

THE CITY OF SPOKANE



ADVANCE COUNCIL AGENDA

MEETING OF MONDAY, AUGUST 5, 2013

MISSION STATEMENT

TO DELIVER EFFICIENT AND EFFECTIVE SERVICES
THAT FACILITATE ECONOMIC OPPORTUNITY
AND ENHANCE QUALITY OF LIFE.

MAYOR DAVID A. CONDON

COUNCIL PRESIDENT BEN STUCKART

COUNCIL MEMBER MICHAEL A. ALLEN

COUNCIL MEMBER NANCY McLAUGHLIN

COUNCIL MEMBER JON SNYDER

COUNCIL MEMBER MIKE FAGAN

COUNCIL MEMBER STEVE SALVATORI

COUNCIL MEMBER AMBER WALDREF

COUNCIL CHAMBERS
CITY HALL

808 W. SPOKANE FALLS BLVD.
SPOKANE, WA 99201

CITY COUNCIL BRIEFING SESSION

Council will adopt the Administrative Session Consent Agenda after they have had appropriate discussion. Items may be moved to the 6:00 p.m. Legislative Session for formal consideration by the Council at the request of any Council Member.

SPOKANE CITY COUNCIL BRIEFING SESSIONS (BEGINNING AT 3:30 P.M. EACH MONDAY) AND LEGISLATIVE SESSIONS (BEGINNING AT 6:00 P.M. EACH MONDAY) ARE BROADCAST LIVE ON CITY CABLE CHANNEL FIVE AND STREAMED LIVE ON THE CHANNEL FIVE WEBSITE. THE SESSIONS ARE REPLAYED ON CHANNEL FIVE ON WEDNESDAYS AT 6:00 P.M. AND FRIDAYS AT 10:00 A.M.

The Briefing Session is open to the public, but will be a workshop meeting. Discussion will be limited to Council Members and appropriate Staff and Counsel. There will be an opportunity for the expression of public views on any issue not relating to the Current or Advance Agendas during the Open Forum at the beginning and the conclusion of the Legislative Agenda.

ADDRESSING THE COUNCIL

- No one may speak without first being recognized for that purpose by the Chair. Except for named parties to an adjudicative hearing, a person may be required to sign a sign-up sheet as a condition of recognition.
- Each person speaking at the public microphone shall print his or her name and address on the sheet provided at the podium and verbally identify him/herself by name, address and, if appropriate, representative capacity.
- If you are submitting letters or documents to the Council Members, please provide a minimum of ten copies via the City Clerk. The City Clerk is responsible for officially filing and distributing your submittal.
- In order that evidence and expressions of opinion be included in the record and that decorum befitting a deliberative process be maintained, modes of expression such as demonstration, banners, applause and the like will not be permitted.
- A speaker asserting a statement of fact may be asked to document and identify the source of the factual datum being asserted.

SPEAKING TIME LIMITS: Unless deemed otherwise by the Chair, each person addressing the Council shall be limited to a three-minute speaking time.

CITY COUNCIL AGENDA: The City Council Advance and Current Agendas may be obtained prior to Council Meetings from the Office of the City Clerk during regular business hours (8 a.m. - 5 p.m.). The Agenda may also be accessed on the City website at www.spokanecity.org. Agenda items are available for public review in the Office of the City Clerk during regular business hours.

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 Gita George-Hatcher at (509) 625-7083, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or ggeorge-hatcher@spokanecity.org. Persons who are deaf or hard of hearing may contact Ms. George-Hatcher at (509) 625-7083 through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

If you have questions, please call the Agenda Hotline at 625-6350.

BRIEFING SESSION

(3:30 p.m.)

(Council Chambers Lower Level of City Hall)
(No Public Testimony Taken)

Council Reports

Staff Reports

Committee Reports

Advance Agenda Review

Current Agenda Review

ADMINISTRATIVE SESSION

Roll Call of Council

CONSENT AGENDA

REPORTS, CONTRACTS AND CLAIMS

RECOMMENDATION

- | | | |
|---|--|--------------------------------------|
| <p>1. Set Appeal Hearing before City Council for August 26, 2013, for appeal on the record by Rodney Bacon and Greer Gibson Bacon, represented by Kelly Konkright, Attorney at Law, of the Hearing Examiner's June 5, 2013, decision to uphold the Planning Director's decision approving a boundary line adjustment for property located at 2607 South Denver Street.
<i>James Richman</i></p> | <p>Set Hrg.
8/26/2013</p> | <p>LGL 2013-0015</p> |
| <p>2. Low bid meeting specifications of Lake City Ford (Coeur d'Alene, ID) for Ford Police Interceptor AWD SUV's—\$642,830.36 (including tax).
<i>Gene Jakubczak</i></p> | <p>Approve</p> | <p>OPR 2013-0546
BID 3940-13</p> |
| <p>3. Low Bids of:</p> <p>a. L & L Cargile, Inc. (Spokane Valley, WA) for Liberty Avenue from Oak Street to Ash Place and Ash Place from Dalton Avenue to Liberty Avenue—\$240,357.70 (plus tax). An administrative reserve of \$24,035.77 (plus tax), which is 10% of the contract price (plus tax), will be set aside.
<i>Gary Nelson</i></p> | <p>Approve
All &
Authorize
Contracts</p> | <p>PRO 2012-0040
LID 2012066</p> |

- | | |
|---|--|
| <p>b. (To be determined at bid opening to be held July 29, 2013) (City, St) for Fiske Street from 19th Avenue to 17th Avenue—\$_____. An administrative reserve of \$_____, which is 10% of the contract price, will be set aside.
 Gary Nelson</p> | <p>PRO 2013-0021
 ENG 2012079</p> |
| <p>c. (To be determined at bid opening to be held July 29, 2013) (City, St) for Greene Street Bridge Load-Rating Repair—\$_____. An administrative reserve of \$_____, which is 10% of the contract price, will be set aside.
 Gary Nelson</p> | <p>PRO 2013-0022
 ENG 2012112</p> |
| <p>d. Bacon Concrete, Inc. (Colbert, WA) for 2012 Traffic Calming Projects—\$223,923.50. An administrative reserve of \$22,392.35, which is 10% of the contract price, will be set aside. (Various Neighborhoods)
 Gary Nelson</p> | <p>PRO 2013-0023
 ENG 2012043/44/45</p> |
| <p>4. Two-year purchase contract with Two Rivers Terminal, LLC (Pasco, WA) to supply Sodium Bisulfite Solution, 40% to the Riverside Park Water Reclamation Facility, beginning August 15, 2013—estimated annual expense \$183,703.40.
 Dale Arnold</p> | <p>Approve &
 Authorize
 Contract</p> <p style="text-align: right;">OPR 2013-0560
 BID 3954-13</p> |
| <p>5. Loan Agreement & other documents with Konstantin & Tatyana Vasilenko (Spokane, WA) for construction of a 5-bedroom house at 3403 South Cook—\$100,000 HOME funds (Lincoln Heights Neighborhood).
 Melora Sharts</p> | <p>Approve</p> <p style="text-align: right;">OPR 2013-0561</p> |
| <p>6. Grant Contract Amendment No. 2 with Washington State Department of Ecology to increase Coordinated Prevention Grant reimbursement funding for waste reduction, recycling, and moderate risk waste programs—\$300,000 revenue.
 Ken Gimpel</p> | <p>Approve</p> <p style="text-align: right;">OPR 2012-0131</p> |
| <p>7. Additional grant funding from U.S. Department of Transportation for the Police Department to launch an education and enforcement program to ticket aggressive cars and trucks in conjunction with their focus on commercial vehicle enforcement and safety inspections—increase of grant award \$56,284 revenue; increase of matching funds \$14,071 revenue. Total grant award \$109,865; total matching funds \$27,467.
 Carly Cortright</p> | <p>Approve</p> <p style="text-align: right;">OPR 2013-0341</p> |
| <p>8. Report of the Mayor of pending claims and payments of previously approved obligations, including those of Parks and Library, through _____, total \$_____, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$_____.</p> | <p>Approve &
 Authorize
 Payment</p> <p style="text-align: right;">CPR 2013-0002</p> |

EXECUTIVE SESSION

(Closed Session of Council)

(Executive Session may be held or reconvened during the 6:00 p.m. Legislative Session)

CITY COUNCIL SESSION

(May be held or reconvened following the 3:30 p.m. Administrative Session)

(Council Briefing Center)

This session may be held for the purpose of City Council meeting with Mayoral nominees to Boards and/or Commissions. The session is open to the public.

LEGISLATIVE SESSION

(6:00 P.M.)

(Council Reconvenes in Council Chamber)

WORDS OF INSPIRATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF COUNCIL

ANNOUNCEMENTS

(Announcements regarding Changes to the City Council Agenda)

BOARDS AND COMMISSIONS APPOINTMENTS

(Includes Announcements of Boards and Commissions Vacancies)

CITY ADMINISTRATION REPORT

COUNCIL COMMITTEE REPORTS

(Committee Reports for Finance, Neighborhoods, Public Safety, Public Works, and Planning/Community and Economic Development Committees and other Boards and Commissions)

OPEN FORUM

This is an opportunity for citizens to discuss items of interest not relating to the Current or Advance Agendas nor relating to political campaigns/items on upcoming election ballots. This Forum shall be for a period of time not to exceed thirty minutes. After all the matters on the Agenda have been acted on, unless it is 10:00 p.m. or later, the open forum shall continue for a period of time not to exceed thirty minutes. Each speaker will be limited to three minutes, unless otherwise deemed by the Chair. If you wish to speak at the forum, please sign up on the sign-up sheet located in the Chase Gallery.

LEGISLATIVE AGENDA

NO EMERGENCY BUDGET ORDINANCES

NO EMERGENCY ORDINANCES

RESOLUTIONS & FINAL READING ORDINANCES

(Require Four Affirmative, Recorded Roll Call Votes)

Resolutions requesting the Spokane County to hold a Special Election on November 5, 2013, in conjunction with the scheduled General Election to submit to the voters of the City of Spokane, advisory votes regarding the Envision Spokane Initiative:

RES 2013-0056 Relates to the question of whether the Spokane City Council should pursue additional funding sources in order to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition, if the proposition is approved by voters. (Postponed from July 29, 2013, Agenda)

Sponsors: Council Members Mike Allen & Steve Salvatori

RES 2013-0057 Relates to the question of whether the Spokane City Council should reduce funding in existing general fund programs to reallocate funding to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition, if the proposition is approved by the voters. (Postponed from July 29, 2013, Agenda)

Sponsors: Council Members Mike Allen & Steve Salvatori

Resolutions requesting the Spokane County Auditor to hold a Special Election on November 5, 2013, in conjunction with the scheduled General Election, to submit to the voters of the City of Spokane, advisory votes regarding the Spokane Moves to Amend Initiative:

RES 2013-0058 Relates to the question of whether the Spokane City Council should pursue additional funding sources in order to fund the implementation of the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if the proposition is approved by the voters. (Postponed from July 29, 2013, Agenda)

Sponsors: Council Members Mike Allen & Steve Salvatori

RES 2013-0059 Relates to the question of whether the Spokane City Council should reduce funding in existing general fund programs to reallocate funding to the implementation of the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if the proposition is approved by the voters. (Postponed from July 29, 2013, Agenda)

Sponsors: Council Members Mike Allen & Steve Salvatori

RES 2013-0061 (To be considered under Hearings Item H1.)

ORD C35011 Vacating the Alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street requested by Spokane South Medical, LLC. (Cliff-Cannon Neighborhood) (First Reading held July 8, 2013.)

Eldon Brown

ORD C35018 Relating to the City of Spokane's use of surveillance equipment; requiring City departments to obtain City Council approval prior to acquiring certain surveillance equipment; requiring departments to propose protocols related to proper use and deployment of certain surveillance equipment for Council review, requiring departments to adopt written protocols that address data retention, storage and access of any data obtained through the use of certain surveillance equipment, and adopting a new Chapter 1.08 to Title 1 of the Spokane Municipal Code.

Sponsor: Council President Ben Stuckart

FIRST READING ORDINANCE

(No Public Testimony Will Be Taken)

ORD C35020 Creating departments within the Parks and Recreation Division; amending SMC Section 3.01A.360; and adopting new Sections 3.01A.361, 3.01A.362 and 3.01A.363 to Chapter 3.01A of the Spokane Municipal Code.

Leroy Eadie

FURTHER ACTION DEFERRED

NO SPECIAL CONSIDERATIONS

HEARINGS

(If there are items listed you wish to speak on, please sign your name on the sign-up sheets in the Chase Gallery.)

RECOMMENDATION

H1. Resolution 2013-0061 approving lease and option agreements that contemplate the intergovernmental transfer of surplus City property (Joe Albi Stadium). Adopt Upon Roll Call Vote **RES 2013-0061**
Mike Werner

**Motion to Approve Advance Agenda for August 5, 2013
(per Council Rule 2.1.2)**

OPEN FORUM (CONTINUED)

This is an opportunity for citizens to discuss items of interest not relating to the Current or Advance Agendas nor relating to political campaigns/items on upcoming election ballots. This Forum shall be for a period of time not to exceed thirty minutes. After all the matters on the Agenda have been acted on, unless it is 10:00 p.m. or later, the open forum shall continue for a period of time not to exceed thirty minutes. Each speaker will be limited to three minutes, unless otherwise deemed by the Chair. If you wish to speak at the forum, please sign up on the sign-up sheet located in the Chase Gallery.

ADJOURNMENT

The August 5, 2013, Regular Legislative Session of the City Council is adjourned to Monday, August 19, 2013.

Note: The regularly scheduled City Council meeting for Monday, August 12, 2013, has been canceled.

NOTES



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	LGL 2013-0015
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	HEARING EXAMINER
Contact Name/Phone	JAMES RICHMAN 625-6238
Contact E-Mail	JRICHMAN@SPOKANECITY.ORG
Agenda Item Type	Hearings
Agenda Item Name	0570, BACON BLA APPEAL HEARING, Z13B0006-AP

Agenda Wording

Appeal on the record by Rodney Bacon and Greer Gibson Bacon, represented by Kelly Konkright, Attorney at Law, of the Hearing Examiner's June 5, 2013, decision to uphold the Planning Director's decision approving a boundary line adjustment. . . .

Summary (Background)

On April 7, 2013, the Planning Director approved a boundary line adjustment for property located at 2607 S. Denver Street. On April 12, 2013, through their attorney Kelly Konkright, Rodney Bacon and Greer Gibson Bacon appealed the decision of the Planning Director. On May 23, 2013, the Hearing Examiner held a hearing on the appeal and on June 5, 2013, issued a decision upholding the Planning Director's decision approving the boundary line adjustment. . . .

Fiscal Impact

Select	\$
Select	\$
Select	\$
Select	\$

Budget Account

#
#
#
#

Approvals

Dept Head	MCGINN, BRIAN
Division Director	
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	
Distribution List	
	Kelly Konkright, kkonkright@lukins.com
	Nikalous Armitage, NArmitage@laymanlawfirm.com
	jrichman@spokanecity.org
	mpiccolo@spokanecity.org
	dcompton@spokanecity.org
	areid@spokanecity.org
	rriedinger@spokanecity.org

Additional Approvals

Purchasing

NOTE: The 258-page Appeal packet is available in PDF format upon request in the Office of the City Clerk.



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	OPR 2013-0546
Renews #	
Cross Ref #	
Project #	
Bid #	3940-13
Requisition #	RE #16708

Submitting Dept	FLEET SERVICES
Contact Name/Phone	GENE JAKUBCZAK 625-7865
Contact E-Mail	GJAKUBCZAK@SPOKANECITY.ORG
Agenda Item Type	Purchase w/o Contract
Agenda Item Name	5100 - FLEET SERVICES PURCHASE OF POLICE VEHICLES

Agenda Wording

Low bid meeting specifications of Lake City Ford (Coeur d'Alene, ID) for Ford Police Interceptor AWD SUV's - \$642,830.36 including tax

Summary (Background)

On May 13, 2013 sealed bids were opened to provide the City of Spokane with Police Ford Interceptor AWD SUVs. Two responses were received and the Washington State Contract was evaluated with Lake City Ford being the lowest bidder. This purchase will replace vehicles in the Police Fleet that have reached or exceeded their economic service life.

Fiscal Impact

Expense	\$ 642,830.36
Select	\$
Select	\$
Select	\$

Budget Account

#	1600-11500-94000-56404
#	
#	
#	

Approvals

Dept Head	JAKUBCZAK, GENE
Division Director	ROMERO, RICK
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	PWC 6/10/13
Distribution List	
	Purchasing: tprince
	Fleet Services: gjakubczak & fleetservices

Additional Approvals

Purchasing	PRINCE, THEA

	Taxes & License

FORD POLICE INTERCEPTOR AWD SUV
 BID 3940-13 OPEN: 5/13/13

	Gus Johnson Ford 8300 E Sprague Ave Spokane Valley, WA 99212	Lake City Ford Inc. 315 Clayton Ave Coeur d'Alene ID 83815	Washington State Contract #03611
UNIT PRICE: (18 each)	\$26,144.63/ea	\$25,572.70/ea	\$26,059.00/ea
SUBTOTAL:	\$470,603.35	\$460,308.60	\$469,062.00
Sales/Use Tax (Includes .003 for motor vehicle sales)	\$41,883.70	\$40,967.47	\$38,932.15
TOTAL BID (Including Sales Tax)	\$512,487.05	\$501,276.07	\$507,994.15
Delivery	90-120 days FRO – Current production week is the first week of July	98-115 days FRO	60-120 days FRO
Exceptions:		<p>#27 – Rear Power Point. Civilian models have power point in rear cargo area; Police interceptors do not have this standard or as an option from the factory.</p> <p>#32 – BLIS Blind Spot Monitoring with Cross Traffic Alert. I have not included this in the base bid of the vehicle because it has also been requested on line #22 of the Options list.</p> <p>#7 (Options) – Flasher Wig Wag Headlamp. The new Police interceptor Utility comes standard with projection beam headlamps which use a mechanical shutter to change from bright to</p>	

		<p>dim lamps; this system is not conducive to operation as a “wig-wag” system. The “wig-wag” feature is now achieved using factory option 66A “Front Headlamp Lighting Solution” which includes base projector beam headlamp plus two (2) multi-function Park/Turn/Warn (PTW) bulbs for wig-wag simulation and two (2) white hemispheric light head LED side warning lights; also includes pre-wire for grille lamp, siren and speaker (60A) – Option price is \$797.00.</p> <p>Please note that all Setina products are priced as ordering one (1) piece; if larger quantities are ordered pricing will be less based on lower shipping charges and quantity discounts to Lake City Ford as a distributor which we will pass along to the City of Spokane</p>	
<p>Options:</p> <ol style="list-style-type: none"> 1. Airbag, Passenger Side Deactivation Switch 2. Auxiliary Air-Conditioning 3. Cap, Locking Gas, fleet keyed alike 4. Dark Car Feature (courtesy lamp disable when any door is opened) 			

<p>5. Door Panels, High Strength Aluminum, Rear Doors (Setina)</p> <p>6. Double Vertical Weapon System Partition, Horizontal Sliding Center Section w/Lexan, Includes lower recess extension panel, one standard shotgun lock, one adjustable universal lock including key override and timer. Includes partition with horizontal sliding center section w/lexan installed (includes full lower extension panel) Setina</p> <p>7. Flasher Wig Wag, Headlamp</p> <p>8. Fleet Keyed Alike</p> <p>9. Front Headlamps/Housing Only (includes amber park-turn signal indicators and pre-drilled LED holes (lights not included)</p> <p>10. Hidden door lock plunger/rear door handle inoperable</p> <p>11. Push bumpers, 12 in. HD Aluminum, Setina PB400 (installed) UTILITY</p> <p>12. Rear door locks and handles inoperable</p> <p>13. Rear console plate</p> <p>14. Remappable (4) switches on steering wheel</p> <p>15. Reverse Sensing System</p> <p>16. Spot lamp, dual (incandescent bulbs)</p> <p>17. Two-tone vinyl wrap package #1 (Roof, RH/LH Front Doors, RH/LH Rear Doors)</p> <p>18. Window Barriers, Rear Doors, HD Steel Bars (Setina)</p> <p>19. Rear View Camera (Inc. Electrochromic Rearview Mirror)</p> <p>20. Ford SYNC Basic</p> <p>21. Dome Lamp (red/white) in Cargo Area</p>			
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22. BLIS – Blind Spot Monitoring with Criss Traffic Alert	\$350.00 \$532.00 \$17.00 \$17.00 \$257.00 \$1,438.00 \$225.00 \$45.00 (Will need key code from agency) \$110.00 \$140.00 \$432.00 \$30.00 \$30.00 (not available with interior upgrade pkg) \$136.00 \$240.00 \$306.00		
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	\$733.00 (White color only)	\$193.00 (Must have prior approval from NHTSA)	
	\$257.00	\$532.00	
	\$471.00 (price includes sync basic)	\$17.00	
		\$17.00	
	\$258.00		
	\$45.00	\$132.43	
	\$428.00	\$960.16	
		*See Exceptions	
		\$49.00	
		\$110.00	
		\$140.00	
		\$363.33	
		\$30.00	
		\$30.00	
		\$136.00	
		\$240.00	
		\$306.00	

		\$733.00	\$193.00 (See NHTSA note on Wa State Contract)
		\$170.93	
		\$213.00 (also requires SYNC)	\$528.00
			\$18.00
		\$258.00	\$18.00
		\$45.00	\$218.00
		\$428.00 (also requires SYNC & rearview camera)	\$948.00
			Cant find in Wa State Contract document
			\$45.00
			\$109.00
			\$139.00
			\$311.00
			\$31.00
			\$31.00
			\$135.00
			\$262.00
			\$342.00

			\$729.00 \$169.00 \$213.00 (also requires 2313-079-072 SYNC) \$262.00 \$44.00 \$425.00 (Requires 2313-079-071 Rearview camera and 2313-079-072 SYNC)
	36,000 36 100 Unlimited 60 100	36,000 36 100 Unlimited 60 100	36,000 36 100 Unlimited 60 100

BRIEFING PAPER
Public Works Committee
Fleet Services
June 10, 2013

Subject

Purchase twenty Ford Police Interceptor patrol vehicles for the Police Department from Lake City Ford in Coeur d'Alene, Idaho.

Background

This purchase will replace vehicles in the Police Fleet that have reached or exceeded their economic service life. Lake City Ford was the lowest responsive bidder (Bid #3940-13) for a total of \$642,830.36, including tax.

Impact

These vehicles will allow the Police Department to continue to maintain their fleet of patrol and administrative vehicles.

Action

Recommend approval

Funding

Funds are available in the Police Department's 2013 budget.

Bid 3940-13	Batch - Patrol	Batch - Admin	Batch - K-9	
Item	Wash. Price	Qty	Price	Qty
Ford Police Interceptor				
Police Interceptor Base	\$26,059.00	12	\$213,708.00	2
Air bag pass. De-actv switch	\$193.00	12	\$2,316.00	2
Aux. A/C	\$528.00	0	\$0.00	2
Cap. locking gas	\$18.00	12	\$216.00	2
Dark Car feature	\$18.00	12	\$216.00	2
Door panels, HS, Rear Doors	\$218.00	12	\$2,616.00	2
Double Vertical Weapon System Partition	\$948.00	12	\$11,376.00	2
Flasher wig-wag (Deleted) sub below			\$0.00	2
Fleet Keyed alike	\$45.00	12	\$540.00	2
Frt. Headlamp housing only	\$109.00	12	\$1,308.00	2
Hidden door lock plunger/Rear Inop	\$139.00	12	\$1,668.00	2
Push bumpers (Utility)	\$111.00	12	\$1,332.00	2
Rear Door Locks & Handles Inop.	\$31.00	12	\$372.00	2
Rear console plate	\$31.00	12	\$372.00	2
Remappable switches	\$135.00	12	\$1,620.00	2
Reverse sensing system	\$262.00	12	\$3,144.00	2
Spot lamps, dual SUV	\$342.00	12	\$4,104.00	2
Two-tone vinyl wrap	\$729.00	12	\$8,748.00	2
Window barriers	\$169.00	12	\$2,028.00	2
Rear view camera (red'd for BUS in List.)	\$213.00	12	\$2,556.00	2
SYNC	\$262.00	12	\$3,144.00	2
Dome Lamp	\$44.00	12	\$528.00	2
BUS	\$425.00	12	\$5,100.00	2
Manuals			\$0.00	2
TOTALS			\$368,432.00	2
Tax	8.30%		\$30,578.20	2
TOTALS W/TAX			\$398,990.20	2

\$600,956.00
\$49,879.35
\$650,835.35

Bid 3940-13	Batch - Patrol	Batch - Admin	Batch - K-9	
Item	Lake City Ford	Qty	Price	Qty
Ford Police Interceptor				
Police Interceptor Base	\$25,572.70	12	\$306,872.40	2
Air bag pass. De-actv switch	\$193.00	12	\$2,316.00	2
Aux. A/C	\$532.00	0	\$0.00	2
Cap. locking gas	\$17.00	12	\$204.00	2
Dark Car feature	\$17.00	12	\$204.00	2
Door panels, HS, Rear Doors	\$132.43	12	\$1,589.16	2
Double Vertical Weapon System Partition	\$960.16	12	\$11,521.92	2
Flasher wig-wag (Deleted) sub below			\$0.00	2
Fleet Keyed alike	\$49.00	12	\$588.00	2
Frt. Headlamp housing only	\$110.00	12	\$1,320.00	2
Hidden door lock plunger/Rear Inop	\$140.00	12	\$1,680.00	2
Push bumpers (Utility)	\$363.33	12	\$4,359.96	2
Rear Door Locks & Handles Inop.	\$30.00	12	\$360.00	2
Rear console plate	\$30.00	12	\$360.00	2
Remappable switches	\$136.00	12	\$1,632.00	2
Reverse sensing system	\$240.00	12	\$2,880.00	2
Spot lamps, dual SUV	\$306.00	12	\$3,672.00	2
Two-tone vinyl wrap	\$733.00	12	\$8,796.00	2
Window barriers	\$170.93	12	\$2,051.16	2
Rear view camera (red'd for BUS in List.)	\$213.00	12	\$2,556.00	2
SYNC	\$258.00	12	\$3,096.00	2
Dome Lamp	\$45.00	12	\$540.00	2
BUS	\$428.00	12	\$5,136.00	2
Manuals			\$0.00	2
TOTALS			\$617,744.60	2
Tax	8.90%		\$52,194.38	2
TOTALS W/TAX			\$669,938.98	2

\$590,294.18
\$52,536.18
\$642,830.36

Bid 3940-13	Batch - Patrol	Batch - Admin	Batch - K-9	
Item	Gus Johnson	Qty	Price	Qty
Ford Police Interceptor				
Police Interceptor Base	\$26,144.63	12	\$313,735.56	2
Air bag pass. De-actv switch	\$193.00	12	\$2,316.00	2
Aux. A/C	\$532.00	0	\$0.00	2
Cap. locking gas	\$17.00	12	\$204.00	2
Dark Car feature	\$17.00	12	\$204.00	2
Door panels, HS, Rear Doors	\$257.00	12	\$3,084.00	2
Double Vertical Weapon System Partition	\$1,438.00	12	\$17,256.00	2
Flasher wig-wag (Deleted) sub below			\$0.00	2
Fleet Keyed alike	\$45.00	12	\$540.00	2
Frt. Headlamp housing only	\$110.00	12	\$1,320.00	2
Hidden door lock plunger/Rear Inop	\$140.00	12	\$1,680.00	2
Push bumpers (Utility)	\$432.00	12	\$5,184.00	2
Rear Door Locks & Handles Inop.	\$30.00	12	\$360.00	2
Rear console plate	\$30.00	12	\$360.00	2
Remappable switches	\$136.00	12	\$1,632.00	2
Reverse sensing system	\$240.00	12	\$2,880.00	2
Spot lamps, dual SUV	\$306.00	12	\$3,672.00	2
Two-tone vinyl wrap	\$733.00	12	\$8,796.00	2
Window barriers	\$257.00	12	\$3,084.00	2
Rear view camera (red'd for BUS in List.)	\$471.00	12	\$5,652.00	2
SYNC	\$0.00	12	\$0.00	2
Dome Lamp	\$45.00	12	\$540.00	2
BUS	\$428.00	12	\$5,136.00	2
Manuals			\$0.00	2
TOTALS			\$378,519.56	2
Tax	8.90%		\$33,777.24	2
TOTALS W/TAX			\$412,296.80	2

\$412,296.80
\$4,671.86
\$466,968.66

Bid 3940-13	Batch - Patrol	Batch - Admin	Batch - K-9	
Item	Gus Johnson*	Qty	Price	Qty
Ford Police Interceptor				
Police Interceptor Base	\$26,144.63	12	\$313,735.56	2
Air bag pass. De-actv switch	\$193.00	12	\$2,316.00	2
Aux. A/C	\$532.00	0	\$0.00	2
Cap. locking gas	\$17.00	12	\$204.00	2
Dark Car feature	\$17.00	12	\$204.00	2
Door panels, HS, Rear Doors	\$257.00	12	\$3,084.00	2
Double Vertical Weapon System Partition	\$1,438.00	12	\$17,256.00	2
Flasher wig-wag (Deleted) sub below			\$0.00	2
Fleet Keyed alike	\$45.00	12	\$540.00	2
Frt. Headlamp housing only	\$110.00	12	\$1,320.00	2
Hidden door lock plunger/Rear Inop	\$140.00	12	\$1,680.00	2
Push bumpers (Utility)	\$432.00	12	\$5,184.00	2
Rear Door Locks & Handles Inop.	\$30.00	12	\$360.00	2
Rear console plate	\$30.00	12	\$360.00	2
Remappable switches	\$136.00	12	\$1,632.00	2
Reverse sensing system	\$240.00	12	\$2,880.00	2
Spot lamps, dual SUV	\$306.00	12	\$3,672.00	2
Two-tone vinyl wrap	\$733.00	12	\$8,796.00	2
Window barriers	\$257.00	12	\$3,084.00	2
Rear view camera (red'd for BUS in List.)	\$471.00	12	\$5,652.00	2
SYNC	\$0.00	12	\$0.00	2
Dome Lamp	\$45.00	12	\$540.00	2
BUS (Included in base*)	\$0.00	12	\$0.00	2
Manuals			\$0.00	2
TOTALS			\$374,383.56	2
Tax	8.90%		\$33,320.14	2
TOTALS W/TAX			\$407,703.70	2

\$605,736.00
\$53,950.00
\$659,686.00

MEMORANDUM

5/16/13

TO: PURCHASING DEPARTMENT

FROM: GENE JAKUBCZAK
FLEET SERVICES DIRECTOR

SUBJ: BID # 3940-13

After careful consideration, the Fleet Services Department recommends bid #3940-13 be awarded to Lake City Ford, Inc. of Coeur d'Alene, Idaho as the lowest responsive bidder for the purchase of 20 Ford Interceptor AWD Utility Police patrol vehicles. These are replacement vehicles for the Police Department.

UNITS 428268 - 428279

QTY	ITEM	UNIT PRICE	TOTAL
12	Ford Police Interceptor AWD Utility Vehicles Color - Ebony	\$25,572.70	\$306,872.40
	OPTIONS		
12	Air bag pass. Side deactivation switch	\$193.00	\$2,316.00
12	Cap, locking gas	\$17.00	\$204.00
12	Dark Car Feature	\$17.00	\$204.00
12	Door Panels, HS Aluminum, Rear Doors	\$132.43	\$1,589.16
12	Double Vertical Weapon System Partition	\$960.16	\$11,521.92
12	Keyed Alike	\$49.00	\$588.00
12	Front headlamp housing only	\$110.00	\$1,320.00
12	Hidden Door Lock Plunger/ Rear Door Handle Inop.	\$140.00	\$1,680.00
12	Push Bumpers, HD with welded upper cross support (installed) (Setina PB400)	\$363.33	\$4,359.96
12	Rear Door Locks and Handles Inop.	\$30.00	\$360.00
12	Rear Console Plate	\$30.00	\$360.00
12	Remappable switches	\$136.00	\$1,632.00
12	Reverse Sensing	240.00	\$2,880.00
12	Spot Lamp, dual	\$306.00	\$3,672.00
12	Two-tone vinyl wrap (Roof, RH/LH Front Doors, RH/LH Rear Doors)	\$733.00	\$8,796.00
12	Window Barriers, Rear Doors, HD Steel Bars	\$170.93	\$2,051.16
12	Rearview Camera	\$213.00	\$2,556.00
12	Ford SYNC	\$258.00	\$3,096.00
12	Dome lamp	\$45.00	\$540.00
12	BLIS	\$428.00	\$5,136.00
	Sub-total		\$361,734.60
	Sales Tax 8.9%		\$32,194.38
	TOTAL		\$393,928.98

UNITS 428280 - 428285

QTY	ITEM	UNIT PRICE	TOTAL
6	Ford Police Interceptor AWD Utility Vehicles Color - Ebony	\$25,572.70	\$153,436.20
	OPTIONS		
6	Air bag pass. Side deactivation switch	\$193.00	\$1,158.00
6	Cap, locking gas	\$17.00	\$102.00
6	Dark Car Feature	\$17.00	\$102.00
6	Keyed Alike	\$49.00	\$294.00
6	Front headlamp housing only	\$110.00	\$660.00
6	Push Bumpers, HD with welded upper cross support (installed) (Setina PB400)	\$363.33	
6	Rear Console Plate	\$30.00	\$180.00
6	Remappable switches	\$136.00	\$816.00
6	Reverse Sensing	240.00	\$240.00
6	Spot Lamp, dual	\$306.00	\$1,836.00
6	Two-tone vinyl wrap (Roof, RH/LH Front Doors, RH/LH Rear Doors)	\$733.00	\$4,398.00
6	Rearview Camera	\$213.00	\$1,278.00
6	Ford SYNC	\$258.00	\$1,548.00
6	Dome lamp	\$45.00	\$270.00
6	BLIS	\$428.00	\$2,568.00
	Sub-total		\$172,266.18
	Sales Tax 8.9%		\$15,331.69
	TOTAL		\$187,597.87

UNIT 428294, 428295

QTY	ITEM	UNIT PRICE	TOTAL
2	Ford Police Interceptor AWD Utility Vehicles Colors - Ebony, Dark Blue	\$25,572.70	\$51,145.40
	OPTIONS		
2	Air bag pass. Side deactivation switch	\$193.00	\$386.00
2	Aux. A/C	\$532.00	\$1,064.00
2	Cap, locking gas	\$17.00	\$34.00
2	Dark Car Feature	\$17.00	\$34.00
2	Keyed Alike	\$49.00	\$98.00
2	Front headlamp housing only	\$110.00	\$220.00
2	Rear Console Plate	\$30.00	\$60.00
2	Remappable switches	\$136.00	\$272.00
2	Reverse Sensing	240.00	\$480.00
2	Spot Lamp, dual	\$306.00	\$612.00
2	Rearview Camera	\$213.00	\$426.00
2	Ford SYNC	\$258.00	\$516.00
2	Dome lamp	\$45.00	\$90.00
2	BLIS	\$428.00	\$856.00
	Sub-total		\$56,293.40
	Sales Tax 8.9%		\$5,010.11
	TOTAL		\$61,303.51

Order Totals

Vehicles			\$590,294.18
Sales Tax	8.9%		\$52,536.18
TOTAL			\$642,830.36

cc: Carly Cortright
Dan Smith



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	PRO 2012-0040
Renews #	
Cross Ref #	
Project #	2012066
Bid #	
Requisition #	CR 13639

Submitting Dept	ENGINEERING SERVICES
Contact Name/Phone	GARY NELSON 625-6678
Contact E-Mail	GNELSON@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0370-LOW BID AWARD-LIBERTY/ASH-L & L CARGILE

Agenda Wording

Low Bid of L & L Cargile, Inc. (Spokane Valley, WA) for Liberty Avenue from Oak Street to Ash Place and Ash Place from Dalton Avenue to Liberty Avenue - \$240,357.70 plus tax. An administrative reserve of \$24,035.77 plus sales tax, which is 10%

Summary (Background)

On July 22, 2013 bids were opened for the above project. The low bid was from L & L Cargile, Inc. in the amount of \$240,357.70, which is \$55,559.10 or 18.60% under the Engineer's Estimate; three other bids were received as follows: Red Diamond Construction, Inc. - \$249,677.80, Spokane Rock Products, Inc. - \$255,868.75 and Inland Asphalt Company - \$265,163.65.

Fiscal Impact

Expense	\$ 272,469.24
Select	\$
Select	\$
Select	\$

Budget Account

#	3350-99999-99999-18901
#	
#	
#	

Approvals

Dept Head	TWOHIG, KYLE
Division Director	QUINTRALL, JAN
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	
Distribution List	lhattenburg@spokanecity.org
	rдыkes@spokanecity.org
	mhughes@spokanecity.org
	ewade@spokanecity.org
	pdolan@spokanecity.org
	mlesesne@spokanecity.org
	htrautman@spokanecity.org

Additional Approvals

Purchasing	

City Of Spokane
Engineering Services Department

***** Bid Tabulation *****

Project Number: 2012066

Project Description Liberty Ave, Ash PI LID

Original Date 6/6/2013 7:57:49 AM

Funding Source Local

Update Date 7/22/2013 2:10:33 PM

Preparer Andy Morse

Addendum

Project Number: 2012066			Engineer's Estimate		L & L Cargile Inc		Red Diamond Construction Inc		Spokane Rock Products Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description				Tax Classification							
Schedule	01	Common Items - REBID		Public Street Improvement							
101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1	EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1	LS	*****	300.00	*****	100.00	*****	300.00	*****	1,000.00
103	POTHOLING	5	EA	350.00	1,750.00	150.00	750.00	200.00	1,000.00	300.00	1,500.00
104	REFERENCE AND REESTABLISH SURVEY MONUMENT	1	EA	400.00	400.00	400.00	400.00	600.00	600.00	500.00	500.00
105	CLASSIFICATION AND PROTECTION OF SURVEY MONUMENTS	1	LS	*****	1,050.00	*****	600.00	*****	1,200.00	*****	1,200.00
106	MOBILIZATION	1	LS	*****	25,000.00	*****	15,261.00	*****	26,000.00	*****	20,000.00
107	PROJECT TEMPORARY TRAFFIC CONTROL	1	LS	*****	1,000.00	*****	2,028.00	*****	600.00	*****	23,000.00
108	CLEARING AND GRUBBING	1	LS	*****	2,500.00	*****	1,225.00	*****	450.00	*****	2,500.00
109	TRENCH SAFETY SYSTEM	1	LS	*****	1,500.00	*****	500.00	*****	200.00	*****	1,500.00
110	TEMPORARY ADJACENT UTILITY SUPPORT	1	LS	*****	750.00	*****	283.00	*****	400.00	*****	1,200.00
111	ESC LEAD	1	LS	*****	500.00	*****	100.00	*****	475.00	*****	1,000.00
112	SIGNING, PERMANENT	1	LS	*****	2,500.00	*****	1,943.00	*****	2,000.00	*****	1,730.00
Schedule Totals					37,251.00		23,191.00		33,226.00		55,131.00

Project Number: 2012066			Engineer's Estimate		L & L Cargile Inc		Red Diamond Construction Inc		Spokane Rock Products Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 02</i> Street & Storm Items - REBID				Public Street Improvement						
201	REMOVAL OF STRUCTURE AND OBSTRUCTION	1 LS	*****	600.00	*****	810.00	*****	600.00	*****	3,500.00
202	REMOVE EXISTING CURB	105 LF	8.00	840.00	5.00	525.00	10.00	1,050.00	8.00	840.00
203	SAWCUTTING RIGID PAVEMENT	15 LFI	2.00	30.00	1.00	15.00	2.00	30.00	8.00	120.00
204	SAWCUTTING FLEXIBLE PAVEMENT	660 LFI	1.00	660.00	0.40	264.00	1.20	792.00	2.00	1,320.00
205	ROADWAY EXCAVATION INCL. HAUL	790 CY	17.00	13,430.00	17.40	13,746.00	17.00	13,430.00	9.00	7,110.00
206	PREPARATION OF UNTREATED ROADWAY	2740 SY	2.50	6,850.00	2.00	5,480.00	3.00	8,220.00	1.65	4,521.00
207	CRUSHED SURFACING TOP COURSE	304 CY	45.00	13,680.00	33.00	10,032.00	43.00	13,072.00	45.00	13,680.00
208	CSTC FOR SIDEWALK AND DRIVEWAYS	50 CY	58.00	2,900.00	35.00	1,750.00	40.00	2,000.00	80.00	4,000.00
209	HMA CL. 1/2 IN. PG 64-28, 3 INCH THICK	2475 SY	13.00	32,175.00	14.80	36,630.00	14.00	34,650.00	12.60	31,185.00
210	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 64-28, 3 INCH THICK	21 SY	50.00	1,050.00	12.00	252.00	12.00	252.00	140.00	2,940.00
211	HMA FOR TRANSITION, CL. 1/2 IN. PG 64-28, 2 INCH THICK	10 SY	60.00	600.00	30.00	300.00	40.00	400.00	165.26	1,652.60
212	SOIL RESIDUAL HERBICIDE	2496 SY	0.30	748.80	0.20	499.20	0.30	748.80	0.15	374.40
213	PAVEMENT REPAIR EXCAVATION INCL. HAUL	21 SY	30.00	630.00	10.00	210.00	10.00	210.00	8.00	168.00
214	JOB MIX COMPLIANCE PRICE ADJUSTMENT	1 CAL	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
215	COMPACTION PRICE ADJUSTMENT	1 EST	676.50	676.50	676.50	676.50	676.50	676.50	676.50	676.50
216	ADJUST EXISTING VALVE BOX, MONUMENT OR CLEANOUT IN ASPHALT	1 EA	325.00	325.00	340.00	340.00	325.00	325.00	225.00	225.00
217	ADJUST EXISTING MANHOLE, CATCH BASIN, DRYWELL, OR INLET IN ASPHALT	2 EA	450.00	900.00	604.00	1,208.00	700.00	1,400.00	400.00	800.00
218	CATCH BASIN TYPE 3	2 EA	2,000.00	4,000.00	1,875.00	3,750.00	2,200.00	4,400.00	1,800.00	3,600.00

Project Number: 2012066			Engineer's Estimate		L & L Cargile Inc		Red Diamond Construction Inc		Spokane Rock Products Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 02</i> Street & Storm Items - REBID				Public Street Improvement						
219	CATCH BASIN CONCENTRIC CONE, 2 FT HT	1 EA	350.00	350.00	320.00	320.00	600.00	600.00	650.00	650.00
220	MANHOLE OR DRYWELL FRAME AND COVER (STANDARD)	1 EA	500.00	500.00	753.00	753.00	400.00	400.00	2,500.00	2,500.00
221	ABSORPTION TRENCH	55 LF	75.00	4,125.00	60.00	3,300.00	28.00	1,540.00	31.00	1,705.00
222	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	92 CY	95.00	8,740.00	15.00	1,380.00	35.00	3,220.00	60.00	5,520.00
223	CATCH BASIN DUCTILE IRON SEWER PIPE 8 IN. DIAM.	62 LF	43.00	2,666.00	70.00	4,340.00	45.00	2,790.00	58.00	3,596.00
224	CLEANING EXISTING SANITARY SEWER	3 EA	400.00	1,200.00	200.00	600.00	250.00	750.00	250.00	750.00
225	INLET PROTECTION	4 EA	100.00	400.00	80.00	320.00	50.00	200.00	100.00	400.00
226	STABILIZED CONSTRUCTION ENTRANCE	55 SY	20.00	1,100.00	6.00	330.00	1.50	82.50	21.00	1,155.00
227	SEEDING FERTILIZING AND MULCHING	75 SY	2.00	150.00	10.00	750.00	3.00	225.00	5.00	375.00
228	TOPSOIL TYPE A, 2 INCH THICK	32 SY	8.00	256.00	6.00	192.00	8.00	256.00	10.00	320.00
229	SOD INSTALLATION	32 SY	15.00	480.00	12.50	400.00	15.00	480.00	15.00	480.00
230	REMOVE AND REPLACE EXISTING SPRINKLER HEADS AND LINES	1 LS	*****	500.00	*****	1,000.00	*****	400.00	*****	500.00
231	CEMENT CONCRETE CURB	16 LF	16.00	256.00	29.50	472.00	23.00	368.00	25.00	400.00
232	CEMENT CONC. CURB AND GUTTER	1270 LF	19.50	24,765.00	12.50	15,875.00	14.00	17,780.00	10.00	12,700.00
233	CEMENT CONCRETE DRIVEWAY	152 SY	38.00	5,776.00	37.00	5,624.00	45.00	6,840.00	31.50	4,788.00
234	CEMENT CONCRETE DRIVEWAY TRANSITION	31 SY	35.00	1,085.00	29.00	899.00	44.00	1,364.00	24.75	767.25
235	CEMENT CONC. SIDEWALK	590 SY	50.00	29,500.00	33.00	19,470.00	27.50	16,225.00	28.00	16,520.00
236	RAMP DETECTABLE WARNING	48 SF	25.00	1,200.00	22.50	1,080.00	22.00	1,056.00	20.00	960.00
Schedule Totals				163,143.30		133,591.70		136,831.80		130,797.75

Project Number: 2012066			Engineer's Estimate		L & L Cargile Inc		Red Diamond Construction Inc		Spokane Rock Products Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 03</i> Sewer - REBID				Not Public Street Improvement						
301	MANHOLE TYPE I-48, BASIC PRICE	4 EA	2,300.00	9,200.00	4,250.00	17,000.00	2,500.00	10,000.00	2,000.00	8,000.00
302	CLEANING EXISTING DRAINAGE STRUCTURE	2 EA	300.00	600.00	132.00	264.00	200.00	400.00	225.00	450.00
303	SANITARY SEWER PIPE 8 IN. DIAM. INCL. STRUCTURAL EXCAVATION CLASS B	195 LF	45.00	8,775.00	72.00	14,040.00	60.00	11,700.00	45.00	8,775.00
304	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	286 CY	95.00	27,170.00	15.00	4,290.00	35.00	10,010.00	60.00	17,160.00
305	IMPORTED OR SCREENED NATIVE BEDDING	435 LF	2.50	1,087.50	5.00	2,175.00	8.00	3,480.00	6.00	2,610.00
306	CONNECT 8 IN. DIAMETER PIPE TO EXISTING CATCH BASIN, DRYWELL, OR MANHOLE	1 EA	500.00	500.00	1,300.00	1,300.00	400.00	400.00	125.00	125.00
307	SIDE SEWER PIPE 4 IN. DIAM.	200 LF	35.00	7,000.00	70.00	14,000.00	50.00	10,000.00	35.00	7,000.00
308	SIDE SEWER PIPE 6 IN. DIAM.	40 LF	40.00	1,600.00	70.00	2,800.00	56.00	2,240.00	40.00	1,600.00
309	SIDE SEWER PERMIT	6 EA	40.00	240.00	40.00	240.00	40.00	240.00	40.00	240.00
Schedule Totals				56,172.50	56,109.00	48,470.00	45,960.00			

Project Number: 2012066			Engineer's Estimate		L & L Cargile Inc		Red Diamond Construction Inc		Spokane Rock Products Inc	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>					<i>Tax Classification</i>					
<i>Schedule 04</i> Water - REBID					Not Public Street Improvement					
401	TRENCH EXCAVATION FOR WATER MAIN, 6 IN DIAM	292 LF	25.00	7,300.00	32.00	9,344.00	25.00	7,300.00	8.00	2,336.00
402	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	228 CY	95.00	21,660.00	15.00	3,420.00	35.00	7,980.00	45.00	10,260.00
403	IMPORTED OR SCREENED NATIVE BEDDING	525 LF	2.00	1,050.00	4.00	2,100.00	8.00	4,200.00	7.00	3,675.00
404	TRENCH EXCAVATION FOR WATER SERVICE TAP	233 LF	15.00	3,495.00	29.00	6,757.00	25.00	5,825.00	8.00	1,864.00
405	WATER TAP APPLICATION FEE	6 EA	40.00	240.00	40.00	240.00	40.00	240.00	40.00	240.00
406	1 INCH DOMESTIC WATER TAP INSTALLATION	5 EA	690.00	3,450.00	690.00	3,450.00	690.00	3,450.00	690.00	3,450.00
407	4 INCH DOMESTIC WATER TAP INSTALLATION	1 EA	2,155.00	2,155.00	2,155.00	2,155.00	2,155.00	2,155.00	2,155.00	2,155.00
Schedule Totals				39,350.00		27,466.00		31,150.00		23,980.00

Project Number: 2012066		Engineer's Estimate		Inland Asphalt Company						
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 01</i> Common Items - REBID				Public Street Improvement						
101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
102	SPCC PLAN	1 LS	*****	300.00	*****	500.00	*****	0.00	*****	0.00
103	POTHOLING	5 EA	350.00	1,750.00	378.65	1,893.25	0.00	0.00	0.00	0.00
104	REFERENCE AND REESTABLISH SURVEY MONUMENT	1 EA	400.00	400.00	505.00	505.00	0.00	0.00	0.00	0.00
105	CLASSIFICATION AND PROTECTION OF SURVEY MONUMENTS	1 LS	*****	1,050.00	*****	1,215.00	*****	0.00	*****	0.00
106	MOBILIZATION	1 LS	*****	25,000.00	*****	43,188.90	*****	0.00	*****	0.00
107	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	1,000.00	*****	4,895.00	*****	0.00	*****	0.00
108	CLEARING AND GRUBBING	1 LS	*****	2,500.00	*****	760.00	*****	0.00	*****	0.00
109	TRENCH SAFETY SYSTEM	1 LS	*****	1,500.00	*****	505.00	*****	0.00	*****	0.00
110	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	750.00	*****	1,000.00	*****	0.00	*****	0.00
111	ESC LEAD	1 LS	*****	500.00	*****	560.00	*****	0.00	*****	0.00
112	SIGNING, PERMANENT	1 LS	*****	2,500.00	*****	1,800.00	*****	0.00	*****	0.00
Schedule Totals				37,251.00		56,823.15		0.00		0.00

Project Number: 2012066			Engineer's Estimate		Inland Asphalt Company					
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 02</i> Street & Storm Items - REBID				Public Street Improvement						
201	REMOVAL OF STRUCTURE AND OBSTRUCTION	1 LS	*****	600.00	*****	785.00	*****	0.00	*****	0.00
202	REMOVE EXISTING CURB	105 LF	8.00	840.00	4.54	476.70	0.00	0.00	0.00	0.00
203	SAWCUTTING RIGID PAVEMENT	15 LFI	2.00	30.00	2.00	30.00	0.00	0.00	0.00	0.00
204	SAWCUTTING FLEXIBLE PAVEMENT	660 LFI	1.00	660.00	0.30	198.00	0.00	0.00	0.00	0.00
205	ROADWAY EXCAVATION INCL. HAUL	790 CY	17.00	13,430.00	14.65	11,573.50	0.00	0.00	0.00	0.00
206	PREPARATION OF UNTREATED ROADWAY	2740 SY	2.50	6,850.00	2.60	7,124.00	0.00	0.00	0.00	0.00
207	CRUSHED SURFACING TOP COURSE	304 CY	45.00	13,680.00	34.15	10,381.60	0.00	0.00	0.00	0.00
208	CSTC FOR SIDEWALK AND DRIVEWAYS	50 CY	58.00	2,900.00	35.00	1,750.00	0.00	0.00	0.00	0.00
209	HMA CL. 1/2 IN. PG 64-28, 3 INCH THICK	2475 SY	13.00	32,175.00	13.52	33,462.00	0.00	0.00	0.00	0.00
210	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 64-28, 3 INCH THICK	21 SY	50.00	1,050.00	53.45	1,122.45	0.00	0.00	0.00	0.00
211	HMA FOR TRANSITION, CL. 1/2 IN. PG 64-28, 2 INCH THICK	10 SY	60.00	600.00	99.00	990.00	0.00	0.00	0.00	0.00
212	SOIL RESIDUAL HERBICIDE	2496 SY	0.30	748.80	0.20	499.20	0.00	0.00	0.00	0.00
213	PAVEMENT REPAIR EXCAVATION INCL. HAUL	21 SY	30.00	630.00	25.25	530.25	0.00	0.00	0.00	0.00
214	JOB MIX COMPLIANCE PRICE ADJUSTMENT	1 CAL	-1.00	-1.00	-1.00	-1.00	0.00	0.00	0.00	0.00
215	COMPACTION PRICE ADJUSTMENT	1 EST	676.50	676.50	676.50	676.50	0.00	0.00	0.00	0.00
216	ADJUST EXISTING VALVE BOX, MONUMENT OR CLEANOUT IN ASPHALT	1 EA	325.00	325.00	305.00	305.00	0.00	0.00	0.00	0.00
217	ADJUST EXISTING MANHOLE, CATCH BASIN, DRYWELL, OR INLET IN ASPHALT	2 EA	450.00	900.00	404.00	808.00	0.00	0.00	0.00	0.00
218	CATCH BASIN TYPE 3	2 EA	2,000.00	4,000.00	1,868.00	3,736.00	0.00	0.00	0.00	0.00

Project Number: 2012066			Engineer's Estimate		Inland Asphalt Company					
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 02</i> Street & Storm Items - REBID				Public Street Improvement						
219	CATCH BASIN CONCENTRIC CONE, 2 FT HT	1 EA	350.00	350.00	1,212.00	1,212.00	0.00	0.00	0.00	0.00
220	MANHOLE OR DRYWELL FRAME AND COVER (STANDARD)	1 EA	500.00	500.00	707.00	707.00	0.00	0.00	0.00	0.00
221	ABSORPTION TRENCH	55 LF	75.00	4,125.00	34.34	1,888.70	0.00	0.00	0.00	0.00
222	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	92 CY	95.00	8,740.00	80.80	7,433.60	0.00	0.00	0.00	0.00
223	CATCH BASIN DUCTILE IRON SEWER PIPE 8 IN. DIAM.	62 LF	43.00	2,666.00	60.60	3,757.20	0.00	0.00	0.00	0.00
224	CLEANING EXISTING SANITARY SEWER	3 EA	400.00	1,200.00	252.50	757.50	0.00	0.00	0.00	0.00
225	INLET PROTECTION	4 EA	100.00	400.00	75.75	303.00	0.00	0.00	0.00	0.00
226	STABILIZED CONSTRUCTION ENTRANCE	55 SY	20.00	1,100.00	20.20	1,111.00	0.00	0.00	0.00	0.00
227	SEEDING FERTILIZING AND MULCHING	75 SY	2.00	150.00	2.00	150.00	0.00	0.00	0.00	0.00
228	TOPSOIL TYPE A, 2 INCH THICK	32 SY	8.00	256.00	5.00	160.00	0.00	0.00	0.00	0.00
229	SOD INSTALLATION	32 SY	15.00	480.00	15.00	480.00	0.00	0.00	0.00	0.00
230	REMOVE AND REPLACE EXISTING SPRINKLER HEADS AND LINES	1 LS	*****	500.00	*****	600.00	*****	0.00	*****	0.00
231	CEMENT CONCRETE CURB	16 LF	16.00	256.00	22.25	356.00	0.00	0.00	0.00	0.00
232	CEMENT CONC. CURB AND GUTTER	1270 LF	19.50	24,765.00	12.15	15,430.50	0.00	0.00	0.00	0.00
233	CEMENT CONCRETE DRIVEWAY	152 SY	38.00	5,776.00	39.40	5,988.80	0.00	0.00	0.00	0.00
234	CEMENT CONCRETE DRIVEWAY TRANSITION	31 SY	35.00	1,085.00	40.40	1,252.40	0.00	0.00	0.00	0.00
235	CEMENT CONC. SIDEWALK	590 SY	50.00	29,500.00	25.25	14,897.50	0.00	0.00	0.00	0.00
236	RAMP DETECTABLE WARNING	48 SF	25.00	1,200.00	20.20	969.60	0.00	0.00	0.00	0.00
Schedule Totals				163,143.30		131,902.00		0.00		0.00

Project Number: 2012066			Engineer's Estimate		Inland Asphalt Company					
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 03</i> Sewer - REBID				Not Public Street Improvement						
301	MANHOLE TYPE I-48, BASIC PRICE	4 EA	2,300.00	9,200.00	2,120.00	8,480.00	0.00	0.00	0.00	0.00
302	CLEANING EXISTING DRAINAGE STRUCTURE	2 EA	300.00	600.00	250.00	500.00	0.00	0.00	0.00	0.00
303	SANITARY SEWER PIPE 8 IN. DIAM. INCL. STRUCTURAL EXCAVATION CLASS B	195 LF	45.00	8,775.00	25.25	4,923.75	0.00	0.00	0.00	0.00
304	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	286 CY	95.00	27,170.00	80.80	23,108.80	0.00	0.00	0.00	0.00
305	IMPORTED OR SCREENED NATIVE BEDDING	435 LF	2.50	1,087.50	4.30	1,870.50	0.00	0.00	0.00	0.00
306	CONNECT 8 IN. DIAMETER PIPE TO EXISTING CATCH BASIN, DRYWELL, OR MANHOLE	1 EA	500.00	500.00	555.35	555.35	0.00	0.00	0.00	0.00
307	SIDE SEWER PIPE 4 IN. DIAM.	200 LF	35.00	7,000.00	21.20	4,240.00	0.00	0.00	0.00	0.00
308	SIDE SEWER PIPE 6 IN. DIAM.	40 LF	40.00	1,600.00	15.40	616.00	0.00	0.00	0.00	0.00
309	SIDE SEWER PERMIT	6 EA	40.00	240.00	40.00	240.00	0.00	0.00	0.00	0.00
Schedule Totals				56,172.50		44,534.40		0.00		0.00

Project Number: 2012066			Engineer's Estimate		Inland Asphalt Company					
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>					<i>Tax Classification</i>					
<i>Schedule 04</i> Water - REBID					Not Public Street Improvement					
401	TRENCH EXCAVATION FOR WATER MAIN, 6 IN DIAM	292 LF	25.00	7,300.00	11.40	3,328.80	0.00	0.00	0.00	0.00
402	EXTRA WORK ALLOWANCE FOR ROCK EXCAVATION - TRENCHES	228 CY	95.00	21,660.00	80.80	18,422.40	0.00	0.00	0.00	0.00
403	IMPORTED OR SCREENED NATIVE BEDDING	525 LF	2.00	1,050.00	4.30	2,257.50	0.00	0.00	0.00	0.00
404	TRENCH EXCAVATION FOR WATER SERVICE TAP	233 LF	15.00	3,495.00	8.80	2,050.40	0.00	0.00	0.00	0.00
405	WATER TAP APPLICATION FEE	6 EA	40.00	240.00	40.00	240.00	0.00	0.00	0.00	0.00
406	1 INCH DOMESTIC WATER TAP INSTALLATION	5 EA	690.00	3,450.00	690.00	3,450.00	0.00	0.00	0.00	0.00
407	4 INCH DOMESTIC WATER TAP INSTALLATION	1 EA	2,155.00	2,155.00	2,155.00	2,155.00	0.00	0.00	0.00	0.00
Schedule Totals				39,350.00		31,904.10		0.00		0.00

Project Number **2012066** **Liberty Ave, Ash PI LID**

SCHEDULE SUMMARY

	Sched 1	Sched 2	Sched 3	Sched 4	Sched 5	Sched 6	Sched 7	Sched 8	Total
Engineer's Est	37,251.00	163,143.30	56,172.50	39,350.00	0.00	0.00	0.00	0.00	295,916.80
L & L Cargile Inc	23,191.00	133,591.70	56,109.00	27,466.00	0.00	0.00	0.00	0.00	240,357.70
Red Diamond Construc	33,226.00	136,831.80	48,470.00	31,150.00	0.00	0.00	0.00	0.00	249,677.80
Spokane Rock Product	55,131.00	130,797.75	45,960.00	23,980.00	0.00	0.00	0.00	0.00	255,868.75
Inland Asphalt Compan	56,823.15	131,902.00	44,534.40	31,904.10	0.00	0.00	0.00	0.00	265,163.65

Low Bid Contractor: L & L Cargile Inc

	Contractor's Bid	Engineer's Estimate	% Variance
Schedule 01	\$23,191.00	\$37,251.00	37.74 % Under Estimate
Schedule 02	\$133,591.70	\$163,143.30	18.11 % Under Estimate
Schedule 03	\$60,990.48	\$61,059.51	0.11 % Under Estimate
Schedule 04	\$29,855.54	\$42,773.45	30.20 % Under Estimate
Bid Totals	\$247,628.72	\$304,227.26	18.60 % Under Estimate



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	PRO 2013-0021
Renews #	
Cross Ref #	
Project #	2012079
Bid #	
Requisition #	

Submitting Dept	ENGINEERING SERVICES
Contact Name/Phone	GARY NELSON 625-6678
Contact E-Mail	GNELSON@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0370-LOW BID AWARD-FISKE STREET

Agenda Wording

Low Bid of (to be determined at bid opening to be held July 29, 2013) (City, St) for Fiske Street from 19th Avenue to 17th Avenue - \$_____. An administrative reserve of \$_____, which is 10% of the contract price, will be set aside.

Summary (Background)

All information will be provided prior to the August 5, 2013 meeting. On July 29, 2013 bids were opened for the above project. The Engineer's Estimate for this project is \$225,849.89 The low bid was from (to be determined at the bid opening) in the amount of \$_____, which is \$_____ or _____% over/under the Engineer's Estimate; _____ other bids were received as follows:

Fiscal Impact

Expense	\$ 225,849.89
Select	\$
Select	\$
Select	\$

Budget Account

#	3200 49407 95300 56501
#	
#	
#	

Approvals

Dept Head	TWOHIG, KYLE
Division Director	QUINTRALL, JAN
Finance	
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	
Distribution List	
	lhattenburg@spokanecity.org
	rдыkes@spokanecity.org
	mhughes@spokanecity.org
	ewade@spokanecity.org
	pdolan@spokanecity.org
	mlesesne@spokanecity.org
	htrautman@spokanecity.org

Additional Approvals

Purchasing	



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	PRO 2013-0022
Renews #	
Cross Ref #	
Project #	2012112
Bid #	
Requisition #	

Submitting Dept	ENGINEERING SERVICES
Contact Name/Phone	GARY NELSON 625-6678
Contact E-Mail	GNELSON@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0370-LOW BID AWARD-GREENE STREET BRIDGE LOAD-RATING

Agenda Wording

Low Bid of (to be determined at bid opening to be held July 29, 2013) (City, St) for Greene Street Bridge Load-Rating Repair - \$_____. An administrative reserve of \$_____, which is 10% of the contract price, will be set aside.

Summary (Background)

All information will be provided prior to the August 5, 2013 meeting. On July 29, 2013 bids were opened for the above project. The Engineer's Estimate for this project is \$670,666.00 The low bid was from (to be determined at the bid opening) in the amount of \$_____, which is \$_____ or _____% over/under the Engineer's Estimate; _____ other bids were received as follows:

Fiscal Impact

Expense	\$ 670,666.00
Select	\$
Select	\$
Select	\$

Budget Account

#	3200 95051 95300 56501
#	
#	
#	

Approvals

Dept Head	TWOHIG, KYLE
Division Director	QUINTRALL, JAN
Finance	
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	
Distribution List	
	lhattenburg@spokanecity.org
	rdykes@spokanecity.org
Additional Approvals	mhughes@spokanecity.org
Purchasing	ewade@spokanecity.org
	pdolan@spokanecity.org
	mlesesne@spokanecity.org
	htrautman@spokanecity.org



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	PRO 2013-0023
Renews #	
Cross Ref #	
Project #	2013043/44/45
Bid #	
Requisition #	BT

Submitting Dept	ENGINEERING SERVICES
Contact Name/Phone	GARY NELSON 625-6678
Contact E-Mail	GNELSON@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0370-LOW BID AWARD-2012 TRAFFIC CALMING-BACON CONCRETE

Agenda Wording

Low Bid of Bacon Concrete, Inc. (Colbert, WA) for 2012 Traffic Calming Projects - \$223,923.50. An administrative reserve of \$22,392.35, which is 10% of the contract price, will be set aside. (Various Neighborhood Councils)

Summary (Background)

On July 22, 2013 bids were opened for the above project. The low bid was from Bacon Concrete, Inc. in the amount of \$223,923.50, which is \$4,689.56 or 2.14% over the Engineer's Estimate; two other bids were received as follows: Cameron-Reilly, LLC - \$237,175.00 and William Winkler Company - \$261,453.50.

Fiscal Impact

Expense	\$ 31,633.68
Expense	\$ 118,627.12
Expense	\$ 96,055.05
Select	\$

Budget Account

#	1380 24101 95300 56501
#	1380 24102 95300 56501
#	1380 24103 95300 56501
#	

Approvals

Dept Head	TWOHIG, KYLE
Division Director	QUINTRALL, JAN
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	
Distribution List	lhattenburg@spokanecity.org
	rдыkes@spokanecity.org
	mhughes@spokanecity.org
	ewade@spokanecity.org
	pdolan@spokanecity.org
	mlesesne@spokanecity.org
	htrautman@spokanecity.org

Additional Approvals

Purchasing	

City Of Spokane
Engineering Services Department

***** Bid Tabulation *****

Project Number: 2013043

Project Description 2012 Traffic Calming Projects

Original Date 6/14/2013 2:13:31 PM

Funding Source Local

Update Date 7/22/2013 2:28:10 PM

Preparer Dan Buller

Addendum

Project Number: 2013043	Engineer's Estimate	Bacon Concrete Inc	Cameron-Reilly LLC	William Winkler Company
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Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
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Schedule Description				Tax Classification						
Schedule	01	Common		Public Street Improvement						
101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1 LS	*****	1,000.00	*****	500.00	*****	750.00	*****	750.00
103	MOBILIZATION	1 LS	*****	15,000.00	*****	21,000.00	*****	14,135.00	*****	28,614.00
104	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	17,000.00	*****	14,000.00	*****	21,300.00	*****	55,000.00
105	MATERIAL ON HAND, TREE PROTECTION	1 LS	*****	2,000.00	*****	500.00	*****	1,200.00	*****	2,000.00
106	ESC LEAD	1 LS	*****	2,000.00	*****	840.00	*****	650.00	*****	1,000.00
Schedule Totals				37,001.00		36,841.00		38,036.00		87,365.00

Project Number: 2013043			Engineer's Estimate		Bacon Concrete Inc		Cameron-Reilly LLC		William Winkler Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 02</i> District 1				Public Street Improvement						
201	SEQUENTIAL ARROW SIGN	100 HR	6.00	600.00	18.00	1,800.00	20.00	2,000.00	3.50	350.00
202	REMOVE EXISTING CURB	38 LF	7.00	266.00	12.00	456.00	20.00	760.00	30.00	1,140.00
203	REMOVE CEMENT CONCRETE SIDEWALK AND DRIVEWAY	33 SY	12.00	396.00	12.00	396.00	20.00	660.00	34.00	1,122.00
204	SAWCUTTING CURB	4 EA	20.00	80.00	40.00	160.00	100.00	400.00	25.00	100.00
205	SAWCUTTING RIGID PAVEMENT	150 LFI	2.00	300.00	2.00	300.00	4.00	600.00	4.00	600.00
206	CSTC FOR SIDEWALK AND DRIVEWAYS	2 CY	45.00	90.00	60.00	120.00	100.00	200.00	1.00	2.00
208	CEMENT CONCRETE CURB	38 LF	18.00	684.00	24.00	912.00	20.00	760.00	18.00	684.00
209	CEMENT CONC. SIDEWALK	33 SY	45.00	1,485.00	54.00	1,782.00	50.00	1,650.00	37.00	1,221.00
210	RAMP DETECTABLE WARNING	16 SF	25.00	400.00	20.00	320.00	50.00	800.00	22.00	352.00
211	SIGNING, PERMANENT	1 LS	*****	11,000.00	*****	10,100.00	*****	11,150.00	*****	2,183.50
212	REMOVAL OF EXISTING PAVEMENT MARKINGS	564 SF	4.50	2,538.00	3.75	2,115.00	3.00	1,692.00	2.05	1,156.20
213	REMOVAL OF EXISTING WORD AND SYMBOL MARKINGS	4 EA	75.00	300.00	85.00	340.00	125.00	500.00	115.00	460.00
214	PAVEMENT MARKING - DURABLE HEAT APPLIED	227 SF	12.00	2,724.00	9.00	2,043.00	10.00	2,270.00	10.00	2,270.00
215	PAVEMENT MARKING - PAINT	4517 SF	1.50	6,775.50	0.50	2,258.50	1.00	4,517.00	1.00	4,517.00
216	WORD AND SYMBOL MARKINGS - DURABLE HEAT APPLIED	6 EA	250.00	1,500.00	154.00	924.00	400.00	2,400.00	340.00	2,040.00
Schedule Totals				29,138.50		24,026.50		30,359.00		18,197.70

Project Number: 2013043			Engineer's Estimate		Bacon Concrete Inc		Cameron-Reilly LLC		William Winkler Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 03</i> District 2				Public Street Improvement						
301	SEQUENTIAL ARROW SIGN	100 HR	6.00	600.00	18.00	1,800.00	10.00	1,000.00	3.50	350.00
302	REMOVE EXISTING CURB	341 LF	7.00	2,387.00	10.00	3,410.00	10.00	3,410.00	8.00	2,728.00
303	REMOVE CEMENT CONCRETE SIDEWALK AND DRIVEWAY	140 SY	12.00	1,680.00	8.00	1,120.00	15.00	2,100.00	20.00	2,800.00
304	REMOVE MANHOLE, CATCH BASIN OR DRYWELL	1 EA	800.00	800.00	740.00	740.00	400.00	400.00	2,000.00	2,000.00
305	SAWCUTTING CURB	14 EA	20.00	280.00	40.00	560.00	20.00	280.00	25.00	350.00
306	SAWCUTTING FLEXIBLE PAVEMENT	2541 LFI	0.75	1,905.75	1.20	3,049.20	1.00	2,541.00	1.00	2,541.00
307	SAWCUTTING RIGID PAVEMENT	310 LFI	2.00	620.00	2.00	620.00	2.00	620.00	4.00	1,240.00
308	CSTC FOR SIDEWALK AND DRIVEWAYS	14 CY	45.00	630.00	52.00	728.00	100.00	1,400.00	65.70	919.80
309	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 70-28, 6 INCH THICK	183 SY	30.00	5,490.00	68.00	12,444.00	70.00	12,810.00	87.00	15,921.00
310	PAVEMENT REPAIR EXCAVATION INCL. HAUL	183 SY	25.00	4,575.00	18.40	3,367.20	25.00	4,575.00	30.00	5,490.00
311	GRATE INLET TYPE 3	1 EA	1,000.00	1,000.00	1,600.00	1,600.00	750.00	750.00	400.00	400.00
312	CATCH BASIN TYPE 1	2 EA	2,000.00	4,000.00	2,140.00	4,280.00	2,250.00	4,500.00	2,000.00	4,000.00
313	ADJUST EXISTING MANHOLE, CATCH BASIN, DRYWELL, OR INLET IN ASPHALT	7 EA	450.00	3,150.00	400.00	2,800.00	500.00	3,500.00	300.00	2,100.00
314	CONNECT 6-12 IN. DIAM. SEWER PIPE TO EXISTING SEWER PIPE	1 EA	500.00	500.00	450.00	450.00	500.00	500.00	300.00	300.00
315	CONNECT 6-12 IN. DIAMETER PIPE TO EXISTING CATCH BASIN, DRYWELL, OR MANHOLE	3 EA	750.00	2,250.00	450.00	1,350.00	750.00	2,250.00	90.00	270.00
316	CATCH BASIN DUCTILE IRON SEWER PIPE 8 IN. DIAM.	86 LF	50.00	4,300.00	62.60	5,383.60	75.00	6,450.00	45.00	3,870.00
317	MANHOLE OR DRYWELL FRAME AND COVER (STANDARD)	2 EA	485.34	970.69	2,600.00	5,200.00	500.00	1,000.00	134.00	268.00
318	INLET PROTECTION	10 EA	100.00	1,000.00	100.00	1,000.00	50.00	500.00	150.00	1,500.00

Project Number: 2013043			Engineer's Estimate		Bacon Concrete Inc		Cameron-Reilly LLC		William Winkler Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 03</i> District 2				Public Street Improvement						
319	TOPSOIL TYPE A, 2 INCH THICK	177 SY	8.00	1,416.00	6.00	1,062.00	5.00	885.00	15.00	2,655.00
320	TOPSOIL TYPE A, 9 INCH THICK	73 SY	20.00	1,460.00	18.00	1,314.00	15.00	1,095.00	15.00	1,095.00
321	SHRUBS - PLANTING (1 GAL) PSIFE	108 EA	25.00	2,700.00	16.00	1,728.00	16.00	1,728.00	18.00	1,944.00
322	LANDSCAPE BOULDERS - 12 IN. BASALT	28 EA	50.00	1,400.00	28.00	784.00	50.00	1,400.00	30.00	840.00
323	BARK OR WOOD CHIP MULCH	9 CY	60.00	540.00	54.00	486.00	60.00	540.00	60.00	540.00
324	SOD INSTALLATION	177 SY	15.00	2,655.00	15.00	2,655.00	12.00	2,124.00	20.00	3,540.00
325	2 IN. PVC IRRIGATION SLEEVE	75 LF	10.00	750.00	8.00	600.00	10.00	750.00	9.00	675.00
326	1 1/4 IN. GS IRRIGATION SLEEVE	27 LF	15.00	405.00	10.00	270.00	10.00	270.00	15.00	405.00
327	REMOVE AND REPLACE EXISTING SPRINKLER HEADS AND LINES	1 LS	*****	1,500.00	*****	3,400.00	*****	4,000.00	*****	5,500.00
328	CEMENT CONCRETE CURB	306 LF	18.00	5,508.00	24.00	7,344.00	17.00	5,202.00	18.00	5,508.00
329	CEMENT CONC. SIDEWALK	332 SY	45.00	14,940.00	36.00	11,952.00	45.00	14,940.00	34.00	11,288.00
330	RAMP DETECTABLE WARNING	104 SF	25.00	2,600.00	20.00	2,080.00	25.00	2,600.00	22.00	2,288.00
331	SIGNING, PERMANENT	1 LS	*****	6,000.00	*****	4,900.00	*****	4,500.00	*****	4,200.00
332	REMOVAL OF EXISTING PAVEMENT MARKINGS	33 SF	4.50	148.50	21.00	693.00	10.00	330.00	9.00	297.00
333	PAVEMENT MARKING - DURABLE HEAT APPLIED	93 SF	12.00	1,116.00	10.00	930.00	15.00	1,395.00	10.00	930.00
Schedule Totals				79,276.94		90,100.00		90,345.00		88,752.80

Project Number: 2013043			Engineer's Estimate		Bacon Concrete Inc		Cameron-Reilly LLC		William Winkler Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

<i>Schedule Description</i>				<i>Tax Classification</i>						
<i>Schedule 04</i> District 3				Public Street Improvement						
401	SEQUENTIAL ARROW SIGN	100 HR	6.00	600.00	18.00	1,800.00	10.00	1,000.00	3.50	350.00
402	SAWCUTTING CURB	2 EA	20.00	40.00	40.00	80.00	50.00	100.00	30.00	60.00
403	SAWCUTTING RIGID PAVEMENT	30 LFI	2.00	60.00	2.00	60.00	4.00	120.00	4.00	120.00
404	SAWCUTTING FLEXIBLE PAVEMENT	250 LFI	0.75	187.50	1.20	300.00	2.00	500.00	1.00	250.00
405	REMOVE EXISTING CURB	80 LF	7.00	560.00	12.00	960.00	10.00	800.00	10.00	800.00
406	REMOVE CEMENT CONCRETE SIDEWALK AND DRIVEWAY	30 SY	12.00	360.00	12.00	360.00	20.00	600.00	26.00	780.00
407	CSTC FOR SIDEWALK AND DRIVEWAYS	66 CY	45.00	2,970.00	35.00	2,310.00	75.00	4,950.00	57.00	3,762.00
408	INLET PROTECTION	4 EA	100.00	400.00	100.00	400.00	100.00	400.00	150.00	600.00
409	SOD INSTALLATION	440 SY	15.00	6,600.00	15.00	6,600.00	15.00	6,600.00	13.00	5,720.00
410	TOPSOIL TYPE A, 2 INCH THICK	440 SY	8.00	3,520.00	6.00	2,640.00	7.50	3,300.00	6.00	2,640.00
411	2 IN. PVC IRRIGATION SLEEVE	18 LF	10.00	180.00	8.00	144.00	10.00	180.00	12.00	216.00
412	REMOVE AND REPLACE EXISTING SPRINKLER HEADS AND LINES	1 LS	*****	1,500.00	*****	6,400.00	*****	3,500.00	*****	7,200.00
413	CEMENT CONCRETE CURB	205 LF	18.00	3,690.00	24.00	4,920.00	17.00	3,485.00	18.00	3,690.00
414	CEMENT CONCRETE DRIVEWAY	83 SY	50.00	4,150.00	54.00	4,482.00	50.00	4,150.00	90.00	7,470.00
415	CEMENT CONC. SIDEWALK	1000 SY	45.00	45,000.00	38.00	38,000.00	45.00	45,000.00	30.00	30,000.00
416	RAMP DETECTABLE WARNING	40 SF	25.00	1,000.00	20.00	800.00	25.00	1,000.00	22.00	880.00
417	SIGNING, PERMANENT	1 LS	*****	3,000.00	*****	2,700.00	*****	2,750.00	*****	2,600.00
Schedule Totals				73,817.50		72,956.00		78,435.00		67,138.00

Project Number **2013043** **2012 Traffic Calming Projects**

SCHEDULE SUMMARY

	Sched 1	Sched 2	Sched 3	Sched 4	Sched 5	Sched 6	Sched 7	Sched 8	Total
Engineer's Est	37,001.00	29,138.50	79,276.94	73,817.50	0.00	0.00	0.00	0.00	219,233.94
Bacon Concrete Inc	36,841.00	24,026.50	90,100.00	72,956.00	0.00	0.00	0.00	0.00	223,923.50
Cameron-Reilly LLC	38,036.00	30,359.00	90,345.00	78,435.00	0.00	0.00	0.00	0.00	237,175.00
William Winkler Compa	87,365.00	18,197.70	88,752.80	67,138.00	0.00	0.00	0.00	0.00	261,453.50

Low Bid Contractor: Bacon Concrete Inc

	Contractor's Bid	Engineer's Estimate	% Variance
Schedule 01	\$36,841.00	\$37,001.00	0.43 % Under Estimate
Schedule 02	\$24,026.50	\$29,138.50	17.54 % Under Estimate
Schedule 03	\$90,100.00	\$79,276.94	13.65 % Over Estimate
Schedule 04	\$72,956.00	\$73,817.50	1.17 % Under Estimate
Bid Totals	\$223,923.50	\$219,233.94	2.14 % Over Estimate



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	OPR 2013-0560
Renews #	
Cross Ref #	
Project #	
Bid #	3954-13
Requisition #	16705

Submitting Dept	WASTEWATER MANAGEMENT
Contact Name/Phone	DALE ARNOLD 625-7900
Contact E-Mail	DARNOLD@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	4320-SODIUM BISULFITE SOLUTION, 40%

Agenda Wording

Purchase contract with Two Rivers Terminal, LLC (Pasco, WA) to supply Sodium Bisulfite solution, 40% to the Riverside Park Water Reclamation Facility (RPWRF). Estimated cost is \$183,703.40 per year. Contract term is for a two (2) year period,(con't.)

Summary (Background)

On July 8, 2013, sealed bids were opened to supply RPWRF with Sodium Bisulfite solution, 40%, which is used to neutralize Sodium Hypochlorite in the effluent water to reduce toxic effects on aquatic organisms in the Spokane River. Bids were received from three companies. Two Rivers Terminal, LLC had the lowest bid. The contract term is for a two (2) year period. The contract may be renewed for three (3) additional one year contract periods, with no provision for price increase at the (con't)

Fiscal Impact

Expense	\$ 183,703.40
Select	\$
Select	\$
Select	\$

Budget Account

#	4320-43210-35148-53203
#	
#	
#	

Approvals

Dept Head	ARNOLD, DALE
Division Director	ROMERO, RICK
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	Public Works Comm. 07/22/13

Distribution List

pdolan@spokanecity.org
Tax & Licenses
emasingale@spokanecity.org
mlesesne@spokanecity.org
cwahl@spokanecity.org

Additional Approvals

Purchasing	WAHL, CONNIE

BRIEFING PAPER
Public Works Committee
Wastewater Management

July 22, 2013

Subject

Request City Council approval to award contract (Bid #-3954-13) to Two Rivers Terminal, LLC (Low Bidder) to supply Sodium Bisulfite solution, 40% to the Riverside Park Water Reclamation Facility at an estimated annual cost of \$183,703.40.

Background

The Riverside Park Water Reclamation Facility uses liquid chemicals for disinfection of effluent prior to discharge to the Spokane River. Sodium Hypochlorite is used to disinfect effluent and Sodium Bisulfite solution is added prior to discharge to neutralize the toxic effects of Sodium Hypochlorite (disinfectant) on aquatic organisms.

The following bids to supply approximately 130,000 gallons of Sodium Bisulfite annually were received on 7-8-13:

Two Rivers Terminal, North Glade RD, Pasco, WA 99301	\$183,703.40/year
Univar USA Inc., 8201 S. 212 th , Kent, WA 98032	\$203,486.40/year
Thatcher Co. of Montana, 3200 Raser Drive, Missoula, MT 59808-1543	\$204,758.19/year

The estimated annual cost of this contract including taxes is \$183,703.40. The contract period is for a two (2) year period, beginning August, 15, 2013 and terminating August 15, 2015. The contract may be renewed for three (3) additional one year contract periods. There is no provision for price increases during the initial contract or subsequent renewals. The estimated quantity is 130,000 gallons annually, more or less.

Impact

The Wastewater Management Department has apportioned an adequate amount in its chemical budget to accommodate this contract. The annual impact of this contract is \$183,703.40 per year.

Action

Wastewater Management is seeking City Council approval to enter into this contract.

Funding

This contract will be funded using local dollars generated by sewer bills.

BID TABULATION

BID #3954-13 SODIUM BISULFITE SOLUTION, 40%
DUE: 7/8/13

RESPONSES RECEIVED FROM:	THACHER COMPANY OF MONTANA 3200 Raser Drive Missoula, MT 59808-1543	UNIVAR USA INC. 8201 S. 212TH KENT, WA 98032	TWO RIVERS TERMINAL, LLC 3300 C NORTH GLADE RD. PASCO, WA 99301
130,000 GL PER YR MORE OR LESS	1.449 gl	1.44 gl	1.30 gl
Bid Subtotal	\$188,370.00	\$187,200.00	\$169,000.00
Sales Tax (8.7%)	16,388.19	16,286.40	14,703.40
GRAND TOTAL	\$204,758.19	\$203,486.40	\$183,703.00
DELIVERY TIME (ARO)	3-5 days	2-3 days	3 days
NOTES			

Request for Bids sent to 52 companies/plan centers with 3 responses and 2 "official" NO BIDS

PLEASE NOTE THAT THIS BID TABULATION IS NOT AN INDICATION OF AWARD RECOMMENDATION. CRITERIA, IN ADDITION TO PRICE, ARE EVALUATED TO DETERMINE RESPONSIVE BID MEETING SPECIFICATIONS AND BIDDER RESPONSIBILITY. AWARD OF BID IS MADE BY CITY COUNCIL.



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	OPR 2013-0561
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	COMMUNITY, HOUSING & HUMAN SERVICES
Contact Name/Phone	M SHARTS X6325
Contact E-Mail	MSHARTS@SPOKANECITY.ORG
Agenda Item Type	Contract Item
Agenda Item Name	1669 VASILENKO COOK RANCHER

Agenda Wording

Loan Agreement & other documents with Konstantin & Tatyana Vasilenko(Spokane)for construction of a 5-bedroom house at 3403 S Cook - \$100,000 HOME funds (Lincoln Heights)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires the house benefit renter households at or below 50% of area median income for at least 20 years. Financing includes a \$50,000 loan with interest at 3% that will be repaid over 20 years and a \$50,000 loan that will be deferred 20 years, then forgiven over the next 10 years, provided that affordability is maintained. The City loan is the only debt on the property.

Fiscal Impact

Expense	\$ 100,000 HOME
Select	\$
Select	\$
Select	\$

Budget Account

#	1710-95842-59210-54201-72002
#	
#	
#	

Approvals

Dept Head	ALLARD, JERRIE
Division Director	MALLAHAN, JONATHAN
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	3/4/13 PCED
Other	

Distribution List

	bchilds@spokanecity.org
	kmoat@spokanecity.org
Additional Approvals	msharts@spokanecity.org
Purchasing	forkosta@yahoo.com

PROPOSED BUDGET

VASILENKO
COOK RANCHER

3403 South Cook Street

Land	22,000	Owner	35,280
Construction	93,750		
Contingency (10%)	9,760	City HOME loans	100,000
Sales tax	5,220		
Permit	2,350		
Landscaping	1,500		
Insurance, real estate taxes	700		
TOTAL	135,280	TOTAL	135,280

Construction of a 5-bedroom, three-bathroom single family residence with \pm 1,868 sf. It is a rancher with a daylight basement and a two-car garage. The water heater and appliances will be Energy Star rated.

The City loans include a \$50,000 loan that will be repaid over 20 years and a \$50,000 loan that will be deferred for 20 years, then forgiven over the next 10 years, if the affordability requirements are extended.

OPR # _____

**CITY OF SPOKANE
VASILENKO**

COOK RANCHER

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this 8th day of July 2013 ("Effective Date"), by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, the "Borrower", whose address is 19914 North Hazard Road, Spokane, WA 99208. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in two Promissory Notes and a HOME Program Loan Covenant Agreement ("Covenant Agreement"). The City's disbursements under the Loan Agreement are further secured by a Deed of Trust. The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

WITNESSETH: The Parties hereby agree to diligently fulfill the following duties and to perform the following services in accordance with all of the conditions, terms, and requirements of this Loan Agreement.

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for very low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME").
- B. To accomplish the purpose of this Loan Agreement, the City shall provide a portion of the financing for the Borrower's construction of the Cook Rancher, a new 5-bedroom single family residence, located at 3403 South Cook Street in Spokane, WA (the "Project"). The full legal description is attached as Attachment 1. The abbreviated legal description of the Project is:

PTN LT 5, BLK 1 & PTN LT 1, BLK 2, BRIARWOOD ADDITION

Assessor's Parcel Number: 35331.3621.

Property Address: 3403 South Cook Street, Spokane, WA

- C. The Project is expected to conform to the estimates noted in the Project Budget, attached hereto as "Attachment 2" and incorporated herein. All additional costs over and above the sum noted as compensation for this Loan Agreement shall be borne by the Borrower.

II. CONTRACT TERM

This Loan Agreement shall run from July 8, 2013, through July 7, 2043, or the contract term of this Loan Agreement as extended, whichever is later. The City and Borrower, upon mutual agreement, shall have the power to extend the term of this Loan Agreement. Any extension shall not increase the overall dollar amount loaned by the City pursuant to this Loan Agreement.

III. COMPENSATION

The City shall loan the Borrower a sum not to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) from HOME funds, in two separate loans of \$50,000.00 each, to be disbursed as provided herein. Loan 1 will be an amortizing loan with payments of interest and principal over twenty years beginning at Project Completion and to coincide with the affordability period outlined in this Loan Agreement. Payments may be deferred for up to 12 months, with the amortization over the remainder of the 20-year term. Payments of the interest and principal for Loan 2 will be deferred for 20 years from Project Completion, as defined in Section VIII of this Loan Agreement, with payments over the next 10 years, unless forgiven pursuant to Section XVI of this Loan Agreement. In addition, Loan 2 shall not be eligible for debt forgiveness until Loan 1 is fully repaid.

IV. PRICING

Loan 1 and Loan 2 are subject to three percent (3%) interest on the outstanding principal balance loaned, starting from the time of disbursement(s) and compounded monthly during any deferral period. For Loan 2, if affordability is extended beyond the initial twenty-year (20-year)- HOME Affordability Period, interest shall continue to accrue on the outstanding principal balance at the rate of three percent (3%) annually during any extended period of affordability. If rents for any HOME-assisted units of Borrower's Project are raised above the level of the Affordability Requirement defined in this Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of this Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%) for period of noncompliance, as determined by the City's Director of Community, Housing and Human Services Department ("Director").

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust. The sum of all loans against the Project, including the City's, cannot exceed ninety percent (90%) of the lesser of estimated value upon completion or cost.

- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a ***covenant running with the land***, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.
- D. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City of Spokane as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement. Without limiting the forgoing, funding disbursements are subject to the following conditions:
 - 1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development (“HUD”), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 - 2. All loaned funds must be utilized within twelve (12) months from the date this Loan Agreement is executed.
 - 3. Funds shall not be loaned until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City’s Multifamily Housing Program. In case of a difference between the Parties on when the funds shall be disbursed, the Director’s determination shall govern.
- B. The maximum term of Loan 1 is twenty (20) years from Project Completion and the maximum term of Loan 2, including potential debt forgiveness, is thirty (30) years from Project Completion, as defined in Section VIII of this Loan Agreement.
- C. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form

acceptable to the City, that the following actions have been taken to the City's satisfaction:

1. Recording of the Covenant Agreement and Deed of Trust.
 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.
 3. For projects including acquisition of land and/or buildings, an appropriate appraisal must be reviewed and approved by the City.
 4. Notwithstanding any provision in this Loan Agreement, the Borrower and the City hereto agree and acknowledge that this Loan Agreement does not constitute a commitment of funds or site approval until satisfactory completion of environmental review and receipt by the City of a release of funds from the U.S. Department of Housing and Urban Development ("HUD") under 24 CFR Part 58. The Borrower and the City further agree that the provision of any funds to the Project shall be conditioned upon the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. The Borrower shall not spend any funds on physical or choice-limiting actions, including property acquisitions, demolition, movement, rehabilitation, conversion, repair, or construction prior to the environmental clearance as described herein. Violation of this provision may result in the denial of any funds under this Loan Agreement. The Borrower shall perform all the required mitigation measures referenced in the environmental review record completed by the City.
 5. As applicable, the Borrower shall demonstrate, to the City's satisfaction, full compliance with the minimum wage requirements set forth in Section XIX herein below.
- D. Notwithstanding the foregoing, a retainage of ten percent (10%) of the total amount allocated under this Loan Agreement shall be held by the City until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

VII. INCOME DETERMINATIONS

- A. For purposes of this Loan Agreement, tenant "annual income" is defined pursuant to 24 CFR part 92.203(b)(1), less income adjustments pursuant to 24 CFR part 5.611.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR part 92.203(a)(1)(i). Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR part 92.203(a)(1)(ii) and 24 CFR part 92.252(h).

- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements of this Loan Agreement.

VIII. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR part 92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR part 92, including the property standards under 24 CFR part 92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD.
- B. City Affordability Period. The City Affordability Period is twenty (20) years, beginning after Project completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to jointly as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements.
- C. If the Project is not operated as a group home, then:
 - 1. During the Affordability Period, and the Affordability Period as extended pursuant to the terms of the Loan Agreement, rent shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of the Spokane Area Median Income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances.
 - 2. The adjustment for tenant-paid utilities and tenant-supplied appliances is based upon the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing and Human Services Department.
 - 3. At initial occupancy, tenants shall have incomes not greater than fifty percent (50%) of the AMI. If any of these tenants' incomes increases to a level exceeding sixty-five percent (65%) of AMI, then the tenant's rent shall incur a rent increase to thirty percent (30%) of sixty-five percent (65%) of AMI. In addition, if any of the tenant's incomes increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to thirty percent (30%) of the tenant's adjusted monthly income and the tenant's lease shall not be renewed upon expiration and with at least ninety (90) days' written notice.

- D. If the Project is operated as a group home, then:
1. During the Affordability Period, and the Affordability Period as extended pursuant to the terms of the Loan Agreement, the sum of the rents paid by all tenants shall not exceed the Spokane area's Section 8 Fair Market Rent for a five- (5-) bedroom unit, as defined by HUD and adjusted for tenant-paid utilities and tenant-supplied appliances. Each tenant's rent shall be a proportionate share of the total unit rent. Rent limits include utilities but do not include food or the cost of any supportive services. Bedrooms occupied by resident supportive services providers are not counted as eligible bedrooms for rent purposes.
 2. At initial occupancy, tenants shall have incomes not greater than fifty percent (50%) of AMI. If the tenant's income increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to thirty percent (30%) of the tenant's adjusted monthly income and the tenant's lease shall not be renewed upon expiration and with at least ninety (90) days' written notice.
- E. However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.
- F. Should the HUD rents decline below the initial project rent, the Borrower's rents do not need to be reduced below the initial rents. A table of current HUD rents is attached to the Loan Agreement as Attachment 3.
- G. Rents can be increased above the maximum limits described above after expiration of the Affordability Period, but the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of Promissory Note 1 and Promissory Note 2.
- H. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- I. The Project must comply with the affordable housing requirements of 24 CFR §92.252.

IX. INSURANCE

The Borrower shall keep the Project and all improvements now existing or hereafter erected thereon continuously insured as required in the Deed of Trust, Promissory Notes and Covenant Agreement and herein, naming the City as mortgagee and/or loss payee. The insurance requirements apply during the twenty-year (20-year) Affordability Period, or the Affordability Period as extended, or during any such

time as there are outstanding sums due under the Promissory Notes, whichever is longer.

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet all applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period, or the Affordability Period, as extended.
- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the period of affordability or the period of affordability as extended, meet the accessibility requirements at 24 CFR part 8 and the design and construction requirements at 24 CFR part 100.205.
- C. The Borrower shall comply with the provisions of 24 CFR part 92.251.

XI. COVENANTS

Borrower agrees to and shall diligently execute or cause to be executed the following covenants, which shall be recorded as ***covenants running with the land*** in the Covenant Agreement of even date herewith. Borrower shall:

- A. Maintain rents as noted in Affordability Requirements.
- B. Maintain all required insurance.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City of Spokane may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her discretion.
- F. Promptly provide rent and tenant income information at initial tenant occupancy and annually throughout the term of this Loan Agreement, or the extended term of this Loan Agreement, or as otherwise requested by the City.
- G. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. If applicable, the City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower.

When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

- H. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- I. Maintain housing in compliance with HUD Section 8 Housing Quality Standards and local code requirements throughout the term of this Loan Agreement or the extended term of this Loan Agreement.
- J. Upon Project completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet HUD Section 8 Housing Quality Standards, minimum rehabilitation standards, and all applicable state and local codes and ordinances.

XII. PROJECT TIMETABLE

- A. The Borrower agrees to complete work required in accordance with the timetable set forth in Attachment 4. Timely completion of the work is an integral and essential part of performance. The expenditure of HOME funds is subject to Federal deadlines and failure to meet deadlines could result in the loss of the Federal funds. By the acceptance and execution of this Loan Agreement, the Borrower agrees that the Project will be completed as expeditiously as possible and make every effort to ensure the project will proceed and will not be delayed. Failure to meet these deadlines can result in cancellation of this contract and revocation of HOME funds. Since it is mutually agreed that time is of the essence, the Borrower shall cause appropriate provisions to be included in all contracts or subcontracts relative to the work tasks in Attachment 4. It is intended that such provisions included in any subcontracts be, to the fullest extent permitted by law and equity, binding for the benefit of the City and enforceable by the City against the Borrower and its successors and assigns to the project or any part thereof or any interest therein.
- B. In the event the Borrower is unable to meet the above schedule or complete the above services due to delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

- A. The following shall be considered events of default:

1. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provision(s), related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.
2. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's opinion, adversely affect the value of the Project.
3. Sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
4. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.
5. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty or disclosure appears in this Loan Agreement.
6. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.
7. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XIX of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt immediately due and payable and commence collection proceedings against the Borrower.

3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.
- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.

XV. REPAYMENT OF PROMISSORY NOTE 1

- A. Payment of principal and interest may be deferred for up to 12 months, followed by repayment of principal and interest made monthly in an amount sufficient to amortize the loan over the remainder of its 20-year term.
- B. Prepayment shall not extinguish the affordability requirement during the minimum HOME Affordability Period.

XVI. REPAYMENT OF PROMISSORY NOTE 2

- A. Payment of principal and interest shall be deferred for twenty (20) years as described in Promissory Note 2.
- B. After the 20-year deferral, if Note 1 is repaid and the Borrower is in compliance with the conditions and provisions of the Loan Agreement and Related Documents, Loan 2 may be repaid or may be eligible for debt forgiveness. In exchange for an extension of the Affordability Period, the principal and interest may be forgiven for each year of the period of the extension, until it is fully forgiven or paid at the end of the maximum extended term of ten (10) years. The Borrower shall declare its intention to extend the Affordability Period for an additional year or years, to a maximum extended term of ten (10) years. The

Borrower shall provide the City with a notice of intent to extend the affordability period for a given year by December 1 of the preceding year. If, at the end of each year, the Borrower has complied, for that year, with the income and rent affordability requirements as noted in the Covenant Agreement and is in compliance with all other provisions of this Loan Agreement, the Covenant Agreement, Promissory Notes, and Deed of Trust, then the loan payments shall be forgiven for that year. No payments shall be forgiven for affordability periods of less than one (1) year. Borrower shall notify the City if they intend to end the Affordability Period.

1. The amount of the annual loan forgiveness shall be the sum of twelve monthly payments; the monthly payments will be in an amount sufficient to amortize the principal and interest over the remaining term of the extended affordability.
- C. If the affordability period is not extended beyond the initial twenty (20) years through the thirtieth (30th) year, repayment of principal and interest shall be made monthly in an amount sufficient to amortize the loan over the remaining term of the extended Affordability Period.
- D. Repayment during the initial twenty-year (20-year) Affordability Period shall not extinguish the Affordability Requirement.

XVII. NONDISCRIMINATION/RENT SUBSIDY

Neither the Borrower nor any of its agents shall refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982 – Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

XVIII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

The Parties agree as follows regarding faith-based activities and organizations, pursuant to 24 CFR 92.257:

- A. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Neither the Federal government nor a State or local government receiving funds under HOME programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- B. Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this Loan Agreement. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this Loan

Agreement, and participation must be voluntary for the beneficiaries of the assistance provided.

- C. A religious organization that participates in the HOME program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a HOME-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- D. An organization that participates in the HOME program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
- E. HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. HOME funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities as described herein. Where a structure is used for both eligible and inherently religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to HOME funds. Sanctuaries, chapels, or other rooms that a HOME-funded religious congregation uses as its principal place of worship, however, are ineligible for HOME-funded improvements. Disposition of real property after the term of the loan or grant, or any change in use of the property during the term of the loan or grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- F. If a state or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

XIX. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O.

11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.

- C. The Borrower shall comply with the nondiscrimination, equal opportunity, disclosure requirements, drug-free workplace, and debarred, suspended or ineligible contractor requirements of 24 CFR part 92.350.
- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR part 92.351.
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.
- F. Minimum Wages.

1. Davis-Bacon [] Applicable [] Not Applicable

- a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of the Project.
 - b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision [DECISION #], modification [MODIFICATION #], dated _____.
 - c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
 - d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR part 92.354, as applicable.
 - e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
 - f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR part 92.354(a) and (b).
 - g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower's compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.
2. State Minimum Wage. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.

- G. The Borrower shall comply with the conflict of interest provisions of 24 CFR part 92.356. Pursuant to 24 CFR 92.356, the Borrower certifies that no person (1) who is an employee, agent, consultant, officer or elected or appointed official of the Borrower, or any designated public agencies, or any subrecipient which is receiving HOME funds and (2) who exercises or has exercised any functions or responsibilities with respect to HOME assisted activities or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one (1) year thereafter.
- H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
- I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

XX. TENANT AND PARTICIPANT PROTECTIONS

- A. Leases between the Borrower and a tenant shall not be for less than one (1) year, except where approved by the Director, and on mutual agreement between Borrower and tenant.
- B. Leases between the Borrower and a tenant shall not contain any of the following provisions:
 - 1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
 - 2. Agreement by the tenant that Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the Borrower and tenant. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may dispose of this personal property in accordance with Washington state law.
 - 3. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - 4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 - 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which

the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.

6. Agreement by the tenant to waive any right to a trial by jury.
 7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; and,
 8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- D. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection.

XXI. TENANT PARTICIPATION PLAN

If the Borrower is a Community Housing Development Organization ("CHDO") as defined by 24 CFR 92.2, the Borrower shall adhere to a fair lease and grievance procedure approved by the City and shall provide a plan for and follow a program of tenant participation in management decisions pursuant to 24 CFR part 92.303.

XXII. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

- A. The Borrower shall comply with the applicable uniform administrative requirements of 24 CFR part 92.505 if the Borrower is organized as a non-profit organization.
- B. The Borrower shall comply with all applicable Project requirements of Subpart F of 24 CFR part 92 et seq.
- C. The Borrower shall comply with the requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84: §§ 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73, if the Borrower is organized as a non-profit organization.

- D. The Borrower shall maintain all tenant and Project records for the most recent five- (5-) year period until five (5) years after the Affordability Period, or the Affordability Period as extended, terminates. The Borrower shall permit the City's Community, Housing and Human Services Department, the Department of Housing and Urban Development, and the Comptroller General of the United States, or their authorized representatives, access to all books, records, and papers of the Borrower pertinent to the Project. The Borrower shall keep and retain records sufficient to document invoices of all expenditures, project beneficiary data, and all other records required to be kept pursuant to 24 CFR §92.508.
- E. The Borrower shall permit the City's Community, Housing and Human Services Department, the Department of Housing and Urban Development, the Comptroller General of the United States, or their authorized representatives, site visits at all times upon reasonable notice throughout the period designated in the Affordability Requirement or the extended period of this Loan Agreement.

XXIII. ASSIGNMENT

The Borrower shall not assign, transfer, subordinate or sublet any obligation of this Loan Agreement nor shall it sell or otherwise transfer any property subject to this Loan Agreement without prior written consent of the Director, who may withhold such consent at his/her discretion. The provisions of this Loan Agreement shall apply to all persons or entities performing obligations set forth by this Loan Agreement, including approved persons or entities to whom or to which the Borrower assigns, transfers, or sublets services as above. Such approved persons or entities shall be subject to the provisions for faith-based activities and organizations as outlined in this Loan Agreement, as applicable.

XXIV. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.
- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Borrower's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Project, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Borrower has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Borrower represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Borrower is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

XXV. DISBURSEMENT OF FUNDS

A. The Borrower shall not request disbursement of funds under this Loan Agreement until the funds are needed for payment of eligible costs. The

amount of each request shall be limited to the amount needed, as determined by the Director after a review of receipts and project status.

- B. A retainage of ten percent (10%) of the total amount allocated under this Loan Agreement shall be held by the City of Spokane until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

XXVI. DEBARMENT AND SUSPENSION

The Borrower shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. Additionally, the Borrower shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/ subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24. Using the System for Award Management (<https://www.sam.gov>), the City has determined, as of the date of this contract that the Borrower is not excluded from federal procurement and non-procurement programs. The Borrower has provided in Attachment 5 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.

XXVII. SEVERABILITY

The invalidity of any clause, part, or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

XXVIII. NOTICES

All notices given pursuant to this Loan Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate in writing:

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd.
Spokane, WA 99201-3339

Konstantin Y. and Tatyana A. Vasilenko
19914 North Hazard Road
Spokane, WA 99208

XXIX. INDEMNIFICATION

The Borrower shall protect, defend, indemnify, and hold harmless the City, its officers, employees and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Borrower, its officers, employees or agents, in its performance and/or non-performance of its obligations under this Loan Agreement. The Borrower agrees that its obligations under this indemnification shall extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. ***This agreement to indemnify is a separate agreement, shall survive any foreclosure action, attempted transfer or the like, is a legal obligation of the Borrower and action may be brought thereon independently of any other remedy at law or provided for herein.***

XXX. TERMINATION

In accordance with 24 CFR part 85.43, this Loan Agreement may be suspended or terminated if the Borrower materially fails to comply with any term of this Loan Agreement. This Loan Agreement may be terminated for convenience in accordance with 24 CFR part 85.44.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS LOAN AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the Effective Date.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

BORROWER

by: *Konstantin Y. Vasilenko*
Konstantin Y. Vasilenko

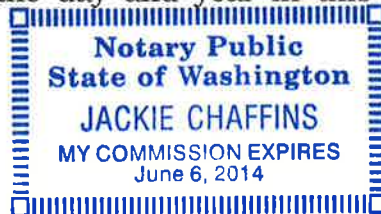
by: *Tatyana A. Vasilenko*
Tatyana A. Vasilenko

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Borrower, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
NOTARY PUBLIC, in and for the State of Washington, residing at *Spokane*
My Commission expires *6-6-14*

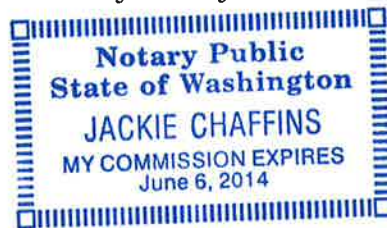


STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Borrower, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
NOTARY PUBLIC, in and for the State of Washington, residing at *Spokane*
My Commission expires *6-6-14*



CITY OF SPOKANE

By: _____
David A. Condon, Mayor

ATTEST:

APPROVED AS TO FORM:

By: _____
Terri L. Pfister, City Clerk

By:  _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2013, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the Mayor and City Clerk, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

ATTACHMENT 1

LEGAL DESCRIPTION

THAT PORTION OF LOT 1, BLOCK 2 AND LOT 5, BLOCK 1, BRIARWOOD SUBDIVISION, AS PER PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE(S) 77, CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, TOGETHER WITH THAT PORTION OF VACATED 34TH AVENUE PURSUANT TO ORDINANCE NO. C32427, DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 3, BLOCK 2, BRIARWOOD SUBDIVISION, FIRST ADDITION;
THENCE SOUTH 87°25'27" WEST ALONG THE SOUTH LINE OF SAID LOTS 1 THRU 3, BLOCK 2 OF BRIARWOOD SUBDIVISION FIRST ADDITION AND THE SOUTH LINE OF LOTS 1 AND 2, BLOCK 2 OF BRIARWOOD SUBDIVISION, 314.60 FEET;
THENCE NORTH 02°34'33" WEST, 78.50 FEET;
THENCE NORTH 87°25'27" EAST 64.70 FEET;
THENCE NORTH 02°34'33" WEST, 105.77 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS NORTH 11°39'13" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 07°33'26", AN ARC DISTANCE OF 229.83 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 02°34'33" EAST, 199.38 FEET;
THENCE SOUTH 87°25'27" WEST, 60.15 FEET TO THE EAST RIGHT OF WAY LINE OF COOK STREET AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 67°22'50" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 25°16'14", AN ARC DISTANCE OF 65.89 FEET;
THENCE NORTH 02°39'03" WEST, ALONG SAID EAST RIGHT OF WAY LINE 93.28 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS SOUTH 87°20'57" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°29'12", AN ARC DISTANCE OF 71.67 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 21°27'38" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 02°14'59", AN ARC DISTANCE OF 68.42 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

ATTACHMENT 2

PROPOSED BUDGET

VASILENKO
COOK RANCHER

3403 South Cook Street

Land	22,000	Owner	35,280
Construction	93,750		
Contingency (10%)	9,760	City HOME funds	100,000
Sales tax	5,220		
Permit	2,350		
Landscaping	1,500		
Insurance, real estate taxes	700		
TOTAL	135,280	TOTAL	135,280

Construction of a 5-bedroom, three bathroom single family residence with ±1,868 sf. It will be a rancher with a daylight basement and a two-car garage. The water heater and appliances will be Energy Star rated.

SOURCE: HUD
 STATE: WASHINGTON
 MSA: SPOKANE, WA
 EFFECTIVE: Rents – June 2, 2013
 Incomes – December 11, 2012



City of Spokane
 Community, Housing and
 Human Services Department
 808 W. Spokane Falls Blvd.
 Spokane, WA 99201-3339
 (509) 625-6325
 FAX (509) 625-6315

2013 ESTIMATED MEDIAN INCOME: \$62,900

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON
AREA MEDIAN INCOME (100% AMI)	44,100	50,400	56,700	62,900	68,000	73,000	78,000	83,100	88,050
LOW-INCOME (80% AMI)	35,250	40,250	45,300	50,300	54,350	58,350	62,400	66,400	70,400
65% OF MEDIAN INCOME* (65% AMI)	28,650	32,750	36,850	40,900	44,200	47,450	50,700	54,000	57,250
VERY LOW-INCOME (50% AMI)	22,050	25,200	28,350	31,450	34,000	36,500	39,000	41,550	44,050
EXTREMELY LOW-INCOME (30% AMI)	13,200	15,100	17,000	18,850	20,400	21,900	23,400	24,900	26,400

2013 HOME PROGRAM RENTS

SRO*	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM	6 BEDROOM
FAIR MARKET RENT (FMR)	353	470	575	778	1,113	1,262	1,451
30 OF 65 RENT*		*470	*575	*778	1,030	1,129	1,227
30 OF 50 RENT		*470	*575	708	818	912	1,006
30 OF 30 RENT		330	353	425	490	547	603



AMI – Area Median Income

* Calculate AMI for a larger than 9-person household by adding 8% for each member over 4-person AMI and round to nearest \$50 (i.e., 9-person is 140% of 4-person AMI).

x Household income exceeding 65% AMI for tenants who initially income qualified to occupy HOME assisted rental units can result in a rent increase to the 30 of 65 Rent.

♦ HOME rent for an SRO is 75% of the Efficiency Fair Market Rent.

* Although HUD's rent calculation exceeds FMR for this unit, HOME regulations do not allow rents to exceed FMR. Consequently, this rent is capped at FMR.

ATTACHMENT 4

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	Completed.
Financing	Funding awarded by all lenders.	Completed.
	Funding documented by all lenders	July 2013
Design/Permits	Approval of zoning, site plan, construction plans.	Completed.
	Building permits issued.	Completed.
Construction	Begin construction.	January 2013
	Complete construction.	August 2013
	Certificate of occupancy issued.	August 2013
Occupancy	Units occupied.	60 days from Certificate of Occupancy

ATTACHMENT 5

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

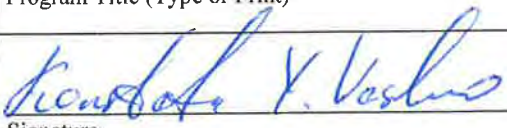
1. The undersigned (i.e., signatory for the Borrower) certifies, to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or 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.

Where the undersigned is unable to certify to any of the statements in this contract, it shall attach an explanation to this contract.

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, unless authorized by the City.
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. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>Konstantin Vasilenko</u> Name of Borrower (Type or Print)	<u>Cook Rancher</u> Program Title (Type or Print)
<u>Konstantin Vasilenko</u> Name of Certifying Official (Type or Print)	 Signature
<u>Owner</u> Title of Certifying Official (Type or Print)	<u>07/08/13</u> Date (Type or Print)

WHEN RECORDED RETURN TO:
CITY OF SPOKANE
COMMUNITY, HOUSING AND HUMAN SERVICES DEPARTMENT
808 W. SPOKANE FALLS BLVD., ROOM 650
SPOKANE, WASHINGTON 99201-3339

OPR #2013-_____

**CITY OF SPOKANE
VASILENKO**

COOK RANCHER

HOME PROGRAM LOAN COVENANT AGREEMENT

I. STIPULATIONS

1. This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this 8th day of July, 2013, by and between the City of Spokane, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, herein referred to as "Borrower", whose address is 19914 North Hazard Road, Spokane, WA 99208, and is part of the consideration for the financial assistance provided by the City to the Borrower for the Borrower's Cook Rancher project, a new 5-bedroom single family residence, located at 3403 Cook Street in Spokane, WA (the "Project"). This Covenant Agreement is part of a transaction further reflected in Promissory Note 1 and Promissory Note 2 (collectively, the "Promissory Notes") and a HOME Program Loan Agreement ("Loan Agreement") of even date herewith. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust (the "Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

2. The Project is legally described as follows:

PTN LT 5, BLK 1 & PTN LT 1, BLK 2, BRIARWOOD ADDITION

Assessor's Parcel Number: 35331.3621

Full Legal Description attached as Attachment 1.

3. This Covenant Agreement shall be filed and recorded in the official public land records of Spokane County, Washington, and shall constitute a restriction upon the use of the property and Project described herein, subject to and in accordance with the terms of this Covenant Agreement for twenty (20) years beginning after Project completion ("term of affordability"), or the term of affordability as extended, pursuant to the terms of the Loan Agreement.

4. The covenants contained herein are to be taken and construed as **covenants running with the land** and shall pass to and be binding upon the Borrower, its successors in interest, assigns, heirs or lessees of the Project, beginning on the date this Covenant Agreement is executed. Each and every contract, deed or other instrument covering or conveying the property or Project, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants regardless of whether such covenants are set forth in such contract, deed or other instrument.

NOW, THEREFORE, it is hereby covenanted, for twenty (20) years beginning after Project completion, the Borrower agrees to the following covenants running with the land which shall bind the Borrower, its heirs, assigns, lessees and successors in interest through the term of affordability or the term of affordability as extended:

II. COVENANTS

Borrower agrees to and shall diligently execute or cause to be executed the following covenants, which shall be recorded as **covenants running with the land**. Borrower shall:

- A. Maintain rents as noted in Affordability Requirements.
- B. Maintain all required insurance.
- C. Maintain Project financial reports, Project financial records and provide all other information and documentation that the City of Spokane may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under the Loan Agreement or as approved of by the Director of Community, Housing and Human Services of the City of Spokane (the "Director") in writing. The Director may withhold such approval at his/her discretion.

- F. Promptly provide rent and tenant income information at initial tenant occupancy and annually throughout the term of the Loan Agreement or the extended term of the Loan Agreement, or as otherwise requested by the City.
- G. Comply with all applicable federal, state and local regulations and requirements, including, but not limited to, Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Covenant Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. If applicable, the City's cost to administer Davis Bacon Federal Labor Standard, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- H. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- I. Maintain housing in compliance with HUD Section 8 Housing Quality Standards and local code requirements throughout the term of the Loan Agreement or the extended term of the Loan Agreement.
- J. Upon Project completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet HUD Section 8 Housing Quality Standards, minimum rehabilitation standards, and all applicable state and local codes and ordinances.

III. INCOME DETERMINATIONS

- A. For purposes of this Covenant Agreement, tenant "annual income" is defined pursuant to 24 CFR part 92.203(b)(1), less income adjustments pursuant to 24 CFR part 5.611.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR part 92.203(a)(1)(i). Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR part 92.203(a)(1)(ii) and 24 CFR part 92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements below.

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR part 92.252, is twenty (20) years, beginning after Project completion, as determined by the Director. "Project Completion" means that all

necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR part 92, including the property standards under 24 CFR part 92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD.

B. City Affordability Period. The City Affordability Period is twenty (20) years, beginning after Project Completion, as determined by the Director. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to jointly as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with affordability requirements.

C. If the Project is not operated as a group home, then:

1. During the Affordability Period, and the Affordability Period as extended pursuant to the terms of the Loan Agreement, rent shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of the Spokane Area Median Income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities and tenant-supplied appliances.
2. The adjustment for tenant-paid utilities and tenant-supplied appliances is based upon the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by HUD and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing and Human Services Department.
3. At initial occupancy, tenants shall have incomes not greater than fifty percent (50%) of the AMI. If any of these tenants' incomes increases and exceeds sixty-five percent (65%) of AMI, then the tenant's rent shall incur a rent increase to thirty percent (30%) of sixty-five percent (65%) of AMI. In addition, if any of these tenants' incomes increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to thirty percent (30%) of the tenant's adjusted monthly income and the tenant's lease shall not be renewed upon expiration and with at least ninety (90) days' written notice.

D. If the Project is operated as a group home, then:

1. During the Affordability Period, and the Affordability Period as extended pursuant to the terms of the Loan Agreement, the sum of the rents paid by all tenants shall not exceed the Spokane area's Section 8 Fair Market Rent for a five- (5-) bedroom unit, as defined by HUD and adjusted for

tenant-paid utilities and tenant-supplied appliances. Each tenant's rent shall be a proportionate share of the total unit rent. Rent limits include utilities but do not include food or the cost of any supportive services. Bedrooms occupied by resident supportive services providers are not counted as eligible bedrooms for rent purposes.

2. At initial occupancy, tenants shall have incomes not greater than fifty percent (50%) of the AMI. If the tenant's incomes increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to thirty percent (30%) of the tenant's adjusted monthly income and the tenant's lease shall not be renewed upon expiration and with at least ninety (90) days' written notice.
- E. However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.
 - F. Should the HUD rents decline below the initial project rent, the Borrower's rents do not need to be reduced below the initial rents. A table of current HUD rents is attached to the Loan Agreement as Attachment 3.
 - G. Rents can be increased above the maximum limits described above after expiration of the Affordability Period, but the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of Promissory Note 1 and Promissory Note 2.
 - H. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
 - I. The Project must comply with the affordable housing requirements of 24 CFR §92.252.

V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this 8th day of July, 2013.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

BORROWER

by: Tatyana Vasilenko
~~Konstantin Y. Vasilenko~~
 TATYANA A.

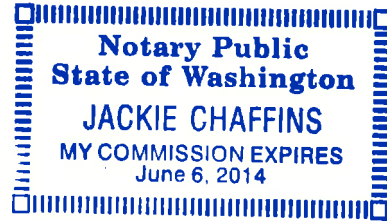
by: Konstantin Vasilenko
~~Tatyana A. Vasilenko~~
 Konstantin Y. Vasilenko

STATE OF WASHINGTON)
) ss.
 County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Borrower, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
 NOTARY PUBLIC, in and for the State of Washington, residing at Spokane
 My Commission expires 6-6-14

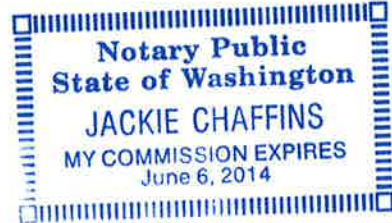


STATE OF WASHINGTON)
) ss.
 County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Borrower, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
 NOTARY PUBLIC, in and for the State of Washington, residing at Spokane
 My Commission expires 6-6-14



CITY OF SPOKANE

By: _____
David A. Condon, Mayor

ATTEST:

APPROVED AS TO FORM:

By: _____
Terri L. Pfister, City Clerk

By:  _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2013, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the **City of Spokane**, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC, in and for the State of
Washington, residing at _____
My Commission expires _____

ATTACHMENT 1

LEGAL DESCRIPTION

THAT PORTION OF LOT 1, BLOCK 2 AND LOT 5, BLOCK 1, BRIARWOOD SUBDIVISION, AS PER PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE(S) 77, CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, TOGETHER WITH THAT PORTION OF VACATED 34TH AVENUE PURSUANT TO ORDINANCE NO. C32427, DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 3, BLOCK 2, BRIARWOOD SUBDIVISION, FIRST ADDITION;
THENCE SOUTH 87°25'27" WEST ALONG THE SOUTH LINE OF SAID LOTS 1 THRU 3, BLOCK 2 OF BRIARWOOD SUBDIVISION FIRST ADDITION AND THE SOUTH LINE OF LOTS 1 AND 2, BLOCK 2 OF BRIARWOOD SUBDIVISION, 314.60 FEET;
THENCE NORTH 02°34'33" WEST, 78.50 FEET;
THENCE NORTH 87°25'27" EAST 64.70 FEET;
THENCE NORTH 02°34'33" WEST, 105.77 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS NORTH 11°39'13" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 07°33'26", AN ARC DISTANCE OF 229.83 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 02°34'33" EAST, 199.38 FEET;
THENCE SOUTH 87°25'27" WEST, 60.15 FEET TO THE EAST RIGHT OF WAY LINE OF COOK STREET AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 67°22'50" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 25°16'14", AN ARC DISTANCE OF 65.89 FEET;
THENCE NORTH 02°39'03" WEST, ALONG SAID EAST RIGHT OF WAY LINE 93.28 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS SOUTH 87°20'57" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°29'12", AN ARC DISTANCE OF 71.67 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 21°27'38" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 02°14'59", AN ARC DISTANCE OF 68.42 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

**CITY OF SPOKANE
VASILENKO**

COOK RANCHER

PROMISSORY NOTE 1

OPR #2013 - _____

Borrower:

Konstantin Y. and Tatyana A. Vasilenko
19914 North Hazard Road
Spokane, WA 99208

Lender:

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal:

\$50,000.00

Date:

July 08-13

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's construction of the Cook Rancher, a five-bedroom single family residence to be constructed at 3403 South Cook Street in Spokane, WA (the "Project"). This Promissory Note 1 (the "Note") is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Covenant Agreement ("Covenant Agreement") of even date. Lender's disbursements under the Loan Agreement and the Note are further secured by a Deed of Trust (the "Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in the Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director").

3. **REPAYMENT; MATURITY:**

A. **1-Year Deferral Period:** No payments of principal or interest shall be due from the date of this Note through July 31, 2014.

B. **19-Year Payment Period:** Principal of and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), commencing on August 1, 2014, in the amount required to fully amortize the outstanding principal of and accrued interest on this Note (including the interest accrued) over nineteen (19) years.

C. **Prepayment:** The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty.

D. **Late Charges:** A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

E. **Application of Payments:** Payments received will first be applied to late charges, then to interest, and finally to principal.

F. **Place of Payment:** Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

4. THIS NOTE IS secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. THIS LOAN IS made for the purpose of the construction of the property described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, or if any other default occurs under the Deed of Trust, the Loan Agreement or the Covenant Agreement, and if the default is not cured prior to the due date of the next installment, or ten (10) days after notice, whichever is later, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of

Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender.

9. EACH MAKER AND endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

10. IF ANY PROVISION, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

11. BORROWER RATIFIES and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. THIS NOTE HAS been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

13. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

13. PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND

CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this 08 day of July, 2013.

BORROWER

by: Konstantin Y. Vasilenko
Konstantin Y. Vasilenko

by: Tatyana A. Vasilenko
Tatyana A. Vasilenko

**CITY OF SPOKANE
VASILENKO**

COOK RANCHER

PROMISSORY NOTE 2

OPR #2013 - _____

Borrower:

Konstantin Y. and Tatyana A. Vasilenko
19914 North Hazard Road
Spokane, WA 99208

Lender:

City of Spokane
Community, Housing and Human Services Department
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

Principal:

\$50,000.00

Date:

1. PROMISE TO REPAY: FOR VALUE RECEIVED, the undersigned Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's construction of the Cook Rancher, a five-bedroom single family residence to be constructed at 3403 South Cook Street in Spokane, WA (the "Project"). This Promissory Note 2 (the "Note") is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Covenant Agreement ("Covenant Agreement") of even date. Lender's disbursements under the Loan Agreement and the Note are further secured by a Deed of Trust (the "Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

2. INTEREST: In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded monthly, commencing on the date money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded monthly, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director").

3. REPAYMENT; MATURITY:

A. 20-Year Deferral Period: No payments of principal or interest shall be due from the date of this Note through _____, 2033.

B. 10-Year Payment Period: Principal of and interest on this Note shall be payable in approximately equal amortized installments on the first day of each month (or the first business day thereafter if the first day of the month is a weekend or a holiday for the City), commencing on _____, 2033, in the amount required to fully amortize the outstanding principal of and accrued interest on this Note (including the interest accrued) over ten (10) years.

C. Prepayment: The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty.

D. Late Charges: A late charge of thirty dollars (\$30.00) will be added to any payment received after the 10th day of the month in which it is due in addition to any other remedy.

E. Application of Payments: Payments received will first be applied to late charges, then to interest, and finally to principal.

F. Place of Payment: Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as Lender may designate in writing according to the schedule noted above.

G. Potential Debt Forgiveness: Repayment shall further be subject to provisions and applicable sections of the Loan Agreement, which allows for debt forgiveness in exchange for an extension of the Affordability Period. These conditions include, but are not limited to the repayment of amounts due under Promissory Note 1 and the Borrower must be in compliance with the conditions and provisions of the Loan Agreement and Related Documents.

4. THIS NOTE IS secured by the Deed of Trust of even date herewith, duly filed for record in the County of Spokane, Washington.

5. THIS LOAN IS made for the purpose of the construction of the property described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, the Deed of Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, or if any other default occurs under the Deed of Trust, the Loan Agreement or the Covenant Agreement, and if the default is not cured prior to the due date of the next installment, or ten (10) days after notice, whichever is later, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

7. IF THE BORROWER voluntarily sells, transfers, leases or otherwise conveys the Project or any portion thereof, to any person/persons or entity/entities (the "Transferee"), other than by leasing or renting for residential tenant use as contemplated by various provisions of the Loan Agreement, or for any other incidental use (to the extent permissible under all applicable federal and state laws and regulations), an Event of Default shall occur under the terms of this Note and the Related Documents unless the Borrower obtained prior written consent of the Director. The remedies provided for Default may be exercised at the discretion of the Director. An unauthorized transfer also occurs if Borrower grants a junior security interest without obtaining the prior written consent of the Director. Any sale, transfer, leasing or other disposition of the Project in violation of this Section 7 shall not relieve the Borrower of any obligation or obligations under this Note or any Related Document. The Borrower hereby agrees that upon any sale, transfer, lease or other disposition of the Project, the Borrower shall transfer all records, accounts, electronic data or other documents pertaining to the Project, including documents related to Borrower's compliance with this Note and any Related Document, to the Transferee or its designated agent. Failure by the City to exercise any of its rights and remedies under this Note or any Related Documents shall not be construed as a waiver of any kind. The Director's written consent may be conditioned upon the following, at the Director's sole discretion:

(a) reasonable evidence satisfactory to the Director that the Borrower is not then in default under any document related to this transaction beyond any applicable grace period or cure period;

(b) an opinion of counsel for the Transferee, delivered to the City, to the effect that the Transferee (i) has assumed in writing and in full, all duties and obligations of the Borrower under this Note, the Loan Agreement and the Covenant Agreement, and (ii) that this Note and the Related Documents constitute the legal, valid and binding obligations of the Transferee;

(c) a showing that written assumption of the Transferee and/or the written agreement of the Transferee complies with all provisions of local, state and federal laws, ordinances and regulations applicable to the Borrower under this Note and Related Documents;

(d) a showing that the Borrower or the Transferee is not in arrears on any payments due and owing to the City or is in default under this Note or any of the Related Documents, beyond any applicable grace period or cure period;

(e) a showing that the Borrower or the Transferee do not have a history of instances of non-compliance with any non-monetary provision of this Note or any of the Related Documents, which were not cured after notice thereof and within the applicable cure period or grace period; and/or,

(f) a showing that the Borrower or the Transferee do not have a documented history of instances of failure to make payments due and owing to the City which are not paid within a reasonable period after notice thereof.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender.

9. EACH MAKER AND endorser of this Note hereby waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, bringing of suit, and diligence in taking action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith. Each maker and endorser expressly agrees that this Note or any payment thereunder may be extended from time to time, and consent to the acceptance of further security for this Note, including other types of security, all without in any way affecting the liability of each maker and endorser hereof. The right to plead any statutes of limitation as a defense to any demand on this Note, or any guaranty thereof or to any agreement to pay the same or to any demand secured by the Deed of Trust or other security, securing the Note, or any and all obligations or liabilities arising out of or in connection with said Note or Deed of Trust by any parties hereto is expressly waived by each and every of the makers, endorsers, guarantors or sureties.

10. IF ANY PROVISION, or a part thereof, of this Note is declared by a court of competent jurisdiction to be invalid, the invalid provision or part thereof shall be stricken, with the remainder of the provision and other provisions of this Note surviving with full force and effect.

11. BORROWER RATIFIES and reaffirms all information previously submitted in Borrower's loan application or financial statement, and by signing this Note, Borrower represents and warrants to Lender that the information provided is true and correct and that there has been no adverse change in Borrower's financial condition as disclosed to Lender in Borrower's most recent application or financial statement.

12. THIS NOTE HAS been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

13. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER

FINANCIAL ACCOMMODATION RELATED TO THIS NOTE ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

13. PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO ALL TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on this ____ day of _____, 2013.

BORROWER

by: _____
Konstantin Y. Vasilenko

by: _____
Tatyana A. Vasilenko

AFTER RECORDING MAIL TO:

City of Spokane
Department of Community, Housing and Human Services
808 W. Spokane Falls Blvd., Room 650
Spokane, WA 99201

OPR #2013-_____

**CITY OF SPOKANE
VASILENKO**

COOK RANCHER

DEED OF TRUST

Grantor: Konstantin Y. & Tatyana A. Vasilenko, husband and wife

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35331.3621

Legal Description (abbreviated): PTN LT 5, BLK 1 & PTN LT 1, BLK 2, BRIARWOOD
ADDITION

Full Legal Description attached as Attachment 1.

THIS DEED OF TRUST, made this 8th day of July, 2013, by and Konstantin Y. Vasilenko and Tatyana A. Vasilenko, husband and wife, referred to herein as GRANTOR, whose address 19914 North Hazard Road, Spokane, WA 99208, Inland Professional Title, LLC, TRUSTEE, whose address is 501 S. Bernard, 1st Floor, Spokane, WA 99204, and the City of Spokane, Washington, a Washington state municipal corporation, BENEFICIARY, whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), Promissory Note 1, and Promissory Note 2, secured by this Deed of Trust. Collectively, Promissory Note 1 and Promissory Note 2 may be referred to as "Promissory Notes." The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of

conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

WITNESSETH: Grantor hereby irrevocably grants and conveys to Trustee in trust, with power of sale, the following described real property (the "Property") in Spokane County, Washington:

PTN LT 5, BLK 1 & PTN LT 1, BLK 2, BRIARWOOD ADDITION

Assessor's Parcel Number: 35331.3621

Property Address: 3403 South Cook Street, Spokane, WA 99223

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, easements, fixtures and appurtenances now or hereafter thereunto belonging or in any way appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Notes, secured by this Deed of Trust, and for the purpose of securing payment of the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) with interest, in accordance with the terms of two Promissory Notes of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Notes, Covenant Agreement and Loan Agreement of even date herewith.

GRANTOR COVENANTS that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend the title to the Property against all claims and demands, subject to any prior encumbrances of record.

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES. Grantor shall promptly pay when due the principal of and interest on the debt evidenced by the Promissory Notes and any late charges due under the Promissory Notes.

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied: first, to any late charges due under the Promissory Notes; second, to interest due; and third, to principal due under the Promissory Notes.

3. CHARGES; LIENS. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, which may attain priority over this Deed of Trust, including utility charges, whether or not reflected in a recorded lien. Grantor shall pay these obligations on time directly to the person or entity owed payment. Grantor shall promptly furnish to Beneficiary upon request copies of all notices of amounts to be paid under this Paragraph. If Grantor makes these payments directly, Grantor shall promptly furnish to Beneficiary upon request receipts evidencing the payments. Grantor shall promptly discharge any lien which has priority over this Deed of Trust unless: (a) Grantor agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (b) Grantor contests in good faith the lien in legal proceedings, or defends against enforcement of the lien in legal proceedings, which, in the Beneficiary's opinion, operate to prevent the enforcement of the lien; or (c) Grantor secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust, or (d) Beneficiary has executed an agreement subordinating its interest. If Beneficiary determines that any part of the Property is subject to a lien, which may attain priority over this Deed of Trust, Beneficiary may give Grantor a notice identifying the lien. Grantor shall satisfy the lien or take one or more of the actions set forth above within ten business (10) days of the giving of the notice. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, recorded or unrecorded liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Promissory Notes secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

4. HAZARD OR PROPERTY INSURANCE. A. Grantor shall keep the improvements now existing or hereafter erected on the Property continuously insured against loss by fire, hazards included within the term "extended coverage", and any other hazards, including floods or flooding, for which the Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires in order to maintain adequate protection for the Property, but no act or omission by the Beneficiary shall relieve Grantor of the primary duty to procure adequate insurance. In no event shall such insurance be less than the full replacement cost of the Property (*i.e.*, 100% of replacement cost). The insurance carrier providing the insurance shall be chosen by the Grantor subject to Beneficiary's approval. All policies shall be held by the Beneficiary, and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. If Grantor fails to maintain coverage as described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with Paragraph 7.

B. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgage clause. If Beneficiary requires, Grantor shall promptly give to Beneficiary all receipts of paid premiums and renewal notices. In the event of loss, Grantor shall give prompt notice to the insurance carrier and to Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor.

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Grantor. If Grantor abandons the Property or does not answer within thirty (30) days notice from the Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may, in its sole discretion, use the proceeds to restore or repair the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given. Such application of proceeds by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

D. Unless Beneficiary and Grantor otherwise agree in writing, any application of insurance proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of the payments. If under Paragraph 20, the Property is acquired by Beneficiary, Grantor's right to any insurance policies or proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

5. FLOOD INSURANCE. If the Property is located in a one hundred year FEMA Flood Zone, Grantor shall maintain flood insurance throughout the term of the Loan in an amount not less than the total amount of the Loan or the maximum amount of coverage available through the National Flood Insurance Program, furnishing proof of same upon request by Beneficiary.

6. OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; LOAN APPLICATION; LEASEHOLDS. Grantor shall cause the Property to be occupied, established, and used as decent, safe, sanitary and affordable housing for low-income families pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq.) throughout the term of the loan as described in the Promissory Notes and Covenant Agreement. Grantor covenants and agrees to keep the Property in good condition and repair, to permit no waste thereof, to complete any building, structure, or improvement being built now or hereafter thereon, to restore or replace promptly any building, structure, or improvement thereon which may be damaged or destroyed, and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property. Grantor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Grantor may cure such a default and reinstate, as provided in Paragraph 17 by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of Grantor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security

interest. Grantor shall also be in default if Grantor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Promissory Notes. If this Deed of Trust is on a leasehold, Grantor shall comply with all the provisions of the lease. If Grantor acquires fee title to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

7. PROTECTION OF BENEFICIARY'S RIGHTS IN THE PROPERTY. A. If Grantor fails to perform the covenants and agreements contained in this Deed of Trust, the Loan Agreement and/or the Covenant Agreement, or there is a legal proceeding which, in the Beneficiary's good faith judgment, may affect Beneficiary's rights in the Property (including but not limited to proceedings in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Beneficiary shall have the right to take whatever action it deems necessary and appropriate to protect the value of the Property and Beneficiary's rights in the Property. Although Beneficiary may take action under this Paragraph 7, Beneficiary is not obligated to do so.

B. Any amounts caused to be disbursed by Beneficiary under this Paragraph 7 shall become additional debt secured by this Deed of Trust. Unless Grantor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Promissory Notes' rates and shall be payable with interest upon notice from Beneficiary to Grantor requesting payment.

C. Grantor covenants and agrees to defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including the cost of title search and any and all attorney's fees actually incurred, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

D. Grantor further covenants and agrees to pay any and all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

8. INSPECTIONS. Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Grantor notice at the time of or prior to an inspection.

9. CONDEMNATION. A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust and other liens as approved of by the Beneficiary, whether or not then due, with any excess paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Grantor and

Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (i) the total amount of the sums secured immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. Any balance shall be paid to Grantor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Grantor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due.

B. If the Property is abandoned by Grantor, or if, after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, and Grantor fails to respond to Beneficiary within thirty (30) days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

C. Unless Beneficiary and Grantor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Paragraph 1 or change the amount of such payments.

10. GRANTOR NOT RELEASED; FORBEARANCE BY BENEFICIARY NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Grantor shall not operate to release the liability of the original Grantor or of Grantor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Grantor or Grantor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Grantor, except as otherwise provided for in this Deed of Trust. Grantor's covenants and agreements shall be joint and several.

12. LOAN CHARGES. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and; (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed under the Promissory Notes or by making a direct payment to Grantor. If a refund

reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Promissory Notes.

13. NOTICES. Grantor shall promptly give Beneficiary written notice of any and all Project defaults (regardless of whether the default is related to the financing provided by Beneficiary and the various agreements governing the terms of such financing, or whether the default is related to any of the various other parties or entities providing financing to the Project under their various agreements), investigations, claims, demands, lawsuits, licensing issues relating to the operation of the building or care facility, or other actions by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law (as defined in Paragraph 19 of this Deed of Trust) of which Grantor has actual or constructive knowledge. Any notice provided for in this Deed of Trust shall be given pursuant to the procedures outlined in the Loan Agreement.

14. GOVERNING LAW; SEVERABILITY. This Deed of Trust shall be governed by federal law and the laws of the State of Washington. In the event that any provisions of this Deed of Trust or the Promissory Notes conflict with applicable law, such conflict shall not affect other non-conflicting provisions of this Deed of Trust or the Promissory Notes, which shall continue in full force and effect.

15. GRANTOR'S COPY. Grantor hereby acknowledges receipt of a conformed copy of the Loan Agreement, Covenant Agreement, Promissory Notes, and of this Deed of Trust.

16. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR.

A. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent, or if any other default occurs under this Deed of Trust, the Promissory Notes, the Loan Agreement or the Covenant Agreement, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the execution date of this Deed of Trust. By accepting payment of any sum secured by this Deed of Trust after payment is due, Beneficiary does not waive the right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

B. If Beneficiary exercises the above option, Beneficiary shall give Grantor notice of acceleration. The notice shall provide a cure period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any and all remedies permitted by this Deed of Trust without further notice or demand on Grantor.

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify

for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums which then would be due under this Deed of Trust and the Promissory Notes as if no acceleration had occurred; cure any default of any other covenants or agreements; pay all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees, and; take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property, and Grantor's obligation to pay the sums secured by this Deed of Trust continue unchanged. Upon reinstatement by Grantor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration caused by Grantor's selling or transferring all or any part of the Property or any interest in it (or if a beneficial interest of Grantor is sold or transferred and Grantor is not a natural person) without Beneficiary's prior written consent.

18. NO FURTHER ENCUMBRANCES. A. For the purposes of protecting Beneficiary's security and keeping the Property free from junior and subordinate financing liens, Grantor agrees and understands that any sale, conveyance, further encumbrance (including the granting of easements and any and all other matters affecting title) or other transfer of title to the Property, or any interest therein (whether voluntary or by operation of law), without Beneficiary's prior written consent, shall be an Event of Default under this Deed of Trust.

B. Notice is hereby given to all third parties that any mortgage or other Deed of Trust that they may receive against the Property without the prior written approval and acknowledgment of the Beneficiary of this Deed of Trust shall be null and void and without force or effect.

19. HAZARDOUS SUBSTANCES; REPRESENTATIONS AND WARRANTY. A. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined in this Paragraph 19) on or in the Property. Grantor shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As used in this Paragraph 19, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

B. Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

C. The Grantor hereby represents and warrants that, to the best of the Grantor's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. To the best of Grantor's knowledge and belief, and after reasonable investigation and inquiry, there has not been a release of Hazardous Substances on, from, or near the Property, which release has not been or will not be abated to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy of the rehabilitated project. The Grantor has never received any notification, citation, complaint, violation, or notice of any kind from any person relating or pertaining to the making, storing, handling, treating, disposing, generating, transporting, or release of Hazardous Substances, for which there has not been or will not be abatement to levels acceptable under all applicable law and regulations related thereto prior to tenant occupancy. Grantor represents and warrants that any asbestos and lead-based paint found within the Project will be abated to levels acceptable under applicable law prior to tenant occupancy of the rehabilitated project. "Hazardous Substances" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) "oil, petroleum products and their by-products" as defined under Washington law as amended from time to time, and regulations promulgated thereunder; (iv) any "hazardous substance" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (v) any "asbestos material" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder and/or as defined by 40 C.F.R. Section 61.141, as amended from time to time; (vi) any "radon gas" in excess of levels recommended in U. S. Environmental Protection Agency Guidance Documents, as modified from time to time, or lower levels as provided by any applicable law or regulation now or hereafter in effect; (vii) any "infectious waste" as defined under Washington law, as amended from time to time, and regulations promulgated thereunder; (viii) any substance the presence of which on any property attributable to the operations of the Grantor is prohibited, restricted or regulated by any law or regulation similar to those laws, regulations and/or documents set forth above, including without limitation, polychlorinated biphenyls ("PCBs") and lead-based paints; and (ix) any other substance which by law or regulation requires special handling in its collection, generation, storage, transportation, treatment or disposal.

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor, prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement or the Covenant Agreement. The notice shall specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this

Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Notes, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

B. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of the occurrence of an event of default. Upon instruction from the Beneficiary to do so, Trustee shall cause the trust Property to be sold, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Beneficiary or its designee may purchase the Property at any sale. Trustee and Beneficiary shall take such action regarding notice of sale and shall give such notices to Grantor and to other persons as applicable law may require.

C. Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property without warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

D. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

21. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property to the person entitled thereto and shall surrender this Deed of Trust and all Promissory Notes evidencing the debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. SUBSTITUTE TRUSTEE. In the event of the death, incapacity, disability, or resignation of Trustee, or at Beneficiary's reasonable discretion, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust

or of an action or proceeding in which Grantor, Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

23. USE OF PROPERTY. The Property is not used principally for agricultural or farming purposes.

24. BINDING EFFECT. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term "Beneficiary" shall mean the holder and owner of the Promissory Notes secured hereby, whether or not named as Beneficiary herein.

25. ORAL AGREEMENTS OR ORAL COMMITMENTS. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS INSTRUMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Deed of Trust and in any riders executed by Grantor and recorded with it.

8th IN WITNESS WHEREOF, the Parties have executed this Deed of Trust on this day of July, 2013.

GRANTOR

by: Konstantin Y. Vasilenko
Konstantin Y. Vasilenko

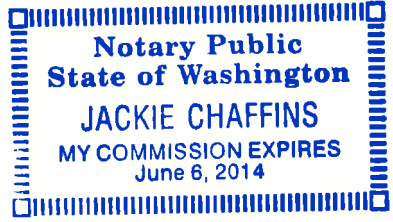
by: Tatyana A. Vasilenko
Tatyana A. Vasilenko

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Konstantin Y. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
NOTARY PUBLIC, in and for the State of
Washington, residing at Spokane
My Commission expires 6-6-14

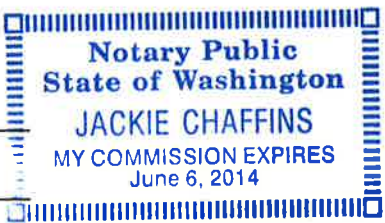


STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 8th day of July, 2013, personally appeared before me **Tatyana A. Vasilenko**, to me known to be the person who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person and the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year in this certificate above written.

Jackie Chaffins
NOTARY PUBLIC, in and for the State of
Washington, residing at Spokane
My Commission expires 6-6-14



ATTACHMENT 1

LEGAL DESCRIPTION

THAT PORTION OF LOT 1, BLOCK 2 AND LOT 5, BLOCK 1, BRIARWOOD SUBDIVISION, AS PER PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE(S) 77, CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, TOGETHER WITH THAT PORTION OF VACATED 34TH AVENUE PURSUANT TO ORDINANCE NO. C32427, DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 3, BLOCK 2, BRIARWOOD SUBDIVISION, FIRST ADDITION;
THENCE SOUTH 87°25'27" WEST ALONG THE SOUTH LINE OF SAID LOTS 1 THRU 3, BLOCK 2 OF BRIARWOOD SUBDIVISION FIRST ADDITION AND THE SOUTH LINE OF LOTS 1 AND 2, BLOCK 2 OF BRIARWOOD SUBDIVISION, 314.60 FEET;
THENCE NORTH 02°34'33" WEST, 78.50 FEET;
THENCE NORTH 87°25'27" EAST 64.70 FEET;
THENCE NORTH 02°34'33" WEST, 105.77 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS OF WHICH BEARS NORTH 11°39'13" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 07°33'26", AN ARC DISTANCE OF 229.83 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 02°34'33" EAST, 199.38 FEET;
THENCE SOUTH 87°25'27" WEST, 60.15 FEET TO THE EAST RIGHT OF WAY LINE OF COOK STREET AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 67°22'50" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 25°16'14", AN ARC DISTANCE OF 65.89 FEET;
THENCE NORTH 02°39'03" WEST, ALONG SAID EAST RIGHT OF WAY LINE 93.28 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS SOUTH 87°20'57" WEST, A DISTANCE OF 149.40 FEET;
THENCE ALONG SAID EAST RIGHT OF WAY LINE AND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°29'12", AN ARC DISTANCE OF 71.67 FEET TO THE SOUTH RIGHT OF WAY LINE OF SOUTHEAST BOULEVARD AND THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS OF WHICH BEARS NORTH 21°27'38" EAST, A DISTANCE OF 1742.50 FEET;
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 02°14'59", AN ARC DISTANCE OF 68.42 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

BRIEFING PAPER
City of Spokane
Planning, Community & Economic Development Committee
March 4, 2013

Subject

Update on affordable rental housing projects, which have been allocated federal HOME funds through the Community, Housing, and Human Services Dept. and are expected to come before City Council in 2013.

Background

The City receives an allocation of federal funds from the U. S. Department of Housing and Urban Development (HUD) through its HOME Investment Partnerships Program, which is administered by the Community, Housing, and Human Services Dept. Eligible uses include the construction, rehabilitation, and acquisition of rental properties, which are affordable to low-income tenants. Eligible recipients include for-profit and non-profit housing providers and housing authorities.

Impact

HOME funds are the City's primary funding source for affordable housing development. Long-term requirements relating to rents and tenant incomes are imposed and a number of other federal requirements apply. Local funds are critical in obtaining other public funds, such as from WA State's Housing Trust Fund or the WA State Housing Finance Commission.

The attached table shows affordable housing projects that have been approved by Council, and pending projects which have been allocated funds and will come before Council soon. These projects were reviewed and approved by the Community, Housing, and Human Services Board at its 12/5/12 meeting, with its recommendation for approval by City Council. Pending projects are:

- The Delaney is an 83-unit building, originally constructed in 1912 as offices and currently occupied by low-income seniors. It is managed by Catholic Housing Services of Eastern Washington. A single asset entity will be formed to acquire, refinance, and renovate the building. Renovation work includes major systems, improvements to units and common areas, and reconfiguring the 83 units to be 71 units. The project has received an allocation of low-income housing tax credits and is working with HUD to refinance and to renew project-based rental assistance. Work is needed to meet federal requirements and local HOME program rehabilitation standards. Eleven units will be HOME units

with rents at 30% AMI. The HUD funds and tax credits will also have affordability restrictions.

- Lilac Plaza is a 175-unit, 13-story building, originally constructed in 1972 and renovated in 1997. It is currently occupied by low-income seniors and people with disabilities and managed by Spokane Baptist Association Homes. A single asset entity will be formed to acquire, refinance, and renovate the building. Renovation work includes major systems, and improvements to units and common areas. The project has received an allocation of low-income housing tax credits and is working with HUD to refinance and to renew project-based rental assistance. Currently, 100 units have project-based rental assistance. Eleven units will be HOME units with rents at 30% AMI. The HUD funds and tax credits will also have affordability restrictions.
- Vasilenko's Cook Rancher is the construction of a 5-bedroom single family residence which will be affordable to households at or below 50% of area median income.

Action

Loan documents relating to The Delaney, Lilac Plaza and the Cook Rancher should be on the Council agenda for action before the end of the year.

Funding

The HUD HOME program began in 1992 and the City's annual allocation of HOME funds ranged from \$1.4 to \$1.8 million from 1995 to 2011, and was reduced to \$963,593 in 2012. HOME's eligible uses include: rental housing (acquisition, rehabilitation, or construction), single family housing rehabilitation, tenant-based rental assistance, and homebuyer assistance.

The HOME Program is subject to a number of federal requirements and federal regulations. The Catalogue of Federal Domestic Assistance Number (CFDA) is 14.239. Additional HOME program information is available at: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>.

Most uses of HOME funds require a 25% match from non-federal sources. The match requirement is evaluated at the program level, not the level of each project. Thus far, the City has easily met the program match requirement.

Approved by City Council

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type/ approx sq ft	Cost/ unit	Cost/ sq ft	Tenant income level	Allocation date	Council approval
Clare View Seniors 3214 E. 44th (Southgate)	Clare View Seniors Apts LP/ Spokane Housing Ventures	Non-profit sponsor/ for-profit owner, LIHTC	\$400,000	\$11,051,214	26.6	61	10 1bd/641sf 50 2bd/870sf 1 mngr	\$181,167	\$166	ELI, VLI-40, LI-60	Oct-11	2012-747 10/1/2012
Pioneer Park Place 424 W 7th (Downtown/Cliff Cannon)	Pioneer Park Place GP LLC/ Community Frameworks	Non-profit sponsor/ for-profit owner, LIHTC, HUD 811	\$262,000	\$6,398,220	23.4	29	20 1bd/520-690sf 8 2bd/715-720sf 1 mngr	\$220,628	\$242	ELI, VLI-40, VLI-50, LI-60	Oct-11	2013-0073 2/4/2013
Sprague Union Terrace 1420-24 E Sprague (East Central)	Inland Empire Residential Resources	Non-profit	\$500,000	\$7,269,806	13.5	37	5 stu/400sf 29 1bd/575-585sf 3 2bd/995sf	\$196,481	\$193	ELI, VLI-50	May-11	*6/20/2011 3/26/2012
	Total		\$1,162,000	\$24,719,240	20.3	127						

Pending (allocated funds by Project Selection Advisory Committee)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type & approx sq ft	Cost/ unit	Cost/ sq ft	Tenant income level	Allocation date	CHHS Board approval
The Delaney 242 W Riverside (Downtown)	Catholic Housing Services of Eastern Washington	Non-profit sponsor/ for-profit owner, LIHTC	\$300,000	\$7,566,586	24.2	71	70 1bd/414-440 sf 1 mngr	\$106,572	\$133	ELI, VLI-40, VLI-60	Nov-12	12/5/2012
Lilac Plaza 7007 N Wiscomb (Nevada/Lidgerwood)	Spokane Baptist Association Homes	Non-profit sponsor/ for-profit owner, LIHTC	\$300,000	\$7,269,806	23.2	175	126 stu/360-440sf 49 1bd/470-612sf	\$41,542	\$58	ELI, VLI-50, mkt	Nov-12	12/5/2012
Luhn House 2236 W Pacific (Browne's Addition)	Volunteers of America	Non-profit	\$37,500	\$235,000	5.3	1	1 6bd/4379sf	\$235,000	\$54	ELI, VLI-50	Oct-11	preceded CHHS Board
Cook Rancher 3403 S Cook (Lincoln Hts)	Vasilenko	For-profit	\$100,000	\$135,280	0.4	1	1 5bd/1868sf	\$135,280	\$72	VLI-50	Nov-12	12/5/2012
	Total		\$737,500	\$15,206,672	19.6	248						

Income levels relate to Spokane area median income (AMI):

- Extremely low-income (ELI)
- Very low-income (VLI-40)
- Very low-income (VLI-50)
- Low-income (LI-60)
- Low-income (LI-80)
- Market (MKT)

Household income at or below 30% AMI.
Household income at or below 40% AMI.
Household income at or below 50% AMI.
Household income at or below 60% AMI.
Household income at or below 80% AMI.
Unrestricted income.

LIHTC
HUD 811

*City Council approval of the reservation of HOME CHDO funds. Final approval of loan was 3/26/2012.

Owners of low-income housing tax credits are for-profit single asset entities. Non-profits may be the managing member or general partner.
Owners of HUD 811/202 projects are single asset entities owned and controlled by non-profits.

Prepared by Community Development Department, City of Spokane
Contact: Melora Sharts at 509.625.6325 or msharts@spokaneccity.org
Information as of 2/26/13



Agenda Sheet for City Council Meeting of:

08/05/2013

<u>Date Rec'd</u>	07/25/2013
<u>Clerk's File #</u>	OPR 2012-0131
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	
<u>Requisition #</u>	

<u>Submitting Dept</u>	SPOKANE REGIONAL SOLID WASTE SYSTEM
<u>Contact Name/Phone</u>	KEN GIMPEL 625-6232
<u>Contact E-Mail</u>	KGIMPEL@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Contract Item
<u>Agenda Item Name</u>	4490 GRANT AMENDMENT NO. 2 WITH DOE

Agenda Wording
 Grant Contract Amendment No. 2 with Washington State Department of Ecology to increase Coordinated Prevention Grant reimbursement funding for waste reduction, recycling, and moderate risk waste programs.

Summary (Background)
 Ecology had an 18-month grant contract with the Spokane Regional Solid Waste System department to provide CPG funds to promote local efforts in managing waste reduction, reuse, recycling, and moderate risk waste programs. The grant contract ended June 30, 2013, but Ecology has unexpended funds in the CPG budget that they are now able to re-obligate to contracts that had unreimbursed eligible costs incurred within the grant contract period. This amendment applies retroactively to unreimbursed costs that have already been expended. It does not extend the contract and does not require any additional expenditure by the City. (Grant contract amendment #1 was in April 2013, reimbursing an additional \$7,333.33 in eligible costs.)

<u>Fiscal Impact</u>	<u>Budget Account</u>
Revenue \$ 300,000	# 4490-94402-37079-33431
Select \$	#
Select \$	#
Select \$	#

<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	GIMPEL, KEN	<u>Study Session</u>	
<u>Division Director</u>	ROMERO, RICK*	<u>Other</u>	
<u>Finance</u>	BUSTOS, KIM	<u>Distribution List</u>	
<u>Legal</u>	BURNS, BARBARA	ttauscher@spokanecity.org	
<u>For the Mayor</u>	SANDERS, THERESA	jshaw@spokanecity.org	
<u>Additional Approvals</u>		kgimpel@spokanecity.org	
<u>Purchasing</u>		stresko@spokanecounty.org	

AMENDMENT NO. 2 TO AGREEMENT NO. G1200357

BETWEEN THE

STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF SPOKANE

Purpose: To amend the above referenced grant agreement between the Department of Ecology (Department) and City of Spokane (Recipient) to increase the maximum eligible cost to spend by June 30, 2013 under this agreement.

IT IS MUTUALLY AGREED that the agreement is amended as follows:

1. The maximum eligible cost for this agreement is increased by \$400,000.00 from \$1,193,778.66 to a total of \$1,593,778.66. The state share amount for this agreement is increased by \$300,000.00 from \$895,334.00 to a total of \$1,195,334.00.
2. The following table outlines the changes to the budget listed by task.

Budget Table			
Category and Task	Current Budget Amount	Amendment Budget Amount	Agreement Total Budget Amount
Moderate Risk Waste (MRW)	\$ 521,533.33	\$ 170,000.00	\$ 662,533.33
1. Moderate Risk Waste Collection & Disposal	\$ 521,533.33	\$ 171,000.00	\$ 662,533.33
Waste Reduction & Recycling (WRR)	\$ 544,745.33	\$ 231,500.00	\$ 776,245.33
2. City of Cheney Recycling Facility Support	\$ 27,000.00	\$ 0.00	\$ 27,000.00
3. City of Medical Lake Recycling Facility Support	\$ 12,600.00	\$ 0.00	\$ 12,600.00
4. Waste Reduction & Recycling Education & Outreach	\$ 257,645.33	\$ 200,000.00	\$ 457,645.33
5. Waste Reduction & Recycling School Programs	\$ 127,500.00	\$ 16,500.00	\$ 144,000.00
6. Waste Reduction Assessment Program (WRAP)	\$ 120,000.00	\$ 15,000.00	\$ 133,424.00
Organics (ORG)	\$ 127,500.00	\$ (2,500.00)	\$ 125,000.00
7. Organics Education & Outreach	\$ 127,500.00	\$ (2,500.00)	\$ 125,000.00
MAXIMUM ELIGIBLE COST	\$ 1,193,778.66	\$ 400,000.00	\$ 1,593,778.66
STATE GRANT SHARE	\$ 895,334.00	\$ 300,000.00	\$ 1,195,334.00

FUND SOURCE: CPG (LTCA)

Maximum Eligible Cost:		\$ 1,593,778.66
FUND	GRANT PERCENT (%)	STATE GRANT SHARE
Local Toxics Control Account (LTCA)	75%	\$ 1,195,334.00
MATCH REQUIREMENT	MATCH PERCENT (%)	LOCAL SHARE
Cash Match	25%	\$ 398,444.66
Interlocal Costs	0%	\$0

3. The expected outcomes remain the same. The RECIPIENT has exceeded the budget to complete the outcomes for Tasks 1, 4, 5, 6 and 7.
4. The effective date of this amendment is January 1, 2012.
5. All other terms and conditions of the original agreement and any amendments remain in full force and effect.

Agreement No. G1200357 - Amendment 2
Coordinated Prevention Grant Program
Regular Cycle Agreement with City of Spokane

IN WITNESS WHEREOF, the parties sign this Amendment:

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

CITY OF SPOKANE

Laurie G. Davies
Program Manager
Waste 2 Resources Program

Date

Signatory Date

Printed Name and Title of Signatory

APPROVED AS TO FORM ONLY
Assistant Attorney General

Approved as to form:



City Attorney

BRIEFING PAPER
Public Works Committee
Spokane Regional Solid Waste System
June 22, 2013

Subject

Grant Contract Amendment #2 with Washington State Department of Ecology (Ecology) to increase Coordinated Prevention Grant (CPG) reimbursement funding for waste reduction, recycling, and moderate risk waste programs.

Background

Ecology had an 18-month grant contract with the Spokane Regional Solid Waste System department to provide CPG funds to promote local efforts in managing waste reduction, reuse, recycling, and moderate risk waste programs. The grant contract ended June 30, 2013, but Ecology has unexpended funds in the CPG budget that they are now able to reobligate to contracts that had unreimbursed eligible costs incurred within the grant contract period. This amendment applies retroactively to unreimbursed costs that have already been expended. It does not extend the contract and does not require any additional expenditure by the City.

(Grant contract amendment #1 was in April 2013, reimbursing an additional \$7,333.33 in eligible costs.)

Impact

Chapter 70.95.010(6)(c) RCW establishes that county and city governments are to assume primary responsibility for local solid waste management and to develop and implement aggressive and effective waste reduction and source separation strategies. Acceptance of this amendment allows for 75% reimbursement of eligible grant costs that were incurred between January 1, 2012 and June 30, 2013.

Action

Staff recommends approval of the Contract Amendment #2..

Funding

This Contract Amendment provides at least \$300,000 toward eligible grant costs that have already been incurred from January 2012 through June 2013. This Amendment does not require any additional expenditures by the City. Note: Additional grant funds may become available before the contract appears on the Council Consent Agenda. Council will be advised of any additional available grant funding before approval.



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	OPR 2013-0341
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	POLICE
Contact Name/Phone	CARLY CORTRIGHT 835-4527
Contact E-Mail	CCORTRIGHT@SPOKANEPOLICE.ORG
Agenda Item Type	Contract Item
Agenda Item Name	0680-US DOT-TICKETING AGGRESSIVE CARS AND TRUCKS ACCEPTANCE

Agenda Wording

Accept funding from the US Department of Transportation (Washington, DC-CFDA 20.2018) This is the second half of funding. The total grant award is now \$109,865.00 up from \$53,581.00. The matching money has been increased from \$13,396.00 to \$27,467.00

Summary (Background)

The U.S DOT is providing funds to the Spokane Police Department (SPD) in order to combat Commercial Vehicle Collisions with passenger vehicles. Accepting the second half of the funds will allow SPD to launch both an education and enforcement program to Ticket Aggressive Cars and Trucks in conjunction with their focus on commercial vehicle enforcement and safety inspections. Acceptance of the second part of the grant will allow for a total federal and match award of \$137,332.00.

Fiscal Impact

Expense	\$ 56,284.00
Revenue	\$ 56,284.00
Expense	\$ 14,071.00
Revenue	\$ 14,071.00

Budget Account

1620-99145-21224-various
1620-99145-99999-33120
1620-99145-21224-various
1620-99145-99999-33120

Approvals

Dept Head	MEIDL, CRAIG
Division Director	MEIDL, CRAIG
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	Public Safety 07/15/2013
Other	

Distribution List

achirowamangu
jfranklin
agolden
ccortright
mlesesne

Additional Approvals

Purchasing	WAHL, CONNIE



U.S. Department of Transportation
**Federal Motor Carrier
 Safety Administration**

Grant Agreement

1. RECIPIENT NAME AND ADDRESS City Of Spokane 1100 W Mallon Ave Spokane, WA 99260-2043		2. AGREEMENT NUMBER: FM-MHP-0106-13-01-01	3. AMENDMENT NO. 1	
1A. IRS/VENDOR NO. 916001280		4. PROJECT PERFORMANCE PERIOD: FROM 03/01/2013 TO 09/30/2014		
1B. DUNS NO. 938132271		5. FEDERAL FUNDING PERIOD: FROM 03/01/2013 TO 09/30/2014		
7. CFDA#: 20.218		6. ACTION Request for Incremental Funding		
8. PROJECT TITLE FY 2013 TACT Enforcement, Evaluation, Public Education and Information		9. TOTAL FEDERAL AMOUNT OF THIS AGREEMENT		109,865.00
		10. TOTAL MATCHING AMOUNT OF THIS AGREEMENT		27,467.00
		11. TOTAL AMOUNT OF THIS AGREEMENT		137,332.00
12. GRANTEE PROGRAM MANAGER Mr. Anthony Meyer		12A. GRANTEE PROGRAM MANAGER EMAIL ameyer@spokanepolice.org		
		12B. GRANTEE PROGRAM MANAGER PHONE NUMBER 509-835-4587		
12C. GRANTEE PROGRAM MANAGER ADDRESS 1100 W MALLON AVE SPOKANE, WA 99260-2043				
13. GRANT PROGRAM OFFICER MaryAnne Polkiewicz		13A. GRANT PROGRAM OFFICER EMAIL MaryAnne.Polkiewicz@Dot.Gov		
		13B. GRANT PROGRAM OFFICER PHONE NUMBER 202-366-0203		
14. INCORPORATED ATTACHMENTS FMCSA Financial Assistance Agreement General Provisions and Assurances; grantee project plan and budget incorporated by reference unless/except as noted below.				
15. STATUTORY AUTHORITY FOR GRANT/COOPERATIVE AGREEMENT 49 USC § 31104(a) & (k); SAFETEA-LU, Pub. L. No.109-59, §4107(a) (2005), Pub. L. 110-244, § §4101(a), 4107, amended by MAP-21, Pub. L. No.112-141, §§ 32603(a) & (d)(2012).				
16. REMARKS This amendment is for the purpose of providing incremental funding to the recipient as part of the FY 2013 Phase 2 award. All other terms and conditions of this grant remain unchanged.				
GRANTEE ACCEPTANCE			AGENCY APPROVAL	
17. NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL			19. NAME AND TITLE OF AUTHORIZED FMCSA OFFICIAL	
18. SIGNATURE OF AUTHORIZED GRANTEE OFFICIAL		18A. DATE	20. SIGNATURE OF AUTHORIZED FMCSA OFFICIAL	
			20A. DATE	
AGENCY USE ONLY				
21. OBJECT CLASS CODE: 41000			22. ORGANIZATION CODE: M600000000	
23. ACCOUNTING CLASSIFICATION CODES				
DOCUMENT NUMBER	FUND	BY	BPAC	AMOUNT
FM-MHP-0106 13 01 00	17X05713MII	2013	0905710MHP	56,284.00

**Briefing Paper
City of Spokane
Spokane Police Department/Public Safety Committee
July 15, 2013**

Subject

SPD – DOT Federal Motor Carrier Grant

Background

The SPD Commercial Vehicle Inspectors have reduced collisions involving commercial vehicles in Spokane County since the inception of the program. However, there has been an increase in collisions involving commercial vehicles and passenger vehicles where the passenger vehicle is at fault. Just over 75% of commercial vehicle collisions involve passenger vehicles for recent years (77% in both 2010 and 2011; 78% for 2012 through 8/2/12). However, of those collisions, since 2010 the trend is increasing where the passenger vehicle is at fault. In 2010, the passenger vehicle was at fault 62% of the time. In 2011, the passenger vehicle was at fault 63% of time. Through August 2012, passenger vehicles were at fault 66% of the time. To combat this issue, SPD will launch a DOT sponsored Ticketing Aggressive Cars and Trucks (TACT) program to conduct enforcement and public awareness campaign to reduce the behavior that results in collisions with commercial vehicles. The grant will provide overtime for enforcement, funding for new equipment, and funding for a public awareness campaign regarding aggressive driving.

Impact

The goal of the grant is to reduce commercial vehicle collisions involving passenger vehicles in Spokane County. The SPD Commercial Vehicle Inspectors provide support to all of Spokane County for commercial vehicle enforcement. The increased enforcement and public awareness campaign will reduce aggressive driving and decrease collisions between passenger vehicles and commercial vehicles, specifically those collisions where the passenger vehicle was at fault.

Action

Grant will need to be accepted by City Council

Funding

This an increase in grant funds from Department of Transportation from \$66, 977.00 to \$137,322.00. The grant requires a 20% match. The grant will provide \$109,865.00 and the Spokane Police Department will contribute \$27,467.00.



Agenda Sheet for City Council Meeting of:
07/22/2013

Date Rec'd	7/10/2013
Clerk's File #	RES 2013-0056
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	MIKE ALLEN & 625-6715
Contact E-Mail	RBARDEN@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	RESOLUTION REGARDING AN ADVISORY VOTE

Agenda Wording

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013 in conjunction with the scheduled general election to submit to the voters of the City of Spokane an advisory vote regarding the identification of fundi

Summary (Background)

The Envision Spokane initiative measure regarding a community bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will create new requirements and regulations to be implemented by the City of Spokane, including City Charter provisions that 1) secures the right of neighborhood residents to approve re-zonings proposed for major, new development, 2)

Fiscal Impact		Budget Account	
Select	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
Dept Head	WESTFALL, JENNIFER	Study Session	
Division Director		Other	
Finance	LESESNE, MICHELE	Distribution List	
Legal	BURNS, BARBARA	Steve Salvatori	
For the Mayor	SANDERS, THERESA*		
Additional Approvals			
Purchasing			

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013 in conjunction with the scheduled general election to submit to the voters of the City of Spokane an advisory vote regarding the identification of funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition.

The Envision Spokane initiative measure regarding a community bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will create new requirements and regulations to be implemented by the City of Spokane, including City Charter provisions that 1) secures the right of neighborhood residents to approve rezonings proposed for major, new development, 2) recognizes the right of neighborhood residents to reject development which violated the City Charter or the City's Comprehensive Plan, 3) expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, 4) provides constitutional protections in the workplace, and 5) elevates Charter rights above rights claimed by the corporation. This resolution will submit an advisory vote to the electors on the November 5, 2013 ballot asking whether the City should pursue additional funding sources in order to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition.

RESOLUTION NO. 2013-0056

A RESOLUTION REQUESTING THE SPOKANE COUNTY AUDITOR TO HOLD A SPECIAL ELECTION ON NOVEMBER 5, 2013 IN CONJUNCTION WITH THE SCHEDULED GENERAL ELECTION TO SUBMIT TO THE VOTERS OF THE CITY OF SPOKANE AN ADVISORY VOTE REGARDING THE IDENTIFICATION OF FUNDING SOURCES TO IMPLEMENT THE PROVISIONS OF THE ENVISION SPOKANE COMMUNITY BILL OF RIGHTS PROPOSITION.

WHEREAS, on April 12, 2012, the Envision Spokane Political Committee (Envision Spokane) filed with the City Clerk's Office under the direct petition method an initiative designated as Initiative No. 2012-3; and

WHEREAS, on April 10, 2013 Envision Spokane filed with the City Clerk's Office the petition signatures for Initiative No. 2012-3; and

WHEREAS, pursuant to SMC 2.02.080, the City Council held a hearing and first reading on April 22, 2013 for Initiative No. 2012-3, designated by the City Council as Ordinance No. C-34979; and

WHEREAS, on May 2, 2013, the Spokane County Elections Office confirmed that Initiative No. 2012-3 satisfied the required number of valid signatures of registered voters as required by Section 82 of the City Charter; and

WHEREAS, pursuant to SMC 2.02.100, the City Council held a hearing on May 20, 2013 on the validated initiative petition where Ordinance No. C-34979 was given a second and final reading and Resolution No. 2013-0038 was approved to request the Spokane County Auditor to place the proposition on the November 5, 2013 general election; and

WHEREAS, the Envision Spokane Community Bill of Rights initiative will be presented to the voters for their approval or rejection on the November 5, 2013 ballot as the following proposition:

CITY OF SPOKANE

PROPOSITION NO. 1

**A CITY CHARTER AMENDMENT
ESTABLISHING A COMMUNITY BILL OF RIGHTS**

Shall the City Charter be amended to add a Community Bill of Rights, which secures the right of neighborhood residents to approve re-zonings proposed for major new development, recognizes the right of neighborhood residents to reject development

which violates the City Charter or the City's Comprehensive Plan, expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, provides constitutional protections in the workplace, and elevates Charter rights above rights claimed by the corporation?

YES
NO

WHEREAS, the Envision Spokane Community Bill of Rights proposition creates new requirements and regulations to be implemented by the City of Spokane by establishing in the City Charter provisions that 1) secures the right of neighborhood residents to approve re-zonings proposed for major, new development, 2) recognizes the right of neighborhood residents to reject development which violates the City Charter or the City's Comprehensive Plan, 3) expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, 4) provides constitutional protections in the workplace, and 5) elevates Charter rights above rights claimed by the corporation; and

WHEREAS, the Envision Spokane Community Bill of Rights proposition does not provide the City a funding source to implement these provisions; and

WHEREAS, if approved by the voters, the provisions of the Envision Spokane Community Bill of Rights proposition will become effective upon the certification of the election results by the County Auditor; and

WHEREAS, if the Envision Spokane Community Bill of Rights proposition is approved by the voters, the City could fund the cost of implementing the provisions of the proposition by either raising new revenue or by reallocating existing general fund revenue from other programs; and

WHEREAS, the Spokane City Council seeks to obtain the advice of the voters of the City of Spokane on efforts to identify funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition, if approved by the voters either by pursuing additional funding sources or by reallocating funding in existing general fund programs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spokane, pursuant to section 84 of the City Charter, that:

- 1) the Spokane County Auditor is hereby requested, pursuant to RCW 29A.04.330, to hold a special election on November 5, 2013, in conjunction with the scheduled general election, for the purpose of submitting to the voters of the City of Spokane an advisory vote proposition, as set forth below, regarding identification of

funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition:

CITY OF SPOKANE

PROPOSITION NO. 3

**ADVISORY VOTE REGARDING FUNDING FOR A
COMMUNITY BILL OF RIGHTS**

The Spokane City Council approved Resolution No. 2013-0056, authorizing a ballot proposition for an advisory vote regarding the identification of funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition.

Should the Spokane City Council pursue additional funding sources in order to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition, if the proposition is approved by the voters?

YES
NO

2) the City Clerk is directed to deliver a certified copy of this resolution to the Spokane County Auditor no later than August 6, 2013 unless a judicial determination has been issued to remove the proposition from the ballot, in which case, the City Clerk shall not deliver the resolution to the County Auditor.

Adopted _____.

City Clerk

Approved as to form:

Assistant City Attorney



Agenda Sheet for City Council Meeting of:
07/22/2013

Date Rec'd	7/10/2013
Clerk's File #	RES 2013-0057
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	MIKE ALLEN & 625-6715
Contact E-Mail	RBARDEN@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	RESOLUTION REGARDING AN ADVISORY VOTE FOR REALLOCATION OF

Agenda Wording

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013 in conjunction with the scheduled general election to submit to the voters of the City of Spokane an advisory vote regarding the identification of fundi

Summary (Background)

The Envision Spokane initiative measure regarding a community bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will create new requirements and regulations to be implemented by the City of Spokane, including City Charter provisions that 1) secures the right of neighborhood residents to approve re-zonings proposed for major, new development, 2) recognizes the right of neighborhood residents to reject development which viol

Fiscal Impact		Budget Account
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
Approvals		Council Notifications
Dept Head	WESTFALL, JENNIFER	Study Session
Division Director		Other
Finance	LESESNE, MICHELE	Distribution List
Legal	BURNS, BARBARA	Steve Salvatori
For the Mayor	SANDERS, THERESA*	
Additional Approvals		
Purchasing		

The agenda wording will be:

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013 in conjunction with the scheduled general election to submit to the voters of the City of Spokane an advisory vote regarding the identification of funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition.

The agenda background will be:

The Envision Spokane initiative measure regarding a community bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will create new requirements and regulations to be implemented by the City of Spokane, including City Charter provisions that 1) secures the right of neighborhood residents to approve rezonings proposed for major, new development, 2) recognizes the right of neighborhood residents to reject development which violated the City Charter or the City's Comprehensive Plan, 3) expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, 4) provides constitutional protections in the workplace, and 5) elevates Charter rights above rights claimed by the corporation. This resolution will submit an advisory vote to the electors on the November 5, 2013 ballot asking whether the City should reduce funding in existing general fund programs to reallocate funding to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition.

RESOLUTION NO. 2013-0057

A RESOLUTION REQUESTING THE SPOKANE COUNTY AUDITOR TO HOLD A SPECIAL ELECTION ON NOVEMBER 5, 2013 IN CONJUNCTION WITH THE SCHEDULED GENERAL ELECTION TO SUBMIT TO THE VOTERS OF THE CITY OF SPOKANE AN ADVISORY VOTE REGARDING THE IDENTIFICATION OF FUNDING SOURCES TO IMPLEMENT THE PROVISIONS OF THE ENVISION SPOKANE COMMUNITY BILL OF RIGHTS PROPOSITION.

WHEREAS, on April 12, 2012, the Envision Spokane Political Committee (Envision Spokane) filed with the City Clerk's Office under the direct petition method an initiative designated as Initiative No. 2012-3; and

WHEREAS, on April 10, 2013 Envision Spokane filed with the City Clerk's Office the petition signatures for Initiative No. 2012-3; and

WHEREAS, pursuant to SMC 2.02.080, the City Council held a hearing and first reading on April 22, 2013 for Initiative No. 2012-3, designated by the City Council as Ordinance No. C-34979; and

WHEREAS, on May 2, 2013, the Spokane County Elections Office confirmed that Initiative No. 2012-3 satisfied the required number of valid signatures of registered voters as required by Section 82 of the City Charter; and

WHEREAS, pursuant to SMC 2.02.100, the City Council held a hearing on May 20, 2013 on the validated initiative petition where Ordinance No. C-34979 was given a second and final reading and Resolution No. 2013-0038 was approved to request the Spokane County Auditor to place the proposition on the November 5, 2013 general election; and

WHEREAS, the Envision Spokane Community Bill of Rights initiative will be presented to the voters for their approval or rejection on the November 5, 2013 ballot as the following proposition:

CITY OF SPOKANE

PROPOSITION NO. 1

**A CITY CHARTER AMENDMENT
ESTABLISHING A COMMUNITY BILL OF RIGHTS**

Shall the City Charter be amended to add a Community Bill of Rights, which secures the right of neighborhood residents to approve re-zonings proposed for major new

development, recognizes the right of neighborhood residents to reject development which violates the City Charter or the City's Comprehensive Plan, expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, provides constitutional protections in the workplace, and elevates Charter rights above rights claimed by the corporation?

YES
NO

WHEREAS, the Envision Spokane Community Bill of Rights proposition creates new requirements and regulations to be implemented by the City of Spokane by establishing in the City Charter provisions that 1) secures the right of neighborhood residents to approve re-zonings proposed for major, new development, 2) recognizes the right of neighborhood residents to reject development which violates the City Charter or the City's Comprehensive Plan, 3) expands protections for the Spokane River and Spokane Valley-Rathdrum Prairie Aquifer, 4) provides constitutional protections in the workplace, and 5) elevates Charter rights above rights claimed by the corporation; and

WHEREAS, the Envision Spokane Community Bill of Rights proposition does not provide the City a funding source to implement these provisions; and

WHEREAS, if approved by the voters, the provisions of the Envision Spokane Community Bill of Rights proposition will become effective upon the certification of the election results by the County Auditor; and

WHEREAS, if the Envision Spokane Community Bill of Rights proposition is approved by the voters, the City could fund the cost of implementing the provisions of the proposition by either raising new revenue or by reallocating existing general fund revenue from other programs; and

WHEREAS, the Spokane City Council seeks to obtain the advice of the voters of the City of Spokane on efforts to identify funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition, if approved by the voters either by pursuing additional funding sources or by reallocating funding in existing general fund programs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spokane, pursuant to section 84 of the City Charter, that:

1) the Spokane County Auditor is hereby requested, pursuant to RCW 29A.04.330, to hold a special election on November 5, 2013, in conjunction with the scheduled general election, for the purpose of submitting to the voters of the City of Spokane an advisory vote proposition, as set forth below, regarding identification of

funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition:

CITY OF SPOKANE

PROPOSITION NO. 4

**ADVISORY VOTE REGARDING FUNDING FOR A
COMMUNITY BILL OF RIGHTS**

The Spokane City Council approved Resolution No. 2013-0057, authorizing a ballot proposition for an advisory vote regarding the identification of funding sources to implement the provisions of the Envision Spokane Community Bill of Rights proposition.

Should the Spokane City Council reduce funding in existing general fund programs to reallocate funding to implement the provisions of the Envision Spokane Community Bill of Rights ballot proposition, if the proposition is approved by the voters?

YES
NO

2) the City Clerk is directed to deliver a certified copy of this resolution to the Spokane County Auditor no later than August 6, 2013 unless a judicial determination has been issued to remove the proposition from the ballot, in which case, the City Clerk shall not deliver the resolution to the County Auditor.

Adopted _____.

City Clerk

Approved as to form:

Assistant City Attorney



Agenda Sheet for City Council Meeting of:

07/22/2013

Date Rec'd	7/10/2013
Clerk's File #	RES 2013-0058
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	MIKE ALLEN & 625-6715
Contact E-Mail	RBARDEN@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	RESOLUTION REGARDING AN ADVISORY VOTE FOR ADDITIONAL FUNDING

Agenda Wording

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013, in conjunction with the scheduled general election, to submit to the voters of the City of Spokane an advisory vote regarding the identification of fun

Summary (Background)

The Spokane Moves to Amend initiative measure regarding a voter bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will prohibit any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs

Fiscal Impact		Budget Account
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
Approvals		Council Notifications
Dept Head	WESTFALL, JENNIFER	Study Session
Division Director		Other
Finance	LESESNE, MICHELE	Distribution List
Legal	BURNS, BARBARA	Steve Salvatori
For the Mayor	SANDERS, THERESA*	
Additional Approvals		
Purchasing		

The agenda wording will be:

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013, in conjunction with the scheduled general election, to submit to the voters of the City of Spokane an advisory vote regarding the identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition.

The agenda background will be:

The Spokane Moves to Amend initiative measure regarding a voter bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will prohibit any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs during an open forum and provides that a violation of the prohibited acts by corporations, corporate directors, officers, or other corporate agents is a criminal offence under the Spokane Municipal Code and that corporations in violation of the rights and prohibitions established by the proposition, or seeking to engage in activities prohibited by the proposition shall not have the rights of "persons" afforded by the United States and Washington Constitutions, nor shall those corporations be afforded rights under the First or Fifth Amendments to the United States Constitution or corresponding sections of the Washington Constitution. This resolution will submit an advisory vote to the electors on the November 5, 2013 ballot asking whether the City should pursue additional funding sources in order to implement the provisions of the Spokane Moves to Amend Bill of Rights ballot proposition.

RESOLUTION NO. 2013-0058

A RESOLUTION REQUESTING THE SPOKANE COUNTY AUDITOR TO HOLD A SPECIAL ELECTION ON NOVEMBER 5, 2013, IN CONJUNCTION WITH THE SCHEDULED GENERAL ELECTION TO SUBMIT TO THE VOTERS OF THE CITY OF SPOKANE AN ADVISORY VOTE REGARDING THE IDENTIFICATION OF FUNDING SOURCES TO IMPLEMENT THE PROVISIONS OF THE SPOKANE MOVES TO AMEND VOTER BILL OF RIGHTS PROPOSITION.

WHEREAS, on April 16, 2012, the Spokane Moves to Amend Political Committee(SMAC) filed with the City Clerk's Office under the direct petition method an initiative designated as Initiative No. 2012-4; and

WHEREAS, on April 8, 2013, SMAC filed with the City Clerk's Office the petition signatures for Initiative No. 2012-4; and

WHEREAS, pursuant to SMC 2.02.080, the City Council held a hearing and first reading on April 22, 2013 for Initiative No. 2012-4, designated by the City Council as Ordinance No. C-34978; and

WHEREAS, on May 7, 2013, the Spokane County Elections Office confirmed that Initiative No. 2012-4 satisfied the required number of valid signatures of registered voters as required by Section 82 of the City Charter; and

WHEREAS, pursuant to SMC 2.02.100, the City Council held a hearing on May 20, 2013 on the validated initiative petition where Ordinance No. C-34978 was given a second and final reading and Resolution No. 2013-0039 was approved to request the Spokane County Auditor to place the proposition on the November 5, 2013 general election; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights initiative will be presented to the voters for their approval or rejection on the November 5, 2013 ballot as the following proposition:

CITY OF SPOKANE

PROPOSITION NO. 2

A VOTER BILL OF RIGHTS: A CLEAN AND FAIR ELECTIONS AND GOVERNMENT ORDINANCE

Shall the Spokane Municipal Code be amended to add a Voter Bill of Rights for Clean and Fair Elections, and Government Ordinance that

Prohibits Corporate Lobbying, Corporate Involvement in Initiatives, and Corporate Donations to Candidates for Elected Office?

YES
NO

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition prohibits any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs during an open forum; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition provides that a violation of the prohibited acts by corporations, corporate directors, officers, or other corporate agents is a criminal offence under the Spokane Municipal Code and that corporations in violation of the rights and prohibitions established by the proposition, or seeking to engage in activities prohibited by the proposition shall not have the rights of “persons” afforded by the United States and Washington Constitutions, nor shall those corporations be afforded rights under the First or Fifth Amendments to the United States Constitution or corresponding sections of the Washington Constitution; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition does not provide the City a funding source to implement these provisions; and

WHEREAS, if approved by the voters, the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition will become effective upon the certification of the election results by the County Auditor; and

WHEREAS, if the Spokane Moves to Amend Voter Bill of Rights proposition is approved by the voters, the City could fund the cost of enforcement, monitoring, implementation and prosecution called for by the provisions of the proposition by either raising new revenue or by reallocating existing general fund revenue from other programs; and

WHEREAS, the Spokane City Council seeks to obtain the advice of the voters of the City of Spokane on efforts to identify funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if approved by the voters either by pursuing additional funding sources or by reallocating funding in existing general fund programs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spokane, pursuant to section 84 of the City Charter, that:

1) the Spokane County Auditor is hereby requested, pursuant to RCW 29A.04.330, to hold a special election on November 5, 2013, in conjunction with the scheduled general election, for the purpose of submitting to the voters of the City of Spokane an advisory vote proposition, as set forth below, regarding identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition:

CITY OF SPOKANE

PROPOSITION NO. 5

**ADVISORY VOTE REGARDING FUNDING FOR A
VOTER BILL OF RIGHTS**

The Spokane City Council approved Resolution No. 2013-0058, authorizing a ballot proposition for an advisory vote regarding the identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition.

Should the Spokane City Council pursue additional funding sources in order to fund the implementation of the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if the proposition is approved by the voters?

YES
NO

2) the City Clerk is directed to deliver a certified copy of this resolution to the Spokane County Auditor no later than August 6, 2013 unless a judicial determination has been issued to remove the proposition from the ballot, in which case, the City Clerk shall not deliver the resolution to the County Auditor.

Adopted _____.

City Clerk

Approved as to form:

Assistant City Attorney



Agenda Sheet for City Council Meeting of:

07/22/2013

Date Rec'd	7/10/2013
Clerk's File #	RES 2013-0059
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	MIKE ALLEN & 625-6715
Contact E-Mail	RBARDEN@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	REGARDING AN ADVISORY VOTE FOR ADDITIONAL FUNDING TO IMPLEMENT

Agenda Wording

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013, in conjunction with the scheduled general election, to submit to the voters of the City of Spokane an advisory vote regarding the identification of fun

Summary (Background)

The Spokane Moves to Amend initiative measure regarding a voter bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will prohibit any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs

Fiscal Impact		Budget Account
Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
Approvals		Council Notifications
Dept Head	WESTFALL, JENNIFER	Study Session
Division Director		Other
Finance	LESESNE, MICHELE	Distribution List
Legal	BURNS, BARBARA	Steve Salvatori
For the Mayor	SANDERS, THERESA*	
Additional Approvals		
Purchasing		

The agenda wording will be:

A resolution requesting the Spokane County Auditor to hold a special election on November 5, 2013, in conjunction with the scheduled general election, to submit to the voters of the City of Spokane an advisory vote regarding the identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition.

The agenda background will be:

The Spokane Moves to Amend initiative measure regarding a voter bill of rights has qualified for the November 5, 2013 general election ballot. If approved by the voters, the proposition will prohibit any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs during an open forum and provides that a violation of the prohibited acts by corporations, corporate directors, officers, or other corporate agents is a criminal offence under the Spokane Municipal Code and that corporations in violation of the rights and prohibitions established by the proposition, or seeking to engage in activities prohibited by the proposition shall not have the rights of "persons" afforded by the United States and Washington Constitutions, nor shall those corporations be afforded rights under the First or Fifth Amendments to the United States Constitution or corresponding sections of the Washington Constitution. This resolution will submit an advisory vote to the electors on the November 5, 2013 ballot asking whether the City should reduce funding in existing general fund programs to reallocate funds to implement the provisions of the Spokane Moves to Amend Bill of Rights ballot proposition.

RESOLUTION NO. 2013-0059

A RESOLUTION REQUESTING THE SPOKANE COUNTY AUDITOR TO HOLD A SPECIAL ELECTION ON NOVEMBER 5, 2013, IN CONJUNCTION WITH THE SCHEDULED GENERAL ELECTION TO SUBMIT TO THE VOTERS OF THE CITY OF SPOKANE AN ADVISORY VOTE REGARDING THE IDENTIFICATION OF FUNDING SOURCES TO IMPLEMENT THE PROVISIONS OF THE SPOKANE MOVES TO AMEND VOTER BILL OF RIGHTS PROPOSITION.

WHEREAS, on April 16, 2012, the Spokane Moves to Amend Political Committee(SMAC) filed with the City Clerk's Office under the direct petition method an initiative designated as Initiative No. 2012-4; and

WHEREAS, on April 8, 2013, SMAC filed with the City Clerk's Office the petition signatures for Initiative No. 2012-4; and

WHEREAS, pursuant to SMC 2.02.080, the City Council held a hearing and first reading on April 22, 2013 for Initiative No. 2012-4, designated by the City Council as Ordinance No. C-34978; and

WHEREAS, on May 7, 2013, the Spokane County Elections Office confirmed that Initiative No. 2012-4 satisfied the required number of valid signatures of registered voters as required by Section 82 of the City Charter; and

WHEREAS, pursuant to SMC 2.02.100, the City Council held a hearing on May 20, 2013 on the validated initiative petition where Ordinance No. C-34978 was given a second and final reading and Resolution No. 2013-0039 was approved to request the Spokane County Auditor to place the proposition on the November 5, 2013 general election; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights initiative will be presented to the voters for their approval or rejection on the November 5, 2013 ballot as the following proposition:

CITY OF SPOKANE

PROPOSITION NO. 2

A VOTER BILL OF RIGHTS: A CLEAN AND FAIR ELECTIONS AND GOVERNMENT ORDINANCE

Shall the Spokane Municipal Code be amended to add a Voter Bill of Rights for Clean and Fair Elections, and Government Ordinance that

Prohibits Corporate Lobbying, Corporate Involvement in Initiatives, and Corporate Donations to Candidates for Elected Office?

YES
NO

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition prohibits any corporation from making a contribution or expenditure to influence any election within the City of Spokane and from communicating with an elected official within the City of Spokane urging support or opposition to pending legislation or citizen initiative, except when the communication occurs during an open forum; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition provides that a violation of the prohibited acts by corporations, corporate directors, officers, or other corporate agents is a criminal offence under the Spokane Municipal Code and that corporations in violation of the rights and prohibitions established by the proposition, or seeking to engage in activities prohibited by the proposition shall not have the rights of “persons” afforded by the United States and Washington Constitutions, nor shall those corporations be afforded rights under the First or Fifth Amendments to the United States Constitution or corresponding sections of the Washington Constitution; and

WHEREAS, the Spokane Moves to Amend Voter Bill of Rights proposition does not provide the City a funding source to implement these provisions; and

WHEREAS, if approved by the voters, the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition will become effective upon the certification of the election results by the County Auditor; and

WHEREAS, if the Spokane Moves to Amend Voter Bill of Rights proposition is approved by the voters, the City could fund the cost of enforcement, monitoring, implementation and prosecution called for by the provisions of the proposition by either raising new revenue or by reallocating existing general fund revenue from other programs; and

WHEREAS, the Spokane City Council seeks to obtain the advice of the voters of the City of Spokane on efforts to identify funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if approved by the voters either by pursuing additional funding sources or by reallocating funding in existing general fund programs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spokane, pursuant to section 84 of the City Charter, that:

1) the Spokane County Auditor is hereby requested, pursuant to RCW 29A.04.330, to hold a special election on November 5, 2013, in conjunction with the scheduled general election, for the purpose of submitting to the voters of the City of Spokane an advisory vote proposition, as set forth below, regarding identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition:

CITY OF SPOKANE

PROPOSITION NO. 6

**ADVISORY VOTE REGARDING FUNDING FOR A
VOTER BILL OF RIGHTS**

The Spokane City Council approved Resolution No. 2013-0059, authorizing a ballot proposition for an advisory vote regarding the identification of funding sources to implement the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition.

Should the Spokane City Council reduce funding in existing general fund programs to reallocate funding to the implementation of the provisions of the Spokane Moves to Amend Voter Bill of Rights proposition, if the proposition is approved by the voters?

YES
NO

2) the City Clerk is directed to deliver a certified copy of this resolution to the Spokane County Auditor no later than August 6, 2013 unless a judicial determination has been issued to remove the proposition from the ballot, in which case, the City Clerk shall not deliver the resolution to the County Auditor.

Adopted _____.

City Clerk

Approved as to form:

Assistant City Attorney



OFFICE OF THE CITY CLERK
808 W. SPOKANE FALLS BLVD
SPOKANE, WASHINGTON 99201-3342
509.625.6350

July 12, 2013

City Clerk File No.:
ORD C35011

COUNCIL ACTION MEMORANDUM

RE: VACATION OF THE ALLEY BETWEEN 6TH AND 7TH AVENUES FROM MCCLELLAN STREET TO BROWNE STREET REQUESTED BY SPOKANE SOUTH MEDICAL, LLC (CLIFF-CANNON NEIGHBORHOOD)

During its 6:00 p.m. Legislative Session held Monday, July 8, 2013, the Spokane City Council held a hearing on the above-described vacation. Subsequent to public testimony from one individual and the opportunity for Council comment, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member McLaughlin absent), the City Council **approved** (subject to conditions in the Department of Engineering Services Street Vacation Report dated July 8, 2013) the vacation of the alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street requested by Spokane South Medical, LLC.

In conjunction with the hearing, Ordinance C35011—vacating the alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street—was provided a first reading, with further action deferred.

Terri L. Pfister, MMC
Spokane City Clerk



Agenda Sheet for City Council Meeting of:

07/08/2013

Date Rec'd	6/26/2013
Clerk's File #	ORD C35011
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	PLANNING & DEVELOPMENT
Contact Name/Phone	ELDON BROWN 625-6305
Contact E-Mail	EBROWN@SPOKANECITY.ORG
Agenda Item Type	Hearings
Agenda Item Name	0650-HEARING-ALLEY VACATION-6TH & MCCLELLAN

Agenda Wording

Vacation of the Alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street requested by Spokane South Medical, LLC. proponent. (Cliff-Cannon Neighborhood Council)

Summary (Background)

At its legislative session held June 3, 2013 the City Council set a hearing on the above vacation for July 8, 2013. Since that time, staff has solicited responses from all concerned parties.

Fiscal Impact	Budget Account
Select \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	CHESNEY, SCOTT	Study Session	
Division Director	QUINTRALL, JAN	Other	
Finance	LESESNE, MICHELE	Distribution List	
Legal	BURNS, BARBARA	sdecker@spokanecity.org	
For the Mayor	SANDERS, THERESA		
Additional Approvals			
Purchasing			

City of Spokane
Department of Engineering Services
808 West Spokane Falls Blvd.
Spokane, WA 99201-3343
(509) 625-6700

ORDINANCE NO. C35011

An ordinance vacating the Alley between 6th Avenue and 7th Avenue from McClellan Street and Browne Street

WHEREAS, a petition for the vacation of Alley between 6th Avenue and 7th Avenue from McClellan Street and Browne Street has been filed with the City Clerk representing 100 percent of the abutting property owners, and a hearing has been held on this petition before the City Council as provided by RCW 35.79; and

WHEREAS, the City Council has found that the public use, benefit and welfare will best be served by the vacation of said public way; -- NOW, THEREFORE,

The City of Spokane does ordain:

Section 1. That Alley between 6th Avenue and 7th Avenue from McClellan Street and Browne Street is hereby vacated, NE1/4 & SE1/4 S19 T25 R43, parcel number not assigned.

Section 2. An easement is reserved and retained over and through the entire vacated area for the utility services of Avista Utilities and Comcast to protect existing and future utilities.

Section 3. That this ordinance shall not become effective until the owners of property abutting upon the area to be vacated shall have compensated the City of Spokane in an amount equal to (one-half or full) the assessed value of the area herein vacated.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to Form:

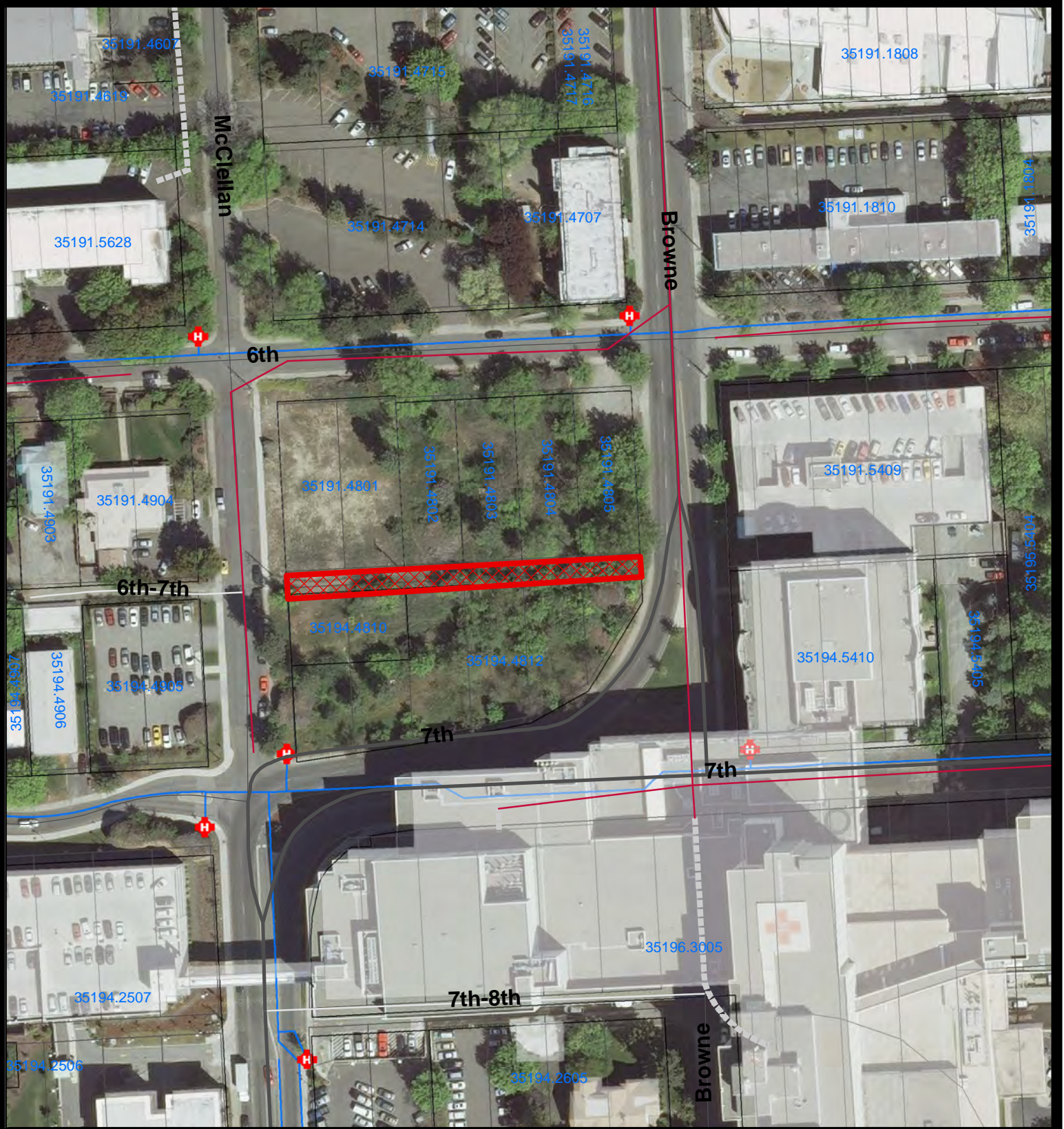
Assistant City Attorney

Mayor

Date: _____

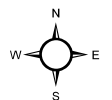
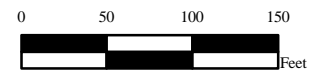
Effective Date: _____

stvac\ 6th-McClellan Ordinance doc



Date: April 1, 2013

Vacation of the Alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street



THIS IS NOT A LEGAL DOCUMENT:
The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.

TRANSMITTAL OF FIRST READING ORDINANCE

DATE: July 9, 2013

TO: Sandy Decker
Engineering Services

Clerk's File No.
ORD C35011

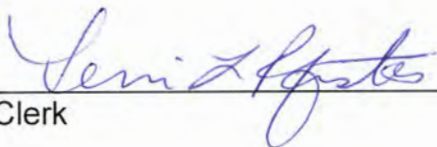
FROM: Terri Pfister, City Clerk

RE: **Vacation of Alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street.**

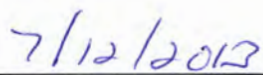
Attached is a copy of Ordinance C35011 for the vacation of:

Alley between 6th Avenue and 7th Avenue from McClellan Street to Browne Street.

This ordinance was read for the first time on July 8, 2013, and will be read for the final time when the necessary conditions have been met and this transmittal, signed and dated by the Engineering Services Director, is returned to the City Clerk's Office.



City Clerk

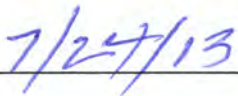


Date

Precedent conditions have been met and Ordinance C35011 is hereby returned for Final Reading.



For Engineering Services Director

Dated: 



Agenda Sheet for City Council Meeting of:
07/29/2013

Date Rec'd	7/17/2013
Clerk's File #	ORD C35018
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	BEN STUCKART 625.6258
Contact E-Mail	BSTUCKART@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	0320 DRONE ORDINANCE

Agenda Wording

AN ORDINANCE relating to the City of Spokane's use of surveillance equipment; requiring City departments to obtain City Council approval prior to acquiring certain surveillance equipment.

Summary (Background)

This ordinance creates a new chapter in the SMC regulating the acquisition and use of surveillance equipment, including drones. The ordinance will require city departments to obtain City Council approval by resolution for the acquisition, deployment and installation of surveillance equipment. City departments shall develop operational protocols for the use of surveillance equipment at the time the department seeks City Council approval, including data management protocol.

Fiscal Impact		Budget Account	
Select	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
<u>Dept Head</u>	WESTFALL, JENNIFER	<u>Study Session</u>	
<u>Division Director</u>		<u>Other</u>	
<u>Finance</u>	LESESNE, MICHELE	Distribution List	
<u>Legal</u>	BURNS, BARBARA		
<u>For the Mayor</u>	SANDERS, THERESA		
Additional Approvals			
<u>Purchasing</u>			



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

requiring departments to adopt written protocols that address data retention, storage and access of any data obtained through the use of certain surveillance equipment, and adopting a new chapter 1.08 to title 1 of the Spokane Municipal Code.

Summary (Background)

The ordinance shall not prevent a city department from acquiring and using surveillance equipment, except for drones, that is used on a temporary basis for criminal investigation purposes or pursuant to a lawfully issued search warrant. This ordinance shall not apply to surveillance equipment installed on park property under the jurisdiction of the Parks Department or library property under the jurisdiction of the Library Board with the exception of surveillance cameras mounted on drones or unmanned aircrafts.

Fiscal Impact

	\$	#
Select	\$	#
Select	\$	#
Select	\$	#
Select	\$	#

Budget Account

Distribution List

ORDINANCE NO. C35018

AN ORDINANCE relating to the City of Spokane's use of surveillance equipment; requiring City departments to obtain City Council approval prior to acquiring certain surveillance equipment; requiring departments to propose protocols related to proper use and deployment of certain surveillance equipment for Council review, requiring departments to adopt written protocols that address data retention, storage and access of any data obtained through the use of certain surveillance equipment, and adopting a new chapter 1.08 to title 1 of the Spokane Municipal Code.

WHEREAS, the previous installation of video cameras by the City on City property and facilities have raised concerns over privacy and the lack of public process leading up to the decisions to use certain surveillance equipment; and

WHEREAS, while surveillance equipment may help promote public safety in some contexts, such as red light cameras and dashboard video cameras in police vehicles, the benefits of such technologies should be balanced with the need to protect privacy and anonymity, free speech and association, and equal protection; and

WHEREAS, while the courts have established that people generally do not have a reasonable expectation of privacy in public settings, the City should be judicious in its use of surveillance equipment to avoid creating a constant and pervasive surveillance presence in public life; and

WHEREAS, all City departments should seek approval from the City Council prior to the acquisition and operation of certain surveillance equipment; and

WHEREAS, City departments should also propose specific protocols for Council review and approval that address the appropriate use of certain surveillance equipment and any data captured by such equipment; and

WHEREAS, City departments should also develop protocols for retaining, storing, and accessing data captured by surveillance equipment consistent with state law; - - Now, Therefore,

The City of Spokane does ordain:

Section 1. That there is adopted a new chapter 1.08 to title 1 of the Spokane Municipal Code to read as follows:

Chapter 1.08 Acquisition and Use of Surveillance Equipment

Sections:

- 1.08.010 Definitions
- 1.08.020 Council Approval for City Department Acquisition and Operations of Surveillance Equipment
- 1.08.030 Data Management Protocols for Surveillance Equipment
- 1.08.040 Acquisition and Use of Surveillance Equipment Related to Law Enforcement Investigations
- 1.08.050 Prior Use of Surveillance Equipment

1.08.010 Definitions

The following definitions apply to this chapter 1.08 SMC.

- A. "Data management protocols" generally means procedures governing how data collected by surveillance equipment will be retained, stored, indexed and accessed. Information comprising data management protocols includes, at a minimum, the information required in SMC 1.08.030.
- B. "Operational protocols" generally means procedures governing how and when surveillance equipment may be used and by whom. Information comprising operational protocols includes, at a minimum, the information required in SMC 1.08.020.
- C. "Surveillance equipment" means equipment capable of capturing or recording data, including images, videos, photographs or audio operated by or at the direction of a City department that may deliberately or inadvertently capture activities of individuals on public or private property, regardless of whether "masking" or other technology might be used to obscure or prevent the equipment from capturing certain views. "Surveillance equipment" includes drones or unmanned aircraft and any attached equipment used to collect data. "Surveillance equipment" does not include:
 - 1. a handheld or body-worn device used by law enforcement,
 - 2. a camera installed in or on a police vehicle,
 - 3. a camera installed in or on any vehicle, such as fire trucks, emergency vehicles, utility vehicles and street maintenance vehicles intended for the safe operation of the vehicles;
 - 4. a camera installed along a public right-of-way intended to record traffic patterns and/or traffic violations,

5. a camera intended to record activity inside or at the entrances to City buildings for security purposes, and
6. a camera installed to monitor and protect the physical integrity of City infrastructure, such as City fire stations and utility service facilities.

1.08.020 City Council Approval for City Department Acquisition and Operations of Surveillance Equipment

- A. Any City department intending to acquire surveillance equipment shall obtain city council approval pursuant to a resolution prior to acquisition. Prior to deployment or installation of the surveillance equipment, City departments shall obtain city council approval pursuant to a resolution of operational protocols, unless applicable operational protocols were previously approved by a resolution. In requesting approval for acquisition of surveillance equipment, City departments shall include proposed operational protocols containing the following information for the city council's consideration, along with any other information specifically requested by the city council:
1. A clear statement describing the purpose and use of the proposed surveillance equipment.
 2. The type of surveillance equipment to be acquired and used.
 3. The intended specific location of such surveillance equipment if affixed to a building or other structure.
 4. How and when a department proposes to use the surveillance equipment, such as whether the equipment will be operated continuously or used only under specific circumstances, and whether the equipment will be installed permanently or temporarily
 5. A description of the privacy and anonymity rights affected and a mitigation plan describing how the department's use of the equipment will be regulated to protect privacy, anonymity, and limit the risk of potential abuse.
 6. A description of how and when data will be collected and retained and who will have access to any data captured by the surveillance equipment.
 7. The extent to which activity will be monitored in real time as data is being captured and the extent to which monitoring of historically recorded information will occur.
 8. A public outreach plan for each community in which the department intends to use the surveillance equipment that includes opportunity for

public meetings, a public comment period, and written agency response to these comments.

9. If a department is requesting to acquire or use drones or other unmanned aircraft, it shall propose the specific circumstances under which they may be deployed, along with clearly articulated authorization protocols.
 10. If more than one department will have access to the surveillance equipment or the data captured by it, a lead department shall be identified that is responsible for maintaining the equipment and ensuring compliance with all related protocols. If the lead department intends to delegate any related responsibilities to other departments and city personnel, these responsibilities and associated departments and personnel shall be clearly identified.
 11. Whether a department intends to share access to the surveillance equipment or the collected data with any other government entity.
 12. A description of the training to be provided to operators or users of the surveillance equipment.
- B. Upon review of the information required under this section, and any other information deemed relevant by the city council, the city council may approve the acquisition and operation of surveillance equipment, approve the acquisition of surveillance equipment and require future city council approval for operations, deny the acquisition or use of surveillance equipment for the purpose proposed, or take other actions.

1.08.030 Data Management Protocols for Surveillance Equipment

- A. Prior to operating surveillance equipment acquired after the effective date of this chapter, City departments shall submit written protocols for managing data collected by surveillance equipment to the city council. The city council may require that any or all data management protocols required under this section be approved by resolution. These data management protocols shall address the following:
1. The time period for which any data collected by surveillance equipment will be retained.
 2. The methods for storing recorded information, including how the data is to be labeled or indexed. Such methods must allow for the department personnel to readily search and locate specific data that is collected and determine with certainty that data was properly deleted, consistent with applicable law.

3. How the data may be accessed, including who will be responsible for authorizing access, who will be allowed to request access, and acceptable reasons for requesting access.
4. A viewer's log or other comparable method to track viewings of any data captured or collected by the surveillance equipment, including the date, time, the individuals involved, and the reason(s) for viewing the records.
5. A description of the individuals who have authority to obtain copies of the records and how the existence and location of copies will be tracked.
6. A general description of the system that will be used to store the data.
7. A description of the unit or individuals responsible for ensuring compliance with SMC 1.08.030 and when and how compliance audits will be conducted.

1.08.040 Acquisition and Use of Surveillance Equipment Related to Law Enforcement Investigations

Notwithstanding the provisions of this chapter, City departments may acquire or use surveillance equipment(excluding drones) that is used on a temporary basis for criminal investigative purposes or pursuant to a lawfully issued search warrant, or under exigent circumstances as defined in case law. The provisions of this chapter shall not apply to surveillance equipment installed on park property under the jurisdiction of the park board and library property under the jurisdiction of the library board of trustees. The exemptions from the provisions of this chapter set forth above do not apply to surveillance cameras mounted on drones or other unmanned aircraft.

1.08.050 Prior Use of Surveillance Equipment

- A. Unless the city council previously approved operational protocols by resolution for department surveillance equipment, each City department operating surveillance equipment prior to the effective date of this chapter shall propose written operational protocols consistent with SMC 1.08.020 no later than thirty days following the effective date of this chapter for city council review and approval by resolution.
- B. Each department operating surveillance equipment prior to the effective date of this chapter shall adopt written data management protocols consistent with SMC 1.08.030 no later than thirty days following the effective date of this chapter and submit these protocols to the city council for review and possible approval by resolution

Section 2. Following one year after the effective date of this ordinance, the city council will review its implementation as it applies to city department use of surveillance equipment.

PASSED BY THE CITY COUNCIL ON _____, 2013.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	ORD C35020
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	PARKS & RECREATION
Contact Name/Phone	LEROY EADIE 625-6204
Contact E-Mail	LEADIE@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	1400 ORDINANCE CREATING DEPARTMENTS WITHIN THE PARKS & RECREATION DIVISION

Agenda Wording

Ordinance creating departments within the Parks and Recreation division; amending SMC section 3.01A.360; and adoption of new sections 3.01A361, 3.01A362 and 3.01A.363 to chapter 3.01A of the Spokane Municipal Code.

Summary (Background)

On May 9, 2013 Park Board approved a resolution supporting the City Council's reclassification of the Parks Division (both existing or redefined) Manager existing and future positions in Spokane Parks and Recreation as exempt employees in order to allow the Director the ability to assemble a management team that can meet all the demands of providing Parks and Recreation services for the citizens of Spokane.

Fiscal Impact

Select	\$
Select	\$
Select	\$
Select	\$

Budget Account

#
#
#
#

Approvals

Dept Head	EADIE, LEROY
Division Director	
Finance	LESESNE, MICHELE
Legal	BURNS, BARBARA
For the Mayor	SANDERS, THERESA

Council Notifications

Study Session	
Other	6/19/2013 Finance Committee

Distribution List

leadie@spokanecity.org
pdalton@spokanecity.org
jfaught@spokanecity.org
hlowe@spokanecity.org
gkibbey@spokanecity.org

ORDINANCE NO. C35020

AN ORDINANCE creating departments within the Parks and Recreation division; amending SMC section 3.01A.360; and adopting new sections 3.01A.361, 3.01A.362 and 3.01A.363 to chapter 3.01A of the Spokane Municipal Code.

The City of Spokane does ordain:

Section 1. That SMC section 3.01A.360 is amended to read as follows:

3.01A.360 Parks and Recreation

- A. The procurement, disposition, improvement and management of parks, playgrounds, designated boulevards, designated parkways, trees in streets and other rights-of-way, and other designated public places is vested in the park board. The park board and its committees perform their function through the ~~((department))~~ division of parks and recreation. The park board is also authorized by Spokane city charter to adopt a budget for the parks and recreation ~~((department))~~ division.
- B. The parks and recreation ~~((department))~~ division serves as administrative staff to, and receives policy direction from, the park board and receives administrative direction from the mayor. The parks and recreation ~~((department))~~ division ~~((performs))~~ oversees a complement of duties at the direction of the park board, including but not limited to:
1. design, development and maintenance of parks, gardens, the arboretum, swimming pools and recreational grounds and facilities;
 2. development and management of the urban forestry program;
 3. operation and management of the municipal golf courses;
 4. operation and development of a variety of recreational programs serving the public;
 5. operation, maintenance and promotion of grounds facilities and activities at Riverfront Park;
 6. acquisition and long-range planning for future parks and open spaces as well as recreational services; and
 7. promotion, public relations, financial control and reporting.

- C. The municipal golf courses may be operated directly by the parks and recreation ((~~department~~)) division or may be operated by licensed golf professionals under contract with the ((~~department~~)) division.

Section 2. That there is adopted a new section 3.01A.361 to chapter 3.01A of the Spokane Municipal Code to read as follows:

3.01A.361 Parks Finance / Budget

The parks finance / budget department performs responsible administrative and professional work for the finance and budget functions of the parks and recreation division, which includes monthly financial reporting to the division director and park board, oversight of all accounting practices and procedures in the division, formulation of accounting and financial methods and procedures as needed, preparation of the annual budget with guidance and direction from the division director, and serving as administrative staff to the finance committee of the park board.

Section 3. That there is adopted a new section 3.01A.362 to chapter 3.01A of the Spokane Municipal Code to read as follows:

3.01A.362 Parks Operations

The parks operations department performs responsible administrative and professional work for the parks operations functions of the parks and recreation division, which includes supervision of technical and supervisory personnel, drafting of policies and procedures as needed, negotiating and administering contracts, preparing and administering an annual budget adopted by the park board, and serving as administrative staff to the land committee of the park board.

Section 3. That there is adopted a new section 3.01A.363 to chapter 3.01A of the Spokane Municipal Code to read as follows:

3.01A.363 Parks Recreation / Entertainment

The parks recreation / entertainment department performs responsible administrative and professional work for the recreation and riverfront park functions of the parks and recreation division, which includes supervision of technical and supervisory personnel, drafting of policies and procedures as needed, negotiating and administering contracts, preparing and administering an annual budget adopted by the park board, and serving as administrative staff to the recreation and riverfront park committees of the park board.

PASSED BY THE CITY COUNCIL ON _____

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

AGENDA SHEET FOR PARK BOARD MEETING OF: May 9, 2013

Submitting Division
Administration

Contact Person
Leroy Eadie

Phone No.
625-6204



COMMITTEE

- Riverfront
- Golf
- Recreation
- Land
- Urban Forestry
- North Bank Ad-Hoc
- Finance

CLERK'S FILE
 RENEWS
 CROSS REF
 ENG
 BID
 REQUISITION

OPR 2013-0450

Ng 6.11.2013

AGENDA WORDING:

A resolution supporting creation of exempt positions in Parks and Recreation.

BACKGROUND:

(Attach additional sheet if necessary)

Park Board wishes to support the City Council's codification through SMC 3.01A Parks and Recreation as a City Division/Department with reporting Departments that reflect the existing and future organizational structure.

RECOMMENDATION: Approve Resolution

Fiscal Impact:

Budget Account

Expenditure:
 Revenue:
 Budget neutral

ATTACHMENTS: Include in Packets: Resolution
On file for Review in Office of City Clerk:

SIGNATURES:

Requestor

Kathleen Keck

 Parks Accounting

Tim Dunivant

 Legal Department

Jacki Faught

 Director of Parks and Recreation

DISTRIBUTION:

Parks, Kathleen Keck
Risk Manager, Tim Dunivant

Parks, Leroy Eadie
Legal, Pat Dalton

Parks, Jacki Faught

PARK BOARD ACTION:

RECEIVED

JUN 11 2013

CITY CLERK'S OFFICE
SPOKANE, WA

APPROVED BY

SPOKANE PARK BOARD:

Jacki Faught

 PARK BOARD

CITY OF SPOKANE PARK BOARD

RESOLUTION

A Resolution supporting creation of exempt positions in Parks and Recreation

WHEREAS, the Park Board is empowered by the City Charter to lay out, establish, purchase, procure, accept, and have the care, management control and improvement of, all parks and grounds used for park purposes, all boulevards, connecting parks and structures thereon, and all parkways, and

WHEREAS the Park Board is empowered by the City Charter to exercise supervision over all shade trees, shrubs and plants of all kinds on or in the streets and public places of the city, and over all resting places, water stations, playgrounds and parade grounds, and

WHEREAS the Park Board is empowered by the City Charter to make rules and regulations for the use of parks and provide for the enforcement of such rules and regulations, and

WHEREAS the Park Board is empowered by the City Charter to improve and adorn parks and park property and do all things necessary or proper to render the parks or other property of value to the public, and

WHEREAS the Park Board is empowered by the City Charter to grant concessions, leases and privileges under such restrictions and for such compensation as it shall prescribe, and

WHEREAS the Park Board is empowered by the City Charter to adopt an annual budget for Parks and Recreation, and

WHEREAS, the Parks and Recreation Department has an annual Park Fund operating budget of over \$17.5 million (inclusive of the 8% from the General Fund as mandated by City Charter), and an annual Golf Fund operating budget of over \$3 million, and

WHEREAS, the Parks and Recreation Department has three major divisions: Park Operations, Recreation and Entertainment, and Budget/Finance run by Division Managers who have a greater annual salary and responsibility than many other exempt Department Directors within the City, and,

WHEREAS the Parks and Recreation Department has over 80 full time employees and hundreds of temporary seasonal employees of which the Director is the only exempt employee, and,

WHEREAS the Park Board needs a Director who can assemble the best team of Park's Division Managers possible, and

WHEREAS Parks and Recreation is the only major Department in the City of Spokane that only has one exempt employee, and

WHEREAS future Park Division Manager positions created within the Parks and Recreation Department's Budget shall also be exempt, and

WHEREAS the Park Board understands that if approved these exempt positions would no longer be Civil Service classified positions yet they will still be represented by the Managerial and Professional Association.

WHEREAS this resolution supports the City Council's codification through SMC 3.01 Parks and Recreation as a City Division/Department with Departments that reflect the existing and future organizational structure.

NOW THEREFORE, IT IS HEREBY RESOLVED that the Park Board supports the City Council's reclassification of Park Division (both existing or redefined Divisions) Manager existing and future positions in Spokane Parks and Recreation as exempt employees in order to allow the Director the ability to assemble a management team that can meet all the demands of providing Parks and Recreations services for the citizens of Spokane. It is the intent of the Park Board that if future Park's Division Manager Positions are created in the Spokane Parks and Recreation Department that those positions also be exempt.

Dated this 9th day of May, 2013.




Park Board President

Approved as to form:



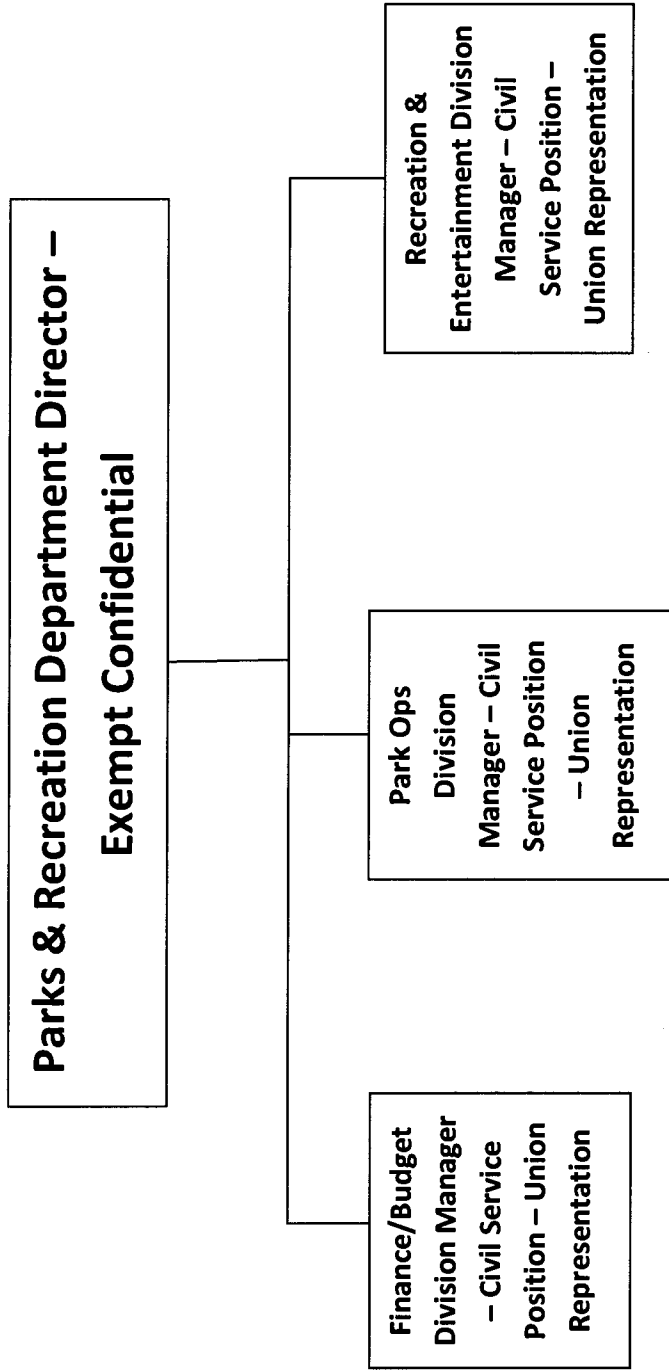
Assistant City Attorney

Attest: 

Spokane City Clerk

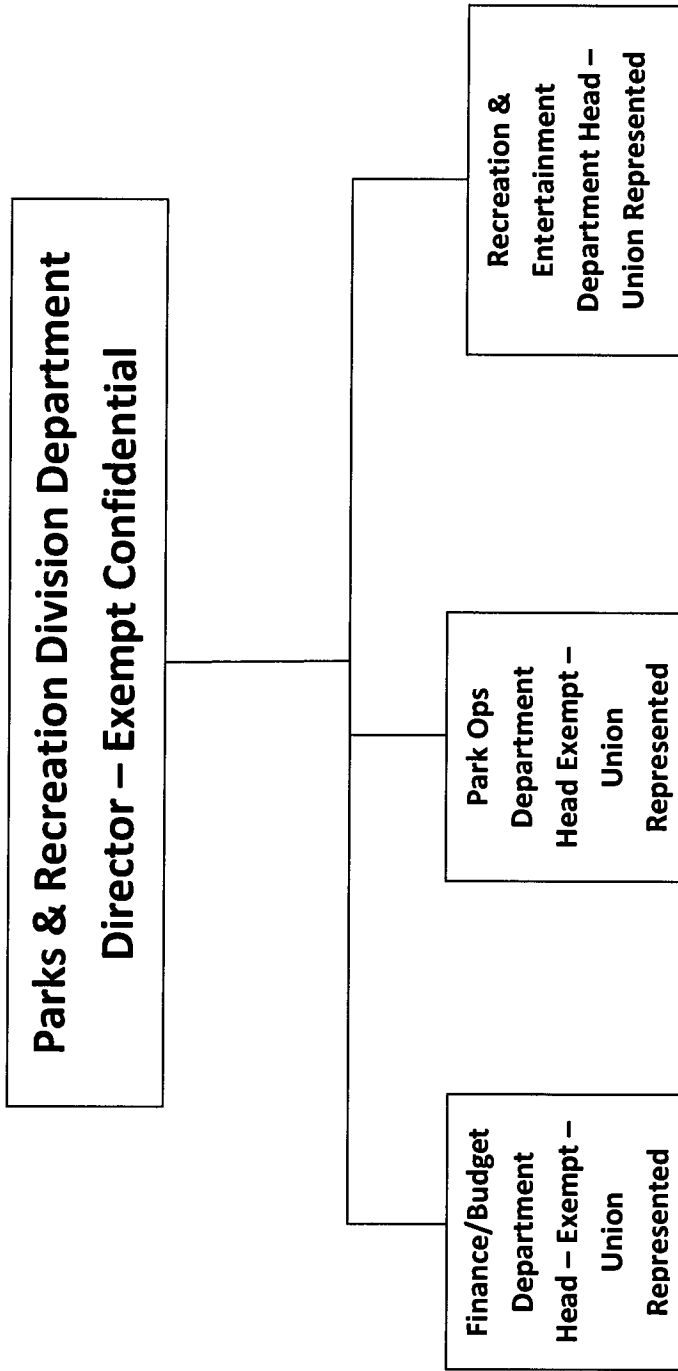


Parks and Recreation Department Today



Parks and Recreation Division Department Tomorrow

(per SMC 3.01)



Notes:

Total # of exempt positions that could be created in Parks by statute is 8.

It is currently the intent to have 4 exempt positions in Parks, which are all in the existing adopted budget.

Any new positions would have to be approved in the Park Budget by the Park Board.

Salary or benefits will not change for the 3 positions that are proposed to become exempt



Agenda Sheet for City Council Meeting of:

08/05/2013

Date Rec'd	7/24/2013
Clerk's File #	RES 2013-0061
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	ASSET MANAGEMENT
Contact Name/Phone	MIKE WERNER 625-6286
Contact E-Mail	MWERNER@SPOKANECITY.ORG
Agenda Item Type	Resolutions
Agenda Item Name	5900-RESO SURPLUS PROPERTY - JOE ALBI STADIUM

Agenda Wording

A Resolution approving lease and option agreements that contemplate the intergovernmental transfer of surplus City property (Joe Albi Stadium).

Summary (Background)

The School District currently uses Joe Albi Stadium pursuant to an Interlocal agreement. The party's are proposing to terminate that agreement and replace it with a lease where the School District will be responsible for the full operations, maintenance, and costs associated with the property. In addition, the City would grant Spokane Schools the option to purchase the property for appraised value minus the cost of operation incurred by Spokane Schools during the Lease.

Fiscal Impact	Budget Account
Select \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	WERNER, MARK	Study Session	
Division Director	QUINTRALL, JAN	Other	
Finance	LESESNE, MICHELE	Distribution List	
Legal	BURNS, BARBARA	lhattenburg@spokanecity.org	
For the Mayor	SANDERS, THERESA	mwerner@spokanecity.org	
Additional Approvals		dsteele@spokanecity.org	
Purchasing		jrichman@spokanecity.org	

RESOLUTION

A RESOLUTION APPROVING LEASE AND OPTION AGREEMENTS THAT CONTEMPLATE THE INTERGOVERNMENTAL TRANSFER OF SURPLUS CITY PROPERTY (JOE ALBI STADIUM).

WHEREAS, the City of Spokane is the owner of certain property located in the City of Spokane, County of Spokane, State of Washington, and more particularly described in Exhibit "A" hereto, which property is commonly known as Joe Albi Stadium ("Property"); and

WHEREAS, RCW 35.22.280(3) authorizes the City to dispose of surplus property, with RCW 39.33.020 providing the method for intergovernmental transfers of surplus City property with an estimated value in excess of fifty thousand dollars (\$50,000.00); and

WHEREAS, the City is obligated to negotiate for the full value of property transferred to another municipal entity; and

WHEREAS, the City proposes to lease the Property to Spokane Schools pursuant to the terms of the Albi Stadium Lease Agreement, a copy of which is included in Exhibit "B" to this resolution (the "Lease"); and

WHEREAS, in connection with the Lease, the City proposes to grant Spokane Schools an option to purchase the Property pursuant to the terms of the Option Agreement and Real Estate Purchase Agreement, a copy of which is also included in Exhibit "B" to this resolution (the "Purchase Agreement"); and

WHEREAS, the City has commissioned an appraisal of the Property; and

WHEREAS, on _____, the City caused to be published in the Spokesman Review, a newspaper of general circulation, a notice of reasonable size in display advertising form, setting forth the date, time, and place of the Council's hearing on this Resolution, a copy of which is attached to this resolution.

NOW, THEREFORE - - it is hereby resolved by the Spokane City Council;

1. The Property is hereby declared to be surplus City property no longer needed for the present and foreseeable public uses of the City.
2. The City of Spokane, acting through the Asset Management Department, has commissioned an appraisal that establishes the fair market value of the Property.
3. The City Council finds that the terms of the Lease and Purchase Agreement will give the City full value for the Property.

4. The Mayor is hereby authorized to execute the attached Lease and Purchase Agreements and is further authorized to execute any and all such documents as are reasonably necessary to consummate the transactions provided for in said agreements.

5. The Mayor is further authorized to execute the attached third and fourth amendments to the Interlocal Agreement regarding Joe Albi Stadium, which are included in Exhibit "B".

ADOPTED by the Spokane City Council this _____ day of _____, 20____.

City Clerk

Approved as to form:

Assistant City Attorney

Exhibit "A"
Map of Property

Exhibit "B"

Albi Stadium Lease Agreement, Option Agreement and Real Estate Purchase Agreement, Third Interlocal, and Forth Interlocal

EXHIBIT A

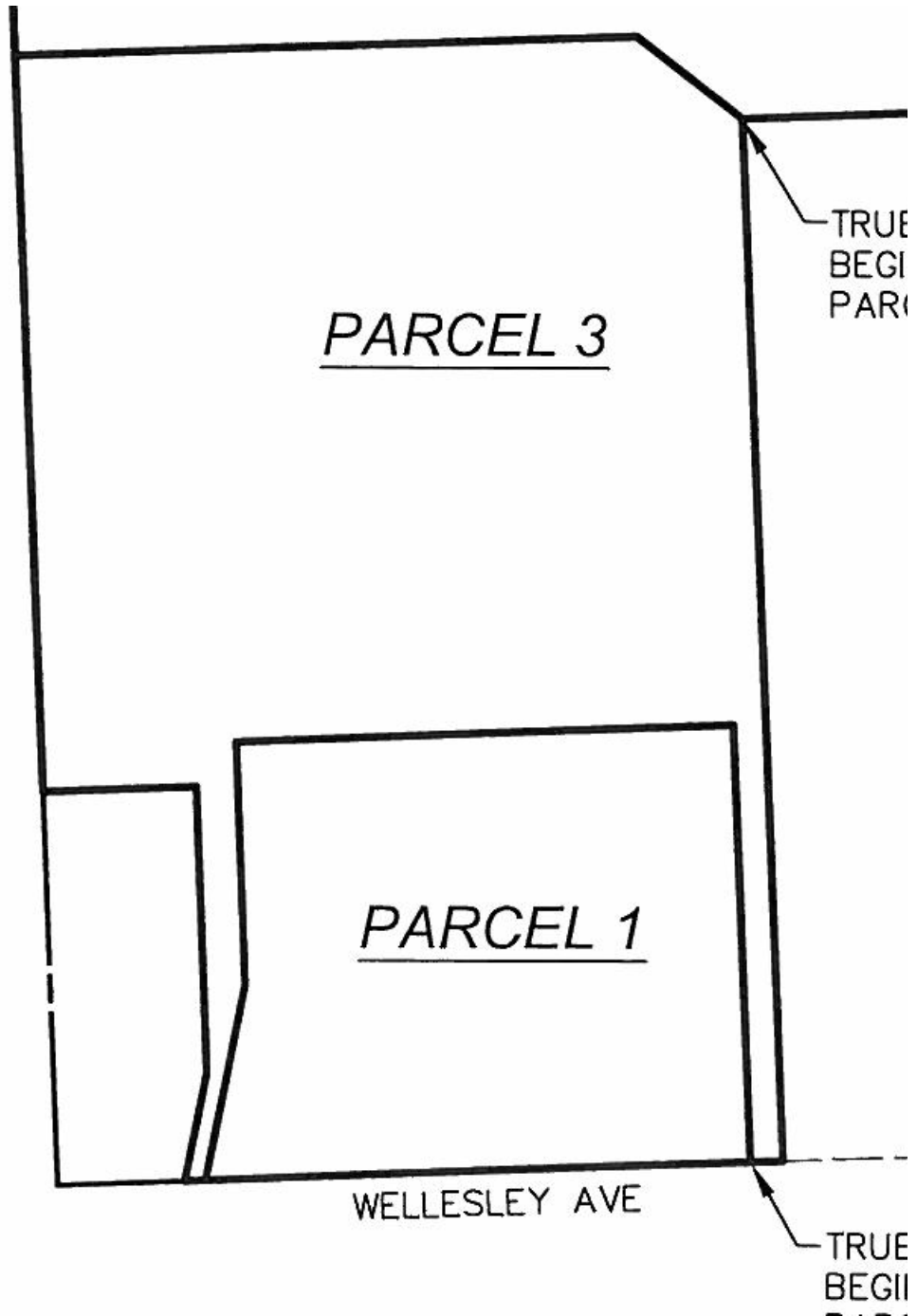


Exhibit B

THIRD ADDENDUM TO THE INTERLOCAL GOVERNMENTAL COOPERATIVE AGREEMENT
BETWEEN SPOKANE PUBLIC SCHOOLS, MEAD SCHOOL DISTRICT AND
THE CITY OF SPOKANE REGARDING ALBI STADIUM

This Third Addendum to the Interlocal Governmental Cooperative Agreement (“Agreement”) is entered into by and between Spokane Public Schools, legally referenced as Spokane School District No. 81 (“SPS”) whose address is 200 N. Bernard Street, Spokane, WA 99201, Mead School District No. 354, whose address is 2323 E. Farwell Rd., Mead, WA 99021 (“Mead”), and the City of Spokane, whose address is W. 808 Spokane Falls Blvd., Spokane, WA 99201 (“City”).

This Third Addendum is contingent upon the City and SPS entering into a new agreement for the use of Albi Stadium commencing on January 1, 2014. Provided the City and SPS enter into a new agreement for the use of Albi Stadium commencing on January 1, 2014, the parties agree to amend the Agreement as follows:

1. The parties agree that Mead’s participation in the Agreement is hereby terminated on January 1, 2014; and
2. This Third Addendum is effective upon full execution by the parties.

In addition, the parties recognize that SPS and Mead will enter into a separate agreement for Mead’s use of Albi Stadium provided the City and SPS enter into a new agreement for the use of Albi Stadium commencing on January 1, 2014.

IN WITNESS WHEREOF, this Third Addendum to the Agreement between SPS, Mead, and the City has been executed in Spokane County, Washington.

Dated this ____ day of July, 2013.

SPOKANE PUBLIC SCHOOLS:

Dr. Mark Anderson
Associate Superintendent, School Support Services

Date _____

MEAD SCHOOL DISTRICT:

Thomas J. Rockefeller
Superintendent

Date _____

CITY OF SPOKANE:

David A. Condon
Mayor

Date _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

FOURTH ADDENDUM TO THE INTERLOCAL GOVERNMENTAL
COOPERATIVE AGREEMENT BETWEEN SPOKANE PUBLIC SCHOOLS
AND THE CITY OF SPOKANE REGARDING ALBI STADIUM

This Fourth Addendum to the Interlocal Governmental Cooperative Agreement (“Agreement”) is entered into by and between Spokane Public Schools, legally referenced as Spokane School District No. 81 (“SPS”) whose address is 200 N. Bernard Street, Spokane, WA 99201, and the City of Spokane, whose address is W. 808 Spokane Falls Blvd., Spokane, WA 99201 (“City”).

This Fourth Addendum is contingent upon the City and SPS entering into the Albi Stadium Lease Agreement and the Option Agreement and Real Estate Purchase Agreement, both attached hereto. Upon full execution of the attached agreements, the parties agree to amend the Agreement as follows:

1. The Agreement and all four addendums thereto are entirely superseded by the attached Albi Stadium Lease Agreement and the Option Agreement and Real Estate Purchase Agreement; and
2. This Fourth Addendum is effective upon full execution by the parties.

IN WITNESS WHEREOF, this Fourth Addendum to the Agreement between SPS and the City has been executed in Spokane County, Washington.

Dated this _____ day of July, 2013.

SPOKANE PUBLIC SCHOOLS:

Dr. Mark Anderson
Associate Superintendent, School Support Services

Date _____

CITY OF SPOKANE:

David A. Condon
Mayor

Date _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

ALBI STADIUM LEASE AGREEMENT

This Albi Stadium Lease Agreement (“Lease”) is made as of the ____ day of _____, 2013, between the City of Spokane, whose address is W. 808 Spokane Falls Blvd., Spokane, Washington, 99201 (“Lessor”) and Spokane Public Schools, legally referenced as Spokane School District No. 81, whose address is 200 N. Bernard St., Spokane, Washington, 99201 (“Lessee”), collectively referred to herein as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, Lessor is the owner of real property located in the City of Spokane, Spokane County, Washington, and more particularly described and depicted as Parcel 3 in Exhibit A attached hereto and by this reference incorporated herein (“Real Property”);

WHEREAS, this Lease shall entirely supersede the Interlocal Governmental Cooperative Agreement Between Spokane Public Schools, Mead School District and the City of Spokane Regarding Albi Stadium dated April 27, 2006 and all four addendums thereto; and

WHEREAS, the purpose of this Lease is for Lessee to take over all operations of Albi Stadium from Lessor and that a fixed portion of the Stadium’s operating costs be deducted from the purchase price of the Stadium in the event Lessee elects to acquire the Stadium pursuant to the Option Agreement and Real Estate Purchase Agreement attached hereto as Exhibit B and by this reference incorporated herein.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Incorporation of Recitals; Definitions. Each recital set forth above is incorporated into this Lease as though fully set forth herein. All capitalized terms not otherwise defined herein shall have the meaning set forth in Section 20 of this Lease.

2. Premises; Term.

2.1. Lease to Lessee. In consideration of the Rent to be paid and the covenants and agreements hereinafter provided which Lessee hereby agrees to keep and perform, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Premises legally described and depicted as Parcel 3 in Exhibit A.

2.2. Title to and Condition of Premises. The Premises are leased to Lessee in its present condition without representation of warranty by Lessor; provided, however, Lessor warrants that it has marketable title to the Premises demised under the Lease; and that Lessor has authority to lease the Premises to Lessee pursuant to this Lease.

2.3. Term. This Lease shall commence on January 1, 2014 (“commencement date”) and continue through December 31, 2017, unless early termination occurs as provided for herein. At the conclusion of the four (4) year term, Lessee shall have four (4) additional one (1) year options to renew the Lease at its sole discretion on the same terms and conditions contained herein. The four (4) additional one (1) year renewal options to extend the term shall be deemed to have been automatically exercised unless the Lessee shall give written notice to the Lessor of the election not to exercise the same in writing.

3. Rent. Beginning on the commencement date, Lessee shall pay to Lessor the following Rent: In consideration of the benefits to be received by Lessor as described herein, the annual rent for the Premises shall be One Dollar (\$1.00) per year, payable on January 1, 2014 and the 31st of December (beginning on December 1, 2014) for each year thereafter.

4. Operations; Books and Records; Assignment Consents.

4.1 Operations. As a cost-avoidance measure for Lessor, Lessee shall assume management and operating responsibilities for the Premises upon the commencement date of this Lease. Lessee shall be entitled to all revenue generated from the operation, use, or possession of the Premises.

4.2 Books and Records. Prior to the commencement date, Lessor will provide copies of all existing event contracts, maintenance agreements and budgets to Lessor.

4.3 Assignment Consents. Prior to the commencement date, Lessor will exercise commercially reasonable diligence to provide Lessee assignment consents for all maintenance, advertising, or other contracts Lessor or the Park Department that are in place and affect the Premises, which Lessee shall assume. All assignment consent and assumption shall occur upon the commencement date of this Lease.

5. Use of Premises.

5.1. Premises to be Used for Any Lawful Purposes. Lessee may use the Premises for any lawful purposes.

5.2. Uses Prohibited. Lessee shall not allow the Premises to be used for any unlawful purpose, nor shall Lessee cause, maintain, or permit any nuisance in, on, or about the Premises. Lessee shall not commit or suffer to be committed any waste in or upon the Premises.

6. Liens. Lessee covenants and agrees that it shall not, during the Term of this Lease, suffer or permit any lien, charge, security interest, or encumbrance (“Liens”) to be attached to, upon, or against the Premises, for any reason, including, Liens arising out of the possession, use, occupancy, or repair of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Lessee.

7. Maintenance and Modifications.

7.1. Maintenance and Repairs. Lessee, at its sole cost and expense, shall keep and maintain the Premises in good working order and repair during the Term of this Lease, including normal maintenance and repair to the heating, ventilating, air conditioning, mechanical, electrical, and plumbing systems, structural roof, walls and foundations, and the fixtures and appurtenances to the Premises as and when needed to preserve the Premises in its current condition, reasonable wear and tear and insured casualty excepted.

7.2. Modifications, Alterations, and Additions.

(a) Lessee shall not make any modifications, alterations, or additions to the Premises or any part thereof without first obtaining the prior written consent of Lessor, which consent shall not be

unreasonable withheld, conditioned, or delayed. In all events, Lessee shall promptly furnish Lessor with copies of all plans and specifications prepared in connection with any modifications, alterations, or additions. All such modifications, alterations, and/or additions shall be constructed in accordance with plans and specifications approved by Lessor, which approval shall not be unreasonable withheld, conditioned or delayed.

(b) Before commencing any work relative to modifications, alterations, or additions affecting the Premises, Lessee shall notify Lessor in writing of the expected date of commencement thereof. Any such modification, alteration, or addition shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Legal Requirements applicable to the Premises. Lessee will procure all necessary permits before making any such modifications, alterations, or additions. Lessee shall pay, when due, all claims for labor, materials, supplies, or equipment furnished to or for Lessee at or for use in the Premises. Lessee shall not permit any Liens to be levied against the Premises for any labor, materials, supplies, or equipment furnished to Lessee in connection with the work and any such Liens shall be removed as required herein.

8. **Utilities.** Lessor, at Lessor's sole cost and expense, shall be responsible for ensuring that sewer and water service to the existing chain link fence that surrounds Albi Stadium remains in good working order during the term of this Lease. Lessee shall, at no cost or expense to the Lessor, be responsible for procuring all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance of wires, pipes, conduits, tubes, and other equipment and appliances required for providing utility services to the Premises (except as provided above with respect to sewer and water service to the existing chain link fence that surrounds Albi Stadium). Lessee will pay for all monthly water, gas, electricity, light, heat, telephone, power, and other utilities and communications services used by Lessee at the Premises.

9. **ENVIRONMENTAL AND HAZARDOUS MATERIALS.** Lessee shall not generate, handle, store, or dispose of any Hazardous Materials on, under, or in the Premises. Lessee shall comply with all environmental laws during the Term of the Lease. Lessee agrees to indemnify, defend and hold the City harmless from and against any and all loss, damage, liability and expense related to environmental conditions, Hazardous Materials or any other environmental laws and regulations resulting directly or indirectly from Lessee's activities on the Premises.

The term "Hazardous Materials" as used herein shall include but not be limited to asbestos, flammable explosives, dangerous substances, pollutants, contaminants, hazardous wastes, toxic substances, and any other chemical, material or related substance, exposure to which is prohibited or regulated by any governmental authority having jurisdiction over the Facility, any substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, by Superfund Amendments and Reauthorization Act 42 U.S.C. §6901, et seq.; the Hazardous Materials Transportation Act, 42 U.S.C. §6901, et seq.; Clean Air Act, 42 U.S.C. §7901, et seq.; Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; Clean Water Act, 33 U.S.C. §1251, et seq; the laws, regulations or rulings of the state in which the Facility is located or any local ordinance affecting the Facility; or the regulations adopted in publication promulgated pursuant to any of such laws and ordinances.

10. Insurance Policies. All insurance required under this Lease shall be issued by a licensed public entity risk pool or insurance companies authorized to do business in the state of Washington.

10.1 Liability Insurance. During the Term of this Lease, Lessee shall, at its sole cost and expense, maintain liability insurance in amounts and types acceptable to the Lessor.

10.2 Personal Property Insurance. During the Term of this Lease, Lessee shall, at its sole cost and expense, maintain insurance for its personal property.

10.3 Casualty Insurance. During the Term of this Lease, Lessor shall maintain casualty insurance for the Premises in amounts and types acceptable to Lessor. Lessor shall bill Lessee for the cost of the insurance premiums for casualty insurance.

11. Damage or Destruction of Premises. If the whole or substantially the whole of the Premises are destroyed by fire or other casualty, so as to render them unfit for occupancy, the City may elect not to restore the Premises to their former condition, in which event this Lease shall be terminated as of the date of the casualty. If adequate insurance proceeds are made available to the City for repair or restoration of the Premises, the City may elect to restore the Premises, and upon such election shall proceed forthwith to repair or restore such damage. In the event of partial damage by reason of casualty loss (such that the Premises are not unfit for occupancy), the City shall repair the damage forthwith if adequate insurance proceeds are made available to the City for such repair.

12. Condemnation. If during the Term there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction or a transfer by any Party either under threat of condemnation or while legal proceedings for condemnation are pending (“Condemnation”) such that there can be no reasonable use of the Premises by Lessee, this Lease shall terminate on the date the governmental agency has the right to possession of the property being condemned. Any award authorized by law with respect to the taking of the Premises (except for the value of Lessee improvements and Lessee’s Option Agreement and Real Estate Purchase Agreement) shall belong to the Lessor, and with respect to the value of Lessee improvements and Lessee’s Option Agreement and Real Estate Purchase Agreement shall belong to the Lessee. If during the Term there is a partial taking of a part of the Premises by Condemnation, and the Parties agree that a reasonable use can be made of the Premises, then this Lease will continue in full force and effect as to the remainder of the Premises with any award for such partial taking payable in full to Lessor; provided, if Lessee exercises its right to purchase the Premises pursuant to that certain Option Agreement and Real Estate Purchase Agreement, of even date herewith, in which Lessor is Seller and Lessee is Buyer, Lessee’s purchase price under said option agreement shall be reduced by the amount of Lessor’s condemnation award, if any.

13. Assignment and Subletting. The Lessee may sublet the Premises without first obtaining Lessor’s prior written consent. Lessee shall not assign the Premises without first obtaining Lessor’s prior written consent.

14. Liability.

14.1 Lessee shall indemnify, defend, and hold the Lessor harmless from all claims arising from Lessee’s use of the Premises or the conduct of Lessee’s business, or from any activity, work or thing done, permitted or suffered by Lessee in or about the Premises except to the extent such claim resulted from the act or omission of the Lessor or the Lessor’s employees, agents or contractors in which case this indemnity provision shall be valid and enforceable only to the extent such claim arose from the act or omission of Lessee or Lessee’s employees, agents, or contractors. Lessee shall further indemnify, defend, and hold the Lessor harmless from all claims, liabilities, costs, attorneys’ fees and expenses arising from any breach or default in the performance of any obligation to be performed by Lessee under the terms of this Lease, or arising from any act or omission of Lessee or of its agents, employees, or invitees. Lessee’s obligation to indemnify the Lessor under this section includes an obligation to indemnify for losses resulting from death or injury to Lessee’s employees, and Lessee accordingly hereby waives any and all immunities it now has or hereafter may have under any Industrial Insurance Act, or other worker’s compensation, disability benefit or other similar act which would otherwise be applicable in the case of such a claim. The Lessor likewise agrees to indemnify the Lessee with respect to any claim, loss or damage to the extent caused by the act or omission of the Lessor or the Lessor’s employees, agents or contractors’ and the Lessor likewise waives its immunities under any Industrial Insurance Act or other workers’ compensation, disability benefit

or other similar act as necessary to make this indemnity provision enforceable with respect to claims relating to the death or injury of Lessor employees. This provision has been specifically negotiated.

Lessors's Initials

Lessee's Initials

In case any action or proceeding is brought against the Lessor or the Lessee by reason of any claim, for which the other party owes a duty of indemnity, the indemnitor shall defend the same at the indemnitor's expense, by counsel approved in writing by the indemnitee. Lessee, as a material part of the consideration to the Lessor, hereby assumes all risk of and waives any claims Lessee might have against the Lessor in respect to damage to property or injury to persons in, upon or about the Premises from any cause whatsoever, except to the extent caused by the Lessor's negligence, or the negligence of the Lessor's employees, agents or contractors.

14.2 Neither the Lessor nor any officer, agent or employee of the Lessor will be liable to Lessee, or its directors, officers, contractors, agents, employees, guests, invitees, sublessees or licensees, for any loss, injury, or damage to Lessee or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss, unless caused by or resulting from the negligence of the Lessor or its employees, agents or contractors. If any such loss, injury, or damage is alleged to have been caused by or result from the concurrent negligence of the Lessor (including its employees, agents and contractors) and Lessee (including its employees, agents and contractors) this indemnity provision shall be valid and enforceable only to the extent of the negligence of the respective parties. Furthermore, neither the Lessor, nor any officer, agent or employee of the Lessor will be liable (i) for any such damage caused by other lessees or other persons in or about the Premises; or (ii) for consequential damages arising out of any loss of the use of the Premises or any equipment or facilities therein, by Lessee or any persons claiming through or under Lessee.

15. Default. The occurrence of any of the following shall constitute a default under this Lease:

15.1 Payment. Failure to make any payments of Rent or any other payments due under this Lease if the failure to pay is not cured within sixty (60) days after written notice thereof shall have been given to Lessee by Lessor; or

15.2 Other Failure to Perform. Failure to perform any other material provision of this Lease if the failure to perform is not cured within sixty (60) days after written notice of such default has been given by Lessor to the Lessee, or by the Lessee to the Lessor. If the default cannot reasonably be cured within sixty (60) business days, then no Party shall be in default under this Lease if the Party commences to cure the default within sixty (60) business days and diligently and in good faith continues to cure the default.

16. Remedies. In the event of any material default or breach by a Party, the non-defaulting Party may, at any time thereafter, without limiting such Party in the exercise of their rights or remedies at law or equity, or as set forth herein, maintain the Lease in full force and effect without terminating Lessee's right to possession of the Premises.

17. Premises Revenue. Lessee shall retain all revenue generated from the Premises, including, but not limited to, signage, advertising, concessions and parking.

18. Termination; Duties of the Parties Upon Termination.

18.1 Termination. Lessee shall have the right to terminate this Lease at any time by providing Lessor one year's written notice; such termination shall not effect Lessee's Option Agreement and Real Estate Purchase Agreement attached hereto as Exhibit B. This Lease shall terminate if Lessee acquires the Premises pursuant to its Option Agreement and Real Estate Purchase Agreement.

18.2 Duties on Termination. Upon expiration or earlier termination of this Lease, Lessee shall deliver all keys to the Lessor and surrender the Premises in reasonable order, condition, and wear. Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored nor shall the turf be repaired or replaced.

18.3 Holding Over. If the Lessee shall hold over after the expiration or termination of the Term or any renewals thereof of this Lease, and Lessor and Lessee shall not have agreed in writing upon the terms and provisions of a new lease (or on an additional extension of this Lease) prior to such expiration, Lessee and Lessor shall remain bound by all terms, covenants, and agreements hereof.

19. Miscellaneous Provisions.

19.1 Entire Agreement. This Lease represents the entire agreement between the Parties. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized representative of each Party.

19.2 Governing Law. This Lease shall be governed by and construed and enforced in accordance with the laws of the state of Washington.

19.3 Severability. Should any of the provisions of this Lease be found to be invalid, illegal, or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the Parties.

19.4 Jurisdiction. In the event any action is brought to enforce any of the provisions of this Lease, the Parties agree to be subject to jurisdiction in the Spokane County Superior Court.

19.5 Waiver. No waiver of any right under this Lease shall be effective unless contained in writing signed by a duly authorized representative of the Party sought to be charged with the waiver, and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

19.6 Captions. Section captions contained in this Lease are included for convenience only and form no part of the agreement between the Parties.

19.7 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, and shall be deemed given three (3) days following the date when mailed or on the date when delivered. All notices or requests shall be sent to Lessor and Lessee, addressed as follows:

If to Lessee: Dr. Mark Anderson
Associate Superintendent
Spokane School District No. 81
200 North Bernard St.
Spokane, WA 99201
(509) 354-7272

If to Lessor: Mr. David Steele
 City of Spokane
 Asset Management
 808 W Spokane Falls Blvd.
 Spokane, WA 99201
 (509) 625-6064

Either Party may change the address to which notices shall be sent by notice to the other Party.

19.8 Binding Effect; Authority. This Lease shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns. This Lease and all exhibits have been duly executed and delivered by the Parties and constitute the valid and binding obligations of the Parties, enforceable in accordance with their terms. Each Party has all necessary authority, has taken all action necessary to enter into this Lease and to consummate the transactions contemplated hereby, and to perform its obligations hereunder. The execution, delivery and performance of this Lease will not conflict with or constitute a breach or default under the organizational documents of the Parties and, to each Party's knowledge, (i) any material instrument, contract, or other agreement to which a Party is a party which affects the portion of the Real Property being leased and/or sold by such Party; or (ii) any statute or any regulation, order, judgment or decree of any court or governmental authority.

19.9 Construction. The provisions of this Lease shall be construed as a whole according to their common meaning not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Lease. Each Party hereto and its counsel has reviewed and revised this Lease and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be applied in the interpretation of this Lease.

19.10 Recording. This Lease shall not be recorded, but the Parties shall execute and acknowledge a Memorandum of this Lease in a form reasonably acceptable to the Parties which may be recorded. Within ten (10) days following the expiration or earlier termination of this Lease, Lessee shall execute and deliver to the Lessor an instrument, in recordable form, confirming the termination of this Lease, which instrument, at the Lessor's option, may be placed of record in real estate records in the county in which the Premises are located.

19.11 Time is of the Essence. The Parties agree that time shall be of the essence in the payment and performance of each Party's obligations under this Lease.

19.12 Taxes. There shall be no property taxes for the Premises as long as it is operated by Lessee.

20. Definitions. As used in this Lease, the following capitalized terms shall have the following meanings:

20.1 “Environmental Law” means any federal or state regulation promulgated to regulate Hazardous Substances, including, but not limited to, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 *et seq.*, Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 *et seq.*, Federal Hazardous Materials Transportation Control Act, 49 U.S.C. Section 1801 *et seq.*, Federal Clean Air Act, 42 U.S.C. Section 7401 *et seq.*, Federal Water Pollution Control Act, Federal Water Act of 1977, 33 U.S.C. Section 1251 *et seq.*, Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 *et seq.*, Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*, Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148, and any regulations promulgated thereunder, all as amended from time to time.

20.2 “Hazardous Substances” shall include, without limitation:

(a) Those substances included within the definition of “hazardous substances,” “hazardous materials,” “toxic substances,” or “solid waste” in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. § 9601 *et seq.*) (“CERCLA”), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613) (“SARA”), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*) (“RCRA”), and the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*, and in the regulations promulgated pursuant to said laws, all as amended.

(b) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto).

(c) Any material, waste, or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 *et seq.* (33 U.S.C. § 1321); or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), (E) flammable explosives, or (F) radioactive materials.

(d) Those substances defined as “dangerous waste,” “hazardous waste,” or as “hazardous substances” under the Water Pollution Control Act, RCW 90.48.010 *et seq.*, the Hazardous Waste Management Statute, RCW 70.105.010 *et seq.*, and the Toxic Substance Control Act (Senate Bill No. 6085), RCW 70.105B.010 *et seq.*, the Model Toxics Control Act, RCW 70.105D.010 *et seq.*, and the Toxic Substance Control Act, 15 U.S.C. Section 2601 *et seq.*, and in the regulations promulgated pursuant to said laws.

(e) Such other substances, materials, and wastes which are or become regulated as hazardous or toxic under applicable local, state, or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations.

20.3 “**Law**” means any constitution, statute, ordinance, regulation, rule, judicial decision, administrative order, or other requirement of any federal, state, county, municipal, or other governmental agency or authority having jurisdiction over the Parties or the Premises, or both, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi official entity or body (e.g. board of fire examiners or public utilities); and all rules, laws, and regulations arising under the Americans with Disabilities Act and the regulations issued thereunder by the United States.

20.4 “**Legal Requirements**” means all obligations with respect to all applicable local, state, and federal laws, ordinances and regulations, and other governmental rules and orders now or hereafter in effect, whether or not presently contemplated, applicable to the Premises or its ownership, operation, use or possession, including (without limitation) all those relating to parking restrictions, building codes, zoning, life safety requirements, or other land use matters, and the Americans with Disabilities Act of 1990, as amended.

20.5 “Lessee” means Spokane School District No. 81 and its successors and assigns.

20.6 “Liens” has the meaning set forth in Section 6 of this Lease.

20.7 “Premises” means the Real Property and improvements located thereon.

20.8 “Real Property” means the land on which the Premises are located, as more particularly described and depicted in Exhibit A.

20.9 “Rent” means fixed rent as defined in Section 3 of this Lease.

20.10 “Term” means the period set forth in Section 2.3 of this Lease.

21. **Option Agreement and Real Estate Purchase Agreement.** This Agreement is conditioned upon Lessor and Lessee’s mutual execution of the Option Agreement and Real Estate Purchase Agreement attached hereto as Exhibit B.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the dates set forth below.

LESSOR:

CITY OF SPOKANE

David A. Condon
Mayor

Date _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

LESSEE:

SPOKANE PUBLIC SCHOOLS

Dr. Mark Anderson
Associate Superintendent, School Support Services

Date

STATE OF WASHINGTON)
 :ss
County of Spokane)

On this ____ day of _____, 2013, before me personally appeared City of Spokane Mayor, David A. Condon, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

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: _____

Exhibit A

OPTION AGREEMENT AND REAL ESTATE PURCHASE AGREEMENT

This Option Agreement and Real Estate Purchase Agreement (“Agreement”) is entered into this ____ day of _____, 2013 (“Effective Date”), between the City of Spokane, whose address is W. 808 Spokane Falls Blvd., Spokane, Washington, 99201 (“Seller”) and Spokane Public Schools, legally referenced as Spokane School District No. 81, whose address is 200 N. Bernard St., Spokane, Washington, 99201 (“Buyer”).

RECITALS

WHEREAS, Seller is the owner of real property located in the City of Spokane, Spokane County, Washington, and more particularly described and depicted as Parcel 3 in Exhibit A attached hereto (“Property”);

WHEREAS, Buyer desires to obtain an option to buy the Property;

WHEREAS, Seller is willing to grant an option to Buyer to purchase the Property on the terms and conditions of this Agreement; and

WHEREAS, the parties agree that the purchase and sale transaction contained herein is an intergovernmental disposition of property pursuant to RCW 39.33.010.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the promises set forth herein, the Seller and Buyer hereby agree as follows:

1. Option.

1.1 Grant of Option; Optioned Property. Subject to the terms and conditions of this Agreement, Seller hereby grants to Buyer an option (“Option”) to purchase the Property (“Optioned Property”).

1.2 Term of Option. The term of the Option (“Option Period”) shall commence on the Effective Date and shall automatically expire on the earlier of termination of the Buyers lease of the Property or December 31, 2021

1.3 Option Consideration. The consideration for this Option is Buyer’s faithful performance of its obligations under that certain Albi Stadium Lease Agreement, of even date herewith, wherein Buyer is Lessee and Seller is Lessor (“Option Consideration”) and shall be nonrefundable.

1.4 Manner and Time in Which Option May Be Exercised. The Option may be exercised by Buyer giving written notice to Seller at any time before the expiration of the Option Period. If the Option is timely exercised, this Agreement shall become a contract for sale of the Optioned Property binding the parties hereto and Seller agrees to convey the Optioned Property to Buyer, and Buyer agrees to purchase the Optioned Property from Seller in accordance with the terms hereof.

2. Purchase Price; Payment; Closing.

2.1 Purchase Price. The purchase price of the Optioned Property (“Purchase Price”) shall be One Million Sixteen Thousand and 00/100 Dollars (\$1,016,000.00); provided, however, the Purchase Price shall be reduced by Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) for every full-year Buyer operates and maintains the Optioned Property pursuant to the Albi Stadium Lease Agreement attached hereto as Exhibit B. For example, should Buyer operate and maintain the Optioned Property for three years prior to timely and properly exercising the Option (say from January 1, 2014 to January 10, 2016) the Purchase Price shall be Two Hundred Sixty Six Thousand Dollars (\$266,000).

2.2 Payment of Purchase Price. The Purchase Price, shall be paid in cash at the Closing.

2.3 Closing.

(a) Closing on the sale of the Optioned Property shall be held in Spokane County, at the office of First American Title, or if First American Title is no longer in business at such time, any other title company reasonably acceptable to Seller (“Title Company”) as soon as reasonably practicable, at a mutually acceptable date and time, but in no event more than ninety (90) days after the Option is timely and properly exercised. The terms “Closing Date” and “Closing” are used herein to mean the time the Statutory Warranty Deed is filed for record in the real property records of Spokane County, Washington, and the Purchase Price and closing costs are disbursed.

(b) At Closing, Seller shall execute and deliver to Buyer, at Closing, a Statutory Warranty Deed (“Deed”), conveying fee simple title to the Optioned Property, free and clear of all liens and encumbrances. The parties shall also execute and deliver at Closing any other documents reasonably necessary or appropriate to complete and evidence the transactions contemplated herein.

(c) Seller shall pay owner’s title insurance policy charges in the amount of One Million Sixteen Dollars (\$1,016,000) and Seller’s attorneys’ fees. Buyer shall pay

the recording fee for the Deed and Buyer's attorneys' fees. Escrow fees and any applicable real estate excise tax fees shall be split equally between the parties.

(d) Within twenty-four (24) hours of Closing, the Title Company shall record all required documents and, within a reasonable time thereafter, issue the title insurance policy to Buyer in the amount of One Million Sixteen Dollars (\$1,016,000) and in accordance with the terms and conditions of the title commitment. The title insurance policy shall insure good and marketable title in Buyer, subject only to the standard exceptions customarily included in commercial title insurance policies (other than exceptions for liens, which shall be deleted) and those exceptions permitted by this Agreement.

3. Title.

3.1 Evidence of Title. If Buyer shall exercise the Option, Seller shall order the examination of title, at its expense, and shall cause to be delivered to Buyer a commitment for an owner's title insurance policy issued by a Title Company covering title to the Optioned Property ("Title Commitment"). The state of the title shall be free and clear of all encumbrances or defects, except for: (i) any existing easements, encumbrances, restrictions or conditions approved by Buyer; (ii) general exceptions contained in a Washington state owner's title insurance policy; and (iii) building or use restrictions general to the area.

3.2 Title Objections. If the condition of title as set forth in the Title Commitment is not as set forth in Section 3.1 above, Buyer shall give Seller written notice of its objections to title ("Title Objections") within twenty (20) days of receipt of the Title Commitment ("Review Period"); provided however, Buyer shall not be required to object to any monetary liens or encumbrances, all of which shall be automatically deemed Title Objections. In the event that Buyer does not make any Title Objections within the Review Period, Buyer shall be deemed to have approved the condition of title as shown in the Title Commitment. If Buyer makes any Title Objections, Seller shall cure or remove any Title Objections, whereupon the Closing Date shall be extended, at no cost to Buyer, for a reasonable period.

4. As-Is Sale. BUYER HEREBY AGREES AND ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, (I) BUYER IS BUYING THE PROPERTY ON AN "AS-IS" BASIS; (II) BUYER HAS MADE OR WILL HAVE MADE BUYER'S OWN INVESTIGATIONS AND INSPECTIONS OF THE PROPERTY, INCLUDING, WITHOUT

LIMITATION, THE PHYSICAL ASPECTS OF THE PROPERTY AND THE PROPERTY'S COMPLIANCE WITH ALL LAWS APPLICABLE TO THE PROPERTY'S CURRENT OR INTENDED USE OR DEVELOPMENT; (III) BUYER IS RELYING SOLELY ON SUCH REPORTS AND BUYER'S OWN INVESTIGATIONS AS TO THE PROPERTY, ITS CONDITION AND OTHER CHARACTERISTICS AND COMPLIANCE WITH LAWS; AND (IV) EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, BUYER IS NOT MAKING THE PURCHASE OF THE PROPERTY IN RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS, EXPRESS OR IMPLIED, MADE BY SELLER, AS TO THE CONDITION OF OR CHARACTERISTICS OF THE PROPERTY, ITS FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, THE PROPERTY'S COMPLIANCE WITH ANY ZONING OR OTHER RULES, REGULATIONS, LAWS OR STATUTES APPLICABLE TO THE PROPERTY, OR THE USES PERMITTED ON, OR THE DEVELOPMENT REQUIREMENTS FOR, OR ANY OTHER MATTERS RELATING TO THE PROPERTY.

4. Representations and Warranties; Property Inspection.

(a) **Representations and Warranties.** Seller represents and warrants to Buyer, as of the date of this Agreement and as of the Closing Date, as follows:

(i) The execution and delivery of this Agreement by Seller and the consummation of the transaction contemplated hereby, has been duly authorized by all necessary action on the part of Seller, this Agreement is the valid and enforceable obligation of Seller legally enforceable in accordance with its terms, and no consent by any third party is required to complete the transaction contemplated hereby;

(ii) Seller has received no notice from any governmental authority that the Optioned Property, or any part thereof, is in violation of any law or regulation applicable to the Optioned Property, and Seller has no knowledge of any facts which might be a basis for any such notice;

(iii) Seller has no knowledge of any obvious or unobvious defects in the Optioned Property or any portion thereof;

(iv) Except as set forth in this Section, Seller makes no representations or warranties of any kind concerning the environmental condition of the Property. To the best of each Seller's knowledge, there has been no release of any hazardous substance due to Sellers's conduct on the Property which would be in violation of any environmental law. Seller has not received any written notice of a violation, nor, to the knowledge of Seller, is any claim or action pending or threatened, asserting actual or potential liability under any environmental law in respect to the Property. Notwithstanding any other provisions of this Agreement, the Parties acknowledge and agree that the representations and warranties contained in this Section are the only representations and warranties given by Seller with respect to environmental matters or compliance with environmental laws and hazardous substances and no other provisions of this Agreement shall be interpreted as containing any representation or warranty with respect thereto. Buyer may, at its sole cost, expense, and liability, conduct an environmental site assessment of the Property any time prior to Closing. In the event Buyer notifies Seller prior to the Closing Date that the Property is affected by a hazardous substance, Buyer may either (a) terminate this contract, or (b) proceed to Closing

notwithstanding such contamination. To the extent allowed by law, the environmental due diligence investigation provided for herein and any information or documents produced or collected by the environmental consultant in connection with this investigation shall be considered to be confidential information by the Buyer and Seller until Closing. Prior to Closing, or in the event Closing does not occur, Buyer shall not disclose such information to any third party or initiate or have any direct contact with any governmental agencies in connection with the environmental investigation without the prior written consent of Seller's Asset Management Director. Buyer may disclose said information to its employees, attorneys, consultants, lenders, and others who have a need to know and use the information in connection with this transaction, and may disclose said information if required to do so by law, or by court order. If the environmental investigation reveals any conditions that applicable laws require to be reported to any governmental agency, the Seller shall have the responsibility to make such reports or disclosures, but Buyer shall have the right to do so in the event the Seller fails to do so within any time period required by applicable law: and

(v) There are no actions, suits, claims or legal proceedings or any other proceedings affecting the Optioned Property, at law or equity, before any court or governmental agency.

Should any of the foregoing representations or warranties prove to be untrue or inaccurate, Seller hereby agrees, to the fullest extent permitted by applicable law, to release, defend, indemnify and hold harmless Buyer (and Buyer's directors, agents, employees, and representatives) and their successors and assigns from and against any and all claims, demands, costs, penalties, fees, expenses, harm, injury, damages or liability (including, but not limited to, attorneys' fees) arising directly or indirectly on account of or in connection with the facts and circumstances giving rise to the untruth or inaccuracy of such representations and warranties.

(b) **Buyer's Inspections.** Buyer shall have the right to enter the Optioned Property at any time before Closing at its own risk and expense in order to make or cause to be made any and all inspections, tests, studies (including, without limitation, such inspections, tests and studies requiring the taking of samples or otherwise disturbing the physical characteristics of the Optioned Property), analyses or other inquiries with respect to the Optioned Property as Buyer shall desire. Such studies may include, without limitation, Buyer's determination of development costs, construction costs, zoning, comprehensive planning, soil structure, topography, drainage, access, and availability of utilities. Buyer shall repair any damage caused by its investigations.

(c) **Seller's Information.** Seller shall furnish to Buyer, not later than twenty (20) days after the date of this Agreement, and thereafter through the term of this Agreement, within twenty (20) days after receipt, access to or copies of all notices, licenses and permits in Seller's possession affecting the Optioned Property; and all plans, surveys, environmental studies and similar materials in Seller's possession relating to the physical condition of the Optioned Property.

(d) **Legal Lot.** The Seller shall diligently pursue and required subdivision approval and pay all the costs thereof. At the Closing Date, the Seller shall ensure the Optioned Property is a legal lot under applicable state and local subdivision laws and regulations.

5. **Possession of the Property.** Possession of the Optioned Property shall be delivered to Buyer at Closing.

6. **Listing Agent/Broker.** Seller will be solely responsible for the cost and payment of any broker or listing agent engaged by Seller with respect to the Optioned Property. Buyer will be solely responsible for the cost and payment of any broker or purchase agent engaged by Buyer with respect to the Optioned Property.

7. **Default/Remedies.**

(a) **Seller.** If Seller should fail to comply with its obligations to convey the Optioned Property at the time and in the manner herein provided, Buyer's remedy shall be limited to specific performance or termination of this agreement

(b) **Buyer.** If Buyer should fail to comply with its obligations to purchase the Optioned Property at the time and in the manner herein provided, Seller's sole remedy shall be to terminate this Agreement.

8. **General Provisions.**

8.1 **Assignment.** Buyer may not assign this Agreement. Seller may not assign this Agreement.

8.2 **Time of the Essence.** Time is of the essence with respect to all time periods set forth in this Agreement. Any period specified herein which ends on Saturday, Sunday or a legal holiday shall be extended to 5:00 p.m. Pacific Time of the next business day.

8.3 **Entire Agreement.** This Agreement and the Exhibits hereto constitute the entire agreement between the parties and no waiver or modification of any of the terms and conditions hereof shall be valid unless in writing and signed by authorized representatives of all parties hereto. The Exhibits hereto are incorporated herein by this reference.

8.4 Severability. If any provision of this Agreement or the application of such provision to any persons or circumstances shall, to any extent, be held to be invalid or unenforceable, neither the remainder of the Agreement nor the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held to be invalid or unenforceable shall be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.5 Further Instruments. Each party shall execute and deliver such other instruments and take such other actions as are reasonably required in order to carry out the transactions contemplated by this Agreement.

8.6 Notice. Any notice under this Agreement shall be either delivered in person or sent by nationally recognized overnight courier with payment for next day delivery, as follows:

To Seller:

ATTN: Mayor
City of Spokane
W. 808 Spokane Falls Blvd.
Spokane, WA 99201

To Buyer:

ATTN: Superintendent
Spokane School District No. 81
200 N. Bernard St.
Spokane, WA 99201

or to such other addresses as the parties may designate by written notice served upon the other party. Any notice given under this paragraph shall be effective and deemed served on the earlier of (a) actual receipt or (b) one day after being deposited with a nationally recognized overnight courier with payment made for next-day delivery.

8.7 Applicable Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Washington, and any suit hereon may be had solely in the state courts of Washington situated in Spokane County.

1.1 8.8 Attorneys' Fees. In the event any suit or action is brought by either party under this Agreement to enforce any of its terms, it is agreed that the prevailing party shall be entitled to reasonable attorneys' fees and costs to be fixed by the court, including such fees and costs as may be incurred in any appellate proceeding.

1.2

1.3 8.9 Counterparts. This Agreement may be signed in multiple counterparts which shall, when executed by all parties, constitute a single binding agreement.

1.4

1.5 8.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, administrators, executors and lawful assigns of Seller and Buyer. Seller shall execute and acknowledge a memorandum of this Agreement to be recorded against the Property.

8.11 Execution. This Agreement shall not become effective and binding until fully executed by both Seller and Buyer.

8.12 Survival. The provisions of this Agreement shall survive the execution of this Agreement, the Closing and the conveyance of the Deed from Seller to Buyer.

8.13 Additional Acts. Seller and Buyer hereby agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at closing or thereafter, any and all such further acts, documents and assurances as Buyer or Seller, as the case may be, may reasonably require to consummate the transaction contemplated hereby.

8.14 Easements. Seller and Buyer shall work together to determine what easements, if any, are necessary for uses at the Optioned Property, BMX track, Merkel facilities, and a potential school site.

8.15 Scoreboard. Buyer shall reimburse Seller the unamortized portion of Seller funds used to purchase the scoreboard in the event Buyer acquires the Optioned Property pursuant to the formula in Exhibit C attached hereto.

9. Albi Stadium Lease Agreement. This Agreement is conditioned upon Seller and Buyer's mutual execution of the Albi Stadium Lease Agreement attached hereto as Exhibit B.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

BUYER:

CITY OF SPOKANE

SPOKANE SCHOOL DISTRICT NO. 81

By: _____
David A. Condon
Mayor

By: _____
Dr. Mark Anderson
Associate Superintendent,
School Support Services

Attest:

City Clerk

Approved as to form:

Assistant City Attorney

STATE OF WASHINGTON)
 :ss
County of Spokane)

On this ____ day of _____, 2013, before me personally appeared City of Spokane Mayor, David A. Condon, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

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: _____