

## **CITY COUNCIL MEETINGS RULES – PUBLIC DECORUM**

**Strict adherence to the following rules of decorum by the public will be observed and adhered to during City Council meetings, including open forum, public comment period on legislative items, and Council deliberations:**

- 1. No Clapping!**
- 2. No Cheering!**
- 3. No Booing!**
- 4. No public outbursts!**
- 5. Three-minute time limit for comments made during open forum and public testimony on legislative items!**
- 6. No person shall be permitted to speak at open forum more often than once per month. In addition, please silence your cell phones when entering the Council Chambers!**

Further, keep the following City Council Rules in mind:

### **Rule 2.2 Open Forum**

- D. The open forum is a limited public forum; all matters discussed in the open forum shall relate to the affairs of the City. No person shall be permitted to speak regarding items on the current or advance agendas, pending hearing items, or initiatives or referenda in a pending election. Individuals speaking during the open forum shall address their comments to the Council President and shall not use profanity, engage in obscene speech, or make personal comment or verbal insults about any individual.
- E. To encourage wider participation in open forum and a broad array of public comment and varied points of view, no person shall be permitted to speak at open forum more often than once per month. However, there is no limit on the number of items on which a member of the public may testify, such as legislative items, special consideration items, hearing items, and other items before the City Council and requiring Council action that are not adjudicatory or administrative in nature, as specified in Rules 5.3 and 5.4.

### **Rule 5.4 Public Testimony Regarding Legislative Agenda Items – Time Limits**

- A. 5.4.1 The City Council shall take public testimony on all matters included on its legislative agenda, with those exceptions stated in Rule 5.4(B). Public testimony shall be limited to the final Council action. Public testimony shall be limited to three (3) minutes per speaker, unless, at his or her discretion, the Chair determines that, because of the number of speakers signed up to testify, less time will need to be allocated per speaker in order to accommodate all of the speakers. The Chair may allow additional time if the speaker is asked to respond to questions from the Council.
- B. No public testimony shall be taken on consent agenda items, amendments to legislative agenda items, or procedural, parliamentary, or administrative matters of the Council.
- C. For legislative or hearing items that may affect an identifiable individual, association, or group, the following procedure may be implemented:
  1. Following an assessment by the Chair of factors such as complexity of the issue(s), the apparent number of people indicating a desire to testify, representation by designated spokespersons, etc., the Chair shall, in the absence of objection by the majority of the Council present, impose the following procedural time limitations for taking public testimony regarding legislative matters:
    - a. There shall be up to fifteen (15) minutes for staff, board, or commission presentation of background information, if any.
    - b. The designated representative of the proponents of the issue shall speak first and may include within his or her presentation the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. Up to thirty (30) minutes shall be granted for the proponent's presentation. If there be more than one designated representative, they shall allocate the 30 minutes between or among themselves.

- c. Three minutes shall be granted for any other person not associated with the designated representative who wishes to speak on behalf of the proponent's position.
  - d. The designated representative, if any, of the opponents of the issue shall speak following the presentation of the testimony of expert witnesses, visual displays, and any other reasonable methods of presenting the case. The designated representative(s) of the opponents shall have the same time allotted as provided for the proponents.
  - e. Three minutes shall be granted for any other person not associated with the designated representative who wishes to speak on behalf of the opponents' position.
  - f. Up to ten minutes of rebuttal time shall be granted to the designated representative for each side, the proponents speaking first, the opponents speaking second.
- 2. In the event the party or parties representing one side of an issue has a designated representative and the other side does not, the Chair shall publicly ask the unrepresented side if they wish to designate one or more persons to utilize the time allotted for the designated representative. If no such designation is made, each person wishing to speak on behalf of the unrepresented side shall be granted three minutes to present his/her position, and no additional compensating time shall be allowed due to the fact that the side has no designated representative.
  - 3. In the event there appears to be more than two groups wishing to advocate their distinct positions on a specific issue, the Chair may grant the same procedural and time allowances to each group or groups, as stated previously.
- D. The time taken for staff or Council member questions and responses thereto shall be in addition to the time allotted for any individual or designated representative's testimony.

# THE CITY OF SPOKANE



## ADVANCE COUNCIL AGENDA

MEETING OF MONDAY, FEBRUARY 11, 2019

### 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 BREEAN BEGGS

COUNCIL MEMBER MIKE FAGAN

COUNCIL MEMBER CANDACE MUMM

COUNCIL MEMBER KATE BURKE

COUNCIL MEMBER LORI KINNEAR

COUNCIL MEMBER KAREN STRATTON

CITY 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 THURSDAYS 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 entrance 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](http://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 Human Resources at 509.625.6383, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [msteinolfson@spokanecity.org](mailto:msteinolfson@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

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)

Roll Call of Council

Council Reports

Staff Reports

Committee Reports

Advance Agenda Review

Current Agenda Review

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## ADMINISTRATIVE SESSION

### CONSENT AGENDA

#### REPORTS, CONTRACTS AND CLAIMS

#### RECOMMENDATION

- |  |         |   |
|--|---------|---|
| 1. Low Bid of Halme Construction, Inc. (Spokane, WA) for NCS Euclid Avenue Water & Sewer and North Hill Distribution Loop—\$2,441,814.08 (plus tax). An administrative reserve of \$244,181.41 (plus tax), which is 10% of the contract price, will be set aside.<br><b>Dan Buller</b>             | Approve | OPR 2019-0065<br>ENG 2017160<br>ENG 2017183 |
| 2. Contract Amendment with Northeast Community Center Association for additional funding to support the Zone Project—increase of \$35,000. Total Contract Amount: \$85,000.<br><b>Alex Reynolds</b>  | Approve | OPR 2017-0018                               |
| 3. Sole Source Contract Renewal #4 of 4 with Dresser Rand Company (Seattle, WA) for maintenance, service and supplies for the Condensing Steam Turbine Generator Drive Package at the Waste-to-Energy plant from February 1, 2019 to January 31, 2020—\$108,700 (incl. tax).<br><b>David Paine</b> | Approve | OPR 2015-0094                               |

4. Report of the Mayor of pending:
- Approve &  
Authorize  
Payments      CPR 2019-0002
- a. Claims and payments of previously approved obligations, including those of Parks and Library, through \_\_\_\_\_, 2019, total \$ \_\_\_\_\_, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$ \_\_\_\_\_.
- b. Payroll claims of previously approved obligations through \_\_\_\_\_, 2019: \$ \_\_\_\_\_.      CPR 2019-0003
5. City Council Meeting Minutes: \_\_\_\_\_, 2019.      Approve All      CPR 2019-0013

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## EXECUTIVE SESSION

(Closed Session of Council)

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

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## 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.

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## 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)

# NO BOARDS AND COMMISSIONS APPOINTMENTS

## ADMINISTRATIVE REPORT

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### COUNCIL COMMITTEE REPORTS

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

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### 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.

Note: No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.E).

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## LEGISLATIVE AGENDA

### SPECIAL BUDGET ORDINANCES

(Require Five Affirmative, Recorded Roll Call Votes)

Ordinance C35741 carrying over from 2018 fiscal year and re-appropriating various funds for the use of certain departments and divisions of the City government and appropriating various outstanding grants of the City of Spokane.

(This action carries over budget authority for 2018 obligated budget items that were not completed at year-end and appropriates various outstanding grants and capital expenditures, thereby amending Ordinance C35703, passed December 10, 2018.)

**Crystal Marchand**

Ordinance C35742 amending Ordinance No. C35703 passed by the City Council December 10, 2018, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2019, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2019, and providing it shall take effect immediately upon passage, and declaring an emergency and appropriating funds in:

Water Fund

FROM: Unappropriated Reserves, \$46,638;

TO: Laborer I (from 0 to 1 positions), same amount;

and

**FROM: Unappropriated Reserves, \$52,434;**  
**TO: Irrigation Specialist (from 1 to 2 positions), same amount;**  
**and**

**FROM: Unappropriated Reserves, \$163,064;**  
**TO: Equipment Operator (from 1 to 3 positions), same amount;**  
**and**

**FROM: Unappropriated Reserves, \$50,000;**  
**TO: Vehicles, same amount;**  
**and**

**FROM: Unappropriated Reserves, \$125,000;**  
**TO: Contractual Services, same amount;**  
**and**

**FROM: Unappropriated Reserves, \$20,000;**  
**TO: Repair/Maintenance Supplies, same amount;**  
**and**

**FROM: Unappropriated Reserves, \$1,000;**  
**TO: Repairs and Maintenance, same amount;**  
**and**

**FROM: Unappropriated Reserves, \$50;**  
**TO: Advertising, same amount.**

**[This action increases funding (Total Amount: \$458,186) for the  
Green Area Maintenance Program.]**

**Dan Kegley**

## **NO EMERGENCY ORDINANCES**

## **RESOLUTIONS & FINAL READING ORDINANCES**

**(Require Four Affirmative, Recorded Roll Call Votes)**

**RES 2019-0005**     **Approving Partnership Umbrella Agreement between Spokane  
Public Schools, City of Spokane and Spokane Public Library.**

**Rick Romero**

**RES 2019-0006**     **Approving a development agreement between the City and 1<sup>st</sup>  
Avenue Chelan, L.L.C. relating to certain public infrastructure costs,  
and authorizing the Mayor to execute the development agreement on  
behalf of the City.**

**Teri Stripes**



RES 2019-0007 Approving a development agreement between the City and 600 Main, L.L.C. relating to certain material costs, and authorizing the Mayor to execute the development agreement on behalf of the City.

**Teri Stripes**

ORD C35697 Reaffirming that the first floor lobby of City Hall is open to all members of the public; enacting a new section 12.05.050 of the Spokane Municipal Code. (Deferred from January 7, 2019, Current Agenda.)

**Council Member Burke**

## **NO FIRST READING ORDINANCES**

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## **NO SPECIAL CONSIDERATIONS**

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## **NO HEARINGS**

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**Motion to Approve Advance Agenda for February 11, 2019  
(per Council Rule 2.1.2)**

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## **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.

**Note:** No person shall be permitted to speak at Open Forum more often than once per month (Council Rule 2.2.E).

## **ADJOURNMENT**

The February 11, 2019, Regular Legislative Session of the City Council will be held and then is adjourned to February 25, 2019.

**Note:** The regularly scheduled City Council meeting for Monday, February 18, 2019, has been canceled in recognition of President's Day.

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## **NOTES**

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/29/2019

**Clerk's File #**

OPR 2019-0065

**Renews #****Submitting Dept**

ENGINEERING SERVICES

**Contact Name/Phone**

DAN BULLER 625-6391

**Contact E-Mail**

DBULLER@SPOKANECITY.ORG

**Agenda Item Type**

Contract Item

**Agenda Item Name**

0370 - LOW BID AWARD - HALME CONSTRUCTION, INC.

**Cross Ref #****Project #**

2017160/2017183

**Bid #****Requisition #**

CR 20124

**Agenda Wording**

Low Bid of Halme Construction, Inc. (Spokane, WA) for NCS Euclid avenue Water & Sewer and North Hill Distribution Loop - \$2,441,814.08 plus tax. An administrative reserve of \$244,181.41 plus tax, which is 10% of the contract price, will be set aside

**Summary (Background)**

On January 28, 2019 bids were opened for the above project. The low bid was from Halme Construction, Inc. in the amount of \$2,441,814.08, which is \$277,225.92 or 10.2% below the Engineer's Estimate; one other bid was received as follows: LaRiviere, Inc. - Non Responsive Bid.

**Fiscal Impact**

Grant related? NO

Public Works? YES

**Budget Account**

Expense \$ 1,168,199.51

# 4250 42300 94000 56501 15738

Expense \$ 1,188,006.56

# 4250 42300 94000 56501 14358

Expense \$ 566,157.02

# 4250 42300 94000 56501 15760

Select \$

#

**Approvals****Dept Head**

TWOHIG, KYLE

**Division Director**

KEGLEY, DANIEL

**Finance**

ORLOB, KIMBERLY

**Legal**

DALTON, PAT

**For the Mayor**

ORMSBY, MICHAEL

**Council Notifications****Study Session****Other**

PIES 1/28/19

**Distribution List**

eraea@spokanecity.org

publicworksaccounting@spokanecity.org

mdoval@spokanecity.org

htrautman@spokanecity.org

kgoodman@spokanecity.org

**Additional Approvals****Purchasing**

PRINCE, THEA



**Continuation of Wording, Summary, Budget, and Distribution**

**Agenda Wording**

(Minihaha Neighborhood Council)

**Summary (Background)**

**Fiscal Impact**

Select \$

Select \$

**Budget Account**

#

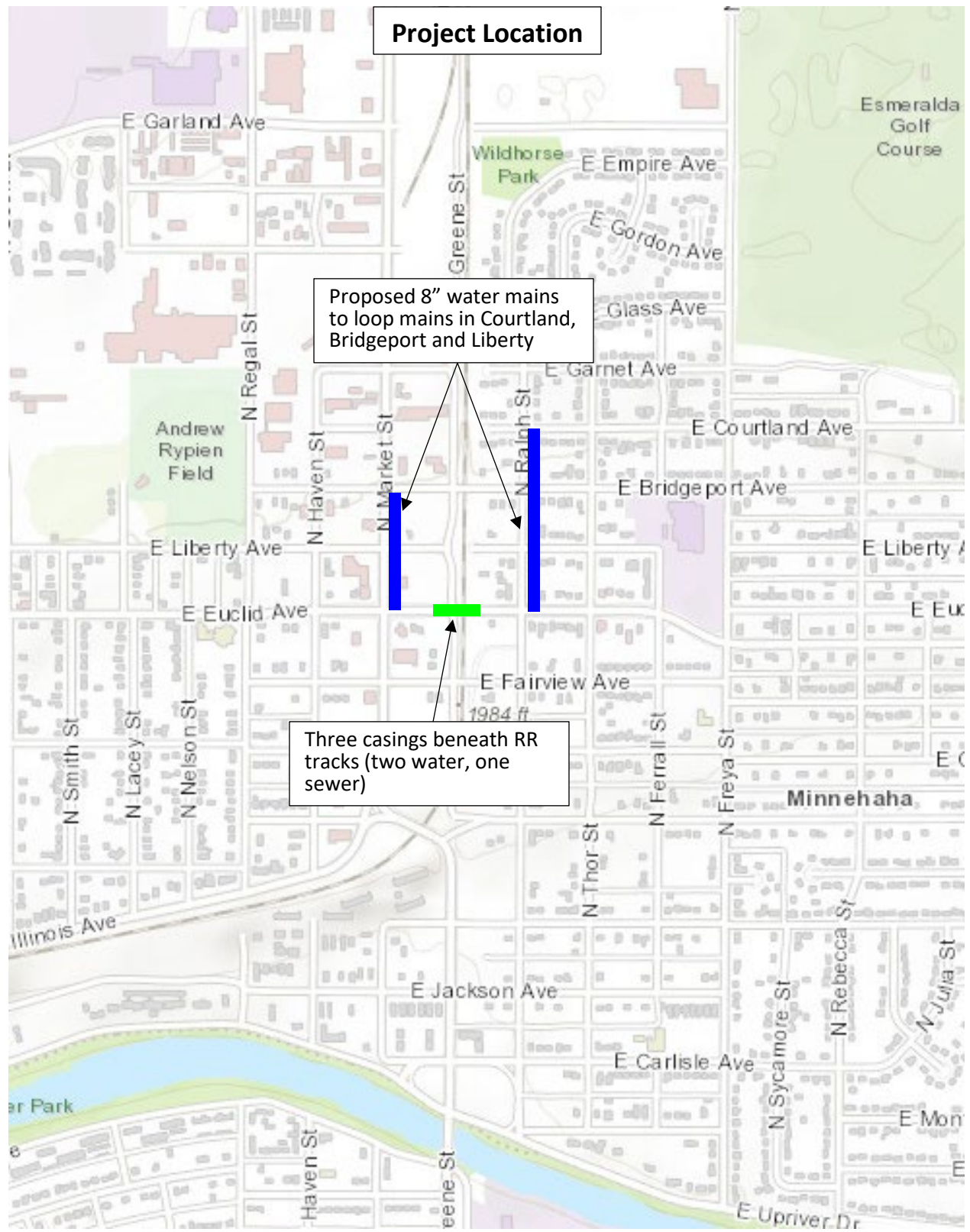
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**Distribution List**


## Briefing Paper

### PIES

<b>Division &amp; Department:</b>	Engineering Services; Public Works
<b>Subject:</b>	Euclid Ave. – North South Corridor
<b>Date:</b>	January 28, 2019
<b>Contact (email &amp; phone):</b>	Dan Buller ( <a href="mailto:dbuller@spokanecity.org">dbuller@spokanecity.org</a> , 625-6391)
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Scott Simmons
<b>Committee(s) Impacted:</b>	PIES
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is necessitated by WS-DOT's North South Corridor (NSC) project.
<b>Strategic Initiative:</b>	Innovative Infrastructure
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Informational - background information for committee review
<u>Background/History:</u> As part of WS-DOT's NSC project, DOT is requiring most existing utilities which cross the future freeway to be removed or consolidated into a limited number of crossing points since DOT (and the City) want to minimize utilities beneath the future freeway. The City will have multiple NSC related utility relocation projects over the next couple years, all funded by WS-DOT.	
<u>Executive Summary:</u> <ul style="list-style-type: none"> <li>This project focuses on the utilities crossing the proposed NSC route in the vicinity of Euclid Ave.</li> <li>At Euclid Ave., three casings are proposed to be installed beneath the RR tracks which cross Euclid just east of Market. These casings both protect our utilities and allow future replacement without needing access beneath the NSC.</li> <li>Also, 8" water lines will be installed on Market from Euclid to Bridgeport and on Ralph from Euclid to Courtland to loop mains that would otherwise become dead end mains due to the future freeway.</li> <li>The timing of this project is coordinated with the large NSC project to be completed prior to the WS-DOT closure of Wellesley east of Market.</li> </ul>	
<u>Budget Impact:</u> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<u>Operations Impact:</u> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	



**City Of Spokane**  
**Engineering Services Department**  
**\*\*\* Bid Tabulation \*\*\***

**Project Number:** 2017160

**Project Description** NSC Euclid Sewer and Water & North Hill Loop

**Original Date** 12/28/2018 1:56:30 PM

**Funding Source** State

**Update Date** 1/28/2019 2:13:57 PM

**Preparer** Cindy Kinzer

**Addendum**

<b>Project Number: 2017160</b>			<b>Engineer's Estimate</b>		Halme Construction Inc					
<b>Item No</b>	<b>Bid Item Description</b>	<b>Estimated Quantity</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>

**Schedule Description**

**Tax Classification**

**Schedule 01**

Water and Sewer

Sales tax shall NOT be included in unit prices

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	*****	2,000.00	*****	500.00	*****	0.00	*****	0.00
103	POTHOLING	15 EA	550.00	8,250.00	619.07	9,286.05	0.00	0.00	0.00	0.00
104	PUBLIC LIAISON REPRESENTATIVE	1 LS	*****	3,000.00	*****	500.00	*****	0.00	*****	0.00
105	CLASSIFICATION AND PROTECTION OF SURVEY MONUMENTS	1 LS	*****	1,000.00	*****	5,761.68	*****	0.00	*****	0.00
106	TYPE B PROGRESS SCHEDULE	1 LS	*****	7,000.00	*****	500.00	*****	0.00	*****	0.00
107	INCENTIVE FOR EARLY COMPLETION	4 DA	10,000.00	40,000.00	10,000.00	40,000.00	0.00	0.00	0.00	0.00
108	MOBILIZATION	1 LS	*****	202,000.00	*****	240,000.00	*****	0.00	*****	0.00
109	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	90,000.00	*****	41,049.31	*****	0.00	*****	0.00
110	SPECIAL SIGNS	248 SF	20.00	4,960.00	12.57	3,117.36	0.00	0.00	0.00	0.00
111	SEQUENTIAL ARROW SIGN	2000 HR	5.00	10,000.00	1.31	2,620.00	0.00	0.00	0.00	0.00
112	PORTABLE CHANGEABLE MESSAGE SIGN	2400 HR	7.00	16,800.00	2.88	6,912.00	0.00	0.00	0.00	0.00
113	TYPE III BARRICADE	65 EA	75.00	4,875.00	31.43	2,042.95	0.00	0.00	0.00	0.00
114	MATERIAL ON HAND, TREE PROTECTION	1 LS	*****	800.00	*****	9,794.65	*****	0.00	*****	0.00

<i>Project Number:</i> <b>2017160</b>			<i>Engineer's Estimate</i>		Halme Construction Inc					
<i>Item No</i>	<i>Bid Item Description</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>
<i>Schedule Description</i>					<i>Tax Classification</i>					
<i>Schedule 01</i> Water and Sewer					Sales tax shall NOT be included in unit prices					
115	REMOVE EXISTING CURB AND GUTTER	148 LF	9.00	1,332.00	3.49	516.52	0.00	0.00	0.00	0.00
116	REMOVE CONCRETE TRAFFIC ISLAND 24 IN. WIDE	276 LF	11.00	3,036.00	1.14	314.64	0.00	0.00	0.00	0.00
117	REMOVE CEMENT CONCRETE SIDEWALK AND DRIVEWAY	179 SY	9.00	1,611.00	5.82	1,041.78	0.00	0.00	0.00	0.00
118	REMOVE MANHOLE, CATCH BASIN OR DRYWELL	1 EA	800.00	800.00	221.46	221.46	0.00	0.00	0.00	0.00
119	REMOVE EXISTING <12 IN. DIAMETER PIPE	1161 LF	8.00	9,288.00	9.32	10,820.52	0.00	0.00	0.00	0.00
120	REMOVE EXISTING >12 IN. TO <30 IN PIPE	265 LF	12.00	3,180.00	15.89	4,210.85	0.00	0.00	0.00	0.00
121	SAWCUTTING CURB	8 EA	27.00	216.00	20.95	167.60	0.00	0.00	0.00	0.00
122	SAWCUTTING RIGID PAVEMENT	4918 LFI	2.00	9,836.00	0.75	3,688.50	0.00	0.00	0.00	0.00
123	SAWCUTTING FLEXIBLE PAVEMENT	23707 LFI	1.00	23,707.00	0.26	6,163.82	0.00	0.00	0.00	0.00
124	ABANDON EXIST. PIPE 6 IN TO 10 IN DIAMETER, INCL. FLOWABLE GROUT	955 LF	12.00	11,460.00	6.83	6,522.65	0.00	0.00	0.00	0.00
125	SHORING - EUCLID SEWER	1 LS	*****	130,000.00	*****	40,000.00	*****	0.00	*****	0.00
126	SHORING - EUCLID WATER DIST.	1 LS	*****	101,000.00	*****	40,000.00	*****	0.00	*****	0.00
127	SHORING - EUCLID WATER TRANS.	1 LS	*****	15,000.00	*****	5,237.89	*****	0.00	*****	0.00
128	CSTC FOR SIDEWALK AND DRIVEWAYS	10 CY	120.00	1,200.00	116.73	1,167.30	0.00	0.00	0.00	0.00
129	REMOVE AND REPLACE PORTLAND CEMENT CONCRETE PANEL	146 SY	460.00	67,160.00	224.57	32,787.22	0.00	0.00	0.00	0.00
130	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 70-28, 7 INCH THICK	806 SY	85.00	68,510.00	44.78	36,092.68	0.00	0.00	0.00	0.00
131	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 64-28, 4 INCH THICK	3858 SY	65.00	250,770.00	21.74	83,872.92	0.00	0.00	0.00	0.00
132	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 64-28, 3 INCH THICK	394 SY	55.00	21,670.00	21.74	8,565.56	0.00	0.00	0.00	0.00

<b>Project Number: 2017160</b>			<b>Engineer's Estimate</b>		Halme Construction Inc					
<b>Item No</b>	<b>Bid Item Description</b>	<b>Estimated Quantity</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>

**Schedule Description**

**Tax Classification**

**Schedule 01**

Water and Sewer

Sales tax shall NOT be included in unit prices

133	PAVEMENT REPAIR EXCAVATION INCL. HAUL	5058 SY	40.00	202,320.00	22.60	114,310.80	0.00	0.00	0.00	0.00
134	TEMPORARY CONC. BARRIER	250 LF	45.00	11,250.00	20.95	5,237.50	0.00	0.00	0.00	0.00
135	MANHOLE TYPE 1-48, BASIC PRICE	2 EA	3,500.00	7,000.00	5,009.53	10,019.06	0.00	0.00	0.00	0.00
136	MANHOLE ADDITIONAL HEIGHT 48 IN. DIAM. TYPE 1-48	5 VF	200.00	1,000.00	147.06	735.30	0.00	0.00	0.00	0.00
137	CONNECT 10 IN. DIAMETER PIPE TO EXISTING CATCH BASIN, DRYWELL, OR MANHOLE	2 EA	800.00	1,600.00	75.33	150.66	0.00	0.00	0.00	0.00
138	RECONSTRUCT MANHOLE INVERT	2 EA	1,200.00	2,400.00	1,991.36	3,982.72	0.00	0.00	0.00	0.00
139	MANHOLE TEST	4 EA	550.00	2,200.00	986.20	3,944.80	0.00	0.00	0.00	0.00
140	CLEANING EXISTING DRAINAGE STRUCTURE	25 EA	400.00	10,000.00	109.20	2,730.00	0.00	0.00	0.00	0.00
141	REMOVE UNSUITABLE PIPE FOUNDATION MATERIAL	30 CY	16.00	480.00	16.99	509.70	0.00	0.00	0.00	0.00
142	REPLACE UNSUITABLE PIPE FOUNDATION MATERIAL	30 CY	20.00	600.00	13.76	412.80	0.00	0.00	0.00	0.00
143	TRENCH SAFETY SYSTEM	1 LS	*****	5,000.00	*****	5,000.00	*****	0.00	*****	0.00
144	PLUGGING EXISTING PIPE	14 EA	500.00	7,000.00	331.89	4,646.46	0.00	0.00	0.00	0.00
145	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	18,000.00	*****	31,861.86	*****	0.00	*****	0.00
146	ENCASE WATER/SEWER AT CROSSINGS	9 EA	2,200.00	19,800.00	889.17	8,002.53	0.00	0.00	0.00	0.00
147	CLEANING EXISTING SANITARY SEWER	4 EA	400.00	1,600.00	314.27	1,257.08	0.00	0.00	0.00	0.00
148	SHAFT FOR TRENCHLESS - EUCLID SEWER	1 LS	*****	50,000.00	*****	250,000.00	*****	0.00	*****	0.00
149	SHAFT FOR TRENCHLESS - EUCLID WATER DIST.	1 LS	*****	50,000.00	*****	223,000.00	*****	0.00	*****	0.00
150	SHAFT FOR REINSTALLATION OF EUCLID WATER TRANS.	1 LS	*****	18,000.00	*****	5,237.89	*****	0.00	*****	0.00



<b>Project Number: 2017160</b>			<b>Engineer's Estimate</b>		Halme Construction Inc					
<b>Item No</b>	<b>Bid Item Description</b>	<b>Estimated Quantity</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>

**Schedule Description**

**Tax Classification**

**Schedule 01**

Water and Sewer

Sales tax shall NOT be included in unit prices

151	CASING 36 IN. DIAM. TRENCHLESS - EUCLID WATER	80 LF	2,500.00	200,000.00	3,286.78	262,942.40	0.00	0.00	0.00	0.00
152	CASING 36 IN. DIAM. TRENCHLESS - EUCLID SEWER	80 LF	2,500.00	200,000.00	3,977.12	318,169.60	0.00	0.00	0.00	0.00
153	CASING 36 IN. DIAM. INCL. STRUCTURAL EXC. CLASS B - SEWER	48 LF	800.00	38,400.00	286.64	13,758.72	0.00	0.00	0.00	0.00
154	CASING 36 IN. DIAM. INCL. STRUCTURAL EXC. CLASS B - WATER	49 LF	800.00	39,200.00	286.64	14,045.36	0.00	0.00	0.00	0.00
155	CASING 48 IN. DIAM. INCL. STRUCTURAL EXC. CLASS B	61 LF	1,200.00	73,200.00	370.44	22,596.84	0.00	0.00	0.00	0.00
156	CASING INSULATOR FOR 8 IN DIAM. CARRIERS	19 EA	350.00	6,650.00	308.27	5,857.13	0.00	0.00	0.00	0.00
157	CASING INSULATOR FOR 10 IN DIAM. CARRIERS	19 EA	550.00	10,450.00	310.87	5,906.53	0.00	0.00	0.00	0.00
158	CASING INSULATOR FOR 30 IN & DUAL 4 IN. DIAM. CARRIERS	19 EA	800.00	15,200.00	354.39	6,733.41	0.00	0.00	0.00	0.00
159	BLOWOFF ASSEMBLY	1 EA	11,000.00	11,000.00	8,069.52	8,069.52	0.00	0.00	0.00	0.00
160	DI PIPE FOR WATER MAIN 6 IN. DIAM.	202 LF	80.00	16,160.00	132.49	26,762.98	0.00	0.00	0.00	0.00
161	DI PIPE FOR WATER MAIN 8 IN. DIAM.	2390 LF	110.00	262,900.00	49.85	119,141.50	0.00	0.00	0.00	0.00
162	DI PIPE FOR WATER MAIN 30 IN. DIAM.	204 LF	350.00	71,400.00	520.48	106,177.92	0.00	0.00	0.00	0.00
163	RESTRAIN EXISTING WATER MAIN 30 IN. DIAM.	263 LF	75.00	19,725.00	145.17	38,179.71	0.00	0.00	0.00	0.00
164	GATE VALVE 6 IN.	3 EA	1,700.00	5,100.00	1,196.50	3,589.50	0.00	0.00	0.00	0.00
165	GATE VALVE 8 IN.	12 EA	2,300.00	27,600.00	1,571.05	18,852.60	0.00	0.00	0.00	0.00
166	BUTTERFLY VALVE 30 IN.	2 EA	32,000.00	64,000.00	1,191.46	2,382.92	0.00	0.00	0.00	0.00
167	HYDRANT ASSEMBLY	1 EA	5,000.00	5,000.00	5,125.20	5,125.20	0.00	0.00	0.00	0.00
168	TRENCH EXCAVATION FOR WATER SERVICE TAP	2 EA	600.00	1,200.00	1,196.46	2,392.92	0.00	0.00	0.00	0.00

<i>Project Number:</i> <b>2017160</b>			<i>Engineer's Estimate</i>		Halme Construction Inc					
<i>Item No</i>	<i>Bid Item Description</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>	<i>Unit Price</i>	<i>Amount</i>
<i>Schedule Description</i>					<i>Tax Classification</i>					
<i>Schedule 01</i> Water and Sewer					Sales tax shall NOT be included in unit prices					
169	SANITARY SEWER PIPE 10 IN. DIAM. INCL. STRUCTURAL EXCAVATION CLASS B	202 LF	90.00	18,180.00	79.01	15,960.02	0.00	0.00	0.00	0.00
170	ESC LEAD	1 LS	*****	2,500.00	*****	500.00	*****	0.00	*****	0.00
171	MATERIAL ON HAND EROSION CONTROL	1 LS	*****	3,000.00	*****	2,500.00	*****	0.00	*****	0.00
172	SILT FENCE	200 LF	5.00	1,000.00	4.47	894.00	0.00	0.00	0.00	0.00
173	INLET PROTECTION	25 EA	100.00	2,500.00	70.22	1,755.50	0.00	0.00	0.00	0.00
174	SOD INSTALLATION	40 SY	20.00	800.00	14.14	565.60	0.00	0.00	0.00	0.00
175	REMOVE AND REPLACE EXISTING SPRINKLER HEADS AND LINES	1 LS	*****	1,200.00	*****	3,142.73	*****	0.00	*****	0.00
176	CEMENT CONCRETE CURB	10 LF	20.00	200.00	72.38	723.80	0.00	0.00	0.00	0.00
177	CEMENT CONC. CURB AND GUTTER	118 LF	23.00	2,714.00	73.65	8,690.70	0.00	0.00	0.00	0.00
178	CEMENT CONCRETE DRIVEWAY	10 SY	70.00	700.00	111.14	1,111.40	0.00	0.00	0.00	0.00
179	CHANNELIZING DEVICES TYPE 4	3 EA	250.00	750.00	214.76	644.28	0.00	0.00	0.00	0.00
180	CHAIN LINK FENCE - TEMPORARY	1200 LF	12.00	14,400.00	6.29	7,548.00	0.00	0.00	0.00	0.00
181	CEMENT CONC. SIDEWALK	165 SY	40.00	6,600.00	79.71	13,152.15	0.00	0.00	0.00	0.00
182	COMMUNICATION CONDUIT SYSTEM, MARKET ST	1 LS	*****	8,000.00	*****	9,899.61	*****	0.00	*****	0.00
183	COMMUNICATION CONDUIT SYSTEM, EUCLID AVE	1 LS	*****	28,000.00	*****	38,184.18	*****	0.00	*****	0.00
184	COMMUNICATION CABLES AND INTERFACES, MARKET ST	1 LS	*****	2,000.00	*****	5,127.89	*****	0.00	*****	0.00
185	COMMUNICATION CABLES AND INTERFACES, EUCLID AVE	1 LS	*****	6,000.00	*****	13,356.61	*****	0.00	*****	0.00
186	REMOVAL OF EXISTING PAVEMENT MARKINGS, MARKET	47 SF	3.00	141.00	16.50	775.50	0.00	0.00	0.00	0.00

<b>Project Number: 2017160</b>			<b>Engineer's Estimate</b>		Halme Construction Inc					
<b>Item No</b>	<b>Bid Item Description</b>	<b>Estimated Quantity</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>	<b>Unit Price</b>	<b>Amount</b>

<b>Schedule Description</b>					<b>Tax Classification</b>					
<b>Schedule 01</b> Water and Sewer					Sales tax shall NOT be included in unit prices					
187	PAVEMENT MARKING - DURABLE HEAT APPLIED, MARKET	90 SF	10.00	900.00	16.53	1,487.70	0.00	0.00	0.00	0.00
188	PAVEMENT MARKING - DURABLE HEAT APPLIED, EUCLID	256 SF	10.00	2,560.00	9.64	2,467.84	0.00	0.00	0.00	0.00
189	CONCRETE TRAFFIC ISLAND 24 IN. WIDE	280 LF	75.00	21,000.00	31.43	8,800.40	0.00	0.00	0.00	0.00
190	COMBINATION AIR RELEASE/AIR VACUUM VALVE ASSEMBLY 2 IN	2 EA	5,000.00	10,000.00	4,663.67	9,327.34	0.00	0.00	0.00	0.00
<b>Schedule Totals</b>				2,719,040.00		2,441,814.08		0.00		0.00

Project Number            2017160            NSC Euclid Sewer and Water & North Hill Loop

	SCHEDULE SUMMARY								
	Sched 1	Sched 2	Sched 3	Sched 4	Sched 5	Sched 6	Sched 7	Sched 8	Total
Engineer's Est	2,719,040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,719,040.00
Halme Construction Inc	2,441,814.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,441,814.08

Low Bid Contractor:    Halme Construction Inc

	Contractor's Bid	Engineer's Estimate	% Variance	
Schedule 01	\$2,656,693.72	\$2,958,315.52	10.20	% Under Estimate
Bid Totals	\$2,656,693.72	\$2,958,315.52	10.20	% Under Estimate

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/29/2019

**Clerk's File #**

OPR 2017-0018

**Renews #****Submitting Dept**NEIGHBORHOOD & BUSINESS  
SERVICES**Cross Ref #****Contact Name/Phone**

ALEX REYNOLDS 6147

**Project #****Contact E-Mail**

AREYNOLDS@SPOKANECITY.ORG

**Bid #****Agenda Item Type**

Contract Item

**Requisition #**

CR20002&amp;20129

**Agenda Item Name**

NECC CONTRACT AMENDMENT

**Agenda Wording**

Contract Amendment with NECC to increase Zone Project funding from \$50,000.00 to \$85,000.00

**Summary (Background)**

A \$35,000.00 dollar increase to the Zone Project's funding at the NECC to assist with leveraging more outside funding. The resulting leveraged funds totaled \$450,000 from The Ballmer Group

**Fiscal Impact**

Grant related? YES

Public Works? NO

**Budget Account**

Expense \$ 35,000.00

# 0350-57300-75500-54201

Select \$

#

Select \$

#

Select \$

#

**Approvals****Council Notifications****Dept Head**

CORTRIGHT, CARLY

**Study Session**

PSCHC

**Division Director**

CORTRIGHT, CARLY

**Other****Finance**

ORLOB, KIMBERLY

**Distribution List****Legal**

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**For the Mayor**

ORMSBY, MICHAEL

ccortright@spokanecity.org

**Additional Approvals**

tsanders@spokanecity.org

**Purchasing**

dnroman@spokanecity.org

**GRANTS &****CONTRACT MGMT**

STOPHER, SALLY



**City of Spokane**

**CONTRACT AMENDMENT**

Title: **NORTHEAST COMMUNITY  
CENTER FUNDING**

This Contract Amendment is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **NORTHEAST COMMUNITY CENTER ASSOCIATION**, a 501(C)(3) non-profit corporation, whose address is 4001 North Cook Street, Spokane, Washington 99207, as ("Northeast Community Center"), individually hereafter referenced as a "party", and together as the "parties".

*WHEREAS, the parties entered into a Contract on January 23, 2017 wherein the Northeast Community Center agreed to provide broad-based community services to the local neighborhood and serves as an integral part of the City of Spokane's safety net for our citizens; and*

*WHEREAS, additional funding beyond the original contract amount became available that will be used to support the Zone Project, thus the original Contract needs to be formally Amended; and*

*-- NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The Contract, dated December 20, 2016 and February 2, 2017, any previous amendments, addendums and / or extensions / renewals thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

**2. EFFECTIVE DATE.**

This Contract Amendment shall become effective upon signature of the parties.

**3. COMPENSATION.**

The City shall pay the Northeast Community Center an additional **THIRTY FIVE THOUSAND AND 00/100 DOLLARS (\$35,000.00)** for the 2018 fiscal year for a total of **TWO HUNDRED TWENTY THREE THOUSAND FOUR HUNDRED NINETY FOUR AND 95/100 DOLLARS (\$223,494.95)**, and an additional **EIGHTY FIVE THOUSAND AND 00/100 DOLLARS (\$85,000.00)** for the 2019 fiscal year for a total of **TWO HUNDRED TEN THOUSAND NINE HUNDRED FOUR AND 50/100 DOLLARS (\$210,904.50)**, for everything furnished and done under this Contract Amendment. This is the maximum amount to be paid under this

Amendment, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this document.

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

**NORTHEAST COMMUNITY  
CENTER ASSOCIATION**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature Date

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

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

19-005

## Briefing Paper

### Public Safety and Community Health Committee

<b>Division &amp; Department:</b>	Neighborhood and Business Services
<b>Subject:</b>	North East Community Center (NECC) 2018 & 2019 contract amendment
<b>Date:</b>	03 JAN 2019
<b>Contact (email &amp; phone):</b>	Alex Reynolds 509-6256147
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	PSCHC
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget , Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan: diversity, most vulnerable, affordable services, public amenities, arts and culture.
<b>Strategic Initiative:</b>	Safe and Healthy
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Contract for NECC operations and The Zone project are amended for 2018 and 2019 to reflect the City's committed funding levels for the Zone Project.
<b>Background/History:</b> Neighborhood and Business Services collaborated with NECC to leverage City funding in obtaining matching funds for the Zone Project. The money committed by the NBS is necessary to obtain the matching funds for the Zone Project.	
<b>Executive Summary:</b> <ul style="list-style-type: none"> <li>In 2017, NECC was awarded an amended amount of \$50,000 to assume operational backbone support for The Zone Project (TZP); \$125,904.50 operations contract, \$50,000 TZP for a total award of \$175, 904.50.</li> <li>The zone project hire was delayed to Dec 2017 altering funding requirements/needs for 2017- original target for hire was Aug 2017.</li> <li>During this transitional period, City Council approved \$70,000 for the Zone Project funding for 2018 operational year.</li> <li>Because the Zone Project hire/relaunch was delayed it was discussed that funds allocated for use in 2017 (\$50,000) and ½ of the proposed 2018 \$70,000 City Council allocation (\$35,000) would be combined for a total of \$85,000 fully funding TZP for 2018</li> <li>In an Oct 2018 meeting with Kelly, Dawn, Amber and Dave Richardson, about a matched commitment of \$85,000/year from the City of Spokane through 2021. City funds will help to leverage an additional \$450,000 from The Ballmer Group.</li> <li>2019 projected allocation for TZP from the City of Spokane-\$85,000.</li> </ul>	
<b>Budget Impact:</b> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	





**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/29/2019

**Clerk's File #**

OPR 2015-0094

**Renews #****Cross Ref #**

RES 2015-0017

**Submitting Dept**

SOLID WASTE DISPOSAL

**Contact Name/Phone**

DAVID PAINE 625-6878

**Project #****Contact E-Mail**

DPAINE@SPOKANECITY.ORG

**Bid #****Agenda Item Type**

Contract Item

**Requisition #**

CR 20123

**Agenda Item Name**

4490-SOLE SOURCE CONTRACT RENEWAL WITH DRESSER RAND

**Agenda Wording**

Sole source contract renewal #4 of 4 with Dresser Rand Company for maintenance, service and supplies for the Condensing Steam Turbine Generator Drive Package at the Waste to Energy. Term from Feb. 1, 2019-Jan. 31, 2020 for \$108,700.00(incl. tax).

**Summary (Background)**

Dresser Rand Company possesses the design, fabrication and manufacturing information required to supply maintenance, service and parts to the turbine generator at the WTE. In 2015, a resolution declaring them the sole source company for these services was approved, and a contract was awarded for one year with the possibility of four (4) one-year extensions. This is the last of those extensions.

**Fiscal Impact**

Grant related? NO

Public Works? YES

**Budget Account**

Expense \$ \$108,700.00

# 4490-44100-37148-54803-34002

Select \$

#

Select \$

#

Select \$

#

**Approvals****Council Notifications****Dept Head**

CONKLIN, CHUCK

**Study Session**

PIES 1/28/19

**Division Director**

KEGLEY, DANIEL

**Other****Finance**

ALBIN-MOORE, ANGELA

**Distribution List****Legal**

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**For the Mayor**

ORMSBY, MICHAEL

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**Additional Approvals**

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**Purchasing**

PRINCE, THEA

rrinderle@spokanecity.org

donald.bell@siemens.com

## Briefing Paper

### Public Infrastructure, Environment and Sustainability Committee

<b>Division &amp; Department:</b>	Public Works Division; Solid Waste Disposal
<b>Subject:</b>	Dresser Rand Sole Source Contract Renewal
<b>Date:</b>	January 28, 2019
<b>Contact (email &amp; phone):</b>	David Paine, <a href="mailto:dpaine@spokanecity.org">dpaine@spokanecity.org</a> , 625-6878
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	Public Infrastructure, Environment and Sustainability Committee
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	
<b>Strategic Initiative:</b>	Innovative Infrastructure – Sustainability; Sustainable Resources-Sustainable Practices
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Council approval for renewal of the sole source maintenance agreement with Dresser Rand Company, without which the WTE Facility would be unable to keep the Turbine Generator running and producing electricity.
<b>Background/History:</b> <p>The turbine generator is an integral part of the 24hr/7 day a week operations. If it were to break down and maintenance/parts were not readily available, it would likely cause a boiler outage and there would be a significant loss in revenue.</p> <p>In 2015, a resolution declaring Dresser Rand Company of Seattle, a sole source for the maintenance, service and product supplies necessary for the condensing steam turbine generator at the WTE facility and a contract was awarded for one year, with the possibility of four (4) one-year extensions/renewals. This would be number four (4) of four (4) of those renewals. The estimated annual cost for any parts and repairs should not exceed \$108,700.00 for everything provided under this renewal.</p>	
<b>Executive Summary:</b> <ul style="list-style-type: none"> <li>Renewal #4 of 4 to OPR 2015-0094 under Sole Source Resolution RES 2015-0017 with Dresser Rand Company for maintenance, service and product supplies necessary for the condensing steam turbine generator at the WTE Facility.</li> <li>Estimated annual cost of \$108,700.00.</li> <li>The term of this contract is through December 31, 2019.</li> <li>The WTE Facility is unable to produce electricity without the turbine generator and will likely experience an unplanned outage in the event that it breaks down.</li> </ul>	
<b>Budget Impact:</b> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	

Operations Impact:

Consistent with current operations/policy?

☒ Yes ☐ No ☐ N/A

Requires change in current operations/policy?

☐ Yes ☒ No ☐ N/A

Specify changes required:

Known challenges/barriers:



**City of Spokane**

**CONTRACT RENEWAL  
4 OF 4**

**Title: MAINTENANCE AND SERVICE FOR  
CONDENSING STEAM TURBINE ENGINE**

This Contract Renewal is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **DRESSER RAND COMPANY** whose address is 225 South Lucile Street, Seattle, Washington 98108 as ("Contractor"), individually hereafter referenced as a "party", and together as the "parties".

*WHEREAS, the parties entered into a Contract wherein the Contractor agreed to do all work, furnish all labor, materials, tools, construction equipment, transportation, supplies, supervision, organization and other items of work and costs necessary for the proper execution and completion of the MAINTENANCE, SERVICE, AND PRODUCT SUPPLIES NECESSARY FOR THE CONDENSING STEAM TURBINE GENERATOR DRIVE PACKAGE; and*

*WHEREAS, the initial contract provided for 4 additional one-year extensions, with this being the 4th of those extensions.*

*-- NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:*

**1. CONTRACT DOCUMENTS.**

The original Contract, adopted by City Council on February 23, 2015, any previous amendments, renewals and / or extensions / thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

**2. EFFECTIVE DATE.**

This Contract Renewal shall become effective on February 1, 2019 and run through January 31, 2020.

**3. COMPENSATION.**

The City shall pay an estimated maximum annual cost not to exceed **ONE HUNDRED EIGHT THOUSAND SEVEN HUNDRED AND 00/100 (\$108,700.00)** for everything furnished and done under this Contract Renewal. This is the maximum amount to be paid under this Renewal, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this Renewal document.

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

**DRESSER RAND COMPANY**

By \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
E-Mail Address

Attest:

\_\_\_\_\_  
City Clerk

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature Date

David A. Condon  
\_\_\_\_\_  
Type or Print Name

Mayor  
\_\_\_\_\_  
Title

Approved as to form:

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

19-017

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/30/2019

**Clerk's File #**

ORD C35741

**Renews #****Cross Ref #****Submitting Dept**

FINANCE &amp; ADMIN

**Contact Name/Phone**CRYSTAL 625-6369  
MARCHAND**Project #****Contact E-Mail**

CMARCHAND@SPOKANECITY.ORG

**Bid #****Agenda Item Type**

Special Budget Ordinance

**Requisition #****Agenda Item Name**

0410 - ENCUMBRANCE CARRYOVER

**Agenda Wording**

An Ordinance carrying over from 2018 fiscal year and re-appropriating various funds for the use of certain departments and divisions of the City government and appropriating various outstanding grants of the City of Spokane.

**Summary (Background)**

This action carries over budget authority for 2018 obligated budget items that were not completed at year-end and appropriates various outstanding grants and capital expenditures, thereby amending Ordinance No. C-35703, passed December 10, 2018.

**Fiscal Impact**

Grant related? NO

Public Works? NO

**Budget Account**

Expense \$ tbd

# Various Accounts - See Ordinance

Select \$

#

Select \$

#

Select \$

#

**Approvals****Council Notifications****Dept Head**

MARCHAND, CRYSTAL

**Study Session**Innovative Infrastructure  
1/28/19**Division Director**

STOPHER, SALLY

**Other****Finance**

STOPHER, SALLY

**Distribution List****Legal**

DALTON, PAT

cmarchand@spokanecity.org

**For the Mayor**

ORMSBY, MICHAEL

mdoval@spokanecity.org

**Additional Approvals**

pingiosi@spokanecity.org

**Purchasing****CITY COUNCIL**

MCDANIEL, ADAM

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/29/2019

**Clerk's File #**

ORD C35742

**Renews #****Submitting Dept**

WATER &amp; HYDROELECTRIC SERVICES

**Contact Name/Phone**

DAN KEGLEY 625-7840

**Contact E-Mail**

DKEGLEY@SPOKANECITY.ORG

**Agenda Item Type**

Special Budget Ordinance

**Agenda Item Name**

4100 - SBO GREEN AREA MAINTENANCE

**Cross Ref #****Project #****Bid #****Requisition #****Agenda Wording**

A special budget ordinance to provide budget for additional green area maintenance staffing, equipment and supplies.

**Summary (Background)**

The Green Area Maintenance program will provide a consistent level of upkeep throughout the City's Right of Way and City owned property. There are 473 sites totaling 642 acres that have been identified to be maintained at a consistent level of service. In 2016, an inventory of stormwater swales, stormwater facilities, and aesthetic elements within Centers and Corridors was identified, a level of service was applied for various types of landscape and was sent out to bid. The low bid received

**Fiscal Impact**

Grant related? NO

Public Works? YES

**Budget Account**

Expense \$ 458,186

# various (see SBO)

Select \$

#

Select \$

#

Select \$

#

**Approvals****Council Notifications****Dept Head**

KEGLEY, DANIEL

**Study Session****Division Director**

KEGLEY, DANIEL

**Other**

1/28/2019 Pies

**Finance**

ALBIN-MOORE, ANGELA

**Distribution List****Legal**

DALTON, PAT

dkegley@spokanecity.org

**For the Mayor**

ORMSBY, MICHAEL

aalbinmoore@spokanecity.org

**Additional Approvals**

lsearl@spokanecity.org

**Purchasing****CITY COUNCIL**

MCDANIEL, ADAM





**Continuation of Wording, Summary, Budget, and Distribution**

**Agenda Wording**

**Summary (Background)**

was much higher than expected, at over \$1.9 million per year. After re-evaluating the project it was determined that City staff would be able to complete this yearly work with the additional staff, equipment, and supplies requested in this Special Budget Ordinance. Total increase to the program budget of \$458,186.

**Fiscal Impact**

Select \$

**Budget Account**

#

Select \$

#

**Distribution List**


## Briefing Paper

### Public Infrastructure, Environment and Sustainability Committee

<b>Division &amp; Department:</b>	Public Works – Water/Wastewater
<b>Subject:</b>	Green Area Maintenance
<b>Date:</b>	January 28, 2019
<b>Author (email &amp; phone):</b>	Dan Kegley ( <a href="mailto:dkegley@spokanecity.org">dkegley@spokanecity.org</a> 625 7840)
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Scott Simmons
<b>Committee(s) Impacted:</b>	P.I.E.S.
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b>	
<b>Strategic Initiative:</b>	Innovative Infrastructure – Sustainable Resources
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approval of Special Budget Ordinance to provide budget for green area maintenance staffing, equipment and supplies.
<b>Background/History:</b> The Green Area Maintenance program will provide a consistent level of upkeep throughout the City's right of way and City owned property. There are 473 sites totaling 642 acres that been identified to be maintained at a consistent level of service. In 2016, an inventory of stormwater swales, stormwater facilities and aesthetic elements within Centers and Corridors was identified, a level of service was applied for various types of landscape and was sent out to bid. The low bid received was much higher than expected, at over \$1.9 million per year. After reevaluating the project it was determined that City staff would be able to complete this yearly work with additional staff, equipment and supplies. Total increase to the program budget of \$458,186 by Special Budget Ordinance.	
<b>Executive Summary:</b> <ul style="list-style-type: none"> <li>Comprehensive management for maintaining green areas within City right of way has been developed.</li> <li>473 sites totaling 642 acres of green area including stormwater, facilities, economic areas and approximately 357,224 lineal feet sidewalks have been identified for maintenance needs.</li> <li>Additional staff along with temporary seasonal staff and equipment will allow the Water Department to complete this work at a substantially lower cost than the lowest bid received.</li> </ul>	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

## ORDINANCE NO C35742

An ordinance amending Ordinance No. C-35703, passed by the City Council December 10, 2018, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2019, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2019, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2019 budget Ordinance No. C-35703, as above entitled, and which passed the City Council December 10, 2018, it is necessary to make changes in the appropriations of the Water Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

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

The City of Spokane does ordain:

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

FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	46,638
TO: 4100-42450	Water Fund	34145-05010 Laborer I (from 0 to 1 positions)	<u>46,638</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	52,434
TO: 4100-42450	Water Fund	34145-06100 Irrigation Specialist (from 1 to 2 positions)	<u>52,434</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	163,064
TO: 4100-42450	Water Fund	34145-06210 Equipment Operator (from 1 to 3 positions)	<u>163,064</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	50,000
TO: 4100-42450	Water Fund	94000-56401 Vehicles	<u>50,000</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	125,000
TO: 4100-42450	Water Fund	34145-54201 Contractual Services	<u>125,000</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	20,000
TO: 4100-42450	Water Fund	34145-53210 Repair/Maintenance Supplies	<u>20,000</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	1,000
TO: 4100-42450	Water Fund	34145-54801 Repairs and Maintenance	<u>1,000</u>
FROM: 4100-99999	Water Fund	99999-28810 Unappropriated Reserves	50
TO: 4100-42450	Water Fund	34145-54551 Advertising	<u>50</u>
<b>Total</b>			<b><u>\$458,186</u></b>

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to increase funding for the Green Area Maintenance Program, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

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

\_\_\_\_\_

Council President

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

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

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

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

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/29/2019

**Clerk's File #**

RES 2019-0005

**Renews #****Submitting Dept**

MAYOR

**Cross Ref #****Contact Name/Phone**

RICK ROMERO 6361

**Project #****Contact E-Mail**

RROMERO

**Bid #****Agenda Item Type**

Resolutions

**Requisition #****Agenda Item Name**

RESOLUTION APPROVING PARTNERSHIP UMBRELLA AGREEMENT

**Agenda Wording**

Approving Partnership Umbrella Agreement between Spokane Public Schools, City of Spokane and Spokane Public Library.

**Summary (Background)**

Resolution authorizing the execution of agreement setting forth the process and proposed transactions to implement the collaborative effort of these parties.

**Fiscal Impact**

Grant related? NO

**Budget Account**

Public Works? NO

Select

\$

#

Select

\$

#

Select

\$

#

Select

\$

#

**Approvals****Council Notifications****Dept Head**

COTE, BRANDY

**Study Session****Division Director****Other****Finance**

BUSTOS, KIM

**Distribution List****Legal**

DALTON, PAT

gcooley@spokanecity.org

**For the Mayor**

ORMSBY, MICHAEL

rromero@spokanecity.org

**Additional Approvals**

cwofff@spokanecity.org

**Purchasing**

achanse@spokanecity.org

**CITY COUNCIL**

MCDANIEL, ADAM

gjones@spokanecity.org

bbeggs@spokanecity.org

mfagan@spokanecity.org

## RESOLUTION NO. 2019-0005

A resolution of the Spokane City Council approving the Partnership Umbrella Agreement between the Spokane Public Schools, the City of Spokane and the Spokane Public Library.

WHEREAS, on November 6, 2018, the Spokane School District voters approved a ballot proposition authorizing Spokane Public Schools (the "District") to issue \$495,300,000 of general obligation bonds to pay for the construction of three new middle schools, replacing or renovating four other middle schools and Albi Stadium and other renovation and construction projects ("SPS Bond Projects"); and

WHEREAS, construction of the SPS Bond Projects will enable the District to invest in and develop new and renovated educational facilities which provide the residents of the District and the City of Spokane (the "City") with fully utilized, cost-effective public facilities; and

WHEREAS, on November 6, 2018, the voters of the City approved a ballot proposition authorizing the City to issue \$77,000,000 of general obligation bonds to pay costs of: modernizing the Downtown, South Hill and Indian Trail library branches; expanding and modernizing the Shadle library branch; remodeling or relocating the Hillyard library branch; constructing new Liberty Park and Libby Center library branches; installing library kiosks throughout the City; and equipping and outfitting the library branches ("City/Library Bond Projects"); and

WHEREAS, construction of the City/Library Bond Projects will would enable the District, the City and the Spokane Public Library (the "Library") to invest in and develop new and renovated educational facilities for the joint use of District, City and Library constituents and would provide the citizens and taxpayers of both the District and the City with fully utilized, cost-effective public facilities; and

WHEREAS, staff from the District, the City and the Library have been meeting on a regular basis to continuously coordinate their efforts in developing the respective bond projects, which the parties and memorialized in the attached Partnership Umbrella Agreement (the "Partnership Agreement"); and

WHEREAS, the purpose of the Partnership Agreement is to set forth the preliminary interest and understandings of the Parties with respect to a collaborative joint venture allowing for the investment in and development of new and renovated public school facilities, library facilities and recreational facilities, all of which will be used jointly by City, Library, and School District constituents. In addition, this Partnership Agreement also describes generally the roles, rights and responsibilities of the Parties to the partnership, as well as the additional documents and tasks necessary to carry out the Projects. This Partnership Agreement anticipates the Parties entering

into subsequent definitive agreements providing for all of the terms, covenants, conditions, and understandings of the Projects. The Parties represent to each other that upon the execution of this Partnership Agreement, they will individually and collectively exercise good faith and best efforts to take all actions reasonably necessary to fulfil the terms and intent set forth herein below, subject to necessary approvals of the above-referenced agreements; and

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Spokane that the Council approves the Partnership Umbrella Agreement between the Spokane Public Schools, the City of Spokane and the Spokane Public Library, attached hereto and incorporated herein by this reference.

Adopted \_\_\_\_\_.

\_\_\_\_\_  
City Clerk

Approved as to form:

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

**Partnership Umbrella Agreement  
Between  
Spokane Public Schools  
City of Spokane  
and  
Spokane Public Library**

**I. Parties**

The parties to this “Partnership Umbrella Agreement” (“Partnership Agreement”) are the Spokane School District, a first-class school district operating under Title 28A RCW (“School District”), the City of Spokane, a First Class Charter city operating under Art. XI, § 10 of the Washington State Constitution (“City”), and the Spokane Public Library, a public library operating under Chapter 27.12 RCW (“Library”), collectively referred to below as the “Parties”.

**II. Purpose**

The purpose of this Partnership Agreement is to set forth the preliminary interest and understandings of the Parties with respect to a collaborative joint venture allowing for the investment in and development of new and renovated public school facilities, library facilities and recreational facilities, all of which will be used jointly by City, Library, and School District constituents. The above are hereinafter referred to as the “Projects”. In addition, this Partnership Agreement also describes generally the roles, rights and responsibilities of the Parties to the partnership, as well as the additional documents and tasks necessary to carry out the Projects. This Partnership Agreement anticipates the Parties entering into subsequent definitive agreements providing for all of the terms, covenants, conditions, and understandings of the Projects. The Parties represent to each other that upon the execution of this Partnership Agreement, they will individually and collectively exercise good faith and best efforts to take all actions reasonably necessary to fulfil the terms and intent set forth herein below, subject to necessary approvals of the above-referenced agreements.

By way of clarification, the parties to this Agreement are not forming a legally recognized partnership, but instead are agreeing to a collaborative relationship for the mutual benefit of all entities and their constituents. In the performance of this Partnership Agreement, the Parties, and their respective officers, employees, agents, or subcontractors shall not be considered employees or agents of the other party.

**III. Relationship Elements**

The relationship among the parties contains three (3) major elements:

**A. Projects:**

*1. Property Transfers/Leases:*

The relationship will result in the School District and City transferring and/or leasing property, including but not limited to: (i) land currently owned by the City adjacent to Mullan Road Elementary School; (ii) land currently owned by the City on North Foothills Drive; (iii) land currently owned by the City but subject to an option by the School District where Joe Albi Stadium currently sits; and (iv) land currently owned by the School District adjacent to the Libby Center.

The property transfers/leases will allow the School District to construct three new middle schools. The three new middle school would house 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade students, thus



creating space at various elementary schools and allowing for desirable class size reduction at those elementary schools.

The property transfers/leases will further allow the School District to build a new and improved Stadium facility.

In addition, the School District will allocate space and/or transfer/lease property for Library facilities including, but not limited to, Shaw and Libby sites. This will allow for the development of joint use facilities that will benefit both the District and the Library.

## *2. Joint Facility Usage*

The partnership will provide for significant enhancement of current joint usage as to school facilities, library facilities, and recreational facilities.

## *3. Financing:*

The partnership will allow investment in the Projects by the School District, City, and Library.

# **B. Partnership**

## *1. A successful public partnership will enhance the partner's impact and effectiveness by:*

- Combining Resources
- Combining Competencies (strengths, knowledge, expertise)
- Promoting Innovation
- Building Community Alliance and Trust
- Sharing Risk/Control/Credit
- Promoting Collaboration and Communication

## *2. Key Tenets of the City/SPS Partnership:*

- Each partner entity has a vested interest and a responsibility to assure the success of our partner(s).
- The communities we each serve expects us to provide the greatest value for the tax dollars that the community provides.
- The partner entities are stewards (not owners) of the public's funds, property, facilities and services.
- Problems and challenges are better solved when they are shared and shouldered together by the partners.
- Partners should strive to speak together with one voice whenever possible, while recognizing the distinct missions of each organization.

# **C. Process and Structure:**

## *1. Partnership Structure (See attached for Membership and Mission)*

The partnership will include a "Partnership Policy Committee" and a "Partnership Executive Team."

## *2. Communication Protocols*

- a. The Partnership Policy Committee will be used as a conduit for communication flow;
- b. Standards will be developed for responding to individual e-mails and calls;
- c. Standards will be developed for responding to media requests.

### *3. Protocols for Resolving Partnership Challenges/Problems*

- a. Identify and anticipate challenges/problems at the earliest possible point;
- b. Always maintain principles of transparency, respect, fairness with all partners;
- c. Utilize Executive Team to find mutual (win-win) solutions;
- d. Communicate challenges/problems with Partnership Policy Committee;
- e. Ultimate decisions lie with full Boards and Council/Mayor.

## **IV. Partnership Transactions**

The parties commit to the following immediate transactions as part of this Partnership Agreement (even though some portions of the transactions will be contingent on one or both parties securing future financing):

### **A. Modify Interlocal Agreement for Middle School Usage by the City.**

The parties agree to modify the current Interlocal Agreement to maximize current joint usage of facilities and to address enhanced future joint usage in the event financing is secured for future Projects described by this Partnership Agreement. The parties agree to reexamine that agreement to determine whether to extend its term and/or broaden the scope of Paragraph 6, or to make any other modifications in the advance of their collaborative partnership.

### **B. New Interlocal Agreement Between School District and Library or Modification of Existing Interlocal Agreement for Joint Library Usage.**

The parties will document their various commitments to one another that are occurring presently and will address joint usage and programmatic agreements in the event financing is secured for future Projects described by this Partnership Agreement, such as:

The School District's current and anticipated use of Library facilities for School District activities and programs;

Future use of Library facilities with dedicated space for School District activities and programs;

Future library facility on Sprague at the Libby Campus, including an agreement regarding Joint Use and Cost Sharing provisions of that facility;

Future relocation of Hillyard Library to be adjacent to, or connected to Shaw Middle School, including an agreement regarding Joint Use and Cost Sharing provisions of that facility.

### **C. Transfer/Lease of Mullan Road and North Foothills Properties to School District.**

Property owned by the City on North Foothills Drive and near Mullan Road Elementary School of sufficient size for new middle schools will be transferred/leased to the School District as described by the parties in a separate agreement or agreements. The agreement(s) will memorialize the parties' commitment to intergovernmental efficiencies and to maximizing the benefits to their respective constituents.

D. Transfer/Lease of Sprague Property to the City/Library.

Property owned by the School District adjacent to Libby Center will be transferred/leased to the City/Library as described in a separate agreement. As with the above, the agreement will memorialize the parties' commitment to intergovernmental efficiencies and to maximizing the benefits to their respective constituents.

E. Notice of Exercise of Option for Current Joe Albi.

Pursuant to Paragraph 2 of the August 23, 2013 "Option Agreement and Real Estate Purchase Agreement" between the City of Spokane and the School District, the purchase price of the Current Joe Albi property declines by \$250,000 each January 1, so the purchase price would be \$0 in 2019. The School District will give notice of its intent to exercise its option effective January 2019. In 2019, there would be a transfer by Statutory Warranty Deed to the School District for a third new middle school.

**V. Library Enhancements**

A. Description/Amenities:

1. Expansion of access to public space and modernization of the Downtown Library
2. Modernization of South Hill and Indian Trail branches.
3. Expansion and modernization of the Shadle branch to include space for School District activities and programs.
4. Modernization or relocation to Shaw Campus of the Hillyard branch.
5. Construction of new Liberty Park Library to meet community needs and to include space for School District activities and programs.
6. Construction of a new Library on School District property adjacent to Libby Center on Sprague to also include space for School District training needs.
7. Installation of (up to 3) 24/7 library kiosks throughout the City.
8. Equipping and outfitting the facilities.

B. Joint Usage and Programmatic Arrangements

The Library enhancements, which involves the School District, will be set forth in a separate interlocal agreement between the Library and the School District.

## **VI. New and Renovated Schools**

### **A. Description/Amenities:**

- (1) Construct three new middle schools (#7, #8 & #9) that will serve students in the Northeast area of the District, the Northwest area of the District, and the Southside area of the District.
- (2) Construct a new middle school to replace or renovate on its existing site the existing Glover Middle School, Sacajawea Middle School, and Shaw Middle School.
- (3) Construct a new facility to replace On Track Academy, on or near its existing site, or renovate the existing On Track Academy.
- (4) Construct a new stadium to replace Albi Stadium on a site to be determined by the Board that will include, but not be limited to, a stadium facility, parking, locker rooms, restrooms, concessions and other capital facilities and improvements, or renovate the existing Albi Stadium. Other local governmental entities may share in a portion of the Albi Stadium construction or renovation costs and/or may be added to this Agreement as parties upon mutual agreement of the City and School District.
- (5) Renovate Libby Center, all as deemed necessary and advisable by the Board.
- (6) Construct a commons/cafeteria area at Lewis and Clark High School.
- (7) Acquire necessary land and interests in land as sites for the foregoing Projects and for other new and expanded facilities of the District.

### **B. Joint Usage and Programmatic Arrangements.**

The new and renovated schools would be added to the joint usage agreement between the School District and City Parks and Recreation Department, allowing for enhanced use of play fields and gymnasiums by citizens of the School District and City.

## **VII. Authority of the Parties.**

By signing this Partnership Agreement, each of the Parties represent and warrant to the other Parties that it has authority to sign the same.

## **VIII. Miscellaneous**

### **A. Notices.**

Notices and other communications relating to this Agreement shall be in writing and delivered to the individuals listed below:

For the City of Spokane:  
City of Spokane  
Mayor's Office  
W. 808 Spokane Falls Blvd.  
Spokane, WA 99201

For the Spokane Public Schools:  
Spokane Public Schools  
Associate Superintendent, School Support Services  
200 N. Bernard Street, Spokane, WA 99201

For the Spokane Public Library:  
Spokane Public Library  
Library Director  
906 W Main Ave.  
Spokane, WA 99201

B. Invalidity of Particular Provisions; Severability.

Should any term, provision, condition or other portion of this Agreement or the application thereof be held to be inoperative, invalid or unenforceable the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

C. Governing Law and Venue.

This Agreement shall be construed under the Law(s) of the State of Washington. Venue and jurisdiction for any action brought hereunder shall be in Spokane County, Washington.

D. Schedules.

The Exhibits attached to this Agreement form part of this Agreement.

E. Headings.

The headings and the division of this Agreement into Articles and Sections are for convenience of reference only and shall not affect the interpretation of this Agreement.

F. Amendments

This Agreement may not be effectively amended, changed, modified, altered, or terminated except by an instrument in writing duly executed by the Parties.

G. Assignment

This Agreement may not be assigned by any of the Parties without the written consent of all of the other Parties.

H. No Rights Created in Third Parties

The terms of this Agreement are not intended to establish nor to create any rights in any persons or entities other than the Parties.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on date and year opposite their respective signatures.

DATED: \_\_\_\_\_

CITY OF SPOKANE

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

Its: \_\_\_\_\_

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

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

DATED: \_\_\_\_\_

SPOKANE PUBLIC SCHOOLS

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

Its: \_\_\_\_\_

DATED: \_\_\_\_\_

SPOKANE PUBLIC LIBRARIES

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

Its: \_\_\_\_\_

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/28/2019

**Clerk's File #**

RES 2019-0006

**Renews #****Cross Ref #****Project #****Bid #****Requisition #**

CR20128

**Submitting Dept**

PLANNING

**Contact Name/Phone**

TERI STRIPES 625-6597

**Contact E-Mail**

TSTRIPES@SPOKANECITY.ORG

**Agenda Item Type**

Resolutions

**Agenda Item Name**

0650 - RESOLUTION APPROVING 1ST AVE CHELAN LLC REIMBURSEMENT

**Agenda Wording**

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND 1st AVENUE CHELAN, LLC RELATING TO CERTAIN PUBLIC INFRASTRUCTURE COSTS.

**Summary (Background)**

City Council accepted the Project Review Committee's recommendation regarding 1st Avenue Chelan, LLC incentive application on November 12, 2018 at the Urban Experience Committee meeting. Staff proceeded to prepare a development agreement with 1st Avenue Chelan, LLC, setting forth the terms and conditions for the \$89,905 incentive.

**Fiscal Impact**

Grant related? NO

Public Works? NO

**Budget Account**

Expense \$ 89,905

# 1920 30210 58700 54201 99999

Select \$

#

Select \$

#

Select \$

#

**Approvals****Council Notifications****Dept Head**

TRAUTMAN, HEATHER

**Study Session****Division Director**

CORTRIGHT, CARLY

**Other**

Urban Experience

**Finance**

ORLOB, KIMBERLY

**Distribution List****Legal**

RICHMAN, JAMES

tstripes@spokanecity.org

**For the Mayor**

ORMSBY, MICHAEL

gcooley@spokanecity.org

**Additional Approvals**

htrautman@spokanecity.org

**Purchasing**

jrichman@spokanecity.org

**CITY COUNCIL**

MCDANIEL, ADAM

korlob@spokanecity.org

sbishop@spokanecity.org

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND 1st AVENUE CHELAN, LLC RELATING TO CERTAIN PUBLIC INFRASTRUCTURE COSTS.

WHEREAS, in connection with plans to renovate construct Parkview West to provide a mixed-use project in western downtown consisting of a seven story mixed-use building with 51 residential units and 14,500SF +/- of retail and office space. (the "Project"), 1st Avenue Chelan, LLC applied for a development incentive pursuant to the City's Projects of Citywide Significance Incentive Policy. Based on the findings of public benefits expected to result from the Project, and in order to induce 1st Avenue Chelan, LLC to construct Parkview West, the Project Review Committee recommended a financial incentive of \$89,905 be awarded to the Project and applied to eligible public improvement costs related to the Project, as outlined in Admin 0650-16-02.

WHEREAS, the City Council accepted the Project Review Committee's recommendation regarding 1st Avenue Chelan, LLC incentive application on November 12, 2018 at the Urban Experience Committee meeting. Staff proceeded to prepare a development agreement with 1st Avenue Chelan, LLC, setting forth the terms and conditions under which the \$89,905 incentive will be applied to eligible public improvements costs related to the Project, subject to final approval by Council as outlined in Admin 0650-16-02.

WHEREAS, pursuant to RCW 35.21.703, Washington's legislature has declared that it shall be in the public purpose for all cities to engage in economic development activities.

WHEREAS, Chapter 36.70A RCW, commonly known as the Growth Management Act, includes as a planning goal the encouragement of economic development and the promotion of economic opportunity for all citizens of the state.

WHEREAS, pursuant to other provisions of State law, including chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to Chapter 36.70B RCW, to enter into development agreements obligating party to fund or provide infrastructure.

WHEREAS, the Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the City. In addition to a direct benefit to the City in terms of increased sales and property tax revenues, indirect benefits include encouraging the revitalization and utilization of historic and older commercial buildings in the City's core, providing a mixed-use development that brings employment, and shopping activities



into Spokane's west end, and contributes to the public realm by providing additional street level amenities.

WHEREAS, Development Agreements are specifically authorized by RCW 36.70B.170 through .210 and Chapter 17A.060 SMC as a proper exercise of the City's police power;

WHEREAS, the Project is consistent with the requirements of the City's Comprehensive Plan and applicable development regulations;

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

1. The foregoing recitals and the contents of the attached Development Agreement are hereby adopted as the Council's findings in support of this Resolution.
2. The Development Agreement is hereby approved and the Mayor is hereby authorized to execute it on behalf of the City.

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

\_\_\_\_\_  
City Clerk

Approved as to form:

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

Exhibit A

Development Agreement

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and 1st Avenue Chelan, LLC, as "Developer", collectively referred to as the "Parties".

### Recitals

A. Developer owns property located 1309 W. 1st Avenue., in Spokane, Washington (the "Property"). A legal description of the Property is set forth in Exhibit A.

B. The Developer proposes the construction of the Parkview West. The Parkview West project is a redevelopment project in western downtown consisting of a seven story mixed-use building with 51 residential units and 14,500SF +/- of retail and office space. The project is described as a high end project with amenities including a roof top deck (4000SF), fitness center, business center, bike storage and street and alley amenity zones to encourage and support pedestrian activity, gated parking and amazing views of downtown. At seven stories, the Parkview West project will be taller than many of the buildings in the immediate vicinity and will provide opportunities for views north, east and south. Due to its location within the downtown, elements of the project have been reviewed by both the Historic Landmarks Commission and the Design Review Board. (the "Project").

C. Individual projects which include new investment and physical improvements to real property, which equal or exceed \$5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy. In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City, the Spokane City Council has adopted Resolution 2015-0101 which provides for an evaluation matrix allowing evaluation of a project's public benefits which are reasonably likely to accrue as a result of successful completion and intended operation of the project. The evaluation was made using the standardized evaluation matrix with the review committee determining that the project will provide significant community and public benefits incremental revenue in sales, property, and utility tax, job creation, and comprehensive plan implementation of community goals in the City's central business district therefore as a project of Citywide Significance warrants the City's investment.

D. The Project is compatible and consistent with the countywide planning policies adopted pursuant to RCW 36.70A.210 and the City of Spokane Comprehensive Plan and development regulations adopted under Chapter 36.70A RCW and Title 17 of the Spokane Municipal Code. Developer and the City acknowledge that development of the Project will promote economic development as contemplated by RCW 35.21.703, will encourage further private development to include increasing fair market value of real property in the vicinity of the Project, and is consistent with and carries out the purposes of RCW 36.70B.170.

E. In connection with plans to develop the Project, Developer applied for a development incentive pursuant to the City's Projects of Citywide Significance Incentive Policy. Based on the findings of public benefits expected to result from the Project, and in order to induce Developer to develop the Project, the Project Review Committee recommended a financial incentive of \$ 89,905 be awarded to the Project consistent with the Admin 0650-16-02.

F. Following the Project Review Committee's recommendation, staff negotiated a development agreement with Developer setting forth the terms and conditions under which the \$89,905 incentive will be paid to the Developer, subject to final approval by Council as outlined in Admin 0650-16-02.

G. Pursuant to RCW 35.21.703, Washington's legislature has declared that it shall be in the public purpose for all cities to engage in economic development activities.

H. Chapter 36.70A RCW, commonly known as the Growth Management Act, includes as a planning goal the encouragement of economic development and the promotion of economic opportunity for all citizens of the state.

I. Pursuant to other provisions of State law, including chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to Chapter 36.70B RCW, to enter into development agreements that obligate a party to fund or provide infrastructure.

J. The Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the City.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, and for other good and valuable consideration, including the significant public benefits that are anticipated as a result of Developer's construction of the Project, the parties agree:

1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise required:

(a) “Applicable Rules” means those provisions set forth in the City of Spokane Comprehensive Plan and Title 17 of the Spokane Municipal Code. Applicable Rules shall not include any requirements set forth in any of the following: the Americans With Disabilities Act, Chapter 19.27 RCW – the State Building Code, and building, fire, plumbing or electrical codes explicitly adopted by the City, and fees (to include utility connection fees) associated with the development of land.

(b) “Subsequent Project Approvals” means all Project approvals required by law or City policy after approval of this Agreement to construct the Project including, but not limited to, clearing and grading permits, preliminary and final subdivision approval, binding site plan approval, building permits and occupancy permits (as applicable), as defined by state law and local ordinance.

2. Construction of the Project.

(a) Developer Covenants. Developer shall, at no cost or expense to the City, diligently perform and fully complete development and construction of the Project according to approved plans and permits, and in compliance with the Applicable Rules. Provided all such development and construction shall be subject to Subsequent Project Approvals. The Project shall remain subject to all Subsequent Project Approvals required to complete the Project. Subsequent Project Approvals shall be made pursuant to the Applicable Rules and this Agreement. Developer shall obtain all required permits prior to commencing construction of the Project. Except as expressly set forth herein, this Agreement shall not be construed as a waiver of any of the conditions of development or use of the Property, nor shall this Agreement relieve Developer from Developer’s obligations to comply with rules and regulations applicable to the Property and Developer’s development of the same, and to secure such authorizations and permits as may be imposed as a condition of any work being performed on the Property. Provided, further, the parties agree, as provided for in RCW 36.70B.170(4), that the City reserves the authority, regardless of the definition of Applicable Rules in this Agreement, to impose new or different regulations during the term of this Agreement to the extent required by a serious threat to the public health and safety.

(b) Public Benefits. As part of the Project, Developer will make significant public dedications and investment in public infrastructure to include utilities and other improvements, all of which will provide a public benefit to the City’s residents and visitors.

(c) Reservations of Authority. Notwithstanding any other provision of this Agreement, the following shall apply to the development of the Property, provided however, that nothing in this Agreement shall diminish Developer's rights for vesting by submission of a complete building permit application pursuant to RCW 19.27.095.

(i) Procedural regulations which are not substantive relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(ii) Regulations governing construction standards and specifications as follows: the Washington State Building Code, Uniform Plumbing Code, National Electrical Code, and International Fire Code as may be amended except as they relate to standards modified by the City in the Approval.

(iii) Taxes, fees or assessments (including mitigation fees) which apply uniformly throughout the City or within a defined area of benefit which includes the Property.

3. Term. This Agreement shall commence on the date it is fully executed by the Developer and the City and shall be deemed terminated and of no further effect upon the occurrence of (i) mutual agreement of the parties, or (ii) three (3) years from the date of execute of this Agreement by all the parties hereto.

4. Public Improvements. The Project will include the following public improvements within the public right-of-way (the "Improvements" or "Public Improvements"):

Street and alley amenity zones to encourage and support pedestrian activity, such as sidewalk, street trees, and utilities as required by applicable development codes.

5. Construction of the Public Improvements. Developer shall cause the Public Improvements to be completed, in their entirety. The costs of the Improvements include but are not limited to costs of design, construction, permitting (which includes inspection and review fees from the City), insurance, bonds, professional fees (including attorney fees) and other reasonable costs incurred in the performance of this Agreement. The City shall not be responsible for design, construction, permitting and any other costs with respect to the Public Improvements in excess of the NTE Amount set forth in Section 6 herein below.

(a) Developer shall engage engineers or other professionals to design the Public Improvements in a manner consistent with the procedures and requirements set forth in Chapter 39.80 RCW. See Exhibit B.

(b) All subcontractors (or a general contractor in lieu of multiple subcontractors) awarded a contract for work performed on the Public Improvements shall be selected by Developer or by a project manager on Developer's behalf, through a competitive bidding process with all qualified bids considered, which process shall be substantially similar to that used by the City for public works bidding, consistent with chapter 39.04 RCW. See Exhibit B. As a condition of the City's liability for or payment of any amounts to Developer pursuant to this Agreement, payment for all labor in connection with the Public Improvements shall be on the basis of the State Prevailing Wage for each appropriate job

classification. Developer shall pay or cause to be paid to all workers, laborers and mechanics employed to perform the construction of the Improvements not less than the prevailing rates of wages, as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area. All payments for labor will be based on approved Affidavit of Wages Paid. Developer and any of its contractors/subcontractors involved in constructing the Public Improvements shall, as a condition of the City's payment to Developer of any amounts under this Agreement, comply with the following: Developer and all contractors and subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the Department of Labor and Industries, prior to any payments and each voucher claim submitted by a contractor or subcontractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the "Statement(s) of Intent to Pay Prevailing Wages" on file with the City. Upon completion of the Public Improvements, the contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.

(d) In all contracts for the Public Improvements, Developer shall require contractors, or the general contractor and its subcontractors, to maintain all project information, records, and documents for a period of not less than six years from the date of Developer's final acceptance of the work, and the City shall have a right to direct audit of such information, records, and documents.

(e) Developer shall obtain payment and performance bonds to, respectively, guarantee payment of laborers, suppliers, materialmen, taxes and penalties and performance of the Public Improvements as generally set forth in RCW Chapter 39.08 (the "**Bonds**"). The Bonds shall be issued in an amount equal to the agreed amount to be paid for the Improvements and list the City of Spokane as obligee. In the event of a default (defined herein) by the Developer (including its contractor retained to construct the Improvements), Obligee may execute on the Bonds for the purpose of paying amounts due pursuant to RCW 39.08.010 and causing the Public Improvements to be completed using the bond proceeds and any other funds available to the City pursuant to this Agreement.

(f) Upon completion of the Public Improvements, Developer shall provide the City an accounting of the actual costs associated with the Public Improvements in a form determined by Developer consistent with its cost accounting practices and approved by the City as compatible with the requirements of the Washington State Auditor for audit purposes. The City shall within thirty (30) calendar days after receipt of the cost accounting, notify Developer in writing whether the City accepts, denies or requests modification of the accounting; providing, however, that in the event Developer does not receive a timely written response from the City within such time, then the actual costs associated with the Public Improvements shall be conclusively deemed accepted and approved. In the event the City refuses to accept any portion of the Public Improvements or denies or requests modification to the accounting, the City shall specify the basis for the decision and the City and Developer shall timely, diligently, and in good faith, attempt to resolve the matter expeditiously. In the event that on the date designated for payment and reimbursement there is not resolved and if within ninety (90) calendar days of City

receipt of notification there remain unresolved any issues relating to actual costs, then the City shall pay to Developer the actual costs requested by Developer for the Public Improvements less the amounts unresolved, which shall be placed in an interest bearing escrow set aside account designated by Developer. The amount in dispute shall then be submitted to binding arbitration, using the services and subject to the rules of the Judicial Arbitration and Mediation Service. If an arbitrator determines that Developer prevails in the accounting dispute, Developer shall be entitled to immediate disbursement of the escrow set aside and interest accrued therein, in the amount determined by the arbitrator. Notwithstanding the foregoing, in no case shall the City's payment obligation to the Developer exceed the NTE Amount.

6. City Payment to Developer. In consideration of the significant public benefits anticipated to result from Developer's construction of the Project, subject to the terms and conditions of this agreement, and following Developer's completion of the Project, including the Public Improvements, the City shall pay Developer an amount not to exceed Eighty nine thousand nine hundred and five Dollars (\$89,905.00) through the Projects of Citywide Significance program (the "NTE Amount"). The actual payment amount will be based upon the costs shown in Developer's invoices submitted to the City, subject to the NTE Amount. The City will make payments to Developer, within sixty (60) days after the receipt of Developer's application for payment, subject to the City's approval of the completed Public Improvements as substantially in accord with City standards, and subject to compliance with the terms of this agreement. Without limiting any of the foregoing, Developer's application for payment shall be subject to review by the City's Engineering Services Department for the purpose of confirming reasonable prices for materials, equipment rentals and labor.

7. Inspection of Cost Records. Developer and its contractors and subcontractors shall keep available for inspection by City representatives the cost records and accounts pertaining to this agreement.

8. Actual Material Costs. The City's payment for any/all materials or equipment rentals under this agreement shall be on the basis of the actual cost incurred by Developer, its contractors and subcontractors, without any mark up. All payments for materials will be based on approved quantities as verified by City inspectors, and receipt of actual and verified material payment by Developer, its contractors and subcontractors, as the case may be.

9. Indemnity & Hold Harmless. Developer shall indemnify, defend, and hold the City, its officers, agents, and employees harmless from all loss and liability for any claim by any person, or for any injury or property damage resulting from, or by reason of, this Agreement and/or the construction of the Public Improvements, unless caused directly or indirectly by the City's negligence or intentional misconduct.

To the extent necessary to enforce Developer's indemnification obligations hereunder, Developer hereby agrees to waive immunity under Title 51 RCW. This provision has been specifically negotiated.



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Developer's Initials

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City's Initials

10. Insurance. At all times prior to City's approval of the completed Public Improvements, Developer shall cause to be maintained in force at Developer's own expense, each insurance noted below.

(a) Commercial general liability insurance with a combined single liability limit of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate for Bodily Injury and Property Damage. It shall include, at least, Independent Contractors, Products and Completed Operations, Contractual Liability and Personal Injury Liability for the indemnity provided under this agreement. It shall provide that the City, its officers, employees, contractors, agents, and such other persons or entities as the City may designate are additional insureds, but only with respect to the construction of the Public Improvements.

(b) There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days written notice from Developer or its insurer(s) to the City.

(c) Developer shall require any contractor working on the Public Improvements pursuant to this agreement to carry and maintain, at no expense to City: (a) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000 per occurrence, combined single limit/\$2,000,000 aggregate; (b) comprehensive automobile liability insurance with limits for each occurrence of not less than \$1,000,000 with respect to personal injury or death and \$500,000 with respect to property damage; and (c) Worker's Compensation or similar insurance in form and amounts required by law.

(d) All the insurance required under this agreement shall be written as primary policies, not contributing with and not supplemental to the coverage that City may carry.

(e) Developer shall furnish its insurance carriers with a copy of this agreement to insure proper coverage. As evidence of the insurance coverages required by this agreement, Developer shall furnish acceptable insurance certificates to the City at the time this agreement is executed. The certificates shall specify all of the parties who are additional insured, will include applicable policy endorsements, and will include the 30-day cancellation clause. If Developer fails to perform any of its obligations under this Section 8, the City may perform the same and may deduct such expenditures from its reimbursements to Developer under this agreement. The City makes no representations that the types or amounts of coverage required to be carried by Developer pursuant to this Section are adequate to protect Developer. If Developer believes that any of such insurance coverage is inadequate,

Developer will obtain, at Developer's sole cost and expense, such additional insurance coverage as Developer deems appropriate.

11. Additional Terms.

(a) Waiver. No officer, employee, agent or otherwise of either party has the power, right or authority to waive any of the conditions or provisions of this agreement. No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this agreement or a law shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law. Failure of either party to enforce at any time any of the provisions of this agreement or to require at any time performance by the other of any provision hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this agreement or any part hereof, or the right of the party entitled to performance to hereafter enforce each and every such provision. Either party's failure to insist upon the strict performance of any provision of this agreement or to exercise any right based upon breach hereof or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this agreement.

(b) Modification. No modification or amendment to this agreement shall be valid until the same is reduced to writing, in the form of an amendment, and executed with the same formalities as this present agreement.

(c) Assignment. Neither party may assign or transfer in whole or in part, its interest in this agreement without the express written consent of the other party.

(d) Compliance with Laws. The Parties hereto specifically agree to observe Federal, State and local laws, ordinances and regulations, to the extent that they may have any bearing on either providing any money under the terms of this agreement or the services actually provided under the terms of this agreement. This agreement shall not be construed or interpreted as a waiver of any conditions or requirements applicable to the Project. The City reserves the right to impose new or different regulations to the extent required by a serious threat to public health and safety.

(e) Nondiscrimination. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

(f) Anti-Kickback. No officer or employee of the Parties, having the power or duty to perform an official act or action related to this agreement, shall have or acquire any interest in this agreement, or have solicited, accepted or granted a present or future gift, favor, service, or other thing of value from or to any person involved in this agreement.

(g) Notices. All notices called for or provided for in this agreement shall be in writing and must be served on any of the Parties either personally or by certified mail. Notices sent by certified mail shall be deemed served when deposited in the United States mail, postage prepaid.

(h) Venue Stipulation. This agreement has and shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement of this agreement or any provision hereto shall be instituted only in the courts of competent jurisdiction within Spokane County, Washington.

(i) Headings. The article headings in this agreement have been inserted solely for purposes of convenience and ready reference. In no way do they purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the articles to which they appertain.

(j) All Writings Contained Herein. This agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this agreement, and now state that no representation, promise, or agreement not expressed in this document has been made to induce the Parties to execute the same.

(k) Relationship of the Parties. The Parties intend that an independent contractor relationship will be created by this agreement. The City is interested only in the results that could be achieved and the conduct and control of all work and services provided by Developer will be solely with Developer. No agent, employee, servant or otherwise of Developer hereto shall be deemed to be an employee, agent, servant, or otherwise of the City for any purpose, and the employees of Developer are not entitled to any of the benefits that the City provides for City employees. Developer will solely and entirely be responsible for its acts and the acts of its agents, employees, servants, subcontractors, or otherwise, during the performance of this agreement. Nothing herein shall create a contractual relationship or privity between the City and any contractors engaged by Developer.

*[Signature Page Follows]*

Dated: \_\_\_\_\_

CITY OF SPOKANE

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

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

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

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

Dated: \_\_\_\_\_

DEVELOPER

Jordan Tampien

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

Its: \_\_\_\_\_

Exhibit A

Legal Description of Property

## Exhibit B

### PROCUREMENT PROCESS SUMMARY

#### 1. Selection of Engineering Team.

(a) Developer shall obtain engineering services from persons and firms through a written request that describes the general scope and nature of the Improvement. The request shall seek Statement of Qualifications/Proposals ("**Proposals**") for the engineering services. The Developer shall evaluate the Proposals submitted by firms, conduct discussions with one or more firms regarding the required services, and select the most highly qualified firm.

(b) Developer shall retain the selected firm to prepare design documents for the Improvements.

#### 2. Construction Services.

Following completion of the design documents, the developer shall solicit bids from contractors/subcontractors to construct the Improvements. Contractors/subcontractors who submit the lowest responsible bids, based upon the reasonable discretion of the developer, shall be selected for the work. The developer may self-perform work provided the developer provides the work at costs equal to or below bid amounts received from contractors/subcontractors.

#### 3. Prevailing Wages and Retainage.

Prevailing wages shall be paid laborers and a 5% retainage shall be withheld from the NTE Amount according to state law.



**First American**

**First American Title Insurance Company**

40 E Spokane Falls Blvd  
Spokane, WA 99202  
Phn - (509)456-0550  
Fax - (866)537-9602

**ESCROW COMPANY INFORMATION:**

Escrow Officer/Closer: **Dawn McClenahan**  
dmcclenahan@firstam.com

**First American Title Insurance Company**

40 E Spokane Falls Blvd, Spokane, WA 99202  
Phone: (509)835-8937 - Fax: (866)690-8931

**TITLE COMPANY INFORMATION**

Title Officer: **Barb Cagle**  
bcagle@firstam.com  
Phone: (509)835-8945 - Fax: (866)537-9602

To: Four Degrees Real Estate  
1209 W. 1st Ave  
Spokane, WA 99201

File No.: **4251-3019782**  
Customer Reference: 1307-1309 W 1st Ave,  
116 S Adams St, Spokane, WA 99201

Attn: Jordan Tampien

Re: Property Address: **1307-1309 W 1st Ave, 116 S Adams St, Spokane, WA 99201**

**2nd**

**COMMITMENT FOR TITLE INSURANCE**

Issued by

***FIRST AMERICAN TITLE INSURANCE COMPANY***

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

## SCHEDULE A

### 2nd Commitment

1. Commitment Date: March 12, 2018 at 7:30 A.M.

2. Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
Basic Rate			
Extended Owner's Policy	\$ 2,300,000.00	\$ 4,055.00	\$ 356.84
Proposed Insured: 5D Holdings LLC, a Washington limited liability company, and/or assigns			
Additional for Extended Coverage		\$ 1,419.00	\$ 124.87
Purchase Money Loan Rate			
ALTA Extended Loan Policy	\$ To Follow	\$To Follow	\$ To Follow
Proposed Insured: To Follow			

3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

C & T Property management, LLC, a Washington Limited Liability Company as to Parcel A;  
K & B Investments L.L.C., a Washington Limited Liability Company as to Parcel B

4. The land referred to in this Commitment is described as follows:

Real property in the County of Spokane, State of Washington, described as follows:

#### PARCEL A:

LOTS 4 AND 5 IN BLOCK 21 OF RAILROAD ADDITION TO SPOKANE, ACCORDING TO PLAT RECORDED IN VOLUME "D" OF PLATS, PAGE 82;

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

#### PARCEL B:

THOSE PORTIONS OF LOTS 60, 61 AND 62, OF THE NORTHERN PACIFIC RAILROAD COMPANY SUBDIVISION OF RIGHT OF WAY IN THE NW1/4 OF THE NW1/4 OF SECTION 19, TOWNSHIP 25 NORTH, RANGE 43 EAST, W. M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 5, BLOCK 21 RAILROAD ADDITION, AS PER PLAT RECORDED IN VOLUME "D" OF PLATS, PAGE 82 IN THE CITY OF SPOKANE, WASHINGTON;  
THENCE SOUTH 00° 02' 20" EAST, ALONG THE WEST RIGHT OF WAY LINE OF ADAMS STREET 20.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;  
THENCE SOUTH 89° 59' 31" WEST, 150.00 FEET;  
THENCE SOUTH 00° 02' 20" WEST, 103 FEET, MORE OR LESS TO A LINE DRAWN 3.0 FEET NORMALLY DISTANT NORTH FROM AN EXISTING VIADUCT WALL;  
THENCE EASTERLY ALONG SAID PARALLEL LINE A DISTANCE OF 150 FEET, MORE OR LESS, TO THE WEST RIGHT OF WAY LINE OF ADAMS STREET;



THENCE NORTH 00° 02' 20" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 103 FEET, MORE OR LESS,  
TO THE TRUE POINT OF BEGINNING.

APN: 35192.1403

APN: 35192.5335

**SCHEDULE B  
SECTION I**

**REQUIREMENTS**

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
  - 1. Any off record leases, surveys, etc.
  - 2. Statement(s) of Identity, all parties.
  - 3. Other:

**SCHEDULE B  
SECTION II**

**GENERAL EXCEPTIONS**

**PART ONE:**

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B  
SECTION II**

**EXCEPTIONS**

**PART TWO:**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Spokane** is at **1.78 %**.  
Levy/Area Code: 0010
2. General Taxes for the year 2018. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.: 35192.1403

**1st Half**

Amount Billed:	\$ 6,011.30
Amount Paid:	\$ 0.00
Amount Due:	\$ 6,011.30
Assessed Land Value:	\$ 198,950.00
Assessed Improvement Value:	\$ 666,700.00

**2nd Half**

Amount Billed:	\$ 6,011.30
Amount Paid:	\$ 0.00
Amount Due:	\$ 6,011.30
Assessed Land Value:	\$ 198,950.00
Assessed Improvement Value:	\$ 666,700.00
Affects:	Parcel A

3. General Taxes for the year 2018. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.: 35192.5335

**1st Half**

Amount Billed:	\$ 980.68
Amount Paid:	\$ 0.00
Amount Due:	\$ 980.68
Assessed Land Value:	\$ 112,010.00
Assessed Improvement Value:	\$ 28,800.00

**2nd Half**

Amount Billed:	\$ 980.68
Amount Paid:	\$ 0.00
Amount Due:	\$ 980.68
Assessed Land Value:	\$ 112,010.00
Assessed Improvement Value:	\$ 28,800.00
Affects:	Parcel B

4. The effect of the following Quit Claim Deeds:

Grantor: C & T Property Management, LLC  
Grantee: Charles G. Little, a married man dealing in his sole and separate property  
Recording No.: 6636761

Grantor: Charles G. Little, a married man dealing in his sole and separate property  
Grantee: CGL Properties, LLC, a Washington Limited Liability Company  
Recording No.: 6338543

Affects: Parcel A

The Company will require a copy of the operating agreement for C & T Property Management, LLC to verify signing authority of the above deed prior to vesting in the final Grantee of CGL Properties, LLC.

5. The Effect of the following QuitClaim Deed:

Grantor: K & B Investments, LLC, a Washington Limited Liability Company  
Grantee: C & T Property Management, LLC, a Washington Limited Liability Company  
Recording No.: 4890004

The Company requires a copy of the operating agreement showing Charles G. Little and Tamara T. Little as the authorized signers of K & B Investments, LLC to pass title to the above named Grantee.

Grantor: C & T Property Management, LLC, a Washington Limited Liability Company  
Grantee: Charles G. Little, a married man dealing in his sole and separate property  
Recording No.: 6336763

The Company requires a copy of the operating agreement for C & T Property Management, LLC to pass title to the above named Grantee.

Grantor: Charles G. Little, a married man dealing in his sole and separate property  
Grantee: CGL Properties, LLC, a Washington Limited Liability Company  
Recorded: October 07, 2014  
Recording No.: 6338544

Affects: Parcel B

6. Evidence of the authority of the individual(s) to execute the forthcoming document for **CGL Properties, LLC, a Washington Limited Liability Company**, copies of the current operating agreement should be submitted prior to closing.

7. Terms, conditions, provisions and stipulations of the Operating Agreement of **5D Holdings, LLC**. According to said Agreement dated December 11, 2012, Scott Isaak is/are the manager(s) thereof. Any amendments to said Agreement must be submitted. Any conveyance or encumbrance of the property must be executed by said manager(s) as provided for therein, subject to said amendments, if any.

8. Matters of extended owner/purchaser coverage which are dependent upon an inspection and an ALTA survey of the property for determination of insurability.

Please submit a copy of the ALTA Survey at your earliest convenience for review. Our inspection will be held pending our review of the ALTA Survey and the result of said inspection will be furnished by supplemental report.

9. Taxes and assessments which are not shown as existing liens by the records of any taxing authority that levies taxes of assessments on real property or by the public record.
10. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian tribal codes or regulations, Indian treaty or aboriginals rights, including easements or equitable servitudes.
11. Any service, installation, connection, maintenance, construction, tap or reimbursement charge/costs for sewer, water, garbage or electricity.
12. Prior to issuance of an extended coverage policy, the Company will require the attached Owner's Affidavit be completed and submitted to the Company for approval prior to closing. The Company reserves the right to make any additional requirements as warranted
13. Unrecorded leaseholds, if any, rights of vendors and security agreement on personal property and rights of tenants, and secured parties to remove trade fixtures at the expiration of the term.
14. Any and all offers of dedication, conditions, restrictions, easements, boundary discrepancies or encroachments, notes and/or provisions shown or disclosed by Short Plat or Plat of Town-Plat of Railroad Addition to Spokane Falls recorded in Volume "D" of Plats, Page(s) 82.
15. Easement, including terms and provisions contained therein:  
Recording Information: 9110290310; October 29, 1991  
In Favor of: Burlington Northern Railroad Company  
For: Fiber optic telecommunications transmission system
16. Easement and conditions contained therein as reserved by:  
Ordinance No.: C-30799  
Approved On: April 10, 1995  
Recording Information: 9506080119  
In Favor of: The City of Spokane  
For: For the utility services of Washington Water Power Company and Cox Cable TV of Spokane  
Affects: The entire vacated area

17. Reservations and exceptions, including the terms and conditions thereof:
- Reserving: Excepting and reserving, unto said Grantor, its successors and assigns, and any designees, a fifteen (15) foot wide non-exclusive roadway easement upon, over and across the Southerly boundary portion of the hereinabove described Property, for the construction, maintenance and use of a roadway thereon for ingress and egress by the Grantor, its successors and assigns, and any designees, together with the Grantee, to and from adjacent Property of the Grantor. To have and to hold said easement for so long as same shall be used for roadway purposes and until said Grantor, its successors or assigns, shall cease use for roadway purposes with the intent to abandon said easement.
- Reserved By: The Burlington Northern and Santa Fe Railway Company, a Delaware corporation
- Recorded: December 06, 2001
- Recording Information: 4662364
18. Conditions, notes, easements, provisions and/or encroachments contained and/or delineated on the face of the Survey No. 6655685, recorded in volume 168 of surveys, at page(s) 45, in Spokane County, Washington.

<b>INFORMATIONAL NOTES</b>
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This property may be subject to a charge by Spokane County for sewer construction, referred to as a Capital Facilities Rate (CFR). This charge is in addition to the monthly charge for sewer services. Please contact the Division of Utilities Billing Section at (509) 477-3604, for further information.

- A. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, certain format and content requirements must be met (refer to RCW 65.04.045). Failure to comply may result in rejection of the document by the recorder or additional fees being charged, subject to the Auditor's discretion.
- B. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- C. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

LOTS 4-5, BLOCK 21, RAILROAD ADD. TO SPOKANE, VOL. "D", P. 82; AND PTN LOTS 60,61 AND 62 OF NORTHERN PACIFIC RR/RW'S SUBD. OF R/W IN NW1/4 NW1/4 19-25-43, SPOKANE COUNTY

APN: 35192.1403

APN: 35192.5335

- D. According to the application for title insurance, title is to vest in 5D Holdings LLC, a Washington limited liability company, and/or assigns.

Examination of the records discloses no matters pending against said party(ies).

- E. The following deeds affecting the property herein described have been recorded within 36 months of the effective date of this commitment: NONE

Property Address: 1307-1309 W 1st Ave, 116 S Adams St, **Spokane, WA 99201**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

## **CONDITIONS**

### **1. DEFINITIONS**

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

### **2. LATER DEFECTS**

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

### **3. EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

### **4. LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

### **5. CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.





*First American*

***First American Title Insurance Company***

40 E Spokane Falls Blvd  
Spokane, WA 99202  
Phn - (509)456-0550  
Fax - (866)537-9602



*First American Title*

#### **Privacy Information**

##### **We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

##### **Applicability**

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

##### **Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

##### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

##### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

##### **Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

##### **Information Obtained Through Our Web Site**

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

##### **Business Relationships**

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

##### **Cookies**

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

[FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

##### **Fair Information Values**

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

**FIRST AMERICAN TITLE INSURANCE COMPANY**  
**Exhibit "A"**

Vested Owner: CGL PROPERTIES, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

Real property in the County of Spokane, State of Washington, described as follows:

PARCEL A:

LOTS 4 AND 5 IN BLOCK 21 OF RAILROAD ADDITION TO SPOKANE, ACCORDING TO PLAT RECORDED IN VOLUME "D" OF PLATS, PAGE 82;

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

PARCEL B:

THOSE PORTIONS OF LOTS 60, 61 AND 62, OF THE NORTHERN PACIFIC RAILROAD COMPANY SUBDIVISION OF RIGHT OF WAY IN THE NW1/4 OF THE NW1/4 OF SECTION 19, TOWNSHIP 25 NORTH, RANGE 43 EAST, W. M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 5, BLOCK 21 RAILROAD ADDITION, AS PER PLAT RECORDED IN VOLUME "D" OF PLATS, PAGE 82 IN THE CITY OF SPOKANE, WASHINGTON;  
THENCE SOUTH 00° 02' 20" EAST, ALONG THE WEST RIGHT OF WAY LINE OF ADAMS STREET 20.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;  
THENCE SOUTH 89° 59' 31" WEST, 150.00 FEET;  
THENCE SOUTH 00° 02' 20" WEST, 103 FEET, MORE OR LESS TO A LINE DRAWN 3.0 FEET NORMALLY DISTANT NORTH FROM AN EXISTING VIADUCT WALL;  
THENCE EASTERLY ALONG SAID PARALLEL LINE A DISTANCE OF 150 FEET, MORE OR LESS, TO THE WEST RIGHT OF WAY LINE OF ADAMS STREET;  
THENCE NORTH 00° 02' 20" WEST, ALONG SAID WEST RIGHT OF WAY LINE, 103 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

Tax Parcel Number: 35192.1403 and 35192.5335

Situs Address: 1307-1309 W 1st Ave, 116 S Adams St, Spokane, WA 99201

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
SELLER

\_\_\_\_\_  
BUYER

\_\_\_\_\_  
SELLER

## Parkview West Building

### Projects of Citywide Significance

#### Staff Report and Recommendation

November 2, 2018



#### Staff

Andrew Worlock  
Planning & Development Services  
Economic Development Section

#### Applicant

Jordan Tampien  
4 Degrees Real Estate  
1209 W. 1<sup>st</sup> Avenue  
Spokane, WA 99201

Owner:  
1<sup>st</sup> Avenue Chelan, LLC  
4135 W. Sunnybank Dr.  
Chelan, WA 98816

## Introduction

The City of Spokane's Projects of Citywide Significance program is designed to help incent and encourage significant private development projects that add lasting value to the City and achieve measurable positive impacts by bringing new livable wage jobs, generating tax revenue, and advancing the community's visions. The program was created by Spokane City Council, Resolution 2015-0101 and follows the Projects of Citywide Significance Incentive Policy administrative procedures contained within City of Spokane Administrative Policy and Procedure, Admin 0650-16-02.

### Project Description

The Parkview West project is a proposed redevelopment project in western downtown consisting of a seven story mixed-use building with 51 residential units and 14,500SF +/- of retail and office space. The project is described in the application and related attachments as a high end project with amenities including a roof top deck (4000SF), fitness center, business center, bike storage and street and alley amenity zones to encourage and support pedestrian activity, gated parking and amazing views of downtown. At seven stories, the Parkview West project will be taller than many of the buildings in the immediate vicinity and will provide opportunities for views north, east and south. Due to its location within the downtown, elements of the project have been reviewed by both the Historic Landmarks Commission and the Design Review Board.

### Location & Context

The Parkview West project will be developed on a 15,605 square foot (0.36 acre) parcel located at the southwest corner of 1<sup>st</sup> Avenue and Adams Street at 1309 W. 1<sup>st</sup> Avenue. The parcel contains two buildings that were developed separately, a smaller two story building on the immediate corner of Adams and 1<sup>st</sup> and an "L" shaped building that wraps around the smaller one. The smaller building and a portion of the "L" shaped building are eligible for listing on the Spokane Register of Historic Places and are planned to be retained and incorporated into the development project though there are no plans the buildings will be listed on the register or undergo historic renovations. The non-eligible portion of the "L" shaped building was recently demolished to make way for the new building.

The project site and surrounding area are located in an area commonly referred to as the "West End" of downtown. This area includes the "West Downtown Historic Transportation Corridor" a National Register of Historic Places district, listed in 1999. The district developed around the railroad and automotive industry that followed the arrival of the Northern Pacific Railroad in 1881 with railroad-dependent buildings, single room occupancy hotels, automobile showrooms and automobile service and supply shops clustered along the corridor. Today, area is considered Spokane's best intact collection of railroad dependent buildings, automobile-related commercial buildings, and multi-story lodging blocks. The contributing buildings in the district include large brick warehouses, three to four-story commercial style blocks, elegant automobile showrooms, and one-story auto-related businesses.

The area is attracting increased interest and there have been a significant number of new investments, both public and private which have been announced and/or broken ground recently including two projects

on the block across 1<sup>st</sup> Avenue to the north, including a restaurant and brewery in the former Watt's Automotive building and the City's public plaza-CSO tank project next to that. Also in the works are the renovation of the Otis Hotel building further east at Madison and 1<sup>st</sup> Avenue. These projects will be served by STA's Central City Line, bus rapid transit improvements which will be completed in 2021, including a pair of stops at Adams Street, one at 1<sup>st</sup> and the other on Sprague Avenue. The Parkview West project will be one of the first ground-up mixed use residential buildings constructed in the area in many years and will be both a leader in and proof of concept for transit supported development along the CCL route through downtown Spokane.

### **Other Incentive Awards or Programs Available to the Project**

The Parkview West Building, by virtue of its location in the Downtown Spokane Target Investment Area is eligible for and could receive City incentives in addition to the Projects of Citywide Incentive. The following provides a summary of these incentives which combined could total up to **\$765,000** of additional incentive benefit value. Where known, actual values are used. Otherwise staff has used the best available information to estimate the value of the incentives to the project.

The additional incentives may include:

- Multifamily Tax Exemption (MFTE) –provides a property tax exemption for 8 or 12 years on new multifamily housing units. For a 51 unit project, the owner could realize a savings of approximately **\$672,000** over the 8 years the property is enrolled (using an assumed value of \$121,094 per dwelling unit – the actual value may be more or less as determined by the Spokane County Assessor and whether the project ultimately qualifies for the 8 or 12 year exemption.
- The General Facility Charge (GFC) Waivers - waives system development charges for new sewer and water connections –benefit value is dependent on size and number of new or upgraded connections. Example: Multi-family 6-inch water tap **\$18,108** plus sewer tap **\$35,265**;
- The Urban Utility Installation Program - provides up to **\$25,000** for water and/or sewer line upgrades associated with redevelopment of an existing building and up to **\$40,000** when associated with historic preservation.

## **Financial Partnership Portfolio Evaluation Matrix**

### **Project Based Incremental Revenue**

This category measures the project's contribution to City revenue and potential return on investment. To receive any points in this category, a project must generate a three-year total incremental revenue value of at least \$250,000. Projects with between \$250,000 and \$499,999 in three-year total incremental revenue receive 15 points. The three-year total incremental City revenue resulting from the project is estimated at \$295,042. Therefore, **15 points are awarded to the project in this category.**

### **Job Creation**

The applicant has provided an estimate of the number of jobs by type and average salary for the completed project (see application). Overall, 67 jobs are provided with just over half being new (36). The rest are retained jobs (31). Of the total, it is expected that 53% percent will have salaries at or above living wage (>130% median per capita income). Typically, only new jobs created would be considered in this category. This makes sense in the case of a project which for example is adding new jobs to an existing business (you wouldn't count the existing employees) or a project which results in moving employees from one location in the City to a new location because there is no impact on net jobs. In this case, the project sponsor has made an intentional decision to retain the building containing the existing business and its current employees which avoids the potential relocation of the business and its employees to a new location outside the City and will keep them within the downtown area. Without credit for jobs retained, a project that created 36 new jobs but lost 31 existing jobs through relocation would score the same as a project that created 36 new jobs and retained 31 existing jobs.

Based on this, the job creation points (6 points for 50 to 74 new jobs) are multiplied by 4 (the living wage job creation multiplier when 40 – 59% of jobs meet the living wage standard) resulting in a **category score of 24 points**. If the retained jobs weren't counted the category score would be 16 points, 8 points lower. It should be noted that the difference would not affect the project's overall score.

**Comp Plan, Design and the Environment**

The project qualifies under the following criteria:

- Design includes enhanced public amenities 5 points
- Mixed Use development 5 points
- Transit Oriented Development 5 points

**Total Category Score:**

**15 points**

**Industry Cluster Advancement**

The proposed use is not a part of an identified priority industry cluster. **The resulting category score is 0 points.**

**Geographic Priority Areas**

The project is located in the Downtown Target Incentive Area. **The resulting category score is 10 points.**

**Special Considerations Bonus**

None.

**Total Project Matrix Score: 64 points.**

**Incentive Value Calculations**

The project's total matrix score (64 points) and 3-year revenue return to the City (\$295,042) are used to calculate the incentive value for the project as shown in the Table I below. By scoring in the middle category (55 to 69 points) the project warrants a base incentive of **\$60,000** plus **10%** of the three-year revenue (\$29,504) for a total incentive value of **\$89,504**.

**Table I. Matrix Score**

<b>Values-Based Score</b>	64
<b>Revenue (3-Year)</b>	\$295,042

<b>Point Score:</b>	<b>Base Incentive</b>	<b>ROI Multiplier</b>	<b>ROI-Based Incentive</b>	<b>Total Incentive</b>
85+	\$100,000	20%	\$59,008	\$159,008
70	\$80,000	15%	\$44,256	\$124,256
55	\$60,000	10%	\$29,504	<b>\$89,504</b>
40	\$40,000	5%	\$14,752	\$54,752
<40	\$0	0%	\$0	\$0

## Recommendation

Staff finds that the project will provide significant community and public benefits as described in the application and supplemental materials and therefore as a project of Citywide Significance warrants the City's investment of \$89,504 towards public improvements pursuant to the Projects of Citywide Significance Incentive Policy.

When considered with the other incentives or assistance, the project may have already received or could receive in the future including the 8 year MFTE exemption, GFC waivers and the Urban Utility Installation program incentives which have been estimated to provide a benefit value of up to \$765,000, the total incentive package for the project is estimated at **\$855,000**, which is equivalent to 8% of the \$10.5 million project construction cost.

## Next Steps

This recommendation will be forwarded to the Project Review Committee who will review the recommendation and make a final determination of project score and level of financial partnership eligibility. Based on that determination, staff will brief City Council at an Urban Experience committee meeting and prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

The final development agreement will be forwarded to the Spokane City Council for approval by resolution and signature by the Mayor. The determination of financial incentive value and corresponding development agreement shall have no force or affect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

## Authority

**City of Spokane Administrative Policy and Procedure, Admin 0650-16-02  
Projects of Citywide Significance Incentive Policy**

Section 5.0 Policy: Individual projects which include new investment and physical improvements to real property which equal or exceed \$5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy. In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City as described above, the Spokane City Council has adopted Resolution 2015-0101 which provides for an evaluation matrix allowing evaluation of a project's public benefits which are reasonably likely to accrue as a result of successful completion and intended operation of the project. The evaluation will be made using the standardized evaluation matrix attached as exhibit "A" hereto in accordance with the policies and procedures described herein.

### Procedure

6.1 Application: Application for a financial incentive will be made on forms provided by the City of Spokane and shall contain all information and details required and necessary for a review of the project and evaluation of the public benefits associated thereto.

6.2 Determination of Qualification: Within 10 business days of receipt of a complete application, the Staff Technical Support Team will evaluate the application and make a determination that: the project is a qualified project with a public benefit and may be considered for a financial incentive; that additional information is needed to make the determination; or, that the project does not qualify for a financial incentive under this program. Such determination will be made in writing.

6.3 Evaluation of Qualified Projects: Qualified projects will be forwarded to the Project Review Committee for evaluation according to the evaluation matrix. The committee members will be provided copies of the application and any supplemental information provided by the applicant and a technical memorandum prepared by the Staff Technical Support Team. The report will include analysis of the project application and assessment of the public benefits that may result. Each project review committee member will use the application and technical memorandum to score the project against the evaluation matrix. The committee member's total scores will be summed and divided by the number of committee members providing a score to determine the project's average and final score.

6.4 Determination of Financial Incentive Value: The project's total score and other relevant data will be used to determine the financial incentive value based on the annually adopted project funding schedule and subject to availability of funds at the time of award. Determination of financial incentive value is not a guarantee of availability of funds or of an actual cash value of a project's eligible public improvement costs. Once a determination of financial incentive value is made, the determination and project score are final.

6.5 Development Agreement: Upon completion of the determination of financial incentive value, the project proponent and Staff Technical Support Team shall prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

6.6 City Council Approval: The determination of financial incentive value and corresponding development agreement shall have no force or effect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

## Parkview West Building Project

### PROJECT REVIEW COMMITTEE RECOMMENDATION

**Evaluation Matrix Score: 64**

**Incentive Value: \$89,905**

Pursuant to the Projects of Citywide Significance Incentive Policy, the Project Review Committee, hereby:

- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated.
- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated, with the following modifications:

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Project Review Committee Members:

\_\_\_\_\_  
Ben Stuckart, City Council President

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

\_\_\_\_\_  
Candace Mumm, City Council

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

\_\_\_\_\_  
Rick Romero, Office of the Mayor


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

\_\_\_\_\_  
Dawn Kinder, Director  
Neighborhood and Business Services Division

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

cc: Heather Trautman, Director, Planning & Development  
Applicant



<div>  Financial Incentive Plan </div>	Projects of Citywide Significance	
	Financial Partnership Portfolio Evaluation	Points Possible
Project based Incremental Revenue		Score
City Property Tax, Sales Tax (Retail and Construction), Utility Taxes, Utility Revenues		
Incremental Revenue:		
3 year total incremental revenue:		
Exceeds \$1 million - 30 points		
Between \$750,000 and \$999,999 - 25 points		
Between \$500,000 and \$749,999 - 20 points		
Between \$250,000 and \$499,999 - 15 points	\$295,042	15
Max group score possible	30	15
Job Creation		
Number of new jobs		
Greater than 100 - 10 points		
75 to 99 - 8 points		
50 to 74 - 6 points	Estimate: 65 jobs overall; 36 new and 31 retained.	6
25. to 49 - 4 points		
1 to 24- 2 points		
Living Wage Job creation Multiplier (>130%Median Per Capita Income)		
80% to 100% of new jobs - 6X		
60% to 79% of new jobs - 5X		
40% to 59% of new jobs - 4X	53% living wage	4
20% to 39% of new jobs - 3X		
10% to 19% of new jobs - 2X		
Less than 10% of new jobs - 1X		
Max group score possible	60	24
Comp Plan, Design and the Environment		
Brownfield redevelopment - 5 points		
Innovative or exemplary site design - 5 points		
Design includes enhanced public amenities - 5 points	5	
Project Includes Neighborhood or Sub-Area improvements - 5 points		
Incorporation of Low Impact Development standards - 5 points		
Incorporation of adopted green building standards -5 points		
Transit Oriented Development - 5 points	5	
Mixed Use Development - 5 - Points	5	
Mixed Income Development - 5 points		
Historic Preservation - 5 points		
Adaptive reuse - 5 points		
Blight removal - 5 points		
Max group score possible	60	15
Industry Cluster Advancement		
Manufacturing - 10 points		
Aerospace/Aviation - 10 points		
Technology (Biotech, medical, IT, etc) - 10 points		
Tourism - 10 points		
Max group score possible	10	
Geographic Priority Areas		
Located in a C&C or Downtown - 10 points	Downtown location	10
Located in a target investment area - 10 points		
Infill location with existing infrastructure capacity - 10 points		
Max group score possible	10	
TOTAL SCORE POSSIBLE	170	64
"Special Considerations" Bonus - 10 points		
(Can be added to total score when warranted in consideration of special public benefit factors not addressed above.)		
Median Per capita income \$24,000 est. \$11.5/hr. (2015)		
130% of median per capita income is \$31,200 annually and approximately \$15/hour		

Values-Based Score	64
Revenue (3-Year)	\$ 295,042

Point Score:	Base Incentive	ROI Multiplier	ROI-Based Incentive	Total Incentive
85+	\$100,000	20%	\$59,008	\$159,008
70	\$80,000	15%	\$44,256	\$124,256
55	\$60,000	10%	\$29,504	\$89,504
40	\$40,000	5%	\$14,752	\$54,752
<40	\$0	0%	\$0	\$0

	Inputs	Notes
Construction Valuation	\$ 10,500,000	Per proposal -estimated construction hard costs
Annual Taxable Sales	\$ 5,000,000	Per proposal
Annual Utilities	\$ 30,600	Est. \$50 per unit per month @51 units
Real Estate Purchase	\$ 2,300,000	Per proposal

Revenue Calculations		
Construction Sales Tax	\$ 88,200	Spokane portion
RE Excise Tax	\$ 11,500	Local portion
Annual Sales Tax	\$ 42,000	Spokane portion
NC Property Tax	\$ 16,994	Residual value after MFTE
Annual Utility Tax	\$ 6,120	20% of utility bill
3-Year Total	\$ 295,042	

Sales Projections	Jobs
<div> <div>sf</div> <div>\$850/sf (per propc \$250/sf (estimate))</div> </div> <div> <div>Restaurant</div> <div>Password</div> <div>Dance Studio</div> </div> <div> <div>-</div> <div>-</div> <div>-</div> </div>	<div>Entity:</div> <div>Building Management new 6</div> <div>Restaurant new 23</div> <div>"Password" retained 31</div> <div>Dance Studio new 7</div>
Total 5,000,000	Total Estimated Employees 67

MFTE Impact					
Category	Assessed Value	Taxable value	MFTE	MFTE ValueSubtraction	Property Tax Exempted (City's Portion)
2019 Assessed Value	\$ 1,350,260	\$ 1,350,260	No	\$ -	
2020 Projected Assessed Value	\$ 10,500,000	\$ 4,324,206	Yes	\$ 6,175,794	\$ 16,994
2021 Projected Assessed Value	\$ 10,500,000	\$ 4,324,206	Yes	\$ 6,630,000	\$ 16,994
2022 Projected Assessed Value	\$ 10,500,000	\$ 4,324,206	Yes	\$ 6,630,000	\$ 16,994

No. Units 51  
 value per unit 121094  
 residential value 6175794  
 residual value \$ 4,324,206

## Citywide Significance Application Cover Letter

Project: Parkview West  
Address: 1309 W 1<sup>st</sup> Ave Spokane, WA 99201  
Developer: 5D Holdings LLC  
Contractor: TW Clark Construction

The Parkview West Project "Project" is comprised of a mixed-use building with 51 residential units and 14500SF +/- of retail and office. The project will be high end with amenities of roof top deck (4000SF), fitness center, business center, bike storage to encourage pedestrians, gated parking and amazing views of downtown. The difficulty of designing this project has been to blend old with new in a modern way. We will utilize brick to speak to the history of the area and modern materials with expansive views to the East. We want to encourage walking in this location and outdoor space with a large custom outdoor deck for the businesses and residents to use. The M addressed revamping a new design but this will be one of the first towers that has to work within the confines of a small lot size (easily duplicable if this is successful on other blight filled lots in downtown) and combining two buildings seamlessly.

This project is located on the developing West End of downtown between the highly residential Browne's Addition and the business/entertainment centric downtown. The project will breathe life into the area in concert with the newly renovated park across the street and the new brewery and restaurant occupying the old Watts Automotive building. Up the street, Jerry Dicker is improving the historic buildings and the old Otis Hotel is getting a new life. This project will be the catalyst for future development in the area.

The project will have a contemporary design that blends the historic elements of the area with contemporary finishes. This building will affect the skyline of Spokane and an image people will see for I-90. The project will also encourage walking from its residents to take advantage of the new Central City Line that will be going in on 1<sup>st</sup> Avenue. Bike racks and storage are included with the units. The outdoor space will encourage pedestrian traffic and energy in this awesome area.

The project will also be a huge economic boost for the area with more employers moving to the area requesting Seattle-like units near downtown. The initial boost will be from the 51 tenants paying high market rents and spending their disposable income in downtown retail and restaurant spaces. The commercial spaces are expected to produce over \$5,000,000 in gross revenue between the retail space, new restaurant, passport, and the dance studio. The project will also utilize indirect employment through contractors and subcontractors working on the project. This is a \$14,500,000 project and employment will include superintendent, 2 project managers, 50 construction workers and hundreds of employees hired through subcontractors. These workers all make living wages and are local companies. The stabilized employment will include the following:

**CITY OF SPOKANE —**  
**PLANNING & DEVELOPMENT SERVICES DEPARTMENT**  
**Application for Citywide Significant Incentives**

NOTE TO APPLICANT: Please answer each question completely. If more space is needed, attach additional paper. If you have any questions about this application, do not understand the questions, or need additional information regarding regulations or policies of the City of Spokane, city staff will be happy to assist you.

Applicant: \_\_\_\_\_ Relation to Property Owner \_\_\_\_\_

Applicant's Address \_\_\_\_\_

Applicant's Phone # \_\_\_\_\_ Applicant's email address \_\_\_\_\_

Property Owner(s) \_\_\_\_\_

Property Owner's Mailing Address \_\_\_\_\_

Will the existing owners be the owner/operator of the property and/or business following construction ☐ yes ☐ no

If not, who is the project being developed for? \_\_\_\_\_

Property Address: \_\_\_\_\_ Parcel number(s): \_\_\_\_\_

Legal Description (Attach additional sheets if needed): \_\_\_\_\_

**PROJECT INFORMATION**

Project Name: \_\_\_\_\_ Date Application Completed: \_\_\_\_\_

☐ New Construction: # of square feet: \_\_\_\_\_ # of stories \_\_\_\_\_

☐ Rehabilitation of Existing Structure: # existing square feet: \_\_\_\_\_ # additional square feet added: \_\_\_\_\_

What was the prior use? \_\_\_\_\_ How many prior employees? \_\_\_\_\_

Were there prior retail sales? \_\_\_\_\_

Type of development ☐ Manufacturing ☐ Office ☐ Retail ☐ Housing ☐ Mixed use ☐ Other

Other description \_\_\_\_\_

If retail or mixed use with retail, do you have a verifiable estimate on the projected annual retail sales? ☐ yes ☐ no

If yes, what is the estimate and how can it be verified? \_\_\_\_\_

If no, provide an average annual sales per square foot estimate, using published industry data for the retail sector nearest to the type proposed. "ICSC - Shopper Spending and Sales/Sqft - Annual Report" [www.icsc.org](http://www.icsc.org) What is that estimate? \_\_\_\_\_

Estimated total expenditures in the rehabilitation or construction of the entire project: \$ \_\_\_\_\_

Description of project(s)' basic features and any other unique features that relate to the evaluation matrix criteria (Attach additional sheets if necessary): \_\_\_\_\_

Est. Construction to begin (date) \_\_\_\_\_ Construction completion \_\_\_\_\_

☐ "Before" photos provided electronically.

☐ Site and building plans provided electronically

Will the construction of the project be phased? ☐ no ☐ yes If yes, what will be constructed in each phase and when?

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### **JOB CREATION**

How many fulltime permanent employment positions will the project create? (list the fields and the number of jobs in each field)

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What will be the hourly and/or annual wages of each position be? If you don't have verifiable job and wage information for the business(s) to be located in the project, then use the latest published data from the Washington State Employment Securities Department Occupational Employment and Wage Estimates for the Spokane MSA.

<https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/occupational-employment-and-wage-estimates>.

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### **AFFIRMATION**

Initial each statement below:

\_\_\_\_\_ As owner(s) of the property described in this application, I hereby declare under penalty of perjury under the laws of the State of Washington that this application for Incentives and any accompanying documents have been examined by me and that they are true, correct, and complete to the best of my knowledge.

\_\_\_\_\_ The applicant acknowledges that completing and submitting this application is not a guarantee of any specific financial incentive.

\_\_\_\_\_ This application will be used by staff to determine if a project meets the definition of a **“Project of Citywide Significance.”** Additional information may be required for review of project qualifications for incentives.

\_\_\_\_\_ Any incentive that the applicant may receive will require a Development Agreement between the Applicant and the City that will not be valid until it is approved by City Council and signed by the Mayor.

\_\_\_\_\_ Following the approval of the Development Agreement, the original is required to be recorded at the County. At that time, the recording fees for the filing and recording of “Development Agreement” will need to be paid to the City of Spokane by the Applicant.

Signed at \_\_\_\_\_, Washington, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Signature(s) of all Owner(s) and Contract Purchaser(s)

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**Project of Citywide Significance:** *A single private development project which entails the development, construction or physical improvement to real property located within the City of Spokane which equals or exceed \$5 million in value, not including the value of the property itself, for which there is evidence that such project will provide significant public benefits as such term is defined in the Administrative Policy adopted by Council Resolution 2016-0036.*

#### **For Staff Use Only:**

- |   |  |
|---|--|
| <input type="checkbox"/> Application signed by owner(s) and contract purchaser(s) | <input type="checkbox"/> Site/Building plans received electronically |
| <input type="checkbox"/> Before photos received electronically                    | <input type="checkbox"/> Zoning                                      |
| <input type="checkbox"/> GIS Map  | <input type="checkbox"/> Right-of-way requirements                   |
| <input type="checkbox"/> Utility requirements                                     | <input type="checkbox"/> SEPA  |
| <input type="checkbox"/> Study requirements                                       | <input type="checkbox"/> Taxable value                               |
| <input type="checkbox"/> Assessed value   | <input type="checkbox"/> State and Federal incentives                |
| <input type="checkbox"/> Plan/District implementation                             | <input type="checkbox"/> Age of existing structures                  |

For Building

Property Manager - \$48,000

Janitor - \$32,000

Maintenance - \$38,000

Leasing Agent - \$32,000 + bonuses

4 Degrees Ownership - \$60,000

Accountant - \$58,000

Restaurant

Manager - \$42000

(2) Asst Manager - \$30000

(4) Bartender - \$24000 + tips

(10) servers - \$24000 + tips

(2) hostesses - \$24,000 + tips

(3) chefs - \$32,000

Dishwasher - \$22000

Password

Owner - \$100,000

(3) managers - \$50000

Accountant - \$55000

(25) call center staff - \$28000

Janitorial - \$28000

Dance Studio

(7) trainers - \$35000

This is an amazing project for Spokane and diving into the project has shown a significant need for infrastructure improvement that the city is working to improve on the West End of town. This infrastructure in the area needed improved to accommodate this size of a project including water, sewer, power, fiber and streetscape. The citywide significance funds would encourage more similar projects in the downtown area. We are requesting the full \$300,000 to pay for this improvement and really drive and promote development on infill lots in downtown Spokane.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Tampien', with a stylized, cursive script.

Jordan Tampien

Owner, 4 Degrees Real Estate

**Parkview West Building Project**  
**PROJECT REVIEW COMMITTEE RECOMMENDATION**

**Evaluation Matrix Score: 64**

**Incentive Value: \$89,905**

Pursuant to the Projects of Citywide Significance Incentive Policy, the Project Review Committee, hereby:

☒ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated.

☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated, with the following modifications:

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Project Review Committee Members:



Ben Stuckart, City Council President

11/8/18

Date:



Candace Mumm, City Council

11/19/18

Date:



Rick Romero, Office of the Mayor

11/8/18

Date:



Dawn Kinder, Director  
Neighborhood and Business Services Division

11/27/18

Date:

cc: Heather Trautman, Director, Planning & Development  
Applicant

**Agenda Sheet for City Council Meeting of:**

02/11/2019

**Date Rec'd**

1/28/2019

**Clerk's File #**

RES 2019-0007

**Renews #****Cross Ref #****Project #****Bid #****Requisition #**

W-9

**Submitting Dept**

PLANNING

**Contact Name/Phone**

TERI STRIPES 625-6597

**Contact E-Mail**

TSTRIPES@SPOKANECITY.ORG

**Agenda Item Type**

Resolutions

**Agenda Item Name**

0650 - RESOLUTION APPROVING 600 MAIN LLC REIMBURSEMENT AGREEMENT

**Agenda Wording**

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND 600 MAIN LLC. RELATING TO CERTAIN MATERIAL COSTS.

**Summary (Background)**

City Council accepted the Project Review Committee's recommendation regarding 600 Main LLC incentive application on November 12, 2018 at the Urban Experience Committee meeting. Staff proceeded to prepare a development agreement with 600 Main LLC setting forth the terms and conditions for the \$285,617 incentive.

**Fiscal Impact**

Grant related? NO

Public Works? NO

**Budget Account**

Expense \$ 285,617

# 1920 30210 58700 54201 99999

Select \$

#

Select \$

#

Select \$

#

**Approvals****Dept Head**

TRAUTMAN, HEATHER

**Division Director**

CORTRIGHT, CARLY

**Finance**

ORLOB, KIMBERLY

**Legal**

RICHMAN, JAMES

**For the Mayor**

ORMSBY, MICHAEL

**Council Notifications****Study Session****Other**

Urban Experience 11-12-

**Distribution List**

gcooley@spokanecity.org

tstripes@spokanecity.org

htrautman@spokanecity.org

jrichman@spokanecity.org

**CITY COUNCIL**

MCDANIEL, ADAM

korlob@spokanecity.org

sbishop@spokanecity.org



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND 600 MAIN LLC. RELATING TO CERTAIN MATERIAL COSTS.

WHEREAS, in connection with plans to renovate the Macy's/Bon Marche department store to provide a mixed use building with approximately 34,000 square feet of retail space, 8,000 square feet of office space and 114 residential housing units. (the "Project"), 600 Main LLC applied for a development incentive pursuant to the City's Projects of Citywide Significance Incentive Policy. Based on the findings of public benefits expected to result from the Project, and in order to induce 600 Main LLC to renovate the Macy's building, the Project Review Committee recommended a financial incentive of \$285,617 be awarded to the Project and applied to eligible material costs related to the Project, as outlined in Admin 0650-16-02.

WHEREAS, the City Council accepted the Project Review Committee's recommendation regarding 600 Main LLC incentive application on November 12, 2018 at the Urban Experience Committee meeting. Staff proceeded to prepare a development agreement with 600 Main LLC setting forth the terms and conditions under which the \$285,617 incentive will be applied to eligible material costs related to the Project, subject to final approval by Council as outlined in Admin 0650-16-02.

WHEREAS, pursuant to RCW 35.21.703, Washington's legislature has declared that it shall be in the public purpose for all cities to engage in economic development activities.

WHEREAS, Chapter 36.70A RCW, commonly known as the Growth Management Act, includes as a planning goal the encouragement of economic development and the promotion of economic opportunity for all citizens of the state.

WHEREAS, pursuant to other provisions of State law, including chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to Chapter 36.70B RCW, to enter into development agreements obligating party to fund or provide infrastructure.

WHEREAS, the Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the City. In addition to a direct benefit to the City in terms of increased sales and property tax revenues, indirect benefits include encouraging the revitalization and utilization of historic and older commercial buildings in the City's core, providing a mixed-use development that brings employment, and shopping activities into Spokane's downtown core, and contributes to the public realm by providing additional street level amenities.

WHEREAS, Development Agreements are specifically authorized by RCW 36.70B.170 through .210 and Chapter 17A.060 SMC as a proper exercise of the City's police power;

WHEREAS, the Project is consistent with the requirements of the City's Comprehensive Plan and applicable development regulations;

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

1. The foregoing recitals and the contents of the attached Development Agreement are hereby adopted as the Council's findings in support of this Resolution.
2. The Development Agreement is hereby approved and the Mayor is hereby authorized to execute it on behalf of the City.

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

\_\_\_\_\_  
City Clerk

Approved as to form:

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

Exhibit A

Development Agreement

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and 600 Main LLC, as "Developer", collectively referred to as the "Parties".

### Recitals

A. Developer owns property located 608 W MAIN AVE, in Spokane, Washington (the "Property"). A legal description of the Property is set forth in Exhibit A.

B. The Developer proposes the construction of The "M" Building in downtown Spokane. The "M" Building project is the renovation and adaptive reuse of the former Macy's/Bon Marche department store building into a mixed use building with approximately 34,000 square feet of retail space, 8,000 square feet of office space and 114 residential housing units. The department store building actually consists of three buildings, the Welch Building (1914), Culbertson's annex (1921) and the Bon Marche addition building (1955) constructed at different times and subsequently aggregated into a single building for the Bon Marche for a combined total of approximately 370,000 square feet. The M project includes the two southern buildings (excluding the "Culbertson's annex building on the northeast) and contains approximately 300,000 square feet with 10 floors and a basement. The project's exterior work entails: renovation and/or replacement of existing facades, removing the old, pink granite exterior "skin" facing Main Avenue and Wall Street and renovation of the brick façade facing Howard Street; removal and rebuilding of the two skywalks and rebuilding sidewalk, filling sidewalk vaults and adding streetscape improvements. Interior improvements include gutting the interior space, removing the mezzanine level, new electrical, plumbing, mechanical and HVAC systems and rebuilding the space for the new retail, office and upper level residential uses. The basement will be renovated to include parking for residential tenants. (the "Project").

C. Individual projects which include new investment and physical improvements to real property, which equal or exceed \$5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy. In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City, the Spokane City Council has adopted Resolution 2015-0101 which provides for

an evaluation matrix allowing evaluation of a project's public benefits which are reasonably likely to accrue as a result of successful completion and intended operation of the project. The evaluation was made using the standardized evaluation matrix with the review committee determining that the project will provide significant community and public benefits incremental revenue in sales, property, and utility tax, job creation, and comprehensive plan implementation of community goals in the City's central business district therefore as a project of Citywide Significance warrants the City's investment.

D. The Project is compatible and consistent with the countywide planning policies adopted pursuant to RCW 36.70A.210 and the City of Spokane Comprehensive Plan and development regulations adopted under Chapter 36.70A RCW and Title 17 of the Spokane Municipal Code. Developer and the City acknowledge that development of the Project will promote economic development as contemplated by RCW 35.21.703, will encourage further private development to include increasing fair market value of real property in the vicinity of the Project, and is consistent with and carries out the purposes of RCW 36.70B.170.

E. In connection with plans to develop the Project, Developer applied for a development incentive pursuant to the City's Projects of Citywide Significance Incentive Policy, ADMIN 0650-16-02 (the "Incentive Policy"). Based on the findings of public benefits expected to result from the Project, and in order to induce Developer to develop the Project, the Project Review Committee recommended a financial incentive of \$285,617 be awarded to the Project consistent with the Incentive Policy.

F. Following the Project Review Committee's recommendation, staff negotiated a development agreement with Developer setting forth the terms and conditions under which the \$285,617 incentive will be paid to the Developer, subject to final approval by Council as outlined in the Incentive Policy.

G. Pursuant to RCW 35.21.703, Washington's legislature has declared that it shall be in the public purpose for all cities to engage in economic development activities.

H. Chapter 36.70A RCW, commonly known as the Growth Management Act, includes as a planning goal the encouragement of economic development and the promotion of economic opportunity for all citizens of the state.

I. Pursuant to other provisions of State law, including chapter 39.89 RCW relating to community revitalization financing, and RCW 82.02.050-.090 relating to certain development impact fees, Washington cities are authorized to participate in the cost of financing public improvements where the cities' participation will encourage private investment in the surrounding area and are further authorized, pursuant to Chapter 36.70B RCW, to enter into development agreements that obligate a party to fund or provide infrastructure.

J. The Project will cause both direct and indirect public benefits and can reasonably be expected to make a significant difference in stimulating economic growth and the creation of new jobs within the City.

K. For purposes of the Incentive Policy and this Agreement, the City Council finds that the skywalks installed as part of the Project are “public improvements” within the meaning of the Incentive Policy, and that steel costs associated with said skywalks are “public improvement costs” within the meaning of the Incentive Policy.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, and for other good and valuable consideration, including the significant public benefits that are anticipated as a result of Developer’s construction of the Project, the parties agree:

1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise required:

(a) “Applicable Rules” means those provisions set forth in the City of Spokane Comprehensive Plan and Title 17 of the Spokane Municipal Code. Applicable Rules shall not include any requirements set forth in any of the following: the Americans With Disabilities Act, Chapter 19.27 RCW – the State Building Code, and building, fire, plumbing or electrical codes explicitly adopted by the City, and fees (to include utility connection fees) associated with the development of land.

(b) “Subsequent Project Approvals” means all Project approvals required by law or City policy after approval of this Agreement to construct the Project including, but not limited to, clearing and grading permits, preliminary and final subdivision approval, binding site plan approval, building permits and occupancy permits (as applicable), as defined by state law and local ordinance.

2. Construction of the Project.

(a) Developer Covenants. Developer shall, at no cost or expense to the City, diligently perform and fully complete development and construction of the Project according to approved plans and permits, and in compliance with the Applicable Rules. Provided all such development and construction shall be subject to Subsequent Project Approvals. The Project shall remain subject to all Subsequent Project Approvals required to complete the Project. Subsequent Project Approvals shall be made pursuant to the Applicable Rules and this Agreement. Developer shall obtain all required permits prior to commencing construction of the Project. Except as expressly set forth herein, this Agreement shall not be construed as a waiver of any of the conditions of development or use of the Property, nor shall this Agreement relieve Developer from Developer’s obligations to comply with rules and regulations applicable to the Property and Developer’s development of the same, and to secure such authorizations and permits as may be imposed as a condition of any work being performed on the Property. Provided, further, the parties agree, as provided for in RCW 36.70B.170(4), that the City reserves

the authority, regardless of the definition of Applicable Rules in this Agreement, to impose new or different regulations during the term of this Agreement to the extent required by a serious threat to the public health and safety.

(b) Public Benefits. As part of the Project, Developer will make significant public dedications and investment in public infrastructure to include utilities and other improvements, all of which will provide a public benefit to the City's residents and visitors.

(c) Reservations of Authority. Notwithstanding any other provision of this Agreement, the following shall apply to the development of the Property, provided however, that nothing in this Agreement shall diminish Developer's rights for vesting by submission of a complete building permit application pursuant to RCW 19.27.095.

(i) Procedural regulations which are not substantive relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(ii) Regulations governing construction standards and specifications as follows: the Washington State Building Code, Uniform Plumbing Code, National Electrical Code, and International Fire Code as may be amended except as they relate to standards modified by the City in the Approval.

(iii) Taxes, fees or assessments (including mitigation fees) which apply uniformly throughout the City or within a defined area of benefit which includes the Property.

3. Term. This Agreement shall commence on the date it is fully executed by the Developer and the City and shall be deemed terminated and of no further effect upon the occurrence of (i) mutual agreement of the parties, or (ii) three (3) years from the date of execute of this Agreement by all the parties hereto.

4. Public Improvements. The Project will include a number of public improvements including the installation of two new skywalks over and across the public right-of-way that will update and enhance the City's downtown skywalk system (the "Improvements" or "Public Improvements"):

5. Construction of the Public Improvements. Subject to the terms of this Agreement, Developer shall cause the Public Improvements to be completed, in their entirety, at no cost or expense to the City.

(a) Developer shall maintain all project information, records, and documents for a period of not less than six years from the date of Developer's final acceptance of the work, and the City shall have a right to direct audit of such information, records, and documents.

(b) Upon completion of the Public Improvements, Developer shall provide the City an accounting of the actual costs associated with the Public Improvements in a form determined by Developer consistent with its cost accounting practices and approved by the City as compatible with the requirements of the Washington State Auditor for audit purposes. In the event the City refuses to accept any portion of the Public Improvements or denies or requests modification to the accounting, the City shall specify the basis for the decision and the City and Developer shall timely, diligently, and in good faith, attempt to resolve the matter expeditiously. In the event that on the date designated for payment and reimbursement there is not resolved and if within ninety (90) calendar days of City receipt of notification there remain unresolved any issues relating to actual costs, then the City shall pay to Developer the actual costs requested by Developer for the Public Improvements less the amounts unresolved, which shall be placed in an interest bearing escrow set aside account designated by Developer. The amount in dispute shall then be submitted to binding arbitration, using the services and subject to the rules of the Judicial Arbitration and Mediation Service. If an arbitrator determines that Developer prevails in the accounting dispute, Developer shall be entitled to immediate disbursement of the escrow set aside and interest accrued therein, in the amount determined by the arbitrator. Notwithstanding the foregoing, in no case shall the City's payment obligation to the Developer exceed the NTE Amount set forth in Section 6 below.

6. City Payment to Developer. In consideration of the significant public benefits anticipated to result from Developer's construction of the Project, subject to the terms and conditions of this agreement, and following Developer's completion of the Project, including the Public Improvements, the City shall pay Developer an amount not to exceed Two hundred eighty-five thousand six hundred and seventeen Dollars (\$285,617.00) through the Incentive Program (the "NTE Amount"). The actual payment amount will be based upon the costs shown in Developer's invoices submitted to the City relating solely to the cost of steel used on constructing and installing the Project's two skywalks, and shall be subject to the NTE Amount. The City will make payments to Developer, within sixty (60) days after the receipt of Developer's application for payment, subject to the City's approval of the completed Public Improvements as substantially in accord with City standards, and subject to compliance with the terms of this agreement. Without limiting any of the foregoing, Developer's application for payment shall be subject to review by the City's Engineering Services Department for the purpose of confirming reasonable prices for steel.

7. Inspection of Cost Records. Developer shall keep available for inspection by City representatives the cost records and accounts pertaining to this agreement.

8. Actual Material Costs. The City's payment for any/all materials under this agreement shall be on the basis of the actual cost incurred by Developer without any mark up. All payments for materials will be based on approved quantities as verified by City inspectors, and receipt of actual and verified material payment by Developer.

9. Indemnity & Hold Harmless. Developer shall indemnify, defend, and hold the City, its officers, agents, and employees harmless from all loss and liability for any



claim by any person, or for any injury or property damage resulting from, or by reason of, this Agreement and/or the construction of the Public Improvements, unless caused directly or indirectly by the City's negligence or intentional misconduct.

To the extent necessary to enforce Developer's indemnification obligations hereunder, Developer hereby agrees to waive immunity under Title 51 RCW. This provision has been specifically negotiated.

\_\_\_\_\_  
Developer's Initials

\_\_\_\_\_  
City's Initials

10. Insurance. At all times prior to City's approval of the completed Public Improvements, Developer shall cause to be maintained in force at Developer's own expense, each insurance noted below.

(a) Commercial general liability insurance with a combined single liability limit of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate for Bodily Injury and Property Damage. It shall include, at least, Independent Contractors, Products and Completed Operations, Contractual Liability and Personal Injury Liability for the indemnity provided under this agreement. It shall provide that the City, its officers, employees, contractors, agents, and such other persons or entities as the City may designate are additional insureds, but only with respect to the construction of the Public Improvements.

(b) There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days written notice from Developer or its insurer(s) to the City.

(c) Developer shall require any contractor working on the Public Improvements pursuant to this agreement to carry and maintain, at no expense to City: (a) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000 per occurrence, combined single limit/\$2,000,000 aggregate; (b) comprehensive automobile liability insurance with limits for each occurrence of not less than \$1,000,000 with respect to personal injury or death and \$500,000 with respect to property damage; and (c) Worker's Compensation or similar insurance in form and amounts required by law.

(d) All the insurance required under this agreement shall be written as primary policies, not contributing with and not supplemental to the coverage that City may carry.

(e) Developer shall furnish its insurance carriers with a copy of this agreement to insure proper coverage. As evidence of the insurance coverages required by this agreement, Developer shall furnish acceptable insurance certificates to the City at the time

this agreement is executed. The certificates shall specify all of the parties who are additional insured, will include applicable policy endorsements, and will include the 30-day cancellation clause. If Developer fails to perform any of its obligations under this Section 8, the City may perform the same and may deduct such expenditures from its reimbursements to Developer under this agreement. The City makes no representations that the types or amounts of coverage required to be carried by Developer pursuant to this Section are adequate to protect Developer. If Developer believes that any of such insurance coverage is inadequate, Developer will obtain, at Developer's sole cost and expense, such additional insurance coverage as Developer deems appropriate.

11. Additional Terms.

(a) Waiver. No officer, employee, agent or otherwise of either party has the power, right or authority to waive any of the conditions or provisions of this agreement. No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this agreement or a law shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law. Failure of either party to enforce at any time any of the provisions of this agreement or to require at any time performance by the other of any provision hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this agreement or any part hereof, or the right of the party entitled to performance to hereafter enforce each and every such provision. Either party's failure to insist upon the strict performance of any provision of this agreement or to exercise any right based upon breach hereof or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this agreement.

(b) Modification. No modification or amendment to this agreement shall be valid until the same is reduced to writing, in the form of an amendment, and executed with the same formalities as this present agreement.

(c) Assignment. Neither party may assign or transfer in whole or in part, its interest in this agreement without the express written consent of the other party.

(d) Compliance with Laws. The Parties hereto specifically agree to observe Federal, State and local laws, ordinances and regulations, to the extent that they may have any bearing on either providing any money under the terms of this agreement or the services actually provided under the terms of this agreement. This agreement shall not be construed or interpreted as a waiver of any conditions or requirements applicable to the Project. The City reserves the right to impose new or different regulations to the extent required by a serious threat to public health and safety.

(e) Nondiscrimination. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably

discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

(f) Anti-Kickback. No officer or employee of the Parties, having the power or duty to perform an official act or action related to this agreement, shall have or acquire any interest in this agreement, or have solicited, accepted or granted a present or future gift, favor, service, or other thing of value from or to any person involved in this agreement.

(g) Notices. All notices called for or provided for in this agreement shall be in writing and must be served on any of the Parties either personally or by certified mail. Notices sent by certified mail shall be deemed served when deposited in the United States mail, postage prepaid.

(h) Venue Stipulation. This agreement has and shall be construed as having been made and delivered in the State of Washington, and the laws of the State of Washington shall be applicable to its construction and enforcement of this agreement or any provision hereto shall be instituted only in the courts of competent jurisdiction within Spokane County, Washington.

(i) Headings. The article headings in this agreement have been inserted solely for purposes of convenience and ready reference. In no way do they purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the articles to which they appertain.

(j) All Writings Contained Herein. This agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this agreement, and now state that no representation, promise, or agreement not expressed in this document has been made to induce the Parties to execute the same.

(k) Relationship of the Parties. The Parties intend that an independent contractor relationship will be created by this agreement. The City is interested only in the results that could be achieved and the conduct and control of all work and services provided by Developer will be solely with Developer. No agent, employee, servant or otherwise of Developer hereto shall be deemed to be an employee, agent, servant, or otherwise of the City for any purpose, and the employees of Developer are not entitled to any of the benefits that the City provides for City employees. Developer will solely and entirely be responsible for its acts and the acts of its agents, employees, servants, subcontractors, or otherwise, during the performance of this agreement. Nothing herein shall create a contractual relationship or privity between the City and any contractors engaged by Developer.

*[Signature Page Follows]*



Dated: \_\_\_\_\_

CITY OF SPOKANE

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

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

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

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

Dated: \_\_\_\_\_

DEVELOPER

600 Main LLC

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

Its: \_\_\_\_\_

Exhibit A

Legal Description of Property

EXHIBIT A

LEGAL DESCRIPTION OF FEE PROPERTY

**Tract "A":**

That portion of Lots 1 and 2, Block 11, Resurvey and Addition to Spokane Falls, as per plat recorded in Volume "A" of Plats, Page 1, records of Spokane County, described as follows:

BEGINNING at a point on the East line of said Lot 1, 50 feet South of the Northeast corner thereof;

And running Thence West 77 feet;

Thence South to a point 64 feet North of the South line of said Lot 2;

Thence West to the West Line of said Lot 2;

Thence South 64 feet to the Southwest corner of said Lot 2;

Thence East along the South line of said Lots 2 and 1 and to the Southeast corner of said Lot 1;

Thence North along the East line of said Lot 1 to the place of beginning; and

**Tract "B":**

Lot 5, except the West 10 feet thereof, all of Lot 6, Block 11, Resurvey and Addition to Spokane Falls, as per plat recorded in Book "A" of Plats, page 1, records of Spokane County;

Situate in the City of Spokane, County of Spokane, State of Washington.

EXHIBIT B

LEGAL DESCRIPTION OF LEASED PROPERTY

Lot 4 and the West 10 feet of Lot 5, Block 11, Resurvey and Addition to Spokane Falls according to plat recorded in Volume "A" of Plats, page 1;

Situate in the City of Spokane, County of Spokane, State of Washington.



## The “M” Building

### Projects of Citywide Significance

#### Staff Report and Recommendation

November 2, 2018



#### Staff

Andrew Worlock  
Planning & Development Services  
Economic Development Section

#### Applicant

Doug Yost  
Vice President, Centennial Properties  
999 W. Riverside Avenue  
Spokane, WA 99210

#### Owner

600 Main LLC  
999 W. Riverside Avenue  
Spokane, WA 99210.

## Introduction

The City of Spokane's Projects of Citywide Significance program is designed to help incent and encourage significant private development projects that add lasting value to the City and achieve measurable positive impacts by bringing new livable wage jobs, generating tax revenue, and advancing the community's visions. The program was created by Spokane City Council, Resolution 2015-0101 and follows the Projects of Citywide Significance Incentive Policy administrative procedures contained within City of Spokane Administrative Policy and Procedure, Admin 0650-16-02.

## Project Description

The “M” Building project is the renovation and adaptive reuse of the former Macy's/Bon Marche department store building into a mixed use building with approximately 34,000 square feet of retail space, 8,000 square feet of office space and 114 residential housing units. The department store building actually consists of three buildings, the Welch Building (1914), Culbertson's annex (1921) and the Bon Marche addition building (1955) constructed at different times and subsequently aggregated into a single building for the Bon Marche for a combined total of approximately 370,000 square feet. The M project includes the two southern buildings (excluding the “Culbertson's annex building on the northeast) and contains approximately 300,000 square feet with 10 floors and a basement. The project's exterior work entails: renovation and/or replacement of existing facades, removing the old, pink granite exterior “skin” facing Main Avenue and Wall Street and renovation of the brick façade facing Howard Street; removal and rebuilding of the two skywalks and rebuilding sidewalk, filling sidewalk vaults and adding streetscape improvements. Interior improvements include gutting the interior space, removing the mezzanine level, new electrical, plumbing, mechanical and HVAC systems and rebuilding the space for the new retail, office and upper level residential uses. The basement will be renovated to include parking for residential tenants.

## Location & Context

The “M” Building project is located on the north side of Main Avenue in downtown Spokane between Wall and Howard Streets. In January of 2016, when Macy's Inc. announced the closing of their downtown Spokane store in the landmark Bon Marche building, the community became deeply concerned about both the future of the 370,000-square-foot building and the huge gap it could create in the core of downtown Spokane if left empty. Located at the very heart of downtown Spokane's retail core, the Bon Marche had been a co-anchor for downtown shopping for over six decades and was a destination for shoppers from across the intermountain northwest. As a national level department store it was as well known for its broad selection of goods and merchandise as it was for the 60 foot tall Christmastime Madonna light display that would adorn the building's southwest corner each holiday season.

The timing of the closing was potentially devastating: Spokane's climb out of the recession was nearly complete with retail sales activity nearly back to pre-recession levels. The large building, if left vacant or put to static use (like storage or call center) could put a major drag on downtown Spokane's momentum and growing vitality. While the Macy's organization sought to calm the community's concerns by

committing to aggressively market the building across the western United States, it was the local development community that ultimately stepped up to the challenge. Proposals from three different local developer teams were submitted and in June of 2016 it was announced that Centennial Properties had been selected to purchase the 1914 building. Their vision would combine and capitalize on the strong local and national trends that favor downtown living and specialty retailing, building on the long tradition that the parent Cowles Company subsidiary had established in downtown Spokane.

### Other Incentive Awards or Programs Available to the Project

The “M” Building, by virtue of its location in the Downtown Spokane Target Investment Area is eligible for and could receive City incentives in addition to the Projects of Citywide Incentive. The following provides a summary of these incentives which combined could total up to nearly **\$1,723,000** of additional incentive benefit value over eight years. Where known, actual values are used. Otherwise staff has used the best available information to estimate the value of the incentives to the project.

The additional incentives may include:

- Multifamily Tax Exemption (MFTE) –provides a property tax exemption for 8 or 12 years on new multifamily housing units. For a 109 unit project, the owner could realize a savings of approximately **\$1,502,064** over the 8 years the property is enrolled (using an assumed value of \$121,094 per dwelling unit – the actual incentive value may be more or less based on the Spokane County Assessor’s determination of exempt value and whether the project ultimately qualifies for the 8 or 12 year exemption.
- The General Facility Charge (GFC) Waivers - waives system development charges for new sewer and water connections –benefit value is dependent on size and number of new or upgraded connections. Estimated value for project **\$100,531**;
- Historic Commercial Utility Rates – encourages adaptive reuse of commercial buildings through conversion to residential use by to allowing the building to retain commercial utility (as opposed to residential) billing account. This could provide an ongoing savings of \$1,253 per month or **\$15,035** per year.

## Financial Partnership Portfolio Evaluation Matrix

### Project Based Incremental Revenue

This category measures the project’s contribution to City revenue and potential return on investment. To receive any points in this category, a project must generate a three year total incremental revenue value of at least \$250,000. Projects with over \$1million in three year incremental revenue receive 30 points. The three year total incremental revenue resulting from the project is estimated at \$928,083. Therefore, **25 points are awarded to the project in this category.**

### Job Creation

The applicant has provided an estimate of the number of jobs by type and average salary for the completed project (see application). The completed building is estimated to bring over 98 jobs to the project. Of these, it is expected that 45 percent will have salaries at or above living wage (>130% median per capita income)

Based on this, the job creation points (8 points for 75-99 new jobs jobs) are multiplied by 4 (the living wage job creation multiplier when 40 – 59% of jobs meet the living wage standard) resulting in a **category score of 32 points.**

### Comp Plan, Design and the Environment

The project qualifies under the following criteria:

- |   |          |
|---|----------|
| • Design includes enhanced public amenities | 5 points |
| • Transit Oriented Development              | 5 points |
| • Mixed Use Development                     | 5 points |
| • Mixed income Development                  | 5 points |
| • Adaptive Reuse                            | 5 points |

**Total Category Score:**

**25 points**

### Industry Cluster Advancement

The proposed use is not part of an identified priority industry cluster. **The resulting category score is 0 points.**

### Geographic Priority Areas

The project is located in the Downtown Target Incentive Area. **The resulting category score is 10 points.**

### Special Considerations Bonus

None.

### Total Project Matrix Score: 92 points.

### Incentive Value Calculations

The project's total matrix score (92 points) and 3-year revenue return to the City (\$928,083) are used to calculate the incentive value for the project as shown in the Table I below. By scoring in the top category (85+ points) the project warrants a base incentive of **\$100,000** plus **20%** of the three year revenue (\$185,617) for a total incentive value of **\$285,617**.

**Table I. Matrix Score**

Values-Based Score	92			
Revenue (3-Year)	\$ 928,083			
Point Score:	Base Incentive	ROI Multiplier	ROI-Based Incentive	Total Incentive
85+	\$100,000	20%	\$185,617	\$285,617
70	\$80,000	15%	\$139,212	\$219,212
55	\$60,000	10%	\$92,808	\$152,808
40	\$40,000	5%	\$46,404	\$86,404
<40	\$0	0%	\$0	\$0

## Recommendation

Staff finds that the project will provide significant community and public benefits as described in the application and supplemental materials and therefore as a project of Citywide Significance warrants the City's investment of \$285,617 towards public improvements pursuant to the Projects of Citywide Significance Incentive Policy. This is separate from and in addition to any other incentives or assistance the project may have already received or could receive in the future.

Upon the Project Review Committee's final determination of project score and level of financial partnership eligibility, staff and the project proponent will prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

The final development agreement will be forwarded to the Spokane City Council for approval by resolution and signature by the Mayor. The determination of financial incentive value and corresponding development agreement shall have no force or affect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

## Authority

**City of Spokane Administrative Policy and Procedure, Admin 0650-16-02**

## **Projects of Citywide Significance Incentive Policy**

Section 5.0 Policy: Individual projects which include new investment and physical improvements to real property which equal or exceed \$5 million in value can provide significant City wide public benefits. Such public benefits include: bringing new living wage jobs to the community; generating new property, sales and utility tax revenues; improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans; protecting or improving the environment and conserving natural and historic resources; advancing State and regional industry cluster growth and regional economic development plans; and investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy. In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City as described above, the Spokane City Council has adopted Resolution 2015-0101 which provides for an evaluation matrix allowing evaluation of a project's public benefits which are reasonably likely to accrue as a result of successful completion and intended operation of the project. The evaluation will be made using the standardized evaluation matrix attached as exhibit "A" hereto in accordance with the policies and procedures described herein.

### **Procedure**

6.1 Application: Application for a financial incentive will be made on forms provided by the City of Spokane and shall contain all information and details required and necessary for a review of the project and evaluation of the public benefits associated thereto.

6.2 Determination of Qualification: Within 10 business days of receipt of a complete application, the Staff Technical Support Team will evaluate the application and make a determination that: the project is a qualified project with a public benefit and may be considered for a financial incentive; that additional information is needed to make the determination; or, that the project does not qualify for a financial incentive under this program. Such determination will be made in writing.

6.3 Evaluation of Qualified Projects: Qualified projects will be forwarded to the Project Review Committee for evaluation according to the evaluation matrix. The committee members will be provided copies of the application and any supplemental information provided by the applicant and a technical memorandum prepared by the Staff Technical Support Team. The report will include analysis of the project application and assessment of the public benefits that may result. Each project review committee member will use the application and technical memorandum to score the project against the evaluation matrix. The committee member's total scores will be summed and divided by the number of committee members providing a score to determine the project's average and final score.

6.4 Determination of Financial Incentive Value: The project's total score and other relevant data will be used to determine the financial incentive value based on the annually adopted project funding schedule and subject to availability of funds at the time of award. Determination of financial incentive value is not a guarantee of availability of funds or of an actual cash value of a project's eligible public improvement costs. Once a determination of financial incentive value is made, the determination and project score are final.

6.5 Development Agreement: Upon completion of the determination of financial incentive value, the project proponent and Staff Technical Support Team shall prepare a development agreement setting forth the terms and conditions under which the financial incentive value will be applied to eligible public improvements costs related to the project.

6.6 City Council Approval: The determination of financial incentive value and corresponding development agreement shall have no force or effect whatsoever unless and until the development agreement is approved by the Spokane City Council and signed by the Mayor.

**The “M” Building Project**  
**PROJECT REVIEW COMMITTEE RECOMMENDATION**

**Evaluation Matrix Score: 92**

**Incentive Value: \$285,617**

Pursuant to the Projects of Citywide Significance Incentive Policy, the Project Review Committee, hereby:

- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated.
- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated, with the following modifications:

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Project Review Committee Members:

\_\_\_\_\_  
Ben Stuckart, City Council President

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

\_\_\_\_\_  
Candace Mumm, City Council

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


\_\_\_\_\_  
Rick Romero, Office of the Mayor

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

\_\_\_\_\_  
Dawn Kinder, Director  
Neighborhood and Business Services Division

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

cc: Heather Trautman, Director, Planning & Development  
Applicant

 Projects of Citywide Significance	Financial Partnership Portfolio Evaluation	
	Points Possible	Score
<b>Project based Incremental Revenue</b>		
City Property Tax, Sales Tax (Retail and Construction), Utility Taxes, Utility Revenues		
Incremental Revenue:		
3 year total incremental revenue:		
Exceeds \$1 million - 30 points		
Between \$750,000 and \$999,999 - 25 points      \$928,083	25	
Between \$500,000 and \$749,999 - 20 points		
Between \$250,000 and \$499,999 - 15 points		
<b>Max group score possible</b>	<b>30</b>	<b>25</b>
<b>Job Creation</b>		
Number of new jobs		
Greater than 100 - 10 points		
75 to 99 - 8 points      Estimate: 98 jobs.	8	
50 to 74 - 6 points		
25. to 49 - 4 points		
1 to 24 - 2 points		
Living Wage Job creation Multiplier (>130%Median Per Capita Income)		
80% to 100% of new jobs - 6X		
60% to 79% of new jobs - 5X		
40% to 59% of new jobs - 4X      45% living wage	4	
20% to 39% of new jobs - 3X		
10% to 19% of new jobs - 2X		
Less than 10% of new jobs - 1X		
<b>Max group score possible</b>	<b>60</b>	<b>32</b>
<b>Comp Plan, Design and the Environment</b>		
Brownfield redevelopment - 5 points		
Innovative or exemplary site design - 5 points		
Design includes enhanced public amenities - 5 points	5	
Project Includes Neighborhood or Sub-Area improvements - 5 points		
Incorporation of Low Impact Development standards - 5 points		
Incorporation of adopted green building standards -5 points		
Transit Oriented Development - 5 points	5	
Mixed Use Development - 5 - Points	5	
Mixed Income Development - 5 points	5	
Historic Preservation - 5 points		
Adaptive reuse - 5 points	5	
Blight removal - 5 points		
<b>Max group score possible</b>	<b>60</b>	<b>25</b>
<b>Industry Cluster Advancement</b>		
Manufacturing - 10 points		
Aerospace/Aviation - 10 points		
Technology (Biotech, medical, IT, etc) - 10 points		
Tourism - 10 points		
<b>Max group score possible</b>	<b>10</b>	
<b>Geographic Priority Areas</b>		
Located in a C&C or Downtown - 10 points		10
Located in a target investment area - 10 points		
Infill location with existing infrastructure capacity - 10 points		
<b>Max group score possible</b>	<b>10</b>	
<b>TOTAL SCORE POSSIBLE</b>	<b>170</b>	<b>92</b>
<b>"Special Considerations" Bonus - 10 points</b> Re-use of former Macy's for residential/mixed use		
(Can be added to total score when warranted in consideration of special public benefit factors not addressed above.)		
Median Per capita income \$24,000 est. \$11.5/hr. (2015)		
130% of median per capita income is \$31,200 annually and approximately \$15/hour		

Values-Based Score	92
Revenue (3-Year)	\$ 928,083

Point Score:	Base Incentive	ROI Multiplier	ROI-Based Incentive	Total Incentive
85+	\$100,000	20%	\$185,617	\$285,617
70	\$80,000	15%	\$139,212	\$219,212
55	\$60,000	10%	\$92,808	\$152,808
40	\$40,000	5%	\$46,404	\$86,404
<40	\$0	0%	\$0	\$0

	Inputs	Notes	
Valuation	\$ 55,000,000	Per proposal -estimated construction hard costs	
Annual Taxable Sales	\$ 15,100,000	Per proposal	
Annual Utilities	\$ 5,700	Est. \$50 per unit per month @114 units	
Real Estate Purchase	\$ 7,450,000	Per proposal	
Revenue Calculations			
Construction Sales Tax	\$ 462,000	Spokane portion	
RE Excise Tax	\$ 37,250	Local portion	
Annual Sales Tax	\$ 126,840	Spokane portion	
NC Property Tax	\$ 14,964	MFTE - no inc	H2-Exemption/(1000*3.93)
Annual Utility Tax	\$ 1,140	20% of utility bill	
3-Year Total	\$ 928,083		

Sales Projections				Jobs		
	sf	\$850/sf (per proposal)	\$250/sf (estimate)	Job Type	Jobs	
Nike retail	11,000		9,350,000	Specialty Retail (Per ITE)	1 Employee/549s.f.	20
Entertainment	23,000		5,750,000	Specialty Retail (Per ITE)	1 Employee/549s.f.	42
Office	8,000			Office	1 Employee/220s.f.	36
	42,000					
	Total		15,100,000	Total Estimated Employees		98

**CITY OF SPOKANE —**  
**PLANNING & DEVELOPMENT SERVICES DEPARTMENT**  
**Application for Citywide Significant Incentives**

NOTE TO APPLICANT: Please answer each question completely. If more space is needed, attach additional paper. If you have any questions about this application, do not understand the questions, or need additional information regarding regulations or policies of the City of Spokane, city staff will be happy to assist you.

Applicant: \_\_\_\_\_ Relation to Property Owner \_\_\_\_\_

Applicant's Address \_\_\_\_\_

Applicant's Phone # \_\_\_\_\_ Applicant's email address \_\_\_\_\_

Property Owner(s) \_\_\_\_\_

Property Owner's Mailing Address \_\_\_\_\_

Will the existing owners be the owner/operator of the property and/or business following construction ☐ yes ☐ no

If not, who is the project being developed for? \_\_\_\_\_

Property Address: \_\_\_\_\_ Parcel number(s): \_\_\_\_\_

Legal Description (Attach additional sheets if needed): \_\_\_\_\_

**PROJECT INFORMATION**

Project Name: \_\_\_\_\_ Date Application Completed: \_\_\_\_\_

☐ New Construction: # of square feet: \_\_\_\_\_ # of stories \_\_\_\_\_

☐ Rehabilitation of Existing Structure: # existing square feet: \_\_\_\_\_ # additional square feet added: \_\_\_\_\_

What was the prior use? \_\_\_\_\_ How many prior employees? \_\_\_\_\_

Were there prior retail sales? \_\_\_\_\_

Type of development ☐ Manufacturing ☐ Office ☐ Retail ☐ Housing ☐ Mixed use ☐ Other

Other description \_\_\_\_\_

If retail or mixed use with retail, do you have a verifiable estimate on the projected annual retail sales? ☐ yes ☐ no

If yes, what is the estimate and how can it be verified? \_\_\_\_\_

If no, provide an average annual sales per square foot estimate, using published industry data for the retail sector nearest to the type proposed. "ICSC - Shopper Spending and Sales/Sqft - Annual Report" [www.icsc.org](http://www.icsc.org) What is that estimate? \_\_\_\_\_

Estimated total expenditures in the rehabilitation or construction of the entire project: \$ \_\_\_\_\_

Description of project(s)' basic features and any other unique features that relate to the evaluation matrix criteria (Attach additional sheets if necessary): \_\_\_\_\_

Est. Construction to begin (date) \_\_\_\_\_ Construction completion \_\_\_\_\_

☐ "Before" photos provided electronically.

☐ Site and building plans provided electronically



Will the construction of the project be phased? ☐ no ☐ yes If yes, what will be constructed in each phase and when?

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### **JOB CREATION**

How many fulltime permanent employment positions will the project create? (list the fields and the number of jobs in each field)

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What will be the hourly and/or annual wages of each position be? If you don't have verifiable job and wage information for the business(s) to be located in the project, then use the latest published data from the Washington State Employment Securities Department Occupational Employment and Wage Estimates for the Spokane MSA.

<https://fortress.wa.gov/esd/employmentdata/reports-publications/occupational-reports/occupational-employment-and-wage-estimates>.

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### **AFFIRMATION**

Initial each statement below:

\_\_\_\_\_As owner(s) of the property described in this application, I hereby declare under penalty of perjury under the laws of the State of Washington that this application for Incentives and any accompanying documents have been examined by me and that they are true, correct, and complete to the best of my knowledge.

\_\_\_\_\_The applicant acknowledges that completing and submitting this application is not a guarantee of any specific financial incentive.

\_\_\_\_\_This application will be used by staff to determine if a project meets the definition of a **“Project of Citywide Significance.”** Additional information may be required for review of project qualifications for incentives.

\_\_\_\_\_Any incentive that the applicant may receive will require a Development Agreement between the Applicant and the City that will not be valid until it is approved by City Council and signed by the Mayor.

\_\_\_\_\_Following the approval of the Development Agreement, the original is required to be recorded at the County. At that time, the recording fees for the filing and recording of “Development Agreement” will need to be paid to the City of Spokane by the Applicant.

Signed at \_\_\_\_\_, Washington, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Signature(s) of all Owner(s) and Contract Purchaser(s)

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**Project of Citywide Significance:** *A single private development project which entails the development, construction or physical improvement to real property located within the City of Spokane which equals or exceed \$5 million in value, not including the value of the property itself, for which there is evidence that such project will provide significant public benefits as such term is defined in the Administrative Policy adopted by Council Resolution 2016-0036.*

#### **For Staff Use Only:**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Application signed by owner(s) and contract purchaser(s) |  |   |
| <input type="checkbox"/> Before photos received electronically                    | <input type="checkbox"/> Site/Building plans received electronically |   |
| <input type="checkbox"/> GIS Map  | <input type="checkbox"/> Zoning                                      |   |
| <input type="checkbox"/> Utility requirements                                     | <input type="checkbox"/> Right-of-way requirements                   |   |
| <input type="checkbox"/> Study requirements                                       | <input type="checkbox"/> SEPA  |   |
| <input type="checkbox"/> Assessed value   | <input type="checkbox"/> Taxable value                               | <input type="checkbox"/> Age of existing structures |
| <input type="checkbox"/> Plan/District implementation                             | <input type="checkbox"/> State and Federal incentives                |   |

EXHIBIT A

LEGAL DESCRIPTION OF FEE PROPERTY

**Tract "A":**

That portion of Lots 1 and 2, Block 11, Resurvey and Addition to Spokane Falls, as per plat recorded in Volume "A" of Plats, Page 1, records of Spokane County, described as follows:

BEGINNING at a point on the East line of said Lot 1, 50 feet South of the Northeast corner thereof;

And running Thence West 77 feet;

Thence South to a point 64 feet North of the South line of said Lot 2;

Thence West to the West Line of said Lot 2;

Thence South 64 feet to the Southwest corner of said Lot 2;

Thence East along the South line of said Lots 2 and 1 and to the Southeast corner of said Lot 1;

Thence North along the East line of said Lot 1 to the place of beginning; and

**Tract "B":**

Lot 5, except the West 10 feet thereof, all of Lot 6, Block 11, Resurvey and Addition to Spokane Falls, as per plat recorded in Book "A" of Plats, page 1, records of Spokane County;

Situate in the City of Spokane, County of Spokane, State of Washington.

EXHIBIT B

LEGAL DESCRIPTION OF LEASED PROPERTY

Lot 4 and the West 10 feet of Lot 5, Block 11, Resurvey and Addition to Spokane Falls according to plat recorded in Volume "A" of Plats, page 1;

Situate in the City of Spokane, County of Spokane, State of Washington.

## Worlock, Andrew E.

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**From:** Doug Yost <[dyost@centennialrei.com](mailto:dyost@centennialrei.com)>  
**Sent:** Friday, July 20, 2018 10:34 AM  
**To:** Worlock, Andrew E.  
**Subject:** RE: City Incentive Program

Thanks, according to Walker these are strictly material costs and include no labor costs. They also have said they can provide more material costs if needed. Thanks  
Doug

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**From:** Worlock, Andrew E. [<mailto:aworlock@spokanecity.org>]  
**Sent:** Friday, July 20, 2018 10:33 AM  
**To:** Doug Yost  
**Subject:** RE: City Incentive Program

Thanks Doug, this is very helpful. Quick question: Are all of these material costs or are some labor (eg "sitework")? I should be able to finish up my review of your application by early next week and let you know what it's looking like as far as the incentive.

Andrew

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Friday, July 20, 2018 10:27 AM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** FW: City Incentive Program

Hi Andrew,

So far these are the material costs we have calculated for the sidewalks, skywalks, etc. We can provide backup as needed. Let me know the next steps. Thanks  
Doug

- Skywalks steel material from Stevens Steel West - \$232,285.00
- Canopy steel material from Spokane Metals - \$81,579.00
- Sitework (Extra 1 03.03850) - \$11,224.95
- Sidewalks (Extra 3 03.03202) - \$13,986.70
- Shore Beams for vaulted sidewalks (Extra 3 03.03046) - \$18,087.52
- Sidewalk Vault Walls Upgrade (Extra 3 03.03019) - \$36,526.20

## Worlock, Andrew E.

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**From:** Worlock, Andrew E.  
**Sent:** Wednesday, June 27, 2018 11:21 AM  
**To:** Doug Yost  
**Subject:** RE: Incentive Program

That's perfect, I'll send out an invite. I might include James Richman since he is involved in crafting the development agreements for the program.

Andrew

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Wednesday, June 27, 2018 11:06 AM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** RE: Incentive Program

Hi Andrew,  
How about 1:00 on Friday? Thanks  
Doug

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**From:** Worlock, Andrew E. [<mailto:aworlock@spokanecity.org>]  
**Sent:** Wednesday, June 27, 2018 10:22 AM  
**To:** Doug Yost  
**Subject:** RE: Incentive Program

Hi Doug,  
Thanks for getting back to me. I have time tomorrow morning 8 to 10 open, the afternoon after 1pm and Friday 11-12 and 1 to 4pm.

Let me know if any of these times work for you.

Andrew

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Wednesday, June 27, 2018 8:41 AM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** RE: Incentive Program

Hi Andrew,  
I am back in the office. Let me know when you are available this week and we can go from there. I am sure we can provide what you need. Thanks  
Doug

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**From:** Worlock, Andrew E. [<mailto:aworlock@spokanecity.org>]  
**Sent:** Wednesday, June 20, 2018 8:33 AM  
**To:** Doug Yost  
**Subject:** RE: Incentive Program

Hi Doug, do you know what public improvements you would apply the incentive dollars towards?

It's unusual for us to approve of these retroactively after the work is already done and I want to make sure we can check all the boxes when it comes to being able to apply the incentive to reimburse for public infrastructure costs. The biggest issues will be how the work was procured (bidding process) and that for any improvements where City dollars will be used to reimburse some or all of the construction labor costs, the project will be subject to State prevailing wage requirements and we will need documentation including copies of "notice of intent to pay prevailing wages" and "affidavits of prevailing wages paid". I don't know if this is something we have discussed previously but it has become an issue on recent projects and I want to make sure we are prepared to deal with this proactively.

I'll be in meetings until about 2pm today but happy to discuss and talk through this later this afternoon or tomorrow sometime.

Thanks,

Andrew

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Tuesday, June 12, 2018 9:13 AM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** RE: Incentive Program

Hi Andrew,  
Not sure I got back to you. Right now this would be for one user. Thanks  
Doug

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**From:** Worlock, Andrew E. [<mailto:aworlock@spokanecity.org>]  
**Sent:** Tuesday, June 5, 2018 1:43 PM  
**To:** Doug Yost  
**Subject:** RE: Incentive Program

Yes it does. Is the office space one user or potential multiple?

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Tuesday, June 05, 2018 12:49 PM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** RE: Incentive Program

Hi Andrew,  
Thanks, the entertainment concept would be like a Dave and Buster or closer to a Punch Bowl Social type idea. Though it would not specifically be either of those companies. The office would be similar to a financial company. Does this help? Thanks  
Doug

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**From:** Worlock, Andrew E. [<mailto:aworlock@spokanecity.org>]  
**Sent:** Tuesday, June 5, 2018 12:35 PM  
**To:** Doug Yost  
**Subject:** RE: Incentive Program

Hi Doug, I will look into it and get back to you. In the meantime, can you give me more description of the entertainment use and also what type of retail would be considered in addition to Nike? Also how will the office space be marketed?

Thanks,

Andrew

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**From:** Doug Yost [<mailto:dyost@centennialrei.com>]  
**Sent:** Tuesday, June 05, 2018 8:16 AM  
**To:** Worlock, Andrew E. <[aworlock@spokanecity.org](mailto:aworlock@spokanecity.org)>  
**Subject:** Incentive Program

Hi Andrew,

I was wondering can you help out on the retail sales and job creation portion of the application? I tried accessing the recommended links but I am not getting the information I need. I know Nike typically will be a minimum of \$850 sqft, and I am not having much luck verifying jobs or sales for the entertainment use for the other 23,000 sqft of retail and 8,000 of office. Thanks

Doug

Doug Yost  
Centennial Properties, Inc.  
Vice President of Development and Acquisitions  
509 227-5802

**The "M" Building Project**  
**PROJECT REVIEW COMMITTEE RECOMMENDATION**

**Evaluation Matrix Score: 92**

**Incentive Value: \$285,617**

Pursuant to the Projects of Citywide Significance Incentive Policy, the Project Review Committee, hereby:

- ☒ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated.
- ☐ Accepts and concurs with the staff recommendations, evaluation matrix score and determination of financial incentive value, and adopts these recommendations as our own findings for the reasons stated, with the following modifications:

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Project Review Committee Members:

  
\_\_\_\_\_  
Ben Stuckart, City Council President

11/8/18  
Date:

  
\_\_\_\_\_  
Candace Mumm, City Council

11/19/18  
Date:

  
\_\_\_\_\_  
Rick Romero, Office of the Mayor

11/8/18  
Date:

  
\_\_\_\_\_  
Dawn Kinder, Director  
Neighborhood and Business Services Division

11/27/18  
Date:

cc: Heather Trautman, Director, Planning & Development  
Applicant



**Agenda Sheet for City Council Meeting of:**

11/05/2018

**Date Rec'd**

10/22/2018

**Clerk's File #**

ORD C35697

**Renews #****Cross Ref #****Submitting Dept**

CITY COUNCIL

**Contact Name/Phone**

KATE BURKE 625-6275

**Project #****Contact E-Mail**

KATEBURKE@SPOKANECITY.ORG

**Bid #****Agenda Item Type**

Final Reading Ordinance

**Requisition #****Agenda Item Name**

0320 - ORDINANCE CONCERNING PUBLIC ACCESS TO PUBLIC SPACES AT CITY HALL

**Agenda Wording**

An ordinance reaffirming that the first floor lobby of City Hall is open to all members of the public; enacting a new section 12.05.050 of the Spokane Municipal Code.

**Summary (Background)**

This ordinance provides that the first floor of City Hall is a publicly-accessible space during working hours, and that members of the public are welcome unless they are obstructing or interfering with the work of City employees.

**Fiscal Impact**

Grant related? NO

**Budget Account**

Public Works? NO

Neutral

\$

#

Select

\$

#

Select

\$

#

Select

\$

#

**Approvals****Council Notifications****Dept Head**

MCDANIEL, ADAM

**Study Session****Division Director****Other**

PIES Comm., 8/22/2018

**Finance**

BUSTOS, KIM

**Distribution List****Legal**

DALTON, PAT

**For the Mayor**

ORMSBY, MICHAEL

**Additional Approvals****Purchasing****CITY COUNCIL**

MCDANIEL, ADAM

## **ORDINANCE NO. C35697**

An ordinance reaffirming that the first floor lobby of City Hall is open to all members of the public; enacting a new section 12.05.050 of the Spokane Municipal Code.

**WHEREAS**, City Hall is a publicly-owned building; and

**WHEREAS**, the City of Spokane strives to be a transparent government body, and seeks to encourage greater public participation in our local government activities; and

**WHEREAS**, one of the City's goals, as outlined in its strategic plan, is to "[c]reate a compassionate community so that all people can feel safe, empowered, and welcome"; and

**WHEREAS**, our strategic plan also calls on the City to "protect vulnerable populations," some of whom are people in Spokane who may have nowhere else to go during the coldest times of the year; and

**WHEREAS**, the recent "#spokind" City initiative tells the world that "[i]n Spokane, we strive to be a city of kindness," "no matter what you look like"; and

**WHEREAS**, the lobby of City Hall, on the first, floor, has a designated seating area where people can sit and rest without disturbing the work of City employees; and

**WHEREAS**, the City Council has determined that a specific statement that certain areas of City Hall are always accessible to the public is required.

**NOW THEREFORE**, the City of Spokane does ordain:

**Section 1.** That there is enacted a new section 12.05.050 of the Spokane Municipal Code to read as follows:

### **Section 12.05.050 Public Access to City Hall**

- A. City Hall is a public building, owned by the City of Spokane and its people, for the access of, and provision of services to, the people of Spokane.
- B. In addition to other areas to which the public has access during the City's office hours (defined in SMC 03.02.010 as 8 a.m. to 5 p.m., Monday through Friday, public holidays excepted), the first-floor lobby of City Hall is a public area, and any member of the public may enter and remain there during office hours, without time limit. A member of the public may be removed from the first-floor lobby of City Hall if he or she engages in violent or threatening behavior or causes a disturbance which impairs the ability of City employees to conduct City business.

- C. Other areas of City Hall may, by appropriate administrative policy, be designated as non-public areas, to which public access may be restricted during normal City office hours.
- D. The Mayor or the Mayor's Designee may activate City Hall for purposes of a warming center, cooling center, safe air center, or emergency center in compliance with activation criteria set forth in SMC 18.05.020. Any working condition impacts to City of Spokane employees from the activation of City Hall as a warming center, cooling center, safe air center, or emergency shelter may be subject to mandatory bargaining.
- E. All administrative policies which are in conflict with this section are superseded to the extent of the conflict.

**PASSED** by the City Council on \_\_\_\_\_.

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

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

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

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

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