portfolio was \$7,504,897 more than the cost basis. The difference is an unrealized gain due to the inverse relationship between interest rates and market values as it relates to the fixed income portion of the City's investment portfolio.

The portfolio's average yield to maturity as of March 31, 2021 was 1.20%. The effective rate of return for the 1<sup>st</sup> quarter was 1.23%.

As of March 31, 2021, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's investment management plan.

### Summary of Activity for the Quarter and Future Liquidity

With the exception of tax receipts which have been impacted by the COVID-19 environment and related deferral programs, cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet at least the next three months of expected expenditures by the City.

### Transactions:

- **Maturities:**
  - \$5 Mil FHLMC Zero Coupon, due 1/15/2021 – 1.840% YTM
- **Calls:**
  - \$4 Mil FFCB .23, due 12/31/2021 – .264% YTM
- **Purchases:**
  - \$5 Mil – FFCB .59, due 2/17/26 (callable at 8/17/2021) – .633% YTM
  - \$5 Mil – FAMC .22, due 12/15/23 – .220% YTM
  - \$5 Mil – FFCB .11, due 3/1/23 (callable at 9/1/21) – .130% YTM

	December 31, 2020	March 31, 2021	Percent of Total
Cash	\$84,927,534	\$65,684,641	16.17%
Fixed Income	274,144,596	296,759,380	73.06%
SIP Loans	41,763,648	43,763,648	10.77%
<b>TOTAL</b>	<b>\$400,835,778</b>	<b>\$406,207,669</b>	<b>100.00%</b>

### Transactions:

- **Maturities:**
  - \$5 Mil FHLMC Zero Coupon, due 1/15/2021 – 1.840% YTM
- **Calls:**
  - \$4 Mil FFCB .23, due 12/31/2021 – .264% YTM
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  - \$5 Mil – FFCB .59, due 2/17/26 (callable at 8/17/2021) – .633% YTM
  - \$5 Mil – FAMC .22, due 12/15/23 – .220% YTM
  - \$5 Mil – FFCB .11, due 3/1/23 (callable at 9/1/21) – .130% YTM
  - \$10 Mil – FFCB .10, due 2/24/23 - .141% YTM
  - \$10 Mil – FFCB .10, due 2/24/23 - .140% YTM

# Current Cash And Investment Summary (Page 2)

## Quarterly Investment Report

### Current Cash and Investment Summary

The following is a summary of the City's cash and investments based on market value as of March 31, 2021, compared with the prior quarter:

	December 31, 2020	March 31, 2021	Percent of Total
Cash	\$84,927,534	\$65,084,641	16.17%
Fixed Income	274,144,596	296,759,380	73.06%
SIP Loans	41,763,648	43,763,648	10.77%
<b>TOTAL</b>	<b>\$400,835,778</b>	<b>\$406,207,669</b>	<b>100.00%</b>

There are a number of factors which result in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. For example, the majority of City Property Taxes are received in May and November of each year. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced according to market values provided by Bank of New York Mellon at the end of each month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At March 31, 2021, the market value of the portfolio was \$7,504,897 more than the cost basis. The difference is an unrealized gain due to the inverse relationship between interest rates and market values as it relates to the fixed income portion of the City's investment portfolio.

The portfolio's average *yield to maturity* as of March 31, 2021 was 1.20%. The effective rate of return for the 1<sup>st</sup> quarter was 1.23%.

As of March 31, 2021, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's investment management plan.

### Summary of Activity for the Quarter and Future Liquidity

With the exception of tax receipts which have been impacted by the COVID-19 environment and related deferral programs, cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet at least the next three months of expected expenditures by the City.

### Transactions:

- Maturities:
  - \$5 Mil FHLMC Zero Coupon, due 1/15/2021 – 1.840% YTM
- Calls:
  - \$4 Mil FFCB .23, due 12/31/2021 – .264% YTM
- Purchases:
  - \$5 Mil – FFCB .59, due 2/17/26 (callable at 8/17/2021) – .633% YTM
  - \$5 Mil – FAMC .22, due 12/15/23 – .220% YTM
  - \$5 Mil – FFCB .11, due 5/1/23 (callable at 9/1/21) – .130% YTM

## Unrealized Gain

Difference due to inverse relationship between interest rates and market values as it relates to the fixed income portion of the portfolio.

• \$7.504 Million

## Yield to Maturity (YTM)

(Weighted Avg.) Total return anticipated on bonds if held to maturity.

• 1.20%

## Effective Rate of Return

Rate of return for Quarter Ending, March 31, 2021

• 1.23%

# Composition (Page 5)

## CITY OF SPOKANE

As of March 31, 2021

### SUMMARY OF INVESTMENTS

CITY OF SPOKANE INVESTMENT PORTFOLIO			
	Percent of Portfolio	Current Yield	Market Value
Checking Account	NA	NA	\$1,220,785
<b>Investments</b>			
Local Government Investment Pool	15.9%	0.11%	\$64,463,857
US Bank- Treasurer's Cash	0.0%	0.00%	-
Federal Agency Coupon Securities	56.4%	1.28%	228,444,949
Federal Agency Strip Bonds	9.4%	2.76%	38,031,631
Treasury Coupon Securities	7.5%	1.62%	30,282,800
SIP Loans	10.8%	0.84%	43,763,648
<b>Total Investments</b>	<b>100.0%</b>	<b>1.20%</b>	<b>\$404,986,884</b>
<b>Total Checking Account + Investments</b>			<b>\$406,207,669</b>

### SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY

INVESTMENT AGING		
	Percent of Portfolio	Market Value
Overnight	15.9%	\$64,463,857
Within Three Months	2.1%	8,575,354
Three to Six Months	6.2%	25,042,398
Six Months to One Year	11.5%	46,477,270
One to Five Years	48.5%	196,317,804
Over Five Years	15.8%	64,110,155
<b>TOTAL</b>	<b>100.0%</b>	<b>\$404,986,884</b>

## CITY OF SPOKANE INVESTMENT PORTFOLIO

	Percent of Portfolio	Current Yield	Market Value
<b>Checking Account</b>	NA	NA	\$1,220,785
<b>Investments</b>			
Local Government Investment Pool	15.9%	0.11%	\$64,463,857
US Bank- Treasurer's Cash	0.0%	0.00%	-
Federal Agency Coupon Securities	56.4%	1.28%	228,444,949
Federal Agency Strip Bonds	9.4%	2.76%	38,031,631
Treasury Coupon Securities	7.5%	1.62%	30,282,800
SIP Loans	10.8%	0.84%	43,763,648
<b>Total Investments</b>	<b>100.0%</b>	<b>1.20%</b>	<b>\$404,986,884</b>
<b>Total Checking Account + Investments</b>			<b>\$406,207,669</b>

# Liquidity (Page 5)

## CITY OF SPOKANE

As of March 31, 2021

### SUMMARY OF INVESTMENTS

CITY OF SPOKANE INVESTMENT PORTFOLIO			
	Percent of Portfolio	Current Yield	Market Value
Checking Account	NA	NA	\$1,220,785
<b>Investments</b>			
Local Government Investment Pool	15.9%	0.11%	\$64,463,857
US Bank- Treasurer's Cash	0.0%	0.00%	-
Federal Agency Coupon Securities	55.4%	1.28%	\$228,444,949
Federal Agency Strip Bonds	9.4%	2.75%	\$38,031,531
Treasury Coupon Securities	7.5%	1.62%	\$30,282,800
SIP Loans	10.8%	0.84%	\$43,753,848
<b>Total Investments</b>	<b>100.0%</b>	<b>1.20%</b>	<b>\$404,986,884</b>
<b>Total Checking Account + Investments</b>			<b>\$406,207,669</b>

### SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY

INVESTMENT AGING		
	Percent of Portfolio	Market Value
Overnight	15.9%	\$64,463,857
Within Three Months	2.1%	\$8,575,354
Three to Six Months	6.2%	\$25,042,286
Six Months to One Year	11.5%	\$46,477,370
One to Five Years	48.5%	\$196,317,864
Over Five Years	15.8%	\$64,110,155
<b>TOTAL</b>	<b>100.0%</b>	<b>\$404,986,884</b>

## INVESTMENT AGING

	Percent of Portfolio	Market Value
Overnight	15.9%	\$64,463,857
Within Three Months	2.1%	\$8,575,354
Three to Six Months	6.2%	\$25,042,286
Six Months to One Year	11.5%	\$46,477,370
One to Five Years	48.5%	\$196,317,864
Over Five Years	15.8%	\$64,110,155
<b>TOTAL</b>	<b>100.0%</b>	<b>\$404,986,884</b>

# Summary

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## Questions



# Briefing Paper

## Finance and Administration Committee

<b>Division &amp; Department:</b>	Community and Economic Development — Planning Services
<b>Subject:</b>	Division BRT Locally Preferred Alternative Concurrence
<b>Date:</b>	May 17, 2021
<b>Author (email &amp; phone):</b>	Amanda Beck; <a href="mailto:abeck@spokanecity.org">abeck@spokanecity.org</a> ; 509-625-6414
<b>City Council Sponsor:</b>	CM Mumm and CM Kinnear
<b>Executive Sponsor:</b>	Louis Meuler, Interim Planning Director; Planning Services
<b>Committee(s) Impacted:</b>	Urban Experience; Public Infrastructure, Environment, and Sustainability
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b>	Shaping Spokane Comprehensive Plan Chapter 3.
<b>Strategic Initiative:</b>	Innovative Infrastructure; Urban Experience; Sustainable Resources
<b>Deadline:</b>	
<b>Outcome:</b>	Draft and pass a resolution of support for the DivisionConnects LPA.
<b>Background/History:</b> Spokane Transit Authority (STA) has been collaborating with Spokane Regional Transportation Council (SRTC), the City, Spokane County, and WSDOT on a transportation and land use study of the Division Street corridor known as “DivisionConnects.” <ul style="list-style-type: none"> <li>The project has evaluated the configuration of bus rapid transit (BRT) in anticipation of the opening of the North Spokane Corridor in 2030.</li> <li>Information on the BRT configuration can be viewed in the <a href="#">DivisionConnects Corridor Development Plan</a>.</li> <li>A draft recommendation for a locally preferred alternative (LPA) for BRT in the Division Street Corridor was approved by the STA Board of Directors on April 15, 2021.</li> </ul>	
<b>Executive Summary:</b> The recently approved LPA resulting from the first phase of the DivisionConnects study is for a fixed guideway BRT along the Division/Ruby corridor. The alternative chosen was the Side-Running Alternative C, which will feature: <ul style="list-style-type: none"> <li>10-minute service on weekdays, 15-minute service on weekends;</li> <li>Termini at Hastings Park &amp; Ride and near the STA Plaza;</li> <li>Transit Signal Priority (TSP), and side-running and Business Access Transit (BAT) lanes;</li> <li>All-door boarding and near-level platforms; and</li> <li>Protected facilities, including cycle tracks where practicable</li> </ul>	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Other budget impacts: Not applicable	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

### Attachments:

- Spokane Transit Authority Board of Directors Resolution 785-21
- Cross section of Side-Running Alternative C

RESOLUTION NO. 785-21

A RESOLUTION FOR THE PURPOSE OF ADOPTING A LOCALLY PREFERRED ALTERNATIVE FOR HIGH PERFORMANCE TRANSIT ALONG DIVISION STREET IN SPOKANE.

SPOKANE TRANSIT AUTHORITY  
Spokane County, Washington

BE IT RESOLVED BY THE SPOKANE TRANSIT AUTHORITY as follows:

WHEREAS, the Spokane Transit Authority (STA) is a municipal corporation operating and existing under and pursuant to the Constitution and Laws of the State of Washington, including RCW Title 36, Chapter 57A, Public Transportation Benefit Area; and,

WHEREAS, STA adopted *Connect Spokane, A Comprehensive Plan for Public Transportation (Connect Spokane)* in July of 2010; and,

WHEREAS, *Connect Spokane* identifies the Division Street Corridor, generally from downtown Spokane north to an area directly south of the Little Spokane River, as a future High Performance Transit (HPT) corridor; and

WHEREAS, the implementation strategies in *Connect Spokane* for HPT in the Division Street Corridor include increased service frequency, electric Bus Rapid Transit (BRT)-style vehicles, transit-only lanes, constructing a Farwell Park & Ride, constructing HPT stations and stop amenities; and

WHEREAS, STA engaged stakeholders, as well as the general public in planning an implementation strategy for *Connect Spokane*, culminating in "*STA Moving Forward: A Plan for More and Better Transit Services*," adopted by Resolution 727-14, and as amended by Resolution 744-16 and Resolution 781-20 (*STA Moving Forward*); and,

WHEREAS, *STA Moving Forward* included studying how full High Performance Transit would be implemented on Division as a complement to near-term service and facility investments in the corridor to improve existing service; and,

WHEREAS, consistent with *STA Moving Forward* and *Connect Spokane*, STA and Spokane Regional Transportation Council (SRTC) initiated a transportation and land use study of the Division Street Corridor in December of 2019 to include evaluating alternative configurations and alignments for BRT among other land use and transportation considerations; and,

WHEREAS, nine preliminary scenarios were considered by a steering committee composed of members of the STA and SRTC boards, and subsequently narrowed down to four alignments for public review; and

WHEREAS, STA and SRTC conducted robust public engagement from Spring 2020 through Winter 2021, with several online opportunities provided to the community, six Steering Committee meetings comprised of local elected officials and local administrators, stakeholder meetings with private landowners along the corridor, and a statistically significant survey for Phase I of the study and found general support for BRT configured with a fixed-guideway, side-running Business Access and Transit lane alternative; and

WHEREAS, after opportunity for public review and comment, and a public hearing before the STA Board of Directors on March 18, 2021; and

WHEREAS, the Locally Preferred Alternative is consistent with the policies of *Connect Spokane*, STA's comprehensive plan for public transportation; and,

WHEREAS, STA anticipates basing upcoming preliminary design and engineering activity related to Division BRT predicated on the LPA in order to prepare the project to seek entry in the Federal Transit Administration's Small Starts Program; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of STA as follows:

Section 1. The STA Board of Directors hereby adopts the Locally Preferred Alternative (LPA) of fixed-guideway bus rapid transit (BRT) on Division Street with the preliminary alignment and station locations as shown in Exhibit A, and with the following elements:

Provision	Element	Description
A	Mode	Fixed-guideway bus rapid transit (BRT) using zero-emission 60' buses
B	Service Level	Weekdays: 10-minute frequency or better Nights & Weekends: 15-minute frequency during most hours of the span
C	Northern Termini	Short-term: current Route 25 to Hastings Park & Ride Long-term: To new transit center at Farwell and US2
D	Southern Termini	Spokane Central Business District near the STA Plaza
E	Alignment (Exhibit A.1)	Downtown: to be refined in Preliminary Engineering Couplet: right-side Ruby Street and Division Street Mainline: Division Street North of "Y": short- and long-term phased approach
F	Station Locations	Major intersections and destinations (see Exhibit A.2)
G	System Operations	Operating techniques for speed and reliability, such as Transit Signal Priority (TSP), all-door boarding and near-level platforms
H	Lane Configuration	Side-running, dedicated Business Access and Transit (BAT) lanes for a majority of the alignment, primarily between North River Drive and the "Y"
I	Other Multimodal Treatments	Protected bicycle facilities, including cycle tracks where practicable, along Ruby Street with pedestrian, ADA and bicycle improvements throughout the corridor.

Section 2. The STA Board of Directors recognizes that there will be additional refinements to the LPA, particularly to quantity and locations of stations, as further studies and public consultation occur, and those refinements will be recognized through additional resolutions of the STA Board of Directors as necessary.

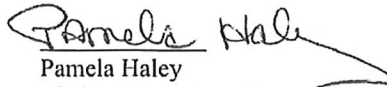
Section 3. Staff is directed to forward the Locally Preferred Alternative adopted herein to Spokane Regional Transportation Council for consideration and adoption into the Metropolitan Transportation Plan.

ADOPTED by STA at a regular meeting thereof held on the 15<sup>th</sup> day of April 2021.

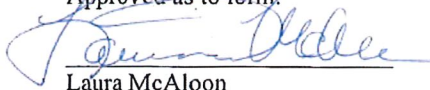
ATTEST:

  
Dana Infalt  
Clerk of the Authority

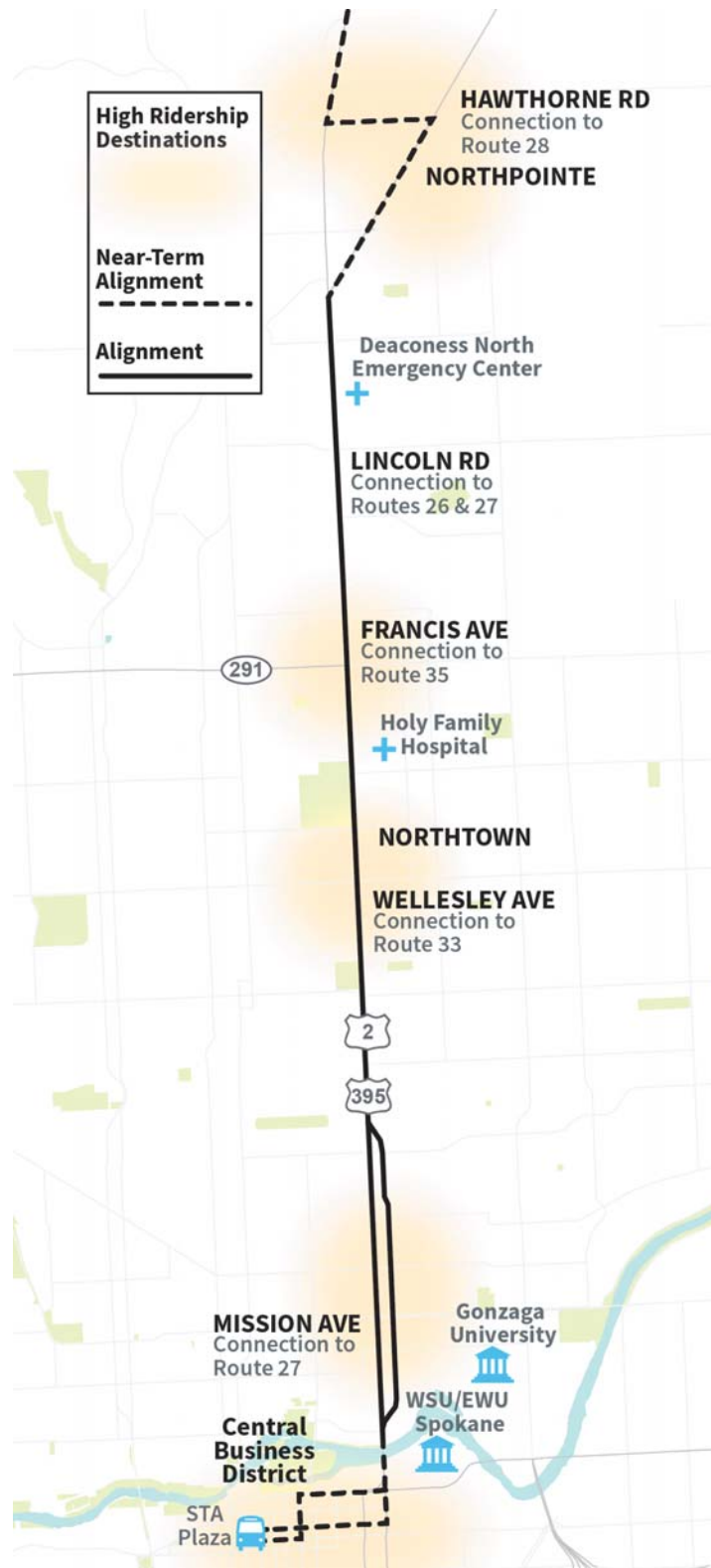
SPOKANE TRANSIT AUTHORITY

  
Pamela Haley  
Chairwoman of the Board

Approved as to form:

  
Laura McAloon  
Legal Counsel

# EXHIBIT A.1: Division BRT Alignment



# EXHIBIT A.2: Division BRT Station Locations



## SPOKANE TRANSIT AUTHORITY

### BOARD MEETING OF

April 15, 2021

**AGENDA ITEM 6D:** DIVISION BRT: SELECTION OF LOCALLY PREFERRED ALTERNATIVE

**REFERRAL COMMITTEE:** Planning & Development (*French*)

**SUBMITTED BY:** Karl Otterstrom, Director of Planning and Development  
Mike Tresidder, Associate Transit Planner

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**SUMMARY:** Phase I of the DivisionConnects sought to inform decisions related to the configuration of bus rapid transit (BRT) on Division Street. The culmination of this phase of study was the preparation of draft recommendation for a preferred BRT alternative in the busy corridor.

**BACKGROUND:** Spokane Transit has been collaborating with our local and regional partners, including Spokane Regional Transportation Council (SRTC), the City of Spokane, Spokane County, and Washington State Department of Transportation (WSDOT) on a transportation and land use study of the Division Street corridor known as “DivisionConnects.” Through the evaluation process guided by a steering committee that includes members of the boards for STA and SRTC, a draft recommendation was formulated for a locally preferred alternative for BRT in the Division Street Corridor. The draft recommendation was presented to the Planning and Development Committee on March 3, 2021 and was subject to a public hearing before the STA Board of Directors on March 18, 2021. While no members of the public testified at the hearing, public input received to date has been generally supportive of the project, favoring the elements that are now combined in a proposed locally preferred alternative.

The locally preferred alternative (LPA) for fixed guideway Division bus rapid transit (BRT) has several elements, which are as follows:

Element	Description
Mode	Fixed guideway bus rapid transit (BRT) using zero-emission 60’ buses
Service Level	Weekdays: 10-minute frequency or better Nights & Weekends: 15-minute frequency during most hours of the span
Northern Termini	Short-term: current Route 25 to Hastings Park & Ride Long-term: To new transit center at Farwell and US2
Southern Termini	Spokane Central Business District near the STA Plaza
Alignment (Exhibit A.1)	Downtown: to be refined in Preliminary Engineering Couplet: right-side Ruby Street and Division Street Mainline: Division Street North of “Y”: short- and long-term phased approach
Station Locations	Major intersections and destinations (see Exhibit A.2). All stations will meet ADA accessibility requirements
System Operations	Operating techniques for speed and reliability, such as Transit Signal Priority (TSP), all-door boarding and near-level platforms
Lane Configuration	Side-running, dedicated Business Access and Transit (BAT) lanes for a majority of the alignment, primarily between North River Drive and the “Y”
Other Multimodal Treatments	Protected bicycle facilities along Ruby Street with pedestrian, ADA and bicycle improvements throughout the corridor.

The LPA as defined is expected to qualify as a “fixed guideway BRT” under current federal law and FTA policy guidance. The current definition of fixed guideway BRT includes the following elements according to the Final Interim Policy Guidance for the FTA Capital Investment Grant Program, dated June 2016:

1. Over 50 percent of the route must operate in a separated right-of-way dedicated for transit use during peak periods. Other traffic can make turning movements through the separated right-of-way.
2. The route must have defined stations that are accessible for persons with disabilities, offer shelter from the weather, and provide information on schedules and routes.
3. The route must provide faster passenger travel times through congested intersections by using active signal priority in separated guideway, and either queue-jump lanes or active signal priority in non-separated guideway,
4. The route must provide short headway, bidirectional service for at least a fourteen-hour span of service on weekdays and a ten-hour span of service on weekends. Short headway service on weekdays consists of either (a) fifteen-minute maximum headways throughout the day, or (b) ten-minute maximum headways during peak periods and twenty-minute maximum headways at all other times. Short headway service on weekends consists of thirty-minute maximum headways for at least ten hours a day.
5. The provider must apply a separate and consistent brand identity to stations and vehicles.

As part of the documentation for the evaluation and planning process, the LPA and anticipated next steps, the project team is preparing a corridor development plan. Subject to approval of the LPA, the draft corridor development plan will be submitted to the Committee in May for review and recommendation for approval.

The LPA represents an important milestone in the planning of BRT on Division Street. It is anticipated to be refined through the preliminary engineering phase of the project.

**RECOMMENDATION TO COMMITTEE:** Recommend the Board approve a motion to adopt by resolution the Division BRT Locally Preferred Alternative (LPA).

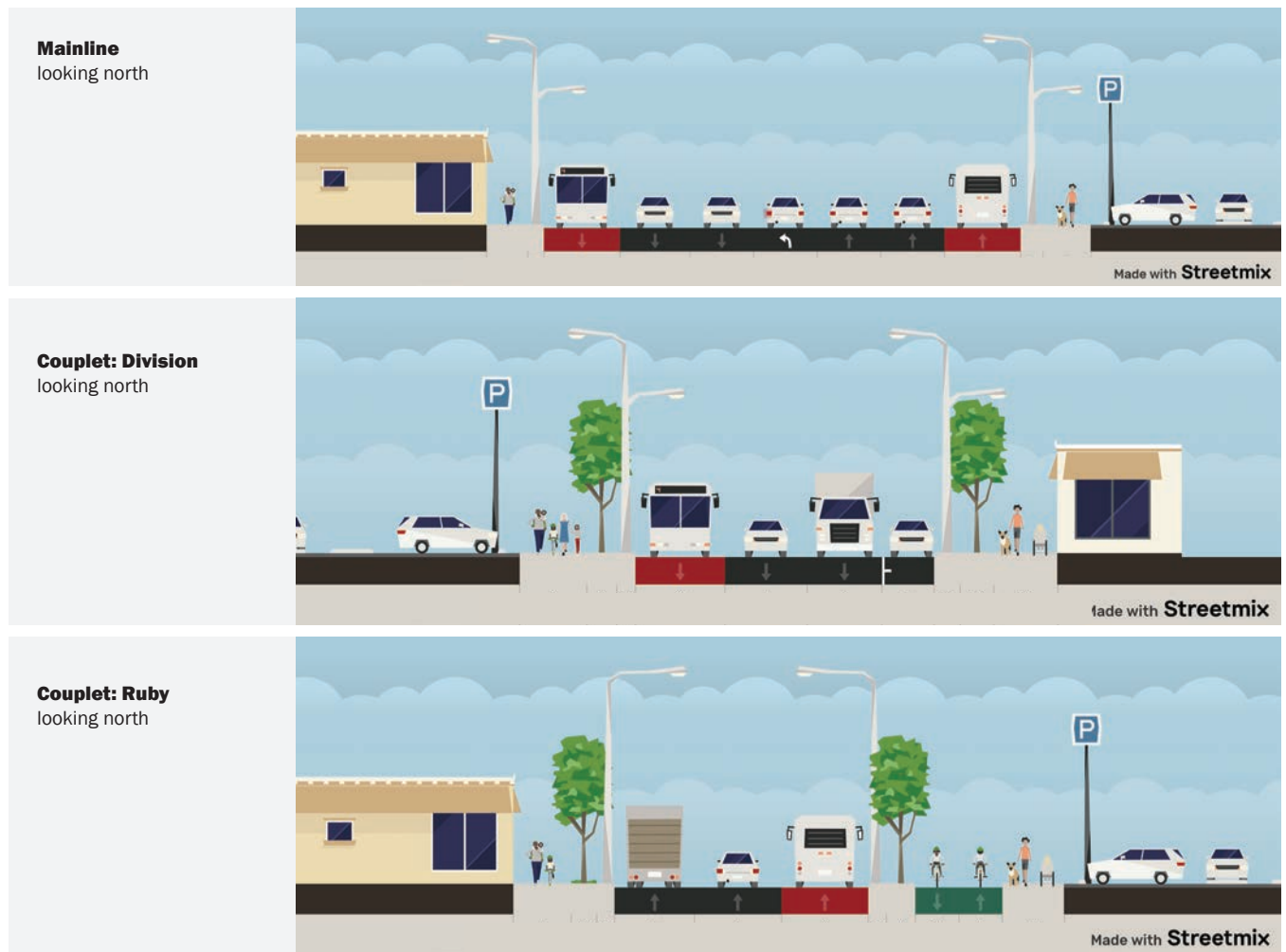
**COMMITTEE ACTION:** Approved as presented and forwarded to Board consent agenda.

**RECOMMENDATION TO BOARD:** By resolution, adopt the Division BRT Locally Preferred Alternative (LPA) as presented.

**FINAL REVIEW FOR BOARD BY:**

Division Head \_\_\_\_\_ Chief Executive Officer \_\_\_\_\_ Legal Counsel \_\_\_\_\_





**Figure 5-5. Side-Running C Alternative**

# Briefing Paper

## Finance and Administration Committee

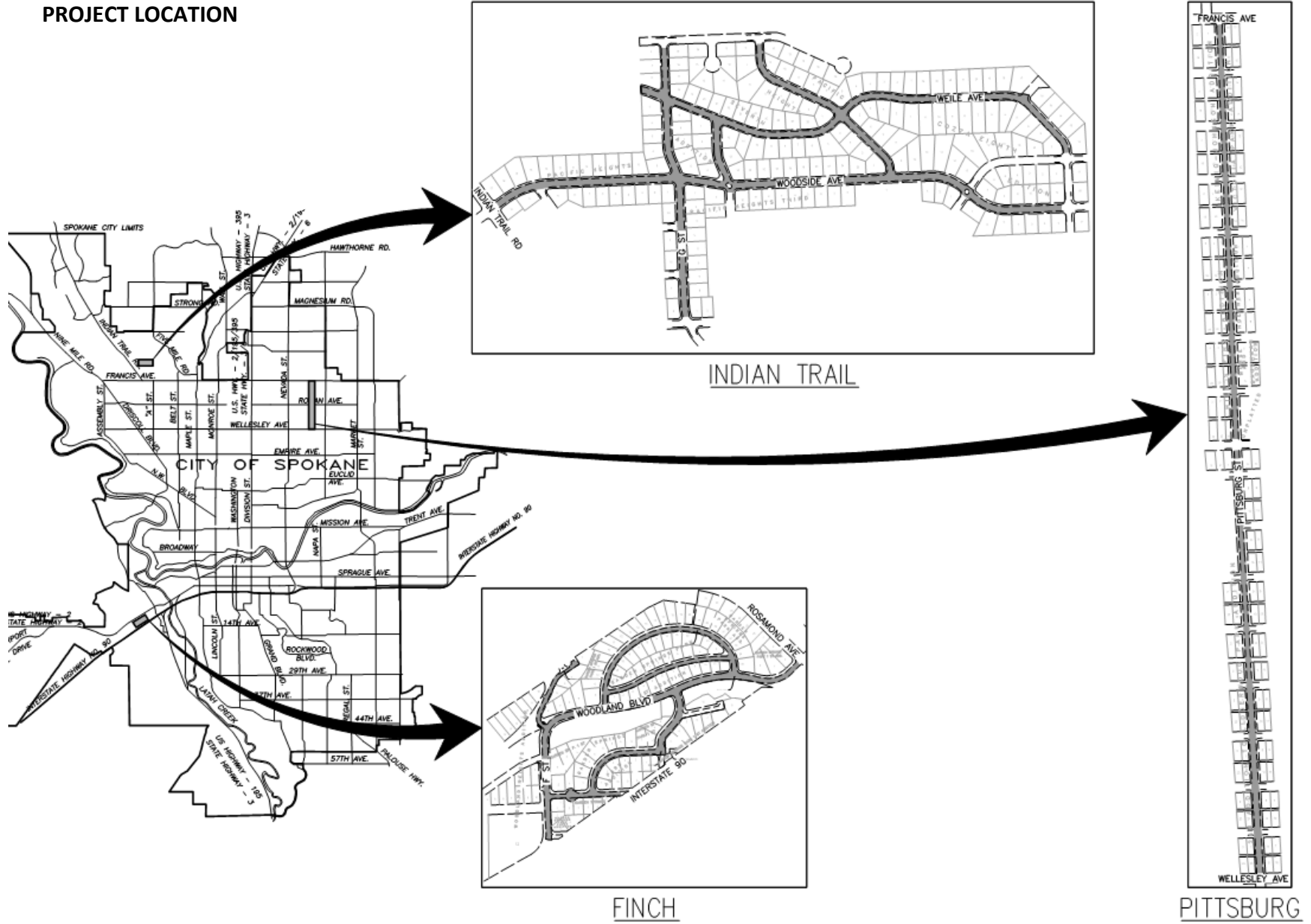
<b>Division &amp; Department:</b>	Community and Economic Development — Planning Services
<b>Subject:</b>	Federal Transit Authority grant for TOD land use planning
<b>Date:</b>	May 17, 2021
<b>Author (email &amp; phone):</b>	Amanda Beck; <a href="mailto:abeck@spokanecity.org">abeck@spokanecity.org</a> ; 509-625-6414
<b>City Council Sponsor:</b>	CM Mumm and CM Kinnear
<b>Executive Sponsor:</b>	Louis Meuler, Interim Planning Director; Planning Services
<b>Committee(s) Impacted:</b>	Urban Experience; Public Infrastructure, Environment, and Sustainability
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b>	Shaping Spokane Comprehensive Plan.
<b>Strategic Initiative:</b>	Innovative Infrastructure; Urban Experience; Sustainable Resources
<b>Deadline:</b>	
<b>Outcome:</b>	City Council to concur on support of this partnership.
<b>Background/History:</b>	
<p>The Federal Transit Administration (FTA) recently announced the availability of approximately 15 competitive grant funds, totaling \$10 million, for FTA's <a href="#">Pilot Program for Transit-Oriented Development (TOD) Planning</a>. This opportunity is for land use planning activities associated with fixed guideway projects and core capacity transit capital investments. Based on the definition of the Division Street Bus Rapid Transit that the Spokane Transit Authority Board of Directors adopted on April 15, 2021, the Division Street Corridor would be eligible for this grant.</p>	
<b>Executive Summary:</b>	
<p>The Federal Transit Administration's Pilot Program for Transit-Oriented Development (TOD) Planning grant would further the work begun under the <a href="#">DivisionConnects project</a> for the future of the Division Street Corridor.</p> <ul style="list-style-type: none"> <li>• STA would be the grant recipient (administrator) and the City would partner on grant deliverables;</li> <li>• Award floor is \$250,000 and the award ceiling is \$2,000,000 per project.</li> </ul>	
<b>Budget Impact:</b>	
Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Other budget impacts: Not applicable	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

## Briefing Paper

### Finance & Administration

<b>Division &amp; Department:</b>	Engineering Services; Public Works
<b>Subject:</b>	2021 Residential Chipseal
<b>Date:</b>	May 17, 2021
<b>Contact (email &amp; phone):</b>	Dan Buller ( <a href="mailto:dbuller@spokanecity.org">dbuller@spokanecity.org</a> , 625-6391)
<b>City Council Sponsor:</b>	CM Beggs & Cathcart
<b>Executive Sponsor:</b>	Marlene Feist
<b>Committee(s) Impacted:</b>	PIES
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	The project is in the 6 Year Street Plan
<b>Strategic Initiative:</b>	Innovative Infrastructure
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Informational - background information for committee review
<b>Background/History:</b> <ul style="list-style-type: none"> <li>This project will chip seal residential streets in three areas as shown on the attached exhibits.</li> <li>Public involvement will consist of a letter and brochure describing the project limits and how chip sealing works mailed to fronting property owners.</li> </ul>	
<b>Executive Summary:</b> <ul style="list-style-type: none"> <li>This project is the annual TBD funded residential chip seal project.</li> <li>Included areas are shown on the attached exhibits.</li> <li>The approximate budget for this project is \$1,000,000.</li> </ul>	
<b>Budget Impact:</b> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

## PROJECT LOCATION



# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	Community and Economic Development
<b>Subject:</b>	SBO for Executive Recruitment Services – Community and Economic Development (CED) Division Director
<b>Date:</b>	5/7/2021
<b>Author (email &amp; phone):</b>	Kris Becker kbecker@spokanecity.org 625-6392
<b>City Council Sponsor:</b>	Betsy Wilkerson
<b>Executive Sponsor:</b>	Kris Becker
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan
<b>Strategic Initiative:</b>	Economic Development
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approval of SBO
<b>Background/History:</b> The City has retained Strategic Government Resources to provide executive recruitment services for the vacant Community and Economic Development Division Director position. Salary savings from the unfilled director position will be used to cover the costs of these services.	
<b>Executive Summary:</b> This SBO is needed to move salary savings to the correct budget location for spending associated with the contract for executive recruitment services.	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the General Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0750-30210	Community & Economic Development	
	58700-07980	Director Plan, CD, & Econ Development	\$ 18,954
	58700-52110	Social Security	\$1,300
	58700-52210	Retirement	\$1,700
	58700-52310	Medical	\$3,819
	58700-52320	Dental	\$331
			<u>\$ 26,104</u>
TO:	0750-30210	Community & Economic Development	
	58700-54201	Contractual Services	<u>\$ 26,104</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to fund the recruitment efforts of the Community and Economic Development Division Director, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date



**City of Spokane**

**PERSONAL SERVICES AGREEMENT**

Title: **Executive Recruitment Services**

This Agreement is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **Strategic Government Resources**, whose address is PO Box 1642, Keller, TX 76244 as ("Company"), individually hereafter referenced as a "party", and together as the "parties".

The parties agree as follows:

**1. PERFORMANCE.**

The Company shall provide *Executive Recruitment Services*, in accordance with Informal Request for Proposals issued by the City and Company's Proposal dated February 18, 2021, which is attached as Exhibit B. In the event of a conflict between Company's Proposal and this City Contract, the terms of this contract will control.

**2. TERM OF AGREEMENT.**

The term of this Agreement begins on February 25, 2021, and shall run through December 31, 2021, unless amended by written agreement or terminated earlier under the provisions.

**3. COMPENSATION / PAYMENT.**

Total compensation for Company's services under this Agreement shall not exceed **TWENTY-SIX THOUSAND ONE HUNDRED FOUR AND NO/100 DOLLARS (\$26,104.00)**, unless modified by a written amendment to this Agreement.

The Company shall submit its applications for payment to City of Spokane Human Resources Department, Fourth Floor, City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington 99201. **Payment will be made via direct deposit/ACH** within thirty (30) days after receipt of the Company's application except as provided by state law. If the City objects to all or any portion of the invoice, it shall notify the Company and reserves the right to only pay that portion of the invoice not in dispute. In that event, the parties shall immediately make every effort to settle the disputed amount.

**4. TAXES, FEES AND LICENSES.**

- A. Company shall pay and maintain in current status, all necessary licenses, fees, assessments, permit charges, etc. necessary to conduct the work included under this Agreement. It is the Company's sole responsibility to monitor and determine changes or the enactment of any subsequent requirements for said fees, assessments, or changes and to immediately comply.
- B. The cost of any permits, licenses, fees, etc. arising as a result of the projects included in this Agreement shall be included in the project budgets.

## **5. CITY OF SPOKANE BUSINESS LICENSE.**

Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Company shall be responsible for contacting the State of Washington Business License Services at [www.dor.wa.gov](http://www.dor.wa.gov) or 360-705-6741 to obtain a business registration. If the Company does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

## **6. SOCIAL EQUITY REQUIREMENTS / NON-DISCRIMINATION.**

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities. The Company agrees to comply with, and to require that all subcontractors comply with, federal, state and local nondiscrimination laws, including but not limited to: the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, and the American's With Disabilities Act, to the extent those laws are applicable.

## **7. INDEMNIFICATION.**

The Company shall defend, indemnify, and hold the City and its officers and employees harmless from all claims, demands, or suits at law or equity asserted by third parties for bodily injury (including death) and/or property damage which arise from the Company's negligence or willful misconduct under this Agreement, including attorneys' fees and litigation costs; provided that nothing herein shall require a Company to indemnify the City against and hold harmless the City from claims, demands or suits based solely upon the negligence of the City, its agents, officers, and employees. If a claim or suit is caused by or results from the concurrent negligence of the Company's agents or employees and the City, its agents, officers and employees, this indemnity provision shall be valid and enforceable to the extent of the negligence of the Company, its agents or employees. The Company specifically assumes liability and agrees to defend, indemnify, and hold the City harmless for actions brought by the Company's own employees against the City and, solely for the purpose of this indemnification and defense, the Company specifically waives any immunity under the Washington State industrial insurance law, or Title 51 RCW. The Company recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnity and agreement to defend and hold the City harmless provided for in this section shall survive any termination or expiration of this agreement.

## **8. INSURANCE.**

During the period of the Agreement, the Company shall maintain in force at its own expense, each insurance noted below with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW:

A. **Worker's Compensation Insurance** in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000;

B. **General Liability Insurance** on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this



Agreement. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Company's services to be provided under this Agreement;

i. Acceptable **supplementary Umbrella insurance** coverage combined with Company's General Liability insurance policy must be a minimum of \$1,000,000, in order to meet the insurance coverage limits required in this Agreement; and

C. **Automobile Liability Insurance** with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Company or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the Company shall furnish acceptable Certificates of Insurance (COI) to the City at the time it returns this signed Agreement. The certificate shall specify the City of Spokane as "Additional Insured" specifically for Company's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level. The Company shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

#### **9. DEBARMENT AND SUSPENSION.**

The Company has provided its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and "Debarment and Suspension", codified at 29 CFR part 98.

#### **10. AUDIT.**

The Company and its sub-contractor shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. The Company and its sub-contractors shall provide access to authorized City representatives, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.

#### **11. ASSIGNMENT AND SUBCONTRACTING.**

The Company shall not assign or subcontract its obligations under this Agreement without the City's written consent, which may be granted or withheld in the City's sole discretion. Any subcontract made by the Company shall incorporate by reference this Agreement, except as otherwise provided. The Company shall ensure that all subcontractors comply with the obligations and requirements of the subcontract. The City's consent to any assignment or subcontract does not release the Company from liability or any obligation within this Agreement, whether before or after City consent, assignment or subcontract.

#### **12. TERMINATION.**

Either party may terminate this Agreement, with or without cause, by ten (10) days written notice to the other party. In the event of such termination, the City shall pay the Company for all work previously authorized and performed prior to the termination date.

**13. STANDARD OF PERFORMANCE.**

The standard of performance applicable to Company's services will be the degree of skill and diligence normally employed by professional Company's performing the same or similar services at the time the services under this Agreement are performed.

**14. OWNERSHIP AND USE OF RECORDS AND DOCUMENTS.**

Original documents, drawings, designs, reports, or any other records developed or created under this Agreement shall belong to and become the property of the City. All records submitted by the City to the Company shall be safeguarded by the Company. The Company shall make such data, documents and files available to the City upon the City's request. If the City's use of the Company's records or data is not related to this project, it shall be without liability or legal exposure to the Company.

Under Washington State Law (reference RCW Chapter 42.56, the *Public Records Act* [PRA]) all materials received or created by the City of Spokane are **public records** and are available to the public for viewing via the City Clerk's Records (online) or a valid Public Records Request (PRR).

**15. ANTI KICK-BACK.**

No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Agreement.

**16. MISCELLANEOUS PROVISIONS.**

A. **Amendments/Modifications:** This Agreement may be modified by the City in writing when necessary, and no modification or Amendment of this Agreement shall be effective unless signed by an authorized representative of each of the parties hereto.

B. The Company, at no expense to the City, shall comply with all laws of the United States and Washington, the Charter and ordinances of the City of Spokane; and rules, regulations, orders and directives of their administrative agencies and officers. Without limiting the generality of this paragraph, the Company shall comply with the requirements of this Section.

C. This Agreement shall be construed and interpreted under the laws of Washington. The venue of any action brought shall be in a court of competent jurisdiction, located in Spokane County, Washington.

D. **Captions:** The titles of sections or subsections are for convenience only and do not define or limit the contents.

E. **Severability:** If any term or provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.

F. **Waiver:** No covenant, term or condition or the breach shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same or any other covenant, term of condition. Neither the acceptance by the City of any performance by the Company after the time the

same shall have become due nor payment to the Company for any portion of the Work shall constitute a waiver by the City of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by the City in writing.

G. **Entire Agreement:** This document along with any exhibits and all attachments, and subsequently issued addenda, comprises the entire agreement between the City and the Company. If conflict occurs between Agreement documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the City the maximum benefits.

H. **No personal liability:** No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Agreement, whether expressed or implied, nor for any statement or representation made or in any connection with this Agreement.

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Agreement by having legally-binding representatives affix their signatures below.

#### STRATEGIC GOVERNMENT RESOURCES

DocuSigned by:  
By Melissa Valentine  
Signature \_\_\_\_\_ Date 3/23/2021

Melissa Valentine  
Type or Print Name

Managing Director of Recruitment and HR  
Title

Attest:

DocuSigned by:  
Levi [Signature]  
City Clerk \_\_\_\_\_

#### CITY OF SPOKANE

DocuSigned by:  
By Amber Richards  
Signature \_\_\_\_\_ Date 3/23/2021

Amber Richards  
Type or Print Name

Human Resources Director  
Title

Approved as to form:

DocuSigned by:  
Timothy Szambelan  
Assistant City Attorney \_\_\_\_\_ DS

#### Attachments that are part of this Agreement:

Exhibit A – Certificate Regarding Debarment  
Exhibit B – SGR Proposal for Executive Recruitment Services

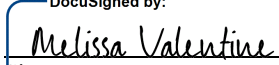


**EXHIBIT A****CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY AND VOLUNTARY EXCLUSION**

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) certifies, to the best of its knowledge and belief, that it and its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
  - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
  - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.
2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. I understand that a false statement of this certification may be grounds for termination of the contract.

<b>Strategic Government Resources</b> <hr/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr/> Program Title (Type or Print)
<b>Melissa valentine</b> <hr/> Name of Certifying Official (Type or Print)	DocuSigned by:  <hr/> Signature 9000638BBA29477...
<b>Managing Director of Recruitment and HR</b> <hr/> Title of Certifying Official (Type or Print)	3/23/2021 <hr/> Date (Type or Print)

## **PROPOSAL FOR EXECUTIVE RECRUITMENT SERVICES**

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COMMUNITY AND ECONOMIC DEVELOPMENT SERVICES DIVISION DIRECTOR  
CITY OF SPOKANE, WASHINGTON

February 2021

(This proposal is valid for 90 days)



**Strategic** Government Resources

P.O. Box 1642, Keller, Texas 76244

Office: 817-337-8581

Jennifer Fadden, President of Executive Recruitment

[JenniferFadden@GovernmentResource.com](mailto:JenniferFadden@GovernmentResource.com)



February 18, 2021

Hon. Mayor Nadine Woodward  
City of Spokane, Washington

Dear Mayor Woodward:

Thank you for the opportunity to submit this proposal to assist the City of Spokane in your recruitment for the new position of Community and Economic Development Services Division Director. SGR has the unique ability to provide a personalized and comprehensive recruitment to meet your needs.

I would like to draw your attention to a few key items that distinguish SGR from other recruitment firms and allow us to reach the most extensive and diverse pool of applicants:

- SGR is a recognized thought leader in local government management and is actively engaged in local government operations, issues, and Best Management Practices.
- SGR's Servant Leadership e-newsletter, where all recruitments conducted by SGR are announced, reaches over 46,000 subscribers in all 50 states. SGR will also provide a comprehensive social media marketing campaign and send targeted emails to opt-in subscribers to SGR's profession-specific Job Alerts.
- SGR is currently conducting the City Administrator search, and we are familiar with the City and the region. We were also recently engaged to conduct the Executive Director recruitment for the Spokane Regional Transportation Council.

We recognize that the COVID-19 pandemic has created unique operating challenges for local governments in a myriad of ways, including recruitment efforts. SGR has invested in a variety of technologies that will allow a safe social distancing recruitment process, and we will continue to improve, adapt and provide alternatives to in-person meetings during this uncertain time.

We are excited about the prospect of conducting this recruitment for the City of Spokane, and we are available to visit with you at your convenience.

Respectfully submitted,

Ron Holifield, Chief Executive Officer  
[Ron@GovernmentResource.com](mailto:Ron@GovernmentResource.com)  
Cell: 214-676-1691

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- 7    References**
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- 10   Sample Position Profile Brochures**

## Company Profile

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### Background

Strategic Government Resources, Inc. (SGR) exists to help local governments become more successful by Recruiting, Assessing, and Developing Innovative, Collaborative, and Authentic Leaders. SGR was incorporated in 2002 with the mission to facilitate innovative leadership in local government. SGR is fully owned by former City Manager Ron Holifield, who spent two high-profile decades in city management and served as a City Manager in several cities.

SGR's Core Values are Customer Service, Integrity, Philanthropy, Continuous Improvement, Agility, Collaboration, Protecting Relationships, and the Golden Rule.

SGR is a **full-service firm**, specializing in executive recruitment, interim placements, online training, onsite training, leadership development, psychometric assessments, strategic visioning retreats, one-on-one employee coaching, and other consulting services designed to promote innovation, team building, collaboration, and continuous improvement in local governments. SGR has approximately 700 local government clients in 47 states for all of our business lines combined. SGR has been, and continues to be, a leader in spurring innovation in local government.

SGR's corporate headquarters is in the Dallas/Fort Worth Metroplex. SGR also has virtual offices in California, Florida, Minnesota, New York, North Carolina, Ohio, and Oklahoma.

### SGR Executive Leadership – Recruitment

- Ron Holifield, Chief Executive Officer
- Jennifer Fadden, President, Executive Recruitment
- Melissa Valentine, Managing Director, Recruitment & Human Resources

View all SGR team members and bios at: [governmentresource.com/about-us/meet-the-team](http://governmentresource.com/about-us/meet-the-team)



## **SGR's Unique Qualifications**

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### **Extensive Network of Prospects**

SGR is intent on being a leader in executive recruitment, and we believe it is imperative to be proactive in our mission to build a workforce that represents the communities we serve. SGR reaches an extensive and diverse pool of prospects by utilizing our unequaled network of prospects.

- SGR's Servant Leadership e-newsletter, where your position will be announced, reaches over 46,000 subscribers in all 50 states.
- We will send targeted emails to opt-in subscribers to SGR's profession-specific Job Alerts.
- Your position will be posted on SGR's Website, [GovernmentResource.com](http://GovernmentResource.com), which has more than 36,000 visitors per month.
- Your position will be posted on SGR's Job Board, [SGRjobs.com](http://SGRjobs.com), which averages more than 16,000 unique visitors per month and has over 1,600 jobs listed at any given time.
- SGR provides a comprehensive social media marketing campaign that includes custom-made graphics and distribution on Facebook, Twitter, Instagram, and LinkedIn.
- SGR frequently partners with local government associations including League of Women in Government and the Local Government Hispanic Network.
- Approximately 65% of semifinalists selected by our clients learned about the open recruitment through via our website, servant leadership e-newsletter, job board, social media, job alert emails, or personal contact.

### **Collective Local Government Experience**

Our recruiters have years of experience in local government and both regional and national networks of relationships. The entire executive recruitment group works as a team to leverage their networks to assist with each recruitment. SGR team members are active on a national basis, in both local government organizations and professional associations. Many SGR team members frequently speak and write on issues of interest to local government executives. SGR can navigate all of the relevant networks as both a peer and insider.

### **Equal Opportunity Commitment**

SGR strongly believes in equal employment opportunity. SGR does not discriminate and believes that equal opportunity is an ethical issue. SGR quite simply will not enter into an engagement with an entity or organization that directs, or expects, that bias should or will be demonstrated on any basis other than those factors that have a bearing on the ability of the candidate to do the job. You can anticipate that SGR will make a serious and sincere effort to encourage qualified applicants from underrepresented demographic groups to apply. Although SGR obviously cannot, and would not, guarantee the makeup of the semifinalist or finalist groups, SGR does have relationships and contacts nationwide to encourage the meaningful participation of

underrepresented minority groups, and we continue to evaluate and improve our processes by embedding a lens of equity and inclusion into our recruitment practices.

### **Listening to Your Unique Needs**

SGR devotes a significant amount of time to actively listening to your organization and helping you define and articulate your needs. We work hard to conduct a comprehensive recruitment that is unique to you. SGR devotes a tremendous amount of energy to understanding your organization's unique culture, environment, and local issues to ensure a great "fit" from values, philosophy, and management style perspectives.

### **Trust of Candidates**

SGR has a track record of remarkable confidentiality and providing wise counsel to candidates and next generation leaders; we have earned their trust. As a result, SGR is often able to get exceptional prospects to become candidates, even if they have declined to become involved in other recruitment processes. Candidates trust SGR to assess the situation well, communicate honestly and bluntly, and maintain their confidentiality to the greatest extent possible.

### **Accessibility & Communication**

Your executive recruiter is accessible at all times throughout the recruitment process and can be reached by candidates or clients, even at night and on weekends, by cell phone or email. In addition, the recruiter communicates with active applicants on a weekly basis and sends Google alerts articles to keep the applicants informed about the community and opportunity.

### **Comprehensive Evaluation and Vetting of Candidates**

SGR offers a candidate screening process that prevents surprises and ensures in-depth understanding. Our vetting process includes:

- Prescreening questions and technical review of resumes
- Cross communication between our recruiters about candidates who have been in previous searches for greater understanding of background and skills
- Comprehensive written questionnaires to gain different insights than typically available on a resume
- Online pre-recorded video interviews that allow search committee members, at their convenience, to view candidates in an interview setting prior to the finalist stage of the recruitment process
- Comprehensive media reports that go far beyond automated Google/LexisNexis searches and are customized to each candidate based on where he/she has lived and worked
- Comprehensive automated and anonymous reference checks that provide deep insights on candidates' soft skills from a well-rounded group of references
- Psychometric assessments (supplemental cost)
- Comprehensive background checks completed by a licensed private investigation firm
- Advanced exercise, customized to the organization, for finalist candidates

## Project Personnel

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### **Kurt Hodgen, Senior Vice President**

[KurtHodgen@GovernmentResource.com](mailto:KurtHodgen@GovernmentResource.com)

540-820-0531



With over 30 years of local government experience, Kurt Hodgen joined SGR in 2017 as Senior Vice President. Most recently, from 2007 until his retirement, Kurt served as the City Manager for the City of Harrisonburg, Virginia, after having previously served as the Assistant City Manager beginning in 2001. From 1993 to 2001, Kurt was the Assistant County Administrator/Director of Public Works for Botetourt County, Virginia. Before that, Kurt served as the Town Manager for the Town of Narrows, Virginia.

Kurt has been active in his professional associations and is currently a member of the International City and County Management Association (ICMA) and the Virginia Local Government Management Association (VLGMA). Recently, he served as the Chairman for the Board of Directors for the Virginia Municipal League Insurance Program, in addition to serving on the Executive Committee for VLGMA, the Harrisonburg Rockingham Regional Sewer Authority, the Middle River Regional Jail Board of Directors, Harrisonburg Rockingham Emergency Communication Center Administrative Board, and more.

Kurt holds a Bachelor of Science in Public Administration and Political Science from James Madison University and is an ICMA Credentialed Manager. He is also a graduate of the Senior Executive Institute at the University of Virginia, the Utility Management Institute at Virginia Tech, and the Economic Development Institute at Virginia Tech.

**Kurt D. Hodgen, ICMA-CM**  
**Mooreville, NC 28115**  
**(540) 820-0531**  
**kdhodgen@comcast.net**

## **EDUCATION:**

James Madison University, B.S. degree in Public Administration and Political Science.  
AWWA Utility Management Institute at Virginia Tech.  
Senior Executive Institute, University of Virginia.  
Virginia Institute for Economic Development  
ICMA Credentialed Manager.

## **RELATED EXPERIENCE:**

### **December, 2017 – Present: Senior Vice President, Executive Recruitment, Strategic Government Resources.**

Provision of executive recruitment services to localities throughout the United States from initial recruitment of applicants through contract negotiations between successful candidates and localities; ongoing relationship building and support to both local government clients as well as potential candidates.

### **July 2007 – October 2017: City Manager, City of Harrisonburg.**

Retired after 32+ plus years in Virginia local government as CAO of one of the fastest growing cities in Virginia. A full-service City, including public utilities (water, sewer and electric), the City Manager is responsible for preparation and administration of a \$200+ million dollar budget (all funds), and direct leadership of 12 departments (including Police and Fire) and 754 FT employees.

Accomplishments and activities included:

- Numerous infrastructure projects including renovation of a new public safety building housing police, fire administration and the consolidated city/county emergency communications center and radio system; various other public buildings, utilities upgrades and expansions, road and bridge construction, development of new bike and pedestrian trails, downtown redevelopment and streetscape improvements and parks and recreation facilities.
- Enhancements to the City's financial management policies; achieved upgrades to the City's bond ratings; oversaw multiple successful bond issues; obtained multi-million dollar grant assistance in state and federal transportation funding.
- Growth of the local economy through new commercial and retail, corporate expansions such as Rosetta Stone, Anthem Data Center, Serco, Axon, and Walker/Tenneco. Establishment of economic revitalization zones and technology zones.
- Growth and development of staff through internal and external education and training opportunities; succession planning.

- Intergovernmental/regional cooperative efforts including establishment of City/James Madison University liaison committee meetings with the University's President and Senior staff, maintained positive intergovernmental relations with surrounding County of Rockingham via regularly scheduled City/County liaison meetings, also did the same with the City School Board and Administration.
- Served as Chairman of the joint City-County Emergency Communications Center Administrative Board;
- Coordination with Rockingham County on shared services including Sheriff, Courts, Commonwealth Attorney, Social Services and Libraries.
- Served on other regional Boards and Commissions; served as City's legislative liaison to General Assembly members and the Virginia Municipal League.
- Served as the City's Emergency Services Coordinator as per the Code of Virginia.

**February 2001 – June 2007: Assistant City Manager, City of Harrisonburg.**

Principal assistant to the City Manager. Performed duties of the city manager in his absence as well as all other duties assigned including liaison between City Manager and department heads; direct oversight of six departments; start-up and administration of City's CDBG Program; grant writing; special project management; staff development; report writing and presentations to City Manager and City Council. Also served as Deputy Emergency Services Coordinator.

**Feb.1993 – Feb. 2001: Asst. County Admin./Dir. of Pub. Works, Botetourt County, Virginia.**

Top-level administrative position in a rapidly growing County. Responsible for administration of multiple departments and activities including engineering, utilities, landfill and recycling, building and grounds maintenance, and parks and recreation. Administered departmental budget and capital projects budget. Duties also included grant writing and administration; long range planning; staff development; economic development; emergency services; report writing and presentations to county administrator and Board of Supervisors.

**January 1988 - February 1993: Town Manager, Town of Narrows, Virginia.**

Chief Administrative Officer of a full-service town. Prepared and administered the budget, oversaw all departmental operations as well as community development and planning activities, capital projects, water and sewer projects, street and sidewalk improvements. Prepared Council agendas, monthly financial reports, biweekly activity reports, and other reports and studies as required by council. Developed standard purchasing and budgeting policies; completed major water and sewer system improvements and upgrades. Other activities included grant writing and administration, and intergovernmental cooperation efforts.

**Dec. 1986 – Jan.1988: Public Admin. Specialist, Mt. Rogers Planning District Commission.**

Served as Circuit Riding Town Manager for the towns of Fries and Independence, Virginia. Oversaw departmental operations, wrote and administered CDBG, EPA and FmHA grants for community infrastructure projects.

**January 1985 - August 1986: Asst. to the County Administrator, Alleghany County, Virginia.**

Duties included assistance in preparation and administration of the operating budget, project management for the renovation of and movement to a new county office building. Prepared reports, assisted in day-to day operations, other duties as assigned by the County Administrator.

**PROFESSIONAL MEMBERSHIPS:**

International City and County Management Association (ICMA)  
Virginia Local Government Management Association (VLGMA)

**OTHER AFFILIATIONS:**

Virginia Municipal League Insurance Program (served as Board member, Vice Chairman and Chairman)  
Virginia Local Government Management Association (Executive Committee member)  
Virginia Local Government Management Association Support Network Coordinator  
Harrisonburg Rockingham Regional Sewer Authority Board of Directors  
Middle River Regional Jail Board of Directors  
Harrisonburg-Rockingham Emergency Communication Center Board Chairman  
Harrisonburg-Rockingham Social Services District Administrative Board  
Harrisonburg-Rockingham Metropolitan Planning Organization Board Member  
Central Shenandoah Juvenile Detention Center Board of Directors  
Community Criminal Justice Board, Board member  
Virginia Commission on Local Government Annexation Study Committee member

## **Recruitment Methodology**

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A full-service recruitment typically entails the following steps:

**1. Organizational Inquiry and Analysis**

- Develop Recruitment Plan and Timeline
- Individual Interviews with Key Stakeholders
- Development of Position Profile Brochure

**2. Advertising and Marketing, Communication with Applicants and Prospects**

**3. Initial Screening and Review**

**4. Search Committee Briefing to Facilitate Selection of Semifinalists**

**5. Evaluation of Semifinalist Candidates**

- Written Questionnaires
- Recorded Online Interviews
- Media Searches - Stage 1

**6. Search Committee Briefing to Facilitate Selection of Finalists**

**7. Evaluation of Finalist Candidates**

- Comprehensive Media Searches - Stage 2
- Comprehensive Background Investigation Reports
- DiSC Management Assessments (supplemental service)
- First Year Game Plan or Other Advanced Exercise

**8. Interview Process**

- Face-to-Face Interviews
- Stakeholder Engagement (may occur earlier in process)
- Deliberations
- Reference Checks (may occur earlier in process)

**9. Negotiations and Hiring Process**

- Determine the Terms of an Offer
- Negotiate Terms and Conditions of Employment
- Press Release (if requested)

## **Step 1: Organizational Inquiry and Analysis**

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### **Develop Recruitment Plan and Timeline**

SGR will meet with the client at the outset of the project to finalize the recruitment plan and timeline. At this time, SGR will also request that the client provide us with photos and information on the community, organization, and position to assist us in drafting the position profile brochure.

### **Individual Interviews with Key Stakeholders**

SGR devotes tremendous energy to understanding your organization's unique culture, environment, and goals to ensure you get the right match for your particular needs. Fully understanding your organizational needs is the most critical part of conducting a successful executive recruitment. In consultation with the Search Committee, SGR will develop a list of individuals to meet with about the position. Individual interviews may include members of the Search Committee, key staff members, peers in other organizations, and/or community leaders to find out more about the position, special considerations, and the political environment. These interviews last approximately 30-60 minutes each and identify issues that may affect the dynamics of the recruitment, as well as develop a composite understanding of the organization's preferences. This process helps with organizational buy-in and will assist us in developing the position profile.

### **Development of Position Profile Brochure**

Following the individual interviews, SGR will develop a draft position profile brochure that is reviewed and revised in partnership with your organization until we are in agreement that it accurately reflects the sought-after leadership and management characteristics.

## **Step 2: Advertising and Marketing, Communication with Applicants and Prospects**

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### **Advertising and Marketing**

The Executive Recruiter and client work together to determine the best ways to advertise and recruit for the position. SGR's Servant Leadership e-newsletter, where your position will be announced, reaches over 46,000 subscribers in all 50 states. We will also send targeted emails to opt-in subscribers to SGR's profession-specific Job Alerts. Your position will be posted on SGR's Website, [GovernmentResource.com](http://GovernmentResource.com), and on SGR's Job Board, [SGRjobs.com](http://SGRjobs.com). SGR provides a comprehensive social media marketing campaign that includes custom-made graphics and distribution on Facebook, Twitter, Instagram, and LinkedIn. Ads are also typically placed in various state and national publications, targeting the most effective venues for reaching qualified candidates for that particular position.

### **Communication with Prospects**

SGR communicates with interested prospects on ongoing basis during the recruitment process. Outstanding prospects often will not submit a resume until they have done considerable homework on the available position. A significant number of inquiries will be made, and it is essential that the executive search firm be prepared to answer those questions with fast,



accurate, and complete information, and in a warm and personal manner. This is one of the first places a prospective candidate will develop an impression about the organization, and it is an area in which SGR excels.

### **Communication with Active Applicants**

Handling the flow of resumes is an ongoing and significant process. On the front end, it involves tracking resumes and promptly acknowledging their receipt. It also involves timely and personal responses to any questions or inquiries. SGR communicates frequently with applicants to ensure they stay enthusiastic and informed about the opportunity. SGR utilizes Google Alerts and sends weekly update emails to active applicants regarding the organization and community.

### **Step 3: Initial Screening and Review**

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SGR uses a triage process to identify high-probability, medium-probability, and low-probability candidates. The triage ranking is focused on overall assessment based on interaction with the applicant, qualifications, any known issues regarding previous work experience, and evaluation of cultural fit with the organization.

In contrast with the triage process described above, which focuses on subjective assessment of the resumes and how the candidates present themselves, we also evaluate each candidate to make sure that the minimum requirements of the position are met, and which of the preferred requirements are met. This sifting process assesses how well candidates' applications fulfill the recruitment criteria outlined in the Position Profile.

### **Step 4: Search Committee Briefing / Selection of Semifinalist Candidates**

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At this briefing, SGR will provide a comprehensive progress report and facilitate the selection of up to 12 semifinalists. The presentation will include summary information on the process so far, the candidate pool overall, and any trends or issues, as well as a briefing on each candidate and their credentials. No other firm offers this level of reporting detail and transparency.

### **Step 5: Evaluation of Semifinalist Candidates**

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Reviewing resumes is an important and valuable step in the executive recruitment process. However, the simple fact is that resumes can be misleading. They tell you nothing about the individual's personal qualities or his/her ability to get along with other people. Resumes can also exaggerate or inflate accomplishments or experience. SGR's responsibility is to go more in-depth than the resume to ensure that those candidates who continue in the process are truly outstanding. SGR's goal is to have a clear understanding of the person behind the resume and what makes him/her an outstanding prospect for you. The evaluation of semifinalist candidates includes follow-up when appropriate to ask any questions about underlying issues.

**Written Questionnaires**

SGR will ask semifinalist candidates to complete a comprehensive written exercise designed to provide greater insight into candidate thought processes and communication styles. SGR's written instrument is custom designed around the priorities identified by the Search Committee and usually includes questions focusing on key areas of particular interest to the client. This written instrument will be included in the semifinalist briefing book along with cover letters and resumes submitted by the candidates.

**Recorded Online Interviews**

SGR will ask semifinalist candidates to complete online interviews. This provides a very insightful, efficient and cost-effective way to gain additional insights to utilize in selecting finalists you want to invite for an onsite interview. The recorded online interviews allow the Search Committee to evaluate technological competence, demeanor, verbal communication skills, and on-camera presence. Online interviews also convey to candidates that the organization is using leading edge technology in its business processes and provide an opportunity for the Search Committee to ask candidates questions on specific topics of special interest. Links to view the online interviews are emailed to the Search Committee members for viewing at their convenience prior to selection of finalist candidates.

**Media Searches - Stage 1**

"Stage 1" of our media search involves a comprehensive review of all newspaper articles on the candidate in major news outlets within the previous two years. These media reports at the semifinalist stage have proven helpful by uncovering issues that were not previously disclosed by prospective candidates. The recruiter will communicate any "red flags" to the Search Committee immediately upon discovery.

**Step 6: Search Committee Briefing / Selection of Finalist Candidates**

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Prior to this briefing, SGR will provide each member of the Search Committee with a briefing book on the semifinalist candidates. The briefing book includes cover letters, resumes, and completed questionnaires. The link to view the online interviews is emailed separately to Search Committee members. The purpose of this briefing is to facilitate narrowing the list to up to 5 finalists who will be invited for personal interviews.

**Step 7: Evaluation of Finalist Candidates**

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**Comprehensive Media Searches - Stage 2**

SGR uses a proprietary media search process that goes far beyond automated Google/LexisNexis searches. SGR's process is customized to provide a comprehensive media search on each candidate. The search includes variations of the candidates' names and states/cities in which they have lived or worked, along with social media platforms. The Media Reports are put into an easy-to-read format, and the candidate's name is highlighted each time it appears.

These media reports have proven helpful to Search Committees by uncovering issues that were not previously disclosed by candidates and that would likely not have been discovered through an automated search. The Media Reports also give the Search Committee an overview of the type and extent of press coverage that a candidate has experienced over the course of his/her career. View a sample media report at: <http://bit.ly/SGRSampleMediaReport>.

### **Comprehensive Background Investigation Reports**

Through SGR's partnership with a licensed private investigation firm, we are able to provide our clients with comprehensive background screening reports that include the detailed information listed below. View a sample background report at: [bit.ly/SGRSampleBackgroundReport](http://bit.ly/SGRSampleBackgroundReport).

- Social Security number trace
- Address history
- Driving history/motor vehicle records
- Credit report (if desired)
- Federal criminal search
- National criminal search
- County warrants and warrants for previous 10 years
- Global homeland security search
- Sex offender registry search
- State criminal search (for current and previous states of residence)
- County civil and criminal search (for every county in which candidate has lived or worked) for previous 10 years
- Education verification
- Employment verification (if desired)
- Military verification (if desired)

### **DiSC Management Assessments (supplemental service)**

SGR uses a DiSC Management assessment tool, which is among the most validated and reliable personal assessment tools available. The DiSC Management assessment analyzes and reports comprehensively on the candidate's preferences in five vital areas: management style, directing and delegating, motivation, development of others, and working with his/her own manager. View a sample report at: [bit.ly/SGRDiscProfileSample](http://bit.ly/SGRDiscProfileSample). For assessments of more than two candidates, a DiSC Management Comparison Report is included, which provides a side-by-side view of each candidate's preferred management style. View a sample comparison report at: [bit.ly/SGRDiscTeamReport](http://bit.ly/SGRDiscTeamReport).

### **First Year Game Plan or Other Advanced Exercise**

SGR will work with your organization, if desired, to develop an advanced exercise for the finalist candidates. One example of such an exercise is a "First Year Game Plan," a process where finalist candidates are provided with the contact information for elected officials, key staff, and community leaders and then given free rein to make contact with all of them in advance and use those insights to develop a "first year game plan" based on what they know so far. Feedback is received from the key contacts on their impressions of the finalist candidates from

the interactions with the candidates prior to the interviews. This exercise provides the opportunity to evaluate candidates' written and interpersonal communication skills, as well as critical analysis skills.

## **Step 8: Interview Process**

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### **Face-to-Face Interviews**

SGR will schedule interviews at a date/time convenient to your organization. This process can be as simple, or as complex, as your organization desires. SGR will help you determine the specifics and assist in developing the interview schedule and timeline. SGR will prepare sample interview questions and will participate throughout the process to make it smooth and efficient.

### **Stakeholder Engagement**

At the discretion of the Search Committee, we will work closely with your organization to engage stakeholders in the recruitment process. Our recommendation is that we design a specific stakeholder engagement process after we learn more about the organization and the community. Different approaches work best in different communities. We will collaborate with your organization to determine which option, or combination of options, will be the most effective for the unique needs of the organization.

- Stakeholder survey (supplemental service, can be provided at an additional cost)
- Interviewing community leaders at the outset of the recruitment;
- Holding a public forum for citizen engagement at the outset of the recruitment;
- Community leader reception;
- Meet and greet;
- Search Committee and key community leader dinner meeting;
- "Round Robin" forum meetings with various community groups during a multi-day interview process.

### **Deliberations**

SGR will facilitate a discussion about the finalist interviews and assist the Search Committee in making a hiring decision or in deciding whether to bring back one or more candidates for a second interview.

### **Reference Checks**

SGR uses a progressive and adaptive automated reference check system to provide insights on candidates' soft skills from a well-rounded group of references. References may include elected officials, direct supervisors, direct reports, internal organizational peers, professional peers in other organizations, and civic leaders. SGR's reference check platform is anonymous, which is proven to encourage more candid and truthful responses, in turn providing organizations with more meaningful and insightful information on candidates. SGR provides a written summary report to the organization once all reference checks are completed. The timing of reference checks may vary depending on the specific search process and situation. If the names of the

finalists are made public prior to interviews, SGR will typically contact references prior to the interview process. If the names of the finalists are not made public prior to interviews, SGR will typically wait until the organization has selected its top candidate before calling references in order to protect candidate confidentiality.

## **Step 9: Negotiations and Hiring Process**

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### **Determine the Terms of an Offer**

Upon request, SGR will provide appropriate employment agreement language and other helpful information to assist you in determining an appropriate offer to extend to your candidate of choice.

### **Negotiate Terms and Conditions of Employment**

SGR will assist to whatever degree you deem appropriate in conducting negotiations with the chosen candidate. SGR will determine and define any special needs or concerns of the chosen candidate, including anything that could be a complicating factor. SGR is experienced and prepared to help craft win-win solutions to negotiation “log-jams.”

### **Press Release (if requested)**

Until you have “sealed the deal,” you need to be cautious in order to avoid the embarrassment of a premature announcement that does not work out. You also want to try to notify all senior staff and unsuccessful candidates before they read about it in the newspaper. SGR will assist with this coordination and with drafting any announcements or press releases.

## **Satisfaction Surveys**

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SGR is committed to authentically following the golden rule by providing prompt, professional and excellent communication and always treating every client with honor, dignity and respect. We ask clients and candidates to complete a brief and confidential survey after the completion of their recruitment. This helps us strive to continuously improve our processes and meet the changing needs of the workforce.

## **Supplemental Service: Post-Hire Team Building Workshop**

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SGR can provide a customized team building workshop after you hire for the position. SGR utilizes I-OPT, which is a validated measurement tool that shows how a person perceives and processes information. Because people “see” different things when they assess a situation, they are motivated to take various courses of action, so understanding you and your colleagues’ I-OPT Profiles will enable you to work much more effectively as a team. This service can be provided at an additional cost. View sample I-OPT reports at: [bit.ly/sampleIOPReports](http://bit.ly/sampleIOPReports).

## Projected Schedule

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*Schedule will be adjusted at the outset of the search to meet the organization's needs.*

Task	Weeks
<ul style="list-style-type: none"> <li>Contract Executed</li> <li>Develop Recruitment Plan, Timeline</li> <li><u>Individual Interviews with Key Stakeholders</u></li> </ul>	Week 1
<ul style="list-style-type: none"> <li><u>Deliverable</u>: Position Profile Brochure</li> <li>Search Committee Reviews and Approves Brochure</li> </ul>	Weeks 2-3
<ul style="list-style-type: none"> <li>Advertising and Marketing</li> <li>Accept Applications</li> <li>Communication with Prospects and Applicants</li> </ul>	Weeks 4-7
<ul style="list-style-type: none"> <li>Initial Screening and Review</li> </ul>	Week 8
<ul style="list-style-type: none"> <li><u>Search Committee Briefing</u> / Select Semifinalists</li> <li>Questionnaires and Recorded Online Interviews</li> <li>Media Searches - Stage 1</li> </ul>	Week 9
<ul style="list-style-type: none"> <li><u>Deliverable</u>: Semifinalist Briefing Books and Online Interviews</li> </ul>	Week 10
<ul style="list-style-type: none"> <li><u>Search Committee Briefing</u> / Select Finalist Candidates</li> </ul>	Week 11
<ul style="list-style-type: none"> <li>Comprehensive Media Searches - Stage 2</li> <li>Comprehensive Background Investigation Reports</li> <li>DiSC Management Assessments (supplemental service)</li> <li>First Year Game Plan or Other Advanced Exercise</li> </ul>	Weeks 12-13
<ul style="list-style-type: none"> <li><u>Deliverable</u>: Finalist Briefing Books</li> </ul>	Week 14
<ul style="list-style-type: none"> <li><u>Face-to-Face Interviews</u></li> <li>Stakeholder Engagement (may occur earlier in process)</li> <li>Deliberations</li> <li>Reference Checks (may occur earlier in process)</li> <li>Negotiations and Hiring Process</li> </ul>	Week 15

## Recruitment Costs & Service Guarantee

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**Not-to-Exceed Price:** **\$24,150** (*reflects discount of \$750*)

**Not-to-exceed price includes:**

- **Professional Service Fee - \$18,500**
- **Expenses:**
  - **Position Profile Brochure & Marketing - \$750** (*reflects discount of \$750*)
    - Production of a professional position profile brochure
    - Custom-designed graphics for social media and email marketing
    - Announcement in SGR's 10 in 10 Leadership and Innovation e-newsletter
    - Two (2) email blasts to SGR's opt-in Job Alert subscribers for the relevant job category
    - Featured job placement on SGR's website
    - Featured ad on SGR's job board
    - Promotions on SGR's social media pages – Facebook, Twitter, LinkedIn, and Instagram
  - **Semifinalist Recorded Online interviews** for up to twelve (12) semifinalists - **\$225 each**
  - **Comprehensive Media Reports** for up to five (5) finalists - **\$500 each**
  - **Comprehensive Background Investigation Reports** for up to five (5) finalists - **\$400 each**
  - **Comprehensive Reference Checks** with individual reports for up to five (5) finalists - **\$225 each**
  - **Up to Two (2) onsite visits** by the Recruiter to the Organization. Meals are billed back at a per diem rate of \$10 for breakfast, \$15 for lunch, and \$25 for dinner. Mileage will be reimbursed at the current IRS rate. All other travel-related expenses are billed back at actual cost, with no markup for overhead. **Travel will be dependent on COVID restrictions in place at the time and take into consideration the health and safety of team members of both SGR and the Organization.**

### Supplemental Services

The supplemental services listed below are not included in the not-to-exceed price:

- **Ad placements, as approved by the organization, will be billed back at actual cost with no markup for overhead.**
- There may be an additional charge for changes made to the Position Profile Brochure after the brochure has been approved by the organization and the position has been posted online.

- Additional online interviews (over and above the twelve (12) included in the not-to-exceed price above) are offered for \$225 per candidate.
- Additional comprehensive media reports (over and above the five (5) included in the not-to-exceed price above) are offered for \$500 per candidate.
- Additional background investigation reports (over and above the five (5) included in the not-to-exceed price above) are offered for \$400 per candidate.
- Additional reference checks via (over and above the five (5) included in the not-to-exceed price above) are offered for \$225 per candidate.
- There is a cost of \$175 per candidate for the DiSC Management Profile.
- Semifinalist and finalist briefing materials will be provided to the search committee via an electronic link (or a flash drive, if requested). Should the organization request printing of those materials, the reproduction and shipping of briefing materials will be outsourced and be billed back at actual cost. Flash drives are billed at \$10 each, plus the cost of shipping.
- Additional in-person visits (over and above the two (2) in-person visit included in the not-to-exceed price above) by the Recruiter will be billed over and above the not-to-exceed price. Meals are billed back at a per diem rate of \$10 for breakfast, \$15 for lunch, and \$25 for dinner. Mileage will be reimbursed at the current IRS rate. All other travel-related expenses are billed back at actual cost, with no markup for overhead.
- Candidates are reimbursed directly by the organization for travel expenses.
- SGR will conduct a Stakeholder Survey for \$1,000. SGR provides recommended survey questions and sets up an online survey. Stakeholders are directed to a web page or invited to take the survey by email. A written summary of results is provided to the organization.
- If desired, the Recruiter will travel to the communities of the finalist candidates to conduct onsite visits. Site visits will be charged at a day rate of \$1,000 per day, plus travel expenses. Meals are billed back at a per diem rate of \$10 for breakfast, \$15 for lunch, and \$25 for dinner. Mileage will be reimbursed at the current IRS rate. All other travel-related expenses are billed back at actual cost, with no markup for overhead.
- A half-day onsite post-hire team building workshop is offered for \$4,000, plus travel expenses and \$150 per person for I-OPT reports.
- In the unexpected event the organization requests that unusual out of pocket expenses be incurred, said expenses will be reimbursed at the actual cost with no mark up for overhead.
- If the organization desires any supplemental services not mentioned in this section, an estimate of the cost and hours to be committed will be provided at that time, and no work shall be done without approval. Supplemental services will be billed out at \$250 per hour.



**Billing**

The professional service fee for the recruitment is billed in three equal installments during the course of the recruitment. The initial installment is billed after the position profile brochure has been created. The second installment is billed after semifinalists are selected. The final installment is billed at the conclusion of the recruitment. Expenses and supplemental services will be billed with each of the three installments, as appropriate.

**Service Guarantee**

SGR guarantees that you will be satisfied with the results of the full service recruitment process, or we will repeat the entire process one additional time and charge only for expenses. Additionally, if you select a candidate (that SGR has fully vetted) who resigns or is released within 18 months of their hire date, SGR will repeat the process and charge only for expenses. If the organization circumvents SGR's recruitment process and selects a candidate who did not participate in the full recruitment process, the service guarantee is null and void. We also guarantee that we will not directly solicit a candidate we bring to you for another job.

## References

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### City of Carrollton, Texas

**Population: 130,000**

Erin Rinehart, City Manager

[erin.rinehart@cityofcarrollton.com](mailto:erin.rinehart@cityofcarrollton.com)

972-466-3008

*Recruitments: Director of Economic Development, 2018, and City Manager, 2016*

### City of Bainbridge Island, Washington

**Population: 25,000**

Ellen Schroer, Interim City Manager

[eschroer@bainbridgewa.gov](mailto:eschroer@bainbridgewa.gov)

206-780-8619

*Multiple recruitments, including City Manager, in progress, and Planning & Community Development Director, 2016*

### City of Lubbock, Texas

**Population: 250,000**

Jarrett Atkinson, City Manager

[jatkinson@mylubbock.us](mailto:jatkinson@mylubbock.us)

806-775-2003

*Multiple recruitments, including Business Development Director, 2019, and Planning Director, 2019*

### City of Fort Worth, Texas

**Population: 900,000**

Jay Chapa, Assistant City Manager

817-392-1234

[Jay.chapa@fortworthtexas.gov](mailto:Jay.chapa@fortworthtexas.gov)

*Multiple recruitments, including Director of Economic Development, 2016*

### City of Hartford, Connecticut

**Population: 125,000**

Thea Montanez, Chief of Staff

[Thea.Montanez@hartford.gov](mailto:Thea.Montanez@hartford.gov)

860-304-7823

*Recruitments: Director of Development Services, in progress, and Chief Financial Officer, 2020*

### City of Springfield, Oregon

**Population: 62,000**

Chaim Hertz, Human Resources Director

[chertz@springfield-or.gov](mailto:chertz@springfield-or.gov)

541-726-3705

*Recruitments: City Manager, 2019; Development and Public Works Director, 2018; Finance Director, 2018*

### City of Tigard, Oregon

**Population: 53,000**

Dana Bennett, Human Resources Director

[danab@tigard-or.gov](mailto:danab@tigard-or.gov)

503-718-2453

*Recruitment: City Manager, 2020*

### Clackamas County, Oregon

**Population: 413,000**

JJ Peters, Human Resources Director

[jeripet@clackamas.us](mailto:jeripet@clackamas.us)

503-742-5485

*Recruitment: County Administrator, 2019*

### City of Eugene, Oregon

**Population: 165,000**

Kristie Hammitt, Assistant City Manager

[kristie.a.hammitt@ci.eugene.or.us](mailto:kristie.a.hammitt@ci.eugene.or.us)

541-337-4444

*Recruitments: Fire Chief, in progress; Police Chief, 2018*

### City of Shawnee, Kansas

**Population: 66,000**

Nolan Sunderman, City Manager

[nsunderman@cityofshawnee.org](mailto:nsunderman@cityofshawnee.org)

913-742-6200

*Multiple recruitments, including Community Development Director, 2018*

## **Economic/Business Development, Community Development, and Planning & Development Services Recruitments, 2016-Present**

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### **In Progress**

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- Hartford, CT (pop. 125,000) - Director of Development Services
- Hutto, TX (pop. 29,000) - Director of Economic Development/Hutto Community Development Corporation
- Nevada Housing Authority, MO - Executive Director

### **2021**

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- Clarksville, IN (pop. 20,000) - Redevelopment Director
- Orange County, VA (pop. 37,000) – Planning and Development Services Director

### **2020**

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- Addison, TX (pop. 15,000) - Director of Development Services
- Arlington, TX (pop. 383,000) – Code Compliance Administrator
- Dallas County, TX (pop. 2.5M) - Director of Small Business Enterprise
- Ennis, TX (pop. 20,000) - Director of Economic Development
- Grand Prairie, TX (pop. 190,000) - Planning & Development Director
- McKinney, TX (pop. 195,000) - Planning Manager
- Nassau County, FL (pop. 86,000) - Planning Director \*
- Portland, TX (pop. 23,000) - Director of Development Services \*
- San Patricio County, TX (pop. 80,000) - Executive Director of Economic Development Corporation

### **2019**

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- Bastrop, TX (pop. 9,000) - Executive Director of Economic Development Corporation
- Denison, TX (pop. 24,000) – Planning Director \*
- Dickinson, TX (pop. 20,000) - Executive Director of Economic Development
- Lenexa, KS (pop. 55,000) – Community Development Director
- Lubbock, TX (pop. 250,000) - Business Development Director
- Lubbock, TX (pop. 250,000) – Planning Director
- Royse City, TX (pop. 15,000) - Executive Director of Community Development Corporation
- San Marcos, TX (pop. 63,000) – Asst Director of Planning and Development Services \*
- Sherman, TX (pop. 40,000) - President/CEO of Economic Development Corporation
- St. Charles, MO (pop. 70,000) - Director of Economic Development \*

- Temple, TX (pop. 79,000) - Convention & Visitors Bureau Manager \*
- Temple, TX (pop. 79,000) - Neighborhood Services Manager
- Weatherford, TX (pop. 30,000) - Development and Neighborhood Services Director
- Wichita Falls, TX (pop. 104,000) – Director of Development Services \*

## 2018

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- Addison, TX (pop. 15,000) - Special Events Director
- Arlington, TX (pop. 383,000) – Planning and Development Director
- Boerne, TX (pop. 14,000) – Planning and Community Development Assistant Director \*
- Carrollton, TX (pop. 130,000) - Director of Economic Development
- Denison, TX (pop. 23,000) – Director of Community and Development Services
- Farmers Branch, TX (pop. 33,000) – Director of Planning \*
- Georgetown, TX (pop. 67,000) - President of Chamber of Commerce
- Mount Pleasant, TX (pop. 16,000) - Executive Director of Economic Development Corporation
- Rockwall, TX (pop. 43,000) - President of Economic Development Corporation
- Shawnee, KS (pop. 65,000) – Community Development Director \*
- Taylor, TX (pop. 17,000) – Development Services Director \*
- Temple, TX (pop. 79,000) - Mayborn Convention Center Operations Manager \*
- Temple, TX (pop. 79,000) - Main Street Manager \*

## 2017

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- Cameron, MO (pop. 10,000) – Community Development Director \*
- Cedar Park, TX (pop. 70,000) – Redevelopment Project Director \*
- Cedar Park, TX (pop. 70,000) – Senior Redevelopment Project Director \*
- Denison, TX (pop. 23,000) - President and Director of Tourism of Chamber of Commerce
- Little Elm, TX (pop. 40,000) – Development Services Director \*
- Round Rock, TX (pop. 108,000) – Assistant Director of Planning and Development \*
- Waco, TX (130,000) - Assistant Director of Housing & Economic Development \*
- Wichita Falls, TX (pop. 104,000) – Community Development Director \*

## 2016

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- Bainbridge Island, WA (pop. 23,000) – Planning and Community Development Director
- DeLand, FL (pop. 31,000) - Community Development Director \*
- Fort Worth, TX (pop. 750,000) - Director of Economic Development
- Georgetown, TX (pop. 60,000) - Economic Development Director
- Hancock County, MS (pop. 47,000) - CEO of Port and Harbor Commission

- Longview, TX (pop. 81,000) - President of Economic Development Corporation
- McKinney, TX (pop. 162,000) - President of Economic Development Corporation
- Miami, OK (pop. 13,000) - President/CEO of Office of Economic Development
- San Juan County, NM (pop. 118,000) - President/CEO of Four Corners Economic Development (4CED)
- Terrell, TX (pop. 17,000) – Director of Municipal Development Services \*

*\* SGR conducted “front-end” of search that included development of position profile brochure, marketing, application management, initial screening of applications, virtual briefing with organization, and release of applicants not continuing in the process. At that point, the search was handed off to the organization.*

*Population number is approximate population at the time the recruitment took place.*

## Executive Recruitment Clients

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### Arizona

- Chandler
- Coconino County

### Arkansas

- Fort Smith
- Hot Springs

### Colorado

- Arvada
- Aurora
- Brighton
- Combined Regional Communications Authority (Fremont County)
- Commerce City
- Craig
- Durango
- Englewood
- Erie
- Golden
- Gunnison
- Lamar
- Mountain View Fire Protection District
- Northglenn
- Vail
- Wheat Ridge

### Connecticut

- Clinton
- Hartford
- Manchester
- South Windsor
- Tolland
- Wethersfield

### Florida

- Boynton Beach
- Brevard County
- DeLand
- Fernandina Beach
- Fort Lauderdale
- Government Services Group, Inc.
- Green Cove Springs
- Jupiter
- Lakeland
- Lee County
- Nassau County
- North Port
- Ormond Beach
- Palm Coast
- Plant City
- Port St. Lucie
- Sarasota County
- Tamarac
- Winter Haven

### Georgia

- Albany
- Covington
- Johns Creek

### Indiana

- Clarksville

### Iowa

- Ames
- Davenport
- Des Moines Water Works

### **Kansas**

- Coffeyville
- Hutchinson
- Iola
- Johnson County
- Johnson County Park & Recreation District
- Lenexa
- Manhattan
- Mission Hills
- Newton
- Olathe
- Overland Park
- Shawnee
- Topeka
- Wyandotte County/Kansas City Kansas
- Valley Center

### **Kentucky**

- Paducah

### **Louisiana**

- Shreveport

### **Michigan**

- Ann Arbor
- Kalamazoo County Consolidated Dispatch Authority
- Midland
- Muskegon Heights

### **Minnesota**

- Blaine
- Chanhassen

### **Mississippi**

- Hancock County Port & Harbor Commission

### **Missouri**

- Ballwin
- Cameron
- Cape Girardeau
- Grandview
- Joplin
- Lebanon
- Monett
- Nevada Housing Authority
- Nixa
- Parkville
- Riverside
- Sikeston
- Smithville
- Springfield
- St. Charles

### **Montana**

- Bozeman

### **Nevada**

- Clark County
- Las Vegas
- Washoe County

### **New Mexico**

- Farmington
- Four Corners Economic Development Corp.
- Lea County

### **New York**

- Port Chester

### **North Dakota**

- Mountrail-Williams Electric Cooperative
- Williston

### **Ohio**

- Beavercreek
- Franklin County

### **Oklahoma**

- Altus
- Bethany
- Bartlesville
- Broken Arrow
- Chickasha
- Choctaw
- Elk City
- Lawton
- Miami
- Miami Office of Economic Development
- Mustang
- Oklahoma Municipal League
- Owasso
- Stillwater

### **Oregon**

- Clackamas County
- Eugene
- Eugene Springfield Fire
- Lane Regional Air Protection Agency
- Springfield
- Tigard

### **Pennsylvania**

- Kennett Square

### **Tennessee**

- Murfreesboro

### **Texas**

- Abilene
- Addison
- Alamo Heights
- Alice
- Allen
- Alvin
- Amarillo
- Angleton
- Anna
- Argyle
- Arlington
- Atlanta
- Austin
- Azle
- Bastrop
- Bastrop Economic Development Corp.
- Bay City
- Baytown
- BCFS Health & Human Services
- Bedford
- Bellaire
- Belton
- Boerne
- Breckenridge
- Brenham
- Bridgeport
- Brushy Creek Regional Utility Authority
- Bullard
- Burkburnett
- Burleson
- Canadian
- Canton
- Canyon
- Capital Area of Texas Regional Advisory Council
- Carrollton



### **Texas (cont'd)**

- Castroville
- Cedar Park
- Celina
- Citizens for Progress
- Cleveland
- Clute
- College Station
- Colleyville
- Colorado River Municipal Water District
- Commerce
- Copperas Cove
- Corpus Christi
- Dallas County
- Denison
- Denison Area Chamber of Commerce
- Denton
- Denton County Fresh Water Supply District 1-A
- DeSoto
- Dickinson
- Duncanville
- El Paso
- El Paso Metropolitan Planning Organization
- Elgin
- Ennis
- Fairview
- Farmers Branch
- Farmersville
- Fate
- Ferris
- Flower Mound
- Forney
- Fort Worth
- Freeport
- Fulshear
- Garland
- Georgetown
- Georgetown Chamber of Commerce
- Gonzales
- Gonzales Economic Development Corp.
- Granbury
- Grand Prairie
- Grapevine
- Green Valley Special Utility District
- Greenville
- Harris County ESD No. 48
- Henderson
- Highland Park
- Humble
- Huntsville
- Hutto
- Hutto Community Development Corp.
- HJV Associates
- Irving
- Jacksboro
- Jacksonville
- Jacksonville Economic Development Corp.
- Joshua
- Kaufman
- Kilgore
- Killeen
- Kingsville
- Kyle
- La Porte
- Lago Vista
- Lake Dallas
- Lake Worth
- Lakeway
- Lamesa
- Lancaster
- League City

### **Texas (cont'd)**

- Leander
- Levelland
- Levelland Economic Development Corp.
- Lindale
- Little Elm
- Lockhart
- Longview
- Longview Economic Development Corp.
- Lorena
- Lubbock
- Lufkin
- Marble Falls
- Marshall
- McKinney
- McKinney Economic Development Corp.
- Memorial Villages Police Department
- Messer Rockefeller & Fort
- Midland
- Midlothian Economic Development Corp.
- Mineral Wells
- Missouri City
- Montgomery
- Mount Pleasant
- Mount Pleasant Economic Development Corp.
- MPACT CDC
- Nacogdoches
- Nederland
- New Braunfels
- North East Texas Regional Mobility Authority
- North Hays County Emergency Services District No. 1
- North Richland Hills
- North Texas Emergency Communications Center
- Odessa
- Orange
- Palestine
- Paris
- Pearland
- Pecos City
- Pflugerville
- Piney Point Village
- Plainview
- Plano
- Port Arthur
- Port Lavaca
- Port Neches
- Portland
- Princeton
- Red Oak
- Reeves County
- Richardson
- Richland Hills
- Riverbend Water District
- Rockwall
- Rockwall Economic Development Corp.
- Round Rock
- Round Rock ISD
- Rowlett
- Royse City
- Royse City Community Development Corp.
- Saginaw
- San Angelo
- San Marcos
- San Marcos/Hays County EMS
- San Patricio County Economic Development Corp.
- Santa Fe

### **Texas (cont'd)**

- Seagoville
- Sealy
- Sherman Economic Development Corp.
- Snyder
- Socorro
- South Padre Island
- Southlake
- Stephenville
- Sunnyvale
- Sweetwater
- Tarrant County 9-1-1 District
- Taylor
- Temple
- Terrell
- Texarkana
- Texas City
- The Colony
- Trophy Club Municipal Utility District
- Tyler
- Upper Brushy Creek Water Control & Improvement District
- Van Alstyne
- Venus
- Victoria
- Waco
- Waxahachie
- Weatherford
- Webster
- West Lake Hills
- West University Place
- Westworth Village
- Wichita Falls
- Willow Park
- Wills Point
- Wilmer
- Yoakum

### **Virginia**

- Orange County

### **Washington**

- Bainbridge Island
- Bellevue
- Burien
- Clallam County
- Clark County
- Des Moines
- Richland
- Shoreline
- Snoqualmie
- Spokane
- Spokane Regional Transportation Council
- Spokane Valley
- Whitworth Water District #2

### **Wyoming**

- Campbell County
- Casper



# DIRECTOR

OF ECONOMIC DEVELOPMENT

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CITY OF HUTTO, TEXAS





## GROWING A QUALITY COMMUNITY



## THE COMMUNITY

**H**utto, Texas, is ideally situated along the SH-130 corridor, just 30 minutes from downtown Austin, in Williamson County. Located only 10 miles from Round Rock's high-tech manufacturing and assembly center, Hutto is a vibrant business hub that boasts great connectivity and convenient access to the amenities of a large metropolitan area, with a friendly, small-town ambiance.

While the population in 2000 was just 1,250, over 29,000 people now call the growing community home. It is not only one of Austin's fastest-growing suburbs, it is also one of the fastest-growing cities in the nation, and it's easy to see why—the people make the difference. People choose Hutto for the active neighborhoods, a strong sense of community, for the dedicated teachers and administrators at the high-performing Hutto Independent School District, and the ability to enjoy small-town living while still being a short drive from the heart of the Texas State Capitol.

Hutto's growth is expected to continue, with its population projected to reach 45,000 by the year 2040. Residents enjoy a high quality of life in a friendly, welcoming atmosphere, and, although the City has grown quickly, neighbors know one another and are actively engaged in the community. Nearly 85% of the community-rated Hutto as either "Excellent" or "Good" for the overall quality of life in a recent citizen survey. Hutto has received several honors, including being named one of the "Top 100 Places in Major Markets to Locate Your Business" by Southern Business and Development magazine. The City was recently recognized as the "Top Place in Texas to Raise a Family," the "#1 Local City (in the Austin area) For Young Couples," "One of the Top 100 Places in Major Markets to Locate a Business," and is consistently ranked one of the fastest-growing and safest cities in the country.

Hutto offers a wide array of unmatched community, recreational, and cultural amenities. The City of Hutto has several parks and walking trails where families can relax and enjoy a day outdoors. The Golf Club at Star Ranch features a 15,000 square foot clubhouse, pro shop, and tournament pavilion. Just five minutes from the heart of Hutto is the Dell Diamond, the home stadium of the Round Rock Express, the AAA minor league baseball affiliate of the Texas Rangers major league baseball team. A variety of local businesses, shops, restaurants, and other attractions are located in historic Downtown Hutto, providing a unique shopping experience for residents and visitors from throughout the region. The district is listed on the National Register of Historic Places and is characterized by charming structures dating back to the 1800s.

## THE COMMUNITY CONTINUED

Hutto ISD offers quality education to residents and over the last 15 years, the number of students attending the district has increased from just over 1,000 students in one K-12 campus to more than 8,400 students at 11 campuses, with enrollment continuing to grow each year. This innovative school district provides a wide range of educational opportunities, including Early College and a Career and Technical education program. Hutto students also enjoy being part of the award-winning art, band, music, and athletic programs, as well as a nationally recognized Family Career and Community Leaders of America (FCCLA) program. The district recently became the first school district in the area to offer a full-day Head Start program.

Each of the six elementary schools, two middle schools, and Hutto High School are all rated either “Recognized” or “Exemplary,” and the high school mascot, the Hippo, is proudly displayed throughout town.

One of Hutto’s greatest assets is the East Williamson County Higher Education Center. This innovative multi-institutional teaching center is located on 57 acres adjacent to SH-130. It houses the Texas State Technical College, Temple College, and Texas A&M University-Central Texas, bringing a distinct blend of academic and technical training opportunities to the region. Additional higher education opportunities within easy commuting distance include the University of Texas at Austin, the University of Mary Hardin-Baylor, Southwestern University, St. Edwards University, and Austin Community College.

Hutto has a median home value of \$167,622 and a median household income of \$76,279.



### VISION

*Hutto is a family-friendly community that provides superior public safety, fiscal responsibility, diversified economy, and an exceptional quality of life.*



# GOVERNANCE AND ORGANIZATION

## CITY OF HUTTO

Hutto is a home rule city operating under the council-manager form of government. The City Council consists of the Mayor and six Council Members, elected at-large, and serve three-year terms, with a two consecutive term limit. The City Council appoints both the City Attorney and a professional City Manager. Under the administrative direction of the Mayor and City Council, the City Manager leads the operations and day-to-day administration of the organization and provides management oversight of services, affairs, and programs of the City. Warren Hutmacher was recently appointed City Manager. He brings more than 20 years of state and local government experience and most recently served as Municipal Services Principal for CPL, an architectural, engineering, and planning firm in Suwanee, Georgia. He previously served as City Manager in the communities of Johns Creek, Georgia; Dunwoody, Georgia; Norcross, Georgia, and Avondale Estates, Georgia.

The approved 2021 City of Hutto budget (excluding PIDS, LGCs and EDC) totals \$25.9 million in operating expenses, approximately \$18.3 million for new capital projects and approximately \$11.9 million for debt services associated with past and ongoing capital projects. The City's current total ad valorem tax rate is \$0.600 per \$100 of valuation. In November 2020, Standard and Poor's Global Ratings maintained the City's AA- rating.





# GOVERNANCE AND ORGANIZATION CONTINUED

## ECONOMIC DEVELOPMENT CORPORATION & COMMUNITY DEVELOPMENT CORPORATION (EDC/CDC:

Hutto's EDC/CDC is comprised of both Type A & Type B economic development agencies to assist in economic development initiatives for both primary employers and other smaller business, housing, and commercial/retail entities. The EDC/CDC is governed by a seven-member Board appointed for three-year terms by the City Council and works closely with the City of Hutto in advancing various community-based economic development programs.

Type A sales tax revenues are primarily intended for manufacturing and industrial development with proceeds generally eligible to fund land, buildings, equipment, facilities expenditures, targeted infrastructure, and improvements for projects. Type B sales tax revenues may be used for any project eligible under Type A rules and several other project types, including quality of life improvements. Type B sales tax revenues may also generally pay for land, buildings, equipment, facilities, targeted infrastructure and improvements for professional and amateur sports and athletic facilities, tourism and entertainment facilities, convention facilities, public parks, public safety facilities, recycling facilities, affordable housing, streets, roads, drainage and related improvements, demolition of existing structures, general municipally-owned improvements, and maintenance and operating costs associated with eligible projects.

Hutto's EDC/CDC generates approximately \$2 million in sales tax dollars annually to support economic development efforts and has an annual operating budget of approximately \$1.3 million. The Economic Development Department is currently comprised of two full-time employees including the Director of Economic Development who reports to the City Manager and a Business Recruitment Specialist who reports to the Director. Both employees are classified as City of Hutto employees, with funding for the positions shared between the EDC/CDC and the City of Hutto.







## ABOUT THE POSITION

The Director of Economic Development will serve as a member of the City of Hutto's Senior Leadership Team, reporting directly to the City Manager. He/She will provide staff support to the EDC/CDC Board, present economic development information to the City Council and represent the City's interests regarding economic development opportunities.

The Director will work closely with the EDC/CDC Board to provide the Hutto community with economic growth, broad-based prosperity, quality jobs, and a sustainable quality of life by attracting new corporate investment, and by facilitating the expansion of existing Hutto businesses and industries. The Director will play a key role in ensuring Hutto is recognized as an ideal location for expanding and relocating businesses, and will help facilitate related improvements in infrastructure, workforce development, Business Retention & Expansion (BRE) programs, and support Hutto's overall business climate. The position will also market Hutto to prospective investors and regularly work with local, regional, and state partners to ensure Hutto's brand is well-known and competitively positioned to attract development investment opportunities.

Some of Hutto's local and regional economic development partners include the Hutto Chamber of Commerce; the Austin Chamber of Commerce - Opportunity Austin, which provide prospective development leads and assistance to area EDCs in developing response proposals, the East Williamson County Higher Education Center, which is a multi-institutional teaching center providing a wide array of educational opportunities and workforce readiness programs to all of East Williamson County by assisting business with talent sourcing solutions, and the Texas State Technical College, which works closely with major industry partners and other entities to provide customized workforce training solutions to organizations seeking to relocate operations to Texas. Additionally, the Texas Workforce Solutions Rural Capital Area Workforce Board and which supports the development of individuals who may be underemployed or unemployed to enter the workforce and obtain a job that helps them to earn a family-sustaining wage.

Targeted industries for Hutto and the Austin area include Advance Manufacturing, IT/Clean Tech (Dell, Google, and Apple all have major operations in the Austin Marketplace), Auto Manufacturing Suppliers (the new Tesla Truck Manufacturing Plant is currently under construction just south of Hutto), Bio-Medical & Life Sciences, Agribusiness, and corporate office development.



# CHALLENGES & OPPORTUNITIES

- **Economic Development Partnership with the City of Hutto:** In support of the City's strategic goal to seek a well-balanced and diversified economy, the next Director of Economic Development should possess demonstrated experience in economic development, negotiations, cost-benefit analysis, and leveraging public assets and desired community outcomes with private investment opportunities in industrial, commercial, retail/restaurant, office, and residential development. The Director will navigate a change in philosophy whereby the EDC/CDC will take the lead in coordinating economic development programs and fostering a "Team Hutto" approach with associated municipal departments who are involved in the development process.
- **New Economic Development Strategic Plan:** The EDC/CDC is anticipating engaging a consulting firm to commission a new Economic Development Strategic Plan in response to the rapid growth Hutto has experienced in recent years and in refining the targeted business and industries for future primary jobs that Hutto is well-positioned to attract and retain. The need to develop related Hutto branding/marketing materials and incorporate the economic development image into the City's new website redesign will likely follow the new Strategic Economic Development Plan.
- **Development of Incentive Policy and Project Monitoring:** The new Director will assist in the development of a more formalized Incentive Policy and establishing follow-up systems to ensure the attainment of agreed-upon outcomes with incentive-supported development projects.
- **"Megasite" Promotion:** The EDC/CDC is the single owner of the over 455-acre Industrial Zoned "Megasite", 98% of which is buildable. Additionally, there are more than 1,000 acres adjacent to the site with land purchase agreements in place for potential expansion. The "Megasite" is located at the crossroads of Highway 79 and FM 3349 and is also serviced by dual rail lines (Union Pacific and BNSF). This unique assembly of publicly owned land in the Austin marketplace regularly attracts prospective developments, and the Director will play a significant role in the marketing, planning, and coordination of investment opportunities for the property.





# IDEAL CANDIDATE

The EDC/CDC seeks an entrepreneurial, dynamic, energetic, and creative professional with a proven track record in business recruitment and retention as its successor Director of Economic Development. The selected candidate will be an outstanding salesperson with a passion for economic development, a strong commitment to public service, customer service-focused, comfortable working in a collaborative municipal team environment, and committed to helping Hutto meet its development goals. The Director should demonstrate a strong work ethic and the utmost integrity, both personally and professionally. A proven background in successfully managing multiple projects and multitasking is strongly desired. He or she should be charismatic with a sense of presence and command of the room, but also possess a high degree of emotional intelligence.

The ideal candidate should be politically astute and have experience developing and nurturing relationships with government officials at all levels, and with businesses, boards, and staff. The incoming Director will connect with state, regional, and local partners and should be highly engaged and involved with the community, with the ability to aggressively pursue development opportunities that will elevate the economy of the City, while maintaining its high quality of life. The successful candidate will be honest, respectful, and engaging when dealing with both groups and individuals. The next Director must have excellent interpersonal and public speaking skills and will be articulate, poised, persuasive, and professional in both written and verbal communication.

The new Director of Economic Development must have an understanding of local and regional markets and experience leading an economic development program. The chosen candidate must have demonstrated strategic planning skills and a comprehensive understanding of how economic development agencies and local governments can assist development projects, ranging from planning, infrastructure, permitting, leveraging state and local incentives, and ensuring projects remain on track. The selected individual should be skilled in coordinating the work of consultants in economic development studies and in evaluating return on investment strategies as part of assessing the City's incentives for development projects that meet targeted economic development objectives. Project negotiation skills, term sheet development, ROI analysis, and post-project commitment verification skills are also desired.

The person hired for this position will have experience in developing marketing strategies and real estate development with a successful history of development activities that resulted in the location or expansion of businesses and industries. The candidate should have an established network of brokers and contacts and have familiarity with the dynamics of working in a region near a major metro area. The chosen candidate will have a proven track record of working to promote good community relations, with experience in developing public-private partnerships.

The Director of Economic Development will be an accessible and active member of the Hutto community, maintaining involvement with stakeholder groups that support economic development and regularly attending economic development conferences and meetings with other public officials and professionals. The ideal candidate will be an outgoing, approachable individual who can thoroughly research, evaluate, and structure solutions, and effectively present information to the EDC/CDC Board, City Council, City staff, businesses, developers, and residents. He or she will be a confident communicator who is comfortable in providing options, along with recommendations to the Board and City Council for deliberations and decisions. The successful candidate will also have experience working with the media and be comfortable in a highly visible public position.





## EDUCATION AND EXPERIENCE

Key qualifications include a bachelor's degree from an accredited college or university in economic development, business administration, marketing, economics, public administration, or a closely related field. A master's degree is preferred. The position requires a minimum of five years of progressively responsible leadership experience in economic or business development. Preference may be given to candidates possessing added skills such as graduation from an Economic Development Institute (EDI), Certified Economic Developer (CEdD) designation, Professional Community & Economic Developer (PCED) certification, or extensive experience in real estate.



## COMPENSATION AND BENEFITS

The City of Hutto offers a competitive salary depending on qualifications and experience. A generous benefits program including health, dental, vision, life insurance, and paid vacation, holiday, and sick leave, and vehicle allowance is provided. The City of Hutto participates in the Texas Municipal Retirement System (TMRS) at a 7% percent employee deposit rate with a municipal matching ratio of 2:1.



## APPLICATION PROCESS

Please apply online at: <http://bit.ly/SGROpenRecruitments>

For more information on this position contact:

**Doug Thomas, Senior Vice President**  
SGR  
[DouglasThomas@GovernmentResource.com](mailto:DouglasThomas@GovernmentResource.com)  
863-860-9314



To view the status of this position, please visit: <http://bit.ly/SGROpenRecruitments>

The City of Hutto is an Equal Opportunity Employer and values diversity in its workforce. Applicants selected as finalists for this position will be subject to a comprehensive background check.

## RESOURCES

**City of Hutto**  
[www.huttotx.gov](http://www.huttotx.gov)

**Hutto Chamber of Commerce**  
[www.huttochamber.com](http://www.huttochamber.com)

**Hutto Convention & Visitor's Bureau**  
[www.visithutto.com](http://www.visithutto.com)

### FOLLOW US







# DIRECTOR OF DEVELOPMENT SERVICES

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*THE CITY OF HARTFORD, CONNECTICUT*

EXECUTIVE SEARCH PROVIDED BY







# ABOUT THE COMMUNITY

The capital city of Connecticut, Hartford has a proud history as a home of innovation, entrepreneurship, cultural richness, and diversity. Today, Hartford is home to some of the most advanced companies in their industries, a growing startup and innovation sector, and a young population striving for success. Hartford also faces some of the most deeply ingrained socio-economic inequities and challenges in the nation, and the City has aggressively pursued investment to improve quality of life and expand access to opportunity for all of its residents.

With a population of approximately 125,000, it is the primary city in the Greater Hartford metropolitan area, with a population of 1.2 million people. Encompassing 18 square miles, it is located at the intersection of New England's I-84 and I-91. Air service is provided by the Bradley International Airport and the Hartford Brainard Airport, and Downtown's Union Station houses both Amtrak and the Hartford Line, a commuter rail service between New Haven, Connecticut, and Springfield, Massachusetts.

The City is the historic international center of the insurance industry, with companies including Aetna, The Hartford, Travelers, Prudential Financial, and United Healthcare. A center for medical care, research, and education, Hartford is home to Hartford Hospital, The Institute of Living, Connecticut Children's Medical Center, and Saint Francis Hospital & Medical Center. Hartford's strong labor force, local anchor institutions, and high-caliber research institutions have created an ecosystem of innovation. Hartford also sits at the center of a region with a significant concentration of aerospace and other advanced manufacturing.

Hartford has a rich history of arts, culture, and industry, home to famous writers from Mark Twain to Harriet Beecher Stowe to Dominick Dunne and Wallace Stevens.

Hartford is home to the Mark Twain House and Museum, on the site where the author and his wife raised their family and where he wrote many of his most popular books. The oldest art museum in the U.S., the Wadsworth Atheneum Museum of Art, is also located in Hartford.

In recent years, Hartford has seen a significant increase in development, with a particular focus on residential development and residential conversions. The City recently broke ground on a multi-phase, large-scale development surrounding its new award-winning minor league ballpark, and multiple other large-scale development projects are underway or in planning.

The Hartford Public Schools (HPS) enroll more than 20,000 students, including regional Inter-District Magnet Schools with unique characteristics attracting parents and students who find such features responsive to their needs and interests. Hartford has unique access to some of the nation's top universities and trade schools. At the heart of New England's Knowledge Corridor, Hartford is close to a multitude of nationally ranked Universities such as Yale, the University of Connecticut, and its hometown Trinity College.

Cultural events and performances take place throughout the year at Mortensen Plaza on the banks of the Connecticut River and in the City's park system, including the historic Bushnell Park. These events include live music and festivals representative of the City's diverse population. Hartford also has a vibrant theater scene with major Broadway productions at the Bushnell Theater, as well as performances at the Hartford Stage and TheaterWorks.

Based upon the most recent U.S. Census information, the median household income of residents in the city is \$34,338 and the median home value is \$162,800.



# GOVERNANCE AND ORGANIZATION

The City of Hartford operates under a Mayor-Council form of government. Elected officials of the City include the Mayor, Treasurer, and nine City Council Members, each serving a four-year term.

The Council Members comprise the Court of Common Council. The Mayor serves as the Chief Executive Officer, vested with the executive and administrative powers of the City. This power includes appointing the Chief Operating Officer (who handles the day-to-day business of the City), Corporation Counsel, the heads of all Departments, and the members of all boards, commissions, agencies, authorities, and additional bodies of the City.

Luke A. Bronin was sworn in as the 67th Mayor of the City of Hartford on January 1, 2016, and was re-elected to a second term in November 2019. Mayor Bronin has led the City through the biggest financial crisis in Hartford's history, working to put the City on a path to fiscal stability. He has also promoted economic development and investment to build opportunities for Hartford residents through key initiatives such as the Youth Service Corps and the Reentry Welcome Center. He has worked to position Hartford as a center of innovation and a leader in environmental stewardship. Mayor Bronin previously served in numerous senior positions in both federal and state government including General Counsel to former Connecticut Governor Dannel P. Malloy, and Deputy Assistant Secretary for Terrorist Financing and Financial Crimes at the U.S. Department of the Treasury in the Obama Administration. He served as the Senior Advisor to the Deputy Secretary of the U.S. Treasury, as an International Affairs Fellow with the Council on Foreign Relations, and as Chief of Staff to the President of Property and Casualty Operations at the Hartford Financial Services Group, one of Hartford's largest employers. Mayor Bronin also served as an officer in the U.S. Navy Reserve and was a member of the military's anti-corruption task force during his deployment to Afghanistan from September 2010 to April 2011. He earned his bachelor's and Juris Doctorate degrees from Yale University, and a master's degree from Oxford University, where he studied as a Rhodes Scholar.

In December 2017, the City of Hartford applied for and received designation as a Tier III municipality under the Municipal Accounting Review Board (MARB), making it eligible for financial assistance from the State of Connecticut in exchange for stringent accountability standards. The City has been providing financial reports, including monthly projects, cash flow analysis, and a rolling three-year financial plan to the State as part of a five-year recovery plan as a Tier III municipality.

The City's FY 2021 Budget is \$567.8 million, including \$275.4 million for municipal services, \$284.0 million for the Hartford Public Schools, and \$8.3 million for the Library. The budget does not rely on any one-time revenues, asset sales, or deferments of obligations and its \$35.4 million Capital Improvement Plan (CIP) is funded on a pay-as-you-go basis through operating funds. The City's budget reflects the contract assistance agreement reached with the State pursuant to the MARB, under which the State has committed to making debt service payments on the City's outstanding general obligation debt. Hartford's millage rate is 74.29 with a motor vehicle tax rate of 45 mills. The current effective mill rate for residential real estate is 37.15, half the rate of other taxable real estate and business personal property which is assessed at 70% of fair market value, with residential property within the City of Hartford assessed at 35% of fair market value.

Moody's Investors Service upgraded the City's issuer rating to B1 from B2 in 2019 to reflect "the stabilizing financial position and improved liquidity" achieved through Contract Assistance, "cost saving measures taken by the city through labor contract agreements and tight expenditure controls." Moody's also maintained its A2 rating on Hartford's general obligation bonds, and it revised its outlook from stable to positive given its "expectation that the City will adhere to its financial recovery plan."

The City offers an array of traditional municipal services which are provided by approximately 1,600 employees, most of which are represented by collective bargaining agreements. Water and sanitary sewer services are provided by the Metropolitan District Hartford, Connecticut (MDC) that bills customers directly for water service. The City collects a property tax to cover sewer service costs for customers within its jurisdiction.





# CITY STRATEGIC GOALS

The City of Hartford's strategic challenge is to promote growth and vibrancy while protecting the fiscal stability it has attained in partnership with a variety of stakeholders. The City achieves this by focusing city government on core services, pushing for savings wherever possible; pursuing economic growth and economic opportunity for residents; working to maintain the partnership with the State of Connecticut, and abiding by the five-year plan approved by the Municipal Accountability Review Board (MARB); and continuing to focus in every way possible on making neighborhoods safer and stronger, including through youth engagement.

## CORE GOALS

### Maintain Fiscal Stability

- Manage with discipline and rigor, pushing for savings while delivering core services
- Meet fiscal challenges without raising taxes on small and mid-size businesses
- Continue to streamline government operations and make government more efficient
- Maintain support for the partnerships with the State of Connecticut and major employers

### Promote Economic Development and Job Growth

- Aggressively pursue opportunities for economic growth, thereby growing the Grand List (the aggregate valuation of taxable property)
- Retain jobs and encourage existing employers to grow
- Continue efforts to improve, rehabilitate, or demolish blighted property, which can also support Grand List growth

### Keep Streets Safe and Neighborhoods Strong

- Stabilize public safety staffing and expand efforts to recruit Hartford residents
- Use technology to advance public safety and efficiently allocate resources
- Promote economic opportunity for Hartford residents, including returning citizens and youth

### Education and Opportunities for Young People

- Maintain and expand opportunities for Hartford youth, specifically justice-involved youth, while focusing on youth homelessness and trauma-informed care
- Partner with the Board of Education to strengthen neighborhood schools
- Support the school system's work to reduce chronic absenteeism



## ABOUT THE DEPARTMENT

Collectively, the Department of Development Services provides the following programs to improve the quality of life in City neighborhoods by focusing on creating vibrant public spaces, ensuring building and occupant safety, increasing homeownership, supporting business growth, maximizing job retention, and providing residents and visitors with enjoyable opportunities through public events.

### Community and Small Business Development Program:

Recruits, retains, and supports neighborhood small businesses, providing loan packaging, marketing, and business planning services. The program also manages the City of Hartford Neighborhood Revitalization Strategy Area (NRSA) Program and all City special events.

### Housing and Property Management Program:

Focused on creating an environment conducive to the development and maintenance of affordable and market-rate homeownership and rental housing for current and future Hartford residents. Services include the administration of several loan programs funded through the U.S. Department of Housing and Urban Development (HUD), and utilizes existing and leveraged resources as it partners with homeowners, community-based organizations, developers, local

## ABOUT THE DEPARTMENT *continued*

contractors, lenders, and housing professionals to create a growing number of successful housing outcomes. From providing down payment assistance to prospective buyers, to the rehabilitation of Hartford's existing housing stock, to providing rental assistance to residents, and to building residential units, the Housing and Property Management Program is crucial in promoting economic activity, stable neighborhoods, and an improved tax base. By working diligently to create workforce housing choices for an ethnically diverse and mixed-income demographic, the Program helps to ensure that Hartford continues to be a vibrant Capital City where residents want to live, work, and play.

### **Licenses & Inspections Program:**

Responsible for ensuring building safety by enforcing compliance with city, state, and international building codes governing construction, new buildings, and existing structures. Other services include building plan review and permit issuance, construction, structural, housing code and blight inspections, monitoring and demolishing of dangerous buildings, emergency response, addressing public complaints, license issuance, inspecting weights and measures, and educating and advising property and business owners, the building industry, and the public.

### **Planning and Economic Development Program:**

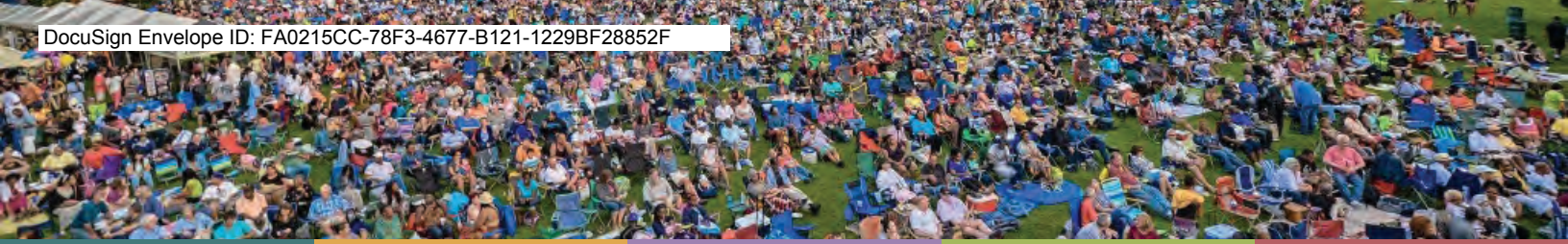
Charged with thoughtfully and methodically realizing the community development goals outlined in the master plans for neighborhoods, the City, and the region. These goals celebrate Hartford's rich history, conserve its natural resources, capitalize on existing infrastructural and transit investments, and create cohesion from one block to another. This program is also charged with administering the local zoning and subdivision code with aptitude and courtesy toward all applicants, as well as providing professional staff support to Hartford's land use boards. The program also secures and maintains City-owned property, reduces the number of abandoned blighted problem properties, and disposes of City-owned property for purposes of returning parcels to the tax rolls and enhancing neighborhoods.

### **Blight Remediation Team (BRT):**

The Blight Remediation Team (BRT) goal is to improve the quality of life in city neighborhoods and communities by reducing the number of properties that are vacant, abandoned, and in blighted condition. The purpose is to protect the health, safety, welfare, and economic well-being of Hartford's residents by rehabilitating, reconstructing, demolishing, and/or reusing vacant, abandoned, and blighted properties to provide decent, safe, and sanitary housing and commercial facilities, and to eliminate, remedy, and prevent the adverse effects of blighted properties.







## ABOUT THE POSITION

The Director of Development Services provides strategic advice and counsel to the Mayor and other members of the City's senior leadership team. The Director leads and manages the operations of the Development Services Department which is focused on developing and growing a more sustainable economy and creating a vibrant, livable Hartford for residents and visitors alike through the delivery of the five key Departmental Programs described above with the support of an approximately \$4.3 million annual budget. The Development Services Department is comprised of six Divisions including Licenses & Inspections, Blight Remediation & Code Enforcement, Economic Development, Housing, Planning & Zoning, and Small Business.

### **Licenses & Inspections Division:**

The Division's priority is protecting the health, welfare, and safety of Hartford's residents through reviewing construction plans for compliance with building codes and issuing permits; conducting building, housing, and blight inspections for safety and enforcement; inspecting weights and measures; monitoring and demolishing unsafe structures; issuing business licenses; and by educating and advising property and business owners, the building industry, and the public about building and licensing standards.

### **Blight Remediation & Housing Code Enforcement Division:**

Responsible for the enforcement of the City's Housing Code Standards by reducing the number of properties that are vacant, abandoned, and/or in blighted condition.

### **Economic Development Division:**

Facilitates commercial real-estate development, attracts investment, and expands the quality of life for the residents of Hartford across all neighborhoods. Services include attracting and retaining quality businesses; engaging in revitalization activities in Hartford's 17 neighborhoods; increasing development partnerships with minority, woman, and locally owned small businesses; developing and maintaining community benefits agreements; encouraging growth and community reinvestment through the disposition of City-owned property; and managing data and statistical information to help inform City and stakeholder decisions. In addition, the Division works in partnership with the Hartford Redevelopment Agency which has special jurisdiction in fourteen established redevelopment areas, with projects in these areas being eligible for specialized funding.

### **Housing Division:**

Focuses on creating an environment conducive to the development and maintenance of affordable and market-rate housing for current and future residents. The Division utilizes existing resources and works to identify additional resources to partner with homeowners, non-profit and for-profit developers, lenders, and industry professionals to create homeownership and rental housing opportunities through down payment assistance for prospective buyers, providing rental assistance to residents, and funding rehabilitation of Hartford's existing housing stock. The Division's work ensures that Hartford continues to be a vibrant city by working diligently to build housing choices for an ethnically diverse and mixed-income demographic through reducing blight, stabilizing neighborhoods, and improving Hartford's tax base.

### **Planning & Zoning Division:**

The Division utilizes best practices in urban design, data analysis, and social impact to enhance the quality of life, improve aesthetic beauty, and moderate land use citywide. Using the City's Plan of Conservation and Development as a guide, planning staff and Commissioners make recommendations that generate economic opportunity and encourage growth. Division staff also manage historic preservation programs, design of bicycle and pedestrian safety improvements, development of policies, small area plans, and projects in partnership with key stakeholders, various community engagement activities, and enforcement/adherence to standards outlined in the land-use regulations.

### **Small Business Division:**

The Division creates and initiates community-based strategies to build strong neighborhoods, enhance economic opportunities, and ensure a dynamic framework for quality growth and community development. The Division is focused on creating a vibrant, prosperous, and growing Hartford through exceptional community development, for families and commerce. Division staff also manage special event permitting.

# CHALLENGES AND OPPORTUNITIES

## Implementation of New City Plan:

Hartford’s Planning and Zoning Commission recently completed the new Hartford City Plan in May 2020 which outlines eight overall priorities, five action steps, ten key recommendations, and ten transformative projects that will lead the community and its development for the next fifteen years leading up to Hartford’s 400th anniversary. The new Director of Development Services will play a key role in helping the organization advance the initiatives identified in the City Plan. Additional information regarding the City Plan can be found [here](#).

## Software Platform Conversion:

The Development Services Department is in the initial stages of transitioning its enterprise software system across all its Divisions from EnerGov to the Accela Civic Platform. Previous experience in software platform conversion by the new Director will be viewed as a plus.

## Development Services Department Strategic Plan Initiatives:

The new Director of Development Services will lead the Department’s staff in attaining the upcoming year’s strategic initiatives which include the following goals:

- Recruit and retain employers to increase meaningful and sustainable employment for City residents
- Grow the Grand List
- Increase the availability of safe, decent, and affordable rental and homeownership opportunities for all of Hartford’s residents
- Facilitate the growth, relocation, and development of commercial and retail businesses in Hartford
- Accelerate Hartford’s efforts to remediate brownfields and blighted properties

# IDEAL CANDIDATE

The City seeks a highly ethical, dedicated, and hard-working urban planning professional with proven supervisory and managerial experience who can help Hartford continue its efforts to become an even more attractive, livable, and sustainable community as its Director of Development Services.

The Director will work closely with the Mayor, Senior Staff, and other stakeholders to address economic and community development issues and devise strategies to keep the City on the path to sustainable growth. The chosen candidate will oversee multiple projects and initiatives and must possess exceptional project management skills, with the ability to multi-task and manage multiple deadlines. The selected candidate must be able to clearly convey expectations to staff and delegate with authority to ensure that the City meets its development goals and objectives on time and within budget. The Director must be able to exercise the judgment, decisiveness, and creativity required in situations involving the direction, control, and planning of multiple programs in a dynamic operating environment. A demonstrated track record of working effectively with individuals and groups of differing backgrounds is desired.

The next Director will be an experienced and motivated self-starter. Exceptional interpersonal and communication skills, with the ability to present information clearly to a variety of audiences, will be essential. The ideal director will be a solutions-oriented critical thinker with a participative management style, outgoing personality, and a commitment to exceptional customer service who inspires and motivates others by example. The Director will be an excellent relationship builder and skilled negotiator who can help both big-picture and detailed individuals come to a consensus without compromising the City’s standards. The ideal candidate will always exhibit a calm, professional demeanor, treating conflict with tact and diplomacy. An ability to bridge communication gaps and resolve disputes is essential.

The new Director must have advanced team building, project management, community engagement, and presentation skills, and the ideal candidate will be experienced in the areas

## PRIORITIES



unity



health



density



ingenuity



security



identity



connection



nature



## IDEAL CANDIDATE *continued*

of planning, zoning, building code, CDBG grant requirements, code enforcement, and economic development. The incoming Director must be an exceptional listener and who communicates directly and frankly, but always positively and respectfully. The ability to establish and maintain positive, trusting, highly productive and lasting relationships within and outside City Hall is essential.

The ability to analyze problems, resolve disputes and grievances, recommend effective solutions, and maintain confidentiality will be essential. The next Director should have the skills and experience needed to develop staff and take the organization to the next performance level. The Director will provide development, enrichment, and coaching opportunities for departmental employees to grow and learn. The successful candidate will have the ability to resourcefully organize, direct, and coordinate the work of staff without micromanaging, in addition to delegating with authority, responsibility, and tact.

## EXPERIENCE AND EDUCATION

The position of Director of Development Services requires a bachelor's degree or graduate degree from an accredited college or university in urban/regional planning, public or business administration, law, economic development, or a related field and at least five years of supervisory experience. Any equivalent combination of education, training, and experience which provides the knowledge, skill, and abilities necessary to complete the functions of the position will be considered. Management-level experience in a complex government agency or other large entity involving planning and zoning administration, housing, building codes/licensing, code enforcement, and economic development is desired. American Institute of Certified Planners (AICP) and/or Certified Economic Developer (CECd) credentials are a plus.

## COMPENSATION AND BENEFITS

The City of Hartford offers a competitive salary commensurate with qualifications and experience, as well as an attractive benefits package. Residency is required within six months of the date of hire and required to maintain for the duration of the appointment.





## APPLICATION PROCESS

Please apply online at: <http://bit.ly/SGROpenRecruitments>

For more information on this position contact:  
**Doug Thomas, Vice President, Executive Recruitment**  
[Doug.Thomas@GovernmentResource.com](mailto:Doug.Thomas@GovernmentResource.com)  
 863-860-9314



*The City of Hartford is an equal opportunity/affirmative action employer and strongly encourages the applications of women, minorities, veterans, and persons with disabilities.*

## RESOURCES

City of Hartford  
[hartfordct.gov/Home](http://hartfordct.gov/Home)

MetroHartford Alliance  
[metrohartford.com](http://metrohartford.com)

Hartford Chamber of Commerce  
[hartfordchamberct.com](http://hartfordchamberct.com)

**Adopted FY 2021 Annual Budget:**  
[hartfordct.gov/Government/Departments/OMBG/Mgmt-Divisions/Bud-Dev-Ctrl/Bud-Books](http://hartfordct.gov/Government/Departments/OMBG/Mgmt-Divisions/Bud-Dev-Ctrl/Bud-Books)

## SOCIAL MEDIA



# Briefing Paper

## Finance and Administration Committee

<b>Division &amp; Department:</b>	Spokane Airport Board		
<b>Subject:</b>	Airport's Joint Resolution		
<b>Date:</b>	May 5, 2021		
<b>Author (email &amp; phone):</b>	Larry Krauter, CEO, Spokane Airports, <a href="mailto:lkrauter@spokaneairports.net">lkrauter@spokaneairports.net</a> or 455-6419		
<b>City Council Sponsor:</b>	CP Beggs		
<b>Executive Sponsor:</b>			
<b>Committee(s) Impacted:</b>	Finance and Administration		
<b>Type of Agenda item:</b>	<u>Consent</u>	Discussion	Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Pursuant to Paragraph 8(b) of the Spokane International Airport Joint Operation Agreement, the Spokane County and the City of Spokane must by joint action approve the acquisition, sale, transfer or disposal of real property.		
<b>Strategic Initiative:</b>			
<b>Deadline:</b>			
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approved joint resolution		
<u>Background/History:</u> Joint Resolution with Spokane County in the matter of authorizing the Spokane Airport Board to sale property located on a portion of Spokane County Assessor Parcel No. 25335.9056 comprising of 20.00 acres of land at Spokane International Airport.			
<u>Executive Summary:</u>			
<u>Budget Impact:</u> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No (for 2020) Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)			
} N/A			
<u>Operations Impact:</u> Consistent with current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify changes required: Known challenges/barriers:			
} N/A			

City Resolution No: \_\_\_\_\_

County Resolution No. \_\_\_\_\_

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON  
AND  
THE SPOKANE CITY COUNCIL OF SPOKANE, WASHINGTON**

IN THE MATTER OF AUTHORIZING	)	
THE AIRPORT BOARD TO	)	JOINT RESOLUTION
SELL PROPERTY IDENTIFIED AS	)	
SPOKANE COUNTY ASSESSOR PARCEL	)	
25335.9056	)	

WHEREAS, pursuant to Chapter 14.08 RCW, Spokane County ("County"), by and through its Board of County Commissioners, and the City of Spokane ("City"), by and through its City Council, entered into an agreement dated October 7, 2019 (City of Spokane City Clerk File # RES 2019-0086, Spokane County Resolution No. 19-1338) to provide for the joint operation of Spokane International Airport, Felts Field Airport and Spokane International Airport Business Park ("Agreement"); and

WHEREAS, pursuant to Paragraph 8(b) of the Agreement, the County and City must by joint action approve the acquisition, sale, transfer or disposal of real property; and

WHEREAS, the Airport Board has recommended to the County and City the sale of Spokane County Assessor Tax Parcels as identified on Exhibit A, attached hereto, comprised of approximately 20.00 acres of land fronting South Geiger Boulevard, near the intersection of South Geiger Boulevard and West Flightline Boulevard in the City ("Property"); and

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Spokane County, Washington and by the City Council of the City of Spokane:

1. That the Airport Board is authorized to sell the Property, on the terms and conditions set forth in that certain Real Property Purchase and Sale Agreements and Escrow Instructions, dated as of April 22, 2021, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference; and
2. That the Chief Executive Officer of the Airport Board be and is hereby authorized to prepare and execute any documents on behalf of Spokane County and City of Spokane to sell the Property.

ADOPTED by the Spokane City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Terri L. Pfister, City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney



ADOPTED by the Board of County Commissioners of Spokane County, Washington this \_\_\_\_\_  
day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Josh Kerns, Chair

ATTEST:

\_\_\_\_\_  
Mary L. Kuney, Vice-Chair

\_\_\_\_\_  
Ginna Vasquez  
Clerk of the Board

\_\_\_\_\_  
Al French, Commissioner

EXHIBIT A

THE PROPERTY

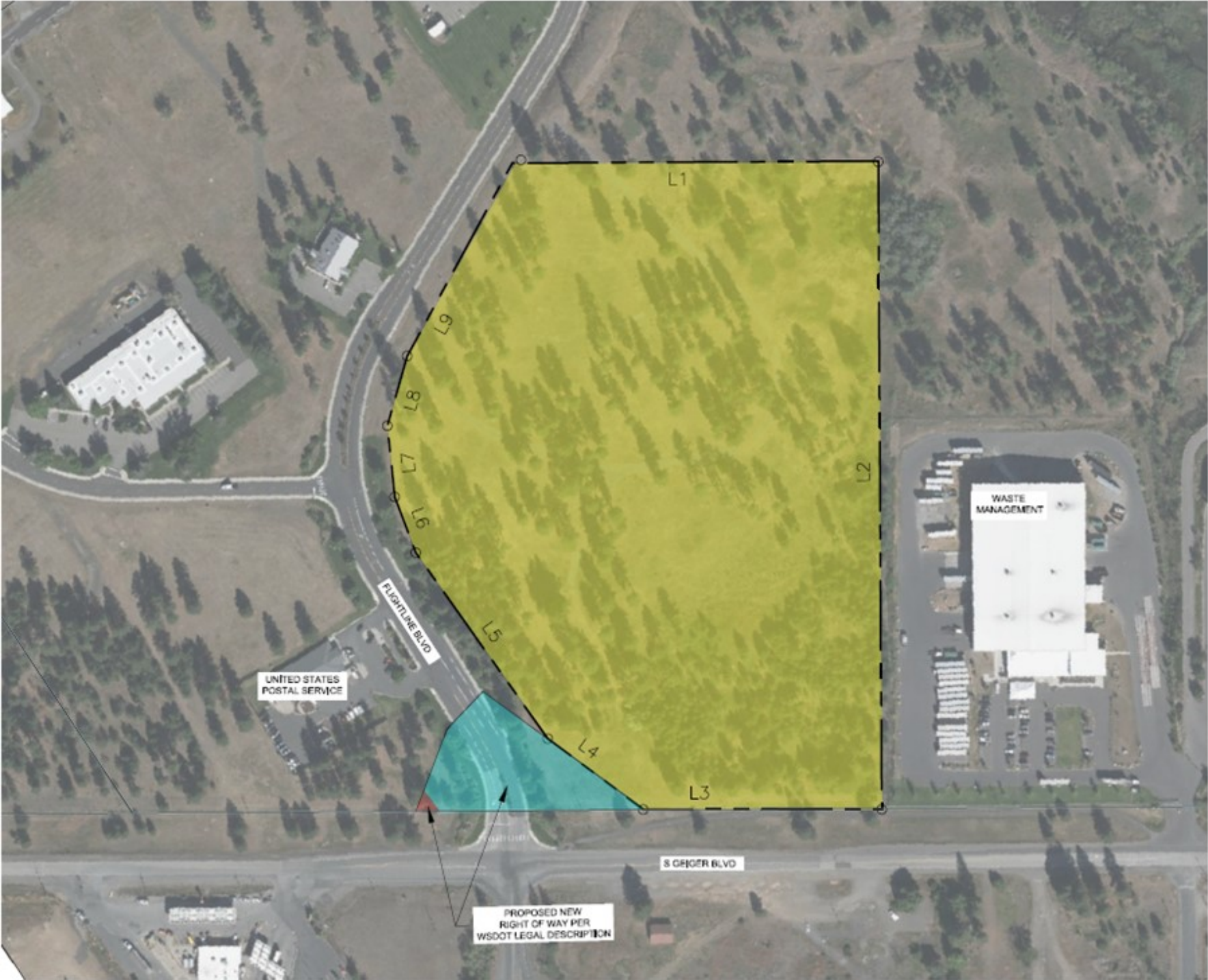
SPOKANE COUNTY ASSESSOR TAX PARCEL NUMBERS

25335.9056

EXHIBIT B

REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS,  
DATED AS OF APRIL 22, 2021,  
BY AND BETWEEN SPOKANE AIRPORT AND KING BEVERAGE, INC.

PARCEL 1 ACREAGE EXHIBIT



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S33°23'39"W	656.72'
L2	N56°37'49"W	1163.79'
L3	N33°38'20"E	428.32'
L4	N70°16'23"E	213.30'
L5	N88°21'32"E	409.51'
L6	S76°56'42"E	106.92'
L7	S62°20'21"E	128.16'
L8	S40°29'44"E	130.28'
L9	S27°44'00"E	394.79'

NOTES

1. THIS IS A PROPOSED BOUNDARY EXHIBIT ONLY AND IS NOT AN OFFICIAL SURVEY, IT IS NOT INTENDED TO CONVEY TITLE.

LEGEND

- PROPOSED 20 ACRE PARCEL
- PROPOSED NEW RIGHT OF WAY PER WSDOT LEGAL DESCRIPTION "PORTION OF PARCEL 25335,9009"
- PROPOSED NEW RIGHT OF WAY PER WSDOT LEGAL DESCRIPTION "PORTION OF PARCEL 25335,9056"
- APPROX. ROAD RIGHT OF WAY
- PROPOSED BOUNDARY CORNERS



LEASEHOLDER:

SPOKANE AIRPORT

DATE: April 20, 202

SHEET 1 OF 1

## REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made as of the 22<sup>nd</sup> day of April, 2021 (the "Effective Date"), by and between the SPOKANE AIRPORT, by and through its Airport Board ("Airport Board"), created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington ("Seller"), and KING BEVERAGE, INC., a Washington corporation ("Buyer"). Seller and Buyer may be referred to collectively as the "Parties" and individually as a "Party" in this Agreement.

### RECITALS

A. Seller is the owner of fee simple title to tax parcel 25335.9056 consisting of approximately 289.24 acres located generally at the south side of West Park Drive and west of South Geiger Boulevard, in Spokane ("City"), Spokane County ("County"), Washington ("State") as more particularly bounded and described on Exhibit A-1 attached hereto (the "Seller Property").

B. Buyer desires to acquire a portion of the Seller Property consisting of approximately 20.00 acres fronting South Geiger Boulevard, near the intersection of South Geiger Boulevard and West Flightline Boulevard, in the City, County, State, as depicted on Exhibit A-2 attached hereto (the "Real Property") and together with those items described in Recitals C through E, collectively hereinafter referred to as the "Property"), and all right, title and interest of Seller, if any, in and to the land lying within any street or roadway adjoining the Real Property or any vacated street or alley adjoining the Real Property, together with:

C. All mineral rights, air and water rights, and rights and easements appurtenant to the Real Property owned by Seller, if any;

D. All licenses, permits, land use designations, approvals, various waivers or consents applicable to the Real Property (collectively, the "Permits"), to the extent transferable and held by Seller, issued or subject to the laws of the United States, the State, County, or City, other authority, department, commission, board, bureau, agency, unit, or instrumentality (collectively "Governmental Authorities"); and

E. Certain surveys, soil and substrata studies, environmental reports, and other plans, diagrams, or studies, if any, with respect to the Real Property.

NOW, THEREFORE, Seller desires to sell and Buyer desires to purchase the Property upon the terms and conditions set forth in this Agreement, as follows:

1. Sale of Property. Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase and accept the Property from Seller, upon the terms and conditions set forth in this Agreement. As used in this Agreement, "Business Day" means any day other than: (i) a Saturday, (ii) a Sunday, or (iii) days on which branches of national banks located in the County are closed.

2. Earnest Money and Independent Consideration.

2.1 Earnest Money. Within five (5) Business Days after the Effective Date, Buyer shall deposit with SPOKANE COUNTY TITLE, 1010 North Normandie, Suite 100, Spokane, WA 99201 (Attn: Keith Newell) ("Escrow Agent" or "Title Company") the sum of One Hundred Thousand Dollars (\$100,000.00) in Current Funds (as hereinafter defined) as earnest money (the

"Earnest Money"), to be applied for the account of Buyer as a credit against the Purchase Price (as defined in Section 3). Upon the expiration of the Review Period (as defined in Section 4.1), the Earnest Money shall be nonrefundable to Buyer, except as otherwise set forth in this Agreement. Upon receipt, Escrow Agent shall deposit the Earnest Money in an interest-bearing account. Any interest earned on the Earnest Money will be part of the Earnest Money under this Agreement. When Escrow Agent disburses the Earnest Money as provided in this Agreement, any and all interest that has accrued thereon shall be disbursed to the Party entitled to the Earnest Money. Escrow Agent shall hold and disburse the Earnest Money and any Extension Deposit made pursuant to Section 4.1 in accordance with the terms of this Agreement. At Closing (defined in Section 6.1), Escrow Agent shall apply the Earnest Money and any Extension Deposit toward the Purchase Price.

2.2 Independent Consideration. Simultaneously with Buyer's delivery of the Earnest Money to Escrow Agent, Buyer shall pay directly to Seller an amount equal to One Hundred Dollars (\$100.00) as independent consideration for Seller's performance under this Agreement, which amount the Parties bargained for and agreed to as additional consideration for Seller's execution, delivery and performance of this Agreement and shall be retained by Seller in all instances, and shall not be applied against the Purchase Price.

3. Purchase Price. The purchase price for the Property will be the product of Ninety Eight Thousand Ten Dollars (\$98,010) per acre (i.e. \$2.25/square foot) multiplied by the actual number of acres of the Real Property as shown on the final Segregation Plan (as defined herein) (the "Purchase Price"), together with Buyer's share of closing costs and prorations, as set forth in this Agreement. The Purchase Price will be paid as follows at Closing: (i) the Earnest Money and any Extension Deposit will be credited toward the Purchase Price; and (ii) the remainder of the Purchase Price will be paid in Current Funds. As used in this Agreement, "Current Funds" means wire transfers, certified funds, or cashier's checks in a form acceptable to Escrow Agent that would permit Escrow Agent to immediately disburse such funds. The foregoing Purchase Price assumes that the Real Property will consist of approximately eight hundred seventy one thousand two hundred (871,200) square feet and that Buyer will pay a purchase price equal to the total number of square feet multiplied by Two and 25/100 Dollars (\$2.25) per square foot. If the actual square feet of Real Property, as shown on the final Segregation Plan (as herein defined) is greater or less than eight hundred seventy one thousand two hundred (871,200) square feet, the Purchase Price will be increased or decreased to equal the actual number of square feet, multiplied by the foregoing per square foot price.

4. Due Diligence Inspections and Title Review.

4.1 Review Period. As used in this Agreement, the term "Review Period" means that period of time commencing on the Effective Date and expiring at 5:00 p.m. local time in the County the date that is one hundred twenty (120) days after the Effective Date, or upon earlier termination of this Agreement, *provided, however*, Buyer shall have the option to extend the Review Period one (1) time for a period of thirty (30) days by delivering to Seller written notice prior to the expiration of the then current Review Period, and simultaneously with such written notice deposits with Escrow Agent the sum of Twenty Five Thousand Dollars (\$25,000) ("Extension Deposit"). Such Extension Deposit will be applicable to the Purchase Price at Closing and will be nonrefundable to Buyer, except as otherwise expressly provided in this Agreement.

4.2 Review of Title. Within ten (10) days after the Effective Date, Seller shall cause the Title Company to deliver a commitment for the Title Policy (as defined in Section 6.3(b)) to the Parties. The commitment must be accompanied by legible copies of all documents referred to

in Schedule B of the commitment (the commitment and documents are collectively referred to in this Agreement as the "Title Report").

(a) Objections. Buyer shall review the Title Report and may, prior to the expiration of the Review Period, provide Seller and Title Company with written notice of the title exceptions that are acceptable or objectionable to Buyer, in Buyer's discretion (each such objectionable matter or exception considered a "Disapproved Matter"). If Buyer timely notifies Seller and Title Company of any Disapproved Matter(s) prior to expiration of the Review Period, Seller may, within five (5) days following Seller's receipt of Buyer's written notice of Disapproved Matter(s), notify Buyer and Escrow Agent that: (i) Seller will remove or correct such Disapproved Matter as of or before Closing, or (ii) Seller will not remove any or certain Disapproved Matter(s). If Seller does not respond within such period, Seller will be deemed to have elected option (ii) above. If Seller elects, within its discretion, or is deemed to have elected not to eliminate those objections with reference to such Disapproved Matter(s), in form and substance acceptable to Buyer, in Buyer's discretion, Buyer may, within five (5) days of receipt of such Seller's response to Buyer's written notice, either: (y) terminate this Agreement by delivery of written notice to Seller and Escrow Agent, or (z) give written notice to Seller and Escrow Agent, agreeing to accept title to the Property subject to such Disapproved Matters, in which case such Disapproved Matters shall be Permitted Exceptions (as defined in Section 4.2(c), below), and if Buyer fails to elect either option (y) or (z) above, Buyer will be deemed to have elected option (z).

(b) Supplements; Amendments. If the Title Company issues a supplement or amendment to the Title Report showing additional title exceptions which were not contained in the initial Title Report (each, an "Amended Report"), Buyer will have three (3) days from the date of receipt of each Amended Report, and a copy of each document referred to in the Amended Report that was not contained in the initial Title Report, in which to give notice of its acceptance of or objection to any additional title exceptions except if said supplements or amendments are a result of Buyer's actions, in which case Buyer shall not be entitled to object to such additional title exceptions. If Buyer provides Seller with notice of the basis of objection to the status of Seller's title as shown in the Amended Report, Seller will have the option, but not the obligation, to: (i) eliminate Buyer's objections, (ii) obtain title insurance endorsements regarding such objections, or (iii) cure any objectionable matter within three (3) days after receipt of such written notice, in each case, in form and substance acceptable to Buyer. If, prior to the expiration of the three (3) day period, Seller does not cure such objections, Buyer will have the option to terminate this Agreement within one (1) Business Day after expiration of such three (3) day period by giving written notice of termination to Seller and Escrow Agent, and if Buyer does not elect to terminate the Agreement within such one (1) Business Day period, Buyer will be deemed to have agreed to accept title subject to such objections, in which case such additional title exceptions shall be Permitted Exceptions. If Seller's three (3) day cure period would expire after the scheduled Closing Date (as defined in Section 6.1, below), the Closing Date will be extended until the expiration of the time periods set forth in this Section.

(c) Failure to Provide Written Acceptance. Any item that Buyer accepts in writing or is deemed to have accepted pursuant to the terms of this Agreement will be a "Permitted Exception." The term "Permitted Exceptions" also includes and Buyer may not disapprove or object to the following: all zoning ordinances and regulations and any other laws, ordinances, or governmental regulations and restrictions regulating the use, occupancy or enjoyment of the Property; such state of facts as would be disclosed by a



survey or physical inspection of the Real Property (unless Buyer obtains a survey); the lien of taxes and assessments not yet delinquent; any exclusions from coverage set forth in the jacket of the Title Policy; the Avigation Easement (as defined below); or any exceptions caused by Buyer, its agents, representatives or employees. Notwithstanding the foregoing, Buyer will not be required to disapprove or object to, and Seller covenants to remove as an encumbrance against title to the Property on or prior to the Closing, any deeds of trust, monetary liens, or monetary encumbrances (except for real property taxes and assessments not yet due) created by Seller. If Buyer does not provide written acceptance of an exception to title as disclosed by the Title Report or an Amended Report within the applicable time period, Buyer will be deemed to have accepted such matter. If this Agreement is terminated due to Seller's failure to eliminate or cure any of Buyer's objections under this Section 4.2, the Escrow Agent shall immediately disburse to Buyer all Earnest Money less Seller's Portion (as herein defined), together with any documents or instruments that Buyer has deposited with the Escrow Agent, disburse the Extension Deposit, if any, and remit Seller's Portion to Seller and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement.

4.3 Survey. At any time through the Closing Date, Buyer, at its expense, may obtain a current or updated survey of the Property (the "Survey").

4.4 Review of Diligence Materials. Seller shall, no later than five (5) Business Days after the Effective Date, provide Buyer (or make available for Buyer's inspection) copies of the following items that relate to the Property (to the extent the same are in Seller's possession or control): existing environmental assessment reports; surveys; utility bills for the most recent month and past six (6) months, if any; valuation notices and any other fees, dues, and taxes applicable to the Property for the past year; and copies of any pending or threatened Claims (as defined in Section 4.5(b)) relating to the Property, and any governmental notices regarding uncured violations of laws or regulations (collectively, the "Current Diligence Materials"). In the event that the sale of the Property fails to close for any reason, all Current Diligence Materials provided to Buyer by Seller shall be returned to Seller promptly upon request and the contents of all Current Diligence Materials shall thereafter be treated by Buyer as confidential information of Seller and shall not be disclosed to any third parties (except as may be required by law or upon court order) without the prior consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. Any Current Diligence Materials provided by Seller to Buyer under this Agreement are provided as an accommodation to Buyer, and Buyer acknowledges and agrees that Seller makes no representations or warranties whatsoever with regard to the contents, completeness or accuracy of any such Current Diligence Materials.

4.5 Physical Inspections; Entry on Property.

(a) Physical Inspections. Buyer and its agents, employees or subcontractors ("Buyer's Agents") will have the right, from time to time prior to the Closing, to enter upon the Property to examine the same and the condition thereof and to conduct such surveys and to make such engineering and other inspections, tests and studies as Buyer determines to be reasonably necessary, all at Buyer's sole cost and expense. As part of Buyer's physical inspection, Buyer may, in its discretion and its sole cost and expense, obtain a current ASTM Phase I environmental site assessment (the "Phase I") for the Property, performed by an environmental consultant (the "Environmental Consultant") acceptable to and for the benefit of and reliance on by Buyer. If the Phase I recommends that a Phase II environmental site assessment (the "Phase II") be prepared or Buyer determines that a Phase II is necessary and desirable, then Buyer may, in its discretion,



elect to perform a Phase II by giving written notice to Seller. Seller shall have the right to be present at any or all inspections. Buyer shall promptly provide Seller copies of the Phase I and Phase II, and any other conclusions, assessments, or reviews provided to Buyer by the Environmental Consultant. Neither Buyer nor Buyer's Agents may contact any governmental official or representative regarding hazardous materials on or the environmental condition of the Property without Seller's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned, or delayed. In addition, if Seller consents to any such governmental contacts, Seller shall be entitled to receive at least five (5) days prior written notice of the intended contact and to have a representative present when any Buyer's Agent has any such contact with any governmental official or representative.

(b) Entry on Property. Up to and through the Closing Date, if this Agreement has not been terminated, Buyer and Buyer's Agents will have the right (upon at least twenty-four (24) hours prior written notice to Seller) to enter the Property to conduct such surveys, inspections, investigations and/or studies with respect to the Property as permitted by Section 4.5(a) of this Agreement, at Buyer's sole cost and expense. Buyer shall indemnify, defend and hold Seller and the Property free and harmless from and against any and all debts, duties, obligations, liabilities, liens, suits, claims, demands, causes of actions, damages, losses, costs and expenses (including, without limitation, reasonable legal expenses and attorneys' fees with respect to the same or to enforce the foregoing) (collectively, "Claims") incurred by reason of or in connection with such entry or such surveys, inspections, investigations and/or studies. Before entering upon the Property, Buyer shall furnish to Seller a certificate of insurance evidencing: (a) commercial general liability insurance coverage of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate, (b) professional liability insurance of not less than One Million Dollars (\$1,000,000.00) for any of Buyer's Agents who conduct inspections of the Property, (c) workers' compensation insurance as required by Washington statutes, and (d) employer's liability insurance of not less than One Million Dollars (\$1,000,000.00) per accident. Such insurance coverage shall (i) be issued by an insurance company licensed in Washington having a rating of at least "AVIII" by A.M. Best Company, (ii) be primary and any insurance maintained by Seller shall be excess and noncontributory, (iii) include contractual liability coverage with respect to Buyer's indemnity obligations set forth in this Agreement (it being understood, however, that the availability of such insurance shall not serve to limit or define the scope of Buyer's indemnity obligations under this Agreement in any manner whatsoever), and (iv) not contain any exclusions for "insured versus insured" claims as respects any potential claim by Seller against Buyer. The insurance certificate required herein shall also provide that the coverage may not be cancelled, non-renewed or reduced without at least thirty (30) days' prior written notice to Seller. Buyer agrees to repair any and all damages caused to the Property due to Buyer's entry thereon and otherwise to restore the Property to the Property's original condition before such entry. The obligations of Buyer under this Section 4.5 will survive Closing or earlier termination of this Agreement.

(c) No Liens or Interference. Buyer shall not permit, and shall indemnify, defend and hold harmless Seller for, from and against any and all Claims incurred by reason of or in connection with, any construction, mechanics or materialmen's liens or any other liens that attach to the Property or any portion thereof by reason of the performance of any work or the purchase of any materials by Buyer or Buyer's Agents in connection with Buyer's inspection of the Property. The provisions of this Section will survive Closing or other termination of this Agreement.

4.6 Right to Terminate Before Expiration of Review Period. Notwithstanding anything contained within this Agreement to the contrary, Seller acknowledges and understands that Buyer may, prior to the expiration of the Review Period, notify Seller in writing that Buyer elects to terminate this Agreement as a result of any matter or no matter as determined by Buyer, in Buyer's sole discretion. Seller acknowledges that Buyer has the right to so terminate this Agreement, regardless of whether Seller would be willing or able to cure any such matter to which Buyer has objected. If Buyer elects, in its sole discretion, to proceed with this transaction, Buyer shall send a written approval notice to Seller and Escrow Agent on or before expiration of the Review Period ("Approval Notice"). If Buyer fails to send an Approval Notice to Seller and Escrow Agent by the expiration of the Review Period, Buyer will be deemed to have elected to terminate this Agreement. Buyer may also terminate this Agreement by sending written notice of termination to Seller on or before expiration of the Review Period. If this Agreement is terminated as provided in this Section 4.6, the Earnest Money less Seller's Portion will be refunded to Buyer and Escrow Agent will disburse the Extension Deposit, if any, and remit Seller's Portion to Seller, and the Parties will have no further rights or obligations to each other, except for those rights and obligations that expressly survive the termination of this Agreement. After the Approval Notice is sent by Buyer or upon expiration of the Review Period, the Earnest Money will be nonrefundable to Buyer, except as otherwise expressly provided in this Agreement.

4.7 Property Segregation; Form 7460-1.

(a) Segregation Application. During the Review Period, Seller shall cause a preliminary site plan outlining the proposed boundaries for the Real Property to be prepared (the "Site Plan"). On or before the expiration of the Review Period, Buyer and Seller shall use commercially reasonable efforts to mutually agree upon the Site Plan ("Approved Site Plan"). Should the Parties fail to mutually agree upon an Approved Site Plan prior to the expiration of the Review Period, this Agreement shall terminate. Following the Parties mutual approval of the Approved Site Plan and after the expiration of the Review Period, Seller shall, at Buyer's sole cost and expense, prepare and submit to Buyer for Buyer's approval a complete application, including certificates of exemption (if applicable), or certificates of approval (if applicable), for a lot line adjustment, boundary line adjustment, short plat, binding site plan, or other subdivision mechanism reasonably approved by the Parties to create a new legally conveyable tax parcel and adjusting the existing boundaries of the Seller Property to coincide with those depicted in the Approved Site Plan, all of which must be substantially similar to the approximate boundaries depicted on the attached Exhibit A-2 (the "Segregation Application"). Buyer shall have ten (10) Business Days after receipt of the Segregation Application in which to review and give Seller written notice of Buyer's approval of the Segregation Application or its requested changes thereto. Seller shall within five (5) Business Days modify the Segregation Application as reasonably requested by Buyer, and this approval process shall be repeated until the Segregation Application is approved by Buyer. Once approved by Buyer, the Segregation Application will constitute the "Approved Segregation Application".

(b) Submission of Approved Segregation Application; Form 7460-1. Following the Parties mutual approval of the Approved Segregation Application, Seller shall (i) take all actions necessary to cause the lot line adjustment, boundary line adjustment, short plat, binding site plan, or other subdivision mechanism of the Real Property to coincide with the boundaries set forth in the Approved Segregation Application via the applicable (a) processing of certificates of exemption with the Spokane County Department of Building and Planning, or (b) processing of certificates

of approval with the City of Spokane Planning and Development Services Department, and the corresponding finalization of a parcel segregation to be filed or recorded in the official records of the County, or such other subdivision mechanism reasonably approved by the Parties ("Segregation Plan"), with no Unanticipated Approval Conditions other than those approved by Buyer in writing (the "Subdivision Contingency"), and (ii) working in concert with Buyer, submit for FAA approval Form 7460-1, Notice of Proposed Construction or Alteration. Buyer shall reasonably cooperate (at no cost to Seller) with Seller and take all actions reasonably necessary to assist Seller in Seller's efforts to (y) complete the Segregation Plan, including, without limitation, executing such applications and any other documents necessary or convenient with respect to the Segregation Plan, and (z) obtain a positive determination from the FAA, including airspace review clearance, with respect to Form 7460-1 and Buyer's Project described therein (the "FAA Project Approval Contingency"). Seller shall promptly provide to Buyer a copy of all written communications with any Governmental Authority concerning the Approved Segregation Application, Segregation Plan and Form 7460-1, and shall afford Buyer the opportunity to participate in any and all telephonic and in-person meetings and hearings relating thereto, if permissible and reasonably practical. If, as a condition to its approval of the Segregation Plan, any Governmental Authority requires any material modifications to the metes and bounds of the Real Property from those shown within the Approved Segregation Application or otherwise requires the Real Property to be subject to any material covenants, conditions, restrictions, exactions, off-site improvement obligations, fees in lieu, or impact fees that are not contemplated in the Approved Segregation Application or this Agreement (each, an "Unanticipated Approval Condition"), Seller shall promptly notify Buyer and afford Buyer the opportunity to discuss the same with Seller and such Governmental Authority. If Buyer, after discussing an Unanticipated Approval Condition with Seller and such Governmental Authority, determines, in its reasonable discretion, that (I) the applicable Governmental Authority is unwilling to approve the Segregation Plan without the Unanticipated Approval Condition and (II) such Unanticipated Approval Condition will have a material and adverse impact on Buyer's Project, Buyer may terminate this Agreement by delivering written notice to Seller and Escrow Agent, in which event Escrow Agent shall promptly disburse the Earnest Money less Seller's Portion to Buyer, disburse the Extension Deposit, if any, and remit Seller's Portion to Seller and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement.

(c) Segregation Plan Costs and Fees. Buyer shall be solely responsible for all costs, fees, and expenses associated with the preparation, submission, and administration of the Segregation Application and the satisfaction of the conditions to approval of the Segregation Plan. In the event this Agreement is terminated and the sale of the Real Property fails to close for any reason (except for a Seller breach), Escrow Agent shall immediately disburse the Earnest Money to Buyer less Seller's actual out-of-pocket costs and expenses incurred by Seller with respect to the Segregation Plan ("Seller's Portion"), and disburse the Extension Deposit, if any, and remit such Seller's Portion to Seller and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement. This Section 4.7(c) shall survive Closing or the earlier termination of this Agreement.

(d) Property to Be Acquired at Closing. At Closing, Buyer must purchase the Property, in accordance with all the terms and conditions of this Agreement, including, without limitation, the Purchase Price set forth in Section 3 hereof.

5. Conditions Precedent.

5.1 Buyer's Conditions Precedent. Buyer's obligation to close under this Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

- (a) All of the documents required to be delivered by Seller to Buyer at Closing pursuant to the terms and conditions hereof shall have been delivered;
- (b) Each of the representations of Seller set forth in Section 7 shall be true in all material respects as of the Closing Date;
- (c) Title Company is irrevocably committed to issue, upon the condition of the payment of the applicable premium, the Title Policy, subject only to the Permitted Exceptions applicable to the Real Property;
- (d) The Subdivision Contingency and FAA Project Approval Contingency shall have been satisfied in accordance with Section 4.7; and
- (e) Seller shall have satisfied the Approval Conditions (as defined below) and delivered written confirmation thereof to Buyer.

If any of the foregoing conditions are not satisfied (or waived in writing by Buyer) on or before the Closing, then Buyer shall have the right to terminate this Agreement by delivering written notice to Seller and, in the event of such termination, all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease and the Earnest Money less Seller's Portion shall be promptly refunded to Buyer and Escrow Agent shall disburse the Extension Deposit, if any, and remit Seller's Portion to Seller; *provided however*, that if any of the foregoing conditions are not satisfied (or waived in writing by Buyer) on or before the Closing due to any default by Seller hereunder, then Buyer, in its discretion, and by delivering written notice to Seller, may elect to pursue any of the remedies available to Buyer pursuant to Section 13. In the event Buyer elects to terminate this Agreement pursuant to Section 13, all obligations of Seller and Buyer under this Agreement (other than those that expressly survive the termination of this Agreement and the rights and remedies arising out of any breach of such surviving obligations) shall cease.

5.2 Seller's Conditions Precedent. Seller's obligation to close under this Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

- (a) All of the documents and funds required to be delivered by Buyer to Seller at Closing pursuant to the terms and conditions hereof shall have been delivered;
- (b) Each of the representations of Buyer set forth in Section 8 shall be true in all material respects as of the Closing Date;
- (c) The Subdivision Contingency and FAA Project Approval Contingency shall have been satisfied in accordance with Section 4.7;
- (d) Seller's receipt of written approval of the transaction contemplated by this Agreement from the board of directors of Seller's Airport Board, the City of

Spokane, and County of Spokane, acting through the City Council of Spokane, and the Spokane County Board of Commissioners, respectively; and

(e) Seller's receipt of written approval from the Federal Aviation Administration ("FAA") for release and/or disposal of the Real Property by Seller that formally authorizes the release and/or disposal and removal of the Real Property as airport dedicated real property pursuant to Section 163 of the FAA Reauthorization Act of 2018 ("FAA Disposal Approval").

If any of the conditions delineated in Sections 5.2(a), 5.2(b) or 5.2(c) are not satisfied (or waived in writing by Seller) on or before the Closing, then Seller shall have the right to terminate this Agreement by delivering written notice to Buyer and, in the event of such termination, all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease and the Earnest Money and any Extension Deposit shall be promptly disbursed to Seller as liquidated damages. Seller shall use commercially reasonable efforts to cause the conditions set forth in Section 5.2(d) and 5.2(e) (the "Approval Conditions") to be satisfied (which Seller affirmatively cannot waive whether orally or in writing) on or before Closing.

6. Closing.

6.1 Closing Date. The closing ("Closing") of the purchase and sale transaction contemplated in this Agreement will occur ("Closing Date") on the earlier of (i) thirty (30) days following the expiration of the Review Period, or (ii) provided that the Approval Conditions have been satisfied, on such earlier date as mutually agreed to by the Parties. Notwithstanding anything herein to the contrary, if Closing has not occurred not later than thirty (30) days following expiration of the Review Period due to the failure of the Approval Conditions, *provided, however*, that Seller's failure to satisfy the Approval Conditions shall not be considered a Seller Default, then either Party may, in its sole discretion and at any time thereafter, elect to terminate this Agreement by delivering written notice to the other Party and, in the event of such termination (a) all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease, (b) the Earnest Money less Seller's Portion shall be promptly refunded to Buyer, (c) the Extension Deposit shall be disbursed to Seller, and (d) such Seller's Portion shall be remitted to Seller.

6.2 Location. Closing will occur at the offices of the Escrow Agent, or at such other place as may be agreed to by the Parties in writing.

6.3 Closing Costs and Prorations.

(a) Closing Fees. At Closing, Buyer and Seller will each pay one-half (1/2) of any escrow fees and closing fees. Seller shall be solely responsible for any state or local transfer taxes, real estate excise tax or any similar taxes or fees attributable to the transaction contemplated in this Agreement, if applicable to Seller. Seller shall be solely responsible for all recording fees associated with recording the Avigation Easement (as defined below). Buyer shall be responsible for all recording fees associated with recording the Deed (as defined below). Any other fees and costs will be paid by, or shared by, Buyer and Seller in accordance with local custom in Spokane County, Washington.

(b) Title Policy; Survey. Seller shall pay the equivalent premium of an ALTA standard owner's title policy for the Property, and Buyer shall pay the additional

premium necessary for any ALTA extended or other policy Buyer elects to acquire (the "Title Policy"). Buyer shall also pay premium of any and all endorsements to the Title Policy unless provided by Seller to remove a Disapproved Matter, in which case, Seller shall be responsible for the cost of such endorsements. The cost of any Survey of the Real Property obtained by Buyer will be borne by Buyer.

(c) Taxes and Fees. Real estate taxes for the year of Closing shall be the sole responsibility of Buyer. Buyer acknowledges that Seller does not pay real estate taxes and, as such, Buyer is free to seek a refund for that portion of time in which real estate taxes may have otherwise been required to be paid in order to close the transaction contemplated by this Agreement. Annual municipal or special district assessments (on the basis of the actual fiscal tax years for which such taxes are assessed), lienable water and sewer rentals, license, or permit and inspection fees, if any, will be apportioned as of the Closing Date between Buyer and Seller. If, on the day prior to the Closing Date, real estate taxes have been imposed upon the Real Property for the real estate tax year in which Closing occurs such taxes shall be paid by Buyer at the time of Closing.

(d) Utility Readings. Seller shall use commercially reasonable efforts to obtain readings of the utility meters on the Property (if any) to a date no sooner than two (2) Business Days prior to the Closing Date. At or prior to Closing, Seller shall pay all charges based upon such meter readings. However, if after reasonable efforts Seller is unable to obtain readings of any meters prior to Closing, Closing will be completed without such readings and upon the obtaining of such readings after Closing, Seller shall promptly pay the pre-Closing charges as reasonably determined by Seller and Buyer based upon post-Closing readings.

(e) Attorney Fees. Each Party shall pay its own attorney fees incurred with respect to this transaction.

(f) Preliminary Closing Statement. Seller and Buyer shall cooperate with Escrow Agent to prepare a preliminary closing statement (the "Closing Statement") on the basis of the real estate taxes and other sources of income and expenses for the Property on or prior to the Closing Date. All apportionments and prorations provided for in this Section 6.3 to be made as of the Closing Date will be made, on a per diem basis, as of 11:59 p.m. on the day prior to the Closing Date. The preliminary Closing Statement and the apportionments and/or prorations reflected therein will be based upon actual figures to the extent available. If any of the apportionments and/or prorations cannot be calculated accurately based on actual figures on the Closing Date, then they will be calculated based on Seller's and Buyer's good faith estimates thereof, subject to reconciliation as provided in the following Section.

(g) Post-Closing Reconciliation. If there is an error on the preliminary Closing Statement or, if after the actual figures are available as to any items that were estimated on the preliminary Closing Statement, it is determined that any actual proration or apportionment varies from the amount thereof reflected on the preliminary Closing Statement, the proration or apportionment will be adjusted based on the actual figures as soon as feasible, but not later than sixty (60) days after the Closing Date. Either Party owing the other Party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other Party.

(h) Other Costs and Survival. All other costs not addressed within this Section 6.3 will be paid in accordance with the custom followed in Spokane County,

Washington. The provisions of this Section 6.3 will survive Closing for a period of six (6) months.

6.4 Deliveries at Closing.

(a) Deliveries by Seller. At Closing, Seller shall execute and deliver (or cause to be executed and delivered) all documents and take all other actions reasonably necessary to effect the Closing, including, without limitation:

(1) A duly executed and acknowledged bargain and sale deed (the "Deed"), in the form attached to this Agreement as Exhibit B.

(2) A counterpart original duly executed and completed real estate excise tax affidavit ("REETA").

(3) A counterpart original duly executed and acknowledged avigation easement ("Avigation Easement") encumbering the Real Property, in the form attached to this Agreement as Exhibit C, but only if the Title Report Buyer obtains with respect to the Real Property does not disclose the existence of a satisfactory avigation easement, as determined by Seller in its sole and absolute discretion.

(4) A non-foreign affidavit for purposes of compliance with Section 1445(b)(2) of the Internal Revenue Code of 1986 (and the regulations adopted thereunder), as amended (the "Code").

(5) Copies of all current property tax bills and tax notices pertaining to the Real Property, if any.

(6) Such documentation as Escrow Agent may reasonably require, or may otherwise be required to close the escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

(b) Deliveries by Buyer. On the Closing Date, Buyer shall execute and deliver all documents, or cause to be executed and delivered all documents, and take such other action that may be reasonably necessary to effect and complete the Closing, including, without limitation:

(1) The amounts required under Section 3 and Section 6.3 in Current Funds.

(2) A duly executed and completed REETA.

(3) A counterpart original duly executed and acknowledged Avigation Easement, if required by Seller.

(4) Such documentation as Escrow Agent may reasonably require, or may otherwise be required to close the escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

(c) Actions of Escrow Agent. When Buyer and Seller have delivered the items described above, the Escrow Agent shall:

- (1) Prepare the Closing Statement and obtain signed copies from Seller and Buyer.
- (2) Record the Deed and the Avigation Easement in that order.
- (3) Deliver the balance of the Purchase Price in Current Funds to Seller, net of Seller's costs, fees, and prorations.
- (4) Issue and deliver the Title Policy to Buyer.
- (5) Deliver the above referenced documents to the applicable Party.

7. Representations and Warranties of Seller. Seller makes the representations and warranties set forth in this Section 7. Buyer expressly understands and agrees that the phrase "to Seller's knowledge" as used in this Section 7 means the actual present knowledge of Lawrence J. Krauter, acting solely in his capacity as the Chief Executive Officer of Seller, and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Seller, or any affiliate or parent of Seller. Such individual shall not have any personal liability or liability whatsoever with respect to any matters set forth in this Agreement or any of Seller's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete. Each representation and warranty: (i) is true in all material respects as of the Effective Date; (ii) will be true in all material respects on the Closing Date; and (iii) will survive Closing for a period of six (6) months.

7.1 Authority/Binding Agreement. This Agreement and all exhibits and documents to be delivered by Seller pursuant to this Agreement have been duly executed and delivered by Seller and constitute the valid and binding obligations of Seller. Subject to obtaining the approvals described in Sections 5.2(d) and 5.2(e), Seller has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement. The execution, delivery, and performance of this Agreement will not conflict with or constitute a breach or default under (i) the organizational documents of Seller; (ii) any material instrument, contract, or other agreement to which Seller is a party which affects the Property; or (iii) any statute or any regulation, order, judgment, or decree of any court or Governmental Authority.

7.2 Condemnation. Seller has not received from any Governmental Authority having the power of eminent domain any written notice of any condemnation of the Property or any part thereof.

7.3 Pending Litigation. Seller has received no written notice of any pending litigation initiated against Seller or the Property which would materially affect the Property after Closing.

7.4 Governmental Compliance. Seller has not received from any Governmental Authority written notice of any material violation of any building, fire or health code or any other statute applicable to the Property which will not be cured prior to Closing.

7.5 Non-Foreign Person. Seller is not a "foreign person" as defined in § 1445 of the Code and any related regulations.

7.6 Environmental Matters. To Seller's knowledge, and except as may otherwise be disclosed in the Current Diligence Materials: (a) the Property is free from Hazardous Substances;



(b) the soil, surface water and ground water of, under, on or around the Property are free from Hazardous Substances; (c) the Property has never been used for or in connection with the manufacture, refinement, treatment, storage, generation, transport or hauling of any Hazardous Substances, nor has the Property been used for or in connection with the disposal of any Hazardous Substances; and (d) the Property is now and during Seller's ownership, has been in compliance with all Environmental Laws. As used in this Agreement, the term "Hazardous Substance" means any material, waste, substance, pollutant, or contaminant which may or could pose a risk of injury or threat to health or the environment, including, without limitation: (i) those substances included within the definitions of "hazardous substance", "hazardous waste", "hazardous material", "toxic substance", "solid waste", or "pollutant or contaminant" in or otherwise regulated by, any Environmental Law; (ii) those substances listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 17.101, including appendices and amendments thereto), or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. Part 302 and amendments thereto); (iii) such other substances, materials, or wastes which are or become regulated or classified as hazardous or toxic under any Environmental Law; and (iv) any material, waste, or substance which is (A) petroleum or refined petroleum products; (B) radon; (C) polychlorinated biphenyls; (D) flammable explosives; or (E) radioactive materials. As used in this Agreement, the term "Environmental Law" means any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, *et seq.*; the Toxic Substances Control Act of 1976, 15 U.S.C. § 2601, *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. § 1101, *et seq.*; the Clean Air Act, 41 U.S.C. § 7401, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*; The Safe Drinking Water Act, 41 U.S.C. § 300f, *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. § 3251, *et seq.*; and any other federal, state or local law, statute, ordinance, or regulation now in effect or hereinafter enacted which pertains to health, industrial hygiene, or the regulation or protection of the environment, including without limitation, ambient air, soil, groundwater, surface water, or land use.

8. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the representations and warranties set forth in this Section 8. Each representation and warranty: (i) is true in all respects as of the Effective Date; (ii) will be true in all respects on the Closing Date; and (iii) will survive Closing for a period of six (6) months.

8.1 Power and Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transaction contemplated in this Agreement, including, but not limited to, executing and delivering (or causing the execution and delivery of) the Buyer's deliverables as provided in Section 6.4(b) of this Agreement. Buyer's execution, delivery and performance of this Agreement have been duly authorized.

8.2 Bankruptcy or Insolvency. There are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy pending against or contemplated by Buyer, and no such actions have been threatened.

8.3 Anti-Terrorism. All funds to be used by Buyer as payment of the Purchase Price at Closing are from sources operating under, and in compliance with, all federal, state and local statutes and regulations and are free of all liens and claims of lien. Neither Buyer, nor any of its directors, members, managers or other owners is a "Prohibited Person" or "Specifically Designated National and Blocked Person" under Anti-Terrorism Laws. As used in this

Agreement, the term "Anti-Terrorism Laws" means any and all present and future judicial decisions, statutes, rulings, rules, regulations, permits, certificates, orders and ordinances of any Governmental Authority relating to terrorism or money laundering including, without limiting the generality of the foregoing, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Pub. L. No. 107-56); the Trading with the Enemy Act (50 U.S.C.A. App. 1 et seq.); the International Emergency Economic Powers Act (50 U.S.C.A. § 1701-06); Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism") and the United States Treasury Department's Office of Foreign Assets Control list of "Specifically Designated National and Blocked Persons" (as published from time to time in various mediums).

9. "AS IS" Sale; Release & Waiver.

9.1 "AS IS" Purchase.

(A) SUBJECT TO SELLER'S REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 7, AND ACKNOWLEDGING THE PRIOR USE OF THE PROPERTY AND BUYER'S OPPORTUNITY TO INSPECT THE PROPERTY, BUYER AGREES TO PURCHASE THE PROPERTY "AS IS", "WHERE IS", WITH ALL FAULTS AND CONDITIONS THEREON. ANY WRITTEN OR ORAL INFORMATION, REPORTS, STATEMENTS, DOCUMENTS OR RECORDS CONCERNING THE PROPERTY ("DISCLOSURES") PROVIDED OR MADE AVAILABLE TO BUYER, ITS AGENTS OR CONSTITUENTS BY SELLER, SELLER'S AGENTS, EMPLOYEES OR THIRD PARTIES REPRESENTING OR PURPORTING TO REPRESENT SELLER, SHALL NOT BE REPRESENTATIONS OR WARRANTIES, UNLESS SPECIFICALLY SET FORTH IN SECTION 7 OF THIS AGREEMENT. IN PURCHASING THE PROPERTY OR TAKING OTHER ACTION HEREUNDER, BUYER HAS NOT AND SHALL NOT RELY ON ANY SUCH DISCLOSURES, BUT RATHER, BUYER SHALL RELY ONLY ON BUYER'S OWN INSPECTION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS IS".

(B) BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7 OF THIS AGREEMENT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, (A) THE NATURE, QUALITY OR PHYSICAL CONDITION OF THE PROPERTY, (B) THE WATER, SOIL AND GEOLOGY OF THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR THE OPERATION THEREOF WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY HAVING JURISDICTION THEREOVER, (E) THE FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE, (F) THE MARKETABILITY OF THE PROPERTY OR THE ABILITY TO LEASE OR SELL THE PROPERTY, (G) THE STATUS OR CONDITION OF ENTITLEMENTS PERTAINING TO THE PROPERTY, (H) DEFICIENCY OF ANY

DRAINAGE ON THE REAL PROPERTY, (I) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE, AND (J) ANY MATTER REGARDING TERMITES OR WASTES, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., OR ANY HAZARDOUS SUBSTANCES, AS HEREINABOVE DEFINED. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER, UNLESS OTHERWISE REQUIRED BY LAW, IS UNDER NO DUTY TO MAKE ANY AFFIRMATIVE DISCLOSURES REGARDING ANY MATTER WHICH MAY BE KNOWN TO SELLER.

Seller's Initials: \_\_\_\_\_

Buyer's Initials: 

9.2 Release. Subject to the covenants, representations and warranties of Seller contained in this Agreement, effective as of Closing, Buyer on behalf of itself and its shareholders, members, investors or partners of each of them and any permitted assignees of Buyer hereunder and its successors and assigns (collectively, the "Buyer Affiliated Parties") waives its right to recover from, and forever releases and discharges, Seller and its affiliates, property manager, partners, trustees, beneficiaries, owners, members, managers, officers, employees and agents and representatives, and its respective heirs, successors, personal representatives and assigns from any and all Claims, whether direct or indirect, known or unknown, suspected or unsuspected, foreseen or unforeseen, that may arise on account of or in any way be connected with: (i) the physical condition of the Property, including, without limitation, all seismic elements; the condition, valuation, or utility of the Property; title and survey matters with respect to the Property; and the environmental condition of the Property and the presence of any Hazardous Substance on, under or about the Property; and (ii) any law or regulation applicable to the Property, including, without limitation, any Environmental Laws and any other federal, state or local law.

In this connection and to the extent permitted by law, Buyer hereby agrees, realizes and acknowledges that factual matters now unknown to Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees that it waives (and by Closing this transaction will be deemed to have waived) any and all objections and complaints concerning the physical characteristics and any existing conditions of the Property, and that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. The releases set forth in this Section shall become effective upon the Closing. Buyer further hereby assumes the risk of changes in applicable laws, including any relevant Environmental Laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Substances or other contaminants, may not have been revealed by its investigation.

9.3 Waiver of Right to Receive Seller Disclosure Statement and Waiver of Right to Rescind. PURSUANT TO RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010, WITH RESPECT TO THE REAL PROPERTY, BUYER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE SECTION OF THE DISCLOSURE STATEMENT

DRAINAGE ON THE REAL PROPERTY, (I) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE, AND (J) ANY MATTER REGARDING TERMITES OR WASTES, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., OR ANY HAZARDOUS SUBSTANCES, AS HEREINABOVE DEFINED. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER, UNLESS OTHERWISE REQUIRED BY LAW, IS UNDER NO DUTY TO MAKE ANY AFFIRMATIVE DISCLOSURES REGARDING ANY MATTER WHICH MAY BE KNOWN TO SELLER.

Seller's Initials: LJK

Buyer's Initials: \_\_\_\_\_

9.2 Release. Subject to the covenants, representations and warranties of Seller contained in this Agreement, effective as of Closing, Buyer on behalf of itself and its shareholders, members, investors or partners of each of them and any permitted assignees of Buyer hereunder and its successors and assigns (collectively, the "Buyer Affiliated Parties") waives its right to recover from, and forever releases and discharges, Seller and its affiliates, property manager, partners, trustees, beneficiaries, owners, members, managers, officers, employees and agents and representatives, and its respective heirs, successors, personal representatives and assigns from any and all Claims, whether direct or indirect, known or unknown, suspected or unsuspected, foreseen or unforeseen, that may arise on account of or in any way be connected with: (i) the physical condition of the Property, including, without limitation, all seismic elements; the condition, valuation, or utility of the Property; title and survey matters with respect to the Property; and the environmental condition of the Property and the presence of any Hazardous Substance on, under or about the Property; and (ii) any law or regulation applicable to the Property, including, without limitation, any Environmental Laws and any other federal, state or local law.

In this connection and to the extent permitted by law, Buyer hereby agrees, realizes and acknowledges that factual matters now unknown to Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees that it waives (and by Closing this transaction will be deemed to have waived) any and all objections and complaints concerning the physical characteristics and any existing conditions of the Property, and that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. The releases set forth in this Section shall become effective upon the Closing. Buyer further hereby assumes the risk of changes in applicable laws, including any relevant Environmental Laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Substances or other contaminants, may not have been revealed by its investigation.

9.3 Waiver of Right to Receive Seller Disclosure Statement and Waiver of Right to Rescind. PURSUANT TO RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010, WITH RESPECT TO THE REAL PROPERTY, BUYER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE SECTION OF THE DISCLOSURE STATEMENT

ENTITLED "ENVIRONMENTAL". Buyer is hereby provided with the "Environmental" section of the Seller Disclosure Statement attached hereto as Exhibit D. Buyer further agrees that any information discovered by Buyer concerning the Real Property prior to Closing shall not obligate Seller to prepare and deliver to Buyer a revised or updated Seller Disclosure Statement. Buyer hereby waives any right to receive an updated or revised Seller Disclosure Statement, regardless of the source of any new information. Buyer further warrants that it is a sophisticated buyer who is familiar with the ownership of real estate similar to the Real Property and Buyer has or will have adequate opportunity to complete such independent inspections of the Property it deems necessary, and will acquire the Real Property solely on the basis of and in reliance upon such examinations and not on any information provided in any Seller Disclosure Statement or otherwise provided or to be provided by Seller (other than as expressly provided in this Agreement or in the Deed). BUYER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010. IT IS THE INTENT OF BUYER THAT ANY SELLER DISCLOSURE STATEMENT PROVIDED BY SELLER WILL NOT BE RELIED UPON BY BUYER, AND SHALL GIVE BUYER NO RIGHTS WITH RESPECT TO SELLER UNDER THIS AGREEMENT. THIS WAIVER OF THE RIGHT TO RESCIND APPLIES TO THE SELLER DISCLOSURE STATEMENT PROVIDED TO BUYER DURING THE REVIEW PERIOD AND APPLIES PROSPECTIVELY TO ANY UPDATED OR REVISED SELLER DISCLOSURE STATEMENTS THAT MAY BE PROVIDED BY SELLER TO BUYER.

10. Covenants.

10.1 Covenants of Seller.

(a) Normal Operations. Until the Closing Date, Seller shall (i) continue to operate the Property in substantially the same manner as in the past and will perform all necessary maintenance to the Property as its ordinary course of business dictates; and (ii) not modify or alter the Property without the prior written consent of Buyer. From and after the Effective Date, Seller shall not enter into any contracts or commitments relating to the Property without the prior written consent of Buyer (in Buyer's reasonable discretion) if any such contracts or commitments would extend beyond the Closing Date. From and after the Effective Date, Seller shall not encumber the Property with any liens, encumbrances or other instruments creating a cloud on title or securing a monetary obligation with the Property.

(b) Insurance. Until the Closing Date, Seller shall maintain substantially the same liability, casualty, and all other insurance on the Property as is in effect as of the Effective Date.

(c) Post-Closing Construction Covenant of Buyer. Buyer acknowledges and agrees that as a condition to obtaining the FAA Disposal Approval, Buyer must adhere and comply with the FAA's approval of Buyer's Project previously obtained in connection with the satisfaction of the FAA Project Approval Contingency while constructing any facility or feature on the Property.

11. Condemnation. Risk of loss resulting from any condemnation or eminent domain proceeding that is commenced or has been threatened before the Closing, and risk of loss to the Property due to fire, flood, or any other cause before Closing, will remain with Seller. If before Closing the Property (or any portion thereof) is subjected to a threat of condemnation or becomes the subject of any proceedings, judicial, administrative, or otherwise, with respect to the taking by eminent domain or

condemnation, then Seller shall promptly provide written notice thereof to Buyer and Buyer may terminate this Agreement by written notice to Seller sent within fifteen (15) days after Seller informs Buyer in writing that the Property has been taken, in which event the Earnest Money less Seller's Portion will be returned to Buyer, the Extension Deposit, if any, shall be disbursed to Seller and such Seller's Portion shall be remitted to Seller, and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement. If the Closing Date is within the fifteen (15) day period, then Closing will be extended to the next Business Day following the end of the fifteen (15) day period. If no such election is made by Buyer, (i) this Agreement will remain in full force and effect, (ii) the purchase of the Property, less any interest taken by eminent domain, will be effected with no further adjustment, and (iii) upon Closing, Seller shall assign to Buyer all of the right, title, and interest of Seller in and to any awards that have been or may thereafter be made for such taking.

12. Default by Buyer; Liquidated Damages. BUYER WILL BE IN DEFAULT UNDER THIS AGREEMENT IF (I) ANY OF BUYER'S REPRESENTATIONS OR WARRANTIES ARE FALSE, (II) BUYER FAILS TO PERFORM ALL OF ITS OBLIGATIONS UNDER SECTION 6.4(b) ON OR BEFORE THE CLOSING DATE, OR (III) BUYER FAILS TO PERFORM ANY OF ITS OTHER OBLIGATIONS UNDER THIS AGREEMENT WITHIN THREE (3) BUSINESS DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM SELLER OF SUCH FAILURE. IN THE EVENT OF ANY DEFAULT BY BUYER UNDER THIS AGREEMENT, SELLER WILL BE RELIEVED OF ANY OBLIGATION TO SELL THE PROPERTY TO BUYER, SELLER WILL NOT HAVE ANY RIGHT TO SEEK OR OBTAIN SPECIFIC ENFORCEMENT OF THIS AGREEMENT, AND, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY FOR SUCH DEFAULT, THE EARNEST MONEY, AND ANY EXTENSION DEPOSIT WILL BE RELEASED TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER MIGHT SUFFER IN THE EVENT OF BUYER'S DEFAULT HEREUNDER. BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION IS A FAIR AND REASONABLE ESTIMATE OF SUCH DAMAGES. THE FOREGOING PROVISION SHALL IN NO WAY LIMIT OR IMPAIR SELLER'S RIGHT OR ABILITY TO RECOVER FROM BUYER ATTORNEY'S FEES TO WHICH SELLER MAY OTHERWISE BE ENTITLED UNDER THIS AGREEMENT OR ANY SUMS WHICH MAY BECOME DUE TO SELLER BASED UPON ANY INDEMNITY PROVIDED BY SELLER PURSUANT TO THE TERMS OF THIS AGREEMENT.

Seller's Initials: \_\_\_\_\_

Buyer's Initials:       

13. Default by Seller; Remedies. Seller will be in default under this Agreement if (i) Seller fails to perform all of its obligations under Section 6.4(a) on or before the Closing Date, or (ii) Seller fails to perform any of its obligations under this Agreement within three (3) Business Days after Buyer provides Seller with notice of such failure (a "Seller Default"). Upon a Seller Default, Buyer may, as its sole and exclusive remedy for such Seller Default, either: (y) terminate this Agreement in its entirety by delivery of notice of termination to Seller, whereupon the Earnest Money and any Extension Deposit shall be immediately returned to Buyer or (z) continue this Agreement pending Buyer's action for specific performance hereunder provided appropriate proceedings are commenced by Buyer within forty-five (45) days following Seller's Default and thereafter prosecuted with diligence. Buyer agrees that under no circumstances shall Buyer file a *lis pendens* action against the Property unless Buyer is seeking option (z) above.

condemnation, then Seller shall promptly provide written notice thereof to Buyer and Buyer may terminate this Agreement by written notice to Seller sent within fifteen (15) days after Seller informs Buyer in writing that the Property has been taken, in which event the Earnest Money less Seller's Portion will be returned to Buyer, the Extension Deposit, if any, shall be disbursed to Seller and such Seller's Portion shall be remitted to Seller, and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement. If the Closing Date is within the fifteen (15) day period, then Closing will be extended to the next Business Day following the end of the fifteen (15) day period. If no such election is made by Buyer, (i) this Agreement will remain in full force and effect, (ii) the purchase of the Property, less any interest taken by eminent domain, will be effected with no further adjustment, and (iii) upon Closing, Seller shall assign to Buyer all of the right, title, and interest of Seller in and to any awards that have been or may thereafter be made for such taking.

12. Default by Buyer; Liquidated Damages. BUYER WILL BE IN DEFAULT UNDER THIS AGREEMENT IF (I) ANY OF BUYER'S REPRESENTATIONS OR WARRANTIES ARE FALSE, (II) BUYER FAILS TO PERFORM ALL OF ITS OBLIGATIONS UNDER SECTION 6.4(b) ON OR BEFORE THE CLOSING DATE, OR (III) BUYER FAILS TO PERFORM ANY OF ITS OTHER OBLIGATIONS UNDER THIS AGREEMENT WITHIN THREE (3) BUSINESS DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM SELLER OF SUCH FAILURE. IN THE EVENT OF ANY DEFAULT BY BUYER UNDER THIS AGREEMENT, SELLER WILL BE RELIEVED OF ANY OBLIGATION TO SELL THE PROPERTY TO BUYER, SELLER WILL NOT HAVE ANY RIGHT TO SEEK OR OBTAIN SPECIFIC ENFORCEMENT OF THIS AGREEMENT, AND, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY FOR SUCH DEFAULT, THE EARNEST MONEY, AND ANY EXTENSION DEPOSIT WILL BE RELEASED TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER MIGHT SUFFER IN THE EVENT OF BUYER'S DEFAULT HEREUNDER. BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION IS A FAIR AND REASONABLE ESTIMATE OF SUCH DAMAGES. THE FOREGOING PROVISION SHALL IN NO WAY LIMIT OR IMPAIR SELLER'S RIGHT OR ABILITY TO RECOVER FROM BUYER ATTORNEY'S FEES TO WHICH SELLER MAY OTHERWISE BE ENTITLED UNDER THIS AGREEMENT OR ANY SUMS WHICH MAY BECOME DUE TO SELLER BASED UPON ANY INDEMNITY PROVIDED BY SELLER PURSUANT TO THE TERMS OF THIS AGREEMENT.

Seller's Initials: LJK

Buyer's Initials: \_\_\_\_\_

13. Default by Seller; Remedies. Seller will be in default under this Agreement if (i) Seller fails to perform all of its obligations under Section 6.4(a) on or before the Closing Date, or (ii) Seller fails to perform any of its obligations under this Agreement within three (3) Business Days after Buyer provides Seller with notice of such failure (a "Seller Default"). Upon a Seller Default, Buyer may, as its sole and exclusive remedy for such Seller Default, either: (y) terminate this Agreement in its entirety by delivery of notice of termination to Seller, whereupon the Earnest Money and any Extension Deposit shall be immediately returned to Buyer or (z) continue this Agreement pending Buyer's action for specific performance hereunder provided appropriate proceedings are commenced by Buyer within forty-five (45) days following Seller's Default and thereafter prosecuted with diligence. Buyer agrees that under no circumstances shall Buyer file a *lis pendens* action against the Property unless Buyer is seeking option (z) above.

Anything in this Agreement to the contrary notwithstanding, with respect to all matters affecting title to the Real Property, Buyer acknowledges and agrees that it is relying upon the Title Policy. If Buyer has a claim under the Title Policy and the subject matter of that claim also constitutes a breach of any warranty made by Seller in this Agreement or the Deed, Buyer agrees that it will look first to its Title Policy for recovery on such claim, and Buyer shall not assert any claim against Seller for a breach of a representation, warranty or covenant with respect to such claim unless and until Buyer has pursued its remedies against the Title Company to a final judgment and has not been made whole. The time period for bringing a claim against Seller for a breach of a representation or warranty relating to title to the Real Property will be tolled during the pendency of any action by Buyer against Title Company.

14. Brokerage. Buyer has engaged Cory Barbieri of Goodale & Barbieri Company, in connection with the transaction contemplated by this Agreement ("Buyer's Broker"). Seller shall be solely responsible for the payment of the brokerage fee or commission, payable only upon Closing, to Buyer's Broker in an amount equal to 4.5% of the Purchase Price. Except with respect to Buyer's Broker identified above, Seller and Buyer hereby agree to indemnify, defend and hold each other harmless from and against any and all Claims arising out of any claim for commissions, fees, or other similar compensation or charges relating to the transaction contemplated in this Agreement, or the consummation thereof, which may be made by any third party as the result of the acts of Seller or Buyer or their respective representatives. The obligations of the Parties under this Section 14 will survive Closing.

15. Miscellaneous.

15.1 Attorneys' Fees. Should any Party hereto bring any action against any other Party related in any way to this Agreement, the substantially prevailing party shall be awarded its or their reasonable attorneys' fees and costs incurred for prosecution, defense, consultation, or advice in connection with such action.

15.2 Escrow Agent. The Escrow Agent hereby accepts its designation as the Escrow Agent under this Agreement and agrees to hold and disburse the Earnest Money and the Extension Deposit, if any, as provided in this Agreement. The provisions of this Agreement will constitute joint instructions to the Escrow Agent to consummate the purchase in accordance with the terms and provisions of this Agreement; *provided, however*, that the Parties shall execute such additional escrow instructions, not inconsistent with the provisions of this Agreement, as may be deemed reasonably necessary to carry out the intentions of the Parties as expressed in this Agreement. The provisions of this Section 15.2 will survive the Closing or termination of this Agreement.

15.3 Notices. All notices required or permitted under this Agreement must be in writing and will be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt of an electronic confirmation thereof, (ii) upon delivery, if sent by electronic mail, provided that such notice is also promptly thereafter delivered in accordance with another permissible method of delivery, (iii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iv) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:



If to Seller: Spokane International Airport  
c/o Airport Board  
Attn: Lawrence J. Krauter  
9000 West Airport Drive, Suite 204  
Spokane, WA 99224  
Email: lkrauter@spokaneairports.net  
Fax: (509) 624-6633

with a copy to: Lukins & Annis, P.S.  
717 W. Sprague, Suite 1600  
Spokane, WA 99201  
Attn: Tyler J. Black, Esq.  
Email: tblack@lukins.com  
Fax: (509) 363-2487

If to Buyer: King Beverage, Inc.  
6715 E. Mission Ave.  
Spokane, WA 99212  
Attn: Peter Rusnak  
Email: peter.rusnak@kingbeverage.com  
Fax: (509) 444-3711

with a copy to: Goodale & Barbieri  
818 W. Riverside Ave., Suite 300  
Spokane, WA 99201  
Attn: Cory Barbieri  
Email: cory.barbieri@g-b.com  
Fax: (509) 344-4939

If to Escrow Agent: Spokane County Title  
1010 N. Normandie, Suite 100  
Spokane, WA 99201  
Attn: Keith Newell  
Email: keith@spokanetitle.com  
Fax: (509) 324-1375

15.4 Survival. Unless expressly provided otherwise in this Agreement, the representations and warranties of Seller contained in this Agreement will survive Closing for a period of six (6) months (the "Survival Period"). Seller shall not be liable to Buyer by reason of a breach of any of Seller's representations or warranties unless the Buyer notifies the Seller of such breach (the "Warranty Notice") prior to the expiration of the Survival Period, and gives the Seller an opportunity to cure any such breach within a reasonable period of time after delivery of the Warranty Notice. Any proceeding with respect to Seller's alleged breach of any representation or warranty must be commenced within the Survival Period, and if not commenced within such time period, Buyer will be deemed to have waived its Claims for such breach or default. Seller's aggregate liability to Buyer by reason of a breach of one or more of Seller's representations or warranties shall not exceed One Hundred Thousand Dollars (\$100,000). Seller's liability will be limited to actual damages and will not include consequential, special, punitive or incidental damages.

15.5 Governing Law/Venue. The laws of the State of Washington govern the enforcement, and interpretation of this Agreement. The venue for any action related to this Agreement will be in Spokane County, Washington.

15.6 Integration; Modification; Waiver. This Agreement, the recitals to this Agreement, exhibits, and closing documents pursuant to this Agreement are hereby incorporated into this Agreement and, together with the Agreement, constitute the complete and final expression of the agreement of the Parties relating to the Property. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect between the Parties. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Agreement) executed by the Party against whom enforcement of the modification or waiver is sought.

15.7 Counterpart Execution. This Agreement may be executed in several counterparts and transmitted via facsimile or other electronic transmission, each of which will be fully effective as an original and all of which together will constitute one and the same instrument.

15.8 Headings; Construction. The headings used throughout this Agreement have been inserted for convenience of reference only and do not constitute matters to be construed in interpreting this Agreement. Words of any gender used in this Agreement will be construed to include any other gender, and words in the singular number will be construed to include the plural, and vice versa, unless the context requires otherwise. The words "herein," "hereof," "hereunder," and other similar compounds of the word "here" when used in this Agreement refer to the entire Agreement and not to any particular provision or section. The terms "includes," "including," or "include" as used herein shall be interpreted as being non-exclusive and shall be read to mean, respectively, "includes without limitation," "including, without limitation" and "include without limitation."

15.9 Deadlines and Dates. Any deadline, unless otherwise set forth in this Agreement, will expire at 5:00 p.m., Pacific Time. Should any deadline or date in this Agreement fall on a day other than a Business Day, such deadline or date will be extended until 5:00 p.m., Pacific Time, on the next Business Day.

15.10 Severability. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced.

15.11 Time of the Essence. Time is of the essence of this Agreement and of the obligations of the Parties to purchase and sell the Property, it being acknowledged and agreed by and between the Parties that any delay in effecting the Closing pursuant to this Agreement may result in loss or damage to the Party in full compliance with its obligations hereunder.

15.12 Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, is held invalid or unenforceable, such provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision will not be affected thereby.

15.13 Binding Effect. This Agreement is binding upon and inures to the benefit of Seller and Buyer, and their respective successors and permitted assigns.

15.14 Further Acts. In addition to the acts recited in this Agreement to be performed by Seller and Buyer, Seller and Buyer agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated in this Agreement.

15.15 Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may be withheld in Seller's sole and absolute discretion; *provided, however*, that Buyer shall have the right to assign its rights under this Agreement without first obtaining Seller's consent if such assignment is to a special purpose entity in which Buyer or its principals hold an ownership interest or control. No such assignment shall release Buyer from any of its obligations under this Agreement. Any assignment made in violation of this Section shall be void.

15.16 Other Parties. The relationship of the Parties hereto is solely that of Seller and Buyer with respect to the Property and no joint venture or other partnership exists between the Parties hereto. Neither Party has any fiduciary relationship hereunder to the other. The provisions of this Agreement are not intended to benefit any third parties.

15.17 1031 Exchange. Buyer may purchase the Property and Seller may sell the Property by completing one or more Code §1031 tax-deferred exchange(s). Each Party agrees to cooperate with the other in effecting such an exchange; *provided, however*, the cooperating Party will not incur any additional liability or financial obligations as a consequence of any such exchange.

15.18 Sole Discretion. If a Party is given the right to exercise its sole or absolute discretion, neither the other Party nor any third party (including, without limitation, an arbitrator) will have the right to challenge said exercise, whether reasonable or unreasonable, on any grounds whatsoever.

15.19 Confidentiality. Seller and Buyer agree that there will be no press or other publicity release or communication to any third party concerning the transaction contemplated in this Agreement without the prior written consent of the other. Notwithstanding the foregoing, prior to Closing, either Party shall have the right to disclose information with respect to the Property to its officers, directors, members, partners, employees, attorneys, accountants, environmental auditors, engineers, current and potential lenders, investors, insurers and permitted assignees under this Agreement and other consultants to the extent necessary to evaluate the transactions contemplated hereby and the Property provided that all such persons are told that such information is confidential and agree to keep such information confidential. If Buyer acquires the Property from Seller, either Party may disclose any information concerning the Property or the transactions contemplated hereby that the disclosing Party wishes to disclose; provided that any press release or other public disclosure by either Party regarding this Agreement or the transactions contemplated herein, and the wording of same, must be approved by the non-disclosing Party. The provisions of this Section shall survive the Closing or any termination of this Agreement.

15.20 Disclaimer—Preparation of Agreement. This Agreement has been negotiated by the Parties. Buyer and Seller agree that no presumption will apply in favor or against any Party in respect of the interpretation or enforcement of this Agreement. Each Party is advised to have this Agreement reviewed by independent legal and tax counsel prior to its execution. By executing

this Agreement, each such Party represents: (i) that it has read and understands this Agreement, (ii) that it has had the opportunity to obtain independent legal and tax advice regarding this Agreement and (iii) that it has obtained such independent advice or has freely elected not to do so.

*[signatures to appear on the following page]*

IN WITNESS WHEREOF, the Parties have executed and delivered the foregoing Agreement as of the Effective Date.

SELLER:

SPOKANE AIRPORT BOARD,  
a joint operation of the City of Spokane and County  
of Spokane, Washington

By:   
Name: Lawrence J. Krauter  
Its: Chief Executive Officer

BUYER:

KING BEVERAGE, INC.,  
a Washington corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form and content:

  
Brian Werst, General Counsel

IN WITNESS WHEREOF, the Parties have executed and delivered the foregoing Agreement as of the Effective Date.

SELLER:

SPOKANE AIRPORT BOARD,  
a joint operation of the City of Spokane and County  
of Spokane, Washington

By: \_\_\_\_\_  
Name: Lawrence J. Krauter  
Its: Chief Executive Officer

BUYER:

KING BEVERAGE, INC.,  
a Washington corporation

By:   
Name: Peter W. Russek  
Its: CEO

Approved as to form and content:

\_\_\_\_\_  
Brian Werst, General Counsel



This Real Property Purchase and Sale Agreement and Escrow Instructions, together with the Earnest Money, is hereby acknowledged and accepted and the escrow is opened as of the \_\_\_\_ day of April, 2021. The Escrow Agent hereby agrees to act as “the person responsible for closing” the purchase and sale transaction contemplated in this Agreement within the meaning of Section 6045(e) of the Internal Revenue Code of 1986, as amended, and to file all forms and returns required thereby.

SPOKANE COUNTY TITLE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A-1  
LEGAL DESCRIPTION OF SELLER PROPERTY\*

The following real property identified by the Spokane County Assessor as tax parcel number:

25335.9056

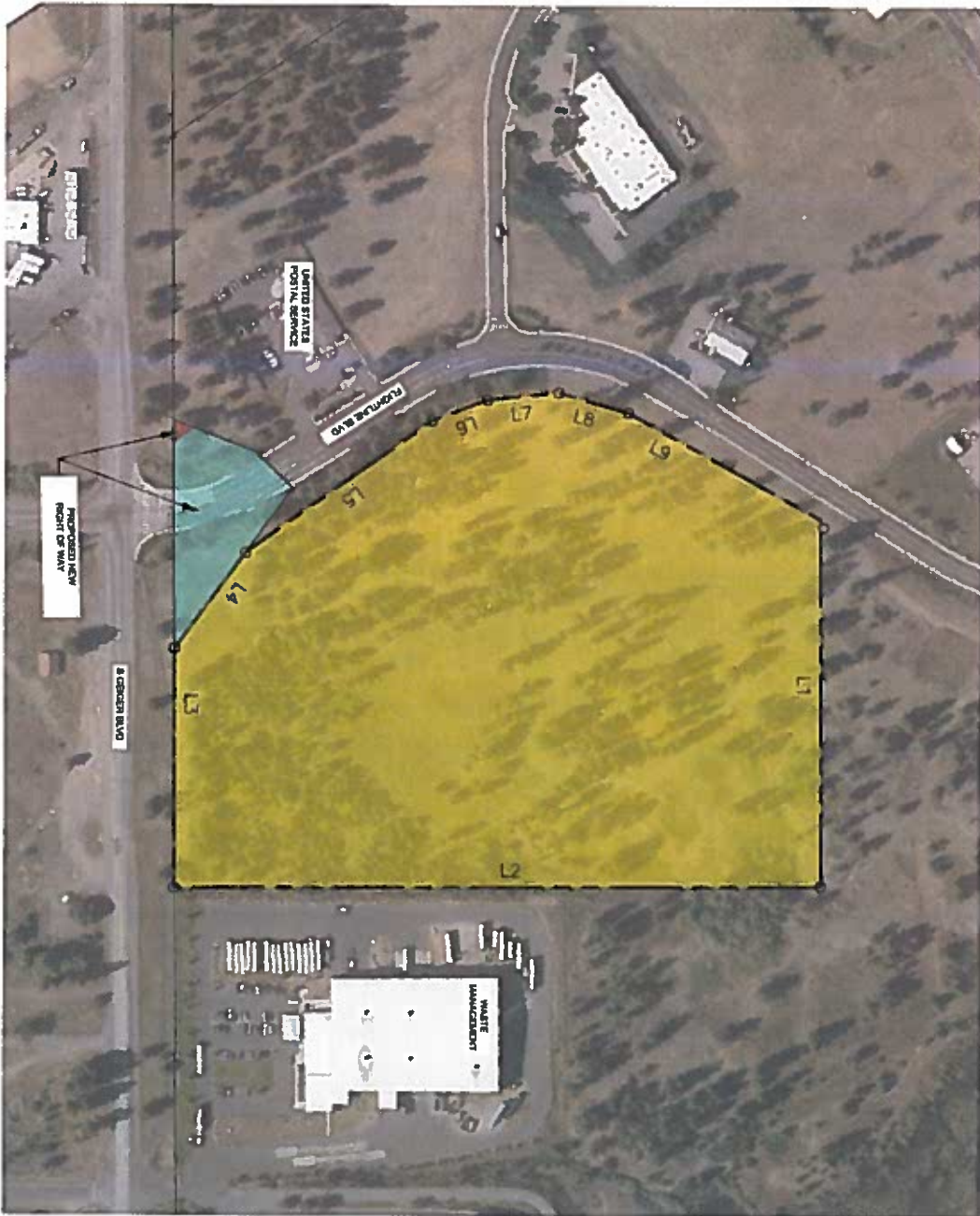
*\*Once the preliminary Title Report is provided to the Parties by the Title Company, the legal description contained therein shall be substituted by the Parties as the new Exhibit A-1 to this Agreement.*

EXHIBIT A-2  
DEPICTION OF REAL PROPERTY\*

SEE ATTACHED.

\*Real Property generally depicted as yellowish-shaded area. A final legal description of the Real Property shall be determined by the Segregation Plan, once completed, and the Parties acknowledge and agree such legal description will be deemed incorporated herein as new Exhibit A-2.

PARCEL 1 ACREAGE EXHIBIT



LINE TABLE	
LINE	BEARING DISTANCE
L1	S33°23'39"W 656.72'
L2	N56°37'48"W 1183.79'
L3	N33°36'20"E 428.32'
L4	N70°16'23"E 213.30'
L5	N68°21'12"E 409.51'
L6	S76°56'42"E 106.82'
L7	S62°20'21"E 128.16'
L8	S40°28'44"E 130.28'
L9	S27°44'00"E 394.79'

NOTES

1. THIS IS A PROPOSED BOUNDARY EXHIBIT ONLY AND IS NOT AN OFFICIAL SURVEY. IT IS NOT INTENDED TO CONVEY TITLE.

LEGEND

- PROPOSED 20 ACRE PARCEL
- PROPOSED NEW RIGHT OF WAY
- PORTION OF PARCEL 25333.8008"
- PROPOSED NEW RIGHT OF WAY
- PORTION OF PARCEL 25333.8008"
- APPROX. ROAD RIGHT OF WAY
- PROPOSED BOUNDARY CORNERS



8000 West Airport Dr., Ste. 204  
Spokane, WA 99224

LEASTOLDIER:  
SPOKANE AIRPORT  
DATE: April 20, 2021  
SHEET 1 OF 1

**EXHIBIT B**  
**FORM OF BARGAIN AND SALE DEED**

Filed for Record at Request of and  
copy returned to:

Lukins & Annis, P.S.  
Attn: Brady M. Peterson, Esq.  
717 W. Sprague Avenue, Suite 1600  
Spokane, WA 99201

DOCUMENT TITLE:	BARGAIN AND SALE DEED
GRANTOR:	SPOKANE AIRPORT BOARD
GRANTEE:	[*]
ABBREVIATED LEGAL DESCRIPTION:	[*]
ASSESSOR'S PARCEL NO.:	[*]

---

**BARGAIN AND SALE DEED**

The grantor, SPOKANE AIRPORT, by and through its Airport Board, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington, for and in consideration of Ten Dollars (\$10.00) in hand paid, bargains, sells and conveys to \_\_\_\_\_, that real property situated in the county of Spokane, state of Washington and legally described on Schedule 1 attached hereto and incorporated herein by this reference (the "Property").

SUBJECT TO: (i) the lien securing non-delinquent taxes and assessments, both general and special, and (ii) all covenants, conditions, restrictions, reservations, rights, rights of way, easements, and title matters whether or not of record or visible from an inspection of the Property and all matters which an accurate survey of the Property would disclose.

DATED effective the \_\_\_\_ day of \_\_\_\_\_, 2021.

*[signature page and acknowledgment follows]*

SIGNATURE PAGE  
TO  
BARGAIN AND SALE DEED

SPOKANE AIRPORT BOARD,  
a joint operation of the City of Spokane  
and County of Spokane, Washington

By: \_\_\_\_\_  
Name: Lawrence J. Krauter  
Its: Chief Executive Officer

STATE OF WASHINGTON     )  
                                              : ss  
County of Spokane         )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me personally appeared Lawrence J. Krauter, to me known to be the Chief Executive Officer of the SPOKANE AIRPORT BOARD, a joint operation of the City of Spokane and County of Spokane, Washington, the entity that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public   (Signature)

\_\_\_\_\_  
(Print Name)

My commission expires: \_\_\_\_\_

(Seal or Stamp)



Schedule 1  
to  
Bargain and Sale Deed  
Legal Description

[To be inserted.]

**EXHIBIT C**  
**FORM OF AVIGATION EASEMENT**

Filed for Record at Request of and  
copy returned to:

Lukins & Annis, P.S.  
Attn: Tyler J. Black, Esq.  
717 W. Sprague Avenue, Suite 1600  
Spokane, WA 99201

DOCUMENT TITLE:	AVIGATION EASEMENT
GRANTOR:	[*]
GRANTEE:	SPOKANE AIRPORT BOARD
ABBREVIATED LEGAL	[*]
DESCRIPTION:	
ASSESSOR'S PARCEL NO.:	[*]

---

**AVIGATION EASEMENT**

THIS AVIGATION EASEMENT ("Easement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 ("Effective Date"), by [\*], a Washington limited liability company ("Grantor") for the benefit of SPOKANE AIRPORT, by and through its Airport Board, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington, and the UNITED STATES OF AMERICA (collectively, the "Grantees").

**RECITALS**

A. Grantor is the owner of fee simple title to real property consisting of approximately 20 acres located generally at the south side of West Park Drive and west of South Geiger Boulevard in the City of Spokane, Spokane County, Washington, and legally described on the attached Schedule 1 (the "Property"), which Property was acquired by Grantor from the City of Spokane and Spokane County, as tenants in common, for Spokane Airport, by and through its Airport Board (the "Seller").

B. In consideration of Seller agreeing to sell the Property to Grantor, Grantor desires to provide Grantees an easement over the Property for the unobstructed passage of all Aircraft, on the terms and conditions set forth in this Easement. For purposes of this Easement, "Aircraft" means any contrivance now known or hereafter invented, used or designed for navigation of, or flight in, the air.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor agrees as follows:

1. Recitals. The recitals set forth above are incorporated by reference in this Easement as though fully set forth herein.

2. Grant of Avigation Easement for Benefit of Grantees. Grantor hereby grants and conveys to Grantees, for themselves, their heirs, administrators, executors, successors and assigns an easement over and across the airspace above the surface of the Property for the unobstructed passage and avigation of all Aircraft by whomsoever owned and operated. Grantees' foregoing avigation easement shall include the right to (i) emit such noise, vibrations, fumes, dust, fuel particles and other incidents typically resulting from the operation of Aircraft, (ii) increase the noise impact to the Property by virtue of an increase in flight frequencies, altering flight paths, or changing types of Aircraft pursuant to the continued growth and expansion of Spokane International Airport and Felts Field Airport (collectively, the "Airports"), or (iii) prevent the use of the Property in a manner that constitutes an Aircraft hazard, including, without limitation, (a) interfering with the operations of radio or electronic facilities used by any Aircraft, (b) making it difficult for pilots to distinguish between airfield lights and other lights, or (c) implementing a use that (1) results in glare in the eyes of Aircraft pilots, (2) impairs visibility in the vicinity of any Aircraft flight path, (3) creates thermal plumes hazardous to Aircrafts, (4) endangers the landing, taking off, or maneuvering of any Aircraft, (5) creates a wildlife attractant that in Grantees' sole discretion and opinion, could create a bird or wildlife strike hazard or otherwise interfere with Aircraft operations, or (6) creates a potential hazard of a fire accelerant or secondary explosion resulting from an Aircraft crash on the Property.

It is further understood and acknowledged that it is reasonable to expect that ongoing expansion of the Airports and attendant improvements will cause Aircraft effects to change, potentially increasing flight frequencies, alteration of flight paths and changing of Aircraft types as the operations of the Airports grow and expand which may have a greater future deleterious impact to the Property of the nature described in this Section.

3. Negative Covenants. Grantor hereby specifically disclaims any intention to create any other easements on the Property by this Easement, except as otherwise specifically provided herein. Grantor shall not erect, construct, alter, maintain, or allow to grow, any vegetation, object, structure, wall, fence or barrier ("Obstruction") of any kind on or in the Property that would increase the Federal Aviation Administration ("FAA") landing, approach, or departure minimum height requirements for Aircraft, or prevent or unreasonably impair the free access of any Aircraft to travel through the airspace above the surface of the Property, unless such Obstruction is specifically consented to by all appropriate Grantees. If any Obstruction violates the height restrictions described herein this Section 3, then any of the Grantees shall have the right to enter the Property to remove such Obstruction at Grantor's sole cost and expense. Grantor shall not create or cause interference with or utilize the Property in any way contrary to (i) Spokane County Zoning Code, Chapters 14.700 and 17C.180 or (ii) any FAA requirements and regulations.

4. Indemnification. Grantor shall indemnify, defend and hold harmless Grantees, their heirs, administrators, executors, successors and assigns from all claims, demands, or suits in law or equity arising from Grantor's intentional or negligent acts or breach of its obligations under this Easement.

5. Not a Public Dedication. The easements established by this Easement shall be for the benefit of and restricted solely to the use of Grantees, their heirs, administrators, executors, successors and assigns and shall be used only for the purposes described herein. Nothing contained in this Easement shall be deemed to be a public dedication of any portion of the Property described herein in the general public or for the general public or for any public purposes whatsoever.

6. Covenants Run With the Land. This Easement shall remain in effect until said Easement, as existing, enlarged or relocated, is abandoned or ceases to be used for Aircraft travel and Airports purposes. The covenants given and the easements granted pursuant to this Easement shall be deemed to be covenants running with the Property and shall be binding upon and benefit the heirs, successors in interest, assigns and devisees of Grantor and Grantees. The Property is the servient estate.

7. Consent to Modification. This Easement and any provision, covenant, or easement contained herein may be terminated, extended, modified, or amended only with the written consent of the Grantor and all appropriate Grantees; *provided, however*, that no termination, extension, modification, or amendment of this Easement shall be effective unless a written instrument setting forth the terms thereof has been executed as herein provided, acknowledged, and recorded in the offices of the Spokane County Recorder.

8. Not a Partnership. By this Easement, the Grantor does not, and any successors or assigns of Grantor shall not, in any way or for any purpose become partners or joint venturers with any of the Grantees, or of any of their respective successors or assigns.

9. Construction. Wherever used herein, unless the context shall otherwise provide, the singular form shall include the plural, the plural shall include the singular, and the use of any gender will include all genders. The section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Easement or any section or provision hereof.

10. Entire Easement; Interpretation. This Easement constitutes the entire Easement with respect to the subject matter hereof. It is expressly agreed that there are no verbal understandings or other easements that in any way change the terms, covenants and conditions herein set forth. References to Grantor and Grantees shall also be deemed to refer to their respective successors and assigns.

11. Miscellaneous. This Easement shall be governed by the laws of the state of Washington. Any action related to this Easement shall be brought in Superior Court in Spokane County, Washington.

*[signature page and acknowledgements follow]*

*[remainder of page left intentionally blank]*

[Insert SPE signature block]

-33-

Schedule 1  
to  
Avigation Easement

LEGAL DESCRIPTION OF PROPERTY

[To be inserted.]

EXHIBIT D  
ENVIRONMENTAL SECTION OF SELLER DISCLOSURE STATEMENT

[see pages that follow]



**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**NOTICE TO THE BUYER: KING BEVERAGE, INC., a Washington corporation**

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY CONSISTING OF APPROXIMATELY TWO HUNDRED EIGHTY NINE AND 24/100 (289.24) ACRES LOCATED GENERALLY AT THE SOUTH SIDE OF WEST PARK DRIVE AND WEST OF SOUTH GEIGER BOULEVARD, IN THE CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON (THE "PROPERTY") AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S CURRENT AND ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED ENVIRONMENTAL SELLER DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, ELECTRICIANS, OR ON-SITE WASTEWATER TREATMENT INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES. SELLER IS NOT OCCUPYING THE PROPERTY.

**SELLER'S DISCLOSURES - ENVIRONMENTAL**

YES      NO      DON'T  
KNOW

If the answer is "Yes" to a question with an (\*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

- \*A. Have there been any flooding, standing water or drainage problems on the Property that affect the Property or access to the Property?
- \*B. Is there any material damage to the Property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?
- \*C. Are there any shorelines, wetlands, floodplains, or critical areas on the Property?
- \*D. Are there any substances, materials, or products in or on the Property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?
- \*E. Is there any soil or groundwater contamination?
- \*F. Has the Property been used as a legal or illegal dumping site?
- \*G. Has the Property been used as an illegal drug manufacturing site?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**\*\* SEE ATTACHED FOR ADDITIONAL INFORMATION.**

**ADDITIONAL NOTICES TO BUYER:** INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**VERIFICATION**

The foregoing answers and attached explanations (if any) are complete and correct to Seller's knowledge (as that term is defined in the purchase and sale agreement between Buyer and Seller) and Buyer has received a copy hereof. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the Property.

Seller: SPOKANE AIRPORT BOARD, a joint operation of the City of Spokane and County of Spokane, Washington

By: Lawrence J. Krauter  
Lawrence J. Krauter, its Chief Executive Officer

Date: 4/22/2021

**BUYER'S ACKNOWLEDGEMENT**

Buyer hereby acknowledges that:

1. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
2. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
3. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
4. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
5. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL AND CURRENT KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement under RCW 64.06, and hereby waives, to the extent permissible, any and all rights to receive a Seller Disclosure Statement. Buyer understands that this Environmental Seller Disclosure Statement is not the entire Seller Disclosure Statement, but is that portion that Seller may be required to deliver under RCW 64.06.010(7).

Buyer: KING BEVERAGE, INC., a Washington corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**VERIFICATION**

The foregoing answers and attached explanations (if any) are complete and correct to Seller's knowledge (as that term is defined in the purchase and sale agreement between Buyer and Seller) and Buyer has received a copy hereof. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the Property.

Seller: SPOKANE AIRPORT BOARD, a joint operation of the City of Spokane and County of Spokane, Washington

By: \_\_\_\_\_  
Lawrence J. Krauter, its Chief Executive Officer

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

**BUYER'S ACKNOWLEDGEMENT**

Buyer hereby acknowledges that:


1. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
2. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
3. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
4. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
5. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL AND CURRENT KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

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Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement under RCW 64.06, and hereby waives, to the extent permissible, any and all rights to receive a Seller Disclosure Statement. Buyer understands that this Environmental Seller Disclosure Statement is not the entire Seller Disclosure Statement, but is that portion that Seller may be required to deliver under RCW 64.06.010(7).

Buyer: KING BEVERAGE, INC., a Washington corporation

By:   
Name: Peter W. Ruinak  
Its: CEO

Date: 04/19/21

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**EXPLANATIONS FOR \*YES\* ANSWERS (IF ANY):**

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**EXHIBIT A  
SELLER PROPERTY LEGAL DESCRIPTION**

The following real property identified by the Spokane County Assessor as tax parcel number:

25335.9056

# Briefing Paper

## Finance and Administration Committee

<b>Division &amp; Department:</b>	Spokane Airport Board		
<b>Subject:</b>	Airport's Joint Resolution		
<b>Date:</b>	May 5, 2021		
<b>Author (email &amp; phone):</b>	Larry Krauter, CEO, Spokane Airports, <a href="mailto:lkrauter@spokaneairports.net">lkrauter@spokaneairports.net</a> or 455-6419		
<b>City Council Sponsor:</b>	CP Beggs		
<b>Executive Sponsor:</b>			
<b>Committee(s) Impacted:</b>	Finance and Administration		
<b>Type of Agenda item:</b>	<u>Consent</u>	Discussion	Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Pursuant to Paragraph 8(b) of the Spokane International Airport Joint Operation Agreement, the Spokane County and the City of Spokane must by joint action approve the acquisition, sale, transfer or disposal of real property.		
<b>Strategic Initiative:</b>			
<b>Deadline:</b>			
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approved joint resolution		
<u>Background/History:</u> Joint Resolution with Spokane County in the matter of authorizing the Spokane Airport Board to sale property located on a portion of Spokane County Assessor Parcel No. 25295.9050 comprising of 4.46 acres of land at Spokane International Airport. In addition, Wear-Tek/GRUB LLC is providing a 40' easement of property from U.S. Route 2 South to Airport property included in Spokane County Assessor Parcel No. 25291.9046			
<u>Executive Summary:</u>			
<u>Budget Impact:</u> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No (for 2020) Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)			
} N/A			
<u>Operations Impact:</u> Consistent with current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify changes required: Known challenges/barriers:			
} N/A			

City Resolution No: \_\_\_\_\_  
County Resolution No. \_\_\_\_\_

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON  
AND  
THE SPOKANE CITY COUNCIL OF SPOKANE, WASHINGTON**

IN THE MATTER OF AUTHORIZING        )  
THE AIRPORT BOARD TO                )               JOINT RESOLUTION  
SELL PROPERTY IDENTIFIED AS        )  
SPOKANE COUNTY ASSESSOR PARCEL    )  
25295.9050                                )

WHEREAS, pursuant to Chapter 14.08 RCW, Spokane County ("County"), by and through its Board of County Commissioners, and the City of Spokane ("City"), by and through its City Council, entered into an agreement dated October 7, 2019 (City of Spokane City Clerk File # RES 2019-0086, Spokane County Resolution No. 19-1338) to provide for the joint operation of Spokane International Airport, Felts Field Airport and Spokane International Airport Business Park ("Agreement"); and

WHEREAS, pursuant to Paragraph 8(b) of the Agreement, the County and City must by joint action approve the acquisition, sale, transfer or disposal of real property; and

WHEREAS, the Airport Board has recommended to the County and City the sale of Spokane County Assessor Tax Parcels as identified on Exhibit A, attached hereto, comprised of approximately 4.46 acres of land located generally on the south side of U.S. Highway 2, west of South Spotted Road and adjacent to 8021 W. Sunset Highway in the City ("Property"); and

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Spokane County, Washington and by the City Council of the City of Spokane:

1. That the Airport Board is authorized to sell the Property, on the terms and conditions set forth in that certain Real Property Purchase and Sale Agreements and Escrow Instructions, dated as of April 22, 2021, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference; and
2. That the Chief Executive Officer of the Airport Board be and is hereby authorized to prepare and execute any documents on behalf of Spokane County and City of Spokane to sell the Property.

ADOPTED by the Spokane City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Terri L. Pfister, City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney



ADOPTED by the Board of County Commissioners of Spokane County, Washington this \_\_\_\_\_  
day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Josh Kerns, Chair

ATTEST:

\_\_\_\_\_  
Mary L. Kuney, Vice-Chair

\_\_\_\_\_  
Ginna Vasquez  
Clerk of the Board

\_\_\_\_\_  
Al French, Commissioner

EXHIBIT A

THE PROPERTY

SPOKANE COUNTY ASSESSOR TAX PARCEL NUMBERS

25295.9050

EXHIBIT B

REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS,  
DATED AS OF APRIL 22, 2021,  
BY AND BETWEEN SPOKANE AIRPORT AND GRUB PROPERTIES, L.L.C.

APN 25291.9042

APN 25291.9049

HIGHWAY 2

BYRD FAMILY  
INVESTMENTS, LLC

GRUB PROPERTIES,  
LLC

GRUB PROPERTIES, LLC

EASEMENT  
13,221 SF

GRUB, LLC

APN 25291.9046

7723 WEST SUNSET LLC

PROPOSED  
PARCEL  
4.46 AC

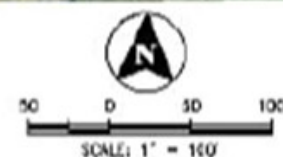
SPOKANE AIRPORTS

CONTRERAS, JUAN J  
& AMPARO A

CONTRERAS,  
JUAN J &  
AMPARO A

SPOKANE AIRPORTS

NOTE: PARCEL LINES AND OWNERSHIP  
INFORMATION IS BASED ON  
SPOKANE COUNTY SCOUT AND  
HAS NOT BEEN VERIFIED



WEAR TEK SITE PLAN  
EXHIBIT A

DATE: JULY 06, 2010

SHEET 1 OF 1



**REAL PROPERTY PURCHASE AND SALE AGREEMENT  
AND ESCROW INSTRUCTIONS**

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made as of the 22<sup>nd</sup> day of April, 2021 (the "Effective Date"), by and between the SPOKANE AIRPORT, by and through its Airport Board ("Airport Board"), created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington ("Seller"), and GRUB PROPERTIES, L.L.C., a Washington limited liability company ("Buyer"). Seller and Buyer may be referred to collectively as the "Parties" and individually as a "Party" in this Agreement.

**RECITALS**

A. Seller is the owner of fee simple title to that certain real property in the city of Spokane, Spokane County, Washington, as more particularly bounded and described on Exhibit A-1 attached hereto (the "Seller Property").

B. Buyer desires to acquire a portion of the Seller Property consisting of approximately four and 46/100 (4.46) acres located generally at the south side of U.S. Highway 2, west of South Spotted Road and adjacent to 8021 W. Sunset Highway in the City of Spokane, Spokane County, State of Washington, as depicted on Exhibit A-2 attached hereto (the "Real Property") and together with those items described in Recitals C through F, collectively hereinafter referred to as the "Property"), together with:

C. All improvements, if any, on the Real Property;

D. All mineral rights, air and water rights, and rights and easements appurtenant to the Real Property owned by Seller, if any;

E. All licenses, permits, land use designations, approvals, various waivers or consents applicable to the Real Property (collectively, the "Permits"), to the extent transferable and held by Seller, issued or subject to the laws of the United States, the State of Washington, County of Spokane, or City of Spokane, other authority, department, commission, board, bureau, agency, unit, or instrumentality, (collectively "Governmental Authorities"); and

F. Certain surveys, soil and substrata studies, environmental reports, and other plans, diagrams, or studies, if any, with respect to the Real Property.

NOW, THEREFORE, Seller desires to sell and Buyer desires to purchase the Property upon the terms and conditions set forth in this Agreement, as follows:

1. Sale of Property. Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase and accept the Property from Seller, upon the terms and conditions set forth in this Agreement. As used in this Agreement, "Business Day" means any day other than: (i) a Saturday, (ii) a Sunday, or (iii) days on which branches of national banks located in Spokane County, Washington are closed.

2. Earnest Money and Independent Consideration.

2.1 Earnest Money. Within three (3) Business Days after the Effective Date, Buyer shall deposit with SPOKANE COUNTY TITLE, 1010 North Normandie, Suite 100, Spokane, WA 99201 (Attn: Keith Newell) ("Escrow Agent" or "Title Company") the sum of Ten Thousand Dollars (\$10,000.00) in Current Funds (as hereinafter defined) as earnest money (the "Earnest

Money”), to be applied for the account of Buyer as a credit against the Purchase Price (as defined in Section 3). Upon the expiration of the Review Period (as defined in Section 4.1), the Earnest Money shall be nonrefundable to Buyer, except as otherwise set forth in this Agreement. Upon receipt, Escrow Agent may deposit the Earnest Money in an interest-bearing account if directed to do so by Buyer. Any interest earned on the Earnest Money will be part of the Earnest Money under this Agreement. When Escrow Agent disburses the Earnest Money as provided in this Agreement, any and all interest that has accrued thereon shall be disbursed to the Party entitled to the Earnest Money.

2.2 Independent Consideration. Simultaneously with Buyer’s delivery of the Earnest Money to Escrow Agent, Buyer shall pay directly to Seller an amount equal to One Hundred Dollars (\$100.00) as independent consideration for Seller’s performance under this Agreement, which amount the Parties bargained for and agreed to as additional consideration for Seller’s execution, delivery and performance of this Agreement and shall be retained by Seller in all instances, and shall not be applied against the Purchase Price.

3. Purchase Price. The purchase price for the Property is Two Hundred Fifteen Thousand Dollars (\$215,000.00) (the “Purchase Price”), together with Buyer’s share of closing costs and prorations, as set forth in this Agreement. In consideration for the grant of easement contemplated in the Easement Agreement (as defined below), Buyer and Seller acknowledge and agree that Buyer, at Closing, shall pay the Purchase Price less the sum of Twenty Two Thousand Dollars (\$22,000.00). The Purchase Price will be paid as follows at Closing: (i) the Earnest Money will be credited toward the Purchase Price; and (ii) the remainder of the Purchase Price will be paid in Current Funds. As used in this Agreement, “Current Funds” means wire transfers, certified funds, or cashier’s checks in a form acceptable to Escrow Agent that would permit Escrow Agent to immediately disburse such funds.

4. Due Diligence Inspections and Title Review.

4.1 Review Period. As used in this Agreement, the term “Review Period” means that period of time commencing on the Effective Date and expiring at 5:00 p.m., Pacific Time, sixty (60) days thereafter, subject to extension under Section 4.2(b) below.

4.2 Review of Title. Within three (3) Business Days after the Effective Date, Seller shall cause the Title Company to deliver a commitment for the Title Policy (as defined in Section 6.3(b)) to the Parties. The commitment must be accompanied by legible copies of all documents referred to in Schedule B of the commitment (the commitment and documents are collectively referred to in this Agreement as the “Title Report”).

(a) Objections. Buyer shall review the Title Report and may, within ten (10) Business Days after receipt of the complete Title Report (the “Title Review Period”), provide Seller and Title Company with written notice of the title exceptions that are acceptable or objectionable to Buyer, in Buyer’s discretion (each such objectionable matter or exception considered a “Disapproved Matter”). If Buyer timely notifies Seller and Title Company of any Disapproved Matter(s) within the Title Review Period, Seller may, within five (5) Business Days following Seller’s receipt of Buyer’s written notice of Disapproved Matter(s), notify Buyer and Escrow Agent that: (i) Seller will remove or correct such Disapproved Matter as of or before Closing, or (ii) Seller will not remove any or certain Disapproved Matter(s). If Seller does not respond within such period, Seller will be deemed to have elected option (ii) above. If Seller elects, within its discretion, or is deemed to have elected not to eliminate those objections with reference to such Disapproved Matter(s), in form and substance acceptable to Buyer, in Buyer’s discretion, Buyer may,

prior to the expiration of the Review Period, either: (y) terminate this Agreement by delivery of written notice to Seller and Escrow Agent, or (z) give written notice to Seller and Escrow Agent, agreeing to accept title to the Property subject to such Disapproved Matters, in which case such Disapproved Matters shall be Permitted Exceptions (as defined in Section 4.2(c), below), and if Buyer fails to elect either option (y) or (z) above, Buyer will be deemed to have elected option (z).

(b) Supplements; Amendments. If the Title Company issues a supplement or amendment to the Title Report showing additional title exceptions which were not contained in the initial Title Report (each, an "Amended Report"), Buyer will have seven (7) days from the date of receipt of each Amended Report, and a copy of each document referred to in the Amended Report that was not contained in the initial Title Report, in which to give notice of its acceptance of or objection to any additional title exceptions except if said supplements or amendments are a result of Buyer's actions, in which case Buyer shall not be entitled to object to such additional title exceptions. If Buyer provides Seller with notice of the basis of objection to the status of Seller's title as shown in the Amended Report, Seller will have the option, but not the obligation, to: (i) eliminate Buyer's objections, (ii) obtain title insurance endorsements regarding such objections, or (iii) cure any objectionable matter within three (3) days after receipt of such written notice, in each case, in form and substance acceptable to Buyer. If, prior to the expiration of the three (3) day period, Seller does not cure such objections, Buyer will have the option to terminate this Agreement within three (3) Business Days after expiration of such three (3) day period by giving written notice of termination to Seller and Escrow Agent, and if Buyer does not elect to terminate the Agreement within such three (3) Business Day period, Buyer will be deemed to have agreed to accept title subject to such objections, in which case such additional title exceptions shall be Permitted Exceptions. If Seller's three (3) day cure period would expire after the scheduled Closing Date (as defined in Section 6.1, below), the Closing Date will be extended until the expiration of the time periods set forth in this Section.

(c) Failure to Provide Written Acceptance. Any item that Buyer accepts in writing or is deemed to have accepted pursuant to the terms of this Agreement will be a "Permitted Exception". The term "Permitted Exceptions" also includes and Buyer may not disapprove or object to the following: all zoning ordinances and regulations and any other laws, ordinances, or governmental regulations and restrictions regulating the use, occupancy or enjoyment of the Property; such state of facts as would be disclosed by a survey or physical inspection of the Real Property (unless Buyer obtains a survey); the lien of taxes and assessments not yet delinquent; any exclusions from coverage set forth in the jacket of the Title Policy; the Avigation Easement (as defined below); or any exceptions caused by Buyer, its agents, representatives or employees. Notwithstanding the foregoing, Buyer will not be required to disapprove or object to, and Seller covenants to remove as an encumbrance against title to the Property on or prior to the Closing, any deeds of trust, monetary liens, or monetary encumbrances (except for real property taxes and assessments not yet due) created by Seller. If Buyer does not provide written acceptance of an exception to title as disclosed by the Title Report or an Amended Report within the applicable time period, Buyer will be deemed to have accepted such matter. If this Agreement is terminated due to Seller's failure to eliminate or cure any of Buyer's objections under this Section 4.2, the Escrow Agent shall immediately disburse to Buyer all Earnest Money, together with any documents or instruments that Buyer has deposited with the Escrow Agent, and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement.



4.3 Review of Diligence Materials. Seller shall, no later than three (3) Business Days after the Effective Date, provide Buyer (or make available for Buyer's inspection) copies of the following items that relate to the Property (to the extent the same are in Seller's possession or control): existing environmental assessment reports; surveys; utility bills for the most recent month and past six (6) months, if any; valuation notices and any other fees, dues, and taxes applicable to the Property for the past year; and copies of any pending or threatened Claims (as defined in Section 4.4(b)) relating to the Property, and any governmental notices regarding uncured violations of laws or regulations (collectively, the "Current Diligence Materials"). In the event that the sale of the Property fails to close for any reason, all Current Diligence Materials provided to Buyer by Seller shall be returned to Seller promptly upon request and the contents of all Current Diligence Materials shall thereafter be treated by Buyer as confidential information of Seller (except to the extent Current Diligence Materials are or become public records or are in or enter the public domain through no fault of Buyer) and shall not be disclosed to any third parties (except as may be required by law or upon court order) without the prior consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. Any Current Diligence Materials provided by Seller to Buyer under this Agreement are provided as an accommodation to Buyer, and Buyer acknowledges and agrees that Seller makes no representations or warranties whatsoever with regard to the contents, completeness or accuracy of any such Current Diligence Materials.

4.4 Physical Inspections; Entry on Property.

(a) Physical Inspections. Buyer and its agents, employees or subcontractors ("Buyer's Agents") will have the right, from time to time prior to the Closing, to enter upon the Property to examine the same and the condition thereof and to conduct such surveys and to make such engineering and other inspections, tests and studies as Buyer determines to be reasonably necessary, all at Buyer's sole cost and expense. As part of Buyer's physical inspection, Buyer may, in its discretion and its sole cost and expense, obtain a current ASTM Phase I environmental site assessment (the "Phase I") for the Property, performed by an environmental consultant (the "Environmental Consultant") acceptable to and for the benefit of and reliance on by Buyer. If the Phase I recommends that a Phase II environmental site assessment (the "Phase II") be prepared or Buyer determines that a Phase II is necessary and desirable, then Buyer may, in its discretion, elect to perform a Phase II, *provided, however*, that prior to conducting any invasive procedures, including a Phase II, Buyer shall provide Seller with a scope of work and shall obtain Seller's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Seller shall have the right to be present at any or all inspections. Buyer shall promptly provide Seller copies of the Phase I and Phase II, and any other conclusions, assessments, or reviews provided to Buyer by the Environmental Consultant. Neither Buyer nor Buyer's Agents may contact any governmental official or representative regarding hazardous materials on or the environmental condition of the Property without Seller's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned, or delayed. In addition, if Seller consents to any such governmental contacts, Seller shall be entitled to receive at least five (5) days prior written notice of the intended contact and to have a representative present when any Buyer's Agents have any such contact with any governmental official or representative.

(b) Entry on Property. Up to and through the Closing Date, if this Agreement has not been terminated, Buyer and Buyer's Agents will have the right (upon at least twenty-four (24) hours prior written notice to Seller) to enter the Property to conduct such surveys, inspections, investigations and/or studies with respect to the Property as permitted by Section 4.4(a) of this Agreement, at Buyer's sole cost and expense. Buyer shall

indemnify, defend and hold Seller and the Property free and harmless from and against any and all debts, duties, obligations, liabilities, liens, suits, claims, demands, causes of actions, damages, losses, costs and expenses (including, without limitation, reasonable legal expenses and attorneys' fees with respect to the same or to enforce the foregoing) (collectively, "Claims") incurred by reason of or in connection with such entry or such surveys, inspections, investigations and/or studies. Before entering upon the Property, Buyer shall furnish to Seller a certificate of insurance evidencing: (a) commercial general liability insurance coverage of not less than Two Million Dollars (\$2,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate, (b) professional liability insurance of not less than One Million Dollars (\$1,000,000.00) for any of Buyer's Agents who conduct inspections of the Property, (c) workers' compensation insurance as required by Washington statutes, and (d) employer's liability insurance of not less than One Million Dollars (\$1,000,000.00) per accident. Such insurance coverage shall (i) be issued by an insurance company licensed in Washington having a rating of at least "A VIII" by A.M. Best Company, (ii) be primary and any insurance maintained by Seller shall be excess and noncontributory, (iii) include contractual liability coverage with respect to Buyer's indemnity obligations set forth in this Agreement (it being understood, however, that the availability of such insurance shall not serve to limit or define the scope of Buyer's indemnity obligations under this Agreement in any manner whatsoever), and (iv) not contain any exclusions for "insured versus insured" claims as respect to any potential claim by Seller against Buyer. The insurance certificate required herein shall also provide that the coverage may not be cancelled, non-renewed or reduced without at least thirty (30) days' prior written notice to Seller. Buyer agrees to repair any and all damages caused to the Property due to Buyer's or Buyer's Agents entry thereon and otherwise to restore the Property to the Property's original condition before such entry. The obligations of Buyer under this Section 4.4 will survive Closing or earlier termination of this Agreement.

(c) No Liens or Interference. Buyer shall not permit, and shall indemnify, defend and hold harmless Seller for, from and against any and all Claims incurred by reason of or in connection with, any construction, mechanics or materialmen's liens or any other liens that attach to the Property or any portion thereof by reason of the performance of any work or the purchase of any materials by Buyer or Buyer's Agents in connection with Buyer's inspection of the Property. The provisions of this Section will survive Closing or other termination of this Agreement.

4.5 Right to Terminate Before Expiration of Review Period. Notwithstanding anything contained within this Agreement to the contrary, Seller acknowledges and understands that Buyer may, prior to the expiration of the Review Period, notify Seller in writing that Buyer elects to terminate this Agreement as a result of any matter or no matter as determined by Buyer, in Buyer's sole discretion. Seller acknowledges that Buyer has the right to so terminate this Agreement, regardless of whether Seller would be willing or able to cure any such matter to which Buyer has objected. If Buyer elects, in its sole discretion, to proceed with this transaction, Buyer shall send a written approval notice to Seller and Escrow Agent on or before expiration of the Review Period ("Approval Notice"). If Buyer fails to send an Approval Notice to Seller and Escrow Agent by the expiration of the Review Period, Buyer will be deemed to have elected to terminate this Agreement. Buyer may also terminate this agreement by sending written notice of termination to Seller on or before expiration of the Review Period. If this Agreement is terminated as provided in this Section 4.5, the Earnest Money will be refunded to Buyer, and the Parties will have no further rights or obligations to each other, except for those rights and obligations that expressly survive the termination of this Agreement. After the Approval Notice is sent by Buyer

or upon expiration of the Review Period, the Earnest Money will be nonrefundable to Buyer, except as otherwise expressly provided in this Agreement.

#### 4.6 Boundary Line Adjustment.

(a) Boundary Line Adjustment Application. Following the Effective Date, Seller shall, at Buyer's sole cost and expense, prepare and submit a complete application, including certificates of exemption (if applicable), or certificates of approval (if applicable), for a lot line adjustment, boundary line adjustment, short plat, binding site plan, or other subdivision mechanism reasonably approved by the Parties to either: (i) create a new legally conveyable tax parcel and adjusting the existing boundaries of the Seller Property to coincide with those depicted on the attached Exhibit A-2 or (ii) segregate the Real Property such that the Real Property may be aggregated with Buyer's currently owned Spokane County Assessor Parcel Number 25291.9049 (the "BLA Application").

(b) Submission of BLA Application. Seller shall take all actions reasonably necessary to cause the boundary line adjustment of the Real Property to coincide with the boundaries set forth in the BLA Application via the applicable processing of certificates of exemption with the Spokane County Department of Building and Planning, the processing of certificates of approval with the City of Spokane Planning and Development Services Department, and the corresponding finalization of a boundary line adjustment to be filed or recorded in the official records of Spokane County, or such other subdivision mechanism reasonably approved by the Parties ("Boundary Line Adjustment"), subject to any Unanticipated Approval Condition (as defined herein). Buyer shall reasonably cooperate (at no cost to Seller) with Seller and take all actions reasonably necessary to assist Seller in Seller's efforts to complete the Boundary Line Adjustment, including, without limitation, executing such applications and any other documents necessary or convenient with respect to prosecuting the Boundary Line Adjustment to completion. If, as a condition to its approval of the Boundary Line Adjustment, any Governmental Authority requires any material modifications to the metes and bounds of the Real Property from those shown within the BLA Application or otherwise requires the Real Property to be subject to any material covenants, conditions, restrictions, exactions, off-site improvement obligations, fees in lieu, or impact fees that are not contemplated in the BLA Application or this Agreement (each, an "Unanticipated Approval Condition"), Seller shall promptly notify Buyer and afford Buyer the opportunity to discuss the same with Seller and such Governmental Authority. If, after discussing an Unanticipated Approval Condition with Seller and such Governmental Authority, Buyer determines, in its reasonable discretion, that (i) the applicable Governmental Authority is unwilling to approve the Boundary Line Adjustment without the Unanticipated Approval Condition and (ii) such Unanticipated Approval Condition will have a material and adverse impact on Buyer's project, Buyer may terminate this Agreement by delivering written notice to Seller and Escrow Agent, in which event Escrow Agent shall promptly disburse the Earnest Money to Buyer and neither party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement.

(c) Boundary Line Adjustment Costs and Fees. Buyer shall be solely responsible for all costs, fees, and expenses associated with the preparation, submission, and administration of the BLA Application and the satisfaction of the conditions to approval of the Boundary Line Adjustment, provided that Seller shall be responsible for any incremental costs required to address any Unanticipated Approval Condition. In the event that the sale of the Real Property fails to close for any reason (except for a Seller

breach), Seller shall be entitled to reimbursement from Buyer for Seller's actual out-of-pocket costs and expenses with respect to the Boundary Line Adjustment. This Section 4.6(c) shall survive Closing or the earlier termination of this Agreement.

(d) Property to Be Acquired at Closing. At Closing, Buyer must purchase the Property, in accordance with all the terms and conditions of this Agreement, including, without limitation, the Purchase Price set forth in Section 3 hereof.

5. Conditions Precedent.

5.1 Buyer's Conditions Precedent. Buyer's obligation to close under this Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

(a) All of the documents required to be delivered by Seller to Buyer at Closing pursuant to the terms and conditions hereof shall have been delivered;

(b) Each of the representations of Seller set forth in Section 7 shall be true in all material respects as of the Closing Date;

(c) Title Company is irrevocably committed to issue, upon the condition of the payment of the applicable premium, the Title Policy, subject only to the Permitted Exceptions applicable to the Real Property;

(d) The Boundary Line Adjustment shall have been satisfied in accordance with Section 4.6; and

(e) Seller is not in breach of this Agreement.

If any of the foregoing conditions are not satisfied (or waived in writing by Buyer) on or before the Closing, then Buyer shall have the right to terminate this Agreement by delivering written notice to Seller and, in the event of such termination, all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease and the Earnest Money shall be promptly refunded to Buyer; provided however, that if any of the foregoing conditions are not satisfied (or waived in writing by Buyer) on or before the Closing due to any default by Seller hereunder, then Buyer, in its discretion, and by delivering written notice to Seller, may elect to pursue any of the remedies available to Buyer pursuant to Section 13. In the event Buyer elects to terminate this Agreement pursuant to Section 13, all obligations of Seller and Buyer under this Agreement (other than those that expressly survive the termination of this Agreement and the rights and remedies arising out of any breach of such surviving obligations) shall cease.

5.2 Seller's Conditions Precedent. Seller's obligation to close under this Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

(a) All of the documents and funds required to be delivered by Buyer to Seller at Closing pursuant to the terms and conditions hereof shall have been delivered;

(b) Each of the representations of Buyer set forth in Section 8 shall be true in all material respects as of the Closing Date;

(c) The Boundary Line Adjustment shall have been satisfied in accordance with Section 4.6;

(d) Buyer is not in breach of this Agreement;

(e) Seller's receipt of written approval of the transaction contemplated by this Agreement from the board of directors of Seller's Airport Board, the City of Spokane, and County of Spokane, acting through the City Council of Spokane, and the Spokane County Board of Commissioners, respectively; and

If any of the conditions delineated in Sections 5.2(a)-(d) are not satisfied (or waived in writing by Seller) on or before the Closing, then Seller shall have the right to terminate this Agreement by delivering written notice to Buyer and, in the event of such termination, all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease and the Earnest Money shall be promptly disbursed to Seller as liquidated damages. Seller shall use commercially reasonable efforts to cause the condition set forth in Section 5.2(e) to be satisfied (which Seller affirmatively cannot waive whether orally or in writing) on or before Closing.

6. Closing.

6.1 Closing Date. The closing ("Closing") of the purchase and sale transaction contemplated in this Agreement will occur ("Closing Date") sixty (60) days following the later of either (i) the expiration of the Review Period, (ii) the satisfaction (or waiver) of all of the conditions precedent delineated in Section 5, or (iii) at such other earlier time as may be mutually agreed to by the Parties in writing. Notwithstanding anything herein to the contrary, if Closing has not occurred not later than sixty (60) days following expiration of the Review Period, due to the failure of the condition set for in Section 5.2(e) then either Party may, in its sole discretion and at any time thereafter, elect to terminate this Agreement by delivering written notice to the other Party and, in the event of such termination (a) all rights and obligations of the Parties hereunder (other than those obligations that expressly survive the termination of this Agreement) will cease, and (b) the Earnest Money shall be promptly refunded to Buyer.

6.2 Location. Closing will occur at the offices of the Escrow Agent, or at such other place as may be agreed to by the Parties in writing.

6.3 Closing Costs and Prorations.

(a) Closing Fees. At Closing, Buyer and Seller will each pay one-half (1/2) of any escrow fees and closing fees. Seller shall be solely responsible for any state or local transfer taxes, real estate excise tax or any similar taxes or fees attributable to the sale transaction contemplated in this Agreement, if applicable to Seller, and Buyer shall be solely responsible for any state or local transfer taxes, real estate excise tax or any similar taxes or fees attributable to the grant of easement contemplated in the Easement Agreement (as defined below). Seller shall be solely responsible for all recording fees associated with recording the Avigation Easement. Buyer shall be responsible for all recording fees associated with recording the Deed (as defined below) and Easement Agreement (as defined below). Any other fees and costs will be paid by, or shared by, Buyer and Seller in accordance with local custom in Spokane County, Washington.

(b) Title Policy; Survey. Seller shall pay the equivalent premium of an ALTA standard owner's title policy for the Property, and Buyer shall pay the additional premium necessary for any ALTA extended or other policy Buyer elects to acquire (the "Title Policy"). Buyer shall also pay premium of any and all endorsements to the Title Policy unless provided by Seller to remove a Disapproved Matter, in which case, Seller shall be responsible for the cost of such endorsements. The cost of any survey of the Real Property obtained by Buyer will be borne by Buyer.

(c) Taxes and Fees. Real estate taxes for the year of Closing shall be the sole responsibility of Buyer. Buyer acknowledges that Seller does not pay real estate taxes and, as such, Buyer is free to seek a refund for that portion of time in which real estate taxes may have otherwise been required to be paid in order to close the transaction contemplated by this Agreement. Annual municipal or special district assessments (on the basis of the actual fiscal tax years for which such taxes are assessed), lienable water and sewer rentals, license, or permit and inspection fees, if any, will be apportioned as of the Closing Date between Buyer and Seller. If, on the day prior to the Closing Date, real estate taxes have been imposed upon the Real Property for the real estate tax year in which Closing occurs, any portion of such taxes due or required to be paid as a condition of recording the Deed (as defined in Section 6.4(a)(1)) shall be paid by Buyer at the time of Closing.

(d) Attorney Fees. Each Party shall pay its own attorney fees incurred with respect to this transaction.

(e) Preliminary Closing Statement. Seller and Buyer shall cooperate with Escrow Agent to prepare a preliminary closing statement (the "Closing Statement") on the basis of the real estate taxes and other sources of income and expenses for the Property on or prior to the Closing Date. All apportionments and prorations provided for in this Section 6.3 to be made as of the Closing Date will be made, on a per diem basis, as of 11:59 p.m. on the day prior to the Closing Date, such that Buyer will be deemed the owner of the Property as of the Closing Date. The preliminary Closing Statement and the apportionments and/or prorations reflected therein will be based upon actual figures to the extent available. If any of the apportionments and/or prorations cannot be calculated accurately based on actual figures on the Closing Date, then they will be calculated based on Seller's and Buyer's good faith estimates thereof, subject to reconciliation as provided in Section 6.3(f).

(f) Post-Closing Reconciliation. If there is an error on the preliminary Closing Statement or, if after the actual figures are available as to any items that were estimated on the preliminary Closing Statement, it is determined that any actual proration or apportionment varies from the amount thereof reflected on the preliminary Closing Statement, the proration or apportionment will be adjusted based on the actual figures as soon as feasible, but not later than sixty (60) days after the Closing Date. Either Party owing the other Party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other Party.

(g) Other Costs and Survival. All other costs not addressed within this Section 6.3 will be paid in accordance with the custom followed in Spokane County, Washington. The provisions of this Section 6.3 will survive Closing for a period of six (6) months.

#### 6.4 Deliveries at Closing.

(a) Deliveries by Seller. At Closing, Seller shall execute and deliver (or cause to be executed and delivered) all documents and take all other actions reasonably necessary to effect the Closing, including, without limitation:

(1) A duly executed and acknowledged bargain and sale deed (the "Deed") conveying the Property to Buyer, in the form attached to this Agreement as Exhibit B.

(2) A counterpart original duly executed and completed real estate excise tax affidavit ("REETA").

(3) A counterpart original duly executed and acknowledged avigation easement ("Avigation Easement") encumbering the Real Property, in the form attached to this Agreement as Exhibit C, but only if the Title Report Buyer obtains with respect to the Real Property does not disclose the existence of a satisfactory avigation easement, as determined by Seller in its sole and absolute discretion.

(4) A counterpart original duly executed and acknowledged pedestrian and vehicular access easement ("Easement Agreement") encumbering a portion of that certain Spokane County Assessor Parcel Number 25291.9046 for the exclusive benefit of Seller, in the form attached to this Agreement as Exhibit D.

(5) A non-foreign affidavit for purposes of compliance with Section 1445(b)(2) of the Internal Revenue Code of 1986 (and the regulations adopted thereunder), as amended (the "Code").

(6) Copies of all current property tax bills and tax notices pertaining to the Real Property, if any.

(7) Such documentation as Escrow Agent may reasonably require, or may otherwise be required to close the escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

(b) Deliveries by Buyer. On the Closing Date, Buyer shall execute and deliver all documents and take such other action that may be reasonably necessary to effect and complete the Closing, including, without limitation:

(1) The amounts required under Section 3 and Section 6.3 in Current Funds.

(2) A counterpart original duly executed and completed REETA.

(3) A counterpart original duly executed and acknowledged Avigation Easement, if required by Seller.

(4) A counterpart original duly executed and acknowledged Easement Agreement.

(5) Such documentation as Escrow Agent may reasonably require, or may otherwise be required to close the escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.



(c) Actions of Escrow Agent. When Buyer and Seller have delivered the items described above, the Escrow Agent shall:

- (1) Prepare the Closing Statement and obtain signed copies from Seller and Buyer.
- (2) Record the Deed, the Avigation Easement (if applicable), and the Easement Agreement in that order.
- (3) Deliver the balance of the Purchase Price in Current Funds to Seller, net of Seller's costs, fees, and prorations.
- (4) Issue and deliver the Title Policy to Buyer.
- (5) Deliver the above referenced documents to the applicable Party.

7. Representations and Warranties of Seller. Seller makes the representations and warranties set forth in this Section 7. Buyer expressly understands and agrees that the phrase "to Seller's knowledge" as used in this Section 7 means the actual present knowledge of Lawrence J. Krauter, acting solely in his capacity as the Chief Executive Officer of Seller, and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Seller, or any affiliate or parent of Seller. Such individual shall not have any personal liability or liability whatsoever with respect to any matters set forth in this Agreement or any of Seller's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete. Each representation and warranty: (i) is true in all material respects as of the Effective Date; (ii) will be true in all material respects on the Closing Date; and (iii) will survive Closing for a period of six (6) months.

7.1 Authority/Binding Agreement. This Agreement and all exhibits and documents to be delivered by Seller pursuant to this Agreement have been duly executed and delivered by Seller and constitute the valid and binding obligations of Seller. Subject to obtaining the approvals described in Section 5.2(e), Seller has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement. The execution, delivery, and performance of this Agreement will not conflict with or constitute a breach or default under (i) the organizational documents of Seller; (ii) any material instrument, contract, or other agreement to which Seller is a party which affects the Property; or (iii) any statute or any regulation, order, judgment, or decree of any court or Governmental Authority.

7.2 Condemnation. Seller has not received from any Governmental Authority having the power of eminent domain any written notice of any condemnation of the Property or any part thereof.

7.3 Pending Litigation. Seller has received no written notice of any pending litigation initiated against Seller or the Property which would materially affect the Property after Closing.

7.4 Governmental Compliance. Seller has not received from any Governmental Authority written notice of any material violation of any building, fire or health code or any other statute applicable to the Property which will not be cured prior to Closing.

7.5 Non-Foreign Person. Seller is not a "foreign person" as defined in § 1445 of the Code and any related regulations.

7.6 Environmental Matters. To Seller's knowledge, and except as may otherwise be disclosed in the Current Diligence Materials: (a) the Property is free from Hazardous Substances; (b) the soil, surface water and ground water of, under, on or around the Property are free from Hazardous Substances; (c) the Property has never been used for or in connection with the manufacture, refinement, treatment, storage, generation, transport or hauling of any Hazardous Substances, nor has the Property been used for or in connection with the disposal of any Hazardous Substances; and (d) the Property is now and during Seller's ownership, has been in compliance with all Environmental Laws. As used in this Agreement, the term "Hazardous Substance" means any material, waste, substance, pollutant, or contaminant which may or could pose a risk of injury or threat to health or the environment, including, without limitation: (i) those substances included within the definitions of "hazardous substance", "hazardous waste", "hazardous material", "toxic substance", "solid waste", or "pollutant or contaminant" in or otherwise regulated by, any Environmental Law; (ii) those substances listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 17.101, including appendices and amendments thereto), or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. Part 302 and amendments thereto); (iii) such other substances, materials, or wastes which are or become regulated or classified as hazardous or toxic under any Environmental Law; and (iv) any material, waste, or substance which is (A) petroleum or refined petroleum products; (B) radon; (C) polychlorinated biphenyls; (D) flammable explosives; or (E) radioactive materials. As used in this Agreement, the term "Environmental Law" means any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, *et seq.*; the Toxic Substances Control Act of 1976, 15 U.S.C. § 2601, *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. § 1101, *et seq.*; the Clean Air Act, 41 U.S.C. § 7401, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*; The Safe Drinking Water Act, 41 U.S.C. § 300f, *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. § 3251, *et seq.*; and any other federal, state or local law, statute, ordinance, or regulation now in effect or hereinafter enacted which pertains to health, industrial hygiene, or the regulation or protection of the environment, including without limitation, ambient air, soil, groundwater, surface water, or land use.

8. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the representations and warranties set forth in this Section 8. Each representation and warranty: (i) is true in all respects as of the Effective Date; (ii) will be true in all respects on the Closing Date; and (iii) will survive Closing for a period of six (6) months.

8.1 Power and Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transaction contemplated in this Agreement, including, but not limited to, executing and delivering (or causing the execution and delivery of) the Buyer's deliverables as provided in Section 6.4(b) of this Agreement. Buyer's execution, delivery and performance of this Agreement have been duly authorized.

8.2 Bankruptcy or Insolvency. There are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy pending against or contemplated by Buyer, and no such actions have been threatened.

8.3 Anti-Terrorism. All funds to be used by Buyer as payment of the Purchase Price at Closing are from sources operating under, and in compliance with, all federal, state and local statutes and regulations and are free of all liens and claims of lien. Neither Buyer, nor any of its members, managers or other owners is a "Prohibited Person" or "Specifically Designated National and Blocked Person" under Anti-Terrorism Laws. As used in this Agreement, the term "Anti-Terrorism Laws" means any and all present and future judicial decisions, statutes, ruling, rules, regulations, permits, certificates, orders and ordinances of any Governmental Authority relating to terrorism or money laundering including, without limiting the generality of the foregoing, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Pub. L. No. 107-56); the Trading with the Enemy Act (50 U.S.C.A. App. I et seq.); the International Emergency Economic Powers Act (50 U.S.C.A. § 1701-06); Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism") and the United States Treasury Department's Office of Foreign Assets Control list of "Specifically Designated National and Blocked Persons" (as published from time to time in various mediums).

9. "AS IS" Sale: Release & Waiver.

9.1 "AS IS" Purchase.

(A) SUBJECT TO SELLER'S REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 7, AND ACKNOWLEDGING THE PRIOR USE OF THE PROPERTY AND BUYER'S OPPORTUNITY TO INSPECT THE PROPERTY, BUYER AGREES TO PURCHASE THE PROPERTY "AS IS", "WHERE IS", WITH ALL FAULTS AND CONDITIONS THEREON. ANY WRITTEN OR ORAL INFORMATION, REPORTS, STATEMENTS, DOCUMENTS OR RECORDS CONCERNING THE PROPERTY ("DISCLOSURES") PROVIDED OR MADE AVAILABLE TO BUYER, ITS AGENTS OR CONSTITUENTS BY SELLER, SELLER'S AGENTS, EMPLOYEES OR THIRD PARTIES REPRESENTING OR PURPORTING TO REPRESENT SELLER, SHALL NOT BE REPRESENTATIONS OR WARRANTIES, UNLESS SPECIFICALLY SET FORTH IN SECTION 7 OF THIS AGREEMENT. IN PURCHASING THE PROPERTY OR TAKING OTHER ACTION HEREUNDER, BUYER HAS NOT AND SHALL NOT RELY ON ANY SUCH DISCLOSURES, BUT RATHER, BUYER SHALL RELY ONLY ON BUYER'S OWN INSPECTION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS IS".

(B) BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7 OF THIS AGREEMENT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, (A) THE NATURE, QUALITY OR PHYSICAL CONDITION OF THE PROPERTY, (B) THE WATER, SOIL AND GEOLOGY OF THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR THE OPERATION THEREOF WITH

ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY HAVING JURISDICTION THEREOVER, (E) THE FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE, (F) THE MARKETABILITY OF THE PROPERTY OR THE ABILITY TO LEASE OR SELL THE PROPERTY, (G) THE STATUS OR CONDITION OF ENTITLEMENTS PERTAINING TO THE PROPERTY, (H) DEFICIENCY OF ANY DRAINAGE ON THE REAL PROPERTY; (I) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (J) ANY MATTER REGARDING TERMITES OR WASTES, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., OR ANY HAZARDOUS SUBSTANCES, AS HEREINABOVE DEFINED. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER, UNLESS OTHERWISE REQUIRED BY LAW, IS UNDER NO DUTY TO MAKE ANY AFFIRMATIVE DISCLOSURES REGARDING ANY MATTER WHICH MAY BE KNOWN TO SELLER.

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Seller's Initials: WER Buyer's Initials: \_\_\_\_\_  
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9.2 Release. Subject to the covenants, representations and warranties of Seller contained in this Agreement, effective as of Closing, Buyer on behalf of itself and its shareholders, members, investors or partners of each of them and any permitted assignees of Buyer hereunder and its successors and assigns (collectively, the "Buyer Affiliated Parties") waives its right to recover from, and forever releases and discharges, Seller and its affiliates, property manager, partners, trustees, beneficiaries, owners, members, managers, officers, employees and agents and representatives, and its respective heirs, successors, personal representatives and assigns from any and all Claims, whether direct or indirect, known or unknown, suspected or unsuspected, foreseen or unforeseen, that may arise on account of or in any way be connected with: (i) the physical condition of the Property, including, without limitation, all seismic elements; the condition, valuation, or utility of the Property; title and survey matters with respect to the Property; and the environmental condition of the Property and the presence of any Hazardous Substance on, under or about the Property; and (ii) any law or regulation applicable to the Property, including, without limitation, any Environmental Laws and any other federal, state or local law.

To the extent permitted by law, Buyer hereby agrees, realizes and acknowledges that factual matters now unknown to Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees that it waives (and by Closing this transaction will be deemed to have waived) any and all objections and complaints concerning the physical characteristics and any existing conditions of the Property, and that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. The releases set forth in this Section shall become effective upon the Closing. Buyer further hereby assumes the risk of changes in applicable laws, including any relevant Environmental Laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Substances or other contaminants, may not have been revealed by its investigation.

9.3 Waiver of Right to Receive Seller Disclosure Statement and Waiver of Right to Rescind. PURSUANT TO CHAPTER 64.06 RCW, AS AMENDED BY CHAPTER 64, LAWS OF 2010, WITH RESPECT TO THE REAL PROPERTY, BUYER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE SECTION OF THE DISCLOSURE STATEMENT ENTITLED "ENVIRONMENTAL". Buyer is hereby provided with the "Environmental" section of the Seller Disclosure Statement attached hereto as Exhibit E. Buyer further agrees that any information discovered by Buyer concerning the Real Property prior to Closing shall not obligate Seller to prepare and deliver to Buyer a revised or updated Seller Disclosure Statement. Buyer hereby waives any right to receive an updated or revised Seller Disclosure Statement, regardless of the source of any new information. Buyer further warrants that it is a sophisticated buyer who is familiar with the ownership of real estate similar to the Real Property and Buyer has or will have adequate opportunity to complete such independent inspections of the Property it deems necessary, and will acquire the Real Property solely on the basis of and in reliance upon such examinations and not on any information provided in any Seller Disclosure Statement or otherwise provided or to be provided by Seller (other than as expressly provided in this Agreement or in the Deed). BUYER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF RCW 64.06, AS AMENDED BY CHAPTER 64, LAWS OF 2010. IT IS THE INTENT OF BUYER THAT ANY SELLER DISCLOSURE STATEMENT PROVIDED BY SELLER WILL NOT BE RELIED UPON BY BUYER, AND SHALL GIVE BUYER NO RIGHTS WITH RESPECT TO SELLER UNDER THIS AGREEMENT. THIS WAIVER OF THE RIGHT TO RESCIND APPLIES TO THE SELLER DISCLOSURE STATEMENT PROVIDED TO BUYER DURING THE REVIEW PERIOD AND APPLIES PROSPECTIVELY TO ANY UPDATED OR REVISED SELLER DISCLOSURE STATEMENTS THAT MAY BE PROVIDED BY SELLER TO BUYER.

10. Covenants.

10.1 Covenants of Seller.

(a) Normal Operations. Until the Closing Date, Seller shall (i) continue to operate the Property in substantially the same manner as in the past and will perform all necessary maintenance to the Property as its ordinary course of business dictates; and (ii) not modify or alter the Property without the prior written consent of Buyer. After the expiration of the Review Period, Seller shall not enter into any contracts or commitments relating to the Property without the prior written consent of Buyer (in Buyer's reasonable discretion) if any such contracts or commitments would extend beyond the Closing Date, provided, however, that prior to the expiration of the Review Period, Seller shall be free to enter into any contracts or commitments with respect to the Property in the ordinary course of Seller's business. From and after the Effective Date, Seller shall not encumber the Property with any liens, encumbrances or other instruments creating a cloud on title or securing a monetary obligation with the Property.

(b) Insurance. Until the Closing Date, Seller shall maintain substantially the same liability, casualty, and all other insurance on the Property as is in effect as of the Effective Date.

10.2 Post-Closing Construction Covenant of Buyer. As of the Effective Date, Seller has obtained and is in receipt of a "release" (as that term is defined in Chapter 22 of the Federal Aviation Administration ("FAA") Airport Compliance Manual) or similar authorization for

disposal of the Real Property by Seller from the FAA that formally authorizes the release and removal of the Real Property as airport dedicated real property (the "FAA Release"). Buyer acknowledges and agrees that as a condition subsequent to Seller's procurement of the FAA Release, Buyer must adhere to the requirements of 14 CFR Part 77, submitting FAA Form 7460-1 and receiving FAA's positive determination, prior to constructing any facility or feature on the Property.

11. Condemnation. Risk of loss resulting from any condemnation or eminent domain proceeding that is commenced or has been threatened before the Closing, and risk of loss to the Property due to fire, flood, or any other cause before Closing, will remain with Seller. If before Closing the Property (or any portion thereof) is subjected to a threat of condemnation or becomes the subject of any proceedings, judicial, administrative, or otherwise, with respect to the taking by eminent domain or condemnation, then Seller shall promptly provide written notice thereof to Buyer and Buyer may terminate this Agreement by written notice to Seller sent within fifteen (15) days after Seller informs Buyer in writing that the Property has been taken, in which event the Earnest Money will be returned to Buyer, and neither Party will have any further obligation to the other, except those obligations that expressly survive the termination of this Agreement. If the Closing Date is within the fifteen (15) day period, then Closing will be extended to the next Business Day following the end of the fifteen (15) day period. If no such election is made by Buyer, (i) this Agreement will remain in full force and effect, (ii) the purchase of the Property, less any interest taken by eminent domain, will be effected with no further adjustment, and (iii) upon Closing, Seller shall assign to Buyer all of the right, title, and interest of Seller in and to any awards that have been or may thereafter be made for such taking.

12. Default by Buyer; Liquidated Damages. SHOULD THE PURCHASE AND SALE TRANSACTION CONTEMPLATED IN THIS AGREEMENT FAIL TO BE CONSUMMATED ACCORDING TO THE TERMS OF THIS AGREEMENT BY REASON OF ANY DEFAULT OF BUYER, SELLER WILL BE RELIEVED OF ANY OBLIGATION TO SELL THE PROPERTY TO BUYER, BUYER WILL NOT HAVE ANY RIGHT TO SEEK OR OBTAIN SPECIFIC ENFORCEMENT OF THIS AGREEMENT, AND THE EARNEST MONEY WILL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND AS CONSIDERATION FOR SELLER KEEPING THE PROPERTY OFF OF THE MARKET FOR SALE TO OTHERS. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER MIGHT SUFFER IN THE EVENT OF BUYER'S DEFAULT HEREUNDER. BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION IS A FAIR AND REASONABLE ESTIMATE OF SUCH DAMAGES. THE FOREGOING PROVISION SHALL IN NO WAY LIMIT OR IMPAIR SELLER'S RIGHT OR ABILITY TO RECOVER FROM BUYER ATTORNEY'S FEES TO WHICH SELLER MAY OTHERWISE BE ENTITLED UNDER THIS AGREEMENT OR ANY SUMS WHICH MAY BECOME DUE TO SELLER BASED UPON ANY INDEMNITY PROVIDED BY SELLER PURSUANT TO THE TERMS OF THIS AGREEMENT.

LTJ  
Seller's Initials: RA  
JB WER Ru  
Buyer's Initials: \_\_\_\_\_

13. Default by Seller; Remedies. If Seller fails or refuses to convey title in default of its obligations under this Agreement, Buyer may, at its election: (i) terminate this Agreement in its entirety by delivery of notice of termination to Seller, whereupon the Earnest Money shall be immediately returned to Buyer or (ii) continue this Agreement pending Buyer's action for specific performance hereunder provided appropriate proceedings are commenced by Buyer within forty five (45) days following Seller's default and

thereafter prosecuted with diligence. Buyer agrees that under no circumstances shall Buyer file a *lis pendens* action against the Property unless Buyer is seeking option (ii) above.

Anything in this Agreement to the contrary notwithstanding, with respect to all matters affecting title to the Real Property, Buyer acknowledges and agrees that it is relying upon the Title Policy. If Buyer has a claim under the Title Policy and the subject matter of that claim also constitutes a breach of any warranty made by Seller in this Agreement or the Deed, Buyer agrees that it will look first to its Title Policy for recovery on such claim, and, except to the extent the Title Company requires otherwise, Buyer shall not assert any claim against Seller for a breach of a representation, warranty or covenant with respect to such claim unless and until Buyer has pursued its remedies against the Title Company to a final judgment and has not been made whole. The time period for bringing a claim against Seller for a breach of a representation or warranty relating to title to the Real Property will be tolled during the pendency of any action by Buyer against Title Company.

14. Brokerage. Seller and Buyer have not engaged a broker in connection with this Agreement. Seller and Buyer hereby agree to indemnify, defend and hold each other harmless from and against any and all Claims arising out of any claim for commissions, fees, or other similar compensation or charges relating to the transaction contemplated in this Agreement, or the consummation thereof, which may be made by any third party as the result of the acts of Seller or Buyer or their respective representatives. The obligations of the parties under this Section 14 will survive Closing.

15. Miscellaneous.

15.1 Attorneys' Fees. Should any Party hereto bring any action against any other Party related in any way to this Agreement, the substantially prevailing party shall be awarded its or their reasonable attorneys' fees and costs incurred for prosecution, defense, consultation, or advice in connection with such action.

15.2 Escrow Agent. The Escrow Agent hereby accepts its designation as the Escrow Agent under this Agreement and agrees to hold and disburse the Earnest Money as provided in this Agreement. The provisions of this Agreement will constitute joint instructions to the Escrow Agent to consummate the purchase in accordance with the terms and provisions of this Agreement; provided, however, that the Parties shall execute such additional escrow instructions, not inconsistent with the provisions of this Agreement, as may be deemed reasonably necessary to carry out the intentions of the Parties as expressed in this Agreement. The provisions of this Section 15.2 will survive the Closing or termination of this Agreement.

15.3 Notices. All notices required or permitted under this Agreement must be in writing and will be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt of an electronic confirmation thereof, (ii) upon delivery, if sent by electronic mail, provided that such notice is also promptly thereafter delivered in accordance with another permissible method of delivery, (iii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iv) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:



If to Seller:	Spokane International Airport c/o Airport Board Attn: Lawrence J. Krauter 9000 West Airport Drive, Suite 204 Spokane, WA 99224 Email: lkrauter@spokaneairports.net Fax: (509) 624-6633
with a copy to:	Lukins & Annis, P.S. 717 W. Sprague, Suite 1600 Spokane, WA 99201 Attn: Tyler J. Black, Esq. Email: tblack@lukins.com Fax: (509) 363-2487
If to Buyer:	GRUB PROPERTIES, L.L.C. 8021 W. Hwy 2 Spokane, Washington 99224 Attn: Mike Summers Email: msummers@wear-tek.com Fax: (509) 747-7113
with a copy to:	Lucent Law, PLLC 1403 S Grand Blvd, Suite 201-S Spokane, WA 99203 Attn: Spencer A. W. Stromberg Email: spencer@lucentlaw.com Fax: 509-455-3718
If to Escrow Agent:	Spokane County Title 1010 N. Normandie, Suite 100 Spokane, WA 99201 Attn: Keith Newell Email: keith@spokanetitle.com Fax: (509) 324-1375

15.4 Survival. Unless expressly provided otherwise in this Agreement, the representations and warranties of Seller contained in this Agreement will survive Closing for a period of six (6) months (the “Survival Period”). Seller shall not be liable to Buyer by reason of a breach of any of Seller’s representations or warranties unless Buyer notifies Seller of such breach (the “Warranty Notice”) prior to the expiration of the Survival Period, and gives Seller an opportunity to cure any such breach within a reasonable period of time after delivery of the Warranty Notice. Any proceeding with respect to Seller’s alleged breach of any representation or warranty must be commenced within the Survival Period, and if not commenced within such time period, Buyer will be deemed to have waived its Claims for such breach or default. Seller’s aggregate liability to Buyer by reason of a breach of one or more of Seller’s representations or warranties shall not exceed Ten Thousand Dollars (\$10,000). Seller’s liability will be limited to actual damages and will not include consequential, special, punitive or incidental damages.

15.5 Governing Law/Venue. The laws of the State of Washington govern the enforcement, and interpretation of this Agreement. The venue for any action related to this Agreement will be in Spokane County, Washington.

15.6 Integration; Modification; Waiver. This Agreement, the recitals to this Agreement, exhibits, and closing documents pursuant to this Agreement are hereby incorporated into this Agreement and, together with the Agreement, constitute the complete and final expression of the agreement of the Parties relating to the Property. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect between the Parties. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Agreement) executed by the Party against whom enforcement of the modification or waiver is sought.

15.7 Counterpart Execution. This Agreement may be executed in several counterparts and delivered via facsimile, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., [www.docusign.com](http://www.docusign.com)).

15.8 Headings; Construction. The headings used throughout this Agreement have been inserted for convenience and reference only and do not constitute matters to be construed in interpreting this Agreement. Words of any gender used in this Agreement will be construed to include any other gender, and words in the singular number will be construed to include the plural, and vice versa, unless the context requires otherwise. The words "herein," "hereof," "hereunder," and other similar compounds of the word "here" when used in this Agreement refer to the entire Agreement and not to any particular provision or section. The terms "includes," "including," or "include" as used herein shall be interpreted as being non-exclusive and shall be read to mean, respectively, "includes without limitation," "including, without limitation" and "include without limitation."

15.9 Deadlines and Dates. Any deadline, unless otherwise set forth in this Agreement, will expire at 5:00 p.m., Pacific Time. Should any deadline or date in this Agreement fall on a day other than a Business Day, such deadline or date will be extended until 5:00 p.m., Pacific Time, on the next Business Day.

15.10 Severability. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced.

15.11 Time of the Essence. Time is of the essence of this Agreement and of the obligations of the Parties to purchase and sell the Property, it being acknowledged and agreed by and between the Parties that any delay in effecting the Closing pursuant to this Agreement may result in loss or damage to the Party in full compliance with its obligations hereunder.

15.12 Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, is held invalid or unenforceable, such provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision will not be affected thereby.

15.13 Binding Effect. This Agreement is binding upon and inures to the benefit of Seller and Buyer, and their respective successors and permitted assigns.

15.14 Further Acts. In addition to the acts recited in this Agreement to be performed by Seller and Buyer, Seller and Buyer agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated in this Agreement.

15.15 Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may be withheld in Seller's sole and absolute discretion; provided, however, that Buyer shall have the right to assign its rights under this Agreement without first obtaining Seller's consent if such assignment is to a special purpose entity controlled by Buyer or its principals. No such assignment shall release Buyer from any of its obligations under this Agreement. Any assignment made in violation of this Section shall be void.

15.16 Other Parties. The relationship of the Parties hereto is solely that of Seller and Buyer with respect to the Property and no joint venture or other partnership exists between the Parties hereto. Neither Party has any fiduciary relationship hereunder to the other. The provisions of this Agreement are not intended to benefit any third parties.

15.17 1031 Exchange. Buyer may purchase the Property and Seller may sell the Property by completing one or more Code §1031 tax-deferred exchange(s). Each Party agrees to cooperate with the other in effecting such an exchange; *provided, however*, the cooperating Party will not incur any additional liability or financial obligations as a consequence of any such exchange.

15.18 Sole Discretion. If a Party is given the right to exercise its sole or absolute discretion, neither the other Party nor any third party (including, without limitation, an arbitrator) will have the right to challenge said exercise, whether reasonable or unreasonable, on any grounds whatsoever.

15.19 Confidentiality. Seller and Buyer agree that there will be no press or other publicity release or communication to any third party concerning the transaction contemplated in this Agreement without the prior written consent of the other. Notwithstanding the foregoing, prior to Closing, either Party shall have the right to disclose information with respect to the Property to its officers, directors, members, partners, employees, attorneys, accountants, environmental auditors, engineers, current and potential lenders, investors, insurers and permitted assignees under this Agreement and other consultants to the extent necessary to evaluate the transactions contemplated hereby and the Property provided that all such persons are told that such information is confidential and agree to keep such information confidential. If Buyer acquires the Property from Seller, either Party may disclose any information concerning the Property or the transactions contemplated hereby that the disclosing Party wishes to disclose; provided that any press release or other public disclosure by either Party regarding this Agreement or the transactions contemplated herein, and the wording of same, must be approved by the non-disclosing Party. The provisions of this Section shall survive the Closing or any termination of this Agreement.

15.20 Disclaimer—Preparation of Agreement. This Agreement has been negotiated by the Parties. Buyer and Seller agree that no presumption will apply in favor or against any Party in respect of the interpretation or enforcement of this Agreement. Each Party is advised to have this Agreement reviewed by independent legal and tax counsel prior to its execution. By executing this Agreement, each such Party represents: (i) that it has read and understands this Agreement, (ii) that

it has had the opportunity to obtain independent legal and tax advice regarding this Agreement and (iii) that it has obtained such independent advice or has freely elected not to do so.

*[Signatures to appear on the following page]*

IN WITNESS WHEREOF, the Parties have executed and delivered the foregoing Agreement as of the Effective Date.

**SELLER:**

SPOKANE AIRPORT BOARD,  
a joint operation of the City of Spokane and  
County of Spokane, Washington

By: 

Name: Lawrence J. Krauter

Its: Chief Executive Officer

Approved as to form and content:



Brian Werst, General Counsel

**BUYER:**

GRUB PROPERTIES, L.L.C.,  
a Washington limited liability company

By: 

Name: WILLIAM E Reynolds

Title: Managing Partner



Jeffrey Bailey

Jeffrey Bailey



Robert Underhill

Partner



Rhonda Green (Apr 16, 2021 13:35 MDT)

Rhonda Green

Partner

This Real Property Purchase and Sale Agreement and Escrow Instructions, together with the Earnest Money deposit, is hereby acknowledged and accepted and the escrow is opened as of the \_\_\_\_\_ day of April, 2021. The Escrow Agent hereby agrees to act as “the person responsible for closing” the purchase and sale transaction contemplated in this Agreement within the meaning of Section 6045(e) of the Internal Revenue Code of 1986, as amended, and to file all forms and returns required thereby.

SPOKANE COUNTY TITLE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A-1  
LEGAL DESCRIPTION OF SELLER PROPERTY\*

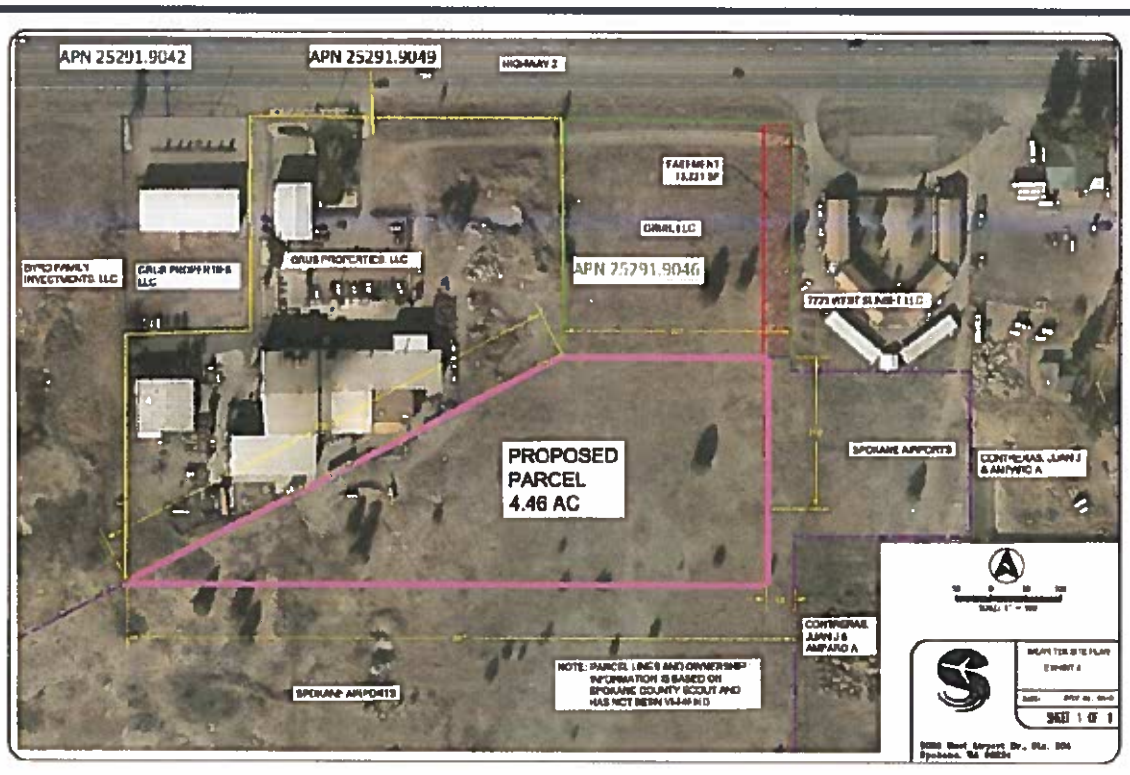
The following real property identified by the Spokane County Assessor as tax parcel number:

APN: 25295.9050

*\*Once the preliminary Title Report is provided to the Parties by the Title Company, the legal description contained therein shall be substituted by the Parties as the new Exhibit A-1 to this Agreement.*



**EXHIBIT A-2**  
**DEPICTION OF REAL PROPERTY\***



*\*Real Property outlined in pink lines. A final legal description of the Real Property shall be determined by the Boundary Line Adjustment, once completed, and the Parties acknowledge and agree such legal description will be incorporated herein as new Exhibit A-2.*

EXHIBIT B  
FORM OF BARGAIN AND SALE DEED

Filed for Record at Request of and  
copy returned to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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BARGAIN AND SALE DEED

The grantor, SPOKANE AIRPORT, by and through its Airport Board, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, bargains, sells and conveys to GRUB PROPERTIES, L.L.C., a Washington limited liability company, that real property situated in the county of Spokane, state of Washington and legally described on Schedule 1 attached hereto and incorporated herein by this reference (the "Property").

SUBJECT TO: (i) the lien securing non-delinquent taxes and assessments, both general and special, (ii) all covenants, conditions, restrictions, reservations, rights, rights of way, easements, and title matters whether or not of record or visible from an inspection of the Property and all matters which an accurate survey of the Property would disclose; and (iii) a restriction that no part of the Property shall ever be used or improved for the operation of a commercial park and ride, park and fly, or such other pay-to-park business or enterprise (the "Restrictive Covenant"), such Restrictive Covenant to run with the land and be enforceable against Grantee, Grantee's heirs, successors and assigns forever.

It being further acknowledged that in the event of any violation or threatened violation of the terms and provisions of the Restrictive Covenant, Grantor or any person claiming through or otherwise entitled to enforce the Restrictive Covenant shall, in addition to all remedies available at law or in equity, have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. The specified remedies to which any person entitled to enforce the Restrictive Covenant may resort are cumulative and are not intended to be exclusive of any other remedies or means of redress to which any person entitled to enforce the Restrictive Covenant may be lawfully entitled in case of any breach or threatened breach of any provision hereof. Failure to insist in any one or more cases upon the strict performance of any of the provisions of the Restrictive Covenant, or to exercise any remedy herein contained, will not be construed as a waiver or a relinquishment for the future of such covenant or remedy.

*[signature page and acknowledgement follows]*

**SIGNATURE PAGE  
TO  
BARGAIN AND SALE DEED**

DATED effective the \_\_\_\_ day of \_\_\_\_\_, 2021.

**GRANTOR:**

SPOKANE AIRPORT BOARD, a joint operation of the  
City of Spokane and County of Spokane, Washington

By: \_\_\_\_\_  
Name: Lawrence J. Krauter  
Its: Chief Executive Officer

STATE OF WASHINGTON     )  
                                              : ss  
County of Spokane         )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me personally appeared Lawrence J. Krauter, to me known to be the Chief Executive Officer of the SPOKANE AIRPORT BOARD, a joint operation of the City of Spokane and County of Spokane, Washington, the entity that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public   (Signature)

\_\_\_\_\_  
(Print Name)

My commission expires: \_\_\_\_\_

(Seal or Stamp)

**Schedule I  
to  
Bargain and Sale Deed  
Legal Description**

[insert]

**EXHIBIT C**  
**FORM OF AVIGATION EASEMENT**

Filed for Record at Request of and  
copy returned to:

Lukins & Annis, P.S.  
Attn: Tyler J. Black, Esq.  
717 W. Sprague Avenue, Suite 1600  
Spokane, WA 99201

DOCUMENT TITLE:	AVIGATION EASEMENT
REFERENCE NOS.:	
GRANTOR:	GRUB PROPERTIES, L.L.C.
GRANTEE:	SPOKANE AIRPORT BOARD
ABBREVIATED LEGAL	
DESCRIPTION:	
ASSESSOR'S PARCEL NO.:	

**AVIGATION EASEMENT**

THIS AVIGATION EASEMENT ("Easement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 ("Effective Date"), by GRUB PROPERTIES, L.L.C., a Washington limited liability company ("Grantor") for the benefit of SPOKANE AIRPORT, by and through its Airport Board, created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington, and the UNITED STATES OF AMERICA (collectively the "Grantees").

**RECITALS**

A. Grantor is the owner of fee simple title to real property consisting of approximately four and 46/100 (4.46) acres located generally at the south side of U.S. Highway 2, west of South Spotted Road and adjacent to 8021 W. Sunset Highway, in the City of Spokane, Spokane County, State of Washington, and legally described on the attached Schedule 1 (the "Property"), which Property was acquired by Grantor from the City of Spokane and Spokane County, as tenants in common, for Spokane Airport, by and through its Airport Board (the "Seller").

B. In consideration of Seller agreeing to sell the Property to Grantor, Grantor desires to provide Grantees an easement over the Property for the unobstructed passage of all Aircraft, on the terms and conditions set forth in this Easement. For purposes of this Easement, "Aircraft" means any contrivance now known or hereafter invented, used or designed for navigation of, or flight in, the air.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor agrees as follows:

1. Recitals. The recitals set forth above are incorporated by reference in this Easement as though fully set forth herein.

2. Grant of Avigation Easement for Benefit of Grantees. Grantor hereby grants and conveys to Grantees, for themselves, their heirs, administrators, executors, successors and assigns an easement over and across the airspace above the surface of the Property for the unobstructed passage and avigation of all Aircraft by whomsoever owned and operated. Grantees' foregoing avigation easement shall include the right to (i) emit such noise, vibrations, fumes, dust, fuel particles and other incidents typically resulting from the operation of Aircraft, (ii) increase the noise impact to the Property by virtue of an increase in flight frequencies, altering flight paths, or changing types of Aircraft pursuant to the continued growth and expansion of Spokane International Airport and Felts Field Airport (collectively, the "Airports"), or (iii) prevent the use of the Property in a manner that constitutes an Aircraft hazard, including, without limitation, (a) interfering with the operations of radio or electronic facilities used by any Aircraft, (b) making it difficult for pilots to distinguish between airfield lights and other lights, or (c) implementing a use that (1) results in glare in the eyes of Aircraft pilots, (2) impairs visibility in the vicinity of any Aircraft flight path, (3) creates thermal plumes hazardous to Aircrafts, (4) endangers the landing, taking off, or maneuvering of any Aircraft, (5) creates a wildlife attractant that in Grantees' sole discretion and opinion, could create a bird or wildlife strike hazard or otherwise interfere with Aircraft operations, or (6) creates a potential hazard of a fire accelerant or secondary explosion resulting from an Aircraft crash on the Property.

It is further understood and acknowledged that it is reasonable to expect that ongoing expansion of the Airports and attendant improvements will cause Aircraft effects to change, potentially increasing flight frequencies, alteration of flight paths and changing of Aircraft types as the operations of the Airports grow and expand which may have a greater future deleterious impact to the Property of the nature described in this Section.

3. Negative Covenants. Grantor hereby specifically disclaims any intention to create any other easements on the Property by this Easement, except as otherwise specifically provided herein. Grantor shall not erect, construct, alter, maintain, or allow to grow, any vegetation, object, structure, wall, fence or barrier ("Obstruction") of any kind on or in the Property that would increase the Federal Aviation Administration ("FAA") landing, approach, or departure minimum height requirements for Aircraft, or prevent or unreasonably impair the free access of any Aircraft to travel through the airspace above the surface of the Property, unless such Obstruction is specifically consented to by all appropriate Grantees. If any Obstruction violates the height restrictions described herein this Section 3, then any of the Grantees shall have the right to enter the Property to remove such Obstruction at Grantor's sole cost and expense. Grantor shall not create or cause interference with or utilize the Property in any way contrary to (i) Spokane County Zoning Code, Chapters 14.700 and 17C.180 or (ii) any FAA requirements and regulations.

4. Indemnification. Grantor shall indemnify, defend and hold harmless Grantees, their heirs, administrators, executors, successors and assigns from all claims, demands, or suits in law or equity arising from Grantor's intentional or negligent acts or breach of its obligations under this Easement.

5. Not a Public Dedication. The easements established by this Easement shall be for the benefit of and restricted solely to the use of Grantees, their heirs, administrators, executors, successors and assigns and shall be used only for the purposes described herein. Nothing contained in this Easement shall be deemed to be a public dedication of any portion of the Property described herein in the general public or for the general public or for any public purposes whatsoever.

6. Covenants Run With the Land. This Easement shall remain in effect until said Easement, as existing, enlarged or relocated, is abandoned or ceases to be used for Aircraft travel and Airports purposes. The covenants given and the easements granted pursuant to this Easement shall be deemed to be covenants running with the Property and shall be binding upon and benefit the heirs, successors in interest, assigns and devisees of Grantor and Grantees. The Property is the servient estate.

7. Consent to Modification. This Easement and any provision, covenant, or easement contained herein may be terminated, extended, modified, or amended only with the written consent of the Grantor and all appropriate Grantees; provided, however, that no termination, extension, modification, or amendment of this Easement shall be effective unless a written instrument setting forth the terms thereof has been executed as herein provided, acknowledged, and recorded in the offices of the Spokane County Recorder.

8. Not a Partnership. By this Easement, the Grantor does not, and any successors or assigns of Grantor shall not, in any way or for any purpose become partners or joint venturers with any of the Grantees, or of any of their respective successors or assigns.

9. Construction. Wherever used herein, unless the context shall otherwise provide, the singular form shall include the plural, the plural shall include the singular, and the use of any gender will include all genders. The section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Easement or any section or provision hereof.

10. Entire Easement; Interpretation. This Easement constitutes the entire Easement with respect to the subject matter hereof. It is expressly agreed that there are no verbal understandings or other easements that in any way change the terms, covenants and conditions herein set forth. References to Grantor and Grantees shall also be deemed to refer to their respective successors and assigns.

11. Miscellaneous. This Easement shall be governed by the laws of the state of Washington. Any action related to this Easement shall be brought in Superior Court in Spokane County, Washington.

*[signature page follows]*

*[remainder of page left intentionally blank]*



[Insert SPE signature block]

My commission expires: \_\_\_\_\_

Schedule 1  
to  
Avigation Easement

LEGAL DESCRIPTION OF PROPERTY

[insert]

EXHIBIT D  
FORM OF EASEMENT AGREEMENT

Filed for Record at Request of and  
copy returned to:

Lukins & Annis, P.S.  
Attn: Tyler J. Black, Esq.  
717 W. Sprague Avenue, Suite 1600  
Spokane, WA 99201

<b>Grantor:</b>	GRUB PROPERTIES, L.L.C., a Washington limited liability company
<b>Grantee:</b>	SPOKANE AIRPORT BOARD
<b>Legal Description (abbreviated):</b>	[*]
<b>Assessor's Tax Parcel Number:</b>	Ptn of 25291.9046; 25291.9050

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**ACCESS AND UTILITY EASEMENT AGREEMENT**

This ACCESS AND UTILITY EASEMENT AGREEMENT ("Agreement") is granted effective the \_\_\_\_\_ day of \_\_\_\_\_, 2021, by GRUB PROPERTIES, L.L.C., a Washington limited liability ("Grantor") for the benefit of SPOKANE AIRPORT, by and through its Airport Board, created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, a joint operation of the City of Spokane and County of Spokane, municipal corporations of the State of Washington (the "Grantee"). The Grantor and Grantee may hereinafter be individually referred to as a "Party" or collectively as the "Parties".

A. The Grantor is the owner of that real property situated in the county of Spokane, state of Washington and legally described on Schedule 1 attached hereto and incorporated herein by this reference (the "Grantor Property").

B. The Grantee is the owner of that real property situated in the county of Spokane, state of Washington and legally described on Schedule 2 attached hereto and incorporated herein by this reference (the "Grantee Property").

C. Grantee desires an easement over the Grantor Property for the purpose of vehicular and pedestrian access, ingress and egress, and future utilities improvements thereunder.

D. Grantor desires to grant such easements to the Grantee.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Grant of Easement.

a. Grant of Easement to Grantee. Grantor hereby grants, conveys, warrants and delivers to Grantee, and Grantee's invitees, successors and assigns, a non-exclusive easement under, upon, over, through and across, the east forty (40) feet of the Grantor Property ("Easement Area") for:

(i) vehicular ingress and egress, of any kind or nature whatsoever, over, upon and across the Easement Area (collectively, the "Driveways");

(ii) pedestrian and bicycle ingress and egress over, upon and across the Easement Area (collectively, the "Walkways"); and

(iii) installation, maintenance, repair, replacement and removal of underground utilities (including, but not necessarily limited to water, sewer, storm, gas, TV, data, telephone and electricity) over, under and across the Easement Area that is now or may in the future be improved for such underground utilities (collectively, the "Utilities").

The Driveways, Walkways, and Utilities, and all uses incidental thereto are hereinafter referred to collectively, "Easements".

b. Improvements. Grantee shall be solely responsible for construction of the improvements in the Easement Area, if any, in respect of Grantee's use of the Easements and for obtaining all required permits and approvals associated therewith. Grantee shall provide Grantor with no less than ninety (90) days' advanced written notice prior to commencing the installation of any material improvements, and shall thereafter exercise commercially reasonable efforts to coordinate its construction activities with any design and/or improvement installation requests timely made by Grantor. Grantor shall not modify, amend, or supplement the improvements constructed and maintained in the Easement Area without the prior written consent of Grantee, which consent may be granted or withheld in Grantee's sole and absolute discretion.

c. No-Build Covenant. Neither Grantee nor Grantor shall construct or erect any fences or structure over, upon or across the Easement Area, or otherwise obstruct or prevent access to the Easement Area by the other party, or such party's invitees, or successors and assigns.

2. Covenants Run With the Land. The covenants given and the easements granted pursuant to this Agreement shall be deemed to be covenants running with the Grantor Property and shall be binding upon and benefit the Grantee Property.

3. Not a Public Dedication. The Easements and covenants established by this Agreement shall be for the benefit of and restricted solely to the use of Grantee, Grantee's heirs and assigns, as the case may be, and their respective invitees, successors and assigns, and shall be used only for the purposes described herein. Grantor shall not grant easement rights to any other person or entity in the Easement Area; provided, nothing contained in this Agreement shall be construed as excluding Grantor or Grantor's tenants, invitees, successors, and assigns from making use of the Easement Area to the extent such use does not unreasonably interfere with Grantee's use for the purposes described herein. Nothing contained in this Agreement shall be deemed to be a public dedication of any portion of the Easements in the general public or for the general public or for any public purposes whatsoever.

4. Maintenance. Grantee shall, at Grantee's sole expense, maintain in good condition and working order any improvements made by Grantee in the Easement Area. The foregoing notwithstanding,

Grantor, at Grantor's sole cost and expense, shall be solely responsible for damage done to the improvements by Grantor, or its invitees, successors, and assigns, in the Easement Area.

5. Indemnification. Grantee and its successors and assigns shall indemnify and hold harmless Grantor from and against any claim, cost, expense, or liability of any nature resulting from the use of the Easement Area by Grantee or its invitees, successors, and assigns. Grantor and its successors and assigns shall indemnify and hold harmless Grantee from and against any claim, cost, expense, or liability of any nature resulting from the use of the Easement Area by Grantor or its invitees, successors, and assigns.

6. Consent to Modification. This Agreement and any provision, covenant, or easement contained herein may be terminated, extended, modified, or amended only with the written consent of the Parties, or the then owners of each of the properties; *provided, however*, that no termination, extension, modification, or amendment of this Agreement shall be effective unless a written instrument setting forth the terms thereof has been executed as herein provided, acknowledged, and recorded in the offices of the Spokane County Recorder.

7. Not a Partnership. By this Agreement, the Parties do not, and any successors or assigns of the Parties shall not, in any way or for any purpose become partners or joint venturers of the other, or of any Party's successors or assigns.

8. Construction. Wherever used herein, unless the context shall otherwise provide, the singular form shall include the plural and the plural shall include the singular. The section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Agreement or any section or provision hereof.

9. Entire Agreement; Interpretation. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. By executing this Agreement, the Parties specifically intend that this Agreement shall supersede all prior agreements and understandings between the Parties relating to the subject matter of this Agreement. It is expressly agreed that there are no verbal understandings or other agreements which in any way change the terms, covenants and conditions herein set forth.

10. Miscellaneous. The recitals provided at the outset of this Agreement are hereby incorporated by reference in this Agreement as though fully set forth herein. In the event a Party commences an action related to this Agreement, the prevailing Party in such action shall be entitled to recover its attorneys' fees and costs incurred therein, including any on appeal. This Agreement shall be governed by the laws of the state of Washington. Any action related to this Agreement shall be brought in Superior Court in Spokane County, Washington, and the Parties hereby waive the right to remove such matters to federal court or otherwise seek an alternate venue. This Agreement may be executed in counterparts, all of which shall constitute one and the same Agreement.

*[signature page and acknowledgements follow]*

**SIGNATURE PAGE  
TO  
ACCESS AND UTILITY EASEMENT AGREEMENT**

**GRANTOR:**

GRUB PROPERTIES, L.L.C.,  
a Washington limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

SPOKANE AIRPORT BOARD, a joint operation  
of the City of Spokane and County of Spokane,  
Washington

By: \_\_\_\_\_  
Name: Lawrence J. Krauter  
Its: Chief Executive Officer

*[acknowledgements follow]*

STATE OF WASHINGTON           )  
County of Spokane                 ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before me personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of Grub Properties, L.L.C., the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of said entity.

In witness whereof, I have hereunto set my hand and official seal on the day and year first above written.

Notary Public \_\_\_\_\_ (Signature)  
\_\_\_\_\_  
(Print Name)

(Seal or Stamp)

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
County of Spokane )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me personally appeared Lawrence J. Krauter, to me known to be the Chief Executive Officer of the SPOKANE AIRPORT BOARD, a joint operation of the City of Spokane and County of Spokane, Washington, the entity that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

Notary Public (Signature)

(Print Name)

My commission expires: \_\_\_\_\_

(Seal or Stamp)



**SCHEDULE 1**

**LEGAL DESCRIPTION TO GRANTOR PROPERTY**

**THE NORTH 393 FEET OF THE EAST HALF OF THE WEST HALF OF THE  
NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29,  
TOWNSHIP 25 NORTH, RANGE 42 EAST, W.M.;**

**EXCEPTING THEREFROM ALL THAT PORTION LYING WITHIN THE BOUNDS  
OF P.S.H. NO. 2; SITUATE IN THE COUNTY OF SPOKANE, STATE OF  
WASHINGTON.**

APN: 25291.9046

## **SCHEDULE 2**

### **LEGAL DESCRIPTION TO GRANTEE PROPERTY**

The following real property identified by the Spokane County Assessor as tax parcel number:

APN: 25295.9050

*\*Once the updated legal description of the Seller Property is provided to the Parties following the Boundary Line Adjustment, the legal description contained therein shall be substituted by the Parties as the new Schedule 2 to the Access Easement.*

EXHIBIT E  
ENVIRONMENTAL SECTION OF SELLER DISCLOSURE STATEMENT

[see pages that follow]

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**NOTICE TO THE BUYER: GRUB PROPERTIES, L.L.C., a Washington limited liability company**

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY CONSISTING OF APPROXIMATELY FOUR AND 46/100 (4.46) ACRES LOCATED GENERALLY AT THE SOUTH SIDE OF U.S. HIGHWAY 2, WEST OF SOUTH SPOTTED ROAD AND ADJACENT TO 8021 WEST SUNSET HIGHWAY IN THE CITY OF SPOKANE, SPOKANE COUNTY, STATE OF WASHINGTON (THE "PROPERTY") AS LEGALLY DESCRIBED ON EXHIBIT A-1. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S CURRENT AND ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED ENVIRONMENTAL SELLER DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, ELECTRICIANS, OR ON-SITE WASTEWATER TREATMENT INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

**SELLER IS NOT OCCUPYING THE PROPERTY.**

**SELLER'S DISCLOSURES - ENVIRONMENTAL**

**YES      NO      DON'T  
KNOW**

If the answer is "Yes" to a question with an (\*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

- |                                                                                                                                                                                                                                            |                          |                                     |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| *A. Has there been any flooding, standing water or drainage problems on the property that affect the property or access to the property?                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| *B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?                                                                                                     | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| *C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?                                                                                                                                                    | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| *D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| *E. Is there any soil or groundwater contamination?                                                                                                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| *F. Has the property been used as a legal or illegal dumping site?                                                                                                                                                                         | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| *G. Has the property been used as an illegal drug manufacturing site?                                                                                                                                                                      | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

**\*\* SEE ATTACHED FOR ADDITIONAL INFORMATION.**

**ADDITIONAL NOTICES TO BUYER:** INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**VERIFICATION**

The foregoing answers and attached explanations (if any) are complete and correct to Seller's knowledge (as that term is defined in the purchase and sale agreement between Buyer and Seller) and Seller has received a copy hereof. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the Property.

Seller: SPOKANE AIRPORT BOARD,  
a joint operation of the City of Spokane and County of Spokane, Washington

By: Lawrence J. Krantz  
Lawrence J. Krantz, its Chief Executive Officer

Date: 4/22/2021

**BUYER'S ACKNOWLEDGEMENT**

Buyer hereby acknowledges that:

1. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
2. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
3. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
4. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
5. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL AND CURRENT KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement under RCW 64.06, and hereby waives, to the extent permissible, any and all rights to receive a Seller Disclosure Statement. Buyer understands that this Environmental Seller Disclosure Statement is not the entire Seller Disclosure Statement, but is that portion that Seller may be required to deliver under RCW 64.06.010(7).

Buyer: GRUB PROPERTIES, L.L.C., a Washington limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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

**SPOKANE AIRPORT BOARD  
ENVIRONMENTAL SELLER DISCLOSURE STATEMENT**

**EXPLANATIONS FOR \*YES\* ANSWERS (IF ANY):**



# PSA between Spokane Airport and GRUB Properties LLC

Final Audit Report

2021-04-17

Created:	2021-04-15
By:	Spencer Stromberg (spencer@lucentlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIuZTb40K18v1EiqkaMdZ4Aw683DK1sq3

## "PSA between Spokane Airport and GRUB Properties LLC" History

-  Document created by Spencer Stromberg (spencer@lucentlaw.com)  
2021-04-15 - 9:36:45 PM GMT- IP address: 173.160.161.197
-  Document emailed to WILLIAM E Reynolds (breynolds@wear-tek.com) for signature  
2021-04-15 - 9:41:06 PM GMT
-  Document emailed to Jeffrey Bailey (jbailey@wear-tek.com) for signature  
2021-04-15 - 9:41:06 PM GMT
-  Document emailed to Robert underhill (bunderhill@wear-tek.com) for signature  
2021-04-15 - 9:41:06 PM GMT
-  Document emailed to Rhonda Green (rgreen@wear-tek.com) for signature  
2021-04-15 - 9:41:06 PM GMT
-  Email viewed by WILLIAM E Reynolds (breynolds@wear-tek.com)  
2021-04-15 - 9:41:27 PM GMT- IP address: 199.187.211.152
-  Document e-signed by WILLIAM E Reynolds (breynolds@wear-tek.com)  
Signature Date: 2021-04-15 - 9:44:13 PM GMT - Time Source: server- IP address: 199.187.211.152
-  Email viewed by Jeffrey Bailey (jbailey@wear-tek.com)  
2021-04-15 - 10:20:30 PM GMT- IP address: 67.1.156.107
-  Document e-signed by Jeffrey Bailey (jbailey@wear-tek.com)  
Signature Date: 2021-04-15 - 10:22:51 PM GMT - Time Source: server- IP address: 67.1.156.107
-  Email viewed by Rhonda Green (rgreen@wear-tek.com)  
2021-04-16 - 3:17:24 PM GMT- IP address: 174.204.84.158





Document e-signed by Rhonda Green (rgreen@wear-tek.com)

Signature Date: 2021-04-16 - 7:36:43 PM GMT - Time Source: server- IP address: 216.47.48.48



Email viewed by Robert underhill (bunderhill@wear-tek.com)

2021-04-17 - 3:05:34 PM GMT- IP address: 72.168.164.55



Document e-signed by Robert underhill (bunderhill@wear-tek.com)

Signature Date: 2021-04-17 - 3:13:27 PM GMT - Time Source: server- IP address: 72.168.164.55



Agreement completed.

2021-04-17 - 3:13:27 PM GMT



Adobe Sign

## Briefing Paper

<b>Division &amp; Department:</b>	City Council
<b>Subject:</b>	Repealing license fees for amusement devices
<b>Date:</b>	May 17, 2021
<b>Author (email &amp; phone):</b>	Brian McClatchey, Director of Policy and Government Relations ( <a href="mailto:bmcclatchey@spokanecity.org">bmcclatchey@spokanecity.org</a> ) 625-6210
<b>City Council Sponsor:</b>	Council Member Karen Stratton
<b>Executive Sponsor:</b>	N/A
<b>Committee(s) Impacted:</b>	Finance & Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	<p>Comprehensive Plan goal ED 7 (REGULATORY ENVIRONMENT AND TAX STRUCTURE)  <i>Goal: Create a regulatory environment and tax structure that encourage investment, nurture economic activity, and promote a good business climate.</i></p> <p>ED 7.2 Revenue Sources: <i>Ensure that tax revenue sources are stable, allocate costs equitably within the community, do not penalize certain types of businesses, and attract and retain businesses.</i></p>
<b>Strategic Initiative:</b>	Sustainable Resources
<b>Deadline:</b>	Will file for Council consideration following committee meeting.
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Repeals the small annual fee for licensing of amusement devices – video games, jukeboxes, and other coin-operated electronic entertainment devices (except vending machines and adult arcade devices).
<p><b><u>Executive Summary:</u></b>          This ordinance would repeal the license fee for amusement devices. The annual budgeted revenue for this license fee is approximately \$15,000 annually; annual actual receipts for this license fee were \$12,441 in 2018 and \$9,888 in 2019. This repeal ordinance also contains a refund provision, to ensure that amusement device owners and operators who paid the fee in 2020 but were prevented from actually operating the devices due to COVID-19 and its economic effects are not harmed.</p>	
<p><b><u>Budget Impact:</u></b>          Approved in current year budget?   <input type="checkbox"/>   Yes   <input checked="" type="checkbox"/>   No          Annual/Reoccurring expenditure?   <input type="checkbox"/>   Yes   <input checked="" type="checkbox"/>   No          If new, specify funding source:          Other budget impacts: (revenue generating, match requirements, etc.) Potential refund of up to \$30,000</p>	
<p><b><u>Operations Impact:</u></b>          Consistent with current operations/policy?                      <input type="checkbox"/>   Yes   <input checked="" type="checkbox"/>   No          Requires change in current operations/policy?                      <input checked="" type="checkbox"/>   Yes   <input type="checkbox"/>   No          Specify changes required: no new revenues for amusement device licenses in 2021 and beyond.          Known challenges/barriers: None</p>	

**ORDINANCE NO. C-\_\_\_\_\_**

An ordinance repealing the amusement device license fee; repealing chapter 08.12 of the Spokane Municipal Code; and requiring the refunding of such license fees paid in 2020 and 2021.

**WHEREAS**, up until 1971, the operation of amusement devices (such as pinball machines, pool tables, and the like) in Spokane, and the premises which housed them, were criminally prohibited, as a method of controlling the “social evil” they represented; and

**WHEREAS**, in 1971, the City Council enacted an ordinance which prohibited the use of amusement devices by persons under 16 years of age, restricted the hours of operation, and confining their location to greater than 600 feet from any school; and

**WHEREAS**, in the late 1970’s, a deregulation committee was formed to study the efficacy of this and other business regulations; and

**WHEREAS**, in 1982, this criminal sanction gave way to a regulatory regime, but the police department was still the agency charged with tracking the existence and location of such devices in Spokane; and

**WHEREAS**, since the 1990’s, this regulation is simply a revenue-generating mechanism; and

**WHEREAS**, at this time, the approximately \$9,000 to \$12,000 per year realized from the licensing of amusement devices in the City of Spokane is simply not an amount significant enough to continue a regulatory framework for such devices; and

**WHEREAS**, during the COVID-19 pandemic and related business impacts, operators of amusement devices were required to pay license fees but were not able to actually generate revenue or a customer amenity.

**NOW THEREFORE**, the City of Spokane does ordain:

**Section 1.** That chapter 08.12 of the Spokane Municipal Code is hereby repealed in its entirety.

**Section 2.** That all administrative policies, procedures, regulations, or public rules that implement and enforce chapter 08.12 of the Spokane Municipal Code are hereby superseded and repealed, only as to their applicability to chapter 08.12, SMC.

**Section 3.** That all fees paid for amusement device licenses in fiscal 2020 and 2021 shall be refunded to the licensees by no later than December 31, 2021.

**PASSED** by the City Council on \_\_\_\_\_.

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	CHHS
<b>Subject:</b>	Cannon Sheltering Services
<b>Date:</b>	05/17/2021
<b>Author (email &amp; phone):</b>	Cassi Brown
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Cupid Alexander
<b>Committee(s) Impacted:</b>	Urban Experience & Finance and Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget , Comp Plan, Policy, Charter, Strategic Plan)	
<b>Strategic Initiative:</b>	Homelessness System
<b>Deadline:</b>	
<b>Outcome:</b>	Support needs of homelessness residents
<p><u>Background/History:</u></p> <p>The City engaged in a contract with the Guardians to provide sheltering services at the City’s Cannon Street facility to address the impact of COVID-19 within our unhoused population. The current contract term is Nov. 15, 2020 through June 30, 2021.</p> <p>Current funding for The Guardians aligned through April 2021, and to continue to provide high level services, avoid disrupting the stabilized unhoused population that The Guardians serve and to eliminate unnecessary displacement, additional funding support is needed.</p>	
<p><u>Executive Summary:</u></p> <p>The City continues its intense effort to meet the needs of the region’s homeless population. CHHS requests a suspension of the rules to allow for an immediate funding extension to The Guardians, aligning with the length of the contract- June 30<sup>th</sup>, 2021.</p>	
<p><u>Budget Impact:</u></p> <p>Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source: Reclassify current expenses</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><u>Operations Impact:</u></p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Specify changes required:</p> <p>Known challenges/barriers: Known challenges/barriers:</p>	

## Briefing Paper

<b>Division &amp; Department:</b>	Finance
<b>Subject:</b>	Ordinance Creating Funds 1590 Housing Local Sales Tax & 1425 American Rescue Plan
<b>Date:</b>	5/6/21
<b>Contact (email &amp; phone):</b>	Michelle Hughes <a href="mailto:mhughes@spokanecity.org">mhughes@spokanecity.org</a>
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Legislative requirement
<b>Strategic Initiative:</b>	Housing & Economic Recovery
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Creation of two special revenue reserve funds the City will receive and properly allocate the funds into the appropriate accounts for subsequent expenditures.
<b>Background/History:</b>	
<p><i>New special revenue reserve funds need to be created and codified in Chapter 7.08 SMC to reflect the 0.1% sales and use tax for affordable housing and supportive services created pursuant to Ordinance No. C-35982, adopted by the City Council on November 30, 2020, and the American Rescue Plan Act of 2021 pass by the U.S. Congress and signed into law on March 22, 2021.</i></p>	
<b>Budget Impact:</b>	
Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A was approved in 2018 Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

ORDINANCE NO. C - \_\_\_\_\_

An ordinance relating to the establishment of new special revenue reserve funds; adopting new sections SMC sections 7.08.155 and 7.08156 to Chapter 7.08 of the Spokane Municipal Code.

WHEREAS, new special revenue reserve funds need to be created and codified in Chapter 7.08 SMC to reflect the 0.1% sales and use tax for affordable housing and supportive services created pursuant to Ordinance No. C-35982, adopted by the City Council on November 30, 2020, and the American Rescue Plan Act of 2021 pass by the U.S. Congress and signed into law on March 22, 2021; and

WHEREAS, the creation of these two special revenue reserve funds will the City to receive and properly allocate the funds into the appropriate accounts for subsequent expenditures.

Now, Therefore, the City of Spokane does ordain:

Section 1. That there is adopted a new section 7.08.155 to chapter 7.08 of the Spokane Municipal Code to read as follows:

**7.08.155 Housing Local Sales Tax Fund**

There is established a special revenue fund to be known as the "Housing Local Sales Tax Fund," into which shall be deposited funds generated from the 0.1.% local sale and use tax for affordable housing and supportive services created pursuant to Ordinance No. C-35982 and codified in Chapter 8.07C SMC.

The funds shall be used consistent with the provisions of Chapter 8.07C SMC and RCW 82.14.530.

Section 2. That there is adopted a new section 7.08.156 to chapter 7.08 of the Spokane Municipal Code to read as follows:

**7.08.156 American Rescue Plan Fund**

There is established a special revenue fund to be known as the "American Rescue Plan Fund," into which shall be deposited the City's direct allocation of Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021, for the purpose of supporting the local recovery efforts from the economic and health effects of the COVID-19 pandemic.

The funds shall be used consistent with the provisions of the American Rescue Plan Act of 2021.

PASSED BY THE CITY COUNCIL ON \_\_\_\_\_, 2021.

\_\_\_\_\_  
Council President

Attest:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Mayor

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date



## Briefing Paper

### Finance Committee

<b>Division &amp; Department:</b>	Public Safety, Combined Communications Center (Fund 1630)
<b>Subject:</b>	Creation of 3 Communication Specialist positions
<b>Date:</b>	5/4/21
<b>Author (email &amp; phone):</b>	Jay Atwood 625-7005
<b>City Council Sponsor:</b>	Council President Beggs
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	Public Safety & Community Health Committee
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	Emergency Response Services
<b>Deadline:</b>	
<b>Outcome:</b>	Add 3 communication specialist positions to fund 1630 for dispatch services

#### Background/History:

Spokane Fire Department Communications Center (FireComm) currently has 11 FTE's in the budget to staff the unit - 4 shift supervisors and 7 communication specialists. Currently 10 positions are filled, with 1 vacancy due to a probationary termination. This is resulting in increased overtime and stress for existing incumbents. The incumbents work a combination of 12-hour, 24-hour, and surge-related staffing/shifts, which is not adequate to service the number of city dispatch calls. It has become clear that additional staffing is necessary to handle 911 and incident volume and ensure a safe environment for its employees, SFD Firefighters and the Public.

An agreement with Local 29 to supplement dispatch staffing with three firefighters (provisionally bringing FireComm staff total to 14) as a stopgap measure has made it evident these positions are crucial to the center's success, however it is temporary and sunsets February 2022. Adding three (3) Civilian FTE's now is critical so that those employees can be on-boarded and trained prior to the sunset of that agreement and are required to ensure that service demand and expectations are met. This will result in a total of 14 authorized FTEs.

#### Executive Summary:

- Request authority to add 3.0 additional Civilian FTEs, all Fire Communication Specialists, to support FireComm and the Spokane Fire Department's 911 and incident volume.
- Estimated funding for ½ year salary and benefits totals \$122,691
- Funded from Public Safety Personnel Levy
- Results in 14 total authorized FTEs.

#### Budget Impact:

Approved in current year budget?    ☐ Yes    ☒ No    ☐ N/A

Annual/Reoccurring expenditure?    ☒ Yes    ☐ No    ☐ N/A

If new, specify funding source: Reclassify current expenses

Other budget impacts: (revenue generating, match requirements, etc.)

#### Operations Impact:

Consistent with current operations/policy?    ☒ Yes    ☐ No    ☐ N/A

Requires change in current operations/policy?    ☐ Yes    ☒ No    ☐ N/A

Specify changes required:

Known challenges/barriers: Known challenges/barriers:

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the various funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Combined Communications Center Fund, and the budget annexed thereto with reference to the Combined Communications Center Fund, the following changes be made:

FROM:	1630-35210	Combined Communication Center Fund	
	22551-54201	Contractual Services	<u>\$122,691</u>
TO:	1630-35210	Combined Communications Center Fund	
	28200-02850	Fire Communication Specialist (from 11 to 14 positions)	70,283
	28200-52110	Social Security	5,376
	28200-52210	Retirement	7,029
	28200-52310	Medical Insurance	39,593
	28200-52330	Life Insurance	225
	28200-52400	Industrial Insurance	185
			<u>\$122,691</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to increase fulltime equivalents for Communication Specialist to 14 to prepare for temporary positions to return to the fire department and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	Public Works, Water & Hydroelectric Services
<b>Subject:</b>	SBO – Water Hydroelectric Services Employee Parking Lot Build
<b>Date:</b>	May 17, 2021
<b>Author (email &amp; phone):</b>	Stephen Burns, P.E. ( <a href="mailto:sburns@spokanecity.org">sburns@spokanecity.org</a> ) 625-7821
<b>City Council Sponsor:</b>	Council President Beggs
<b>Executive Sponsor:</b>	Marlene Feist
<b>Committee(s) Impacted:</b>	Finance and Administration Committee
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	Will file for Council consideration following committee meeting.
<b>Outcome:</b>	Building employee parking lot at Water department (N. Foothills)
<p><u>Background/History:</u></p> <p>The Water Department is requesting a Special Budget Ordinance to pay for the construction of a replacement employee parking lot, following the sale of the “triangle property” at the northeast corner of North Foothills and Nevada. The SBO will be followed by a request to approve a construction contract for the project in the coming weeks.</p> <p>Initial estimates for the development and construction of the lot were \$2.3 million. The Water Department has worked to revise the design and re-evaluate the project. Engineering Services—our construction experts—reviewed the design documents and confirmed estimates and approach. As a result, this SBO is for \$1.172 million, less than half the original estimate, which covers the engineer’s refined estimate for the project. Revenue from the sale of the triangle property is sufficient to cover this important need.</p>	
<p><u>Executive Summary:</u></p> <p><b>Lot Overview:</b> The proposed employee parking lot will be a paved lot, designed to meet appropriate City of Spokane development standards, as are required by the SMC, to include appropriate lighting and landscaping.</p> <p>There are no projects in the City’s 6-year capital improvement program (CIP) to relocate the water operations. The Water-Wastewater forecast shows insufficient funding to support any move in the next 10 years. Additionally, we are just completing additional improvements to one of the buildings at the North Foothills site to support the Engineering Services’ Construction Management team, making this a campus for two Public Works operations. Investment in a paved lot makes sense.</p> <p><b>Employee Considerations:</b> The 160-space lot is designed to accommodate the 145 Water Department employees who report to the North Foothills location, along with the 45 employees from the Construction Management team, which is relocating to this site as a result of the Spokane Public Schools’ middle school project to the east.</p> <p>The Water Department has consistently provided parking for employees at this location; eliminating parking would be a change in working conditions for these essential workers. Similarly, the construction management team needs consistent access to employee parking, especially considering their work requirements of frequent trips to job sites throughout the City. The improved lot, with</p>	

additional lighting and improved visibility, also will address personal safety concerns that have been raised by employees at this location.

**Water System Protection:** The Water Department site includes two of our source water wells – the Nevada and Grace well stations. Washington state regulations require all Group A water systems to maintain a “sanitary control area” immediately surrounding all drinking water sources to protect them from contamination. That control area would demand that parking around these source wells be paved. Protecting our drinking water is a paramount concern.

**Neighborhood Considerations:** The Water Department sits in a neighborhood that is seeing significant new investment—from both the new middle school under construction to the east of the North Foothills facility and new housing under construction by Catholic Charities. The area is also home to Gonzaga Prep high school. The City should always be a good neighbor; choosing not to accommodate employee parking on site would negatively impact the neighborhood by creating on-street parking challenges. Additionally, the lot would create an improved visual appearance from North Foothills, also helping to improve the neighborhood.

**EV Accommodation:** The parking lot design includes infrastructure to accommodate 10 slow-charging EV stations, which meets the EV requirements in WAC 51-50-0427.

**Budget Impact:**

Approved in current year budget? ☐Yes ☒No ☐N/A

Annual/Reoccurring expenditure? ☐Yes ☒No ☐N/A

If new, specify funding source: Sale of Property – \$1,060,226.70 (2020) & Reserves

Other budget impacts: (revenue generating, match requirements, etc.)

**Operations Impact:**

Consistent with current operations/policy? ☒Yes ☐No ☐N/A

Requires change in current operations/policy? ☐Yes ☒No ☐N/A

Specify changes required:

Known challenges/barriers: Known challenges/barriers:

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the Water & Hydroelectric Services Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the Water & Hydroelectric Services Fund, and the budget annexed thereto with reference to the Water & Hydroelectric Services Fund, the following changes be made:

FROM:	4100-99999 99999-28810	Water & Hydroelectric Unappropriated Res	<u>\$ 1,172,000</u>
TO:	4100-42490 94340-56501	Water & Hydroelectric Const. of FA	<u>\$ 1,172,000</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need for the construction of a replacement employee parking lot, following the sale of the "triangle property" at the northeast corner of North Foothills and Nevada, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	NHHS / Human Services
<b>Subject:</b>	Cannon Street Budget Authority
<b>Date:</b>	05/17/2021
<b>Author (email &amp; phone):</b>	Paul Ingiosi ( <a href="mailto:pingiosi@spokanecity.org">pingiosi@spokanecity.org</a> / 625-6061)
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	N/A
<b>Deadline:</b>	
<b>Outcome:</b>	SBO to Establish Budget Authority for the Cannon Street Shelter
<p><u>Background/History:</u></p> <p>On November 16, 2020, the City entered into a \$750,000 contract with The Guardians Foundation for the administration of a COVID-19 protocol-compliant warming center program located at 527 South Cannon Street. The original contract runs through June 30, 2021 and includes daytime and nighttime emergency shelter services for households without minor children that are experiencing homelessness.</p> <p>Washington State Department of Commerce's Emergency Housing Grant and City Community Development Block Grant-Coronavirus grants provide funding for the initial contract to address the COVID-19 outbreak related to public health needs of people experiencing homeless or otherwise in need of quarantine or isolation housing due to the COVID-19 outbreak.</p>	
<p><u>Executive Summary:</u></p> <p>The original contract is set to expire June 30, 2021. The City will need to make capital improvements to the building to transition to year-round operation: day shelter in the summer; overnight warming center in the winter.</p> <p>Budget authority is established from the General Fund's unappropriated reserves for up to \$1,100,000 in contractual services. The City will continue to pursue other funding sources for the shelter and will reimburse the General Fund where successful.</p>	
<p><u>Budget Impact:</u></p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source: Reclassify current expenses</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><u>Operations Impact:</u></p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Specify changes required:</p> <p>Known challenges/barriers: Known challenges/barriers:</p>	

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the various funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0100-99999	General Fund	
	99999	Unappropriated Reserves	<u>\$1,100,000</u>
TO:	0300-53011	Human Services	
	65410-54201	Contractual Services	<u>\$1,100,000</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to establish budget authority for building improvements and the operation of the Cannon Street shelter, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

# Briefing Paper

## Finance and Administration Committee

<b>Division &amp; Department:</b>	Finance
<b>Subject:</b>	SBO – New Debt Management Software
<b>Date:</b>	05/05/2021
<b>Author (email &amp; phone):</b>	Tonya Wallace, <a href="mailto:twallace@spokanecity.org">twallace@spokanecity.org</a> , X6845
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	Finance & Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	F&A Division Strategic Plan
<b>Strategic Initiative:</b>	Modernize administrative tools/processes
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Efficiently manage the portfolio of City's debt and leases and track for payment and reporting purposes.
<p><u>Background/History:</u></p> <p>The City has used Sympro Treasury Management software for its cash &amp; investment portfolio for many years. However, the City primarily manages its debt portfolio (bonds, SIPs, leases) in numerous spreadsheets maintained by a small handful of employees. Sympro has a debt management module that will allow the City to manage its debt and lease portfolio more efficiently. The initial costs is \$29,184, which includes implementation costs. The ongoing maintenance cost as a result of this additional module is expected to be \$4,000 per year (prorated to \$2,667 for 2021).</p> <p>The cost of the implementation will be split 50/50 between Finance and Fleet. Rather than having 50% of the total cost in each Department, Finance will bear 100% of the cost and will be reimbursed for half by the Fleet Department. Fleet's portion will come from salary savings from the vacant Assistant Director position. This SBO is needed to create the budget authority for the expense and contribution of Fleet's portion.</p>	
<p><u>Executive Summary:</u></p> <p>The Finance Department requests appropriation for the acquisition and implementation of a debt management module as part of the City's treasury management software platform. The module will allow staff to accurately track leases/vehicle leases, bond payments, and SIP loans. The addition of this management software will enhance the City's administrative capacity specifically related to vehicle leasing, which is anticipated to increase significantly over the next two years to comply with the Clean Fleet Ordinance.</p> <p>The full implementation cost is \$29,184—50% of which is \$14,592.</p>	
<p><u>Budget Impact:</u></p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source:</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><u>Operations Impact:</u></p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Specify changes required:</p> <p>Known challenges/barriers: Known challenges/barriers:</p>	



ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to establish and make changes in the appropriations of the General Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0410-30400	General Fund	
	99999-39747	Operating Transfer In	<u>\$ 14,592</u>
TO:	0410-30400	General Fund	
	14230-54820	Software Maintenance	<u>\$ 14,592</u>

Section 2. That in the budget of the Fleet Services Fund, and the budget annexed thereto with reference to the Fleet Services Fund, the following changes be made:

FROM:	5100-30210	Fleet Services Fund	
	48341-08110	Assistance Director Fleet Services	<u>\$ 14,592</u>
TO:	5100-30210	Fleet Services Fund	
	97101-80101	Operating Transfer Out	<u>\$ 14,592</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to add a debt service leasing module to Sympro to track vehicle leases 50% of which will be funded by Fleet, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date



**Amendment to Exhibit A**  
**of the**  
**City of Spokane / SYMPRO SOFTWARE LICENSE AND SERVICE AGREEMENT**  
**(“Original Agreement”)**  
Dated November 09, 1999  
By and Between  
SymPro Software and City of Spokane, WA (Licensee)  
Effective Date of this Amendment\_\_\_\_\_

Emphasys SymPro Software and City of Spokane, WA desire to add additional software modules to the Original Agreement noted above.

1. **Designated Equipment:**

Workstations: Current generation workstation; 32 or 64 bit operating system; Windows operating systems (7 or 10); minimum 8 GB RAM; 2 GB of storage. Networking: Microsoft Windows Server (2008, 2012 and 2016). Hard drive storage: Minimum 4 GB for software and portfolio data, depending on size and type of portfolio(s); 8 GB of RAM; Licensee’s Installation: Installation is on a network server. For equipment or operating systems not named in this section, contact SymPro for compatibility information.

2. **Designated Site:**

City of Spokane  
808 W Spokane Falls Blvd  
Spokane, WA 99201

3. **Software and Services:**

SymPro Treasury Management Software

Original Modules:

Investment Management Software  
Fixed Income  
Market Pricing  
General Ledger Interface  
Multi-User License (3 Concurrent Users, Network)  
Cash Management

Modules added through this Amendment:

Debt Management Software  
Debt Manager  
Multi-User License (3 Concurrent Users, Network)

4. **Authorized Users:** Network installation with concurrent access and support for 6 Authorized Users.

5. **License and Service Fees:**

a. **License and Service Fees:**

Software License Fee:	\$ 25,000
Client Discount 20%	<u>(\$ 5,000)</u>
Total Software License Fee:	\$ 20,000
Implementation Services:	\$ 4,500
2 days onsite implementation and training	
Conversion of up to 10 outstanding bond issues	
Annual Maintenance and Support	(\$ 4,000)
Prorated to match up with other SymPro products	\$ 2,667
(Period from 05/01/21 - 12/31/21, new modules only)	

6. **Payment Schedule:**

License fees will be invoiced upon installation of the software.  
Service fees will be invoiced as performed.

All other terms and conditions of the Original Agreement remain in effect.

Emphasys Software,  
a Michigan corporation

City of Spokane, WA  
("Licensee")

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

By:\_\_\_\_\_  
(Authorized Representative)

Name: Ken Reimer  
Title: General Manager

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

Address:  
3675 Mt. Diablo Blvd., Suite #280  
Lafayette, CA 94549  
Tel. No. 510 655 0900  
Fax: 510-655-4064

Address:  
  
Tel. No.  
Fax:

**Exhibit B**  
**to**  
**SYMPRO SOFTWARE LICENSE AND SERVICE AGREEMENT**

By and Between  
SymPro Software and City of Spokane, WA Licensee  
Effective Date \_\_\_\_\_

**Annual Support and Maintenance Plan**

The following SymPro Support and Maintenance Plan applies as of the Effective Date. Emphasys reserves the right to change this Plan at any time, with 60 days written notice. All changes will be posted at its website: [www.sympro.com](http://www.sympro.com) and will become effective as of the next Renewal Term. However, any Support and Maintenance Plan will include at least the following essential elements:

- Priority service from technical support and client service representatives
- Free SymPro version corrections and enhancements released in the license and service term
- Access to the SymPro Internet Site for Support ([www.sympro.com](http://www.sympro.com))
- Unlimited telephone technical support in the following areas:

Loading and configuring of SymPro Software

Operational Questions, including standard SymPro reports

Data entry support for all debt and investment types supported within SymPro, including:

Debt

- Serial Bonds
- Term Bonds
- Discount Bonds
- Variable Rate Coupon
- Commercial Paper
- Commercial Paper Discount
- Medium Term Notes

Investments

- |                                                    |                                 |
|----------------------------------------------------|---------------------------------|
| • Certificates of Deposits                         | • Rolling Repurchase Agreements |
| • Negotiable Certificates of Deposits              | • GNMA, Pass Through            |
| • Checking Accounts                                | • Bankers Acceptances           |
| • Commercial Paper                                 | • Corporate Bonds               |
| • Commercial Paper Discount                        | • Medium Term Notes             |
| • United States Treasury Issues, Coupon & Discount |                                 |
| • Federal Agency Issues, Coupon & Discount         |                                 |

Tele-consultation is provided during normal business hours (6:30AM TO 5:00PM - Pacific Time), Monday through Friday for questions dealing with the operations of the Licensed Software on Designated Equipment. Support issues may be reported via voicemail (510-655-0900 Selection 2), fax (510-655-4064), or email ([support@sympro.com](mailto:support@sympro.com)), 24 hours a day. Answers to "Frequently Asked Questions" are available at [www.sympro.com](http://www.sympro.com), 24 hours a day. The resolution of some issues may require that Licensee provide Emphasys with a copy of Licensee's data. Licensee agrees to provide Emphasys with a copy of their data for the purpose of resolving Licensee's issue and Emphasys agrees to maintain full confidentiality of any required data and will use it only for the resolution of the Licensee's issue.

**Not Included:** Consulting on issues concerning investment accounting matters, specific financial or investment matters, research on investments not supported within the Licensed Software, or data entry for investments not supported in the Licensed Software system are not included.

# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	Spokane Police Department
<b>Subject:</b>	Spokane Police Academy Training Range
<b>Date:</b>	05/17/2021
<b>Author (email &amp; phone):</b>	Paul Ingiosi ( <a href="mailto:pingiosi@spokanecity.org">pingiosi@spokanecity.org</a> / 625-6061)
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget , Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	N/A
<b>Deadline:</b>	
<b>Outcome:</b>	SBO to Refurbish Spokane Police Academy Training Range
<b>Background/History:</b> The Spokane Police Academy training range requires periodic maintenance and refurbishment. This includes mining a sand berm to remove lead and reconstruction of a support wall for the sand berm. The last lead removal project was approximately four years ago.	
<b>Executive Summary:</b> Approximately \$115,000 in budget authority will be added to the Spokane Police Department's 2021 budget to allow for the refurbishment of the Spokane Police Academy training range.	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Reclassify current expenses Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers: Known challenges/barriers:	

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the various funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0100-99999	General Fund	
	99999	Unappropriated Reserves	<u>\$115,000</u>
TO:	0680-11480	Police	
	94000-56301	Other Improvements	<u>\$115,000</u>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to refurbish the training range at the Spokane Police Academy, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	Parks and Recreation
<b>Subject:</b>	Park Playground Equipment
<b>Date:</b>	05/17/2021
<b>Author (email &amp; phone):</b>	Paul Ingiosi ( <a href="mailto:pingiosi@spokanecity.org">pingiosi@spokanecity.org</a> / 625-6061)
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	N/A
<b>Deadline:</b>	
<b>Outcome:</b>	SBO to Budget for Park Playground Equipment
<b>Background/History:</b> In the City's 2021-2026 Capital Improvement Program, the Parks and Recreation Department estimates \$600,000 would be needed for playground replacement projects. Replacement projects were scheduled to begin in 2023 with no funding identified for either 2021 or 2022.  A need has been identified to replace equipment at the Cannon Park and Logan Peace Park ahead of the 2023-2026 construction window.	
<b>Executive Summary:</b> The General Fund will advance the Parks and Recreation fund approximately \$160,000 from the City's unappropriated reserves to allow work to begin on replacing the playground equipment at the Cannon Park and Logan Peace Park locations.  The City will continue to pursue other funding sources for the playground equipment and will reimburse the General Fund reserves if successful.	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Reclassify current expenses Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers: Known challenges/barriers:	

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the various funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0100-99999	General Fund	
	99999	Unappropriated Reserves	<u>\$160,000</u>
TO:	0980-89000	General Fund - Allocations	
	97118-80101	Operating Transfers-Out – Park Reserve	<u>\$160,000</u>

Section 2. That in the budget of the Park Cumulative Reserve Fund, and the budget annexed thereto with reference to the Parks and Recreation Fund, the following changes be made:

FROM:	1950-54920	Park Cumulative Reserve Fund	
	99999-39710	Operating Transfers-In – General Fund	<u>\$160,000</u>
TO:	1950-54920	Park Cumulative Reserve Fund	
	94000-56701	Reserve for Capital Outlay	<u>\$160,000</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to budget for new playground equipment at Cannon Park and Logan Peace Park, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date



# Briefing Paper

## Finance and Administration

<b>Division &amp; Department:</b>	Parks and Recreation
<b>Subject:</b>	Park Aquatics Support
<b>Date:</b>	05/17/2021
<b>Author (email &amp; phone):</b>	Paul Ingiosi ( <a href="mailto:pingiosi@spokanecity.org">pingiosi@spokanecity.org</a> / 625-6061)
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Tonya Wallace
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Budget
<b>Strategic Initiative:</b>	N/A
<b>Deadline:</b>	
<b>Outcome:</b>	SBO for Parks and Recreation Aquatics Program
<p><u>Background/History:</u></p> <p>The Parks and Recreation Department was significantly impacted by the COVID-19 pandemic during the 2020 program season. Revenue from Park operations and programs decreased nearly 70 percent from 2019 levels with a number of programs and activities canceled, including the 2020 aquatics season.</p> <p>At the Urban Experience Committee meeting on March 8, 2021, Parks and Recreation staff presented the 2021 aquatics plan, a limited “foundational services” model, running from June through late August and prioritizing water safety programs for the community.</p> <p>On April 12, 2021, the City Council adopted Resolution 2021-0030 expressing support for supplemental aquatics facility and operational funding support for 2021 in an amount not to exceed \$220,000.</p>	
<p><u>Executive Summary:</u></p> <p>The General Fund will advance the Parks and Recreation fund approximately \$220,000 from the City’s unappropriated reserves to support the 2021 aquatics season.</p> <p>The City will continue to pursue other eligible funding sources and reimburse the General Fund reserves if successful.</p>	
<p><u>Budget Impact:</u></p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>If new, specify funding source: Reclassify current expenses</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><u>Operations Impact:</u></p> <p>Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>Specify changes required:</p> <p>Known challenges/barriers: Known challenges/barriers:</p>	

ORDINANCE NO \_\_\_\_\_

An ordinance amending Ordinance No. C-35971, passed by the City Council December 14, 2020, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2021, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2021, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2021 budget Ordinance No. C-35971, as above entitled, and which passed the City Council December 14, 2020, it is necessary to make changes in the appropriations of the various funds, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	0100-99999	General Fund	
	99999	Unappropriated Reserves	<u>\$220,000</u>
TO:	0980-89000	General Fund - Allocations	
	97114-80101	Operating Transfers-Out – Parks/Rec	<u>\$220,000</u>

Section 2. That in the budget of the Park Cumulative Reserve Fund, and the budget annexed thereto with reference to the Parks and Recreation Fund, the following changes be made:

FROM:	1400-30210	Parks and Recreation Fund	
	99999-39710	Operating Transfers-In – General Fund	<u>\$220,000</u>
TO:	1400-54150	Parks and Recreation Fund	
	76902-59951	Reserve for Budget Adjustment	<u>\$220,000</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to budget for new playground equipment at Cannon Park and Logan Peace Park, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

**RESOLUTION NO. 2021-\_\_\_\_\_**

A resolution terminating the local emergency declared in response to the COVID-19 pandemic and any associated emergency orders such as hiring freezes, freezes on contracting for needed City projects, and expenditure limitations beyond the normal fiscal processes and procedures, and expressing Council’s desire to immediately commence swift and strong recovery efforts.

**WHEREAS**, on February 29, 2020, Washington State Governor Jay Inslee issued a proclamation declaring a State of Emergency in all counties of the state of Washington in response to new cases of COVID-19; and

**WHEREAS**, Mayor Nadine Woodward issued a local declaration of emergency on March 16, 2020, and the same day, the City Council ratified a modified version of that emergency declaration pursuant to SMC 02.04.060; and

**WHEREAS**, Mayor Woodward then issued an amended declaration of emergency on March 23, 2020, which the City Council ratified the same day; and

**WHEREAS**, Section 4 of these emergency declarations provide that the local state of emergency is in effect until terminated by the Mayor or by the adoption of a City Council resolution; and

**WHEREAS**, Spokane County stood up an emergency communications and coordination group in response to COVID-19, which was decommissioned months ago; and

**WHEREAS**, as of May, 2021, nearly 40% of the population of Spokane County has received at least one vaccine dose; and

**WHEREAS**, as businesses reopen and increase their operational capacity, and as more people in Spokane County are vaccinated, children return to school, public events recommence, and as people travel again, it is apparent that there is no longer a need for a local emergency declaration; and

**WHEREAS**, we have found that government, business, and public life in general can resume if done in concert with vaccinations, masking, social distancing, and other safety measures, and that after over a year of acute response, we no longer see the necessity for keeping the City of Spokane in an emergency response posture; rather, we are embarked on a “new normal” for how we do business and provide services to the public as a municipality; and

**WHEREAS**, recent guidance from the Centers for Disease Control and Prevention (“CDC”) provides support for us to enter a “new normal” in which some measures such as masking are not as necessary for the preservation of public health as they have been; and

**WHEREAS**, Congress and the Biden Administration have provided an unprecedented level of funding to local governments to have available to recover from the COVID-19 pandemic and its related economic and social impacts as quickly and as strongly as we can; and

**WHEREAS**, a local emergency declaration and all of the accompanying orders, such as hiring freezes, expenditure limitations, and freezes on contracting for needed work around the City, while necessary in the early stages of the COVID-19 pandemic in which a great degree of uncertainty was attached to every decision, is no longer needed, and is in fact duplicative of the state and federal response measures and structures, which are more than adequate to respond to the crisis at this stage, which is and rightly should be focused on the economic, social, and cultural recovery of the Spokane region and committing to making Spokane much more resilient in the face of any future crises.

**NOW THEREFORE, BE IT RESOLVED** that the Spokane City Council hereby terminates the state of emergency declared by Mayor Nadine Woodward, as modified and ratified by City Council Resolutions 2020-0019 (March 16, 2020) and 2020-0020 (March 23, 2020), and any other emergency orders that are derived from or related to those emergency declarations, including without limitation hiring freezes, freezes on contracting for much-needed City projects, and expenditure limitations beyond the normal fiscal processes and procedures employed by the City.

**AND BE IT ALSO RESOLVED**, that the City Council supports and encourages the City to focus on a swift and strong recovery to our economic, social, and cultural life, as well as on efforts to vastly improve the resiliency of the Spokane community so that we can emerge from any future crises a stronger city and region than we have ever been before.

**ADOPTED** by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2021.

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City Clerk

Approved as to form:

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Assistant City Attorney

# MEMO



**Finance Division**  
808 W. Spokane Falls Blvd.  
Spokane, Washington 99201-3313  
(509) 625-6845

**Tonya Wallace**  
Chief Financial Officer

To: Mayor Woodward, Council President Beggs, & City Council Members

From: Tonya Wallace, Chief Financial Officer

Date: May 12, 2021

Subject: General Fund Update

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Attached for your information is an update of changes in the General Fund through April 2021.

Please let us know if you have any questions.

2021 Budget as of 4/30/21	\$213,067,311
2021 Adopted Budget	<u>\$208,569,897</u>
Net Addition to Budget	\$ 4,497,414

TW: ab  
pc: City Administrator Johnnie Perkins

Attachment

**ALL CHANGES INCREASING OR DECREASING THE GENERAL FUND AS OF APRIL 30, 2021**

Date	Department	Reason	Additional Expenditure	From Unapp. Reserves	From Add'tl Revenue	Encumbrance Carryover	Operating Transfer In	Reference Document
1/13/2021	Public Defender	Washington State Office of Public Defense Grant	\$50,000		\$50,000			C36002
1/31/2021	General Fund	Encumbrance Carryover	\$4,122,894			\$4,122,894		C36007
3/10/2021	General Fund	Non-Departmental transfer out to Arterial Streets related to the East Sprague Project	\$225,713	\$225,713				C36020
3/24/2021	General Fund	Council Grant Award	\$10,000		\$10,000			C36030
3/31/2021	General Fund	Engineering for Admin Specialist coming from Public Works	\$79,807				\$79,807	C36031
4/30/2021	General Fund	Utilities for extension of the lease for the Spokane EnVision Center	\$9,000	\$9,000				C36041
		<b>Total</b>	<b>\$4,497,414</b>	<b>\$234,713</b>	<b>\$60,000</b>	<b>\$4,122,894</b>	<b>\$79,807</b>	

# MEMO



**Finance Division**  
808 W. Spokane Falls Blvd.  
Spokane, Washington 99201-3313  
(509) 625-6845

**Tonya Wallace**  
Chief Financial Officer

To: Mayor Woodward, Council President Beggs, & City Council Members

From: Tonya Wallace, Chief Financial Officer

Date: May 12, 2021

Subject: Intrafund Budget Transfer Report for April 2021

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In accordance with SMC 7.09 – Intrafund Budget Transfers, Section 7.09.020 - Report required, attached please find the report for April 2021.

Please let us know if you have any questions.

TW/ab

pc: City Administrator Johnnie Perkins

Attachment

**Intrafund Budget Transfers**  
**Per SMC 7.09.020**  
**Report for April 2021**

FUND/DEPT	FROM	TO	AMOUNT	PURPOSE
0370 - Engineering Services	Administrative Specialist	Office Manager	\$54,629	Position reclassification
0370 - Engineering Services	Public Works Lead Inspector	Public Works Journey Level Inspector	\$47,069	Downgrade of a vacant position for hiring
0520 - Mayor's Office	Exec Assistant	Ops Manager	\$45,581	Position reclassification
0680 - Police	Minor Equipment	Machinery/Equipment and Software Maintenance	\$25,000	ALPR (Automatic License Plate Recognition) system
0680 - Police	Minor Equipment	Vehicles	\$75,000	Purchase of Investigations vehicles
0680 - Police	Minor Equipment	Lab Equipment and Operating Supplies	\$27,050	Purchase of Investigations TruNarc equipment
1100 - Streets	Bridge Maintainer II	Bridge Maintainer I	\$31,740	Downgrade of a vacant position for hiring
1200 - Code Enforcement	Program Professional	Project Employee	\$40,301	Transfer salary savings for Civil Rights position project employee
1380 - Traffic Calming	Reserve for Budget Adjustment	Contractual Services	\$367,500	Prior period adjustment payment on ATS contract
1400 - Parks and Recreation	Reserve for Capital Outlay	Contract Services	\$35,000	Windstorm damage contracts
1460 - Parking Services	Code Enforcement Supervisor	Parking Enforcement Specialist 1	\$47,762	Downgrade of a vacant position for hiring
1970 - Fire	Operating Supplies	Machinery/Equipment	\$7,624	Purchase of new training prop
1970 - Fire	Minor Equipment	Vehicles	\$20,000	Purchase of a truck box for new Hazmat truck
1970 - Fire	Other Improvements	Building Repairs & Maintenance	\$6,600	Cost of Station 13 shower replacement
3200 - Arterial Street	Construction of Fixed Assets	Judgements/Damages	\$338,911	Settlement of claim for Monroe Lincoln Couplet project
4100 - Water	Laborer II	Water Inspector	\$55,586	Position reclassification
4100 - Water	Education Coordinator	Program Professional	\$51,952	Position reclassification
4100 - Water	Cert. Water Service Specialist	Water Service Specialist	\$45,706	Position reclassification
4100 - Water	Cert. Water Service Specialist	Water Service Specialist	\$45,706	Position reclassification
4100 - Water	Certified WSS	Water Service Specialist	\$43,166	Downgrade of a vacant position for hiring
4100 - Water	Water Service Inspector	Certified Water Service Inspector	\$2,347	Certification promotion
4310 - Sewer	Business Systems Analyst I	Business Systems Analyst II	\$47,000	Position reclassification
4310 - Sewer	Laborer II	Laborer I	\$11,510	Downgrade of a vacant position for hiring
4310 - Sewer	Laborer II	Laborer I	\$24,365	Downgrade of a vacant position for hiring
4310 - Sewer	Laborer II	Laborer I	\$21,660	Downgrade of a vacant position for hiring
4500 - Solid Waste Collection	Clerk III	Clerk II	\$37,040	Position reclassification
4530 - Solid Waste Landfills	Machinery/Equipment	Equipment Repair/Maint	\$375,000	Jacobs engineering contract reclassified to maintenance
5200 - Public Works	Strategic Development Director	Division Communications Manager	\$77,100	Position reclassification
5300 - ITSD	Temporary Seasonal	Temporary Seasonal	\$15,000	To hire temp/seasonal help
5902- Property Acquisition Police	Computers	Computers	\$1,060,000	Capital to non-capital transfer



# Finance Committee

## Monthly Reports – April 2021

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FINANCE AND ADMINISTRATION

MAY 17, 2021

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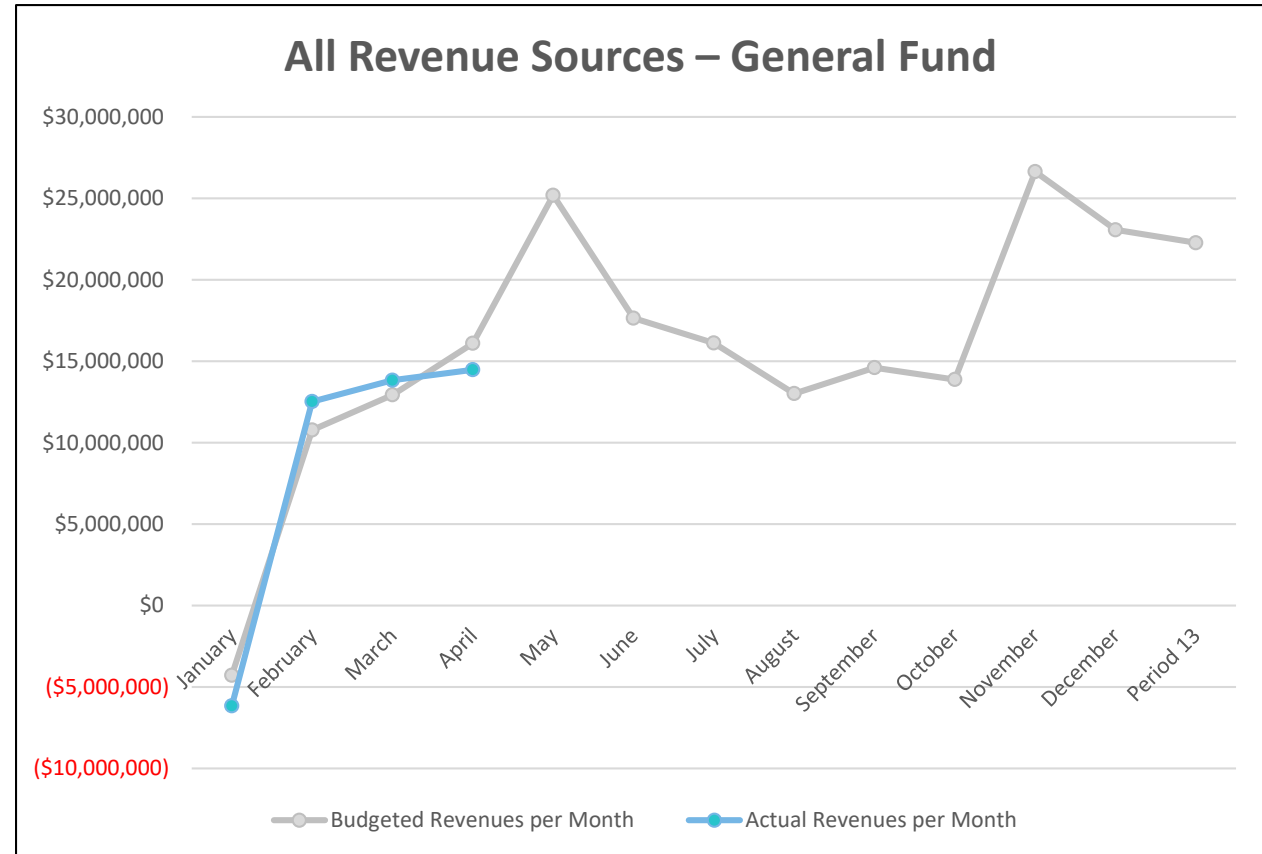
# Monthly General Fund Report

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- GF Revenues are approximately 2.5% below budget through April
  - \$34.7 million collected against a \$35.6 million budget
  - Primarily due to weaker Interest Earnings and Fines & Forfeits
  - Sales, Property, and Utility taxes are approximately 3% above budget through April
- GF Expenditures are approximately 1% below budget through April
  - \$64.6 million in expenses against a \$65.4 million budget
  - Salaries and Benefits - \$2.5 million under budget
- Uniform OT – Through April, Police and Fire had spent 33% and 77% of their respective annual OT budgets

# Monthly General Fund Report - Revenue

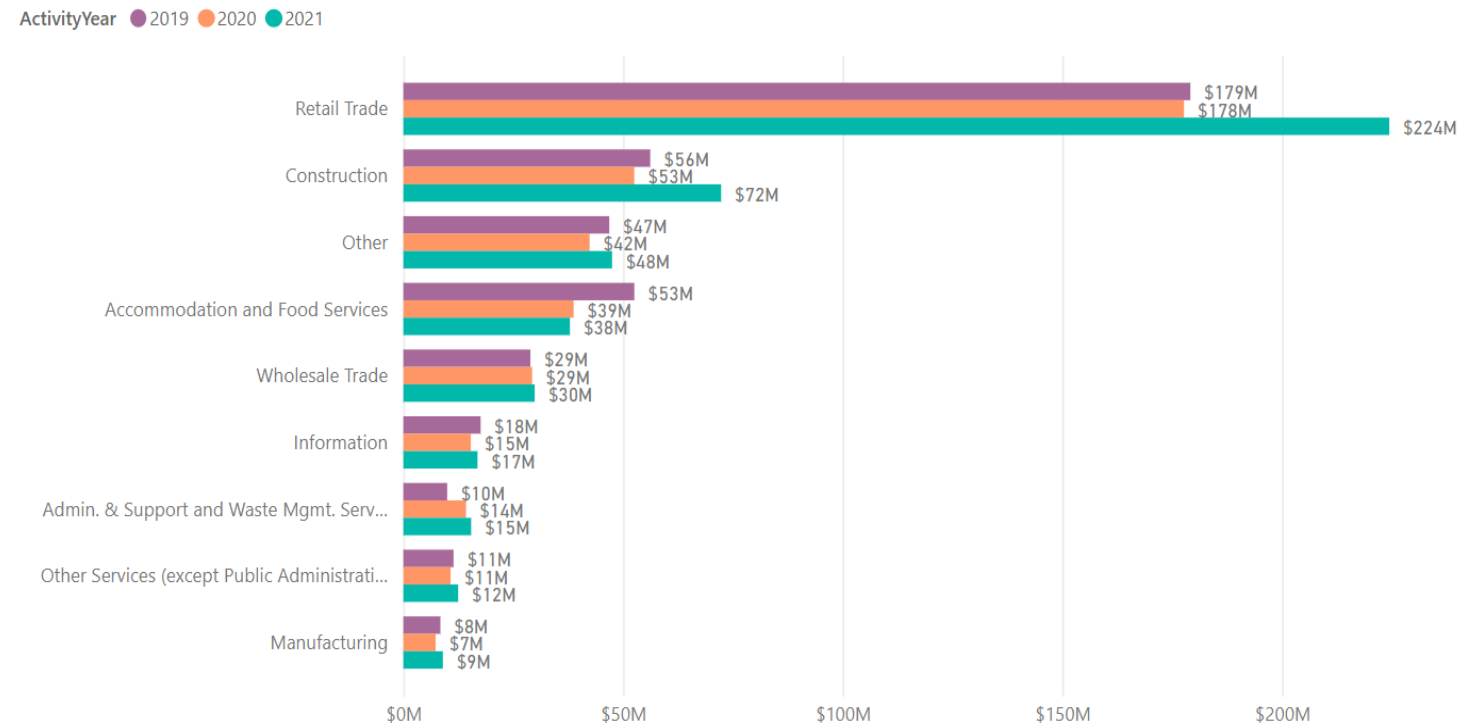
- Through April 2021, total General Fund revenue is approximately \$900,000 below budget (2.5%)
- Total General Fund revenue is approximately level with FY20 YTD



Revenue Category	2021 Current Budget	YTD Projection	YTD Actuals	YTD Variance	YTD % Variance	Actuals Vs. Prior Year
<b><u>Sales Tax</u></b>	<b>51,063,259</b>	<b>6,990,926</b>	<b>7,721,440</b>	<b>730,514</b>	<b>10.4%</b>	<b>1,047,716</b>
<i><u>Local Retail Sales Tax</u></i>	46,814,259	6,395,979	7,035,925	639,946	10.0%	934,220
<b><u>Property Tax</u></b>	<b>47,349,955</b>	<b>2,413,617</b>	<b>2,650,908</b>	<b>237,292</b>	<b>9.8%</b>	<b>276,186</b>
<b><u>Interfund Taxes</u></b>	<b>44,250,000</b>	<b>8,210,742</b>	<b>8,483,525</b>	<b>272,783</b>	<b>3.3%</b>	<b>814,238</b>
<b><u>Business Taxes</u></b>	<b>24,339,000</b>	<b>7,208,136</b>	<b>6,886,402</b>	<b>(321,733)</b>	<b>-4.5%</b>	<b>514</b>
<i><u>Taxes on Private Utilities</u></i>	24,077,000	7,157,872	6,849,063	(308,809)	-4.3%	(13,911)
<b><u>Charges for Services</u></b>	<b>19,179,591</b>	<b>4,536,734</b>	<b>4,179,714</b>	<b>(357,019)</b>	<b>-7.9%</b>	<b>341,421</b>
<b><u>Licenses &amp; Permits</u></b>	<b>6,784,900</b>	<b>2,049,922</b>	<b>1,842,123</b>	<b>(207,799)</b>	<b>-10.1%</b>	<b>(95,138)</b>
<i><u>Business Registrations</u></i>	4,073,000	1,344,203	1,347,935	3,732	0.3%	96,632
<i><u>Franchise Fees</u></i>	2,423,000	609,741	369,303	(240,438)	-39.4%	(228,366)
<b><u>Miscellaneous Revenue</u></b>	<b>4,301,982</b>	<b>2,310,808</b>	<b>1,003,786</b>	<b>(1,307,022)</b>	<b>-56.6%</b>	<b>(2,144,395)</b>
<i><u>Interest Earnings</u></i>	3,138,600	1,928,983	669,749	(1,259,234)	-65.3%	(2,253,054)
<b><u>Intergovernmental Revenues</u></b>	<b>4,064,023</b>	<b>372,738</b>	<b>1,149,761</b>	<b>777,024</b>	<b>208.5%</b>	<b>92,552</b>
<i><u>Marijuana Use Tax</u></i>	440,000	108,997	113,642	4,645	4.3%	1,558
<b><u>Fines &amp; Forfeits</u></b>	<b>2,098,650</b>	<b>1,084,403</b>	<b>667,706</b>	<b>(416,697)</b>	<b>-38.4%</b>	<b>27,048</b>
<i><u>Traffic &amp; Parking Violations</u></i>	1,830,500	954,718	563,455	(391,262)	-41.0%	25,947
<b><u>Other Taxes</u></b>	<b>1,395,800</b>	<b>386,163</b>	<b>77,633</b>	<b>(308,529)</b>	<b>-79.9%</b>	<b>(139,339)</b>
<i><u>Admission Tax</u></i>	1,050,000	421,318	77,086	(344,232)	-81.7%	(137,677)
<b><u>Operating Transfer-In</u></b>	<b>3,074,108</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Non-Budgeted/Other</b>	<b>40,000</b>	<b>0</b>	<b>2,695</b>	<b>2,695</b>		
<b>TOTAL</b>	<b>207,941,268</b>	<b>35,564,187</b>	<b>34,665,695</b>	<b>(898,491)</b>	<b>-2.5%</b>	<b>220,804</b>

# Monthly General Fund Report – Taxable Sales

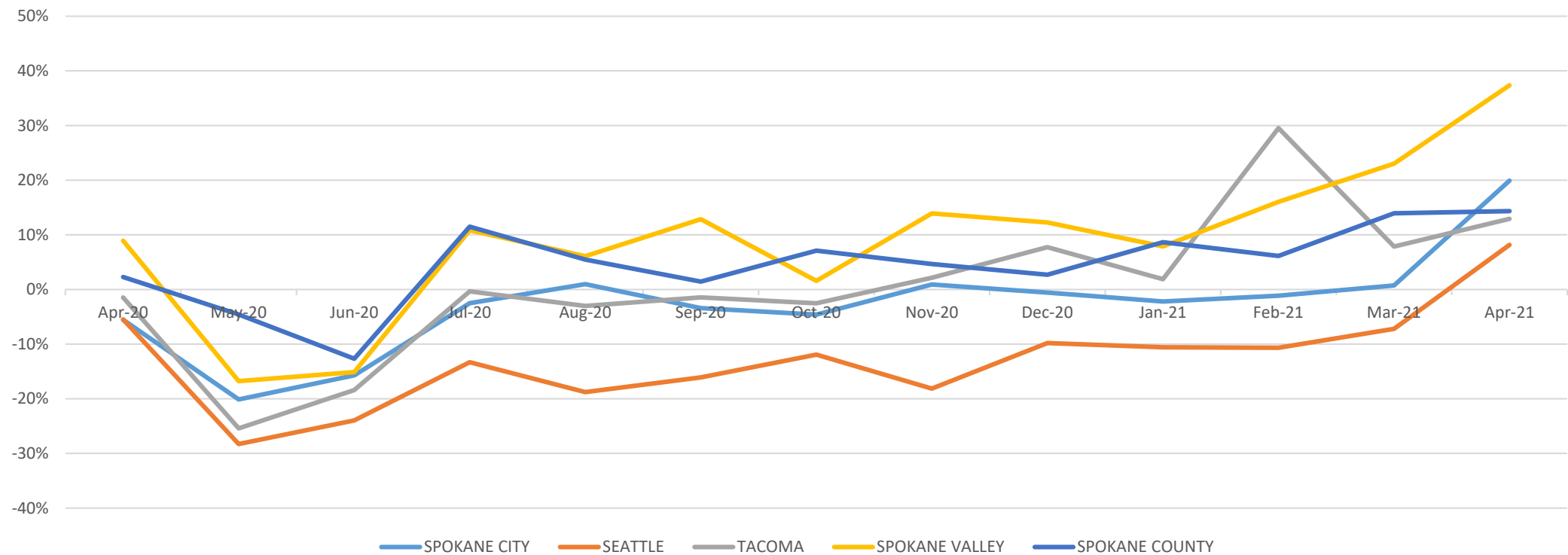
- Taxable Sales for February 2021 were up 20% compared to February 2020
- Through February:
  - Retail Trade +26%
  - Construction +38%
  - Accommodation and Food Services -2%
- Total Taxable Sales for February were approximately \$466 million, an increase of \$77 million over 2020



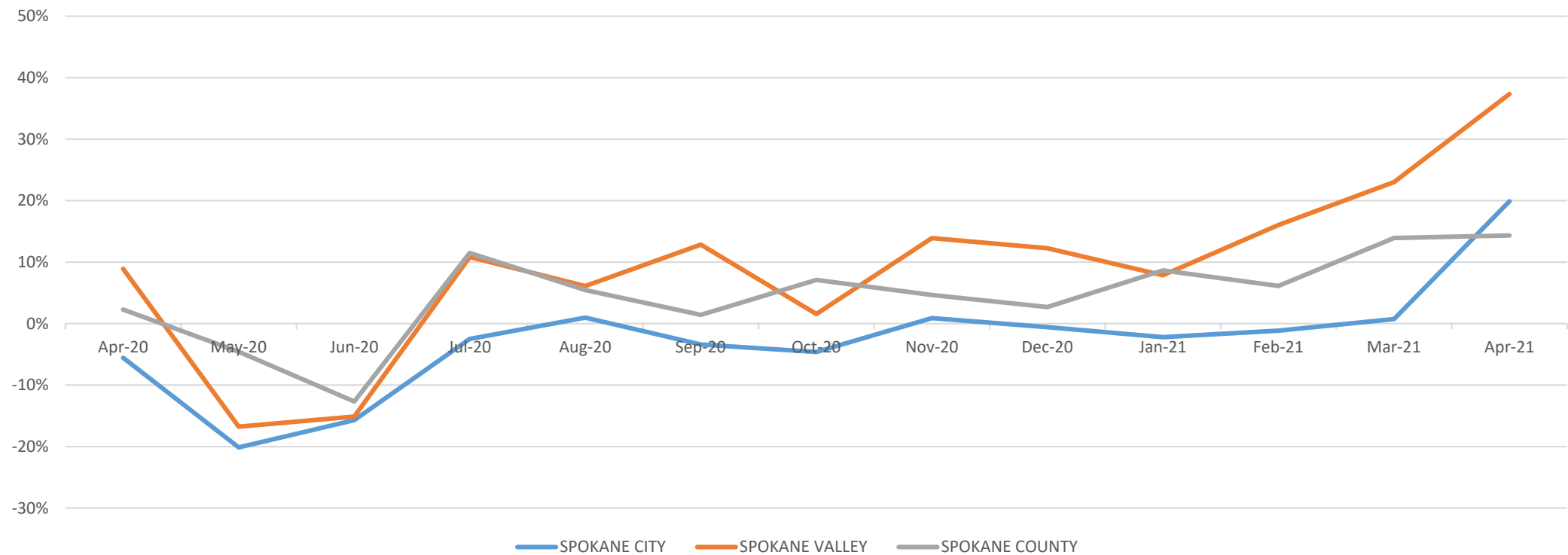
# Monthly General Fund Report – Sales Tax

SALES TAX REPORT		2020									2021			
	Approx. Annual (\$ in millions)	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
BENTON COUNTY	\$ 12.3	-8%	-2%	-13%	-37%	-11%	-1%	-4%	3%	13%	-6%	8%	29%	32%
KENNEWICK	\$ 20.2	12%	-19%	-18%	0%	-7%	11%	-5%	6%	9%	5%	8%	11%	9%
CLARK COUNTY	\$ 40.1	4%	-10%	-4%	3%	9%	16%	13%	14%	14%	17%	18%	21%	22%
VANCOUVER	\$ 43.4	4%	-16%	-12%	5%	1%	8%	3%	8%	11%	12%	8%	13%	17%
KING COUNTY	\$ 132.0	-1%	-22%	-13%	-3%	-8%	-3%	-2%	-3%	-1%	-1%	1%	-2%	16%
SEATTLE	\$ 237.7	-5%	-28%	-24%	-13%	-19%	-16%	-12%	-18%	-10%	-11%	-11%	-7%	8%
PIERCE COUNTY	\$ 69.0	0%	-13%	-3%	13%	11%	19%	9%	15%	14%	26%	19%	15%	38%
TACOMA	\$ 49.5	-1%	-25%	-18%	0%	-3%	-1%	-3%	2%	8%	2%	30%	8%	13%
SPOKANE COUNTY	\$ 35.9	2%	-5%	-13%	11%	5%	1%	7%	5%	3%	9%	6%	14%	14%
SPOKANE CITY	\$ 49.5	-6%	-20%	-16%	-3%	1%	-3%	-5%	1%	-1%	-2%	-1%	1%	20%
SPOKANE VALLEY	\$ 25.1	9%	-17%	-15%	11%	6%	13%	2%	14%	12%	8%	16%	23%	37%
YAKIMA COUNTY	\$ 13.7	13%	-2%	7%	4%	5%	6%	8%	6%	5%	2%	9%	6%	8%
YAKIMA CITY	\$ 18.7	5%	-12%	-7%	3%	6%	5%	2%	8%	7%	4%	9%	14%	8%

# Monthly General Fund Report – Sales Tax



# Monthly General Fund Report – Sales Tax





# Monthly General Fund Report - Expense

- Through April 2021, total General Fund expenses are approximately \$900,000 below budget (1.3%)
- By category:
  - Salary & Benefits -9%
  - Supplies -14%
  - Services +13%
- Transfer to Street Capital (Arterial Streets) for U District – Sprague project posted in April

