

**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!**

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

2.2.4 The open forum is a limited public forum and all matters discussed shall relate to affairs of the City. No person may use the open forum to speak on such matters and in such a manner as to violate the laws governing the conduct of municipal affairs. No person shall be permitted to speak on matters related to the current or advance agendas, potential or pending hearing items, or ballot propositions for a pending election. Individuals speaking during the open forum shall address their comments to the Council President and shall not make personal comment or verbal insults about any individual.

Rule 5.4 Public Testimony Regarding Legislative Agenda Items – Time Limits

- 5.3.1 Members of the public may address the Council regarding items on the Council's legislative agenda, special consideration items, hearing items and other items before the City Council requiring Council action that are not adjudicatory or administrative in nature. This rule shall not limit the public's right to speak during the open forum.
- 5.3.2 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 and provide his or her address as a condition of recognition. In order for a council member to be recognized by the Chair for the purpose of obtaining the floor, the council member shall either raise a hand or depress the call button on the dais until recognized by the Council President.
- 5.3.3 Each person speaking at the public microphone shall verbally identify him(her)self by name and, if appropriate, representative capacity.
- 5.3.4 Each speaker shall follow all written and verbal instructions so that verbal remarks are electronically recorded and documents submitted for the record are identified and marked by the Clerk.
- 5.3.5 In order that evidence and expressions of opinion be included in the record and that — decorum befitting a deliberative process be maintained, no modes of expression not provided by these rules, such as demonstrations, banners, applause and the like will be permitted.
- 5.3.6 A speaker asserting a statement of fact may be asked to document and identify the source of the factual datum being asserted.
- 5.3.7 When addressing the Council, members of the public shall direct all remarks to the Council President and shall confine remarks to the matters that are specifically before the Council at that time.
- 5.3.8 When any person, including members of the public, City staff and others are addressing the Council, council members shall observe the same decorum and process, as the rules require among the members inter se. That is, a council member shall not engage the person addressing the Council in colloquy, but shall speak only when granted the floor by the Council President. All persons and/or council members shall not interrupt one another. The duty of mutual respect set forth in Rule 1.2 and the rules governing debate set forth in *Robert's Rules of Order* shall extend to all speakers before the City Council. The council president pro-tem shall be charged with the task of assisting the council president to insure that all individuals desiring to speak, be they members of the public, staff or council members, shall be identified and provided the opportunity to speak.

THE CITY OF SPOKANE



CURRENT COUNCIL AGENDA

MEETING OF MONDAY, JUNE 29, 2015

MISSION STATEMENT

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

MAYOR DAVID A. CONDON

COUNCIL PRESIDENT BEN STUCKART

COUNCIL MEMBER MICHAEL A. ALLEN

COUNCIL MEMBER CANDACE MUMM

COUNCIL MEMBER KAREN STRATTON

COUNCIL MEMBER MIKE FAGAN

COUNCIL MEMBER JON SNYDER

COUNCIL MEMBER AMBER WALDREF

CITY COUNCIL CHAMBERS
CITY HALL

808 W. SPOKANE FALLS BLVD.
SPOKANE, WA 99201

City of Spokane Guest Wireless access for Council Chambers for June 29, 2015:

User Name: **COS Guest**

Password: **3jrWB28p**

Please note the space in user name. Also, both user name and password are case sensitive.

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. 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 Christine Cavanaugh at (509) 625-6383, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or ccavanaugh@spokanecity.org. Persons who are deaf or hard of hearing may contact Ms. Cavanaugh at (509) 625-7083 through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

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

BRIEFING SESSION

(3:30 p.m.)

(Council Chambers Lower Level of City Hall)

(No Public Testimony Taken)

Council Reports

Staff Reports

Committee Reports

Advance Agenda Review

Current Agenda Review

ADMINISTRATIVE SESSION

Roll Call of Council

CONSENT AGENDA

REPORTS, CONTRACTS AND CLAIMS

RECOMMENDATION

- | | | | |
|----|--|------------------------------------|------------------------------|
| 1. | Purchases from Freedom Truck Centers (Spokane, WA) for the City of Spokane Fleet Services Department for: | Approve
All | |
| | a. Installation of a heavy duty platform, storage bins, HD ICC Bumper, crane and outriggers, as a replacement unit for the Water Department—\$172,949.09. | | OPR 2015-0556
BID 4135-15 |
| | b. Installation of one custom fabricated platform/hoist and winch with accessories as a replacement unit for the Parks Department—\$60,604.60. | | OPR 2015-0557
BID 4136-15 |
| 2. | Purchase of three Ford F-150 extended cab 4x4 pickup trucks from Wendle Motors (Spokane, WA) by the Fleet Services Department for the Engineering Services Department—\$79,723.91 (incl. tax). | Approve | OPR 2015-0558
BID 4139-15 |
| 3. | Low Bid of T. LaRiviere Equipment & Excavation, Inc. (Athol, ID) for 1st Avenue from Helena Street to Altamont Street—\$521,706.75 (plus tax). An | Approve &
Authorize
Contract | PRO 2015-0021
ENG 2014118 |

administrative reserve of \$52,170.68 (plus tax), which is 10% of the contract price, will be set aside.

- | | | | |
|-----|--|------------------------------------|------------------------------|
| 4. | Consultant Agreement with OAC Services, Inc to provide consulting services relating to designing and building membrane filtration at Riverside Park Water Reclamation Facility via the General Contractor/Construction Manager form of project delivery—\$197,417. | Approve | OPR 2015-0559 |
| 5. | Contract Amendment with Moloney & O'Neill Life, Inc (Spokane, WA) for benefit insurance broker services effective July 1, 2015 through June 30, 2017—Annual fee: \$135,000. | Approve | OPR 2012-0526
BID 3854-12 |
| 6. | Loan Agreement and other documents with Volunteers LIHTC LLC (Spokane, WA) for construction of VOA 2nd Avenue, a 51-unit apartment building at 217 East 2nd Avenue—\$1,100,000 HOME funds. (East Central neighborhood) | Approve | OPR 2015-0560 |
| 7. | Interdepartmental agreement between the City's Utilities, Finance, and Business & Developer Services divisions regarding the use of the right of way system for managing stormwater and accommodating water and wastewater utility infrastructure needs. | Approve | OPR 2015-0561 |
| 8. | Parking Lot Lease Agreement Amendment related to Spokane Transit Authority and the under I-90 parking currently used for the Eastern Washington Park and Ride through May 10, 2021. | Approve | OPR 2005-0440 |
| 9. | Report of the Mayor of pending: | Approve &
Authorize
Payments | |
| a. | Claims and payments of previously approved obligations, including those of Parks and Library, through June 22, 2015, total \$3,838,849.96, with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$3,731,379.23. | | CPR 2015-0002 |
| b. | Payroll claims of previously approved obligations through June 20, 2015: \$6,061,813.86. | | CPR 2015-0003 |
| 10. | City Council Meeting Minutes: June 15, 2015. | Approve
All | CPR 2015-0013 |

11. Set Hearing before City Council for Monday, July 13, 2015, on Proposed Initiative No. 2015-1 petitions filed on behalf of Jackie Murray, sponsor, relating to immigration status information. Council Decision LGL 2014-0023

EXECUTIVE SESSION

(Closed Session of Council)

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

CITY COUNCIL SESSION

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

(Council Briefing Center)

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

LEGISLATIVE SESSION

(6:00 P.M.)

(Council Reconvenes in Council Chamber)

WORDS OF INSPIRATION

PLEDGE OF ALLEGIANCE

ROLL CALL OF COUNCIL

ANNOUNCEMENTS

(Announcements regarding Changes to the City Council Agenda)

BOARDS AND COMMISSIONS APPOINTMENTS

(Includes Announcements of Boards and Commissions Vacancies)

APPOINTMENTS

RECOMMENDATION

Spokane Public Library Board: One Appointment

Confirm

CPR 1981-0400

CITY ADMINISTRATION REPORT

COUNCIL COMMITTEE REPORTS

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

OPEN FORUM

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

LEGISLATIVE AGENDA

EMERGENCY BUDGET ORDINANCES

(Require Five Affirmative, Recorded Roll Call Votes)

Ordinances amending Ordinance No. C35185 passed the City Council November 24, 2014, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2015, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2015, and providing it shall take effect immediately upon passage," and declaring an emergency and appropriating funds in:

ORD C35275 General Fund
FROM: Unappropriated Reserves, \$25,000,
TO: Parks & Recreation, \$25,000;

and

Parks and Recreation Fund
FROM: Transfer from General Fund, \$25,000,
TO: Contractual Services, \$25,000;

(This action appropriates funding for a study of the area around Corbin Art Center to allow for a bike and pedestrian pathway that connects the central portion of the South Hill to Downtown.)

ORD C35276 General Fund
FROM: Unappropriated Reserves, \$25,000,
TO: Transfer to Golf Fund, \$25,000;

and

Golf Fund
FROM: Transfer from General Fund, \$25,000,
TO: Advertising, \$25,000;

(This action provides a one-time transfer for marketing the City's golf courses/programs to increase rounds of play and introduce new people to golf.)

ORD C35277

General Fund

FROM: Unappropriated Reserves, \$45,000,

TO: Asset Management, \$45,000;

and

Asset Management Fund

FROM: Transfer from General Fund, \$45,000,

TO: Land Acquisition, \$45,000;

(This action mitigates the impacts of the North/South Freeway by working with the Public Development Authority to purchase a lot in Hillyard via an intergovernmental arrangement.)

NO EMERGENCY ORDINANCES

RESOLUTIONS

(Require Four Affirmative, Recorded Roll Call Votes)

RES 2015-0062

Relating to Assessment Segregation relating to LID No. 2011082, for the improvement of 15th Avenue from Chestnut Street to Inland Empire Way; 14th Avenue from Chestnut Street to Inland Empire Way; and to segregate County Assessor's Parcel Numbers 25251.0621 in the amount of \$5,958.95 and 25251.0622 in the amount of \$6,213.13.

FINAL READING ORDINANCE

(Requires Four Affirmative, Recorded Roll Call Votes)

ORD C35258

Relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses; adopting a new section 10.06.050 to chapter 10.06 of the Spokane Municipal Code. (Deferred from June 15, 2015, Agenda)

The following item (ORD C35274) has been deferred to the August 10, 2015, Agenda:

ORD C35274

~~Relating to the process for filling vacancies in the position of police ombudsman; amending SMC section 4.32.080 and SMC section 4.32.090.~~

ORD C35272

Relating to the use of automated traffic safety cameras for school speed zones; amending SMC sections 16A.64.210 and 16A.64.220 of the Spokane Municipal Code. (Deferred from June 22, 2015, Agenda)

NO FIRST READING ORDINANCES

NO SPECIAL CONSIDERATIONS

NO HEARINGS

**Motion to Approve Advance Agenda for June 29, 2015
(per Council Rule 2.1.2)**

OPEN FORUM (CONTINUED)

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

ADJOURNMENT

The June 29, 2015, Regular Legislative Session of the City Council is adjourned to July 13, 2015.

Note: The regularly scheduled City Council meeting for Monday, July 6, 2015, has been canceled.

NOTES

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

06/29/2015

<u>Date Rec'd</u>	6/16/2015
<u>Clerk's File #</u>	OPR 2015-0556
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	BID #4135-15
<u>Requisition #</u>	17264
<u>Agenda Item Name</u>	5100-FLEET PURCHASE OF PLATFORM CRANE MOUNTED ON TRUCK CHASSIS

Agenda Wording

Purchase and installation of a heavy duty platform, storage bins, HD ICC Bumper, crane and outriggers from Freedom Truck Centers (Spokane, WA) for the City of Spokane Fleet Services Department - \$172,949.09

Summary (Background)

On April 27, 2015 sealed bids were received for the purchase and installation of a platform crane on a city owned truck chassis. One response was received and Freedom Truck Centers is the lowest responsible bidder. This is a replacement vehicle for the City of Spokane Water Department.

Fiscal Impact**Budget Account**

Expense	\$ 172,949.09	# 4100-42490-94000-56404
Select	\$	#
Select	\$	#
Select	\$	#

Approvals**Council Notifications**

<u>Dept Head</u>	RIGGS, STEVEN	<u>Study Session</u>	
<u>Division Director</u>	ROMERO, RICK	<u>Other</u>	PWC 6./8/15
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	GJAKUBCZAK`	
<u>For the Mayor</u>	SANDERS, THERESA	TPRINCE	
<u>Additional Approvals</u>		TAXES & LICENSES	
<u>Purchasing</u>	PRINCE, THEA		

**FLEET SERVICES
MEMORANDUM**

June 18, 2015

TO: PURCHASING DEPARTMENT

**FROM: GENE JAKUBCZAK
FLEET SERVICES DIRECTOR**

SUBJ: BID # 4135-15

After careful consideration, the Fleet Services Department recommends bid #4135-15 be awarded to Freedom Truck Centers, Inc., the lowest responsive bidder for a truck flatbed body, crane and accessories. One bid was received. This is a replacement vehicle for the Water Department.

QTY	ITEM	UNIT PRICE
1	Provide and install a heavy duty platform storage bins, HD LOC bumper, crane and outriggers	\$159,107.00
1	Sales tax (8.7%)	\$13,842.09
TOTAL		\$172,949.09

cc: Dan Kegl ey
Roger Burchell
Mike Cavanaugh

BRIEFING PAPER
Public Works Committee
Fleet Services
June 8, 2015

Subject

Purchase of one flatbed dump body and large crane with accessories for the Water Department for \$172,949.09 (tax incl.) from Freedom Truck Centers of Spokane. This equipment will be mounted on a new truck chassis purchased separately.

Background

This equipment, mounted on a truck chassis, will replace a large crane that was surplused last year.

Impact

This equipment is used by the Water department to transport large, heavy pipe to construction sites as needed.

Action

Recommend approval.

Funding

Funding is available in the Water Department's 2015 budget.

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

06/29/2015

<u>Date Rec'd</u>	6/16/2015
<u>Clerk's File #</u>	OPR 2015-0557
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	BID #4136-15
<u>Requisition #</u>	17298
<u>Agenda Item Name</u>	5100-FLEET PURCHASE OF CUSTOM FABRICATED PLATFORM/WINCH, ETC.

Agenda Wording

Provide and Install one (1) custom fabricated platform/hoist & winch with accessories from Freedom Truck Centers (Spokane, WA) - \$60,604.60 including tax

Summary (Background)

On May 4, 2015 sealed bids were opened to provide the city with and install one (1) custom fabricated platform/hoist/winch with accessories. One (1) bid was received with Freedom Truck Centers being the lowest responsive bidder. This is a replacement vehicle for the Parks Department.

Fiscal Impact**Budget Account**

Expense	\$ 60,604.60	# 1950-54925-94000-56404
Select	\$	#
Select	\$	#
Select	\$	#

Approvals**Council Notifications**

<u>Dept Head</u>	RIGGS, STEVEN	<u>Study Session</u>	
<u>Division Director</u>	ROMERO, RICK	<u>Other</u>	PWC 6/8/15
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	GJAKUBCZAK	
<u>For the Mayor</u>	SANDERS, THERESA	TPRINCE	
<u>Additional Approvals</u>		TAXES & LICENSES	
<u>Purchasing</u>	PRINCE, THEA		

**FLEET SERVICES
MEMORANDUM**

June 18, 2015

TO: PURCHASING DEPARTMENT

**FROM: GENE JAKUBCZAK
FLEET SERVICES DIRECTOR**

SUBJ: BID # 4135-15

After careful consideration, the Fleet Services Department recommends bid #4135-15 be awarded to Freedom Truck Centers, Inc., the lowest responsive bidder for a truck flatbed body, crane and accessories. One bid was received. This is a replacement vehicle for the Water Department.

QTY	ITEM	UNIT PRICE
1	Provide and install a heavy duty platform storage bins, HD LOC bumper, crane and outriggers	\$159,107.00
1	Sales tax (8.7%)	\$13,842.09
TOTAL		\$172,949.09

cc: Dan Kegl ey
Roger Burchell
Mike Cavanaugh

BRIEFING PAPER
Public Works Committee
Fleet Services
June 8, 2015

Subject

Purchase of one flatbed dump body and large crane with accessories for the Water Department for \$172,949.09 (tax incl.) from Freedom Truck Centers of Spokane. This equipment will be mounted on a new truck chassis purchased separately.

Background

This equipment, mounted on a truck chassis, will replace a large crane that was surplusd last year.

Impact

This equipment is used by the Water department to transport large, heavy pipe to construction sites as needed.

Action

Recommend approval.

Funding

Funding is available in the Water Department's 2015 budget.

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

06/29/2015

<u>Date Rec'd</u>	6/16/2015
<u>Clerk's File #</u>	OPR 2015-0558
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	BID #4139-15
<u>Requisition #</u>	17292
<u>Submitting Dept</u>	FLEET SERVICES
<u>Contact Name/Phone</u>	GENE JAKUBCZAK 509-625-7865
<u>Contact E-Mail</u>	GJAKUBCZAK@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Purchase w/o Contract
<u>Agenda Item Name</u>	5100-FLEET PURCHASE OF THREE FORD F150 PICKUPS

Agenda Wording

Purchase of three (3) Ford F-150 extended cab 4x4 pickup trucks from Wendle Motors (Spokane, WA) for the City of Spokane Fleet Services Department - \$79,723.91 including tax

Summary (Background)

On May 18, 2015 sealed bids were received to purchase three (3) or more 1/2 Ton Pickup Trucks. Three (3) responses were received with Wendle Ford being the lowest responsive bidder. These pickup trucks are additional trucks for the engineering Services Department for the new inspectors recently added to the construction management office.

Fiscal Impact**Budget Account**

Expense	\$ 79,723.91	# 0370-30210-94000-56404
Select	\$	#
Select	\$	#
Select	\$	#

Approvals**Council Notifications**

<u>Dept Head</u>	RIGGS, STEVEN	<u>Study Session</u>	
<u>Division Director</u>	ROMERO, RICK	<u>Other</u>	PWC - 6/8/15
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	GJAKUBCZAK	
<u>For the Mayor</u>	SANDERS, THERESA	TPRINCE	
<u>Additional Approvals</u>		TAXES & LICENSES	
<u>Purchasing</u>	PRINCE, THEA		

**FLEET SERVICES
MEMORANDUM**

June 18, 2015

TO: PURCHASING DEPARTMENT

FROM: GENE JAKUBCZAK
FLEET SERVICES DIRECTOR

SUBJ: BID # 4139-15

After careful consideration, the Fleet Services Department recommends bid #4139-15 be awarded to Wendle Motors, Inc., the lowest responsive bidder, for the purchase of three Ford F-150 extended cab 4 wheel drive pick-ups. These vehicles are for the Engineering Services Department.

QTY	ITEM	EACH	TOTAL
3	2015 Ford F-150 ext. cab 4x4 pick-up	\$24,402.79	\$73,208.37
Sales Tax	8.9%		\$ 6,515.54
TOTAL			\$79,723.91

cc: Kyle Twohig

BRIEFING PAPER
Public Works Committee
Fleet Services
June 8, 2015

Subject

Purchase of three Ford F-150 pick-ups for the Engineering Services Department for \$79,723.91 (tax incl.) from Wendle Ford Motors of Spokane.

Background

These are additional trucks for the new inspectors recently added to the construction management office via EBO to support the Levy Project workload.

Impact

They will be used by public works inspectors on the projects they will be assigned to inspect.

Action

Recommend approval.

Funding

Funding is available in the Engineering Services Department's 2015 budget.

EXTENDED CAB 4X4 ½ TON PICKUPS

BID #4139-15 OPENED: 5/18/15

	KNUDTSEN CHEVROLET 1900 E POLSTON AVE POST FALLS ID 83854 208-664-8107 Dave Benedict daved@knudtsen.com 2015 Chevrolet Silverado 1500	WENDLE MOTORS INC. 9000 N DIVISION SPOKANE WA 99228 509-343-7438 Aaron Austin aarona@wendle.com 2015 Ford F150 X1E 4x4	POWER FORD LINCOLN 1107 NORTH COAST HWY #101 NEWPORT OR 97365 503-871-0703 Don Kasinger dpkasinger@aol.com 2015 Ford F150 X1E XL
3 or more ½ ton Pickup Trucks w/extended cab and four wheel drive plus options as stated	\$25,025.00/ea	\$24,402.79/ea	\$24,993.00/ea
Engine Bid	4.3 liter 285 hp	3.5 liter 283 hp	3.5 liter 283 hp
Options:			
Limited Slip Rear Axle	\$335.75	\$486.00 * Option = 3.73 Electronic Locking Rear Axle	\$486.00
Cloth Seats	0.00	No Charge	No charge
Exceptions:	150 amp alt 730 CCA Battery 5 year/100,000 mile powertrain warranty		200 amp alt 610 CCA
TOTAL	\$75,075.00	\$73,208.37	\$74,979.00
Delivery	75 days FRO	80 days FRO ** current fleet order schedule states 8-10 weeks	90-120 days FRO
Additional Items	Yes thru 7/23/15	Yes	YES
Credit Card	No	No	No

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

06/29/2015

<u>Date Rec'd</u>	6/16/2015
<u>Clerk's File #</u>	PRO 2015-0021
<u>Renews #</u>	

<u>Submitting Dept</u>	ENGINEERING SERVICES	<u>Cross Ref #</u>	
<u>Contact Name/Phone</u>	DAN BULLER 625-6391	<u>Project #</u>	2014118
<u>Contact E-Mail</u>	DBULLER@SPOKANECITY.ORG	<u>Bid #</u>	
<u>Agenda Item Type</u>	Contract Item	<u>Requisition #</u>	CR 15665
<u>Agenda Item Name</u>	0370 - LOW BID AWARD - T. LARIVIERE EQUIPMENT & EXCAVATION, INC.		

Agenda Wording

Low Bid of T. LaRiviere Equipment & Excavation, Inc. (Athol, ID) for 1st Avenue from Helena Street to Altamont Street - \$521,706.75 plus tax. An administrative reserve of \$52,170.68 plus tax, which is 10% of the contract price plus tax, will

Summary (Background)

On June 15, 2015 bids were opened for the above project. The low bid was from T. LaRiviere Equipment & Excavation, Inc. in the amount of \$521,706.75, which is \$3,342.75 or .53% under the Engineer's Estimate; two other bids were received as follows: Shamrock Paving, Inc. - \$528,945.75 and Inland Asphalt Company - \$555,222.00.

<u>Fiscal Impact</u>		<u>Budget Account</u>	
Expense	\$ 355,205.65	#	6785 49825 42800 54201 99999
Expense	\$ 154,079.96	#	4250 42300 94000 56501 99999
Expense	\$ 19,501.22	#	3200 49199 42800 54201 99999
Expense	\$ 43,352.07	#	3200 49199 42800 54201 99999
<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	TWOHIG, KYLE	<u>Study Session</u>	
<u>Division Director</u>	SIMMONS, SCOTT M.	<u>Other</u>	Public Works 6/8/15
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	lhattenburg@spokanecity.org	
<u>For the Mayor</u>	SANDERS, THERESA	kbustos@spokanecity.org	
<u>Additional Approvals</u>		jsalstrom@spokanecity.org	
<u>Purchasing</u>		htrautman@spokanecity.org	
		kgoodman@spokanecity.org	
		jahensley@spokanecity.org	



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

be set aside. (East Central Neighborhood Council)

Summary (Background)

Fiscal Impact

Expense \$ 3,335.92

Select \$

Budget Account

4250 42300 94000 56501 04100

#

Distribution List

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

Project Number: 2014118

Project Description 1st Ave from Helena St to Altamont St

Original Date 5/28/2015 8:36:09 AM

Funding Source Local

Update Date 6/15/2015 1:52:51 PM

Preparer Jonathan Adams

Addendum

Project Number: 2014118			Engineer's Estimate		T LaRiviere Equipment & Excavation Inc		Shamrock Paving Inc		Inland Asphalt Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 01

Street

Public Street Improvement

101	REIMBURSEMENT FOR THIRD PARTY DAMAGE	1 EST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
102	SPCC PLAN	1 LS	*****	500.00	*****	650.00	*****	500.00	*****	500.00
103	POTHOLING	4 EA	500.00	2,000.00	250.00	1,000.00	325.00	1,300.00	250.00	1,000.00
104	REFERENCE AND REESTABLISH SURVEY MONUMENT	6 EA	500.00	3,000.00	300.00	1,800.00	450.00	2,700.00	420.00	2,520.00
105	CLASSIFICATION AND PROTECTION OF SURVEY MONUMENTS	1 LS	*****	2,000.00	*****	2,500.00	*****	2,200.00	*****	2,100.00
106	MOBILIZATION	1 LS	*****	40,000.00	*****	45,000.00	*****	32,000.00	*****	56,500.00
107	PROJECT TEMPORARY TRAFFIC CONTROL	1 LS	*****	25,000.00	*****	15,000.00	*****	20,000.00	*****	28,000.00
108	SPECIAL SIGNS	28 SF	20.00	560.00	25.00	700.00	25.00	700.00	12.50	350.00
109	TYPE III BARRICADE	40 EA	75.00	3,000.00	45.00	1,800.00	35.00	1,400.00	37.50	1,500.00
110	REMOVE EXISTING CURB	700 LF	10.00	7,000.00	10.00	7,000.00	5.00	3,500.00	10.50	7,350.00
111	REMOVE CEMENT CONCRETE SIDEWALK AND DRIVEWAY	540 SY	12.00	6,480.00	13.00	7,020.00	8.00	4,320.00	13.50	7,290.00
112	REMOVE MANHOLE, CATCH BASIN OR DRYWELL	15 EA	500.00	7,500.00	400.00	6,000.00	425.00	6,375.00	415.00	6,225.00
113	REMOVE CURB/GRATE INLET	3 EA	350.00	1,050.00	350.00	1,050.00	300.00	900.00	365.00	1,095.00
114	SAWCUTTING CURB	63 EA	25.00	1,575.00	35.00	2,205.00	30.00	1,890.00	22.00	1,386.00

<i>Project Number:</i> 2014118			<i>Engineer's Estimate</i>		T LaRiviere Equipment & Excavation Inc.		Shamrock Paving Inc		Inland Asphalt Company	
<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>	Street				Public Street Improvement					
115	SAWCUTTING RIGID PAVEMENT	1500 LFI	1.00	1,500.00	1.00	1,500.00	1.50	2,250.00	0.70	1,050.00
116	SAWCUTTING FLEXIBLE PAVEMENT	9400 LFI	0.30	2,820.00	0.35	3,290.00	0.35	3,290.00	0.30	2,820.00
117	CSTC FOR SIDEWALK AND DRIVEWAYS	30 CY	45.00	1,350.00	100.00	3,000.00	64.00	1,920.00	70.00	2,100.00
118	HMA CL. 1/2 IN. PG 64-28, 2 INCH THICK	12355 SY	9.50	117,372.50	9.25	114,283.75	9.45	116,754.75	9.25	114,283.75
119	HMA FOR PRELEVELING CL. 3/8 IN. PG 64-28	20 TO	100.00	2,000.00	178.00	3,560.00	225.00	4,500.00	178.00	3,560.00
120	HMA FOR PAVEMENT REPAIR CL. 1/2 IN. PG 64-28, 3 INCH THICK	2500 SY	21.00	52,500.00	21.00	52,500.00	22.00	55,000.00	20.50	51,250.00
121	HMA FOR TRANSITION, CL. 1/2 IN. PG 64-28, 2 INCH THICK	15 SY	18.00	270.00	105.00	1,575.00	48.00	720.00	96.00	1,440.00
122	CRACK SEALING 1-INCH TO 3-INCH	11500 LF	2.00	23,000.00	2.00	23,000.00	1.00	11,500.00	1.50	17,250.00
123	PAVEMENT REPAIR EXCAVATION INCL. HAUL	2500 SY	14.00	35,000.00	11.00	27,500.00	21.00	52,500.00	16.50	41,250.00
124	PLANING BITUMINOUS PAVEMENT	5900 SY	3.00	17,700.00	3.00	17,700.00	3.00	17,700.00	2.40	14,160.00
125	JOB MIX COMPLIANCE PRICE ADJUSTMENT	1 CAL	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
126	COMPACTION PRICE ADJUSTMENT	1 EST	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
127	MANHOLE TYPE 48, BASIC PRICE	1 EA	2,600.00	2,600.00	1,900.00	1,900.00	4,000.00	4,000.00	2,200.00	2,200.00
128	MANHOLE TYPE 96, DOGHOUSE	1 EA	15,000.00	15,000.00	12,000.00	12,000.00	20,000.00	20,000.00	12,500.00	12,500.00
129	ADJUST EXISTING VALVE BOX, MONUMENT OR CLEANOUT IN ASPHALT	8 EA	300.00	2,400.00	300.00	2,400.00	300.00	2,400.00	315.00	2,520.00
130	CATCH BASIN TYPE 1	10 EA	2,100.00	21,000.00	1,800.00	18,000.00	2,100.00	21,000.00	1,825.00	18,250.00
131	CATCH BASIN TYPE 3	6 EA	2,300.00	13,800.00	2,100.00	12,600.00	2,100.00	12,600.00	2,100.00	12,600.00
132	RETROFIT SURFACE INLET CATCH BASIN WITH FRAME & VANED GRATE	1 EA	500.00	500.00	650.00	650.00	750.00	750.00	685.00	685.00

<i>Project Number:</i> 2014118			<i>Engineer's Estimate</i>		T LaRiviere Equipment & Excavation Inc.		Shamrock Paving Inc		Inland Asphalt Company	
<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>	Street				Public Street Improvement					
133	RETROFIT SURFACE INLET FRAME & GRATE WITH HOOD, FRAME AND BI-DIRECTIONAL VANED GRATE	1 EA	700.00	700.00	650.00	650.00	700.00	700.00	685.00	685.00
134	MANHOLE OR DRYWELL FRAME AND COVER (STANDARD)	7 EA	400.00	2,800.00	500.00	3,500.00	700.00	4,900.00	580.00	4,060.00
135	MANHOLE OR DRYWELL FRAME AND COVER (LOCKABLE)	1 EA	400.00	400.00	650.00	650.00	700.00	700.00	685.00	685.00
136	VALVE BOX AND COVER	2 EA	400.00	800.00	300.00	600.00	385.00	770.00	315.00	630.00
137	CLEANING EXISTING DRAINAGE STRUCTURE	2 EA	225.00	450.00	300.00	600.00	225.00	450.00	315.00	630.00
138	TRENCH SAFETY SYSTEM	1 LS	*****	500.00	*****	800.00	*****	2,200.00	*****	846.00
139	CATCH BASIN SEWER PIPE 8 IN. DIAM.	365 LF	30.00	10,950.00	42.00	15,330.00	34.00	12,410.00	44.00	16,060.00
140	CATCH BASIN DUCTILE IRON SEWER PIPE 8 IN. DIAM.	100 LF	40.00	4,000.00	50.00	5,000.00	55.00	5,500.00	52.00	5,200.00
141	CONNECT 8 IN. DIAMETER PIPE TO EXISTING CATCH BASIN, DRYWELL, OR MANHOLE	3 EA	250.00	750.00	225.00	675.00	300.00	900.00	235.00	705.00
142	CONNECT 8 IN. DIAM. SEWER PIPE TO EXISTING SEWER PIPE	6 EA	150.00	900.00	800.00	4,800.00	350.00	2,100.00	1,150.00	6,900.00
143	CONNECT 12 IN. DIAM. SEWER PIPE TO EXISTING SEWER PIPE	1 EA	200.00	200.00	1,000.00	1,000.00	475.00	475.00	1,550.00	1,550.00
144	REMOVE EXISTING SEWER PIPE	38 LF	10.00	380.00	6.00	228.00	17.00	646.00	31.50	1,197.00
145	TEMPORARY ADJACENT UTILITY SUPPORT	1 LS	*****	1,000.00	*****	500.00	*****	350.00	*****	1,575.00
146	CLEANING EXISTING SANITARY SEWER	6 EA	300.00	1,800.00	300.00	1,800.00	300.00	1,800.00	525.00	3,150.00
147	SANITARY SEWER PIPE 12 IN. DIAM. INCL. STRUCTURAL EXCAVATION CLASS B	42 LF	50.00	2,100.00	100.00	4,200.00	39.00	1,638.00	105.00	4,410.00
148	ESC LEAD	1 LS	*****	1,000.00	*****	1,200.00	*****	1,000.00	*****	425.00
149	INLET PROTECTION	33 EA	80.00	2,640.00	90.00	2,970.00	75.00	2,475.00	94.25	3,110.25

<i>Project Number:</i> 2014118			<i>Engineer's Estimate</i>		T LaRiviere Equipment & Excavation Inc.		Shamrock Paving Inc		Inland Asphalt Company	
<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>	Street				Public Street Improvement					
150	TOPSOIL TYPE A, 2 INCH THICK	50 SY	7.00	350.00	20.00	1,000.00	18.90	945.00	19.00	950.00
151	HYDROSEEDING	60 SY	5.00	300.00	15.00	900.00	8.65	519.00	8.50	510.00
152	SOD INSTALLATION	50 SY	10.00	500.00	20.00	1,000.00	18.90	945.00	19.00	950.00
153	CEMENT CONCRETE CURB	380 LF	15.00	5,700.00	15.00	5,700.00	14.00	5,320.00	13.65	5,187.00
154	CEMENT CONC. CURB AND GUTTER	600 LF	22.00	13,200.00	18.00	10,800.00	16.50	9,900.00	16.00	9,600.00
155	CEMENT CONC. SIDEWALK	560 SY	40.00	22,400.00	36.00	20,160.00	36.00	20,160.00	36.00	20,160.00
156	RAMP DETECTABLE WARNING	152 SF	21.00	3,192.00	20.00	3,040.00	20.00	3,040.00	20.00	3,040.00
157	SIGNING, PERMANENT	1 LS	*****	4,000.00	*****	5,000.00	*****	4,473.00	*****	4,450.00
158	WORD AND SYMBOL MARKINGS - DURABLE HEAT APPLIED	16 EA	200.00	3,200.00	230.00	3,680.00	240.00	3,840.00	240.00	3,840.00
<i>Schedule Totals</i>				495,089.50		485,366.75		495,225.75		516,640.00

Project Number: 2014118			Engineer's Estimate		T LaRiviere Equipment & Excavation Inc		Shamrock Paving Inc		Inland Asphalt Company	
Item No	Bid Item Description	Estimated Quantity	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount

Schedule Description

Tax Classification

Schedule 02

201	TRENCH SAFETY SYSTEM	1 LS	*****	500.00	*****	1,500.00	*****	1,800.00	*****	1,550.00
202	HYDRANT ASSEMBLY	2 EA	5,000.00	10,000.00	4,700.00	9,400.00	6,500.00	13,000.00	4,900.00	9,800.00
203	HYDRANT LEAD	3 EA	2,500.00	7,500.00	800.00	2,400.00	2,000.00	6,000.00	840.00	2,520.00
204	TRENCH EXCAVATION FOR WATER SERVICE TAP	120 LF	30.00	3,600.00	12.00	1,440.00	38.00	4,560.00	12.60	1,512.00
205	WATER TAP APPLICATION FEE	8 EA	40.00	320.00	1,200.00	9,600.00	40.00	320.00	1,200.00	9,600.00
206	2 INCH DOMESTIC WATER TAP INSTALLATION	8 EA	1,005.00	8,040.00	1,500.00	12,000.00	1,005.00	8,040.00	1,700.00	13,600.00
Schedule Totals				29,960.00		36,340.00		33,720.00		38,582.00

Project Number 2014118 1st Ave from Helena St to Altamont St

	SCHEDULE SUMMARY								
	Sched 1	Sched 2	Sched 3	Sched 4	Sched 5	Sched 6	Sched 7	Sched 8	Total
Engineer's Est	495,089.50	29,960.00	0.00	0.00	0.00	0.00	0.00	0.00	525,049.50
T LaRiviere Equipment	485,366.75	36,340.00	0.00	0.00	0.00	0.00	0.00	0.00	521,706.75
Shamrock Paving Inc	495,225.75	33,720.00	0.00	0.00	0.00	0.00	0.00	0.00	528,945.75
Inland Asphalt Compan	516,640.00	38,582.00	0.00	0.00	0.00	0.00	0.00	0.00	555,222.00

Low Bid Contractor: T LaRiviere Equipment & Excavation Inc

	Contractor's Bid	Engineer's Estimate	% Variance	
Schedule 01	\$485,366.75	\$495,089.50	1.96	% Under Estimate
Schedule 02	\$39,501.58	\$32,566.52	21.30	% Over Estimate
Bid Totals	\$524,868.33	\$527,656.02	0.53	% Under Estimate



Agenda Sheet for City Council Meeting

of:

06/29/2015

Date Rec'd

6/16/2015

Clerk's File #

OPR 2015-0559

Renews #

Submitting Dept

INTEGRATED CAPITAL MGMT

Contact

MIKE TAYLOR 625-6307

Contact E-Mail

PMTAYLOR@SPOKANECITY.ORG

Agenda Item Type

Contract Item

Agenda Item Name

4250 RPWRF MEMBRANE FILTRATION SYSTEM CONSULTING SERVICES

Agenda Wording

Consultant Agreement with OAC Services, Inc to provide consulting services relating to designing and building membrane filtration at Riverside Park Water Reclamation Facility via the General Contractor/Construction Manager form of project delivery.

Summary (Background)

The City intends to use the GC/CM method to install a membrane filtration system and related upgrades at RPWRF to meet the effluent requirements in the City's Waste Discharge Permit issued by Ecology. GC/CM project delivery differs from traditional design-bid-build by involving the contractor throughout the design and by allocating risk more equitably. GC/CM is an open-book process that minimizes change orders, claims, and litigation. To ensure State approval to use GC/CM and to guide the City

Fiscal Impact

Budget Account

Expense \$ 197,417.00

4250-94338-94000-56501

Select \$

#

Select \$

#

Select \$

#

Approvals

Council Notifications

Dept Head

TAYLOR, MIKE

Study Session

PWC 6/8/15

Division Director

ROMERO, RICK

Other

Finance

SALSTROM, JOHN

Distribution List

Legal

WHALEY, HUNT

pmtaylor@spokanecity.org

For the Mayor

SANDERS, THERESA

darnold@spokanecity.org

Additional Approvals

lhendron@spokanecity.org

Purchasing

hwhaley@spokanecity.org

dchandler@oacsvcs.com

kbrooks@spokanecity.org, mlesesne@spokanecity.org

jsalstrom@spokanecity.org



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

The contract is \$179,470 plus a 10% Management Reserve for a total contract amount of \$197,417.

Summary (Background)

regarding its use, the City must retain an experienced GC/CM Consultant. OAC's qualifications include being the GC/CM consultant for Oak Harbor's wastewater membrane filtration facility and the City of Spokane's Design-Build Consultant for the Nelson Service Center. The budget for Design Phase services is about \$90,000 and about another \$90,000 for Construction Phase services.

Fiscal Impact

Select \$

Budget Account

#

Select \$

#

Distribution List

BRIEFING PAPER
Public Works Committee
Wastewater Management
June 8, 2015

Subject

Contract with OAC Services, Inc., of Spokane per RFP No. 3141-15 for consulting services in the amount of approximately \$180,000 relating to designing and building membrane filtration at Riverside Park Water Reclamation Facility (RPWRF) via the General Contractor / Construction Manager (GC/CM) form of project delivery.

Background

The City intends to use the GC/CM method to install a membrane filtration system and related upgrades at RPWRF to meet the effluent requirements in the City's Waste Discharge Permit issued by Ecology. GC/CM project delivery differs from traditional design-bid-build by involving the contractor throughout the design and by allocating risk more equitably. GC/CM is an open-book process that minimizes change orders, claims, and litigation. To ensure State approval to use GC/CM and to guide the City regarding its use, the City must retain an experienced GC/CM Consultant.

OAC Services was the sole respondent to the RFP. Potentially qualified firms that did not respond cited reasons such as having sufficient work and/or perhaps not being sufficiently qualified for the range of services sought. With more than 50 staff, OAC is one of the largest alternative project delivery professional services organizations in the northwest. OAC's qualifications include being the GC/CM consultant for Oak Harbor's wastewater membrane filtration facility and the City of Spokane's Design-Build Consultant for the Nelson Service Center. The budget for Design Phase services is about \$90,000 and about another \$90,000 for Construction Phase services.

Impact

Retaining OAC provides the City with the experience and credibility to successfully implement the RPWRF Membrane Treatment Facility project using GC/CM.

Action

Recommend approval.

Funding

Funding is provided in the Wastewater Management budget and generated from Sewer Rates.



701 Dexter Avenue N, Suite 301, Seattle, WA 98109
206.285.4300 : main 206.285.4371 : fax
www.oacservicesinc.com

June 15, 2015

Lars Hendron

Principal Engineer
City of Spokane
808 W Spokane Falls Blvd, Suite 334
Spokane, WA 99201

Subj: Riverside Park Water Reclamation Facility, Next Level Treatment Project—GC/CM Consulting Services Proposal—REVISED

Dear Lars:

This letter is intended to serve as OAC's scope of work and fee proposal to provide consulting services to assist the City of Spokane Public Works in the application of the General Contractor/Construction Manager (GC/CM) delivery method. OAC's overall role is to advise the Public Works team on the application of this delivery method to maximize value, reduce risk and develop Public Works' internal capacity to use GC/CM on future projects.

Following is a list of tasks to be undertaken by OAC:

1. **Develop project understanding.** Meet with CH2MHill and City project staff to gain a deeper understanding of the overall goals of the project, the expectations of the GC/CM contractor, the integration of BIM other Virtual Design and Construction (VDC) techniques. This information will guide all future OAC efforts on behalf of the project.
2. **Develop Roles and Responsibilities Matrix.** Clearly define the overall management structure and
3. **Provide GC/CM orientation to City staff (if needed).** John and Dan are available to provide a briefing on GC/CM delivery to City staff if needed. This may help all project participants align expectations including capital projects staff members, plant operators and procurement staff.
4. **Contribute to Project Review Committee Application.** OAC will edit drafts of the PRC application including draft preparation, detailed information gathering, editing and final preparation. OAC will draft responses to PRC questions, prepare PRC presentation materials and organize presentation.
5. **Prepare GC/CM procurement documents.** Using our highly refined RFQ, RFFP and Fee Proposal templates used on 27 past GC/CM projects, OAC will customize procurement for the Riverside Park project, focusing our procurement on obtaining the strongest possible team at a market fee structure.
6. **Prepare GC/CM contract documents.** Working with Spokane attorneys, build contracts and general conditions to promote collaboration, risk management and open communications.
7. **Organize and oversee GC/CM evaluation, scoring, interviews and award.** Together with City procurement officials, OAC will schedule scoring meetings, documentation, short-listing and notification. OAC will schedule, convene and chair contractor interviews, scoring, and notification focusing on the strength of contractor team members and alignment with the City's overall goals. OAC will prepare total scoring spreadsheets for Fee and General Conditions proposals, organize fee proposal opening and recommend award in alignment with City policies.
8. **Maintain and deliver complete files of all procurement documentation for turn over to City officials.**

- 9. Organize and support GC/CM kickoff and partnering session.** OAC will support fast GC/CM-City-Engineer team integration by attending kickoff meetings, assisting in the negotiations of the pre-construction services agreement, and any contract term negotiations.
- 10. Consult with the City throughout design and construction regarding GC/CM application.** OAC project managers will stay in touch with job progress through meeting minutes, phone conferences and meetings on a regular basis in support of effective use of GC/CM delivery. OAC will advise the City and other project participants on subcontractor and supplier procurement, MACC negotiations, MCCM and ECCM use, contingencies, negotiated support services, incentives and other issues.

Schedule of Service

The following is an overview schedule showing the key timeframes for the major phases of the project. OAC will work with City upon award of the consulting services to update and develop a more detailed schedule to include in the procurement process.

To maximize the value of GC/CM delivery, OAC recommends procuring the GC/CM contractor at the earliest possible timeframe. The following major milestones were used to assemble this proposal:

Execute OAC agreement	June 23, 2015
Complete PRC application	July 1, 2015—next available deadline
Complete GC/CM contract docs	June-July, 2015
Present application to PRC	July 23, 2015—next available meeting
Advertise GC/CM RFQ	July 24 and 31, 2015
Receive SOQ's	August 17, 2015
Short-list contractors	August 20, 2015
Interviews	August 25-26, 2015
Receive and open Fee Proposals	August 31, 2015
Award GC/CM contract	September 24, 2015
Begin pre-construction work	September 24, 2015
Procure Membrane through GC/CM	September-October 2015
Preconstruction Phase	October 2015-December 2016
Construction Phase	January 2017-December 2019
Commissioning, Startup	January 2020-December 2020

Deliverables

OAC anticipates project deliverables the following deliverables at each project stage.

Many of these documents, spreadsheets and forms are ready to go templates based on OAC's extensive GC/CM portfolio.

Project Phase	Deliverables
Project Initiation	<ul style="list-style-type: none"> • Roles and Responsibilities Matrix—who does what? • Communications Plan—how does OAC fit in • Master Schedule—informs pre-construction services fees • Project Budget and Reporting Tools—how does GC/CM integrate
Project Review Committee Approval	<ul style="list-style-type: none"> • Project Approval Application—with City input • PRC questions and answers prior to presentation • PRC presentation Power Point • PRC presentation coaching
GC/CM Procurement	<ul style="list-style-type: none"> • Procurement strategy—assume Heavy Civil • GC/CM presentation and discussion to City staff (if needed) • Request for Qualifications, (RFQ) • Cost Responsibility Matrix • Request for Fee Proposal (RFFP) • Specified General Conditions and Fee Proposal form • GC/CM contracts—prepared by attorney • Selection matrices and record of decisions
Design, Pre-Construction Phase	<ul style="list-style-type: none"> • Pre-construction fee negotiations and recommendations • Early procurement recommendations—including membrane procurement • Meeting attendance as needed
Construction , Commissioning and Occupancy	<ul style="list-style-type: none"> • Contractor payment review report (monthly) • Site Observation Reports (monthly) • Monthly Progress Reports • Contract Change Orders (if needed) • Project Integration and Move-in Schedule
Closeout	<ul style="list-style-type: none"> • Final change order draft and negotiation • Organize and oversee final audit and closeout of any findings.

Proposed Fees

OAC proposes services to be provided on a time and expense basis with an agreed not-to-exceed contract sum. The proposed not-to-exceed fee proposal is based on the information available at the time of proposal. OAC staff rates listed below are applicable through December, 2015 and are adjusted annually by 5%. Hourly rates including all labor, benefits, taxes, insurance, technology and supplies. Travel expenses including standard mileage and airfare will be marked up by 10%.

Principal, Dan Chandler	\$230
Program Manager, Greg Brown	\$140
Project Coordinator, Elizabeth Rosenbeck	\$75

Task	Senior PM	Principal	Admin	Totals
Develop project understanding	8	8	0	16
GC/CM orientation	4	4	2	10
Prepare Project Review Committee Application	40	16	24	80
Contractor Procurement	120	24	32	176
Team Integration	16	8	8	32
Subcontractor Procurement/Pre-Construction	180	48	64	292
Construction Phase	400	96	80	576
Closeout	60	8	16	84
Total Estimated Hours	820	204	226	1250
Hourly Rates	\$140	\$230	\$75	
Estimated Fees	\$114,800	\$46,920	\$16,950	\$178,670

Estimated Reimbursable Expenses				
Travel				\$800
Total Estimated Expenses				\$800

This scope and fee proposal is subject to agreeable contract terms and conditions.

Sincerely,



Dan Chandler, PE, AIA
Principal

City of Spokane

PLACE HOLDER CONTRACT

CONSULTANT AGREEMENT

Title: GC/CM Consulting Services

...[City of Spokane & OAC...addresses, etc...]parties to the Agreement...

-- NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance of the Scope of Work contained herein, the City and Consultant mutually agree as follows:

1. TERM OF AGREEMENT.

The term of this Agreement begins on **May 18, 2015** and ends on **June 30, 2020**, unless amended by written agreement or terminated earlier under the provisions.

2. TIME OF BEGINNING AND COMPLETION.

The Consultant shall begin the work outlined in the "Scope of Work" ("Work") upon receipt of written notice to proceed from the City. The City will acknowledge in writing when the Work is complete. Time limits established under this Agreement shall not be extended because of delays for which the Consultant is responsible, but may be extended by the City, in writing, for the City's convenience or conditions beyond the Consultant's control.

3. SCOPE OF WORK.

The Scope of Work for this Agreement and the time schedule for completion of such Work are described in Exhibit A and A-1, which is attached to and made a part of this Agreement.

The Work is subject to City review and approval. The Consultant shall confer with the City periodically, and prepare and present information and materials (e.g. detailed outline of completed Work) requested by the City to determine the adequacy of the Work or Consultant's progress.

4. PAYMENT.

This Agreement provides for monthly payments for Consultant's services. These charges are based on Consultants' cost to complete the Scope of Work, and shall include only those costs allowed, which are incorporated by reference. Total compensation Consultant's services and travel under this Agreement shall not exceed **ONE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00)**, unless modified by a written amendment to this Agreement.

5. REIMBURSABLES

- A. City will reimburse the Consultant at actual cost for expenditures that are pre-approved by the City in writing and are necessary and directly applicable to the work required by this Contract provided that similar direct project costs related to the contracts of other clients are consistently accounted for in a like manner. Such direct project costs may not be charged as part of overhead expenses or include a markup. Other direct charges may include, but are not limited to the following types of items: travel, printing, cell phone, supplies, materials, computer charges, and fees of subconsultants.

- B. The billing for third party direct expenses specifically identifiable with this project shall be an itemized listing of the charges supported by copies of the original bills, invoices, expense accounts, subconsultant paid invoices, and other supporting documents used by the Consultant to generate invoice(s) to the City. The original supporting documents shall be available to the City for inspection upon request. All charges must be necessary for the services provided under this Contract.
- C. The City will reimburse the actual cost for travel expenses incurred as evidenced by copies of receipts (excluding meals) supporting such travel expenses, and in accordance with the City of Spokane Travel Policy, details of which can be provided upon request.
- D. **Airfare:** Airfare will be reimbursed at the actual cost of the airline ticket. The City will reimburse for Economy or Coach Fare only. Receipts detailing each airfare are required.
- E. **Meals:** Meals will be reimbursed at the Federal Per Diem daily meal rate (*excluding the "Incidental" portion of the published CONUS Federal M&I Rate*) for the city in which the work is performed. *Receipts are not required as documentation.* The invoice shall state "the meals are being billed at the Federal Per Diem daily meal rate", and shall detail how many of each meal is being billed (e.g. the number of breakfasts, lunches, and dinners). The City will not reimburse for alcohol at any time.
- F. **Lodging:** Lodging will be reimbursed at actual cost incurred up to a maximum of the published Runzheimer Cost Index for the city in which the work is performed (*the current maximum allowed reimbursement amount can be provided upon request*). Receipts detailing each day / night lodging are required. The City will not reimburse for ancillary expenses charged to the room (e.g. movies, laundry, mini bar, refreshment center, fitness center, sundry items, etc.)
- G. **Vehicle mileage:** Vehicle mileage will be reimbursed at the Federal Internal Revenue Service Standard Business Mileage Rate in affect at the time the mileage expense is incurred (currently that rate is 56.5 cents per mile.) Please note: payment for mileage for long distances traveled will not be more than an equivalent trip round-trip airfare of a common carrier for a coach or economy class ticket.
- H. **Rental Car:** Rental car expenses will be reimbursed at the actual cost of the rental. Rental car receipts are required for all rental car expenses. The City will reimburse for a standard car of a mid-size class or less. The City will not reimburse for ancillary expenses charged to the car rental (e.g. GPS unit).
- I. **Miscellaneous Travel** (e.g. parking, rental car gas, taxi, shuttle, toll fees, ferry fees, etc.): Miscellaneous travel expenses will be reimbursed at the actual cost incurred. Receipts are required for each expense of \$10.00 or more.
- J. **Miscellaneous other business expenses** (e.g. printing, photo development, binding): Other miscellaneous business expenses will be reimbursed at the actual cost incurred and may not include a mark up. Receipts are required for all miscellaneous expenses that are billed.

Subconsultant: Subconsultant expenses will be reimbursed at the actual cost incurred and may not include a mark up. Copies of all Subconsultant invoices that are rebilled to the City are required.

6. PAYMENT PROCEDURES.

The Consultant may submit invoices to the City as frequently as once per month during progress of work, for partial payment for work completed to date. Payment shall be made by the City to the Consultant upon the City's receipt of an invoice containing the information listed below.

Invoices shall be submitted to:
<p>CITY OF SPOKANE – INTEGRATED CAPITAL MANAGEMENT DEPARTMENT Attn: Lars Hendron 808 West Spokane Falls Boulevard Spokane, WA 99201</p>

Invoices under this Contract shall clearly display the following information (sub-consultants' invoices shall also include this information):
<ul style="list-style-type: none"> • Invoice Date and Invoice Number • Department Director: (Please do not put name in the address portion of the invoice) • Department Contract No. OPR # _____ • Contract Title: Period covered by the invoice • Task # and title • Employee's name and classification • Employee's all-inclusive hourly rate and # of hours worked • Total labor costs per task • Itemization of direct, non-salary costs (per task, if so allocated) • The following Sub-Consultant payment information will be provided <i>[if needed]</i> (attach Sub-Consultant invoices as backup): <ul style="list-style-type: none"> ○ Amount Paid to all Sub-Consultants for the invoice period (list separate totals for each Sub-Consultant). ○ Cumulative To-Date amount paid to all Sub-Consultants (list separate totals for each Sub-Consultant). • Cumulative costs per task and for the total project

- A. If there are any grant or loan monies involved in this Contract, the Consultant shall retain all required records for three years after the funding agency has audited the grant or loan. The funding agency shall be allowed access to such records for the same time duration.

Funding Agency	Project Grant or Loan Number.
N/A	N/A

Third Party Beneficiary. If there are ever any Department of Ecology grant monies involved in this Contract, the State Department of Ecology shall be designated as an express third party beneficiary with full rights as such.

7. TAXES, FEES AND LICENSES.

- A. Consultant shall pay and maintain in current status, all necessary licenses, fees, assessments, permit charges, etc. It is the Consultant's sole responsibility to monitor and determine changes or the enactment of any subsequent requirements for said fees, assessments, or changes and to immediately comply.
- B. Where required by state statute, ordinance or regulation, Consultant shall pay and maintain in current status all taxes necessary for performance. Consultant shall not charge the City for federal excise taxes. The City will furnish Consultant an exemption certificate where appropriate.
- C. The Director of Finance and Administrative Services may withhold payment pending satisfactory resolution of unpaid taxes and fees due the City.

8. CITY OF SPOKANE BUSINESS LICENSE.

Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Consultant shall be responsible for contacting the State of Washington Business License Services at <http://bls.dor.wa.gov> or 1-800-451-7985 to obtain a business registration. If the Contractor does not believe it is required to

obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

9. ADDRESSES FOR NOTICES AND DELIVERABLE MATERIALS.

Deliver all official notices under this Agreement to:

If to the City:	If to the Consultant:
Mayor, City of Spokane (or his designee) 7 th Floor – City Hall 808 West Spokane Falls Boulevard Spokane, WA 99201 (Copy to the City Attorney – 5 th Floor – City Hall)	

10. SOCIAL EQUITY REQUIREMENTS.

Consultant shall not discriminate against any employee or applicant for employment because of race, color, age, sex, marital status, sexual orientation, gender identity, political ideology, creed, religion, ancestry, national origin, or any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. The Consultant shall affirmatively try to ensure applicants are employed, and employees are treated during employment, without regard to race, color, age, sex, marital status, sexual orientation, gender identify, political ideology, creed, religion, ancestry, national origin, or any sensory, mental or physical handicap. Such efforts include, but are not limited to: employment, upgrading, demotion, transfer, recruitment, layoff, termination, rates of pay or other compensation, and training. The Consultant agrees to comply with, and to require that all subcontractors comply with, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, as applicable to the Consultant.

11. INDEMNIFICATION.

The Consultant shall indemnify and hold the Agency and the State and their officers and employees harmless from all claims, demands, or suits at law or equity arising from the Consultant's negligence or breach of any of its obligations under this Agreement; provided that nothing herein shall require a Consultant to indemnify the Agency against and hold harmless the Agency from claims, demands or suits based upon the conduct of the Agency, its agents, officers and employees and provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the Consultant's agents or employees and (b) the Agency, its agents, officers and employees, this indemnity provision with respect to (1) claims or suits based upon such negligence, (2) the costs to the Agency of defending such claims and suits, etc.; shall be valid and enforceable only to the extent of the negligence of the Consultant, its agents or employees. In furtherance of these obligations, and only regarding the City and its officers, employees, and agents, the Consultant waives any immunity it may have or limitation on the amount or type of damages imposed The Consultant specifically assumes potential liability for actions brought by the Consultant's own employees against the Agency and, solely for the purpose of this indemnification and defense, the Consultant specifically waives any immunity under the state industrial insurance law, Title 51 RCW, or any other industrial insurance, workers compensation, disability, employee benefit or similar laws. . The Consultant recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnification provided for in this section shall survive any termination or expiration of this Agreement.

12. INSURANCE.

The Consultant shall comply with all federal, state and local laws and ordinances applicable to the work to be done under this Agreement. This Agreement shall be interpreted and construed in accord with the laws of Washington.

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

- A. Worker's Compensation Insurance in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000;
- B. General Liability Insurance on an occurrence basis, with a combined single limit of not less than \$2,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this agreement. It shall provide that the Agency, its officers and employees are additional insureds but only with respect to the Consultant's services to be provided under this Agreement; and
- C. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.
- D. Professional Liability Insurance with a combined single limit of not less than \$1,000,000 each claim, incident or occurrence. This is to cover damages caused by the error, omission, or negligent acts related to the professional services to be provided under this Agreement. The coverage must remain in effect for at least two (2) years after the Agreement is completed.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without sixty (60) days written notice from the Consultant or its insurer(s) to the City. As evidence of the insurance coverages required by this Agreement, the Consultant shall furnish acceptable insurance certificates to the City at the time it returns the signed Agreement. The certificate shall specify all of the parties who are additional insureds, and include applicable policy endorsements, the sixty (60) day cancellation clause, and the deduction or retention level. The Consultant shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

13. AUDIT.

Upon request, the Consultant shall permit the City and any other governmental agency ("Agency") involved in the funding of the Work to inspect and audit all pertinent books and records. This includes work of the Consultant, any subconsultant, or any other person or entity that performed connected or related Work. Such books and records shall be made available at any and all times deemed necessary by the Agency, including up to six (6) years after final payment or release of withheld amounts. Such inspection and audit shall occur in Spokane County, Washington, or other reasonable locations that the Agency selects. The Consultant shall supply or permit the Agency to copy such books and records. The Consultant shall ensure that inspection, audit and copying rights of the Agency is a condition of any subcontract, agreement or other arrangement under which any other persons or entity may perform Work under this Agreement.

14. INDEPENDENT CONSULTANT.

- A. The Consultant is an independent Consultant. This Agreement does not intend the Consultant to act as a City employee. The City has neither direct nor immediate control over the Consultant nor the right to control the manner or means by which the Consultant works. Neither the Consultant nor any Consultant employee shall be an employee of the City. This Agreement prohibits the Consultant to act as an agent or legal representative of the City. The Consultant is not granted express or implied rights or authority to assume or create any obligation or responsibility for or in the name of the City, or to bind the City. The City is not liable for or obligated to pay sick leave, vacation pay, or any other benefit of employment, nor to pay social security or other tax that may arise from employment. The

Consultant shall pay all income and other taxes as due. The Consultant may perform work for other parties; the City is not the exclusive user of the services that the Consultant provides.

- B. If the City needs the Consultant to Work on City premises and/or with City equipment, the City may provide the necessary premises and equipment. Such premises and equipment are exclusively for the Work and not to be used for any other purpose.
- C. If the Consultant works on the City premises using City equipment, the Consultant remains an independent Consultant and does not as a City employee. The Consultant will notify the City Project Manager if s/he or any other Workers are within ninety (90) days of a consecutive 36-month placement on City property. If the City determines using City premises or equipment is unnecessary to complete the Work, the Consultant will be required to work from its own office space or in the field. The City may negotiate a reduction in Consultant fees or charge a rental fee based on the actual costs to the City, for City premises or equipment.

15. KEY PERSONS.

The Consultant shall not transfer or reassign any individual designated in this Agreement as essential to the Work, without the express written consent of the City, which shall not be unreasonably withheld. If any such individual leaves the Consultant's employment, the Consultant shall present to the City one or more individuals with greater or equal qualifications as a replacement, subject to the City's approval, which shall not be unreasonably withheld. The City's approval does not release the Consultant from its obligations under this Agreement.

16. ASSIGNMENT AND SUBCONTRACTING.

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

17. FEDERAL DEBARMENT.

The Consultant shall immediately notify the City of any suspension or debarment or other action that excludes the Consultant or any subconsultant from participation in Federal contracts. Consultant shall verify all subconsultants intended and/or used by the Consultant for performance of City Work are in good standing and are not debarred, suspended or otherwise ineligible by the Federal Government. Debarment shall be verified at <https://www.sam.gov>. Consultant shall keep proof of such verification within the Consultant records.

18. CITY ETHICS CODE.

- A. Consultant shall promptly notify the City in writing of any person expected to be a Consultant Worker (including any Consultant employee, subconsultant, principal, or owner) who was a former City officer or employee within the past twelve (12) months.
- B. Consultant shall ensure compliance with the City Ethics Code by any Consultant Worker when the Work or matter related to the Work is performed by a Consultant Worker who has been a City officer or employee within the past two (2) years.
- C. Consultant shall provide written notice to the City of any Consultant worker who shall or is expected to perform over 1,000 hours of contract work for the City within a rolling 12-month period. Such hours include those performed for the Consultant and other hours that the worker performed for the City under any other contract. The Consultant shall advise their Consultant Workers.
- D. Consultant shall not directly or indirectly offer anything of value (such as retainers, loans, entertainment, favors, gifts, tickets, trips, favors, bonuses, donations, special discounts, work or meals) to any City employee, volunteer or official that is intended, or may appear to a reasonable

person to be intended, to obtain or give special consideration to the Consultant. Promotional items worth less than \$25 may be distributed by the Consultant to City employees if the Consultant uses the items as routine and standard promotional materials. Any violation of this provision may cause termination of this Agreement. Nothing in this Agreement prohibits donations to campaigns for election to City office, so long as the donation is disclosed as required by the election campaign disclosure laws of the City and of the State.

19. NO CONFLICT OF INTEREST.

Consultant confirms that the Consultant or workers have no business interest or a close family relationship with any City officer or employee who was or will be involved in the consultant selection, negotiation, drafting, signing, administration or evaluation of the Consultant's work. As used in this Section, the term Consultant includes any worker of the Consultant who was, is, or will be, involved in negotiation, drafting, signing, administration or performance of the Agreement. The term "close family relationship" refers to: spouse or domestic partner, any dependent parent, parent-in-law, child, son-in-law, daughter-in-law; or any parent, parent in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of a City officer or employee described above.

20. ERRORS AND OMISSIONS, CORRECTIONS.

Consultant is responsible for professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by or on the behalf of the Consultant under this Agreement. Consultant, without additional compensation, shall correct or revise errors or mistakes in designs, drawings, specifications, and/or other consultant services immediately upon notification by the City. The obligation provided for in this Section regarding acts or omissions resulting from this Agreement survives Agreement termination or expiration.

21. INTELLECTUAL PROPERTY RIGHTS.

- A. Copyrights. The Consultant shall retain the copyright (including the right of reuse) to all materials and documents prepared by the Consultant for the Work, whether or not the Work is completed. The Consultant grants to the City a non-exclusive, irrevocable, unlimited, royalty-free license to use copy and distribute every document and all the materials prepared by the Consultant for the City under this Agreement. If requested by the City, a copy of all drawings, prints, plans, field notes, reports, documents, files, input materials, output materials, the media upon which they are located (including cards, tapes, discs, and other storage facilities), software program or packages (including source code or codes, object codes, upgrades, revisions, modifications, and any related materials and/or any other related documents or materials developed solely for and paid for by the City to perform the Work, shall be promptly delivered to the City.
- B. Patents: The Consultant assigns to the City all rights in any invention, improvement, or discovery, with all related information, including but not limited to designs, specifications, data, patent rights and findings developed with the performance of the Agreement or any subcontract. Notwithstanding the above, the Consultant does not convey to the City, nor does the City obtain, any right to any document or material utilized by the Consultant created or produced separate from the Agreement or was pre-existing material (not already owned by the City), provided that the Consultant has identified in writing such material as pre-existing prior to commencement of the Work. If pre-existing materials are incorporated in the work, the Consultant grants the City an irrevocable, non-exclusive right and/or license to use, execute, reproduce, display and transfer the pre-existing material, but only as an inseparable part of the work.
- C. The City may make and retain copies of such documents for its information and reference with their use on the project. The Consultant does not represent or warrant that such documents are suitable for reuse by the City or others, on extensions of the project or on any other project.

22. CONFIDENTIALITY.

Under Washington State Law (reference RCW Chapter 42.56, the *Public Records Act*) all materials received or created by the City of Spokane are **public records**. These records include but are not

limited to bid or proposal submittals, agreement documents, contract work product, or other bid material. Some records or portions of records are legally *exempt from disclosure* and can be redacted or withheld. The Public Records Act (RCW 42.56 and RCW 19.10) describes those exemptions. Consultant must familiarize themselves with the Washington State Public Records Act (PRA) and the City of Spokane's process for managing records.

The City will try to redact anything that seems obvious in the City opinion for redaction. For example, the City will black out (redact) Social Security Numbers, federal tax identifiers, and financial account numbers before records are made viewable by the public. However, this does not replace your own obligations to identify any materials you wish to have redacted or protected, and that you think are so under the Public Records Act (PRA).

Protecting your Materials from Disclosure (Protected, Confidential, or Proprietary): You must determine and declare any materials you want exempted (redacted), and that you also believe are eligible for redaction. This includes but is not limited to your bid submissions, contract materials and work products.

Contract Work Products: If you wish to assert exemptions for your contract work products you must notify the City Project Manager at the time such records are generated.

Please note the City cannot accept a generic marking of materials, such as marking everything with a document header or footer, page stamp, or a generic statement that a document is non-disclosable, exempt, confidential, proprietary, or protected. You may not exempt an entire page unless each sentence is entitled to exemption; instead, identify paragraphs or sentences that meet the RCW exemption criteria you are relying upon.

City's Response to a Public Records Act Requests: The City will prepare two versions of your materials:

Full Redaction: A public copy that redacts (blacks out) both the exemptions (such as social security numbers) identified by the City and also materials or text you identified as exempt. The fully redacted version is made public upon contract execution and will be supplied with no notification to you.

Limited Redaction: A copy that redacts (blacks out) only the exemptions (such as social security numbers) identified by the City. This does not redact (black out) exemptions you identified. The Limited Redaction will be released only after you are provided "third party notice" that allows you the legal right under RCW 42.56.540 to bring a legal action to enjoin the release of any records you believe are not subject to disclosure.

If any requestor seeks the Limited Redacted or original versions, the City will provide you "third party notice", giving ten business days to obtain a temporary restraining order while you pursue a court injunction. A judge will determine the status of your exemptions and the Public Records Act.

23. DISPUTES.

Any dispute or misunderstanding that may arise under this Agreement, concerning the Consultant's performance, shall first be through negotiations, if possible, between the Consultant's Project Manager and the City's Project Manager. It shall be referred to the Director and the Consultant's senior executive(s). If such officials do not agree upon a decision within a reasonable period of time, either party may decline or discontinue such discussions and may then pursue the legal means to resolve such disputes, including but not limited to alternative dispute resolution processes. Nothing in this dispute process shall mitigate the rights of the City to terminate the Agreement. Notwithstanding all of the above, if the City believes in good faith that some portion of the Work has not been completed satisfactorily, the City may require the Consultant to correct such work prior to the City payment. The City will provide to

the Consultant an explanation of the concern and the remedy that the City expects. The City may withhold from any payment otherwise due, an amount that the City in good faith finds to be under dispute, or if the Consultant provides no sufficient remedy, the City may retain the amount equal to the cost to the City for otherwise correcting or remedying the work not properly completed.

24. TERMINATION.

- A. For Cause: The City may terminate the Agreement if the Consultant is in material breach of this Agreement, and such breach has not been corrected to the City's reasonable satisfaction in a timely manner.
- B. For Reasons Beyond Control of Parties: Either party may terminate this Agreement without recourse by the other where performance is rendered impossible or impracticable for reasons beyond such party's reasonable control, such as, but not limited to, an act of nature, war or warlike operation, civil commotion, riot, labor dispute including strike, walkout or lockout, except labor disputes involving the Consultant's own employees, sabotage, or superior governmental regulation or control.
- C. For City's Convenience: The City may terminate this Agreement without cause and including the City's convenience, upon written notice to the Consultant.
- D. Notice: Notice of termination under this Section shall be given by the party terminating this Agreement to the other, not fewer than thirty (30) business days prior to the effective date of termination.
- E. Actions upon Termination: if termination occurs not the fault of the Consultant, the Consultant shall be paid for the services properly performed prior to termination, with any reimbursable expenses then due, but such compensation shall not exceed the maximum compensation to be paid under the Agreement. The Consultant agrees this payment shall fully and adequately compensate the Consultant and all subconsultants for all profits, costs, expenses, losses, liabilities, damages, taxes and charges of any kind (whether foreseen or unforeseen) attributable to the termination of this Agreement.
- F. Upon termination, the Consultant shall provide the City with the most current design documents, contract documents, writings and other products the Consultant has produced to termination, along with copies of all project-related correspondence and similar items. The City shall have the same rights to use these materials as if termination had not occurred; provided however, that the City shall indemnify and hold the Consultant harmless from any claims, losses, or damages to the extent caused by modifications made by the City to the Consultant's work product.

25. EXPANSION FOR NEW WORK.

This Agreement scope may be expanded for new work. Any expansion for New Work (work not specified within the original Scope of Work Section of this Agreement, and/or not specified in the original RFP as intended work for the Agreement) must comply with all the following limitations and requirements: (a) the New Work is not reasonable to solicit separately; (b) the New Work is for reasonable purpose; (c) the New Work was not reasonably known either the City or Consultant at time of contract or else was mentioned as a possibility in the solicitation (such as future phases of work, or a change in law); (d) the New Work is not significant enough to be reasonably regarded as an independent body of work; (e) the New Work would not have attracted a different field of competition; and (f) the change does not vary the essential identified or main purposes of the Agreement. The City may make exceptions for immaterial changes, emergency or sole source conditions, or other situations required in City opinion. Certain changes are not New Work subject to these limitations, such as additional phases of Work anticipated at the time of solicitation, time extensions, Work Orders issued on an On-Call contract, and similar. New Work must be mutually agreed and issued by the City through written Addenda. New Work performed before an authorizing Amendment may not be eligible for payment.

26. MISCELLANEOUS PROVISIONS.

- A. Amendments: No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of each of the parties hereto.

- B. Binding Agreement: This Agreement shall not be binding until signed by both parties. The provisions, covenants and conditions in this Agreement shall bind the parties, their legal heirs, representatives, successors and assigns.
- C. Americans with Disabilities Act (ADA): Specific attention by the designer is required in association with the Americans with Disabilities Act (ADA) 42 U.S.C. 12101-12213 and 47 U.S.C. 225 and 611, its requirements, regulations, standards and guidelines, which were updated in 2010 and are effective and mandatory for all State and local government facilities and places of public accommodation for construction projects including alteration of existing facilities, as of March 15, 2012. The City advises that the requirements for accessibility under the ADA, may contain provisions that differ substantively from accessibility provisions in applicable State and City codes, and if the provisions of the ADA impose a greater or equal protection for the rights of individuals with disabilities or individuals associated with them than the adopted local codes, the ADA prevail unless approval for an exception is obtained by a formal documented process. Where local codes provide exceptions from accessibility requirements that differ from the ADA Standards; such exceptions may not be permitted for publicly owned facilities subject to Title II requirements unless the same exception exists in the Title II regulations. It is the responsibility of the designer to determine the code provisions.
- D. The Consultant, at no expense to the City, shall comply with all laws of the United States and Washington, the Charter and ordinances of the City of Spokane; and rules, regulations, orders and directives of their administrative agencies and officers. Without limiting the generality of this paragraph, the Consultant shall comply with the requirements of this Section.
- E. This Agreement shall be construed and interpreted under the laws of Washington. The venue of any action brought shall be in the Superior Court of Spokane County.
- F. Remedies Cumulative: Rights under this Agreement are cumulative and nonexclusive of any other remedy of law or in equity.
- G. Captions: The titles of sections or subsections are for convenience only and do not define or limit the contents.
- H. Severability: If any term or provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.
- I. Waiver: No covenant, term or condition or the breach shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same or any other covenant, term of condition. Neither the acceptance by the City of any performance by the Consultant after the time the same shall have become due nor payment to the Consultant for any portion of the Work shall constitute a waiver by the City of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by the City in writing.
- J. Entire Agreement: This document along with any exhibits and all attachments, and subsequently issued addenda, comprises the entire agreement between the City and the Consultant. The solicitation (Request for Proposal or Solicitation for Qualifications), Addenda, and Consultants Proposal, are each explicitly included as Attachments material to the Agreement. Where there are conflicts between these documents, the controlling document will first be this Agreement as amended, the Consultant's Proposal, then the City Solicitation documents. If conflict occurs between contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the City the maximum benefits.
- K. Negotiated Agreement: The parties acknowledge this is a negotiated agreement, that they have had this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship.
- L. No personal liability: No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Contract, whether expressed or implied, nor for any statement or representation made or in any connection with this Agreement.

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

CONSULTANT

By _____
Signature Date

Type or Print Name

Title

CITY OF SPOKANE

By _____
Signature Date

Type or Print Name

Title

City of Spokane Business License Number: _____

Washington State Unified Business Identifier Number (UBI): _____

Attachments: Exhibit A - Scope of Work
Exhibit A-1 – Letter to the City RE: Scope of Work

PLACE HOLDER CONTRACT

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

06/29/2015

<u>Date Rec'd</u>	6/3/2015
<u>Clerk's File #</u>	OPR 2012-0526
<u>Renews #</u>	

<u>Submitting Dept</u>	HUMAN RESOURCES	<u>Cross Ref #</u>	OPR 2007-0467
<u>Contact Name/Phone</u>	HEATHER LOWE 6233	<u>Project #</u>	
<u>Contact E-Mail</u>	HLOWE@SPOKANECITY.ORG	<u>Bid #</u>	3854-12
<u>Agenda Item Type</u>	Contract Item	<u>Requisition #</u>	15634
<u>Agenda Item Name</u>	5830 - BROKER SERVICES		

Agenda Wording

Extend contract with Moloney & O'Neill Life, Inc (Spokane, WA) for benefit insurance broker services for two years, beginning July 1, 2015. Annual fee of \$135,000.

Summary (Background)

A request for poposal was completed and the incumbant Moloney & O'Neill was successful based upon the review committee's scoring. Services include marketing as needed for benefits plans, participation in educational aspects of benefitis to management, and providing website and electronic communication of benefits to employees and their families and to the insurance carriers.

<u>Fiscal Impact</u>		<u>Budget Account</u>
Expense	\$ 95,000	# 5830-78710-17310-54620
Expense	\$ 20,000	# 6200-85020-17210-54620
Expense	\$ 20,000	# 6300-85030-17210-54620
Select	\$	#
<u>Approvals</u>		<u>Council Notifications</u>
<u>Dept Head</u>	LOWE, HEATHER	<u>Study Session</u>
<u>Division Director</u>	LOWE, HEATHER	<u>Other</u>
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>
<u>Legal</u>	WHALEY, HUNT	rkokot@spokanecity.org
<u>For the Mayor</u>	SANDERS, THERESA	jsalstrom@spokanecity.org
<u>Additional Approvals</u>		cwahl@spokanecity.org
<u>Purchasing</u>	WAHL, CONNIE	Moloney & O'Neill

AMENDMENT

THIS CONTRACT AMENDMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City", and MOLONEY & O'NEILL LIFE, INC., whose address is 818 West Riverside Avenue, Suite 800, Spokane, Washington 99201, as "Broker".

WHEREAS, the parties entered into a BROKER/CONSULTANT AGREEMENT wherein the Broker agreed to PROVIDE EMPLOYEE BENEFITS BROKER/CONSULTANT SERVICES; and

WHEREAS, the original Agreement allowed for a two (2) year extension upon written approval of both parties; -- Now, Therefore,

The parties agree as follows:

1. DOCUMENTS. The Contract dated June 29, 2012 and July 12, 2012, any previous amendments 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 July 1, 2015 through June 30, 2017.
3. COMPENSATION. The City shall pay an annual amount of ONE HUNDRED THIRTY FIVE THOUSAND AND NO/100 DOLLARS (\$135,000.00) for everything furnished and done under this Contract Amendment.

Dated: _____

CITY OF SPOKANE

By: _____

Title: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Dated: _____

MOLONEY & O'NEILL LIFE, INC.

E-Mail address, if available:

By: _____

Title: _____

15-134

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

06/29/2015

Date Rec'd

7/12/2013

Clerk's File #

OPR 2015-0560

Renews #Submitting Dept

COMMUNITY, HOUSING & HUMAN

Contact Name/Phone

M SHARTS X6840

Cross Ref #Project #Contact E-Mail

MSHARTS@SPOKANECITY.ORG

Bid #Agenda Item Type

Contract Item

Requisition #

EBO

Agenda Item Name

1680 VOLUNTEERS LIHTC LLC

Agenda Wording

Loan Agreement & other documents with Volunteers LIHTC LLC(Spokane, WA)for construction of VOA 2nd Avenue, a 51-unit apartment building at 217 E 2nd Ave -\$1,100,000 HOME funds (East Central neighborhood)

Summary (Background)

The City receives HOME grants from HUD for rental housing projects affordable to low-income households. The loan agreement requires that 37 units (19 studios & 18 1-bdrm) benefit households at or below 30% of the area median income for 37 years. Project is permanent housing for homeless persons. Other financing includes a construction loan and tax credit equity. Volunteers of America of E. WA and No. Idaho (Spokane) is the sole member of the LLC that is the managing member of the borrower.

Fiscal ImpactBudget Account

Expense \$ 350,000.00

1710-95844-59210-54201-72002 HOME

Expense \$ 750,000.00

1710-95845-59210-54201-72002 HOME

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

STAPLETON, JENNIFER

Study Session

PCED 12/15/14, 1/12/15

Division Director

TRAUTMAN, HEATHER

OtherFinance

SALSTROM, JOHN

Distribution ListLegal

WHALEY, HUNT

jphillips, cbrown

For the Mayor

SANDERS, THERESA

mhughes

Additional Approvals

jstapleton

Purchasing

msharts

ptippy@ccsww.org

mroloff@voaspokane.org

kkeenane

ATTACHMENT 2
PROPOSED BUDGET

VOLUNTEERS LIHTC LLC
VOA EAST 2ND AVENUE

217 East 2nd Avenue
51-unit Apartment Building

Land acquisition	317,900	LIHTC equity	9,195,399
Construction	5,106,429		
Contractor overhead & profit	510,643	City HOME funds	1,100,000
Construction Contingency	594,644		
Sales tax	579,571		
Infrastructure/sitework	300,000		
Bond	100,000		
Permits/fees/hookups	80,000		
Bridge loan costs	1,700		
Construction loan costs	290,904		
Lease-up period interest	70,189		
LIHTC/perm financing costs	144,277		
Architect	200,000		
Development consultant	200,000		
Other soft costs	29,825		
Soft cost contingency	20,000		
Other development costs	90,000		
City compliance	20,000		
Equipment & furnishings	175,000		
Nonprofit donation	25,718		
Construction guaranty fee	225,000		
Operating reserve	130,000		
Services reserve	423,599		
Developer Fee	660,000		
TOTAL	10,295,399	TOTAL	10,295,399

Acquisition of land and construction of a 51-unit, 4-story residential building with 1 elevator on a lot of approximately 13,750 sf. Units will include 26 studio apartments and 24 one-bedroom units for rent and a one-bedroom resident manager's unit. The building will include fire sprinklers, a management office, a television room, a computer lab, onsite mail boxes, and coin-operated laundry. Units have a stove top (no oven) and refrigerator. The building will meet or exceed the State's Evergreen Sustainable Development Standards. Design and materials will incorporate durability and energy and water efficiencies. Upon completion of the work, three units will meet ADA and one (1) additional unit shall be accessible to individuals with sensory impairments pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). There will be a construction loan, which will be repaid upon completion.

BRIEFING PAPER

City of Spokane

Community, Housing and Human Services Department (CHHS)

HOME Fund Allocations / VOA project

December 15, 2014

Subject

Update regarding CHHS Board approval of the proposed HOME Multifamily Housing grant funds and approval of staff efforts to identify additional funding for VOA East 2nd project.

Background

The City receives federal funds from the U.S. Department of Housing and Urban Development (HUD) through its HOME Investment Partnerships Program (HOME), which is administered by the CHHS department. Eligible uses include the construction, rehabilitation, and acquisition of rental properties, which are affordable to low-income tenants. Eligible recipients include for-profit and non-profit housing providers and housing authorities. Some funding is restricted to non-profits designated as Community Housing Development Organizations (CHDO).

The department received requests for 5 projects requesting \$1,771,180. Following an RFP process and reviews by its Affordable Housing subcommittee, the CHHS Board recommends 3 projects for allocations of \$896,616 in HOME funds. The three projects are included in the attached table, which shows proposed projects and projects that are currently underway from prior funding rounds. The pending projects are:

- **West 315** will consolidate parcels to construct 33-unit apartment building with 31 one-bedroom and 2 2-bedroom units, which will have some units designated for homeless people and those with disabilities. A portion of the site currently has a one-story office building, which is owned by the Community Frameworks (CF), the project sponsor. In January 2015, the project will apply for low-income housing tax credits, which will apply affordability restrictions to all units, except the manager unit. The County has committed \$1.2 million in 2060 funds to the project. The project budget has a shortfall of \$100k, as the City did not fully fund the request. It is looking for alternative additional funding and/or cost savings. Project-based rent subsidies for some units have been recommended by the State. Spokane Housing Ventures (SHV) will be the property manager. CF and SHV work with Frontier Behavioral Health and other service providers to locate tenants and for services, as needed.

- **TIP City Lots** will develop five units on 3 City-owned lots in the Sprague Targeted Improvement Pilot program area. East Central Community Organization (ECCO) proposed two duplexes with four 3-bedroom units and a 2-bedroom single family residence. ECCO will apply for a bank loan and County 2060 funds to complete the project. The project has a funding shortfall, as its allocation was \$214k below what ECCO requested. It might request additional CHDO funds from the City in a future funding round. Depending upon funding received, the project might be scaled back. If it is, the unused City lots will be made available for other projects. ECCO will manage the units.
- **East 2nd Avenue** is a 51-unit, 4 story apartment building with 17 studio apartments, 33 one-bedroom units and a manager's unit for previously homeless persons. It is a collaborative effort of Volunteers of America of Eastern Washington and Northern Idaho and Catholic Housing Services, which plans to use County 2060 funds and low-income housing tax credit to construct Father Bach Haven II for the same population on an adjacent site. In January 2015, the VOA will apply for low-income housing tax credits, which will apply affordability restrictions to all units, except the manager unit. The project budget has a shortfall of \$675k, which is has asked the City to fill. The project expects to receive project-based rental assistance from the Spokane Housing Authority. Catholic Housing Services will manage the property. Services will be coordinated by VOA.

One of the recommended recipients (VOA) will require additional funding to successfully bring their project to fruition. Based on this project meeting the priority need of serving chronically homeless, the CHHS Affordable Housing committee and full CHHS board authorized CHHS staff to negotiate with VOA to assist in meeting their funding shortfall. Potential sources of funding have been identified and staff has begun to research those that would be the most appropriate fit for this project. Additionally, efforts will be made to identify ways to reduce the project costs and need for additional funding. As it stands, VOA's recommended allocation is \$525,388 and their HOME request was \$730,000. VOA also had a stated funding need of \$470,000 that has not been identified.

Impact

Combined, these projects will provide 89 housing units (41 designated as HOME units). Most are targeted to households at or below 30% of the AMI (Area Median Income). The VOA project will serve chronically homeless individuals – a need that has been identified as a high priority for the City by the CHHS Board, and the administration.

Action

No formal action is required at this time. Final proposals will be brought to City Council for each project separately.

Funding

Potential funding sources include UDAG, HOPE Acquisition Fund, Rental Rehabilitation Fund, and Program Income from the Delaney project. Only unappropriated sources are being considered (e.g. by funding this project, we are not defunding something else).

**HOME-FUNDED RENTAL PROJECTS
PROPOSED AND UNDERWAY**

Pending (allocations recommended for approval by Community, Housing & Human Services Board)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type & approx sq ft	Cost/ unit	Cost/ sq ft	Tenant income level	AH Committee Allocation	CHHS Board approval
West 315 315 W Mission (Emerson Garfield) Buses: 27 & 91 (0 ft), 1 & 25 (.2 mi)	Community Frameworks	Non-profit sponsor/ for-profit owner, LIHTC	\$200,000	\$6,446,096	31.2	33	32 1bd/560 sf 1 2bd/825 sf	\$195,336	\$ 269	ELI, VLI-40, LI-60	11/20/14	12/3/2014
TIP City Lots 1808 E 1st/2418 E 1st/118 S Napa (East Central) Buses: 90 & 94 (1-4 blocks)	East Central Community Organization	Non-profit, CHDO	\$171,228	\$774,130	3.5	5	1 2bd /920 sf 4 3bd/1,170 sf	\$154,826	\$138	ELI, VLI-50	11/20/14	12/3/2014
East 2nd Avenue 217 & 223 E 2nd (East Central) Buses: 94, 45 (0 ft & 1 block), 90 (4 blocks)	Volunteers of America Eastern WA & Northern ID	Non-profit sponsor/ for-profit owner, LIHTC	\$525,388	\$10,054,605	18.1	51	17 stu/sf TBD 33 1bd/sf TBD 1 mngr/sf TBD	\$197,149	\$359	ELI, VLI-40, VLI-50	11/20/14	12/3/2014
Total			\$896,616	\$17,274,831	18.3	89						

Previously Approved by City Council (Underway)

Project name	Owner/Sponsor	Ownership type	City HOME funds	Total cost	Leverage 1 to X	Total no. of units	Unit type/ approx sq ft	Cost/ unit	Cost/ sq ft	Tenant income level	Allocation date	Council approval
The Delaney 242 W Riverside (Downtown)	Catholic Housing Services of Eastern Washington	Non-profit sponsor/ for-profit owner, LIHTC	\$300,000	\$7,566,586	24.2	71	70 1bd/414-440 sf 1 mngr	\$106,572	\$133	ELI, VLI-40, LI-60	11/6/12	2013-611 8/19/13
Sharp Residence 2808 E Sharp (Chief Garry Park)	C&H Duplexes, LLC	For-profit	\$80,000	\$151,731	0.9	1	1 4bd/1,773 sf	\$151,731	\$86	VLI-50	5/1/14	2014-530 5/16/2014
Liberty Park Terrace 1411 E Hartson (East Central)	Proclaim Liberty	Non-profit	\$203,007	\$1,616,000	7.0	48	24 2bd/753sf 24 3bd/934sf	\$33,667	\$40	ELI, VLI-50	5/1/14	2014-772 5/16/2014
Lilac Plaza 7007 N Wiscomb (Nevada Lidgerwood)	Spokane Baptist Association Homes	Non-profit sponsor/ for-profit owner, LIHTC	\$300,000	\$13,326,833	43.4	175	126 stu/360-440sf 49 1bd/470-612sf	\$76,153	\$107	ELI, VLI-50, mkt	11/6/12	2013-685 9/30/13
Garfield Apts. 532 S Garfield (East Central)	Vasilenko	For-profit	\$400,000	\$651,960	0.6	10	2 1bd/671 sf 2 2bd/956 sf 6 3bd/1,186 sf	\$65,196	\$71	ELI, VLI-50, MKT	5/1/14	2014-492 5/16/2014
Luhn House 2236 W Pacific (Browne's Addition)	Volunteers of America Eastern WA & Northern ID	Non-profit	\$37,500	\$235,000	5.3	1	1 6bd/4379sf	\$235,000	\$54	ELI, VLI-50	10/11/11	2013-310 minor contract 4/15/13
Total			\$1,320,507	\$23,548,110	16.8	306						

Income levels relate to Spokane area median income (AMI):
 Extremely low-income (ELI)
 Very low-income (VLI-45)
 Very low-income (VLI-50)
 Very low-income (LI-60)
 Market (MKT)

Household income at or below 30% AMI.
 Household income at or below 45% AMI.
 Household income at or below 50% AMI.
 Household income at or below 60% AMI.
 Unrestricted income.

**CITY OF SPOKANE
VOLUNTEERS LIHTC LLC**

VOA 2ND AVENUE

HOME PROGRAM LOAN AGREEMENT

This HOME Program Loan Agreement (the "Loan Agreement") is made effective this ____ day of June, 2015 ("Effective Date"), by and between the **City of Spokane**, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department (the "Department"), 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, and **Volunteers LIHTC LLC**, a Washington limited liability company (the "Borrower"), whose address is c/o Volunteers of America of Eastern Washington and Northern Idaho, 525 W. Second Avenue, Spokane, WA 99201. Borrower and City are together referenced as the "Parties". This Loan Agreement is part of a transaction further reflected in a Promissory Note (the "Note") and a HOME Program Loan Covenant Agreement ("Covenant Agreement"). The City's disbursements under the Loan Agreement are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said documents shall have the same meaning in this Loan Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

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

I. PURPOSE

- A. The purpose of this Loan Agreement is to expand the supply of decent, safe, sanitary, and affordable housing for extremely low-income households pursuant to the HOME Investment Partnerships Program (24 CFR part 92 et seq., CFDA #14.239) ("HOME").
- B. To accomplish the purpose of this Loan Agreement, the City shall provide a portion of the financing for the Borrower's acquisition and construction of the VOA 2nd Avenue project, a 51-unit apartment building to be located at 217 East 2nd Avenue in Spokane, WA (the "Project"). The legal description of the Project is:

All that certain real property situate in the City of Spokane, County of Spokane, State of Washington, being a portion of Block 14, Saunders Addition, as per plat recorded in Volume "A" of Plats, Page 32, records of Spokane County, Washington and being described as follows:

BEGINNING at the Southwest corner of said Block 14, being hereinabove described; thence along the South line of said Block 14, South 89°59'39" East 136.38 feet to the TRUE POINT OF BEGINNING of this description; thence leaving said South line of Block 14, North 00°00'00" East 125.03 North line of a 12.5 foot wide vacated strip North of and adjacent to said Block 14, thence along said North line, South 89°59'55" East 38.60 feet to the Northerly prolongation of the East line of Lot 7 of said Block 14; thence along said line, South 00°00'00" East 39.97 feet to the North line of the South 85 feet of said Block 14; thence along said line South 89°59'04" East 124.98 feet to the East line of said Block 14; thence along said East line, South 00°00'00" East 85.04 feet to the Southeast corner of said Block 14; thence along the South line of said Block 14, North 89°59'39" West 163.58 feet to the said TRUE POINT OF BEGINNING of this description, containing 15,456 square feet of land, more or less.

Assessor's Parcel Number: 35202.1917

Property Address: 217 East 2nd Avenue, Spokane, WA 99202

The Project includes thirty-seven (37) HOME-assisted units, as follows: nineteen (19) studio and eighteen (18) one-bedroom apartments. Borrower shall provide the City with the address (e.g., street address and apartment number) of each HOME-assisted unit no later than the time of initial occupancy. All HOME-assisted units will be "floating" units, which means that the units originally designated as HOME-assisted may change over time, but the number of HOME-assisted units, for purposes of this Loan Agreement and Related Documents, shall never be less than the number designated in this section, and any replacement units must be comparable in size, features, and number of bedrooms to those units originally identified as HOME-assisted in this section.

Upon completion, at least three (3) units in the project shall be accessible to individuals with mobility impairments and one (1) additional unit shall be accessible to individuals with sensory impairments pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

- C. The Project is expected to conform to the estimates noted in the Project Budget, attached hereto as Attachment 1 and incorporated herein. All additional costs over and above the sum noted as compensation for this Loan Agreement shall be borne by the Borrower.

II. DURATION OF THE LOAN AGREEMENT

This Loan Agreement shall commence and be effective on the Effective Date and shall terminate on the later of the end of the HOME Affordability Period or full repayment of sums due under the Note.

III. AMOUNT OF LOAN

The City shall loan the Borrower a sum not to exceed ONE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,100,000.00) from HOME funds, to be disbursed as provided herein, subject to the terms and conditions of this Loan Agreement and Related Documents.

IV. PRICING

This loan is subject to interest on the outstanding principal balance loaned at the rate of three percent (3%) per annum, such interest commencing on the time of disbursement(s) and compounding annually during the loan term. Payments shall be made pursuant to the Note and Section XV herein below. If rents for any HOME-assisted in the Project are increased above the level of the Affordability Requirements defined in this Loan Agreement or any other provisions, covenants, terms, conditions or restrictions of this Loan Agreement are not adhered to, then the interest rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%) for the remaining term of the loan, compounded annually, and may be subject to accelerated repayment pursuant to XV.A. herein below; provided, however, prior to increasing the interest rate or accelerating repayment pursuant to this Section IV, the City will provide the Borrower and Tax Credit Investor (as defined below) with notice of such default and provide the Borrower and the Tax Credit Investor with the cure rights specified in Section XIV.

V. SECURITY/SUPPORT

- A. Borrower shall assure and maintain the City's security position on the underlying real estate as evidenced by the Deed of Trust, which will be subordinate only to housing covenant agreements or regulatory agreements and/or deeds of trust from the Washington State Housing Finance Commission, the City, and interim construction financing provided by Wells Fargo Bank. The sum of all loans against the Project, including the City's, cannot exceed ninety percent (90%) of the lesser of cost, the estimated value, or appraised value upon completion.
- B. The Affordability Requirement outlined in this Loan Agreement shall be recorded as a **covenant running with the Project**, and shall apply without regard to the term of any loan or mortgage or transfer of ownership.
- C. Borrower shall keep in force, continuously, insurance covering the Project and property legally described above, listing the City of Spokane as policy beneficiary, pursuant to Section IX of this Loan Agreement.

VI. FUNDING DISBURSEMENTS

- A. The timing and disbursement of HOME funds shall be determined by the City in its sole discretion, consistent with the provisions of this Loan Agreement.

Without limiting the forgoing, funding disbursements are subject to the following conditions:

1. City HOME funds shall be disbursed only after completion of all requirements imposed by the United States Department of Housing and Urban Development ("HUD"), as determined by the City in its sole discretion, and upon completion of an environmental review by the City.
 2. All funds committed under this Agreement must be utilized by December 31, 2016.
 3. Borrower may not request disbursement of funds until needed for payment of eligible project costs, as defined by 24 CFR §92.206 and as further defined in the Program Description of the City's Multifamily Housing Program, and the amount of each request must be limited to the amount needed. Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed if they were incurred not more than 24 months before the date of this Loan Agreement. In case of a dispute between the Parties regarding when the funds shall be disbursed, the determination of the Director of the Department of Community, Housing, and Human Services of the City of Spokane ("Director") shall govern.
- B. Notwithstanding any other provision of this Loan Agreement, except as approved by the City, prior to the drawdown or disbursement of any City HOME funds hereunder, the Borrower shall provide documentation, in a form reasonably acceptable to the City, that the following actions have been taken to the City's satisfaction:
1. Recording of the Covenant Agreement and Deed of Trust.
 2. The Borrower has in place all applicable construction, land use, environmental, zoning permits and/or other federal, state and local governmental approvals as necessary for undertaking the activity for which the specific draw request is to be used.
 3. For projects including acquisition of land and/or buildings, an appropriate assessment of fair market value must be reviewed and approved by the City.
 4. Notwithstanding any provision in this Loan Agreement, the Borrower and the City hereto agree and acknowledge that Borrower shall not be entitled to any drawdown or disbursement of funds until satisfactory completion of environmental review and receipt by the City of a release of funds from HUD under 24 CFR Part 58. The Borrower and the City further agree that the provision of any funds to the Project shall be conditioned upon the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. The Borrower shall not spend any funds on physical or choice-limiting actions, including property acquisitions, demolition, movement, rehabilitation, conversion, repair, or construction prior to the

environmental clearance as described herein. Violation of this provision may result in the denial of any funds under this Loan Agreement. The Borrower shall perform all the required mitigation measures referenced in the environmental review record completed by the City.

5. As applicable, the Borrower shall demonstrate, to the City's satisfaction, full compliance with the minimum wage requirements set forth in Section XVIII herein below.
- C. Notwithstanding the foregoing, a retainage of twenty percent (20%) of the total amount allocated under this Loan Agreement shall be held by the City until all permits have been received, final inspections are complete, a final Certificate of Occupancy is issued, the Borrower accepts the work, federal requirements are fully satisfied, and all other obligations under this Loan Agreement or related agreements are carried out to the satisfaction of the Director.

VII. INCOME DETERMINATIONS

- A. For purposes of this Loan Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203, and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements.

VIII. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of 24 CFR §92.502(d), Project Completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty-seven (37) years, from the date of this Loan Agreement. The HOME Affordability Period and City

Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with the Affordability Requirements. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.

- C. Rent Limit. During the Affordability Period, rents (i.e., exclusive of rent paid through project-based subsidies) on the thirty-seven (37) HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities, and tenant-supplied appliances. These units shall include nineteen (19) studio units and eighteen (18) one-bedroom units. Should the HUD rents decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HOME rents for the Project as established by HUD is attached to this Loan Agreement as Attachment 2. The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252, which previously used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department. New HUD requirements are being clarified and may include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utilmodel.html>.

However, any HOME-assisted unit receiving federal or state project-based rental subsidy, where the tenant pays not more than thirty percent (30%) of the household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits exclusive of rent paid through project-based subsidies) in accordance with this Loan Agreement and 24 CFR §92.252(f)(2). Owners must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Loan Agreement. The City will review rents for compliance and approve or disapprove them every year.

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed

solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- F. Income Limit. At initial occupancy, tenants of the thirty-seven (37) HOME-assisted units shall have incomes not greater than thirty percent (30%) of AMI, as defined by HUD. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.
- G. Adjustments if Project-based Rent Support Ends. The Project has a commitment for forty (40) project-based housing choice vouchers through the Spokane Housing Authority. These vouchers are expected to be available to the project for at least fifteen years. Should all or some of these vouchers end, the Project's income could be affected. If the project-based housing choice vouchers are reduced or eliminated, the Borrower must notify the City as soon as possible, but no less than 90 days before, the anticipated change in the number of vouchers and provide information on its anticipated impact on the Project's cash flow. If the number of project-based vouchers assigned to HOME-assisted units falls below thirty-seven, the City and Borrower may revise or amend the documentation to adjust the rent and income limits applicable to the HOME-assisted units; this will not change the total number of HOME-assisted units, nor the unit sizes, consisting of nineteen studio apartments and eighteen one-bedroom apartments. Whether or not rental assistance is available, at least eighteen (18) of the thirty-seven (37) HOME-assisted units will be occupied by households with incomes upon their initial occupancy not greater than thirty percent (30%) of AMI occupying units with rents not to exceed thirty percent (30%) of adjusted income of a family whose annual income equals thirty percent (30%) of AMI.

For the remaining nineteen of the thirty-seven HOME-assisted units, the unit affordability may be modified for each HOME-assisted housing unit that loses its federal project-based rental assistance ("No-Assistance"). For the first (1st) through seventeenth (17th) No-Assistance units, the units shall be occupied by households with incomes upon their initial occupancy not greater than forty-percent (40%) of AMI and the rent shall not exceed thirty percent (30%) of adjusted income of a family whose annual income equals forty percent (40%) of AMI. For the eighteenth (18th) and nineteenth (19th) No-Assistance units, the units shall be occupied by households with incomes upon their initial occupancy not greater than fifty-percent (50%) of AMI and rent shall not exceed

thirty percent (30%) of adjusted income of a family whose annual income equals fifty percent (50%) of AMI.

If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below the income level that returns the HOME units to the appropriate level. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph VIII.D hereof.

- H. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- I. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- J. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- K. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. Pursuant to 24 CFR §92.252(e)(3), the City further reserves the right to revive any affordability restrictions according to the original terms of this Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

IX. INSURANCE

The Borrower shall keep the Project and all improvements now existing or hereafter erected thereon continuously insured as required in the Deed of Trust, the

Note and the Covenant Agreement and this Loan Agreement, naming the City as mortgagee and/or loss payee. The insurance requirements apply during the Affordability Period or during any such time as there are outstanding sums due under the Note, whichever is longer.

X. PROPERTY STANDARDS

- A. All HOME-assisted housing under this Loan Agreement shall meet the requirements of 24 CFR §92.251, which includes applicable Federal, State and local code requirements and housing quality standards, rehabilitation standards, ordinances and zoning ordinances at the time of Project completion and for the duration of the Affordability Period. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with applicable State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish. The standards under 24 CFR §92.251 were modified in 2013 and implementation awaits further clarification from HUD, at this time.
- B. Any accessible HOME-assisted housing units under this Loan Agreement shall, for the duration of the Affordability Period, meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). The foregoing shall not be interpreted as limiting Borrower's obligation to comply with accessibility requirements applicable to the Project as whole.
- C. The Borrower shall comply with the provisions of 24 CFR §92.251.

XI. ADDITIONAL MISCELLANEOUS COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Loan Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records, and provide all other information and documentation that the City may reasonably request.
- D. Make prompt payment of all taxes and financial liabilities.

- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under this Loan Agreement or as approved of by the Director in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of this Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor).
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Loan Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. The Federal Labor Standards Provisions with which Borrower must comply are attached as Attachment 3 and incorporated herein. The City's costs to administer Davis-Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of this Loan Agreement.
- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, and all applicable state and local codes

and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.

- M. Cause each of the thirty-seven (37) HOME-assisted units to have been occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units have not been occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$29,729.73/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$1,100,000 HOME dollars/37 HOME units. The number of HOME-assisted units required hereunder shall be reduced in proportion to the amounts so repaid.

The Borrower shall cause the Covenant Agreement (which shall contain the foregoing covenants) to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

XII. PROJECT TIMETABLE

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

over the Project, or other delays that are not caused by the Borrower, the City shall grant a reasonable extension of time for completion of the work. It shall be the responsibility of the Borrower to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and delays related to the delay.

XIII. DEFAULT

A. The following shall be considered "Events of Default" for purposes of this Loan Agreement:

1. Failure of Borrower to make any principal and interest payment within fifteen (15) days after such payment is due.
2. Failure to perform, observe or comply with the Affordability Requirements, Income Determinations, or any other provisions, related covenants, terms, conditions or restrictions of this Loan Agreement or any agreement relating to the Project (i.e., the occurrence of an event of default under other indebtedness secured by the Project property) or any part thereof, and failure to fully cure the same within the period of time, if any, permitted for cure and, if no period for cure is otherwise provided for, within sixty (60) days of written notice from the City of such failure, requesting the same to be remedied; provided, after a second non-compliance of any provision in a five- (5-) year period, only fourteen (14) days written notice is needed.
3. Failure to perform required maintenance or performance of any act by Borrower which would, in the City's reasonable opinion, adversely affect the value of the Project.
4. Except as otherwise permitted under this Loan Agreement, the sale, transfer, lease, or other conveyance of the Project or any portion thereof, including assumptions and subordinations, without obtaining the prior written consent of the Director.
5. Filing a voluntary or involuntary petition not dismissed within ninety (90) days after filing under the United States Bankruptcy Code by or against the Borrower.
6. Any representation, warranty, or disclosure made to the City or any other Project lender which proves to be materially false or misleading as of the date made, whether or not such representation, warranty or disclosure appears in this Loan Agreement.
7. Failure to maintain and keep in force adequate amounts of insurance as is usual in the business carried on by the Borrower, or as required herein.

8. Without limiting any of the foregoing, Borrower's failure to comply with the minimum wage requirements set forth in Section XVIII of this Loan Agreement.

XIV. REMEDIES

- A. Upon the occurrence of an event of default not timely cured after notice, the City may, in addition to any other remedies which the City may have hereunder or under this Loan Agreement or by law or equity, at its option and upon written notice to the Borrower, take any or all of the following actions:
 1. Immediately terminate any further advance of loan funds.
 2. Declare the debt incurred hereunder and under the Related Documents immediately due and payable and commence collection proceedings against the Borrower.
 3. Seek judicial appointment of a receiver.
 4. Foreclose under the security documents or instruments, judicially or non-judicially.
 5. File suit against the Borrower.
 6. Seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in this Loan Agreement or any related security document or instrument, whether or not a remedy at law exists or is adequate.
- B. All remedies of the City provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law or in equity or by this Loan Agreement. The exercise of any right or remedy by the City shall not in any way constitute a cure or waiver of default under this Loan Agreement or any other related Project agreement, or invalidate any act done pursuant to any notice of default, or prejudice the City in the exercise of any of its rights unless, in the exercise of such rights, the City realizes all amounts owed to it by the Borrower.
- C. A failure to declare or a delay in declaring a default shall not constitute a waiver of any rights or remedies or excuse any failure by the Borrower to strictly comply with its obligations under this Loan Agreement or any other related Project agreement or document.
- D. As long as Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation ("Tax Credit Investor") or an affiliate thereof remains the investor member of Borrower, if a default occurs under this Loan Agreement or any other related document, and City intends to exercise any of its remedies on account of such default, then prior to the initiation of

any remedy by City on account of such default, then City at the same time as it delivers notice to Borrower shall deliver written notice of such default to the Tax Credit Investor at the address specified in Section XXVII. City shall accept cure of the defaults by the Tax Credit Investor within the cure periods, if any, provided in this Loan Agreement or any other related document, and in any event, shall not exercise any rights to accelerate or foreclose with respect to this Loan until Tax Credit Investor has been given the notice (but not the obligation) to remedy any default forming the basis with respect to such remedy.

- E. Notwithstanding anything to the contrary herein, Borrower, its partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in this Loan Agreement and in the Related Documents and the sole recourse of the City shall be confined to the exercise of its rights under this Loan Agreement and the Related Documents, provided that nothing shall diminish Borrower's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

XV. REPAYMENT

- A. Principal and accrued interest on this Note shall be due on June 1, 2052. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable. Such payment shall not extinguish the requirements of the Related Documents.
- B. The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in this Loan Agreement, shall not extinguish the Affordability Requirements.
- C. Payments received will first be applied to late charges, then to interest, and finally to principal.
- D. Payments of principal, interest, and fees shall be made in lawful money of the United States of America in immediately available funds to the City of Spokane, at the Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201, or at such other place as the City may designate to Borrower in writing.

XVI. NONDISCRIMINATION/RENT SUBSIDY

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

assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

XVII. FAITH-BASED ACTIVITIES AND ORGANIZATIONS

- A. Borrower, in providing services supported in whole or in part with HOME program funds, shall not discriminate against current or prospective program beneficiaries (i.e., tenants) on the basis of religion, a religious belief, or a refusal to attend or participate in a religious practice.
- B. If Borrower engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, Borrower must perform such activities and offer such services outside of and separately in time or location, from the activities or programs financed under this Loan Agreement, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services (i.e., tenants).
- C. Whether or not Borrower is a faith-based organization, it may use the loan proceeds provided under this Loan Agreement as provided under relevant regulations and this Loan Agreement without impairing its independence, autonomy, expression of religious beliefs, or religious character. Borrower will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Borrower may use space in its facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, Borrower retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- D. The loan proceeds provided to Borrower pursuant to this Loan Agreement may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are or will be used for explicitly religious activities. Subject to other limitations in this Loan Agreement, loan proceeds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under HOME regulations. When a structure is or will be used for both eligible and explicitly religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HOME program. Sanctuaries, chapels, or other rooms that Borrower uses as its principal place of worship, however, are ineligible for HOME-funded improvements. Disposition of real property after

the term of the loan or grant, or any change in use of the property during the term of the loan or grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

- E. This limitations in this Section XVII shall apply regardless whether the loan proceeds under this Loan Agreement includes local funds that the City has voluntarily contributed to supplement federally funded activities.

XVIII. COMPLIANCE WITH LAWS

- A. The Borrower shall comply with all HOME Program requirements as outlined in 24 CFR part 92 et seq., as may be amended from time to time.
- B. The Borrower shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD regulations issued pursuant thereto.
- C. The Borrower shall comply with the nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace, per 24 CFR §92.350.
- D. The Borrower shall comply with the affirmative marketing and minority outreach program of 24 CFR §92.351, and shall further comply with the tenant selection requirements set forth in 24 CFR 92.253(d).
- E. The Borrower shall comply with the National Environmental Policy Act of 1969, as outlined in 24 CFR 92.352 and Borrower agrees to implement City-identified conditions on safeguards to protect and enhance environmental quality or minimize adverse environmental impacts.
- F. Minimum Wages (State Prevailing Wage and Federal Davis-Bacon Wage).
1. Federal Labor Standards/Davis-Bacon Act of 1931 (Title 40 U.S.C. 3141) ☒ Applicable ☐ Not Applicable. If the "Applicable" box is checked, the following provisions apply:
- a. The Borrower shall pay prevailing wages, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5) [<http://www.dol.gov/whd/regs/statutes/dbra.htm>], to all laborers and mechanics employed in the development of the Project; provided, in the event the Project is subject to state minimum wage requirements, and if the state minimum wage rate exceeds the Department of Labor rate, the conflict will be resolved by applying the higher rate. The Contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages" certified by the industrial statistician of the State Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay

Prevailing Wages" shall include: (1) the Contractor's registration number; and (2) the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by the Contractor 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. Prior to the payment of funds held under chapter 60.28 RCW, the Contractor and subcontractors must submit an "Affidavit of Wages Paid" certified by the industrial statistician.

- b. All contracts relating to the Project shall contain a provision requiring the payment of such wages, as predetermined by the Secretary of Labor under the Davis-Bacon Act, 40 USC 276(a) under wage decision WA150120, dated January 2, 2015.
- c. The Borrower shall pay overtime, as applicable, pursuant to the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
- d. The Borrower shall comply with all regulations issued under the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act, all Federal laws and regulations pertaining to labor standards, Federal Labor Standards, HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and 24 CFR §92.354, as applicable.
- e. The Borrower shall provide contracts with the prime contractor and major subcontractors as soon as these contracts are available and the contracts shall evidence compliance with Federal Labor Standards.
- f. These prevailing wage requirements do not apply to volunteers or sweat equity pursuant to 24 CFR §92.354(a) and (b).
- g. Borrower shall reimburse the City for all costs incurred by the City in administering Borrower's compliance with applicable Davis-Bacon, Federal Labor Standards, and Related Acts.

2. Labor Standards. If applicable, the Federal Labor Standards Provisions (HUD 4010) are attached as Attachment 3.

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

G. Conflict of Interest. The Borrower shall comply with the conflict of interest provisions prescribed in 24 CFR §92.356(f). During the Affordability Period, Borrower shall prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the Borrower), whether private, for-profit or nonprofit (including a community

housing development organization (CHDO) when acting as an owner, developer, or sponsor).

- H. The Borrower shall comply with the equal employment opportunities for low- and very low-income persons pursuant to 24 CFR part 135.
- I. The Borrower shall comply with the Fair Housing Act as implemented by 24 CFR parts 100-115, as applicable.

XIX. TENANT AND PARTICIPANT PROTECTIONS

- A. There must be a written lease between the tenant and the Borrower that complies with 24 CFR 92.253 (Tenant Protections and Selection) and that is for a period of not less than one year, unless by mutual agreement between the tenant and the owner a shorter period is specified.
- B. Leases between the Borrower and a tenant shall not contain any of the following provisions:
 - 1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.
 - 2. Agreement by the tenant that Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the Borrower and tenant. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may dispose of this personal property in accordance with Washington state law.
 - 3. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - 4. Agreement by the tenant that the Borrower may institute a lawsuit against a tenant or affecting a tenant's interests without notice to tenant.
 - 5. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the Borrower and tenant.
 - 6. Agreement by the tenant to waive any right to a trial by jury.
 - 7. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease.

8. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- C. Borrower may not terminate the tenancy or refuse to renew the lease of a tenant occupying a HOME-assisted unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- D. Borrower shall adopt and follow written tenant selection policies and criteria that:
1. Limit the HOME-assisted units to very low-income and low-income families;
 2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing, not to interfere with the rights and quiet enjoyment of other tenants);
 3. Limit eligibility or give a preference to a particular segment of the population if otherwise permitted in this Loan Agreement (and only if the limitation or preference is described in the City's consolidated plan).
- E. Borrower shall select tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and give prompt written notification to any rejected applicant of the grounds for any rejection pursuant to 24 CFR §92.253(d)(5) and 24 CFR §92.253(d)(6).
- F. Borrower shall not charge fees that are not customarily charged in rental housing (e.g., laundry room access fees), except that Borrower may charge: (i) reasonable application fees to prospective tenants; (ii) parking fees to tenants only if such fees are customary for rental projects in the neighborhood; and (iii) fees for services such as bus transportation or meals, as long as such services are voluntary and fees are charged for services provided.

XX. TENANT PARTICIPATION PLAN

If the Borrower is a Community Housing Development Organization ("CHDO") as defined by 24 CFR 92.2, the Borrower shall adhere to a fair lease and grievance

procedure approved by the City and shall provide a plan for and follow a program of tenant participation in management decisions pursuant to 24 CFR §92.303.

XXI. UNIFORM ADMINISTRATIVE REQUIREMENTS/PROJECT REQUIREMENTS

- A. The Borrower shall comply with the applicable uniform administrative requirements of 24 CFR §92.505 if the Borrower is organized as a non-profit organization.
- B. The Borrower shall comply with all applicable Project requirements of Subpart F of 24 CFR part 92 et seq.
- C. The Borrower shall maintain all tenant and Project records for the most recent five- (5-) year period until five (5) years after the Affordability Period, terminates. The Borrower shall permit the Department, the HUD, and the Comptroller General of the United States, or their authorized representatives, access to all books, records, and papers of the Borrower pertinent to the Project. The Borrower shall keep and retain records sufficient to document invoices of all expenditures, project beneficiary data, and all other records required to be kept pursuant to 24 CFR §92.508.
- D. The Borrower shall permit the Department, HUD, the Comptroller General of the United States, or their authorized representatives, site visits at all times upon reasonable notice throughout the Affordability Period.

XXII. TRANSFER/ASSIGNMENT

The Borrower shall not assign, transfer, subordinate or sublet any obligation of this Loan Agreement nor shall it sell or otherwise transfer any property subject to this Loan Agreement without prior written consent of the Director, who may withhold consent at his/her discretion. Notwithstanding any other provision of this Loan Agreement or the Related Documents, the Director's consent will not be required for any of the following transactions ("Permitted Transfers"):

- A. The transfer by Tax Credit Investor, as investor member of the Borrower as provided for in that certain Amended and Restated Operating Agreement of Borrower dated on or about the date hereof ("Borrower's Governing Agreement"), of its equity interests in Borrower to one or more Affiliates (as defined in Borrower's Governing Agreement) of Tax Credit Investor, subject to any and all requirements for such a transfer set forth in Borrower's Governing Agreement and so long as Tax Credit Investor or its Affiliate is not relieved of its obligation to make capital contributions to Borrower required under the terms of Borrower's Governing Agreement;
- B. The transfer of interests within Tax Credit Investor;
- C. The removal by Tax Credit Investor or its Affiliate of a managing member or manager of Borrower for cause in accordance with the terms of Borrower's

Governing Agreement, and the replacement of such removed managing member or manager with an Affiliate, with the special limited member designated in the Borrowers Governing Agreement, or with an individual or entity, not an Affiliate, who or which is reasonably acceptable to the City and meets the requirements of Paragraph XXIV regarding suspension and debarment;

- D. Execution and/or exercise of a purchase option and/or right of first refusal agreement by Borrower's managing member or manager and/or or its Affiliate to be exercised following expiration of the fifteen-year "compliance period" as defined in and determined in accordance with Section 42(i) of the Code, or any corresponding provision or provisions of succeeding law ("Section 42"); and
- E. Recording of the Washington State Housing Finance Commission's ("WSHFC") Regulatory Agreement (Extended Use Agreement), as required by Section 42.

The provisions of this Loan Agreement shall apply to all persons or entities performing obligations set forth by this Loan Agreement, including approved persons or entities to whom or to which the Borrower assigns, transfers, or sublets services as above. Such approved persons or entities shall be subject to the provisions for faith-based activities and organizations as outlined in this Loan Agreement, as applicable.

XXIII. HAZARDOUS SUBSTANCES/REPRESENTATIONS AND WARRANTIES

- A. The Borrower shall not cause or permit the presence, use, disposal, storage, or release of any "Hazardous Substances" (as defined below) on or in the Property. The Borrower shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state or local Environmental Law, ordinance or rule. As used in this provision, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.
- B. The Borrower shall promptly give the City written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which the Borrower has actual knowledge. If the Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, the Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.
- C. The Borrower hereby represents and warrants that, to the best of the Borrower's knowledge and belief, and after reasonable investigation and inquiry, the Project has never been and is not being used to make, store, handle, treat, dispose of, generate, or transport Hazardous Substances in violation of any applicable law, which Hazardous Substances have not been or will not be abated according to all applicable law and regulations related thereto

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

XXIV. DEBARMENT AND SUSPENSION

The Borrower shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. Additionally, the Borrower shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/ subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24. Using the System for Award Management

(<https://www.sam.gov>), the City has determined, as of the date of this contract that the Borrower is not excluded from federal procurement and non-procurement programs. The Borrower has provided in Attachment 5 its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and "Debarment and Suspension", codified at 29 CFR part 98.

XXV. ANTI-LOBBYING

Borrower certifies that, to the best of Borrower's knowledge and belief:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of this loan;
- B. That if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employees of Congress, or an employee of a Member of Congress in connection with this loan, Borrower shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instruction; and
- C. Borrower shall require that the language of paragraphs A and B of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such subrecipients shall certify and disclose accordingly.

XXVI. SEVERABILITY

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

XXVII. NOTICES

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

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

Volunteers LIHTC LLC
c/o Volunteers of America of Eastern Washington and Northern Idaho

525 W. Second Avenue
Spokane, WA 99201

Wells Fargo Affordable Housing Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, North Carolina 28288
Attn: Asset Management

XXVIII. INDEMNIFICATION

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

XXIX. TERMINATION

In accordance with 24 CFR §85.43, this Loan Agreement may be suspended or terminated if the Borrower materially fails to comply with any term of this Loan Agreement; provided, however, prior to increasing the interest rate or accelerating repayment pursuant to this Section IV, the City will provide the Borrower and Tax Credit Investor (as defined below) with notice of such default and provide the Borrower and the Tax Credit Investor with the cure rights specified in Section XIV. This Loan Agreement may be terminated for convenience in accordance with 24 CFR §85.44.

XXX. CERTAIN CITY REPRESENTATIONS

The City represents and warrants to the Borrower that none of the money used by the City to make this loan is or will be derived, directly or indirectly, from any obligation the interest on which is exempt from tax under Section 103 of the Code.

XXXI. EXECUTION IN COUNTERPARTS

This Loan Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, TO MODIFY OR AMEND ANY AGREEMENT TERMS, TO RELEASE

ANY GUARANTOR, TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR FORBEAR FROM EXERCISING ANY REMEDIES, OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION RELATED TO THIS LOAN AGREEMENT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

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

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

**VOLUNTEERS LIHTC LLC,
A Washington limited liability company**

By: Volunteers MM LLC, a Washington limited liability company
Its: Managing Member

By: Volunteers of America of Eastern Washington and Northern Idaho, a Washington nonprofit corporation
Its: Sole member

By: _____
Name: Marilee K. Roloff
Title: President/CEO

Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2015, personally appeared before me **Marilee K. Roloff**, to me known to be the President/CEO of Volunteers of America of Eastern Washington and Northern Idaho, a Washington nonprofit corporation, which is the sole member of Volunteers MM LLC, a Washington limited liability company, which is the managing member of Volunteers LIHTC LLC, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: David A. Condon, Mayor

ATTEST:

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2015, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the Mayor and City Clerk, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

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

ATTACHMENT 1
PROPOSED BUDGET

**VOLUNTEERS LIHTC LLC
VOA EAST 2ND AVENUE**

217 East 2nd Avenue
51-unit Apartment Building

Land acquisition	\$317,900	LIHTC equity	\$9,195,399
Construction	5,106,429		
Contractor overhead & profit	510,643	City HOME funds	1,100,000
Construction Contingency	594,644		
Sales tax	579,571		
Infrastructure/sitework	300,000		
Bond	100,000		
Permits/fees/hookups	80,000		
Bridge loan costs	1,700		
Construction loan costs	290,904		
Lease-up period interest	70,189		
LIHTC/perm financing costs	144,277		
Architect	200,000		
Development consultant	200,000		
Other soft costs	29,825		
Soft cost contingency	20,000		
Other development costs	90,000		
City compliance	20,000		
Equipment & furnishings	175,000		
Nonprofit donation	25,718		
Construction guaranty fee	225,000		
Operating reserve	130,000		
Services reserve	423,599		
Developer Fee	660,000		
TOTAL	\$10,295,399	TOTAL	\$10,295,399

Acquisition of land and construction of a 51-unit, 4-story residential building with 1 elevator on a lot of approximately 13,750 sf. Units will include 26 studio apartments and 24 one-bedroom units for rent and a one-bedroom resident manager's unit. The building will include fire sprinklers, a management office, a television room, a computer lab, onsite mail boxes, and coin-operated laundry. Units have a stove top (no oven) and refrigerator. The building will meet or exceed the State's Evergreen Sustainable Development Standards. Design and materials will incorporate durability and energy and water efficiencies. Upon completion of the work, three units will meet ADA and one (1) additional unit shall be accessible to individuals with sensory impairments pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). There will be a construction loan, which will be repaid upon completion.

HOME Rent and Income Limits

SOURCE: HUD
MSA: Spokane, WA
EFFECTIVE: June 1, 2015
2015 ESTIMATED MEDIAN INCOME: \$64,500



2015 INCOME LIMITS									
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	9 PERSON [▲]
AREA MEDIAN INCOME (100% AMI)	45,200	51,600	58,100	64,500	69,700	74,900	80,000	85,200	90,300
LOW-INCOME (80% AMI)	36,150	41,300	46,450	51,600	55,750	59,900	64,000	68,150	72,250
VERY LOW-INCOME (50% AMI)	22,600	25,800	29,050	32,250	34,850	37,450	40,000	42,600	45,150
EXTREMELY LOW-INCOME*(30% AMI)	13,550	15,500	17,450	19,350	20,900	22,450	24,000	25,550	27,100

ATTACHMENT 2

2015 HOME PROGRAM RENTS							
SRO*	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM	6 BEDROOM
FAIR MARKET RENT (FMR)	350	571	773	1,105	1,254	1,442	1,630
30 OF 50 RENT	♦467	♦571	726	838	936	1,032	1,128
30 OF 30 RENT	339	362	436	503	561	620	677

AMI – Area Median Income

▲Calculate AMI for >9-person household by adding 8% for each member over 4-person AMI and round to nearest \$50 (i.e., 10-person is 148% of 4-person AMI)

*These incomes exclude the less restrictive poverty guidelines of the 2014 Appropriations Act that are not adopted by the Multifamily Housing Program.

^xHOME rent for an SRO is 75% of the Efficiency Fair Market Rent.

♦HOME regulation requires that HOME rent cannot exceed FMR. Therefore, this rent is capped at FMR.



Federal Labor Standards Provisions

U.S. Department of Housing and Urban Development Office of Labor Relations

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

ATTACHMENT 4

TIMETABLE

Category	Milestone/Task	Deadline Month Yr/Status
Site control	Close on property.	Completed.
Financing	Funding allocations of City and WA State Housing Finance Commission.	Completed.
	Selection of construction lender and investor.	Completed.
	Funding documented by all lenders	June 2015.
Design/Permits	Approval of zoning, site plan, construction plans.	June 2015.
	Building permits issued.	June 2015.
Construction	Begin construction.	June 2015.
	Complete construction.	December 2016.
Occupancy	Units occupied.	Within 60 days from Certificate of Occupancy

ATTACHMENT 5

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

1. The undersigned (i.e., signatory for the Borrower) certifies, to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
 - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the City.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

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

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this exhibit, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. The undersigned may contact the City for assistance in obtaining a copy of these regulations.
5. I understand that a false statement of this certification may be grounds for termination of the contract.

<u>Volunteers LIHTC LLC</u> Name of Borrower (Type or Print)	<u>VOA 2nd Avenue</u> Program Title (Type or Print)
<u>Marilee K. Roloff</u> Name of Certifying Official (Type or Print)	_____ Signature
<u>President/CEO of Volunteers of America of Eastern Washington and Northern Idaho, sole member of Volunteers MM LLC, its managing member</u> Title of Certifying Official (Type or Print):	_____ Date (Type or Print)

**CITY OF SPOKANE
VOLUNTEERS LIHTC LLC**

VOA 2ND AVENUE

PROMISSORY NOTE

OPR #2015-_____

Borrower: Volunteers LIHTC LLC
c/o Volunteers of America of Eastern Washington and Northern Idaho
525 W. Second Avenue
Spokane, WA 99201

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

Principal: \$1,100,000.00

Date: June __, 2015

1. **PROMISE TO REPAY:** FOR VALUE RECEIVED, the undersigned Volunteers LIHTC LLC, a Washington limited liability company, hereinafter referred to as "Borrower", promises to repay to the order of the City of Spokane, a Washington state municipal corporation, or its successors and assigns (hereinafter called "Lender") the maximum principal sum of ONE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,100,000) or so much of said sum or sums as may now or hereafter be loaned or disbursed to the Borrower by the Lender, for the purpose of providing a portion of the financing for the Borrower's VOA 2nd Avenue project, to be constructed at 217 East 2nd Avenue in Spokane, WA (the "Project"). This Promissory Note (the "Note") is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement") and HOME Program Loan Covenant Agreement ("Covenant Agreement") of even date herewith. Lender's disbursements under the Loan Agreement and the Note are further secured by a Deed of Trust of even date herewith ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents". The capitalized terms in said Related Documents shall have the same meaning in this Note unless the context clearly suggests otherwise. In the event of conflict or ambiguity in the terms of any of these documents, the terms most favorable to Lender shall apply.

2. **INTEREST:** In addition to repayment of principal sums loaned, Borrower agrees to pay interest, compounded annually, commencing on the date the money is first disbursed under the Loan Agreement, at the rate of three percent (3%) per annum. If rents for any HOME-assisted unit of the Project are raised above the level of the

Affordability Requirement defined in the Loan Agreement, or any other provisions, covenants, terms, conditions or restrictions of the Loan Agreement are not adhered to, then the rate on the outstanding balance shall be increased to the prevailing prime lending rate as published in The Wall Street Journal, plus three percent (3%), compounded annually, for the period of noncompliance, as determined by the Director of Community, Housing and Human Services for the City of Spokane (the "Director"); provided, however, prior to increasing the interest rate pursuant to this Section 2, the City will provide the Borrower and Tax Credit Investor (as defined in the Loan Agreement) with notice of such default and provide the Borrower and the Tax Credit Investor with the cure rights specified in Section XIV of the Loan Agreement.

3. **REPAYMENT; MATURITY:**

A. Deferral Period: Payment of principal and interest shall be deferred for 37 years from the date of this Note, so long as Borrower and the Project are in compliance with the Affordability Requirements per the terms of the Loan Agreement and Covenant Agreement together with all other provisions of this Note and Related Documents.

B. Maturity: Principal and accrued interest on this Note shall be due on June 1, 2052. During the Affordability Period, Borrower shall notify the City in writing if, for any reason, Borrower and/or the Project will not comply with the Affordability Requirements, at which time any remaining balance would become immediately due and payable. Such payment shall not extinguish the requirement of the Related Documents.

C. Prepayment: The Borrower may pay all or any portion of the outstanding principal of the Note at any time, without penalty. Repayment during the HOME Affordability Period, as described in the Loan Agreement, shall not extinguish the Affordability Requirements.

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

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

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

5. THIS LOAN IS made for the purpose of financing a portion of the costs of acquisition and construction of the VOA 2nd Avenue project on the property described in the Deed of Trust and Loan Agreement. As a condition of receiving this loan, Borrower agrees to abide by all of the terms and conditions of this Note, the Deed of

Trust, the Loan Agreement and associated Covenant Agreement, incorporated herein by reference as if fully set forth.

6. IF THE BORROWER SHALL default in the payment of any amount due under this Note, and such default is not cured within fifteen (15) days after such payment is due, or if any other Event of Default occurs under the Deed of Trust, the Loan Agreement or the Covenant Agreement and such default is not cured within the cure period, if any, applicable thereto, the entire unpaid principal amount of this Note, together with accrued interest, shall immediately become due and payable, at Lender's option, upon notice to the Borrower and the Tax Credit Investor, and providing the Tax Credit Investor with an opportunity to cure such default pursuant to the Loan Agreement. Failure of Lender to exercise such option shall not constitute a waiver of default. If Lender exercises its option to declare the entire amount of Borrower's loan immediately due and payable as provided above, Borrower agrees to pay Lender's cost and expenses of collection, including reasonable attorney's fees and court costs. If this Note is reduced to judgment, the judgment shall bear interest at the maximum rate permissible on judgments in the State of Washington.

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

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

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

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

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

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

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

Notwithstanding any other provision of this Note or the Related Documents, the Director's consent will not be required for any of the following transactions ("Permitted Transfers"):

A. The transfer by Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation ("Tax Credit Investor"), as investor member of the Borrower as provided for in that certain Amended and Restated Operating Agreement of Borrower dated on or about the date hereof ("Borrower's Governing Agreement"), of its equity interests in Borrower to one or more Affiliates (as defined in Borrower's Governing Agreement) of Tax Credit Investor, subject to any and all requirements for such a transfer set forth in Borrower's Governing Agreement and so long as Tax Credit Investor or its Affiliate is not relieved of its obligation to make capital contributions to Borrower required under the terms of Borrower's Governing Agreement;

B. The transfer of interests within Tax Credit Investor;

C. The removal by Tax Credit Investor or its Affiliate of a managing member or manager of Borrower for cause in accordance with the terms of Borrower's Governing Agreement, and the replacement of such removed managing member or manager with an Affiliate, with the special limited member designated in the Borrower's Governing Agreement, or with an individual or entity, not an Affiliate, who or which is reasonably acceptable to the City and meets the requirements of Paragraph XXIV of the Loan Agreement regarding suspension and debarment;

D. Execution and/or exercise of a purchase option and/or right of first refusal agreement by Borrower's managing member or manager and/or or its Affiliate to be exercised following expiration of the fifteen-year "compliance period" as defined in and determined in accordance with Section 42(i) of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law ("Section 42"); and

E. Recording of the Washington State Housing Finance Commission's ("WSHFC") Regulatory Agreement (Extended Use Agreement), as required by Section 42.

8. THIS NOTE IS not assignable or assumable without the express written consent of the Lender, except for the transfer of the Property to West 315 LLC or Community Frameworks, as provided for in Paragraph 7.

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

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

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

12. APPLICABLE LAW AND VENUE: This Note has been issued, executed and delivered in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent that the laws of the United States of America may prevail. Venue to enforce any provision shall be in the Spokane County Superior Court.

13. NONRECOURSE. Notwithstanding anything to the contrary herein, Borrower, its partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced by this Note or performance of the covenants set forth in the Loan Agreement and in the Related Documents, and the sole recourse of the City shall be confined to the exercise of its rights under the Loan Agreement and the Related Documents, provided that nothing

shall diminish Borrower's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

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

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

IN WITNESS WHEREOF, the Borrower executed this Promissory Note on the date first set forth above.

**VOLUNTEERS LIHTC LLC,
a Washington limited liability company**

By: Volunteers MM LLC, a Washington limited liability company
Its: Managing Member

By: Volunteers of America of Eastern Washington and Northern Idaho, a
Washington nonprofit corporation
Its: Sole member

By: _____

Name: Marilee K. Roloff

Title: President/CEO

Date: _____

AFTER RECORDING MAIL TO:

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

OPR #2015-_____

**CITY OF SPOKANE
VOLUNTEERS LIHTC LLC**

VOA 2ND AVENUE

DEED OF TRUST

Grantor: Volunteers LIHTC LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35202.1917

Legal Description (abbreviated): 20-25-43 Ptns of NW ¼ daf

See Attachment 1 for full legal description.

THIS DEED OF TRUST, made as of the _____ day of June, 2015, by and between **Volunteers LIHTC LLC**, a Washington limited liability company, referred to herein as GRANTOR, whose address is c/o Volunteers of America of Eastern Washington and Northern Idaho, 525 W. Second Avenue, Spokane, WA 99201, **Inland Professional Title**, TRUSTEE, whose address is 501 S. Bernard, 1st Floor, Spokane, WA 99204 and the **City of Spokane**, Washington, a Washington state municipal corporation, BENEFCIARY, whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, WA 99201.

This Deed of Trust is part of a transaction further reflected in a HOME Program Loan Agreement ("Loan Agreement"), HOME Program Loan Covenant Agreement ("Covenant Agreement"), and Promissory Note, secured by this Deed of Trust. The terms of said agreements are incorporated into this Deed of Trust, and the capitalized terms in said agreements shall have the same meaning in this Deed of Trust unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to Beneficiary shall apply.

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

See Attachment 1

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

This Deed of Trust is for the purpose of securing performance of each agreement of Grantor herein contained and as further contained in the Loan Agreement, Covenant Agreement, and Promissory Note, secured by this Deed of Trust, and for the purpose of securing payment of the sum of ONE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,100,000.00) with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary, and made by Grantor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of his/her/their successors or assigns, together with interest thereon at such rate as shall be agreed upon. This Deed of Trust also secures to Beneficiary: (a) the payment of other sums, with interest, advanced to protect the security of this Deed of Trust; and (b) the performance of Grantor's covenants and agreements under this Deed of Trust and the Promissory Note, Covenant Agreement and Loan Agreement of even date herewith.

GRANTOR COVENANTS that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property that the Property is unencumbered, except for encumbrances of record. Grantor warrants and will defend the title to the Property against all claims and demands, subject to any prior encumbrances of record and encumbrances listed in the Recording Priority and Subordination Agreement recorded of even date herewith.

COVENANTS: Grantor and Beneficiary covenant and agree as follows:

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

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

3. CHARGES; LIENS. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, which may attain priority over this Deed of Trust, including utility charges, whether or not reflected in a recorded lien. Grantor shall pay these obligations on time directly to the person or entity owed payment.

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

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

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

C. Unless Beneficiary and Grantor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened thereby. If the restoration or repair is not economically feasible or if Beneficiary's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed

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

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

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

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

to the property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

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

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

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

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

8. INSPECTIONS. Beneficiary or its agent may make reasonable entries upon and inspections of the Property, subject to all applicable landlord/tenant laws. Beneficiary shall give Grantor notice at least 24 hours prior to an inspection; provided, however, such right to notice does not apply to Beneficiary when acting in its regulatory capacity or when exercising its police powers.

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

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

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

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

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

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

12. LOAN CHARGES. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and; (ii) any sums already collected from Grantor which exceeded permitted limits will be refunded to Grantor. Beneficiary may choose to make this refund by reducing the principal owed under the Promissory Note or by making a direct payment to Grantor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Promissory Note.

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

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

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

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

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

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

17. GRANTOR'S RIGHT TO REINSTATE FOLLOWING ACCELERATION. If Grantor meets the conditions outlined in this paragraph, Grantor shall have the right to have enforcement by acceleration of this Deed of Trust discontinued at any time prior to the earlier of: (i) 10 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (ii) entry of a judgment enforcing this Deed of Trust. The conditions which Grantor must meet are that Grantor shall: pay Beneficiary all sums

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

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

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

19. HAZARDOUS SUBSTANCES; REPRESENTATIONS AND WARRANTY. A. Grantor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined in this Paragraph 19) on or in the Property, except for the presence, use, storage and disposal of reasonable quantities of such Hazardous Substances as are generally used in the ordinary course of operating, maintaining or developing properties such as the Property, all of which Indemnitor represents, warrants and covenants shall be used, stored and disposed of in accordance with commercially reasonable practices and all applicable laws. Grantor shall not perform any act, nor allow, cause or permit the performance of any act, affecting the Property when such act constitutes a violation of any federal, state, or local Environmental Law, ordinance, or rule. As used in this Paragraph 19, "Environmental Law" means federal laws, state laws and local codes, laws, and/or ordinances of the jurisdiction where the Property is located that relate to health, safety, or environmental protection.

B. Grantor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property, and any hazardous substance or Environmental Law of which Grantor has actual knowledge. If Grantor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any

hazardous substance affecting the Property is necessary, Grantor shall promptly take all necessary remedial actions in accordance with Environmental Law and shall bear all costs and expenses thereof.

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

20. ACCELERATION: REMEDIES. A. Beneficiary shall give notice to Grantor, prior to acceleration, following Grantor's breach of any covenant or agreement noted in this Deed of Trust, the Loan Agreement, or the Covenant Agreement. The notice shall

specify: (a) the nature of the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Grantor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property at public auction to the highest bidder, in accordance with the Deed of Trust Act of the State of Washington (RCW 61.24 or as hereafter amended). The notice shall further inform Grantor of applicable rights to reinstate after acceleration, rights to bring a court action to assert the nonexistence of a default or any other defense Grantor wishes to assert prior to acceleration and sale, and of any other matters required by applicable law to be included in the notice. If the default is not cured on or before the date specified in the notice (or, if later, by the date specified in the Loan Agreement), Beneficiary, at its option, may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted under the Loan Agreement, the Covenant Agreement, the Promissory Note, this Deed of Trust or by applicable law. Beneficiary shall be entitled to collect from Grantor all expenses incurred in pursuing the remedies provided in this Paragraph 20, including, but not limited to, attorneys' fees and costs of title evidence.

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

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

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

E. As long as Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation ("Tax Credit Investor") or an affiliate thereof remains the investor member of Grantor, if a default occurs under the Loan Agreement, this Deed of Trust or any other related document, and Beneficiary intends to exercise any of its remedies on account of such default, then prior to the initiation of any remedy by Beneficiary on account of such default, then Beneficiary at the same time as it delivers notice to Grantor shall deliver written notice of such default to the Tax Credit Investor at the address

specified in the Loan Agreement. Beneficiary shall accept cure of the defaults by the Tax Credit Investor within the cure periods, if any, provided in the Loan Agreement, this Deed of Trust or any other related document, and in any event, shall not exercise any rights to foreclose this Deed of Trust until Tax Credit Investor has been given the notice (but not the obligation) to remedy any default forming the basis with respect to such remedy.

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

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

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

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

25. EXTENDED USE AGREEMENT. Beneficiary acknowledges that Grantor intends to enter into an extended use agreement, which constitutes the extended low-income housing commit described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). As of the date hereof Code Section 42(h)(6)(E)(ii) does not permit the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit or any increase in the gross rent with respect to such unit not otherwise permitted under Code Section 42 or a period of three (3) years after the date the building is acquired by foreclosure or by instrument in lieu of foreclosure. In the even the extended use agreement is recorded against the Property, the Beneficiary agrees to comply with the provisions set forth in Code Section 43(h)(6)(E)(ii).

26. NONRECOURSE PROVISION. Notwithstanding anything to the contrary herein, Borrower, its partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness secured or evidenced hereby or performance of the covenants set forth in this Deed of Trust, the Loan Agreement,

the Covenant Agreement or the Promissory Note, and the sole recourse of the Beneficiary shall be confined to the exercise of its rights under this Deed of Trust, the Loan Agreement, the Covenant Agreement and the Promissory Note, provided that nothing shall diminish Borrower's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

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

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

IN WITNESS WHEREOF, the Parties have executed this Deed of Trust as of the day and year first written above.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

**GRANTOR - VOLUNTEERS LIHTC LLC,
A Washington limited liability company**

By: Volunteers MM LLC, a Washington limited liability company
Its: Managing Member

By: Volunteers of America of Eastern Washington and Northern Idaho, a Washington nonprofit corporation
Its: Sole member

By: _____
Name: Marilee K. Roloff
Title: President/CEO
Date: _____

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2015, personally appeared before me **Marilee K. Roloff**, to me known to be the President/CEO of Volunteers of America of Eastern Washington and Northern Idaho, a Washington nonprofit corporation, which is the sole member of Volunteers MM LLC, a Washington limited liability company, which is the managing member of Volunteers LIHTC LLC, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the Grantor, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.

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

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

By: _____
David A. Condon, Mayor

ATTEST:

Date: _____

By: _____
Assistant City Attorney

On this ____ day of _____, 2015, personally appeared before me **David A. Condon** and **Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

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

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

ATTACHMENT 1

LEGAL DESCRIPTION

All that certain real property situate in the City of Spokane, County of Spokane, State of Washington, being a portion of Block 14, Saunders Addition, as per plat recorded in Volume "A" of Plats, Page 32, records of Spokane County, Washington and being described as follows:

BEGINNING at the Southwest corner of said Block 14, being hereinabove described; thence along the South line of said Block 14, South 89°59'39" East 136.38 feet to the TRUE POINT OF BEGINNING of this description; thence leaving said South line of Block 14, North 00°00'00" East 125.03 North line of a 12.5 foot wide vacated strip North of and adjacent to said Block 14, thence along said North line, South 89°59'55" East 38.60 feet to the Northerly prolongation of the East line of Lot 7 of said Block 14; thence along said line, South 00°00'00" East 39.97 feet to the North line of the South 85 feet of said Block 14; thence along said line South 89°59'04" East 124.98 feet to the East line of said Block 14; thence along said East line, South 00°00'00" East 85.04 feet to the Southeast corner of said Block 14; thence along the South line of said Block 14, North 89°59'39" West 163.58 feet to the said TRUE POINT OF BEGINNING of this description, containing 15,456 square feet of land, more or less.

Street address:

217 East 2nd Avenue, Spokane, Washington 99202

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

OPR #2015-_____

**CITY OF SPOKANE
VOLUNTEERS LIHTC LLC
VOA 2ND AVENUE**

HOME PROGRAM LOAN COVENANT AGREEMENT

Grantor/
Borrower: Volunteers LIHTC LLC, a Washington limited liability company

Beneficiary: City of Spokane, a Washington state municipal corporation

Assessor's Parcel No.: 35202.1917

Legal Description (abbreviated): 20-25-43 Ptns of NW ¼ daf

(See Attachment 1 for full legal description.)

This HOME Program Loan Covenant Agreement ("Covenant Agreement") is made this ____ day of June, 2015 ("Effective Date"), by and between the **City of Spokane**, Washington, a Washington municipal corporation (the "City"), whose address is City of Spokane, c/o Community, Housing and Human Services Department, 808 W. Spokane Falls Blvd., Room 650, Spokane, Washington 99201-3339 and **Volunteers LIHTC LLC**, a Washington limited liability company (the "Grantor" or "Borrower"), whose address is c/o Volunteers of America of Eastern Washington and Northern Idaho, 525 W. Second Avenue, Spokane, WA 99201.

I. STIPULATIONS

1. This Covenant Agreement is a condition of and part of the consideration for the financial assistance provided by the City to the Grantor for the Grantor's acquisition and construction of the VOA 2nd Avenue project, a 51-unit apartment building to be located at 217 East 2nd Avenue in Spokane, WA (the "Project"). Thirty-seven (37) of the fifty-one (51) units will be HOME-assisted.

2. This Covenant Agreement is part of a transaction further reflected in a Promissory Note ("Promissory Note") and a HOME Program Loan Agreement ("Loan Agreement") of even date herewith. The City's disbursements under the Loan Agreement are further secured by a Deed of Trust ("Deed of Trust"). The terms of said documents are incorporated herein as if fully set forth herein, and together shall be referenced as the "Related Documents." The capitalized terms in said agreements shall have the same meaning in this Covenant Agreement unless the context clearly suggests otherwise. In the event of conflict in the terms of any of these documents, the terms most favorable to the City shall apply.

3. The Project is situated in the City and County of Spokane, State of Washington, and is legally described as set forth in Attachment 1 hereto.

4. This Covenant Agreement shall be filed and recorded in the official public land records of Spokane County, Washington, and shall constitute a restriction upon the use of the property and Project described herein, subject to and in accordance with the terms of this Covenant Agreement during the Affordability Period described in Section IV herein below.

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

NOW, THEREFORE, it is hereby covenanted, that during the Affordability Period described in Section IV herein below, the Borrower agrees to the following covenants running with the land which shall bind the Borrower, its heirs, assigns, lessees and successors in interest through the Affordability Period.

II. COVENANTS

Borrower shall:

- A. Comply with the Affordability Requirements described in this Covenant Agreement and Related Documents.
- B. Maintain all required insurance, including without limitation the insurance required by the Deed of Trust.
- C. Maintain Project financial reports, Project financial records and provide all other information and documentation that the City may reasonably request.

- D. Make prompt payment of all taxes and financial liabilities.
- E. Not hypothecate or encumber Project assets in any way, except to the extent provided for under the Loan Agreement or as approved of by the Director of Community, Housing and Human Services of the City of Spokane (the "Director") in writing. The Director may withhold such approval at his/her reasonable discretion.
- F. Promptly provide (i) rent and tenant income information at initial tenant occupancy and (ii) rent, occupancy, and tenant income information annually throughout the term of the Loan Agreement, in accordance with the Loan Agreement, or as otherwise requested by the City. If the Project has floating HOME units, the Borrower must provide the City with information regarding the unit substitution and filling vacancies so that the Project remains in compliance with HOME rental occupancy requirements.
- G. Promptly provide, upon request by the City, such documentation as is necessary (including financial statements) to enable the City to determine the financial condition and continued financial viability of the Project.
- H. During the Affordability Period, prohibit occupancy of any HOME-assisted unit by Borrower (or officer, employee, agent, elected or appointed official, or consultant of the Borrower, or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of Borrower) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor).
- I. Comply with all applicable federal, state, and local regulations and requirements, including, but not limited to, Uniform Administrative Requirements, Federal Labor Standards, Davis-Bacon and Related Acts, Uniform Relocation Act requirements applicable as of the date of the execution of this Covenant Agreement, and the provisions of the Lead-Based Paint Poisoning Prevention Act. The Federal Labor Standards Provisions with which Borrower must comply are attached to the Loan Agreement as Attachment 2 and incorporated herein. The City's costs to administer Davis Bacon Federal Labor Standards, and Related Acts shall be borne by the Borrower. When Washington State prevailing wages apply, the Borrower shall comply with all State requirements under RCW 39.12 to the satisfaction of the State of Washington. When applicable, the higher of Washington State prevailing wages or Davis-Bacon wages shall apply.
- J. Comply with all HOME program project requirements pursuant to 24 CFR part 92 et seq.
- K. Maintain housing in compliance with the property standards of 24 CFR §92.251 and local code requirements throughout the term of the Loan Agreement .

- L. Upon Project completion, the Project shall obtain a final Certificate of Occupancy, meet all licensing requirements needed to operate the facility as proposed by Borrower in its various funding applications, and meet the property standards of 24 CFR §92.251, and all applicable federal, state and local codes and ordinances. New construction projects must also meet HUD, state, and local requirements relating to accessibility and disaster mitigation.
- M. Cause each of the thirty-seven (37) HOME-assisted units to have been occupied by income-eligible households within eighteen (18) months after the Project is completed. If any HOME-assisted units have not been occupied by eligible tenants within 6 months following the date of Project Completion, Borrower shall submit to the City current marketing information and, if the City requests it, an enhanced marketing plan for leasing the unoccupied units as quickly as possible, which information the City will provide to HUD as required by 24 CFR §92.252. If any HOME-assisted unit has not been rented to eligible tenants within eighteen (18) months after the date of Project Completion, Borrower shall repay the City \$29,729.73/unit for each such unit within thirty (30) days of the City's written request for repayment. This reflects the proportionate per unit share of HOME funds, i.e., \$1,100,000 HOME dollars/37 HOME units. The number of HOME-assisted units required hereunder shall be reduced in proportion to the amounts so repaid.

The Borrower shall cause this Covenant Agreement to be recorded as a covenant running with the land and the Project.

Borrower shall pay at loan closing all costs associated with the negotiation, documentation and closing of the loan, including without limitation title premiums escrow fees, recording fees, appraisal fees and City's attorneys' fees.

III. INCOME DETERMINATIONS

- A. For purposes of this Covenant Agreement, tenant "annual income" is defined pursuant to 24 CFR §92.203), and includes income from all persons in the household, less income adjustments pursuant to 24 CFR §5.611. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.
- B. Initial tenant annual income determinations shall be made by the Borrower pursuant to 24 CFR §92.203. Subsequent tenant income determinations shall be made by the Borrower pursuant to 24 CFR §92.203 and 24 CFR §92.252(h).
- C. Rent increases and annual income recertifications shall be governed by the terms outlined in the Affordability Requirements below.

IV. AFFORDABILITY REQUIREMENTS

- A. HOME Affordability Period. The HOME Affordability Period, established pursuant to 24 CFR §92.252, is twenty (20) years, beginning after Project Completion, as determined by the Director. "Project Completion" means that all necessary title transfer requirements and construction work have been performed; the Project complies with the requirements of 24 CFR §92, including the property standards under 24 CFR §92.251; the final drawdown of HOME funds has been disbursed for the Project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of 24 CFR §92.502(d), project completion occurs upon completion of construction and before occupancy. Repayment of the loan during the HOME Affordability Period will not extinguish the requirements of the Related Documents.
- B. City Affordability Period. The City Affordability Period is thirty-seven (37) years, from the date of the Loan Agreement. The HOME Affordability Period and City Affordability Period shall run concurrently. Collectively, the two periods are hereinafter referred to as the "Affordability Period." Upon expiration of the HOME Affordability Period, the City Affordability Period shall continue, but HUD will no longer monitor compliance with the Affordability Requirements. The requirements of the Affordability Period and other conditions of the Related Documents shall apply, as long as there are funds owing under the Note.
- C. Rent Limit. During the Affordability Period, rents (i.e., exclusive of rent paid through project-based subsidies) on the thirty-seven (37) HOME-assisted units shall not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals thirty percent (30%) of Spokane area median income ("AMI"), as defined by HUD and adjusted for family size, unit size by number of bedrooms, tenant-paid utilities, and tenant-supplied appliances. These units shall include nineteen (19) studio units and eighteen (18) one-bedroom units. Should the HUD rents decline below the initial project rents, the Borrower's rents do not need to be reduced below the initial rents. A table of initial HUD rents for the Project is attached to the Loan Agreement as Attachment 2. The adjustment for tenant-paid utilities and tenant-supplied appliances is subject to 24 CFR §92.252, which previously used the Section 8 existing housing allowance for tenant-furnished utilities and other services as published annually by and issued by the Spokane Housing Authority or twelve (12) months of documented actual utility costs as acceptable to the City's Community, Housing & Human Services Department. New HUD requirements are being clarified and may include that the adjustment for tenant-paid utilities and tenant-supplied appliances be based on the HUD Utility Schedule Model, twelve (12) months of documented actual utility costs as acceptable to the City's CHHS Department, or other methods as determined by HUD. Currently, the HUD Utility Schedule Model can be found at: <http://huduser.org/portal/resources/utimodel.html>.

However, any HOME-assisted unit receiving federal or state project-based rental assistance, where the tenant pays not more than thirty percent (30%) of the

household's adjusted income as a contribution toward rent, shall be limited to the maximum rent allowed under the federal or state project-based rental assistance program.

The City will provide Borrower with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits) exclusive of rent paid through project-based subsidies) in accordance with this Covenant Agreement and 24 CFR §92.252(f)(2). Owners must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance with the Affordability Requirements of this Covenant Agreement. The City will review rents for compliance and approve or disapprove them every year.

- D. LIHTC Rent Clause. For tenants of low-income tax credit assisted units (if low-income housing tax credits are awarded to the Project or portions of the Project), any increases in rent associated with tenant income shall be governed solely by section 42 of the Internal Revenue Code of 1986, as amended from time to time.
- E. Upon completion of the HOME Affordability Period, if the maximum rent and income limits are exceeded, the loan will be subject to repayment at the higher interest rate as provided for in Paragraph 2 of the Promissory Note.
- F. Income Limit. At initial occupancy, tenants of the thirty-seven (37) HOME-assisted units shall have incomes not greater than thirty percent (30%) of AMI. If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below thirty percent (30%) of AMI. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.
- G. Adjustments if Project-based Rent Support Ends. The Project has a commitment for forty (40) project-based housing choice vouchers through the Spokane Housing Authority. These vouchers are expected to be available to the project for at least fifteen years. Should all or some of these vouchers end, the Project's income could be affected. If the project-based housing choice vouchers are reduced or eliminated, the Borrower must notify the City as soon as possible, but no less than 90 days before, the anticipated change in the number of vouchers and provide information on its anticipated impact on the Project's cash flow. If the number of project-based vouchers assigned to HOME-assisted units falls below thirty-seven, the City and Borrower may revise or amend the documentation to adjust the rent and income limits applicable to the HOME-assisted units; this will not change the total number of HOME-assisted units, nor the unit sizes, consisting of nineteen studio apartments and eighteen one-bedroom apartments. Whether or not rental assistance is available, at least eighteen (18) of the thirty-seven (37) HOME-assisted units will be occupied by

households with incomes upon their initial occupancy not greater than thirty percent (30%) of AMI occupying units with rents not to exceed thirty percent (30%) of adjusted income of a family whose annual income equals thirty percent (30%) of AMI.

For the remaining nineteen of the thirty-seven HOME-assisted units, the unit affordability may be modified for each HOME-assisted housing unit that loses its federal project-based rental assistance ("No-Assistance"). For the first (1st) through seventeenth (17th) No-Assistance units, the units shall be occupied by households with incomes upon their initial occupancy not greater than forty-percent (40%) of AMI and the rent shall not exceed thirty percent (30%) of adjusted income of a family whose annual income equals forty percent (40%) of AMI. For the eighteenth (18th) and nineteenth (19th) No-Assistance units, the units shall be occupied by households with incomes upon their initial occupancy not greater than fifty-percent (50%) of AMI and rent shall not exceed thirty percent (30%) of adjusted income of a family whose annual income equals fifty percent (50%) of AMI.

If any of these tenants' incomes increases to a level exceeding fifty percent (50%) of AMI, then the next available HOME-assisted unit shall be made available to families at or below the income level that returns the HOME units to the appropriate level. If the income of a tenant of a HOME-assisted unit increases and exceeds eighty percent (80%) of AMI, then the tenant's rent shall increase to the lesser of thirty percent (30%) of the tenant's adjusted monthly income or Fair Market Rent, subject to paragraph IV.D hereof.

- H. Income Certifications. All tenants' incomes shall be recertified annually by the Borrower. Any applicable rent increases will be effective upon the next lease renewal, and are subject to thirty (30) days' written notice.
- I. Additional Affordability Requirements. The Project must comply with the affordable housing requirements of 24 CFR §92.252.
- J. Relocation. Tenants in occupancy prior to the Project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended ("URA"), 42 USC 4601 et seq. and the regulations promulgated thereunder. All relocation payments and expenses shall be borne by the Borrower.
- K. Protection of Affordability Requirements – City Purchase Option. The Affordability Requirements may terminate upon foreclosure or transfer in lieu of foreclosure at the sole election of the Director. In the event of a pending or threatened foreclosure, once applicable notice and cure periods have expired, the City is hereby granted an option and a right of first refusal to purchase the Project before foreclosure or deed in lieu of foreclosure to preserve affordability. The City may exercise its right to purchase the Project in any reasonable manner following the City's receipt of written notice of pending or threatened foreclosure proceedings and/or a possible deed in lieu of foreclosure, which

notice Borrower hereby agrees to provide to City. The purchase price shall be the assessed value of the Project at the time of the City's exercise of its purchase rights, less any financial obligations assumed by the City at the time of the City's acquisition of the Project. Pursuant to 24 CFR §92.252(e)(3), the City further reserves the right to revive any affordability restrictions according to the original terms of the Loan Agreement if, during the HOME Affordability Period (as defined herein), the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or property.

V. DEFAULT

If a violation of any of the foregoing covenants occurs, the City may, after thirty (30) days written notice, the default meanwhile not having been cured, institute and prosecute any proceeding at law or in equity or as otherwise provided for in this Covenant Agreement, or Related Documents, to abate, prevent, or enjoin any such violation or to compel specific performance by the Borrower of its obligations hereunder, including, without limitation of other remedies, the exercise of the City's purchase rights described herein. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

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

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.)

By: David A. Condon, Mayor

ATTEST:

By: _____
Terri L. Pfister, City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this ____ day of _____, 2015, personally appeared before me **David A. Condon and Terri L. Pfister**, to me known to be the **Mayor** and **City Clerk**, respectively, of and for the **City of Spokane**, Washington, the municipal corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

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

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

ATTACHMENT 1

LEGAL DESCRIPTION

All that certain real property situate in the City of Spokane, County of Spokane, State of Washington, being a portion of Block 14, Saunders Addition, as per plat recorded in Volume "A" of Plats, Page 32, records of Spokane County, Washington and being described as follows:

BEGINNING at the Southwest corner of said Block 14, being hereinabove described; thence along the South line of said Block 14, South 89°59'39" East 136.38 feet to the TRUE POINT OF BEGINNING of this description; thence leaving said South line of Block 14, North 00°00'00" East 125.03 North line of a 12.5 foot wide vacated strip North of and adjacent to said Block 14, thence along said North line, South 89°59'55" East 38.60 feet to the Northerly prolongation of the East line of Lot 7 of said Block 14; thence along said line, South 00°00'00" East 39.97 feet to the North line of the South 85 feet of said Block 14; thence along said line South 89°59'04" East 124.98 feet to the East line of said Block 14; thence along said East line, South 00°00'00" East 85.04 feet to the Southeast corner of said Block 14; thence along the South line of said Block 14, North 89°59'39" West 163.58 feet to the said TRUE POINT OF BEGINNING of this description, containing 15,456 square feet of land, more or less.

Situs Address: 217 East 2nd Avenue, Spokane, WA 99202

Attachment 2
Federal Labor Standards Provisions

DRAFT

Attachment 3
Initial HUD Rents

DRAFT

[City of Spokane letterhead]

June __, 2015

Ms. Marilee Roloff
Executive Director
Volunteers of America of Eastern Washington & Northern Idaho
525 West 2nd Avenue
Spokane, WA 99201

Dear Ms. Roloff:

On the date hereof, the City of Spokane (the “Lender”) made a loan in the amount of \$1,100,000 (the “Loan”) to Volunteers LIHTC LLC (“Borrower”) to partially finance the acquisition and construction of a 51-unit apartment to be located at 217 E. 2nd Avenue in Spokane, Washington (the “Project”). Volunteers of America of Eastern Washington & Northern Idaho (“VOA”) is the developer of the Project and the sole member of Volunteers MM LLC, a Washington limited liability company (the “Managing Member”), which is the managing member of the Borrower. Wells Fargo Affordable Housing Community Development Corporation is the investor member of the Borrower (the “Investor Member”).

The Lender acknowledges that VOA has assisted the Lender in Lender’s review and evaluation of the Loan. The Lender also acknowledges that, by means of that certain Right of First Refusal and Purchase Option Agreement dated June __, 2015 (the “Option Agreement”), the Borrower and the Investor Member have provided VOA with a right of first refusal and an option to acquire the Project and/or the investor member’s interest in the Borrower for the two-year period commencing on or about January 1, 2032.

As consideration for VOA’s assistance to the Lender, and other good and valuable consideration that is hereby acknowledged, the Lender agrees that subject to and conditioned on (i) VOA acquiring the Project and/or the Investor Member’s interest in the Borrower pursuant to the terms of the Option Agreement and (ii) the Project has been and remains in compliance, i.e., any prior defaults have been cured or waived in writing by the Lender, with all requirements set forth in the Loan Agreement dated June __, 2015 between the Lender and the Borrower (the “Loan Agreement”) and Related Documents (as defined in the Loan Agreement) including, without limitation, retention of the HOME-assisted units within the Project as rental units for households at or below 30% AMI for Spokane, WA, then Lender will: (1) allow VOA to assume the Loan and (2) forgive the Loan principal balance and any accrued interest outstanding at its stated maturity. For the avoidance of doubt, the foregoing sentence shall not apply at any time that the Investor Member is a member of the Borrower. The determination whether the foregoing conditions have been met is to be made by the Lender in its sole, reasonable discretion.

The parties intend that the foregoing assumption of the Loan by VOA and forgiveness of the Loan shall take effect without the need for future amendments to the Loan Agreement or the Related Documents. Notwithstanding the foregoing, the Lender and VOA each agree to amend the Loan Agreement and the Related Documents to include the Loan forgiveness language at such time that VOA either acquires the Property or acquires the Investor Member's interest in the Borrower, if either party hereto so requests.

Investor Member hereby represents that it has received an unqualified opinion from its tax counsel related to the contents of this letter agreement.

VOA and Investor Member ("Indemnifying Parties") and their successors and assigns hereby agree that (i) the Lender is released from any and all liabilities to the Indemnifying Parties arising from the terms of this letter agreement and the compliance of the Lender with the terms hereof, and (ii) the Indemnifying Parties and their successors and assigns shall at all times indemnify and hold harmless the Lender from and against any and all claims, actions and suits of others arising out of the terms of this letter agreement or the compliance of the Lender with the terms hereof, and from and against any and all liabilities, losses, damages, costs, charges, reasonable attorneys' fees and other reasonable expenses of every nature and character arising by reason of the same.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

VOA:

VOLUNTEERS OF AMERICA OF EASTERN
WASHINGTON & NORTHERN IDAHO

By: _____

Name: Marilee Roloff

Title: Executive Director

Lender:

CITY OF SPOKANE

By: _____

Name:

Title:

ATTEST:

APPROVED AS TO FORM:

By: _____

By: _____

Terri L. Pfister, City Clerk

Assistant City Attorney

CONSENT OF INVESTOR MEMBER AS TO
THE FINAL TWO PARAGRAPHS OF THIS
LETTER AGREEMENT:

Investor Member:

Wells Fargo Affordable Housing Community
Development Corporation

By: _____

Name:

Title:

-SIGNATURE PAGE-

DRAFT

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:
Jeffrey C. Nave
Foster Pepper PLLC
422 West Riverside Ave., Suite 1310
Spokane, WA 99201

**PRIORITY AND SUBORDINATION AGREEMENT
(The Marilee)**

Grantors: (1) Volunteers LIHTC LLC;
(2) Volunteers of America of Eastern Washington and Northern Idaho
(3) City of Spokane, Washington;
(4) Wells Fargo Bank, National Association;
(5) Washington State Housing Finance Commission

Grantees: (1) Washington State Housing Finance Commission;
(2) Wells Fargo Bank, National Association;
(3) City of Spokane, Washington;
(4) Volunteers of America of Eastern Washington and Northern Idaho
(5) Volunteers LIHTC LLC

Abbrev. Legal Descr.: L7-12 B 14 Saunder's Addition & vacated Short Avenue adj
Additional legal description in Exhibit "A" of document.

Assessor's Tax Parcel 35202.1920

Reference Numbers: _____ (WSHFC Extended Use Agreement)
_____ (City Regulatory Agreement)
_____ (Bank Deed of Trust)
_____ (City Deed of Trust)
_____ (VOA Right of First Refusal)

**PRIORITY AND SUBORDINATION AGREEMENT
(The Marilee)**

This PRIORITY AND SUBORDINATION AGREEMENT (this “Agreement”) is dated as of June 1, 2015, by and among the following parties (collectively, the “Parties”): VOLUNTEERS LIHTC LLC, a Washington limited liability company (the “Company”); VOLUNTEERS OF AMERICA OF EASTERN WASHINGTON AND NORTHERN IDAHO, a Washington nonprofit corporation (“VOA”); CITY OF SPOKANE, WASHINGTON, a municipal corporation of the State of Washington (the “City”); WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the “Bank”); and the WASHINGTON STATE HOUSING FINANCE COMMISSION, a public body corporate and politic of the State of Washington (the “Commission”). Each of the Bank and the City is referred to as a “Lender.”

RECITALS

A. Company’s Interest as Fee Owner. The Company is the owner of a tract of land located in Spokane County, Washington, legally described on Exhibit A hereto (together with all improvements now or hereafter thereon and all appurtenances, the “Property”), which real property is to be developed using a combination of public and private funds from various sources. Depending upon the context, the term “Project” shall herein refer to (1) the construction of an apartment building consisting of 51 dwelling units (including one manager’s unit) on the Property, or (2) the apartment building so constructed.

B. Instruments to be Recorded Against the Property. Various parties providing loans, grants or other advances or contributions to assist in the financing of the Project have required as conditions that the Company execute and record against the Property certain instruments in the nature of covenants and agreements restricting the leasing, operation and/or management of the Property, and/or deeds of trust and other financing instruments securing the performance of certain monetary and other obligations.

C. Commission’s Interest. The Company has obtained financing for the Project through the use of Low Income Housing Tax Credits (“LIHTC”). In connection with the LIHTC, the Company has executed a Regulatory Agreement (Extended Use Agreement) with the Commission (the “Extended Use Agreement”), recorded under Spokane County recording number _____.

D. Bank’s Interest. The Bank and the Company have entered into a Bank Loan Agreement (the “Bank Loan Agreement”) which sets forth the terms and conditions under which the Bank has agreed to lend the Company up to \$_____ (the “Bank Loan”) to finance the Project. The Bank Loan is evidenced by a Promissory Note Secured by Security Instrument (the “Bank Note”), made by the Company to the order of the Bank. Repayment of the Bank Note is secured by, among other security documents, a Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing in favor of Chicago Title Insurance Company, as trustee, and the Bank as beneficiary, recorded

under Spokane County recording no. _____ (the “Bank Deed of Trust”), encumbering the Company’s fee interest in the Property, and a UCC-1 Financing Statement, which shows the Company as debtor, and the Bank as secured party, filed with the Department of Licensing, Uniform Commercial Code Division of the State of Washington (the “Bank Financing Statement”). The Bank Loan Agreement, the Bank Deed of Trust, and the Bank Financing Statement, and all documents executed by the Company in connection therewith, are referred to collectively as the “Bank Documents.”

E. City’s Interest. The City and the Company have entered into a HOME Program Loan Agreement (the “City Loan Agreement”) which sets forth the terms and conditions under which the City has agreed to lend the Company up to \$1,100,000 (the “City Loan”) to finance the Project. The City Loan is evidenced by a Promissory Note (the “City Note”), made by the Company to the order of the City. Repayment of the City Note is secured by, among other security documents, a Deed of Trust in favor of Inland Professional Title, as trustee, and the City as beneficiary, recorded under Spokane County recording no. _____ (the “City Deed of Trust”), encumbering the Company’s fee interest in the Property. In addition, the City and the Company entered into a HOME Program Loan Covenant Agreement recorded under Spokane County recording number _____ (the “City Regulatory Agreement”). All documents identified in this paragraph, and any documents executed by the Company in connection therewith, are collectively referred to as the “City Documents.”

F. VOA’s Interest as Optionee. Pursuant to a Right of First Refusal and Purchase Option Agreement dated June __, 2015, among VOA, the Company and Wells Fargo Affordable Housing Community Development Corporation, VOA has been granted of a purchase option and right of first refusal to purchase the Company’s interest in the Property (together with any other rights of VOA to acquire the Company’s interest, under the Company’s operating agreement or otherwise, the “Option”). The Option is not recorded.

G. Purpose. The Parties desire to provide herein for the relative priority of the various covenants, deeds of trust, and other instruments to be recorded in connection with the Project, and to undertake certain covenants with respect to the subordination of the priority of their interests under recorded instruments in their favor to certain other instruments which may be put of record hereafter, as more particularly provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the Parties agree as follows:

1. **Priorities**. Regardless of the time each Party’s interest in or lien on the Property was or shall be created or recorded, such interests and liens have and shall have the following priorities:

(a) First Priority. The Extended Use Agreement shall have first priority. The liens, rights and interests of the Lenders created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Commission under the Extended Use Agreement. Subject to the terms of the Extended Use Agreement, the Extended Use Agreement shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

(b) Second Priority. The City Regulatory Agreement shall have second priority. The liens, rights and interests of the Lenders created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the City under the City Regulatory Agreement. The City Regulatory Agreement shall terminate upon foreclosure, the transfer of title to the Property by deed-in-lieu of foreclosure or the occurrence of any of the other events set forth in Section 15.i of the City Regulatory Agreement in accordance with the terms thereof.

(c) Third Priority. The Bank Deed of Trust shall be third in priority. The liens, rights and interests of the Lenders created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the lien, security interest, and all other rights granted to the Bank under the Bank Deed of Trust and other Bank Documents, including, without limitation, interest and all present and future advances made by the Bank thereunder, regardless of whether such advances are deemed to be mandatory or optional, and all subsequent amendments, modifications, extensions, renewals, and replacements of the Bank Documents.

(d) Fourth Priority. The City Deed of Trust shall be fourth in priority. The liens, rights and interests of the Lenders created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the City under the City Deed of Trust.

For purposes of this Section, the lien or interest with “lesser priority” is the one with the higher numerical designation, so that, for example, “fourth priority” is a “lesser priority” than “third priority.”

Any right of VOA or any other party to acquire the Property or any part thereof pursuant to any option or right of first refusal, including the Option, in any of the Documents or otherwise, is hereby made subject and subordinate to each of the liens and interests described above in this Section.

The Parties agree that the Lenders do not have any obligation to each other to advance funds or to see to the application of their respective loan proceeds and that any application of such proceeds contrary to the terms of any loan documents shall not defeat the subordinations granted herein in whole or in part.

The Parties agree that except for such obligations as the Company may have to other Parties hereto pursuant to agreements with such Parties (i) the Parties do not have any obligations to each other to advance funds or to see to the application of their respective loan proceeds, (ii) any application of such proceeds contrary to the terms of any loan documents shall not defeat the subordinations granted herein in whole or in part, and (iii) nothing contained in this Agreement shall impair the right of any Party to pursue any right or remedy available to it in any of the agreements, covenants, regulatory agreements, deeds of trust or options referenced herein.

Notwithstanding any other provisions of this Agreement, the priorities established hereunder shall not apply to nor affect the security position of any security agreement or pledge of cash accounts or other property to which only one Party hereto has been granted a security interest.

2. Insurance or Condemnation Proceeds. Notwithstanding any provision of the City Documents to the contrary, so long as amounts under the Bank Documents remain unpaid, in the event of any damage to, destruction of, or taking or condemnation (including deed in lieu thereof) of the Property or any portion thereof, the application of any insurance or condemnation proceeds shall be governed by the terms of the Bank Deed of Trust. Any funds to be applied to repair or restoration shall be held and administered by the Bank in accordance with the Bank Documents, and the Bank shall be entitled to reasonable compensation for its services in connection with the administration of such funds, as set forth in the Bank Deed of Trust, provided that, if applicable law does not permit a lender to hold such proceeds, then the Bank shall have the right to designate an insurance trustee to administer the proceeds consistent with the Bank Deed of Trust subject to applicable law. For so long as amounts under the Bank Documents remain unpaid, the Bank shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of the City pursuant to the City Documents.

3. Cross-Defaults. A “Cross-Default” shall be deemed to occur (i) under the Bank Documents at the option of Bank upon the occurrence of any default under the City Documents, after notice of default has been given thereunder, that is not cured or waived within the applicable cure period set forth therein, and (ii) under the City Documents at the option of the City upon (A) the occurrence of any default under the Bank Documents, after notice of default has been given thereunder, that is not cured or waived within the applicable cure period set forth therein, and (B) the acceleration of the maturity of the Bank Loan by Bank, or the affirmative action by Bank to exercise its rights under the Bank Deed of Trust to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the Bank Deed of Trust. Unless and until there shall be a Cross-Default under this Section, each Lender agrees not to accelerate indebtedness of the Company or seek remedies under loan documents against the Company or the Property (other than the withholding of further disbursement of loan proceeds until such default or breach is cured) based solely upon a breach or default by the Company under another Lender’s documents described herein, other

than a default in the payment of money. The foregoing shall not constitute a waiver, defense, limitation or estoppel to any other breach or default under any Lender's documents. If at any time the Company cures any default that results in a Cross-Default to the satisfaction of the Lender under whose Documents such default originally occurred, any Cross-Default arising as a result thereof under the other Lender's Documents shall be deemed cured and such other Lender's loan shall be retroactively reinstated as if such Cross-Default had never occurred.

4. **Subordinate Lenders' Agreement to Standstill.** So long as amounts under the Bank Documents remain unpaid, the City agrees for the benefit of the Bank and its successors and assigns, that if a default occurs and is continuing under documents other than the Bank Documents, the City shall not, without the Bank's prior written consent (which consent shall not be unreasonably withheld), accelerate the City Loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other enforcement action with respect to the Property.

5. **Reliance.** It is understood by the Parties hereto that the Bank would not make the Bank Loan and would not enter into, or make disbursement under, the Bank Loan Agreement without this Agreement.

6. **Actions by the Bank; Certain Waivers.** The Bank, without the consent of or notice to any other Party, may release any or all parties liable for any obligation secured by the Bank Documents, or release any or all security for the obligations secured by the Bank Documents, all without affecting the subordinations under this Agreement. The City and the Company waive any right to require marshaling of assets or to require the Bank to proceed against or exhaust any specific security for the obligations secured by the Bank Documents, and waive any defense arising out of the loss or impairment of any right of subrogation to the lien of the Bank Documents. However, the Bank agrees not to voluntarily subordinate the lien of the Bank Deed of Trust or any portion thereof to any other liens or encumbrances on the Property without the written consent of the City which consent may consist of such Lender's subordination to the same lien or encumbrance.

7. **Rents.** The City understands that the Company has assigned all leases, income, rents, and profits of the Property in connection with the Bank Documents. The Parties agree that upon default under the Bank Documents, the Bank shall have the absolute right to collect all rents and profits from the Property as provided in the Bank Documents.

8. **Acknowledgements.** The City hereby agrees and acknowledges, solely for the benefit of the Bank, as follows:

(a) for purposes of this Agreement, it has been provided the opportunity to review the Bank Documents before executing this Agreement;

(b) the Bank, in making disbursements pursuant to the Bank Documents, is under no obligation or duty to insure, nor has the Bank represented that it will insure, the proper application of such proceeds by the person(s) to whom the Bank disburses such

proceeds, and any application or use of such proceeds for purposes other than as provided in any such agreement shall not defeat or render invalid, in whole or in part, the subordinations provided for in this Agreement;

(c) the Bank has not made any warranty or representation of any kind or nature whatsoever with respect to (i) the application of the proceeds of the Bank Loan upon the security of the Bank's Deed of Trust, (ii) the value of the Property or the improvements to be developed thereon pursuant to the Bank Documents, or the marketability or value thereof upon completion of such improvements, or (iii) the ability of the Company to honor its covenants and agreements with the Bank or other Parties;

(d) the Bank's release of any security for the Bank Loan, including, without limitation, the reconveyance of any portion(s) of the Project from the lien of the Bank Deed of Trust shall not constitute a waiver or relinquishment of the City's unconditional subordination of the liens or charges of the City Deed of Trust against the Project to the lien or charge of the Bank Deed of Trust;

(e) notwithstanding the terms of the City Regulatory Agreement or any other City Document to the contrary, if the Bank or its designee acquires the Property by foreclosure, deed-in-lieu of foreclosure or otherwise, the City Regulatory Agreement shall automatically terminate without requirement of any prior express or written agreement of the City, and none of the Bank, its designee, their respective successors or assigns or the Property shall be subject to the terms of the City Regulatory Agreement, including, without limitation, any liability for repayment of any City Loan funds or AHTF (2060) investment or funds (as referenced in Sections 3.A.i and 6.B.i of the City Regulatory Agreement), regardless of whether the Project meets the affordability requirements for the Affordability Period as required by the City Documents or not;

(f) notwithstanding the terms of the City Regulatory Agreement or any other City Document to the contrary, the transfer of the Property to the Bank or its designee pursuant to foreclosure or deed-in-lieu of foreclosure shall not require the prior written consent of the City or result in any liability of the Bank, its designee or their respective successors or assigns under the terms of the City Regulatory Agreement or any other City Documents;

(g) the Bank would not make the Bank Loan absent the execution of this Agreement by the Parties hereto; and

(h) the Bank shall provide notice to each other Lender of any written default issued to the Company pursuant to the Bank Documents, provided, however, that the failure of the Bank to provide any such notice shall not constitute a defense, waiver or limitation of any right or remedy of the Bank under the Bank Documents, nor shall it limit, release, waive or affect any duty, liability or obligation of the Company under the Bank Documents. Other than providing notice to each other Lender of any written default issued to the Company, the Bank has no duty or obligation under this Agreement to disclose any

information to any party. The Company hereby consents to the disclosure to each Lender of any written default issued by the Bank in connection with the Bank Documents.

Each Party hereto has made such independent legal and factual inquiries and examinations as such Party deems necessary or desirable and are not relying on any inquiries or examinations made by the Bank or on information from the Bank concerning the Company, the Property or the Project.

9. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the priority of each Party's liens and interests in the Property described herein and all prior understandings and agreements on that subject are superseded hereby.

(b) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

(c) Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission during normal business hours, or two (2) business days after deposit in the U.S. mail, postage prepaid, (one (1) business day if sent by overnight courier) to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate by notice to the other Parties. No transferee or successor of a Party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

the Bank: Wells Fargo Bank, National Association
Community Lending & Investment
1300 S.W. Fifth Avenue, 12th floor
MAC #P6101-121
Portland, Oregon 97201
Loan No. 1013718
Attention: Tierney Chappell

With a copy to: Wells Fargo Bank, National Association
Minneapolis Loan Center (AU #07490)
608 Second Avenue South
MAC #N9303-110
Minneapolis, Minnesota 55402
Attention: Disbursement Analyst
Loan No. 1013718

Company: Volunteers LIHTC LLC
c/o Volunteers of America of Eastern Washington and Northern
Idaho
525 W. Second Avenue
Spokane Washington 99201
Attention: President and Chief Executive Officer

With a copy to: Wells Fargo Affordable Housing Community Development
Corporation
MAC D1053-170
301 South College Street
Charlotte, North Carolina 28288
Attention: Director of Tax Credit Asset Management

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

Commission: Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104
Attention: Executive Director

(d) Successors; Assignment. This Agreement is for the benefit of the Lenders and their respective successors and assigns, and not for the benefit of the Company. Any provision hereof may be waived or modified by agreement of the Lenders (or by any two or more of them, if the other(s) are unaffected thereby) without the consent of the Company and without affecting the priority of the liens and interests of the Lenders. The heirs, administrators, assigns and successors-in-interest of the Parties shall be bound by this Agreement. This Agreement may be assigned by a Party only as a part of an assignment of such Party's loan documents described in this Agreement.

(e) Amendment. This Agreement may be amended only by a writing signed by the Parties hereto, but this clause shall not impair the validity of any further agreements among fewer than all of the Parties hereto as among themselves.

(f) Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all Parties execute each counterpart.

(g) Completion of Recording Information. If this Agreement is signed without completion of certain recording information called for above, any title insurance company acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.

DRAFT

(h) Consent to Other Parties' Documents. By executing this Agreement, each Party hereby acknowledges and consents to the execution of, and, where appropriate, the recording of, the Documents described in Paragraphs C through F of the Recitals herein.

[Signature Pages Follow.]

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

WASHINGTON STATE HOUSING FINANCE
COMMISSION, a public body of the State of
Washington

By: _____

Name: _____

Title: _____

COMMISSION ACKNOWLEDGMENT

[illegible]

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of WASHINGTON STATE HOUSING FINANCE COMMISSION, a public body of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of June, 2015.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington
residing at _____

My appointment expires _____

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: _____
Name: Kris Hollingshead
Title: Vice President

BANK ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that Kris Hollingshead is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a Vice President of Wells Fargo Bank, National Association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of June, 2015.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of _____
residing at _____
My appointment expires _____

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

CITY OF SPOKANE, WASHINGTON

By: _____
Name: David A. Condon
Title: Mayor

ATTEST:

APPROVED AS TO FORM:

By: _____
Name: Terri L. Pfister
Title: City Clerk

By: _____
Name: James Richman
Title: Assistant City Attorney

CITY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

On this ____ day of June, 2015, personally appeared before me David A. Condon, Terri L. Pfister and James Richman, to me known to be the Mayor, the City Clerk and an Assistant City Attorney, respectively, of and for the City of Spokane, Washington, the municipal corporation that executed the within and foregoing instrument, and each acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

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

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington
residing at _____

My appointment expires _____

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

VOLUNTEERS OF AMERICA OF EASTERN
WASHINGTON AND NORTHERN IDAHO, a
Washington nonprofit corporation

Marilee K. Roloff
President and Chief Executive Officer

VOA ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

I certify that I know or have satisfactory evidence that Marilee K. Roloff is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President and Chief Executive Officer of Volunteers of America of Eastern Washington and Northern Idaho, a Washington nonprofit corporation, to be the free and voluntary act and deed of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of June, 2015.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington
residing at _____

My appointment expires _____

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

VOLUNTEERS LIHTC LLC, a Washington
limited liability company

By: Volunteers MM LLC, a Washington limited
liability company, its managing member

By: Volunteers of America of Eastern
Washington and Northern Idaho, a
Washington nonprofit corporation, its
manager

Marilee K. Roloff, President and Chief
Executive Officer

COMPANY ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

I certify that I know or have satisfactory evidence that Marilee K. Roloff is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President and Chief Executive Officer of Volunteers of America of Eastern Washington and Northern Idaho, the Washington nonprofit corporation that is the manager of Volunteers MM LLC, the Washington limited liability company that is the managing member of VOLUNTEERS LIHTC LLC, a Washington limited liability company, to be the free and voluntary act and deed of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of June, 2015.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington
residing at _____

My appointment expires _____

DRAFT

EXHIBIT A

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY, BEING A PORTION OF BLOCK 14, SAUNDERS ADDITION, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME "A" OF PLATS, PAGE 32, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID BLOCK 14, BEING HEREINABOVE DESCRIBED;

THENCE ALONG THE SOUTH LINE OF SAID BLOCK 14, SOUTH 89°59'39" EAST 136.38 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE LEAVING SAID SOUTH LINE OF BLOCK 14, NORTH 00°00'00" EAST 125.03 NORTH LINE OF A 12.5 FOOT WIDE VACATED STRIP NORTH OF AND ADJACENT TO SAID BLOCK 14;

THENCE ALONG SAID NORTH LINE, SOUTH 89°59'55" EAST 38.60 FEET TO THE NORTHERLY PROLONGATION OF THE EAST LINE OF LOT 7 OF SAID BLOCK 14;

THENCE ALONG SAID LINE, SOUTH 00°00'00" EAST 39.97 FEET TO THE NORTH LINE OF THE SOUTH 85 FEET OF SAID BLOCK 14;

THENCE ALONG SAID LINE SOUTH 89°59'04" EAST 124.98 FEET TO THE EAST LINE OF SAID BLOCK 14;

THENCE ALONG SAID EAST LINE, SOUTH 00°00'00" EAST 85.04 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 14;

THENCE ALONG THE SOUTH LINE OF SAID BLOCK 14, NORTH 89°59'39" WEST 163.58 FEET TO THE SAID TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

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

PARCEL 2

TOGETHER WITH THE BENEFICIAL EASEMENTS GRANTED UNDER THE RECIPROCAL EASEMENT AGREEMENT, FILED JUNE ____, 2015, UNDER AUDITOR'S FILE NO. _____.

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

06/29/2015

Date Rec'd

6/17/2015

Clerk's File #

OPR 2015-0561

Renews #

Submitting Dept

UTILITIES

Cross Ref #

Contact Name/Phone

RICK ROMERO 625-6361

Project #

Contact E-Mail

RROMERO@SPOKANECITY.ORG

Bid #

Agenda Item Type

Contract Item

Requisition #

Agenda Item Name

INTERDEPARTMENTAL AGREEMENT FOR RIGHT OF WAY SYSTEM

Agenda Wording

Interdepartmental agreement between the City's Utilities, Finance, and Business & Developer Services divisions regarding the use of the right of way system for managing stormwater and accommodating water and wastewater utility infrastructure needs.

Summary (Background)

The City has embarked on a new "integrated" approach to manage its street right of way, prioritizing construction projects based on all uses of the street, including multiple mobility uses, stormwater management, and water and wastewater utility needs, among others. The citizens have embraced this new approach, approving a new 20-year levy with a nearly 78 percent "yes" vote to support construction of improved and integrated streets. Additionally, the City committed in its new Integrated Clean

Fiscal ImpactBudget Account

Select \$

#

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

ROMERO, RICK

Study SessionDivision Director

ROMERO, RICK

Other

PWC

Finance

SALSTROM, JOHN

Distribution ListLegal

SCHOEDEL, ELIZABETH

Elizabeth Schoedel

For the Mayor

SANDERS, THERESA

Marlene Feist

Additional Approvals

Scott Simmons

Purchasing

Mark Serbousek

Gavin Cooley

Sandra Mann

Barbara Patrick



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

Water Plan, which was submitted to regulators, and in its sale of \$200 million in "Green" bonds to manage stormwater on site when streets are rebuilt. To meet these commitments, this interdepartmental agreement allows for this shared use of the right of way for utility needs. Based on a comprehensive appraisal of the value of the right of way, the Utilities Division will pay \$5 million a year for 20 years to acquire the use of street and right of way systems for utility needs. This money will be placed in the arterial street fund and spent on integrated street improvement projects over the life of the agreement.

Fiscal Impact

Select \$

Select \$

Budget Account

#

#

Distribution List

CITY OF SPOKANE, WASHINGTON

**INTERDEPARTMENTAL AGREEMENT BETWEEN UTILITIES
DIVISION, FINANCE DIVISION, AND STREET DEPARTMENT
REGARDING USE OF RIGHT-OF-WAY SYSTEM FOR WATER,
STORMWATER AND WASTEWATER MANAGEMENT**

1. AGREEMENT.

This Tri-Party Interdepartmental Agreement Regarding use of Right-Of-Way System for Water, Stormwater and Wastewater Management (“Agreement”) is between the City of Spokane Utilities Division (“Utilities”), the City of Spokane Finance Division (“Finance”), and the City of Spokane Business and Development Services Division that includes the Street and Engineering Services Departments (“Streets”). Utilities, Finance, and Streets are each a “Party” and together they are the “Parties” to this Agreement. The Parties agree as follows.

2. RECITALS AND FINDINGS.

- 2.1 WHEREAS, the City of Spokane (“City”) owns and operates a Water-Wastewater Utility pursuant to chapter 35.67 RCW and other applicable laws. Utilities operates the Water-Wastewater Utility (“Utility”) as a separate system and enterprise; and
- 2.2 WHEREAS, the Water-Wastewater Utility operates and manages a large wastewater treatment plant—the Riverside Park Water Reclamation Facility (“RPWRF”), a system of combined sanitary and stormwater sewers that can overflow to the river (“CSO”), and a large separated stormwater sewer system (“MS4”). These facilities serve the City of Spokane and certain surrounding areas of Spokane County and
- 2.3 WHEREAS, regulatory requirements for these facilities are embodied in the Eastern Washington Phase II Municipal Stormwater Permit and the National Pollutant Discharge Elimination (NPDES) Permit No. WA-002447-3. The NPDES permit is issued by the Washington State Department of Ecology (“Ecology”); and
- 2.4 WHEREAS, these permits and other regulatory requirements demand the City reduce the flow of all pollutants to the Spokane River from the CSO and MS4 systems and improve the quality of the effluent from the RPWRF; and
- 2.5 WHEREAS, the City has developed an Integrated Clean Water Plan (“ICWP”) that details more than \$300 million in work to improve the health of the Spokane

River and commits to manage stormwater on site within its CSO and MS4 systems whenever it rebuilds a street; and

- 2.6 WHEREAS, Such stormwater improvements and maintenance to upstream facilities protect all properties and provide benefits that include improved environment, better access to roads during storm events and reduced flooding during abnormal years. Maintenance of the storm drainage system helps ensure the safety and reliability of the road system within the stormwater section's area; and
- 2.7 WHEREAS, RCW 90.03.500 allows for the use of City right-of-way for stormwater management as a effective and efficient means to address the City's responsibility under the Clean Water Act; and
- 2.8 WHEREAS, the City has identified appropriate financial resources to pay for these improvements, including the sale of \$200 million in "Green" utility revenue bonds designated for such work, the assessment of stormwater fees to all properties within the City, and a new 20-year street levy—approved by nearly 80 percent of voters—that anticipates using street right of way for stormwater management and other utility needs; and
- 2.9 WHEREAS, Utilities has identified the street system as a beneficial facility for management of all City utilities and as the primary housing of City infrastructure for stormwater management; and
- 2.10 WHEREAS, Utilities has determined there to be efficiencies of scale in use of the street and right of way systems for the management of utilities by acquiring rights to use the street and right of way systems in its integrated planning for management of flows from its CSO and MS4 systems; and
- 2.11
- 2.12 WHEREAS, the City's Finance and Asset Management Divisions contracted with P Barton DeLacy Consulting LLC, a commercial real estate appraiser, to conduct an analysis and valuation of the City's infrastructure and rights of way in order to determine an appropriate term and value for utilities to lease the usage of streets right of way for City owned Water, Sewer, and Stormwater infrastructure, attached as Attachment "A"; and
- 2.13 WHEREAS, the valuation analysis by DeLacy Consulting applies a modified ATF (across the fence) methodology at the neighborhood level for City owned rights of way. This is a cumulative value of over 11,000 acres of public right-of-way valued at approximately two billion seven hundred forty million dollars, (\$2,740,000,000). Based on the de minimus adverse impact to the utility of the Street asset, an appropriate lease payment by Utilities to the Arterial Street Fund would be five million dollars (\$5,000,000) per year for 20 years; and

- 2.14 WHEREAS, under the Local Government Accounting Act, RCW 43.09.200-.2851, the City is required to maintain separate accounts for each public service industry, such as the Utilities. RCW 43.09.220. And, all services rendered or property transferred among departments and public service industries are to be paid at true and fair value. RCW 43.09.210. Utilities and Streets determine this Agreement provides for the accounting and use of property among the Parties consistent with the Local Government Accounting Act; and
- 2.15 WHEREAS, Utilities is willing to acquire the right to use street and right-of-way systems as water, wastewater, and stormwater management and conveyance systems and Streets is willing to license the system of streets and right of way to Utilities, and to narrow the construction width and to maintain the street and right-of-way systems as required for the efficient management of stormwater, water and wastewater, as provided in this Agreement; and
3. REPRESENTATIVES OF PARTIES. The Parties understand they are all part of the same municipal corporation and though they may operate independent departments and divisions of the City, they desire to reflect their relationship for the use of the City's right-of-way system for water, stormwater and wastewater management most effectively through this Interdepartmental Agreement. The Utilities Division is represented by the Director of Utilities. The Finance Division is represented by the Chief Financial Officer. The Street Department is represented by Director of the Business and Development Services Division.
4. PURPOSE. The purpose of this Agreement is to establish the terms and conditions for:
- 4.1 The relationship between Streets and Utilities for the use and management of street infrastructure and right-of-ways;
- 4.2 The management and maintenance of stormwater, wastewater and water facilities as to the Parties;
- 4.3 The management and maintenance of street infrastructure and right-of-ways, as to the Parties; and
- 4.4 Manage stormwater on-site as part of all street reconstruction work, including narrowing street surfaces and constructing green infrastructure whenever possible.
5. DURATION. This Agreement shall be effective July 1, 2014, and shall remain in effect for a period of twenty (20) years, or until terminated by either party.
6. TERMS.
- 6.1 Streets authorizes and licenses to Utilities the use of all public City streets and right-of-way systems for Utilities' use in the conveyance, operations and management of water, wastewater and stormwater systems throughout the City.

- 6.2 After consultation with Utilities, Streets at its sole expense will maintain the street and right-of-way systems as needed for the efficient management of stormwater, water and wastewater systems and infrastructure, including narrowing City street surfaces within the City.
- 6.3 Streets shall support City and Utilities' efforts to provide for the narrowing of City street surface and right-of-ways within the City.
- 6.4 Streets shall support and incorporate integrated planning, to include low impact development in any construction, reconstruction or refurbishment of facilities and comply with the best management practices contained in Eastern Washington Stormwater Guidance Manual, Spokane Regional Stormwater Manual and any other applicable state, federal or local rule or regulation to include any binding court or administrative orders.
- 6.5 Streets hereby permits complete access to and use by Utilities for all infrastructure contained within or under the street or right-of-ways, as determined by Utilities.
- 6.6 Streets understands that any monies received under this Agreement Section 7 are a match to arterial street monies and are intended to be utilized for integrated street and utility construction projects.
- 6.7 Utilities shall maintain, operate and control the stormwater systems which are located in and on the public City streets and right-of-way.
- 6.8 Utilities shall maintain, operate and control all stormwater facilities and water and wastewater infrastructure, at its sole expense, in good repair, order and condition. Facilities and infrastructure are intended to be predominately underground and as such, will be constructed and maintained by Utilities.
- 6.9 After consultation with Utilities, Streets shall continue to maintain above-ground property consistent with its policies, to include maintenance of paving, striping, and repair, and shall follow recommended and best management practices as outlined in the Eastern Washington Stormwater Guidance Manual and the Spokane Regional Stormwater Manual.
- 6.10 Utilities shall maintain stormwater management features to ensure successful operations to meet Clean Water Act requirements.
- 6.11 All improvements, structures, alterations or additions constructed by Utilities shall conform in all respects to applicable federal, state and local laws, rules and regulations, to include any court orders.
- 6.12 The payment sum identified in Paragraph 7 below shall be specifically excluded from any utility tax assessment levied against Utilities by the City of Spokane's general fund.

7. PAYMENT. The parties agree the Utilities Department shall pay annually the sum of FIVE MILLION DOLLARS (\$5,000,000.00) to Streets for usage of the public City streets and right of way systems. This sum is fixed and all inclusive for a period of twenty (20) years.
8. PERMITS. Streets will not unreasonably withhold its consent to requests by Utilities for permits and documents for Utilities' zoning changes, use applications, variance, utility hook-ups, building permits, and other such applications as may be required by Utilities in order to develop, construct, and install any infrastructure or stormwater facilities. All costs for such applications will be borne solely by Utilities.
9. INDEMNIFICATION.
 - 9.1 Utilities shall indemnify and hold harmless Streets, its employees and agents for any loss, claim or action to which they may be put by reason of this Agreement, except to the extent Streets, its employees and agents are determined to have acted negligently.
 - 9.2 Streets shall indemnify and hold harmless Utilities, its employees and agents for any loss, claim or action to which they may be put by reason of this Agreement except to the extent Utilities, its employees and agents are determined to have acted negligently.
10. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the Parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral Agreement or arrangement between the parties.
11. AMENDMENT. This Agreement may only be modified or amended in writing, if the writing is signed by all parties, as approved by the City Council and Mayor.
12. SEVERABILITY. If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.
13. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
14. This Agreement has been approved by the City Council and Mayor on _____.

DATED: _____

CITY OF SPOKANE
UTILITIES DIVISION

Director

CITY OF SPOKANE
FINANCE DIVISION

Director

CITY OF SPOKANE
BUSINESS AND DEVELOPMENT SERVICES
For STREETS DEPARTMENT

Director

Attest: _____
City Clerk

Approved as to form:

Assistant City Attorney

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

06/29/2015

<u>Date Rec'd</u>	6/17/2015
<u>Clerk's File #</u>	OPR 2005-0440
<u>Renews #</u>	

<u>Submitting Dept</u>	ASSET MANAGEMENT	<u>Cross Ref #</u>	
<u>Contact Name/Phone</u>	DAVE STEELE 625-6064	<u>Project #</u>	
<u>Contact E-Mail</u>	DSTEELE@SPOKANECITY.ORG	<u>Bid #</u>	
<u>Agenda Item Type</u>	Contract Item	<u>Requisition #</u>	
<u>Agenda Item Name</u>	6500 - STA PARKING LOT LEASE AGREEMENT EXTENSION		

Agenda Wording

Lease renewal related to Spokane Transit Authority (STA) and the under I-90 parking currently used for the Eastern Washington Park and Ride.

Summary (Background)

The City of Spokane is the master lease holder for the parking areas under I-90. STA has been a long term tenant of the parking lots in the area of the Maple Street off ramp/on ramp. These lots have been utilized by STA as their park and ride for the bus routes serving Eastern Washington University. This lease extension coordinates the terms of the STA lease with the expiration of the City's master lease with WSDOT on May 10, 2021 and continues the existing rent escalator throughout the term.

<u>Fiscal Impact</u>		<u>Budget Account</u>	
Revenue	\$ various	#	1450 22050 99999 36231 81036
Select	\$	#	
Select	\$	#	
Select	\$	#	
<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	SIMMONS, SCOTT M.	<u>Study Session</u>	
<u>Division Director</u>	SIMMONS, SCOTT M.	<u>Other</u>	PCED 6/15/15
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	lhattenburg@spokanecity.org	
<u>For the Mayor</u>	SANDERS, THERESA	dsteele@spokanecity.org	
<u>Additional Approvals</u>		mhughes@spokanecity.org	
<u>Purchasing</u>		jsalstrom@spokanecity.org	
		jahensley@spokanecity.org	



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

2015 1,978.08/month 2016 2,057.20/month 2017 2,139.49/month 2018 2,225.07/month 2019
2,314.07/month 2020 2,406.64/month 2021 2,502.90 /month

Fiscal Impact

Select \$

Budget Account

#

Select \$

#

Distribution List

PARKING LOT LEASE AGREEMENT AMENDMENT

THIS PARKING LOT LEASE AGREEMENT AMENDMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City or Lessor", and SPOKANE TRANSIT AUTHORITY (STA), whose address is 1230 West Boone Avenue, Spokane, Washington 99210, as "Lessee".

WHEREAS, the parties entered into a Lease Agreement wherein the City agreed to lease the Lessee the areas located below Interstate 90, between Jefferson Street and Walnut Street, in the City of Spokane, State of Washington (also known as the Jefferson Parking Lot); and

WHEREAS, this original 2005 Parking Lot Lease Agreement called for an initial five (5) year term, ending in 2009, with the option of two (2) additional five year terms (upon mutual written agreement of the parties), morphing into a month-to-month tenancy in 2019, after expiration of the three (3) possible five (5) year terms; and

WHEREAS, the parties would like to amend the original 2005 Parking Lot Lease Agreement to a term commensurate and mirroring the City's fifty (50) year Under I-90 Freeway Lease Agreement (commencing May 10, 1971) for the Jefferson Parking Lot with the Washington State Department of Transportation (WSDOT); -- Now, Therefore,

The parties agree as follows:

1. CONTRACT DOCUMENTS. The original 2005 SPOKANE TRANSIT AUTHORITY (STA) Lease Agreement (OPR 2005-0440) dated May 5, 2005 and May 19, 2005, 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. AMENDMENT. Section 2 TERM of the Parking Lot Lease Agreement documents is amended to read as follows:

The SPOKANE TRANSIT AUTHORITY (STA) Lease Agreement documents are hereby amended and shall run through May 10, 2021. This new term shall run concurrently with the City's fifty (50) year Under I-90 Freeway Lease Agreement (commencing May 10, 1971) of the Jefferson Parking Lot with the Washington State Department of Transportation (WSDOT). The SPOKANE TRANSIT AUTHORITY (STA) Lease Agreement for the Jefferson Parking Lot shall end on May 10, 2021, unless earlier terminated by either party providing the other party at least sixty (60) days written notice of termination.

3. COMPENSATION. The Lessee shall pay the City a accruing year-over-year

additional escalator equal to CPI but not to exceed four (4%) percent, for everything furnished and done under this Parking Lot Lease Agreement Amendment.

Dated: _____

CITY OF SPOKANE

By: _____

Title: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Dated: _____

SPOKANE TRANSIT AUTHORITY
(STA)

E-Mail address, if available:

By: *Susan Meyer*
Title: CEO

15-571

BRIEFING PAPER
Asset Management Group
Tuesday, June 16, 2015

Subject:

Lease renewal related to STA and the under I-90 parking currently used for the Eastern Washington Park and Ride.

Background:

The City of Spokane is the master lease holder for the parking areas under I-90. STA has been a long term tenant of the parking lots in the area of the Maple Street off ramp / on ramp. These lots have been utilized by STA as their park and ride for the bus routes serving Eastern Washington University. This route is their most heavily used route in the transit system.

As a long term tenant, STA has maintained the space well, provides a significant benefit for the community, and has become the core of a trip reduction program for Eastern Washington University.

Impact:

STA has been a long term partner with the City with regards to this lot and has always maintained it at an outstanding level. Extending the lease ensures the continued partnership and reinforces the importance of the park and ride program with Eastern Washington University.

Action:

Approval of the Lease Agreement

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

06/29/2015

<u>Date Rec'd</u>	4/11/2012
<u>Clerk's File #</u>	CPR 2015-0002
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	
<u>Requisition #</u>	

<u>Submitting Dept</u>	ACCOUNTING
<u>Contact Name/Phone</u>	LEONARD DAVIS 625-6028
<u>Contact E-Mail</u>	LDAVIS@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Claim Item
<u>Agenda Item Name</u>	5600-CLAIMS-2015

Agenda Wording

Report of the Mayor of pending claims & payments of previously approved obligations through: 6/22/15.
Total:\$ 3,838,849.96 with Parks & Library claims being approved by their respective boards. Claims excluding Parks & Library Total: \$ 3,731,379.23

Summary (Background)

Pages 1-27 Check numbers: 510805 - 511060 ACH payment numbers: 18910 - 18978 On file for review in City Clerks Office: 27 Page listing of Claims

<u>Fiscal Impact</u>	<u>Budget Account</u>
Expense \$ 3,731,379.23	# Various
Select \$	#
Select \$	#
Select \$	#

<u>Approvals</u>	<u>Council Notifications</u>
<u>Dept Head</u>	<u>Study Session</u>
<u>Division Director</u>	<u>Other</u>
<u>Finance</u>	<u>Distribution List</u>
<u>Legal</u>	
<u>For the Mayor</u>	

<u>Additional Approvals</u>	
<u>Purchasing</u>	

REPORT: PG3620
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

APPROVAL FUND SUMMARY

DATE: 06/23/15
TIME: 07:58
PAGE: 1

FUND	FUND NAME	AMOUNT
0100	GENERAL FUND	388,593.00
1100	STREET FUND	3,590.91
1200	CODE ENFORCEMENT FUND	4,391.54
1300	LIBRARY FUND	303.18
1350	PENSION CONTRIBUTIONS FUND	264.08
1380	TRAFFIC CALMING MEASURES	50,701.24
1400	PARKS AND RECREATION FUND	568.66
1450	UNDER FREEWAY PARKING FUND	14,040.68
1460	PARKING METER REVENUE FUND	8,310.36
1500	PATHS AND TRAILS RESERVE FUND	0.62
1510	SPOKANE RGL EMERG COMM SYS	1,965.07
1540	HUMAN SERVICES GRANTS FUND	49,839.89
1560	FORFEITURES & CONTRIBUTION FND	5,834.00
1570	INTERMODAL FACILITY OPERATION	16.40
1590	HOTEL/MOTEL TAX FUND	271,949.38
1610	REAL ESTATE EXCISE TAX FUND	93.81
1620	PUBLIC SAFETY & JUDICIAL GRANT	711.00
1630	COMBINED COMMUNICATIONS CENTER	3,208.13
1640	COMMUNICATIONS BLDG M&O FUND	1,769.23
1680	CD/HS OPERATIONS	553.53
1690	COMM DEVELOPMENT BLOCK GRANTS	500.00
1910	CRIMINAL JUSTICE ASSISTANCE FD	1,284,358.64
1940	CHANNEL FIVE EQUIPMENT RESERVE	8.23
1950	PARK CUMULATIVE RESERVE FUND	1,861.89
1970	EMS FUND	27,970.77
1980	DEFINED CONTRIBUTION ADMIN FND	3.08
3200	ARTERIAL STREET FUND	135,436.41
3403	CAPITAL IMPRVMENTS 2003 STREET	61.37
3404	2004 UTGO STREET BONDS	662.98
3499	CAPITAL IMPROVEMENTS 1999	6.04
3500	KENDALL YARDS TIF	49,094.72
3501	WEST QUADRANT TIF	10.45
4100	WATER DIVISION	157,403.63
4250	INTEGRATED CAPITAL MANAGEMENT	34,248.13
4300	SEWER FUND	304,209.74
4480	SOLID WASTE FUND	15,039.05
4490	SOLID WASTE DISPOSAL	7,290.10
4600	GOLF FUND	93.03
4700	DEVELOPMENT SVCS CENTER	730.80
5100	FLEET SERVICES FUND	24,815.42
5110	FLEET SVCS EQUIP REPL FUND	1,801.68
5200	PUBLIC WORKS AND UTILITIES	525.71
5300	IT FUND	114,032.21
5400	REPROGRAPHICS FUND	171.63
5600	ACCOUNTING SERVICES	760.19
5800	RISK MANAGEMENT FUND	19,444.44
5810	WORKERS' COMPENSATION FUND	5,966.03
5820	UNEMPLOYMENT COMPENSATION FUND	27.33
5830	EMPLOYEES BENEFITS FUND	648,670.10
5900	ASSET MANAGEMENT FUND OPS	5,051.09
6060	EMPLOYEES' RETIREMENT FUND	799.38
6070	FIREFIGHTERS' PENSION FUND	49,944.85
6080	POLICE PENSION FUND	33,122.78

REPORT: PG3620
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

APPROVAL FUND SUMMARY

DATE: 06/23/15
TIME: 07:58
PAGE: 2

FUND	FUND NAME	AMOUNT
6785	TRANSPORTATION BENEFIT DIST	552.62
TOTAL:		3,731,379.23

REPORT: PG3630
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

DATE: 06/23/15
TIME:
PAGE: 1

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0020 - NONDEPARTMENTAL

K & L GATES LLP RCAC	LEGAL SERVICES ACH PMT NO. - 80018972	7,000.00
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1,039.41
SPOKANE COUNTY INFO SYSTEMS SPOKANE COUNTY TREASURER	SPO REG EMERGENCY COMM SYSTEM CHECK NO. - 00510851	18,340.71
SPOKANE PUBLIC SCHOOLS	CONTRACTUAL SERVICES CHECK NO. - 00511038	13,376.80
SPOKANE TRANSIT AUTHORITY	CONTRACTUAL SERVICES CHECK NO. - 00511039	4,396.06
TOTAL FOR 0020 - NONDEPARTMENTAL		44,152.98

0030 - POLICE OMBUDSMAN

COPIERS NORTHWEST INC	MISC SERVICES/CHARGES ACH PMT NO. - 80018945	60.58
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	6.71
TOTAL FOR 0030 - POLICE OMBUDSMAN		67.29

0100 - GENERAL FUND

CATHOLIC CHARITIES	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018942	34,853.93
CHERYL ROCHDE 6104 N ELM	DEPOSIT - RESTITUTION CHECK NO. - 00510835	25.00
DENISE BURNS 3222 N COOK	DEPOSIT - RESTITUTION CHECK NO. - 00510837	50.00
JEFFREY STEWART 39842 NORTH SHORE RD	DEPOSIT - RESTITUTION CHECK NO. - 00510836	25.00
JENNIFER PARKER 13147 W 12TH AVE	DEPOSIT - RESTITUTION CHECK NO. - 00510834	25.00
NORTHEAST YOUTH CENTER	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018930	2,618.26
ROBERT DOUTHITT 1117 S MCCLELLAN ST	PERMIT REFUNDS PAYABLE CHECK NO. - 00510821	100.00
SPOKANE COUNTY SHERIFF SPOKANE COUNTY TREASURER	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00510968	5,325.36

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

SPOKANE INT'L AIRPORT AIRPORT PARKING TICKETS	DEPOSIT-AIRPORT PARK VIOLATION ACH PMT NO. - 80018932	310.30
TRANSITIONS DBA TRANSITIONAL PROGRAMS FOR WOMEN	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018933	2,934.37
WEST CENTRAL COMMUNITY DEVELOPMENT ASSOCIATION INC	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00510975	58,791.93
YFA CONNECTIONS	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018936	4,500.00
ZACHARY ALLEN KIMBROUGH 2031 E LIBERTY AVE	DEPOSIT - RESTITUTION CHECK NO. - 00510832	25.00

TOTAL FOR 0100 - GENERAL FUND		109,584.15

0230 - CIVIL SERVICE

CRAIG E HULT	OTHER MISC CHARGES ACH PMT NO. - 80018939	35.00
DAVID FERGUSON	PROFESSIONAL SERVICES CHECK NO. - 00510987	60.06
GOVERNMENTJOBS COM INC dba NEOGOV	CONTRACTUAL SERVICES CHECK NO. - 00511029	15,528.06
JAMES HEMPSTEAD	PROFESSIONAL SERVICES CHECK NO. - 00510990	325.92
KAREN E NELLI 16716 N MADISON RD	PROFESSIONAL SERVICES CHECK NO. - 00511000	120.00
KATHRYN A SEWELL	OTHER MISC CHARGES CHECK NO. - 00510966	35.00
KEVIN CROWLEY	PROFESSIONAL SERVICES CHECK NO. - 00510984	358.24
MARK E LINDSEY	OTHER MISC CHARGES CHECK NO. - 00510958	35.00
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	26.61
PHYLLIS GABEL	OTHER MISC CHARGES ACH PMT NO. - 80018937	35.00
RICHARD HUFFMAN JR	PROFESSIONAL SERVICES CHECK NO. - 00510991	336.76
ROBERT J STEWART	PROFESSIONAL SERVICES CHECK NO. - 00511011	119.04

TOTAL FOR 0230 - CIVIL SERVICE		17,014.69

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0260 - CITY CLERK

DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES	
	CHECK NO. - 00510985	32.00
NORTHWEST VITAL RECORDS	CONTRACTUAL SERVICES	
CENTER INC	CHECK NO. - 00511033	3,597.39
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	17.12
TOTAL FOR 0260 - CITY CLERK		3,646.51

0320 - COUNCIL

LUNELL HAUGHT dba	CONTRACTUAL SERVICES	
HAUGHT STRATEGIES	CHECK NO. - 00511030	4,000.00
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	35.16
TOTAL FOR 0320 - COUNCIL		4,035.16

0330 - PUBLIC AFFAIRS/COMMUNICATIONS

GOVERNMENTJOBS COM INC	CONTRACTUAL SERVICES	
dba NEOGOV	CHECK NO. - 00511029	21,553.26
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	26.70
TOTAL FOR 0330 - PUBLIC AFFAIRS/COMMUNICATIONS		21,579.96

0350 - COMMUNITY CENTERS

EAST CENTRAL COMMUNITY	CONTRACTUAL SERVICES	
ORGANIZATION	CHECK NO. - 00511026	93,611.49
FLOORCOVERINGS INTERNATIONAL	BUILDING REPAIRS/MAINTENANCE	
	CHECK NO. - 00510948	2,816.21
WEST CENTRAL COMMUNITY	CONTRACTUAL SERVICES	
DEVELOPMENT ASSOCIATION INC	CHECK NO. - 00511046	46,641.47
TOTAL FOR 0350 - COMMUNITY CENTERS		143,069.17

0370 - ENGINEERING SERVICES

ARAMARK UNIFORM SERVICES	LAUNDRY/JANITORIAL SERVICES	
AUS WEST LOCKBOX	ACH PMT NO. - 80018926	77.16

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

INTEGRA INFORMATION TECHNOLOGIES INC	PROFESSIONAL SERVICES ACH PMT NO. - 80018971	2,294.62
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	171.88

TOTAL FOR 0370 - ENGINEERING SERVICES		2,543.66
0410 - FINANCE		

DELL MARKETING LP %DELL USA LP	MINOR EQUIPMENT ACH PMT NO. - 80018912	383.16
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	33.48

TOTAL FOR 0410 - FINANCE		416.64
0430 - GRANTS MANAGEMENT		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	6.94

TOTAL FOR 0430 - GRANTS MANAGEMENT		6.94
0450 - COMM & NEIGHBHD SVCS DIVISION		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	9.62

TOTAL FOR 0450 - COMM & NEIGHBHD SVCS DIVISION		9.62
0470 - HISTORIC PRESERVATION		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	4.45

TOTAL FOR 0470 - HISTORIC PRESERVATION		4.45
0500 - LEGAL		

ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018940	37.00
C & C YARD CARE	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80018969	31.52
COLIN CRUG	OTH DUES/SUBSCRIPTNS/MEMBERSHP ACH PMT NO. - 80018961	50.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

EASTERN WASHINGTON ATTORNEY SERVICES INC	LEGAL SERVICES CHECK NO. - 00510812	40.00
EASTERN WASHINGTON ATTORNEY SERVICES INC	MISC SERVICES/CHARGES CHECK NO. - 00510812	65.00
JANEAN PHILLIPS	CLE TRAVEL CHECK NO. - 00511003	222.65
JENNA M HATCH	OTH DUES/SUBSCRIPTNS/MEMBERSHP ACH PMT NO. - 80018963	50.00
JOAN M MORSE	CLE TRAVEL ACH PMT NO. - 80018964	111.33
JRM ENTERPRISES INC DBA PROFESSIONAL LANGUAGE	INTERPRETER COSTS ACH PMT NO. - 80018951	1,359.50
MICHAEL REINKEN	CLE TRAVEL CHECK NO. - 00511005	222.65
MICHAEL VALERIEN	CLE TRAVEL ACH PMT NO. - 80018966	222.65
MOLLY ROSE B FEHRINGER	CLE TRAVEL ACH PMT NO. - 80018962	222.65
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	134.09
TAISIA MOGA	INTERPRETER COSTS CHECK NO. - 00511001	300.00
VERIZON WIRELESS BELLEVUE	IT/DATA SERVICES ACH PMT NO. - 80018935	40.01
VIRGINIA M BEUHL	INTERPRETER COSTS CHECK NO. - 00510980	60.00
WINSTON & CASHATT PS	LEGAL SERVICES CHECK NO. - 00510857	697.50
TOTAL FOR 0500 - LEGAL		3,866.55
0520 - MAYOR		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	30.58
TOTAL FOR 0520 - MAYOR		30.58
0550 - NEIGHBORHOOD SERVICES		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	9.23

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 0550 - NEIGHBORHOOD SERVICES		9.23
0560 - MUNICIPAL COURT		

GUARDSMARK LLC	ALARM/SECURITY SERVICES CHECK NO. - 00511028	209.88
LOOMIS ARMORED US INC	CONTRACTUAL SERVICES CHECK NO. - 00510997	456.54
MARY C LOGAN	TRAVEL CHECK NO. - 00510996	360.26
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	124.63
PITNEY BOWES	OFFICE SUPPLIES CHECK NO. - 00510843	71.69
TOTAL FOR 0560 - MUNICIPAL COURT		1,223.00

0570 - OFFICE OF HEARING EXAMINER		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	6.76
TOTAL FOR 0570 - OFFICE OF HEARING EXAMINER		6.76

0580 - OFFICE OF YOUTH		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1.67
TOTAL FOR 0580 - OFFICE OF YOUTH		1.67

0620 - HUMAN RESOURCES		

HEATHER LOWE	TRAVEL CHECK NO. - 00510998	353.17
OCCUPATIONAL MEDICINE ASSOCIATES PS	MEDICAL SERVICES CHECK NO. - 00511002	3,612.00
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	24.63
TOTAL FOR 0620 - HUMAN RESOURCES		3,989.80

0650 - PLANNING SERVICES		

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	80.23

TOTAL FOR 0650 - PLANNING SERVICES	80.23
------------------------------------	-------

0680 - POLICE

ARGUS INTERGRATED SERVICES LLC	LAUNDRY/JANITORIAL SERVICES	
DBA ARGUS JANITORIAL LLC	CHECK NO. - 00510943	3,494.84
BLUMENTHAL UNIFORMS & EQUIP	CLOTHING	
	ACH PMT NO. - 80018928	52.12
FRANK G STRAUB OR SELBY SMITH	CONFIDENTIAL FUNDS	
OR RICK DOBROW TRUSTEE	CHECK NO. - 00510853	600.00
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	1,685.76
PAT MCCARTHY PRODUCTIONS INC	REGISTRATION/SCHOOLING	
dba STREET CRIMES	CHECK NO. - 00510842	1,495.00
SPOKANE COUNTY INFO SYSTEMS	SPOKANE COUNTY MISC SERVICES	
SPOKANE COUNTY TREASURER	CHECK NO. - 00511008	3,093.04
SPOKANE POLICE CHAPLAINCY	PROFESSIONAL SERVICES	
BOARD	ACH PMT NO. - 80018976	8,750.00
US BANK	TRAVEL	
POLICE ADVANCE TRAVEL	ACH PMT NO. - 80018917	1,337.00
WA STATE CRIMINAL JUSTICE	REGISTRATION/SCHOOLING	
TRAINING COMMISSION	CHECK NO. - 00511016	300.00
WA STATE DEPT OF LICENSING	OTH DUES/SUBSCRIPTNS/MEMBERSHP	
NOTARY PUBLIC PROGRAM	CHECK NO. - 00510856	30.00

TOTAL FOR 0680 - POLICE	20,837.76
-------------------------	-----------

0690 - PROBATION SERVICES

BRK MANAGEMENT SERVICES INC	PROFESSIONAL SERVICES	
WATCHMAN MONITORING	CHECK NO. - 00510807	90.00
LANGUAGE LINE SERVICES	INTERPRETER COSTS	
LANGUAGE LINE LLC	CHECK NO. - 00510818	3.87
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	38.07
TRAVIS LINDSLEY	LOCAL MILEAGE	
	CHECK NO. - 00510995	282.41

TOTAL FOR 0690 - PROBATION SERVICES	414.35
-------------------------------------	--------

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

0700 - PUBLIC DEFENDER

ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018940	17.13
C & C YARD CARE	LANDSCAPE/GROUNDS MAINT ACH PMT NO. - 80018969	31.52
DELL MARKETING LP %DELL USA LP	OFFICE SUPPLIES ACH PMT NO. - 80018912	114.12
KATHERINE S KNOX	TRAVEL CHECK NO. - 00510992	306.92
LARRY TANGEN	LEGAL SERVICES CHECK NO. - 00511040	877.50
MATTHEW BENDER & CO INC DBA LEXIS NEXIS MATTHEW BENDER	PUBLICATIONS CHECK NO. - 00510838	54.90
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	86.09
TED PULVER DBA PULVER INVESTIGATIONS	LEGAL SERVICES ACH PMT NO. - 80018974	1,100.00
TOTAL FOR 0700 - PUBLIC DEFENDER		2,588.18

0750 - ECONOMIC DEVELOPMENT

BDS PLANNING & URBAN DESIGN INC	PROFESSIONAL SERVICES CHECK NO. - 00511021	9,395.67
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	18.00
TOTAL FOR 0750 - ECONOMIC DEVELOPMENT		9,413.67

1100 - STREET FUND

CALVIN O'DONNELL	PERMITS/OTHER FEES CHECK NO. - 00510841	181.00
COWLES PUBLISHING COMPANY DBA THE SPOKESMAN-REVIEW	ADVERTISING ACH PMT NO. - 80018946	1,775.34
COWLES PUBLISHING COMPANY DBA THE SPOKESMAN-REVIEW	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80018946	339.12
DIVERSIFIED WOOD RECYCLING	UTIL GARBAGE/WASTE REMOVAL ACH PMT NO. - 80018947	213.12
JOSHUA ANDERSON	PERMITS/OTHER FEES CHECK NO. - 00510979	105.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

MICHAEL ROSSETTI	PERMITS/OTHER FEES	
	CHECK NO. - 00510844	198.00
NORCO INC	MINOR EQUIPMENT	
	CHECK NO. - 00510840	117.83
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	661.50
TOTAL FOR 1100 - STREET FUND		3,590.91

1200 - CODE ENFORCEMENT FUND

CHRISTAPHER BOLT	CONTRACTUAL SERVICES	
dba KB CONSTRUCTION	CHECK NO. - 00510950	521.76
HUMANIX HUMAN RESOURCE	CONTRACTUAL SERVICES	
PROFESSIONALS	CHECK NO. - 00511031	2,480.08
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	55.37
SPOKANE COUNTY SHERIFF	CONTRACTUAL SERVICES	
SPOKANE COUNTY TREASURER	CHECK NO. - 00511036	1,334.33
TOTAL FOR 1200 - CODE ENFORCEMENT FUND		4,391.54

1300 - LIBRARY FUND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	303.18
TOTAL FOR 1300 - LIBRARY FUND		303.18

1350 - PENSION CONTRIBUTIONS FUND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	264.08
TOTAL FOR 1350 - PENSION CONTRIBUTIONS FUND		264.08

1380 - TRAFFIC CALMING MEASURES

AMERICAN TRAFFIC SOLUTIONS INC	CONTRACTUAL SERVICES	
	CHECK NO. - 00511020	50,598.16
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE	
	ACH PMT NO. - 80018927	20.39
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	52.69

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

ROBERT SIMONS 6442 HIGHWAY DR	PHOTO RED FINES CHECK NO. - 00510951	30.00
TOTAL FOR 1380 - TRAFFIC CALMING MEASURES		50,701.24
1400 - PARKS AND RECREATION FUND		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	568.66
TOTAL FOR 1400 - PARKS AND RECREATION FUND		568.66
1450 - UNDER FREEWAY PARKING FUND		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	9.50
PAR CONSTRUCTION COMPANY	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00510962	14,031.18
TOTAL FOR 1450 - UNDER FREEWAY PARKING FUND		14,040.68
1460 - PARKING METER REVENUE FUND		
GERALD HALLADAY	CLOTHING CHECK NO. - 00510816	111.85
LOOMIS ARMORED US INC	CONTRACTUAL SERVICES CHECK NO. - 00510997	763.87
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	134.64
WALKER CONSTRUCTION INC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00510969	7,300.00
TOTAL FOR 1460 - PARKING METER REVENUE FUND		8,310.36
1500 - PATHS AND TRAILS RESERVE FUND		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	0.62
TOTAL FOR 1500 - PATHS AND TRAILS RESERVE FUND		0.62
1510 - SPOKANE RGL EMERG COMM SYS		
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	41.03

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

SPOKANE COUNTY INFO SYSTEMS	SPOKANE COUNTY MISC SERVICES	
SPOKANE COUNTY TREASURER	CHECK NO. - 00510849	1,924.04

TOTAL FOR 1510 - SPOKANE RGL EMERG COMM SYS	1,965.07
---	----------

1540 - HUMAN SERVICES GRANTS FUND

CATHOLIC CHARITIES	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80018942	45,521.32
CATHOLIC CHARITIES	GRANT CASH PASS THRU ACCOUNT	
	ACH PMT NO. - 80018942	34,853.93-
THE SALVATION ARMY	CONTRACTUAL SERVICES	
	CHECK NO. - 00510965	29,003.04
TRANSITIONS DBA TRANSITIONAL PROGRAMS FOR WOMEN	CONTRACTUAL SERVICES	
	ACH PMT NO. - 80018933	10,169.46

TOTAL FOR 1540 - HUMAN SERVICES GRANTS FUND	49,839.89
---	-----------

1560 - FORFEITURES & CONTRIBUTION FND

FRANK G STRAUB OR SELBY SMITH	CONFIDENTIAL FUNDS	
OR RICK DOBROW TRUSTEE	CHECK NO. - 00510853	5,834.00

TOTAL FOR 1560 - FORFEITURES & CONTRIBUTION FND	5,834.00
---	----------

1570 - INTERMODAL FACILITY OPERATION

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	16.40

TOTAL FOR 1570 - INTERMODAL FACILITY OPERATION	16.40
--	-------

1590 - HOTEL/MOTEL TAX FUND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	96.40
SPOKANE PUBLIC FACILITIES DISTRICT	IG PAYMENT FROM FED/STATE/LOCL	
	ACH PMT NO. - 80018915	271,852.98

TOTAL FOR 1590 - HOTEL/MOTEL TAX FUND	271,949.38
---------------------------------------	------------

1610 - REAL ESTATE EXCISE TAX FUND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	93.81

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 1610 - REAL ESTATE EXCISE TAX FUND		93.81
1620 - PUBLIC SAFETY & JUDICIAL GRANT		

SPOKANE COUNTY SHERIFF	CONTRACTUAL SERVICES	
SPOKANE COUNTY TREASURER	CHECK NO. - 00510968	5,325.36
SPOKANE COUNTY SHERIFF	GRANT CASH PASS THRU ACCOUNT	
SPOKANE COUNTY TREASURER	CHECK NO. - 00510968	5,325.36-
US BANK	TRAVEL	
POLICE ADVANCE TRAVEL	ACH PMT NO. - 80018917	711.00
TOTAL FOR 1620 - PUBLIC SAFETY & JUDICIAL GRANT		711.00

1630 - COMBINED COMMUNICATIONS CENTER		

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	115.09
SPOKANE COUNTY INFO SYSTEMS	SPOKANE COUNTY MISC SERVICES	
SPOKANE COUNTY TREASURER	CHECK NO. - 00510852	3,093.04
TOTAL FOR 1630 - COMBINED COMMUNICATIONS CENTER		3,208.13

1640 - COMMUNICATIONS BLDG M&O FUND		

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	9.97
SPOKANE CITY TREASURER	PUBLIC UTILITY SERVICE	
	CHECK NO. - 00510967	1,048.64
SPOKANE CITY TREASURER	STORMWATER FEES	
	CHECK NO. - 00510967	336.92
SPOKANE CITY TREASURER	UTIL GARBAGE/WASTE REMOVAL	
	CHECK NO. - 00510967	373.70
TOTAL FOR 1640 - COMMUNICATIONS BLDG M&O FUND		1,769.23

1680 - CD/HS OPERATIONS		

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	553.53
TOTAL FOR 1680 - CD/HS OPERATIONS		553.53

1690 - COMM DEVELOPMENT BLOCK GRANTS		

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

NORTHEAST YOUTH CENTER	CONTRACTUAL SERVICES ACH PMT NO. - 80018930	2,618.26
NORTHEAST YOUTH CENTER	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018930	2,618.26-
TRANSITIONS DBA TRANSITIONAL PROGRAMS FOR WOMEN	CONTRACTUAL SERVICES ACH PMT NO. - 80018933	2,934.37
TRANSITIONS DBA TRANSITIONAL PROGRAMS FOR WOMEN	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018933	2,934.37-
WEST CENTRAL COMMUNITY DEVELOPMENT ASSOCIATION INC	CONTRACTUAL SERVICES CHECK NO. - 00510975	58,791.93
WEST CENTRAL COMMUNITY DEVELOPMENT ASSOCIATION INC	GRANT CASH PASS THRU ACCOUNT CHECK NO. - 00510975	58,791.93-
YFA CONNECTIONS	CONTRACTUAL SERVICES ACH PMT NO. - 80018936	5,000.00
YFA CONNECTIONS	GRANT CASH PASS THRU ACCOUNT ACH PMT NO. - 80018936	4,500.00-
TOTAL FOR 1690 - COMM DEVELOPMENT BLOCK GRANTS		500.00

1910 - CRIMINAL JUSTICE ASSISTANCE FD

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	175.64
SPOKANE COUNTY JAIL SPOKANE COUNTY TREASURER	COUNTY JAIL COSTS CHECK NO. - 00511037	1,284,183.00
TOTAL FOR 1910 - CRIMINAL JUSTICE ASSISTANCE FD		1,284,358.64

1940 - CHANNEL FIVE EQUIPMENT RESERVE

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	8.23
TOTAL FOR 1940 - CHANNEL FIVE EQUIPMENT RESERVE		8.23

1950 - PARK CUMULATIVE RESERVE FUND

DELL MARKETING LP %DELL USA LP	COMPUTER/MICRO EQUIPMENT ACH PMT NO. - 80018912	1,827.93
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	33.96
TOTAL FOR 1950 - PARK CUMULATIVE RESERVE FUND		1,861.89

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

1970 - EMS FUND

ACTION APPAREL	CLOTHING CHECK NO. - 00510977	60.71
ALSCO DIVISION OF ALSCO INC	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018925	134.90
CAMTEK INC	ALARM/SECURITY SERVICES CHECK NO. - 00510982	363.00
DEVRIES INFORMATION MANAGEMENT	MISC SERVICES/CHARGES CHECK NO. - 00510985	4.00
ECMS INC DEPT 34922	CLOTHING ALTERATIONS & REPAIRS CHECK NO. - 00510813	464.08
FEDERAL EXPRESS CORP/DBA FEDEX	POSTAGE CHECK NO. - 00510947	4.66
FIKES NORTHWEST INC/DIV OF VIKING LOGIC INC	OPERATING SUPPLIES CHECK NO. - 00510988	43.30
GRAINGER INC	MINOR EQUIPMENT ACH PMT NO. - 80018938	1,295.07
JHAREME L FULLER	TUITION REIMBURSEMENT CHECK NO. - 00510815	504.00
L N CURTIS & SONS	PERSONAL PROTECTIVE EQUIPMENT CHECK NO. - 00510993	2,637.07
MUNICIPAL EMERGENCY SERVICES DEPOSITORY ACCOUNT	CLOTHING ACH PMT NO. - 80018952	125.16
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1,436.51
PLUMB LOCO INC	BUILDING REPAIRS/MAINTENANCE CHECK NO. - 00510963	7,380.75
SIX ROBBLEES INC	VEHICLE REPAIR & MAINT SUPPLY CHECK NO. - 00510846	431.54
SPOKANE CITY TREASURER	PUBLIC UTILITY SERVICE CHECK NO. - 00510967	4,071.06
SPOKANE CITY TREASURER	STORMWATER FEES CHECK NO. - 00510967	942.25
SPOKANE CITY TREASURER	UTIL GARBAGE/WASTE REMOVAL CHECK NO. - 00510967	2,115.08
SPOKANE EMERGENCY PHYSICIANS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80018975	5,100.00
SPOKANE LILAC FESTIVAL ASSN	NON-TRAVEL MEALS/LGHT RFRSHMT CHECK NO. - 00511009	210.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

SPOKANE VALLEY SCREEN PRINTING	CLOTHING ALTERATIONS & REPAIRS	
	CHECK NO. - 00511010	494.37

TORRE REFUSE & RECYCLING	UTIL GARBAGE/WASTE REMOVAL	
DBA SUNSHINE DISPOSAL &	CHECK NO. - 00511012	153.26

TOTAL FOR 1970 - EMS FUND		27,970.77
---------------------------	--	-----------

1980 - DEFINED CONTRIBUTION ADMIN FND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	3.08

TOTAL FOR 1980 - DEFINED CONTRIBUTION ADMIN FND		3.08
---	--	------

3200 - ARTERIAL STREET FUND

BUDINGER & ASSOCIATES INC	CONSTRUCTION OF FIXED ASSETS	
	CHECK NO. - 00510981	3,276.11

CJTR INC	RIGHT OF WAY	
	CHECK NO. - 00511023	75,216.00

COWLES PUBLISHING COMPANY	CONSTRUCTION OF FIXED ASSETS	
DBA THE SPOKESMAN-REVIEW	ACH PMT NO. - 80018946	1,165.07

GARY S NELSON CONSULTING	CONSTRUCTION OF FIXED ASSETS	
	CHECK NO. - 00511027	825.00

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	1,158.00

ROB'S DEMOLITION INC	RIGHT OF WAY	
	CHECK NO. - 00510964	17,574.78

S M HANSEN CONSULTING	CONSTRUCTION OF FIXED ASSETS	
	CHECK NO. - 00511035	3,937.50

TC SHERRY & ASSOCIATES PS dba	CONSTRUCTION OF FIXED ASSETS	
SPVV LANDSCAPE ARCHITECTS	ACH PMT NO. - 80018957	2,900.00

THOMAS DEAN & HOSKINS INC	CONSTRUCTION OF FIXED ASSETS	
	CHECK NO. - 00511041	29,319.20

WA STATE DEPT/TRANSPORTATION	CONSTRUCTION OF FIXED ASSETS	
	CHECK NO. - 00510855	64.75

TOTAL FOR 3200 - ARTERIAL STREET FUND		135,436.41
---------------------------------------	--	------------

3403 - CAPITAL IMPRVMENTS 2003 STREET

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	61.37

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 3403 - CAPITAL IMPRVMENTS 2003 STREET		61.37
3404 - 2004 UTGO STREET BONDS		

COWLES PUBLISHING COMPANY DBA THE SPOKESMAN-REVIEW	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80018946	23.55
LSB CONSULTING ENGINEERS PLLC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00510999	188.80
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	450.63
TOTAL FOR 3404 - 2004 UTGO STREET BONDS		662.98

3499 - CAPITAL IMPROVEMENTS 1999		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	6.04
TOTAL FOR 3499 - CAPITAL IMPROVEMENTS 1999		6.04

3500 - KENDALL YARDS TIF		

NORTH GORGE RESIDENTIAL PARTNERS LLC	INTEREST ON LONG TERM DEBT ACH PMT NO. - 80018914	407.75
NORTH GORGE RESIDENTIAL PARTNERS LLC	OTHER DEBT ACH PMT NO. - 80018914	48,686.97
TOTAL FOR 3500 - KENDALL YARDS TIF		49,094.72

3501 - WEST QUADRANT TIF		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	10.45
TOTAL FOR 3501 - WEST QUADRANT TIF		10.45

4100 - WATER DIVISION		

AMANDA JAY PO BOX 7985	REFUNDS CHECK NO. - 00510830	18.90
ANATEK LABS INC	CONTRACTUAL SERVICES ACH PMT NO. - 80018968	312.00
ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018926	1,184.21

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

AVISTA UTILITIES	PUBLIC UTILITY SERVICE ACH PMT NO. - 80018927	19.15
AVISTA UTILITIES	UTILITY LIGHT/POWER SERVICE ACH PMT NO. - 80018927	147,800.81
AVISTA UTILITIES	UTILITY NATURAL GAS ACH PMT NO. - 80018927	1,049.01
CENTURYLINK	TELEPHONE CHECK NO. - 00510945	712.24
CITY OF SPOKANE VALLEY	PERMITS/OTHER FEES CHECK NO. - 00510809	168.00
CONVENTION CENTER HOTEL LLC 16201 E INDIANA SUITE 1000	WATER HYDRANT INSTALLATION CHECK NO. - 00510822	57.76
ELMER CONSTRUCTION ATTN: ROB	WATER HYDRANT INSTALLATION CHECK NO. - 00510825	8.59
FIKES NORTHWEST INC/DIV OF VIKING LOGIC INC	OPERATING SUPPLIES CHECK NO. - 00510988	37.11
INISTUFORM TECHNOLOGIES INC PO BOX 674060	REFUNDS CHECK NO. - 00510955	249.26
MADISON PROPERTY MANAGEMENT FOR SHARON RUSSEL	REFUNDS CHECK NO. - 00510828	98.34
M&L CONSTRUCTION 12918 N FREYA	MISC OTHER UTILITY REVENUES CHECK NO. - 00510824	92.40
NASH EAGLE RIDGE LLC 935 W BASALT RIDGE DR	REFUNDS CHECK NO. - 00510994	15.49
NORTHWEST INDUSTRIAL SERVICES DBA AMERICAN ON SITE SERVICES	OPERATING RENTALS/LEASES CHECK NO. - 00510806	55.00
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1,228.88
SPOKANE CITY TREASURER	REFUNDS CHECK NO. - 00510847	2,261.46
SPOKANE COUNTY TREASURER	PERMITS/OTHER FEES CHECK NO. - 00510848	1,359.10
WALKER CONSTRUCTION PO BOX 3901	ESTIMATE/RELOCATE/TEST MAIN/HY CHECK NO. - 00510823	672.94
WINDERMERE PROPERTY MGMT CO FOR SAMANTHA KIELE	REFUNDS CHECK NO. - 00510827	2.98
TOTAL FOR 4100 - WATER DIVISION		157,403.63

4250 - INTEGRATED CAPITAL MANAGEMENT

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

AMANDA JAY PO BOX 7985	REFUNDS CHECK NO. - 00510830	33.36
BUDINGER & ASSOCIATES INC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00511022	16,257.43
COPE ACQUISITION SERVICES LLC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00510983	4,284.50
COWLES PUBLISHING COMPANY DBA THE SPOKESMAN-REVIEW	CONSTRUCTION OF FIXED ASSETS ACH PMT NO. - 80018946	1,317.73
ELIZABETH RYAN 1801 E SPRING MEADOW LN	REFUNDS CHECK NO. - 00510953	17.17
JEFF & SANDRA ROSINEK 9207 N DOVER RD	REFUNDS CHECK NO. - 00510956	52.96-
LSB CONSULTING ENGINEERS PLLC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00510999	1,227.61
MADISON PROPERTY MANAGEMENT FOR SHARON RUSSEL	REFUNDS CHECK NO. - 00510828	28.42
NASH EAGLE RIDGE LLC 935 W BASALT RIDGE DR	REFUNDS CHECK NO. - 00510994	26.34
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	3,565.79
PALL CORPORATION dba PALL ADVANCED SEPARATIONS SYSTEMS	CONSTRUCTION PROFESSIONAL SRVC CHECK NO. - 00511034	3,261.00
THOMAS DEAN & HOSKINS INC	CONSTRUCTION OF FIXED ASSETS CHECK NO. - 00511013	4,276.47
WINDERMERE PROPERTY MGMT CO FOR SAMANTHA KIELE	REFUNDS CHECK NO. - 00510827	5.27
TOTAL FOR 4250 - INTEGRATED CAPITAL MANAGEMENT		34,248.13

4300 - SEWER FUND

AMANDA JAY PO BOX 7985	REFUNDS CHECK NO. - 00510830	40.54
ELIZABETH RYAN 1801 E SPRING MEADOW LN	REFUNDS CHECK NO. - 00510953	22.41
JEFF & SANDRA ROSINEK 9207 N DOVER RD	REFUNDS CHECK NO. - 00510956	51.20
MADISON PROPERTY MANAGEMENT FOR SHARON RUSSEL	REFUNDS CHECK NO. - 00510828	32.01
NASH EAGLE RIDGE LLC 935 W BASALT RIDGE DR	REFUNDS CHECK NO. - 00510994	27.01

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

WINDERMERE PROPERTY MGMT CO	REFUNDS	
FOR SAMANTHA KIELE	CHECK NO. - 00510827	6.41

TOTAL FOR 4300 - SEWER FUND	179.58
-----------------------------	--------

4310 - SEWER MAINTENANCE DIVISION

FREEDOM TRUCK CENTERS INC	MACHINERY/EQUIPMENT	
	CHECK NO. - 00510949	265,097.99
INTEGRA INFORMATION	CONTRACTUAL SERVICES	
TECHNOLOGIES INC	ACH PMT NO. - 80018971	99.50
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	566.53
PAUL BARTON DELACY dba	PROFESSIONAL SERVICES	
DELACY CONSULTING LLC	ACH PMT NO. - 80018970	3,552.20

TOTAL FOR 4310 - SEWER MAINTENANCE DIVISION	269,316.22
---	------------

4320 - ADVANCED WASTEWATER TRTMT PLNT

CINTAS CORPORATION NO 3	LAUNDRY/JANITORIAL SERVICES	
LOC 606	ACH PMT NO. - 80018929	2,271.60
FEDERAL EXPRESS CORP/DBA FEDEX	POSTAGE	
	CHECK NO. - 00510947	1,231.31
FROSTY ICE/DIV OF R PLUM CORP	OTHER REPAIRS/MAINT SUPPLIES	
EMPIRE COLD STORAGE & FROSTY	CHECK NO. - 00510814	4.35
INLAND ENVIRONMENTAL RESOURCES	CHEMICAL/LAB SUPPLIES	
INC	ACH PMT NO. - 80018950	6,329.06
OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	869.02
OLIN CORPORATION	CHEMICAL/LAB SUPPLIES	
CHLOR ALKALI	ACH PMT NO. - 80018953	4,075.71
POLYDYNE INC	CHEMICAL/LAB SUPPLIES	
	ACH PMT NO. - 80018954	5,865.00
WA STATE DEPT OF ECOLOGY	PERMITS/OTHER FEES	
CASHERING UNIT	ACH PMT NO. - 80018918	3,600.00
WA STATE DEPT OF REVENUE	CHEMICAL/LAB SUPPLIES	
	-	510.26

TOTAL FOR 4320 - ADVANCED WASTEWATER TRTMT PLNT	24,756.31
---	-----------

4360 - ENVIRONMENTAL PROGRAMS

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	11.98

TOTAL FOR 4360 - ENVIRONMENTAL PROGRAMS	11.98
---	-------

4370 - SEWER CONSTRUCTION FUND

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	66.30

WA STATE DEPT OF ECOLOGY	INTEREST ON LONG TERM DEBT	
	ACH PMT NO. - 80018977	3,664.10

WA STATE DEPT OF ECOLOGY	INTERGOVERNMENTAL LOANS	
	ACH PMT NO. - 80018977	6,215.25

TOTAL FOR 4370 - SEWER CONSTRUCTION FUND	9,945.65
--	----------

4480 - SOLID WASTE FUND

ALEGIS CONSTRUCTION	REFUNDS	
3701 S NORFOLK ST STE 300	CHECK NO. - 00510831	499.89

ELIZABETH RYAN	REFUNDS	
1801 E SPRING MEADOW LN	CHECK NO. - 00510953	29.04

HCI INDUSTRIAL	REFUNDS	
MARINE COATINGS INC	CHECK NO. - 00510829	108.33

MADISON PROPERTY MANAGEMENT	REFUNDS	
FOR SHARON RUSSEL	CHECK NO. - 00510828	31.83

NASH EAGLE RIDGE LLC	REFUNDS	
935 W BASALT RIDGE DR	CHECK NO. - 00510994	55.70

SPOKANE REGIONAL HEALTH DIST	REFUNDS	
NEIGHBORHOODS MATTER PROGRAM	CHECK NO. - 00510826	178.49

WINDERMERE PROPERTY MGMT CO	REFUNDS	
FOR SAMANTHA KIELE	CHECK NO. - 00510827	3.14

TOTAL FOR 4480 - SOLID WASTE FUND	906.42
-----------------------------------	--------

4490 - SOLID WASTE DISPOSAL

BERG MANUFACTURING	REFUNDS	
ATTN KATHI CLARK AP	CHECK NO. - 00510954	191.85

MCCOY POWER CONSULTANTS INC	CONTRACTUAL SERVICES	
	CHECK NO. - 00511032	6,250.00

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	848.25

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

TOTAL FOR 4490 - SOLID WASTE DISPOSAL		7,290.10
4500 - SOLID WASTE COLLECTION		

ALLEN DODGE	OTHER IMPROVEMENTS CHECK NO. - 00510986	9,200.00
OAC SERVICES INC	CONSTRUCTION PROFESSIONAL SRVC CHECK NO. - 00510960	3,530.39
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1,402.24
TOTAL FOR 4500 - SOLID WASTE COLLECTION		14,132.63

4600 - GOLF FUND		

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	93.03
TOTAL FOR 4600 - GOLF FUND		93.03

4700 - DEVELOPMENT SVCS CENTER		

JOHN B HARE	ADVISORY TECHNICAL SERVICE ACH PMT NO. - 80018920	60.00
KRISTEN BECKER	TRAVEL ACH PMT NO. - 80018919	131.74
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	184.06
ROBERT W KAUL	ADVISORY TECHNICAL SERVICE CHECK NO. - 00510817	60.00
STRUM HEATING INC 1112 N NELSON	PERMIT REFUNDS PAYABLE CHECK NO. - 00510820	15.00
TERRA LANDSCAPING INC 1012 GOLDFINCH	PERMIT REFUNDS PAYABLE CHECK NO. - 00510819	200.00
TERRENCE F CONWELL	ADVISORY TECHNICAL SERVICE CHECK NO. - 00510810	60.00
THE BARTON BOYS HEATING & AIR CONDITIONING	PERMIT REFUNDS PAYABLE CHECK NO. - 00510957	20.00
TOTAL FOR 4700 - DEVELOPMENT SVCS CENTER		730.80

5100 - FLEET SERVICES FUND		

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

BRIDGESTONE AMERICAS INC dba GCR TIRES & SERVICE	EQUIPMENT REPAIRS/MAINTENANCE ACH PMT NO. - 80018941	1,762.40
CONNELL OIL INC DBA CO-ENERGY	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018944	912.15
CUMMINS NORTHWEST LLC	REGISTRATION/SCHOOLING CHECK NO. - 00511025	8,300.00
FASTENERS INC	MINOR EQUIPMENT ACH PMT NO. - 80018948	211.92
MOTOROLA INC	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00510959	11,209.14
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	446.25
SETINA MANUFACTURING INC JR SETINA MANUFACTURING CO INC	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00510845	72.37
SIX ROBBLEES INC	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00511006	289.17
SOLID WASTE SYSTEMS INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018955	336.83
SPOKANE INDUSTRIAL SUPPLY	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018956	265.48
TIFCO INDUSTRIES	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018958	295.18
WESTERN PETERBILT INC	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018960	123.47
WINGFOOT COMMERCIAL TIRE SYSTEMS LLC DBA GOODYEAR TIRE	EQUIPMENT REPAIRS/MAINTENANCE CHECK NO. - 00511017	72.25
WINGFOOT COMMERCIAL TIRE SYSTEMS LLC DBA GOODYEAR TIRE	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00511017	518.81
TOTAL FOR 5100 - FLEET SERVICES FUND		24,815.42
5110 - FLEET SVCS EQUIP REPL FUND		

FREEDOM TRUCK CENTERS INC	RENTAL EQUIPMENT CHECK NO. - 00510949	1,801.68
TOTAL FOR 5110 - FLEET SVCS EQUIP REPL FUND		1,801.68
5200 - PUBLIC WORKS AND UTILITIES		

AMANDA JAY PO BOX 7985	REFUNDS CHECK NO. - 00510830	20.00

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

JEFF & SANDRA ROSINEK 9207 N DOVER RD	REFUNDS CHECK NO. - 00510956	330.39
MADISON PROPERTY MANAGEMENT FOR SHARON RUSSEL	REFUNDS CHECK NO. - 00510828	11.80
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	163.52
TOTAL FOR 5200 - PUBLIC WORKS AND UTILITIES		525.71

5300 - IT FUND

ACCELA INC	SOFTWARE MAINTENANCE ACH PMT NO. - 80018967	41,068.78
ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018926	6.40
AT&T	TELEPHONE CHECK NO. - 00510944	302.28
CENTURYLINK	TELEPHONE CHECK NO. - 00510945	4,416.23
EMERSON NETWORK POWER LIEBERT SERVICES INC	MINOR EQUIPMENT CHECK NO. - 00510946	22,751.63
MAIL MAGAZINE POB F	OTH DUES/SUBSCRIPTNS/MEMBERSHP CHECK NO. - 00510839	54.00
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	332.89
PITNEY BOWES RESERVE ACCOUNT POSTAGE BY PHONE RESERVE ACCT	PREPAID POSTAGE CHECK NO. - 00511004	45,000.00
US POSTMASTER	PREPAID POSTAGE CHECK NO. - 00511015	100.00
TOTAL FOR 5300 - IT FUND		114,032.21

5400 - REPROGRAPHICS FUND

ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018926	150.84
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	20.79
TOTAL FOR 5400 - REPROGRAPHICS FUND		171.63

5600 - ACCOUNTING SERVICES

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

BANK OF NEW YORK MELLON CORPORATE TRUST DEPARTMENT	CONTRACTUAL SERVICES ACH PMT NO. - 80018911	250.00
LOOMIS ARMORED US INC	CONTRACTUAL SERVICES CHECK NO. - 00510997	338.03
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	149.16
THEA A PRINCE	LOCAL MILEAGE ACH PMT NO. - 80018965	23.00

TOTAL FOR 5600 - ACCOUNTING SERVICES 760.19

5800 - RISK MANAGEMENT FUND

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	193.34
US BANK OR CITY TREASURER LIABILITY CLAIMS	INSURANCE CLAIMS ACH PMT NO. - 80018934	19,251.10

TOTAL FOR 5800 - RISK MANAGEMENT FUND 19,444.44

5810 - WORKERS' COMPENSATION FUND

CORVEL CORPORATION M/S 44	INSURANCE ADMINISTRATION CHECK NO. - 00511024	3,103.29
DISABILITY MANAGEMENT & CONSULTING INC	ADVISORY TECHNICAL SERVICE CHECK NO. - 00510811	1,295.98
NORCO INC	PROMOTIONAL SUPPLIES CHECK NO. - 00510840	403.15
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	184.86
SUMMIT REHABILITATION ASSOCIATES PLLC	ADVISORY TECHNICAL SERVICE CHECK NO. - 00510854	978.75

TOTAL FOR 5810 - WORKERS' COMPENSATION FUND 5,966.03

5820 - UNEMPLOYMENT COMPENSATION FUND

OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	27.33
---	---	-------

TOTAL FOR 5820 - UNEMPLOYMENT COMPENSATION FUND 27.33

5830 - EMPLOYEES BENEFITS FUND

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

A W REHN & ASSOCIATES	CONTRACTUAL SERVICES CHECK NO. - 00511019	998.75
A W REHN & ASSOCIATES	INSURANCE ADMINISTRATION CHECK NO. - 00511018	262.00
GROUP HEALTH COOPERATIVE	INSURANCE CLAIMS ACH PMT NO. - 80018949	159,785.96
MOLONEY & O'NEILL LIFE INC	INSURANCE ADMINISTRATION ACH PMT NO. - 80018973	4,725.42
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	1,176.54
PREMERA BLUE CROSS OR SPOKANE CITY TREASURER	INSURANCE CLAIMS ACH PMT NO. - 80018931	444,593.89
WASHINGTON DENTAL SERVICE OR CITY OF SPOKANE	INSURANCE ADMINISTRATION ACH PMT NO. - 80018959	3,313.75
WASHINGTON DENTAL SERVICE OR CITY OF SPOKANE	INSURANCE CLAIMS ACH PMT NO. - 80018959	33,813.79
TOTAL FOR 5830 - EMPLOYEES BENEFITS FUND		648,670.10

5900 - ASSET MANAGEMENT FUND OPS

AAQUA TOOLS INC	OTHER REPAIRS/MAINT SUPPLIES CHECK NO. - 00510976	1,001.78
ARAMARK UNIFORM SERVICES AUS WEST LOCKBOX	LAUNDRY/JANITORIAL SERVICES ACH PMT NO. - 80018926	131.83
CAMTEK INC	OTHER MISC CHARGES CHECK NO. - 00510808	171.76
COEUR D'ALENE SERVICE STATION EQUIPMENT	OTHER REPAIRS/MAINT SUPPLIES ACH PMT NO. - 80018943	142.67
INTEGRA INFORMATION TECHNOLOGIES INC	CONTRACTUAL SERVICES ACH PMT NO. - 80018971	2,546.30
OFFICE OF STATE AUDITOR WASHINGTON STATE	STATE AUDIT CHARGES CHECK NO. - 00510961	328.81
THYSSENKRUPP ELEVATOR CORP THYSSEN SOUND ELEVATOR	BUILDING REPAIRS/MAINTENANCE CHECK NO. - 00511014	640.79
WA STATE DEPT OF REVENUE	OTHER REPAIRS/MAINT SUPPLIES -	87.15
TOTAL FOR 5900 - ASSET MANAGEMENT FUND OPS		5,051.09

6100 - RETIREMENT

PROCESSING OF VOUCHERS RESULTS IN CLAIMS AS FOLLOWS:

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	799.38

TOTAL FOR 6100 - RETIREMENT	799.38
-----------------------------	--------

6200 - FIREFIGHTERS' PENSION FUND

MOLONEY & O'NEILL LIFE INC	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80018973	1,665.00

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	177.80

PREMERA BLUE CROSS OR	SERVICE REIMBURSEMENT	
SPOKANE CITY TREASURER	ACH PMT NO. - 80018931	48,102.05

TOTAL FOR 6200 - FIREFIGHTERS' PENSION FUND	49,944.85
---	-----------

6300 - POLICE PENSION

DAVID N ANDERSON	TRAVEL	
	CHECK NO. - 00510978	247.44

MARK GRUMBLY	TRAVEL	
	CHECK NO. - 00510989	247.44

MOLONEY & O'NEILL LIFE INC	INSURANCE ADMINISTRATION	
	ACH PMT NO. - 80018973	1,665.00

OFFICE OF STATE AUDITOR	STATE AUDIT CHARGES	
WASHINGTON STATE	CHECK NO. - 00510961	124.43

PREMERA BLUE CROSS OR	SERVICE REIMBURSEMENT	
SPOKANE CITY TREASURER	ACH PMT NO. - 80018931	30,838.47

TOTAL FOR 6300 - POLICE PENSION	33,122.78
---------------------------------	-----------

6785 - TRANSPORTATION BENEFIT DIST

COWLES PUBLISHING COMPANY	ADVERTISING	
DBA THE SPOKESMAN-REVIEW	ACH PMT NO. - 80018946	532.62

RACHEL PECKA	OTHER TRANSPORTATION FEES	
22 E LINDSEY LN	CHECK NO. - 00510952	20.00

TOTAL FOR 6785 - TRANSPORTATION BENEFIT DIST	552.62
--	--------

TOTAL CLAIMS	3,731,379.23
--------------	--------------

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/23/15
TIME: 07:58
PAGE: 1

CHECK #	VENDOR	CITY	LIBRARY	PARKS
	USE TAX AMOUNTS	597.41		489.42
00510805	A W REHN & ASSOCIATES	20.00		
00510806	NORTHWEST INDUSTRIAL SERVICE	55.00		
00510807	BRK MANAGEMENT SERVICES INC	90.00		
00510808	CAMTEK INC	171.76		
00510809	CITY OF SPOKANE VALLEY	168.00		
00510810	TERRENCE F CONWELL	60.00		
00510811	DISABILITY MANAGEMENT &	1,295.98		
00510812	EASTERN WASHINGTON ATTORNEY	105.00		
00510813	ECMS INC	464.08		
00510814	FROSTY ICE/DIV OF R PLUM COR	4.35		
00510815	JHAREME L FULLER	504.00		
00510816	GERALD HALLADAY	111.85		
00510817	ROBERT W KAUL	60.00		
00510818	LANGUAGE LINE SERVICES	3.87		
00510819	TERRA LANDSCAPING INC	200.00		
00510820	STRUM HEATING INC	15.00		
00510821	ROBERT DOUTHITT	100.00		
00510822	CONVENTION CENTER HOTEL LLC	57.76		
00510823	WALKER CONSTRUCTION	672.94		
00510824	M&L CONSTRUCTION	92.40		
00510825	ELMER CONSTRUCTION	8.59		
00510826	SPOKANE REGIONAL HEALTH DIST	178.49		
00510827	WINDERMERE PROPERTY MGMT CO	17.80		
00510828	MADISON PROPERTY MANAGEMENT	202.40		
00510829	HCI INDUSTRIAL	108.33		
00510830	AMANDA JAY	112.80		
00510831	ALEGIS CONSTRUCTION	499.89		
00510832	ZACHARY ALLEN KIMBROUGH	25.00		
00510833	DENISE BURNS	25.00		
00510834	JENNIFER PARKER	25.00		
00510835	CHERYL ROCHDE	25.00		
00510836	JEFFREY STEWART	25.00		
00510837	DENISE BURNS	25.00		
00510838	MATTHEW BENDER & CO INC	54.90		
00510839	MAIL MAGAZINE	54.00		
00510840	NORCO INC	520.98		
00510841	CALVIN ODONNELL	181.00		
00510842	PAT MCCARTHY PRODUCTIONS INC	1,495.00		
00510843	PITNEY BOWES	71.69		
00510844	MICHAEL ROSSETTI	198.00		
00510845	SETINA MANUFACTURING INC	72.37		
00510846	SIX ROBBLEES INC	431.54		
00510847	SPOKANE CITY TREASURER	2,261.46		
00510848	SPOKANE COUNTY TREASURER	1,359.10		
00510849	SPOKANE COUNTY INFO SYSTEMS	1,924.04		
00510850	SPOKANE COUNTY INFO SYSTEMS	2,708.76		
00510851	SPOKANE COUNTY INFO SYSTEMS	15,631.95		
00510852	SPOKANE COUNTY INFO SYSTEMS	3,093.04		
00510853	FRANK G STRAUB OR SELBY SMIT	6,434.00		
00510854	SUMMIT REHABILITATION	978.75		
00510855	WA STATE DEPT/TRANSPORTATION	64.75		
00510856	WA STATE DEPT OF LICENSING	30.00		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/23/15
TIME: 07:58
PAGE: 2

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00510857	WINSTON & CASHATT PS	697.50		
00510858	PATRICIA A BONNER		33.81	
00510859	GONZAGA UNIVERSITY		275.96	
00510860	LOWE'S BUSINESS ACCT		61.79	
00510861	SPOKANE PUBLIC LIBRARY IMPRE		173.45	
00510862	THYSSENKRUPP ELEVATOR CORP		1,281.57	
00510863	AGNEW CONSULTING			1,520.00
00510864	AHBL INC			13,400.00
00510865	BACON CONCRETE INC			13,722.00
00510866	CORBIN SENIOR ACTIVITY CENTE			5,225.00
00510867	EAST CENTRAL COMMUNITY			3,483.33
00510868	FIVE STAR CONCRETE INC			9,426.86
00510869	HILLYARD SENIOR ACTIVITY CTR			6,666.66
00510870	IMAX SYSTEMS CORPORATION			6,425.11
00510871	LOOMIS ARMORED US INC			480.02
00510872	MID CITY CONCERNS INC			1,543.75
00510873	MW CONSULTING ENGINEERS PS			8,238.54
00510874	QUANTIX INC/ENTERTAINMENT			503.95
00510875	SECURITAS SECURITY SERVICES			466.20
00510876	SINTO SENIOR CENTER			6,434.16
00510877	WASTE MANAGEMENT OF WA DBA			81.73
00510943	ARGUS INTERGRATED SERVICES L	3,494.84		
00510944	AT&T	302.28		
00510945	CENTURYLINK	5,128.47		
00510946	EMERSON NETWORK POWER	22,751.63		
00510947	FEDERAL EXPRESS CORP/DBA FED	1,235.97		
00510948	FLOORCOVERINGS INTERNATIONAL	2,816.21		
00510949	FREEDOM TRUCK CENTERS INC	266,899.67		
00510950	CHRISTAPHER BOLT	521.76		
00510951	ROBERT SIMONS	30.00		
00510952	RACHEL PECKA	20.00		
00510953	ELIZABETH RYAN	68.62		
00510954	BERG MANUFACTURING	191.85		
00510955	INISTUFORM TECHNOLOGIES INC	249.26		
00510956	JEFF & SANDRA ROSINEK	328.63		
00510957	THE BARTON BOYS	20.00		
00510958	MARK E LINDSEY	35.00		
00510959	MOTOROLA INC	11,209.14		
00510960	OAC SERVICES INC	3,530.39		
00510961	OFFICE OF STATE AUDITOR	22,899.38		
00510962	PAR CONSTRUCTION COMPANY	14,031.18		
00510963	PLUMB LOCO INC	7,380.75		
00510964	ROB'S DEMOLITION INC	17,574.78		
00510965	THE SALVATION ARMY	29,003.04		
00510966	KATHRYN A SEWELL	35.00		
00510967	SPOKANE CITY TREASURER	8,887.65		
00510968	SPOKANE COUNTY SHERIFF	5,325.36		
00510969	WALKER CONSTRUCTION INC	7,300.00		
00510970	WEST CENTRAL COMMUNITY	12,503.62		
00510971	WEST CENTRAL COMMUNITY	9,953.20		
00510972	WEST CENTRAL COMMUNITY	14,808.50		
00510973	WEST CENTRAL COMMUNITY	13,526.61		
00510974	WEST CENTRAL COMMUNITY	6,000.00		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/23/15
TIME: 07:58
PAGE: 3

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00510975	WEST CENTRAL COMMUNITY	2,000.00		
00510976	AAQUA TOOLS INC	1,001.78		
00510977	ACTION APPAREL	60.71		
00510978	DAVID N ANDERSON	247.44		
00510979	JOSHUA ANDERSON	105.00		
00510980	VIRGINIA M BEUHL	60.00		
00510981	BUDINGER & ASSOCIATES INC	11,854.51		
00510982	CAMTEK INC	363.00		
00510983	COPE ACQUISITION SERVICES LL	4,284.50		
00510984	KEVIN CROWLEY	358.24		
00510985	DEVRIES INFORMATION MANAGEME	36.00		
00510986	ALLEN DODGE	9,200.00		
00510987	DAVID FERGUSON	60.06		
00510988	FIKES NORTHWEST INC/DIV OF	80.41		
00510989	MARK GRUMBLY	247.44		
00510990	JAMES HEMPSTEAD	325.92		
00510991	RICHARD HUFFMAN JR	336.76		
00510992	KATHERINE S KNOX	306.92		
00510993	L N CURTIS & SONS	2,637.07		
00510994	NASH EAGLE RIDGE LLC	124.54		
00510995	TRAVIS LINDSLEY	282.41		
00510996	MARY C LOGAN	360.26		
00510997	LOOMIS ARMORED US INC	1,558.44		
00510998	HEATHER LOWE	353.17		
00510999	LSB CONSULTING ENGINEERS PLL	1,416.41		
00511000	KAREN E NELLI	120.00		
00511001	TAISIA MOGA	300.00		
00511002	OCCUPATIONAL MEDICINE	3,612.00		
00511003	JANEAN PHILLIPS	222.65		
00511004	PITNEY BOWES RESERVE ACCOUNT	45,000.00		
00511005	MICHAEL REINKEN	222.65		
00511006	SIX ROBBLEES INC	289.17		
00511007	SPOKANE COUNTY INFO SYSTEMS	1,546.52		
00511008	SPOKANE COUNTY INFO SYSTEMS	1,546.52		
00511009	SPOKANE LILAC FESTIVAL ASSN	210.00		
00511010	SPOKANE VALLEY SCREEN PRINTI	494.37		
00511011	ROBERT J STEWART	119.04		
00511012	TORRE REFUSE & RECYCLING	153.26		
00511013	THOMAS DEAN & HOSKINS INC	4,276.47		
00511014	THYSSENKRUPP ELEVATOR CORP	640.79		
00511015	US POSTMASTER	100.00		
00511016	WA STATE CRIMINAL JUSTICE	300.00		
00511017	WINGFOOT COMMERCIAL TIRE	591.06		
00511018	A W REHN & ASSOCIATES	242.00		
00511019	A W REHN & ASSOCIATES	998.75		
00511020	AMERICAN TRAFFIC SOLUTIONS I	50,598.16		
00511021	BDS PLANNING & URBAN DESIGN	9,395.67		
00511022	BUDINGER & ASSOCIATES INC	7,679.03		
00511023	CJTR INC	75,216.00		
00511024	CORVEL CORPORATION	3,103.29		
00511025	CUMMINS NORTHWEST LLC	8,300.00		
00511026	EAST CENTRAL COMMUNITY	93,611.49		
00511027	GARY S NELSON CONSULTING	825.00		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/23/15
TIME: 07:58
PAGE: 4

CHECK #	VENDOR	CITY	LIBRARY	PARKS
00511028	GUARDSMARK LLC	209.88		
00511029	GOVERNMENTJOBS COM INC	37,081.32		
00511030	LUNELL HAUGHT dba	4,000.00		
00511031	HUMANIX HUMAN RESOURCE	2,480.08		
00511032	MCCOY POWER CONSULTANTS INC	6,250.00		
00511033	NORTHWEST VITAL RECORDS	3,597.39		
00511034	PALL CORPORATION dba PALL	3,261.00		
00511035	S M HANSEN CONSULTING	3,937.50		
00511036	SPOKANE COUNTY SHERIFF	1,334.33		
00511037	SPOKANE COUNTY JAIL	1,284,183.00		
00511038	SPOKANE PUBLIC SCHOOLS	13,376.80		
00511039	SPOKANE TRANSIT AUTHORITY	4,396.06		
00511040	LARRY TANGEN	877.50		
00511041	THOMAS DEAN & HOSKINS INC	29,319.20		
00511042	WEST CENTRAL COMMUNITY	9,328.30		
00511043	WEST CENTRAL COMMUNITY	9,328.30		
00511044	WEST CENTRAL COMMUNITY	9,328.29		
00511045	WEST CENTRAL COMMUNITY	9,328.29		
00511046	WEST CENTRAL COMMUNITY	9,328.29		
00511047	AT & T MOBILITY			10.80
00511048	CENTURYLINK			1,047.68
00511049	COMMUNITY COLLEGES OF SPOKAN			171.50
00511050	CREEK AT QUALCHAN GOLF COURS			429.41
00511051	ESMERALDA GOLF COURSE			1,390.00
00511052	OUT THERE MONTHLY			1,129.00
00511053	PARK DEPT IMPREST FUND			35.00
00511054	PARK DEPT IMPREST FUND			202.86
00511055	PARK DEPT IMPREST FUND			188.19
00511056	DUSTIN SEMB			500.00
00511057	MARGARET M LUCE			168.49
00511058	SPOKANE AMATEUR SOFTBALL ASS			1,660.00
00511059	TECH 1			725.27
00511060	WA STATE LIQUOR CONTROL BOAR			120.00
80018910	ALSCO DIVISION OF ALSCO INC		36.72	
80018911	BANK OF NEW YORK MELLON	250.00		
80018912	DELL MARKETING LP	2,325.21		
80018913	MAIL FINANCE INC		384.79	
80018914	NORTH GORGE RESIDENTIAL	49,094.72		
80018915	SPOKANE PUBLIC FACILITIES	271,852.98		
80018916	STANLEY CONVERGENT SECURITY			3,751.17
80018917	US BANK	2,048.00		
80018918	WA STATE DEPT OF ECOLOGY	3,600.00		
80018919	KRISTEN BECKER	131.74		
80018920	JOHN B HARE	60.00		
80018921	CLUB PROPHET SYSTEMS			4,406.00
80018922	PARKEON INC			380.45
80018923	SPOKANE SOFTBALL UMPIRE ASSO			6,073.23
80018924	MICHAEL D TERRELL dba			4,490.00
80018925	ALSCO DIVISION OF ALSCO INC	134.90		
80018926	ARAMARK UNIFORM SERVICES	1,550.44		
80018927	AVISTA UTILITIES	148,889.36		
80018928	BLUMENTHAL UNIFORMS & EQUIP	52.12		
80018929	CINTAS CORPORATION NO 3	2,271.60		

REPORT: PG3640
SYSTEM: FMSAP
USER: MANAGER
RUN NO: 25

CITY OF SPOKANE
COUNCIL CHECK RANGE/TOTAL

DATE: 06/23/15
TIME: 07:58
PAGE: 5

CHECK #	VENDOR	CITY	LIBRARY	PARKS
80018930	NORTHEAST YOUTH CENTER	2,618.26		
80018931	PREMERA BLUE CROSS OR	523,534.41		
80018932	SPOKANE INT'L AIRPORT	310.30		
80018933	TRANSITIONS DBA TRANSITIONAL	13,103.83		
80018934	US BANK OR CITY TREASURER	19,251.10		
80018935	VERIZON WIRELESS BELLEVUE	40.01		
80018936	YFA CONNECTIONS	5,000.00		
80018937	PHYLLIS GABEL	35.00		
80018938	GRAINGER INC	1,295.07		
80018939	CRAIG E HULT	35.00		
80018940	ARAMARK UNIFORM SERVICES	54.13		
80018941	BRIDGESTONE AMERICAS INC	1,762.40		
80018942	CATHOLIC CHARITIES	45,521.32		
80018943	COEUR D'ALENE SERVICE STATIO	142.67		
80018944	CONNELL OIL INC	912.15		
80018945	COPIERS NORTHWEST INC	60.58		
80018946	COWLES PUBLISHING COMPANY	5,153.43		
80018947	DIVERSIFIED WOOD RECYCLING	213.12		
80018948	FASTENERS INC	211.92		
80018949	GROUP HEALTH COOPERATIVE	159,785.96		
80018950	INLAND ENVIRONMENTAL RESOURC	6,329.06		
80018951	JRM ENTERPRISES INC	1,359.50		
80018952	MUNICIPAL EMERGENCY SERVICES	125.16		
80018953	OLIN CORPORATION	4,075.71		
80018954	POLYDYNE INC	5,865.00		
80018955	SOLID WASTE SYSTEMS INC	336.83		
80018956	SPOKANE INDUSTRIAL SUPPLY	265.48		
80018957	TC SHERRY & ASSOCIATES PS db	2,900.00		
80018958	TIFCO INDUSTRIES	295.18		
80018959	WASHINGTON DENTAL SERVICE OR	37,127.54		
80018960	WESTERN PETERBILT INC	123.47		
80018961	COLIN CRUG	50.00		
80018962	MOLLY ROSE B FEHRINGER	222.65		
80018963	JENNA M HATCH	50.00		
80018964	JOAN M MORSE	111.33		
80018965	THEA A PRINCE	23.00		
80018966	MICHAEL VALERIEN	222.65		
80018967	ACCELA INC	41,068.78		
80018968	ANATEK LABS INC	312.00		
80018969	C & C YARD CARE	63.04		
80018970	PAUL BARTON DELACY dba	3,552.20		
80018971	INTEGRA INFORMATION	4,940.42		
80018972	K & L GATES LLP	7,000.00		
80018973	MOLONEY & O'NEILL LIFE INC	8,055.42		
80018974	TED PULVER	1,100.00		
80018975	SPOKANE EMERGENCY PHYSICIANS	5,100.00		
80018976	SPOKANE POLICE CHAPLAINCY	8,750.00		
80018977	WA STATE DEPT OF ECOLOGY	9,879.35		
80018978	XO COMMUNICATIONS INC			236.86
		3,731,379.23	2,248.09	105,222.64
				=====
		CITYWIDE TOTAL:		3,838,849.96

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

06/29/2015

<u>Date Rec'd</u>	6/24/2015
<u>Clerk's File #</u>	CPR 2015-0003
<u>Renews #</u>	
<u>Cross Ref #</u>	
<u>Project #</u>	
<u>Bid #</u>	
<u>Requisition #</u>	

<u>Submitting Dept</u>	ACCOUNTING
<u>Contact Name/Phone</u>	KIM BUSTOS 6032
<u>Contact E-Mail</u>	KBUSTOS@SPOKANECITY.ORG
<u>Agenda Item Type</u>	Claim Item
<u>Agenda Item Name</u>	5600-ACCOUNTING-PAYROLL

Agenda Wording

Report of the Mayor of pending payroll claims of previously approved obligations through: June 20, 2015.
Payroll check #530922 through check #531297 \$6,061,813.86

Summary (Background)

N/A

<u>Fiscal Impact</u>	<u>Budget Account</u>
Expense \$ 6,061,813.86	# N/A
Select \$	#
Select \$	#
Select \$	#

<u>Approvals</u>	<u>Council Notifications</u>
<u>Dept Head</u>	BUSTOS, KIM
<u>Division Director</u>	DUNIVANT, TIMOTHY
<u>Finance</u>	DAVIS, LEONARD
<u>Legal</u>	PICCOLO, MIKE
<u>For the Mayor</u>	SANDERS, THERESA

<u>Additional Approvals</u>	
<u>Purchasing</u>	

PAYROLL RECAP BY FUND
PAY PERIOD ENDING JUNE 20, 2015

FUND	FUND NAME	TOTAL
0100	GENERAL FUND	
0030	POLICE OMBUDSMAN	0.00
0070	ADMINISTRATIVE SERVICES	0.00
0140	ARTS	0.00
0230	CIVIL SERVICE	20,253.75
0260	CITY CLERK	29,845.38
0300	HUMAN SERVICES	0.00
0320	COUNCIL	26,725.72
0330	PUBLIC AFFAIRS / COMMUNICATIONS	20,687.80
0350	COMMUNITY CENTERS	0.00
0370	ENGINEERING SERVICES	144,539.38
0380	ENTERTAINMENT FACILITIES	0.00
0410	FINANCE	28,909.20
0430	GRANTS MNGMT & FINANCIAL ASSIST	5,959.20
0440	FIRE	0.00
0450	CD/HS DIVISION	4,737.80
0460	MY SPOKANE	11,805.82
0470	HISTORIC PRESERVATION	4,117.00
0500	LEGAL	113,222.21
0520	MAYOR	22,900.00
0550	NEIGHBORHOOD SERVICES	7,575.20
05601	MUNICIPAL COURT	85,207.89
05602	PARKING VIOLATIONS	0.00
0570	OFFICE OF HEARING EXAMINER	5,512.80
0580	OFFICE OF YOUTH	0.00
0620	HUMAN RESOURCES	25,055.41
0650	PLANNING SERVICES	33,913.99
0680	POLICE	1,346,725.11
0690	PROBATION SERVICES	31,786.40
0700	PUBLIC DEFENDERS	73,072.73
0750	ECONOMIC DEVELOPMENT	3,631.80
0770	REAL ESTATE & FACILITIES	0.00
0780	BUSINESS & DEVELOPMENT SERVICES	0.00
0860	TREASURER	0.00
0890	WEIGHTS & MEASURES	0.00

FUND	FUND NAME	TOTAL
	TOTAL GENERAL FUND	2,046,184.59
1100	STREET	247,637.87
1200	CODE ENFORCEMENT	29,263.61
1300	LIBRARY	199,784.43
1390	URBAN FORESTRY FUND	0.00
1400	PARKS AND RECREATION	299,541.59
1460	PARKING METER	27,708.92
1510	LAW ENFORCEMENT INFO SYSTEM FUND	24,212.40
1530	LAW ENFORCEMENT BLOCK GRANT FUND	0.00
1540	HUMAN SERVICES GRANTS	0.00
1620	PUBLIC SAFETY & JUDICIAL GRANT	19,334.24
1630	COMBINED COMMUNICATIONS CENTER	65,148.12
1650	COMMUNITY & ECONOMIC DEVELOPMENT	0.00
1680	CD/HS	32,335.20
1820	WIA DISLOCATED WORKERS FUND	0.00
1830	WIA GOVERNORS GRANT FUND	0.00
1840	WIA ADMINISTRATIVE COST POOL	0.00
1970	EMS FUND	1,144,345.53
4100	WATER	350,963.11
4250	INTEGRATED CAPITAL FUND	42,879.38
4300	SEWER	428,902.36
4480	REFUSE	255,137.09
4490	SOLID WASTE	218,888.97
4600	GOLF	51,065.92
4700	GENERAL SERVICES FUND	123,333.11
5100	FLEET SERVICE	79,112.18
5200	PUBLIC WORKS & UTILITY FUND	54,571.05
5300	MIS	128,116.05
5400	REPROGRAPHICS	7,532.82
5600	ACCOUNTING SERVICES	99,277.85
5800	RISK MANAGEMENT	0.00
5810	WORKER'S COMPENSATION	11,973.00
5830	SELF-FUNDED MEDICAL/DENTAL	7,408.80
5900	ASSET MANAGEMENT	26,782.20
6060	CITY RETIREMENT	9,353.80
6750	REGIONAL PLAN	31,019.67
6780	EMS PROGRAM DIRECTOR	0.00
	TOTAL	6,061,813.86

MINUTES OF SPOKANE CITY COUNCIL

Monday, June 15, 2015

BRIEFING SESSION

The Briefing Session of the Spokane City Council held on the above date was called to order at 3:30 p.m. in the Council Chambers in the Lower Level of the Municipal Building, 808 West Spokane Falls Boulevard, Spokane, Washington.

Roll Call

On roll call, Council President Stuckart and Council Members Allen, Fagan, Mumm, Snyder, Stratton, and Waldref were present.

Council's Policy Advisor Brian McClatchey and City Clerk Terri Pfister were also present on the dais.

Advance Agenda Review

Council received input from staff on the June 22, 2015, Advance Agenda items.

Hearing on the Remaining Portion of Vacation Relating to the West 17 Feet of Madison Street from the South Line of Second Avenue to the North Line of Third Avenue

Upon review of this matter, Council President Stuckart noted this vacation was discussed in PCED this morning. During the update on the matter, there was discussion that Council had continued the hearing, and so the hearing is still open; and, therefore, there doesn't have to be a closing and 30-day notice for this hearing because what the Council did on May 18 was just left the hearing open and deferred it for a while, which he noted the Council has done with budget hearings in the past. He further noted the PCED discussion was about this being okay to leave (on the Council's agenda) and vote on this matter next week.

Council Member Snyder relayed a conversation he had with Policy Advisor Brian McClatchey and stated a possible good path forward would be to grant the 17-foot vacation with a condition that still allows for two-way traffic on the street. He noted he is asking Mr. McClatchey to prepare some language on that for the Council to possibly consider so that the Council can actually just approve it with conditions.

Action to Approve June 22, 2015, Advance Agenda

Following staff reports and Council inquiry and discussion regarding the June 22, 2015, Advance Agenda items, the City Council took the following action (pursuant to Council Rule 2.1.2):

Motion by Council Member Allen, seconded by Council Member Fagan, **to approve** the Advance Agenda for Monday, June 22, 2015, **carried unanimously**.

ADMINISTRATIVE SESSION

Current Agenda Review

Council reviewed items on the June 15, 2015, Current Agenda for any changes and/or additions.

Low Bid of T. LaRiviere Equipment & Excavation, Inc. (PRO 2015-0015) (deferred from June 8, 2015, Agenda)

Motion by Council Member Fagan, seconded by Council Member Allen, **to defer** for one week (to June 22, 2015) the Low Bid of T. LaRiviere Equipment & Excavation, Inc. for Rowan Avenue Rehabilitation Phase 1 from Driscoll Boulevard to Alberta Street; **carried unanimously**.

CONSENT AGENDA

Upon motion of Council Member Fagan, seconded by Council Member Allen, Council unanimously approved Staff Recommendations for the following:

Low Bids of:

- a. Shamrock Paving, Inc. (Spokane, WA) for Residential Chip Seal Program 2015—\$558,949.40 (plus tax). An administrative reserve of \$55,894.94, which is 10% of the contract price, will be set aside. (PRO 2015-0018 / ENG 2015043)
- b. MDM Construction, Inc. (Hayden, ID) for CSO 6 Control Facility - Phase II—\$2,017,387.90 (plus tax). An administrative reserve of \$201,738.79 (plus tax), which is 10% of the contract price, will be set aside. (PRO 2015-0019 / ENG 2010075)

FAA Grant Offer 3-53-0072-053-2015—\$459,022. ("South Pilot Ramp Rehabilitation Project") (OPR 2015-0530)

Consolidated Homeless Grant Contract Amendment D with the Washington State Department of Commerce and contract amendment to one non-profit agency, the Salvation Army—\$936,495. (OPR 2013-0818)

Report of the Mayor of pending:

- a. Claims and payments of previously approved obligations, including those of Parks and Library, through June 8, 2015, total \$4,397,225.36 (Check Nos. 510022-

510382; ACH Payment Nos. 18661-18778), with Parks and Library claims approved by their respective boards. Warrants excluding Parks and Library total \$4,091,081.59. (CPR 2015-0002)

- b. Payroll claims of previously approved obligations through June 6, 2015: \$6,403,948.24. (CPR 2015-0003)

City Council Meeting Minutes: (a) June 1, 2015 and (b) June 4, 2015. (CPR 2015-0013)

Executive Session/Council Recess

The City Council adjourned to an Executive Session at 3:52 p.m. to discuss personnel matters. The Executive Session ended at 3:52 p.m. City Attorney Nancy Isserlis was present during the Executive Session. The City Council reconvened at 6:00 p.m. for the Legislative Session, with Council President Stuckart and Council Members Allen, Fagan, Mumm, Stratton, and Waldref present. Council Member Snyder was absent. Council's Policy Advisor Brian McClatchey and City Clerk Terri Pfister were also present.

LEGISLATIVE SESSION

Pledge of Allegiance

The Pledge of Allegiance was lead by Council President Stuckart.

Roll Call

On roll call, Council President Stuckart and Council Members Allen, Fagan, Mumm, Stratton, and Waldref were present. Council Member Snyder was absent.

There were no **Appointments**.

PROCLAMATIONS

June 19, 2015 *Juneteenth Day*

Council Member Allen read the proclamation. No individuals were present to accept it. Juneteenth recognizes the true enforcement of the emancipation proclamation at the close of the Civil War and from this beginning our Nation worked toward greater equality. Juneteenth is commemorated at this time to celebrate the rich heritage and significant contributions of African Americans and to recommit ourselves as Americans to the enduring pursuit of life, liberty, and happiness. The proclamation encourages citizens to join in this special observance by honoring the past while reflecting on the present and setting our sites toward a better future.

June 18, 2015

Spokane Summer Parkways Day

Council Member Stratton read the proclamation and presented it to Bill Bender. The event celebrates human powered activities with over a hundred million worldwide participants a year. The benefits of these open street events have been clearly documented in terms of increased physical activity, decreased community health costs, and decreased pollution. The proclamation urges all citizens to participate and celebrate happy lifestyles with their neighbors.

June 20, 2015

World Refugee Day

Council President Stuckart read the proclamation and presented it to Mark Kadel from World Relief Spokane. The United States was formed by granting refuge to people fleeing persecution and seeking freedom in order to pursue a better life. Spokane has a history of welcoming hundreds of newly arriving refugees each year through organizations like World Relief Spokane. The majority of these refugees are striving to learn how to become more productive contributing members of our society and enrich our community with their diverse cultures and life experiences.

CITY ADMINISTRATION REPORT

Business Improvement District Update

Mark Richards, Downtown Spokane Partnership Executive Director, provided the quarterly report on the Business Improvement District.

COUNCIL COMMITTEE REPORTS

Planning, Community, and Economic Development (PCED) Committee

Council Member Mumm reported on the PCED Committee meeting held earlier today (June 15). Minutes of the PCED Committee meetings are filed with the City Clerk's Office and are available for review following approval by the Public Works Committee.

OPEN FORUM

George McGrath expressed his opinion relative to the Council vetting the people who are appointed to certain positions and remarked on the Ombudsman Commission.

Catherine Isabel commented on the status of her complaint with the Ombudsman Commission. She also commented that she feels she has been stonewalled by Diamond Parking, the Library Director, Library Board, and an Assistant City Attorney relative to disabled parking at the Library.

John Ahern commented on signature gathering on "sanctuary city."

Allen McDowell commented on drugs, chemical dependency, socialism, and diseases.

Paul Lugo noted he is an acting chair for the Coalition for Cannabis Standards and Ethics and founding member of the Spokane Cannabis Association and he noted he sits on the tactical advisory committee for the Cannabis Policy here in Spokane. He thanked the City for the Cannabis Summit that was put on and stated it was phenomenal. He stated he feels Spokane is becoming the Mecca of Washington.

Cherrie Burnett commented on Monroe Street and suggested it would be nice to put cameras on Monroe Bridge to catch whoever is doing the nasty graffiti. She also commented on Spokane as a sanctuary city and commented on sick leave.

LEGISLATIVE AGENDA

EMERGENCY BUDGET ORDINANCES

Emergency Budget Ordinances C35267 and C35268

Subsequent to public testimony from one individual and Council commentary, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Snyder absent), the City Council **passed** the following Emergency Budget Ordinances amending Ordinance No. C35185 passed the City Council November 24, 2014, and entitled, "An Ordinance adopting the Annual Budget of the City of Spokane for 2015, making appropriations to the various funds, departments and programs of the City of Spokane government for the fiscal year ending December 31, 2015, and providing it shall take effect immediately upon passage," and declaring an emergency and appropriating funds in:

***ORD C35267** Park and Recreation Fund
FROM: Unappropriated Reserves, \$137,000;
TO: Transfer to Golf Fund, \$137,000;

and

Golf Fund
FROM: Transfer from Park and Recreation, \$137,000;
TO: Various accounts, \$137,000.

(This action provides for a transfer of funds from the Park Fund to the Golf Fund, part of which is in the form of a loan, for the Indian Canyon Golf Course, including course and clubhouse improvements and equipment lease/purchase from Toro.)

***[Clerical Note regarding Ordinance C35267:** The version of Ordinance C35267 included in Council's packet material for consideration contained the correct total budget transfer amount of \$137,000; however, due to

clerical errors, the ordinance reflected some incorrect budget change information, such as incorrect account numbers and names. It is clear from the agenda submission sheet that accompanied the ordinance in the Council's packet material that the intent of Ordinance C35267 is to provide a transfer of funds from the Park Fund to the Golf Fund, part of which is in the form of a loan, for the Indian Canyon Golf Course. Therefore, clerical corrections to the budget information in the ordinance have been made so the information correctly coincides with the intent of the ordinance. The above fund names and "FROM/TO" information appears as corrected in these minutes.]

ORD C35268 General Fund
FROM: Intergov't Other General Govt Services, \$25,000,
TO: Various Accounts, same amount;

(This action accepts additional funding from Spokane County for historic preservation activities in 2015.)

There were no **Emergency Ordinances**.

RESOLUTIONS

Resolution 2015-0059

Subsequent to an opportunity for public testimony, with no individuals requesting to speak, and Council commentary, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Snyder absent), the City Council **adopted Resolution 2015-0059** supporting the City of Spokane's Administrative Policy and Procedures identifying the Pilot Urban Utility Installation Project.

FINAL READING ORDINANCES

Final Reading Ordinance C35258 (Deferred from June 1, 2015, Agenda)

Upon consideration of Final Reading Ordinance C35258, Council President Stuckart called for a motion to defer for two weeks. Council Member Fagan noted there are three council members (Allen, Fagan, and Mumm) working on the ordinance as it contains some legal ambiguity that needs to be addressed and clarified before moving forward. Subsequently, the following action was taken:

Motion by Council Member Fagan, seconded by Council Member Allen, **to defer** Final Reading Ordinance C35258—relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses—for two weeks and it can appear (on the agenda) for final

reading on June 29; **carried unanimously (Council Member Snyder absent).**

Final Reading Ordinance C35265

Subsequent to public testimony from one individual and Council commentary, the following action was taken:

Upon 4-2 Roll Call Vote (Council Members Allen and Fagan voting “no” and Council Member Snyder absent), the City Council passed Final Reading Ordinance C35265 relating to a Public Works Apprentice Program; adopting new sections 7.06.700, 7.06.710, 7.06.720, 7.06.730, 7.06.740, 7.06.750, 7.06.760, 7.06.770 and 7.06.780 to chapter 7.06 of the Spokane Municipal Code to be designated as Article X.

Upon Unanimous Roll Call Vote (Council Member Snyder absent), the City Council passed the following ordinances approving and confirming the assessments and assessment rolls for:

ORD C35269 Local Improvement District No. 2012042 for Kendrick Avenue from approximately 1,200 feet west of Nine Mile Road to Nine Mile Road Water Main Extension,

ORD C35270 Local Improvement District No. 2012066 for Liberty Avenue from Oak Street to Ash Place; Ash Place from Dalton Avenue to Liberty Avenue,

ORD C35271 Local Improvement District No. 2013080 for alley between Princeton Avenue and Heroy Avenue from Addison Street to Standard Street,

and levying and assessing the amounts thereof, according to benefits, against the several lots, tracts and parcels of land and other property as shown on said rolls; providing for the collection of said assessments and the issuance of local improvement installment notes or bonds to pay the costs and expenses of said improvements; fixing the date of issue of said installment notes or bonds; and providing for delinquency penalties.

FIRST READING ORDINANCES

The following ordinance was read for the first time with further action deferred:

ORD C35272 Relating to the use of automated traffic safety cameras for school speed zones; amending SMC sections 16A.64.210 and 16A.64.220 of the Spokane Municipal Code.

There were no **Special Considerations**.

HEARINGS

Hearing on Final Reading Ordinance C35264 Relating to Neighborhood Retail Parking Standards

The City Council held a hearing on Final Reading Ordinance C35264 relating to neighborhood retail parking standards; amending Spokane Municipal Code Sections 17C.230.130 and 17C.230.140. Subsequent to an overview of Ordinance C35264 by Council President Stuckart and Boris Borisov of Planning and Development, public testimony, and Council inquiry and commentary, the following action was taken:

Upon Unanimous Roll Call Vote (Council Member Snyder absent), the City Council **passed Final Reading Ordinance C35264** relating to neighborhood retail parking standards; amending Spokane Municipal Code Sections 17C.230.130 and 17C.230.140.

SECOND OPEN FORUM

Gabriel Elliott commented on his open invitation to surrounding communities to come to Signs of Spirituality meditation Sundays at the Unity South Spokane Spiritual Center at noon and also provided other various remarks.

ADJOURNMENT

There being no further business to come before the City Council, the Regular Legislative Session of the Spokane City Council adjourned at 7:56 p.m.

Minutes prepared and submitted for publication in the June 17, 2015, issue of the *Official Gazette*.

Terri Pfister, MMC
Spokane City Clerk

Approved by Spokane City Council on _____, 2015.

Ben Stuckart
City Council President

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

06/29/2015

<u>Date Rec'd</u>	6/24/2015
<u>Clerk's File #</u>	LGL 2014-0023
<u>Renews #</u>	

<u>Submitting Dept</u>	CITY CLERK	<u>Cross Ref #</u>	
<u>Contact Name/Phone</u>	TERRI PFISTER 625-6354	<u>Project #</u>	
<u>Contact E-Mail</u>	TPFISTER@SPOKANECITY.ORG	<u>Bid #</u>	
<u>Agenda Item Type</u>	Report Item	<u>Requisition #</u>	
<u>Agenda Item Name</u>	0260 INITIATIVE NO. 2015-1 PETITIONS		

Agenda Wording

Set Hearing before City Council for Monday, July 13, 2015, on Proposed Initiative No. 2015-1 petitions filed on behalf of Jackie Murray, sponsor, relating to immigration status information.

Summary (Background)

On June 23, 2015, proponents of Initiative No. 2015-1 filed with the City Clerk's Office petitions bearing 3,317 signatures. This constitutes 6.696 percent of the votes cast at the last general election (held November 5, 2013). The signatures have not been validated. Pursuant to SMC 2.02.080 and Section 84 of the City Charter, at the Hearing on the petition, the City Council determines whether to:

<u>Fiscal Impact</u>		<u>Budget Account</u>	
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	PFISTER, TERRI	<u>Study Session</u>	
<u>Division Director</u>		<u>Other</u>	
<u>Finance</u>	DAVIS, LEONARD	<u>Distribution List</u>	
<u>Legal</u>	PICCOLO, MIKE	mpiccolo	
<u>For the Mayor</u>	SANDERS, THERESA	jackie@respectwashington.us	
<u>Additional Approvals</u>			
<u>Purchasing</u>			



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

1. grant the petition and pass the measure as requested; 2. accept the petition but decline to pass the measure as requested and direct the city clerk to validate the signatures; or 3. propose an alternative measure to either be adopted by the city council or submitted to the voters on the city council's own motion. Number of votes cast in November 5, 2013, City of Spokane General Municipal Election: 49,536; 5% = 2,477.

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

REQUIRED WARNING:

Under Washington law every person who signs an initiative or referendum petition with any other than his or her true name, knowingly signs more than once, or signs when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statement on such petition may be guilty of a misdemeanor.

Initiative Petition to the Spokane City Council

Initiative No. 2015-1

RECEIVED

We, the undersigned citizens and legal voters of the City of Spokane, Washington require that this ordinance known as Initiative No. 2015-1 - a full, true and correct copy of which is printed herein - be passed without alteration by the Spokane City Council, or be submitted to electors of the City of Spokane for their approval **CITY CLERK'S OFFICE** available special or general municipal election. If submitted to election, the proposed ordinance shall appear as the following proposition:
SPokane, WA

JUN 23 2015

City of Spokane Proposition No. 2015-1



An Ordinance Relating to Immigration Status Information

The City Council adopted Ordinance Nos. C-35164 and C-35167, regarding biased-free policing and immigration status information respectively, prohibiting the inquiry of an individual's immigration status by city officers or employees unless required by law or court order. This proposition would remove from the Spokane Municipal Code words added by the ordinances which prohibit city employees from acquiring or ascertaining immigration status information in the course of lawful duties. Should this proposition be enacted into law? Yes ☐ No ☐

Summary of Measure

THE LAW AS IT CURRENTLY EXISTS: SMC 3.10.040, regarding biased-free policing, and 3.10.050, regarding immigration information status, prohibit city officers or employees from inquiring into an individual's immigration information status or engaging in activities designed to ascertain the immigration status of any person unless required by law or court order. THE EFFECT OF THE PROPOSAL, IF APPROVED: This proposition would amend SMC 3.10.040, repeal SMC 3.10.050, and adopt a new section SMC 3.10.060, thereby eliminating the prohibition of city employee use of immigration status information. Any future regulations limiting the ability of any city employee from collecting immigration status information, communicating immigration status information and cooperating with federal law enforcement authorities would require a majority vote of the City Council and of the people at the next general election.

Each of us for himself or herself says: I have personally signed this petition; I am a legal voter of The City of Spokane; my residence address is correctly stated; and I have knowingly signed this petition only once. (The full text of the proposed ordinance is printed on the reverse side of this page.)

Petitioner's Signature (as on voter's registration) Spokane City voters only	Print Name	Spokane Street Address & Zip	Date Signed
1. 	Autumn Poyer	1612 W Lee st 99207 Email: _____ eMail address (optional, to stay informed)	314/2015 phone (optional)
2. 	HERB TRANTER	3301 N. FARR 99206 Email: _____ eMail address (optional, to stay informed)	314/2015 phone (optional)

Immediately ask Friends to SIGN & MAIL to:

Jackie Murray - RESPECT WASHINGTON, P.O. Box 7226, Spokane, WA 99207

PLEASE DUPLICATE THIS PETITION (ONE SHEET, DOUBLE-SIDED) FOR ADDITIONAL SIGNATURE LINES

ORDINANCE NO. C - 2015-1

AN ORDINANCE RELATING TO IMMIGRATION STATUS INFORMATION; AMENDING SMC SECTION 3.10.040; REPEALING SMC SECTION 3.10.050 AND ADOPTING A NEW SECTION 3.10.060 TO CHAPTER 3.10 OF THE SPOKANE MUNICIPAL CODE

The City of Spokane does ordain:

Section 1. That SMC 3.10.040 (Ord. No. C35164 relating to bias-free policing), is amended to read as follows:

3.10.040 Biased-Free Policing

A. The City of Spokane is committed to providing services and enforcing laws in a professional, nondiscriminatory, fair and equitable manner.

B. Spokane Police Department Officers and all officers commissioned under the Spokane Police Department shall be prohibited from engaging in bias-based profiling.

C. Bias-based profiling is defined as an "act of a member of the Spokane Police Department or a law enforcement officer commissioned by the Spokane Police Department that relies on actual or perceived race, national origin, color, creed, age, ((citizenship status;)) gender, sexual orientation, gender identity, disability, socio-economic status, or housing status or any characteristic of protected classes under federal, state or local laws as the determinative factor initiating law enforcement action against an individual, rather than an individual's behavior or other information or circumstances that links a person or persons to suspected unlawful activity."

D. The Spokane Police Department shall maintain policies consistent with this section.

Section 2. That SMC 3.10.050 SMC (Ord. No. C35167 relating to immigration status information), is repealed.

((3.10.050—Immigrant Status Information

A. Unless required by law or court order, no Spokane City officer or employee shall inquire into the immigration status of any person, or engage in activities designed to ascertain the immigration status of any person.

B. Spokane Police Department officers shall have reasonable suspicion to believe a person has been previously deported from the United States, is again present in the

United States, and is committed or has committed a felony criminal law violation before inquiring into the immigration status of an individual.

C. The Spokane Police Department shall not investigate, arrest, or detain an individual based solely on immigration status.

D. The Spokane Police Department shall maintain policies consistent with this section:))

Section 3. That there is adopted a new section 3.10.060 to chapter 3.10 of the Spokane Municipal Code to read as follows:

3.10.060 Respect for Law: The City of Spokane shall not limit the ability of any city employee from collecting immigration status information, communicating immigration status information and cooperating with federal law enforcement authorities unless such regulation is approved by a majority of the city council and a majority vote of the people at the next general election.

Section 4. Construction: The provisions of this measure are to be liberally construed to effectuate the intent, policies, and purposes of this measure.

Section 5. Severability: Should any provision of this ordinance or its application to any person or circumstances be held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 6. Effective Date. This ordinance, if approved by the voters, shall take effect and be in full force upon the issuance of the certificate of election by the Spokane Auditor's Office.

Section 7. That this ordinance be submitted to the voters of the City of Spokane for their approval or rejection at the next applicable election under Section 82 of the Spokane City Charter.

LEGISLATIVE HISTORY

Ordinances C35164 and C35167 were passed by 5-2 Council votes on October 20 and October 27, 2014, respectively.

Members who voted for Spokane to become a sanctuary for illegal aliens:

Benjamin Stuckart (term ends 2015)
Candace Mumm (Dist 3 term ends 2017)
Jon Snyder (Dist 2 term ends 2017)
Karen Stratton (Dist 3 term ends 2015)
Amber Waldref (Dist 1 term ends 2017)

Members who voted to prevent Spokane from becoming a sanctuary for illegal aliens, and to defend the right of taxpayers, police and other city employees to refuse finance and harbor of lawless activity:

Mike Allen (Dist 2 term ends 2015)
Mike Fagan (Dist 1 term ends 2015)
Date of Mayor's signature:
David Condon (term ends 2015)
Ord. C35164 on November 6, 2014
Ord. C35167 on November 12, 2014
Prime Sponsor: Benjamin Stuckart
(term ends 2015)

INSTRUCTIONS:

STEP 1: Make 2-sided copies of this blank paper petition for friends. Or download the petition file from www.RespectWashington.us and print 2-sided.

STEP 2: Fill signature lines immediately.

Do not procrastinate. Fill this petition this week.

STEP 3: Mail petition and contribution (check please, no cash) to:

www.RespectWashington.us

P.O. Box 7226, Spokane, WA 99207

(509) 565-0244

Please help us cover the costs of this petition by enclosing your most generous check when you mail in your signed petition sheet. Thank you.

PAID FOR BY RESPECT WASHINGTON



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

June 23, 2015

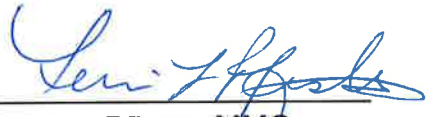
Mr. Tim Benn and Mr. Fred Kidney
On Behalf of Jackie Murray, Respect Washington
P.O. Box 7226
Spokane, WA 99207

RE: INITIATIVE NO. 2015-1 PETITIONS – RELATING TO IMMIGRATION STATUS
INFORMATION

This serves as acknowledgement that Initiative No. 2015-1 petitions, containing a purported 3,318 unverified signatures, with one box of submitted petitions purportedly numbered by proponents from 1-1000 and containing 2,000 signatures and the other box of submitted petitions purportedly numbered by the sponsors from 1001-1702 and containing 1,318 signatures, which figures were provided by the proponents. The petitions were filed on June 23, 2015, by Mr. Tim Benn and Mr. Fred Kidney on behalf of Jackie Murray, Respect Washington. The City Clerk's Office will perform its own tally of the unverified signatures by June 26, 2015.

The ballot title for Initiative No. 2015-1 is, as follows:

The City Council adopted Ordinance Nos. C-35164 and C-35167, regarding biased-free policing and immigration status information respectively, prohibiting the inquiry of an individual's immigration status by city officers or employees unless required by law or court order. This proposition would remove from the Spokane Municipal Code words added by the ordinances which prohibit city employees from acquiring or ascertaining immigration status information in the course of lawful duties. Should this proposition be enacted into law?


Terri L. Pfister, MMC
Spokane City Clerk

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

06/29/2015

Date Rec'd

6/16/2015

Clerk's File #

CPR 1981-0400

Renews #Submitting Dept

MAYOR

Cross Ref #Contact Name/Phone

KATIE ROSS 625.6716

Project #Contact E-Mail

KROSS@SPOKANECITY.ORG

Bid #Agenda Item Type

Boards and Commissions

Requisition #Agenda Item Name

0520 APPOINTMENT OF VICKIE WILLIAMS TO LIBRARY BOARD OF TRUSTEES

Agenda Wording

Appointment of Vickie Williams to the Spokane Public Library Board of Trustees for a term of June 29, 2015 to March 31, 2020.

Summary (Background)

Appointment of Vickie Williams to the Spokane Public Library Board of Trustees for a term of June 29, 2015 to March 31, 2020.

Fiscal ImpactBudget Account

Select \$

#

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

COTE, BRANDY

Study SessionDivision DirectorOtherFinanceDistribution ListLegal

bcote@spokanecity.org

For the Mayor

SANDERS, THERESA

achanse@spokanelibrary.org

Additional ApprovalsPurchasing

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

06/29/2015

Date Rec'd

6/17/2015

Clerk's File #

ORD C35275

Renews #Submitting Dept

CITY COUNCIL

Cross Ref #Contact Name/Phone

BEN STUCKART 625-6258

Project #Contact E-Mail

BSTUCKART@SPOKANECITY.ORG

Bid #Agenda Item Type

Emergency Budget Ordinance

Requisition #

EBO

Agenda Item Name

0320 - EBO RE: CORBIN ART CENTER GREENWAY

Agenda Wording

Amending Ordinance No. C-35185 and appropriating funds in the General Fund and Park Fund, FROM: General Fund-Unappropriated Reserves, \$25,000; TO: Various Accounts, same amount.

Summary (Background)

This ordinance appropriates funding for a study of the area around Corbin Art Center to allow for a bike and pedestrian pathway that connects the central portion of the South Hill to Downtown.

Fiscal ImpactBudget Account

Expense \$ 25,000

Various Accounts - See Ordinance

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

STUCKART, BEN

Study SessionDivision DirectorOther

Finance Committee

Finance

SALSTROM, JOHN

Distribution ListLegal

DALTON, PAT

bstuckart@spokanecity.org

For the Mayor

SANDERS, THERESA

drobole@spokanecity.org

Additional Approvals

amcdaniel@spokanecity.org

Purchasing

leadie@spokanecity.org

sluciano@spokanecity.org

ORDINANCE NO C35275

An ordinance amending Ordinance No. C-35185, passed the City Council November 24, 2014, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2015, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2015, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2015 budget Ordinance No. C-35185, as above entitled, and which passed the City Council November 24, 2014, it is necessary to make changes in the appropriations of the General Fund and Parks and Recreation Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

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

The City of Spokane does ordain:

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

FROM:	0100-99999	General Fund	
	99999-	Unappropriated Reserves	<u>\$ 25,000</u>
TO:	0980-89000	General Fund	
	97114-80101	Transfer to Parks & Recreation	<u>\$ 25,000</u>

Section 2. That in the budget of the Parks and Recreation Fund, and the budget annexed thereto with reference to the Parks and Recreation Fund, the following changes be made:

FROM:	1400-54100	Parks and Recreation Fund	
	99999-39710	Transfer from General Fund	<u>\$ 25,000</u>
TO:	1400-54100	Parks and Recreation Fund	
	74210-54201	Contractual Services	<u>\$ 25,000</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to provide funding for a study of the area around Corbin Art Center to allow for a bike and pedestrian pathway that connects the central portion of the South Hill to Downtown and vice versa, 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:**

06/29/2015

Date Rec'd

6/17/2015

Clerk's File #

ORD C35276

Renews #Submitting Dept

CITY COUNCIL

Cross Ref #Contact Name/Phone

BEN STUCKART 625-6258

Project #Contact E-Mail

BSTUCKART@SPOKANECITY.ORG

Bid #Agenda Item Type

Emergency Budget Ordinance

Requisition #Agenda Item Name

0320 - EBO RE: GOLF MARKETING

Agenda Wording

Amending Ordinance No. C-35185 and appropriating funds in the General Fund and Golf Fund, FROM: General Fund-Unappropriated Reserves, \$25,000; TO: Various Accounts, same amount.

Summary (Background)

This ordinance provides for a one-time transfer from General Fund to the Golf Fund for marketing the City's golf courses/programs in an effort to increase rounds of play and introduce new people to golf.

Fiscal ImpactBudget Account

Expense \$ 25,000

Various Accounts - See Ordinance

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

STUCKART, BEN

Study SessionDivision DirectorOther

Finance Committee

Finance

SALSTROM, JOHN

Distribution ListLegal

DALTON, PAT

bstuckart@spokanecity.org

For the Mayor

SANDERS, THERESA

drobole@spokanecity.org

Additional Approvals

amcdaniel@spokanecity.org

Purchasing

leadie@spokanecity.org

sluciano@spokanecity.org

ORDINANCE NO C35276

An ordinance amending Ordinance No. C-35185, passed the City Council November 24, 2014, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2015, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2015, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2015 budget Ordinance No. C-35185, as above entitled, and which passed the City Council November 24, 2014, it is necessary to make changes in the appropriations of the General Fund and Golf Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, Golf is off nearly 64,000 rounds of golf per year since 2000, yet Golf only budgets 1/10 percent of its overall budget to marketing; and

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

The City of Spokane does ordain:

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

FROM:	0100-99999	General Fund	
	99999-	Unappropriated Reserves	<u>\$ 25,000</u>
TO:	0980-89000	General Fund	
	97115-80101	Transfer to Golf Fund	<u>\$ 25,000</u>

Section 2. That in the budget of the Golf Fund, and the budget annexed thereto with reference to the Golf Fund, the following changes be made:

FROM:	4600-30210	Golf Fund	
	99999-39710	Transfer from General Fund	<u>\$ 25,000</u>
TO:	4600-30210	Golf Fund	
	76611-54451	Advertising	<u>\$ 25,000</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to provide a one-time only funding request for marketing the City's golf courses/programs to increase rounds of play and introduce new people to golf, 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:**

06/29/2015

Date Rec'd

6/17/2015

Clerk's File #

ORD C35277

Renews #Submitting Dept

CITY COUNCIL

Cross Ref #Contact Name/Phone

BEN STUCKART 625-6258

Project #Contact E-Mail

BSTUCKART@SPOKANECITY.ORG

Bid #Agenda Item Type

Emergency Budget Ordinance

Requisition #Agenda Item Name

0320 - EBO RE: HILLYARD NS FWY MITIGATION

Agenda Wording

Amending Ordinance No. C-35185 and appropriating funds in the General Fund and Asset Management Fund,
FROM: General Fund-Unappropriated Reserves, \$45,000; TO: Various Accounts, same amount.

Summary (Background)

This action appropriates funds to help mitigate the impacts of the North/South Freeway by working with the Public Development Authority to purchase a lot in Hillyard via an intergovernmental arrangement.

Fiscal ImpactBudget Account

Expense \$ 45,000

Various Accounts - See Ordinance

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

STUCKART, BEN

Study SessionDivision DirectorOther

Finance Committee

Finance

SALSTROM, JOHN

Distribution ListLegal

DALTON, PAT

bstuckart@spokanecity.org

For the Mayor

SANDERS, THERESA

drobole@spokanecity.org

Additional Approvals

amcdaniel@spokanecity.org

Purchasing

smsimmons@spokanecity.org

mhughes@spokanecity.org

ORDINANCE NO C35277

An ordinance amending Ordinance No. C-35185, passed the City Council November 24, 2014, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2015, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2015, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2015 budget Ordinance No. C-35185, as above entitled, and which passed the City Council November 24, 2014, it is necessary to make changes in the appropriations of the General Fund and Asset Management Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

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

The City of Spokane does ordain:

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

FROM:	0100-99999	General Fund	
	99999-	Unappropriated Reserves	<u>\$ 45,000</u>
TO:	0980-89000	General Fund	
	97183-80101	Transfer to Asset Management	<u>\$ 45,000</u>

Section 2. That in the budget of the Asset Management Fund, and the budget annexed thereto with reference to the Asset Management Fund, the following changes be made:

FROM:	5900-41520	Asset Management Fund	
	99999-39710	Transfer from General Fund	<u>\$ 45,000</u>
TO:	5900-41520	Asset Management Fund	
	94000-56101	Land Acquisition	<u>\$ 45,000</u>

Section 3. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to mitigate the impacts of the N/S Freeway by working with the PDA to purchase a lot in Hillyard via an intergovernmental arrangement of government-to-government transfer, 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:**

06/29/2015

<u>Date Rec'd</u>	6/15/2015
<u>Clerk's File #</u>	RES 2015-0062
<u>Renews #</u>	

<u>Submitting Dept</u>	ENGINEERING SERVICES	<u>Cross Ref #</u>	
<u>Contact Name/Phone</u>	DAN BULLER 625-6391	<u>Project #</u>	2011082
<u>Contact E-Mail</u>	DBULLER@SPOKANECITY.ORG	<u>Bid #</u>	
<u>Agenda Item Type</u>	Resolutions	<u>Requisition #</u>	
<u>Agenda Item Name</u>	0370 - ASSESSMENT SEGREGATION - 14TH & 15TH AVENUE		

Agenda Wording

Assessment Segregation for 15th Avenue from Chestnut Street to Inland Empire Way; 14th Avenue from Chestnut Street to Inland Empire Way.

Summary (Background)

The attached Resolution provides for the segregation of County Assessor's Parcel Numbers 25251.0621 and 25251.0622 for the above project

<u>Fiscal Impact</u>		<u>Budget Account</u>	
Revenue	\$ 76.00	#	5600 76600 99999 35990 99999
Revenue	\$ 76.00	#	0370 41530 99999 34581 99999
Select	\$	#	
Select	\$	#	
<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	TWOHIG, KYLE	<u>Study Session</u>	
<u>Division Director</u>	SIMMONS, SCOTT M.	<u>Other</u>	
<u>Finance</u>	SALSTROM, JOHN	<u>Distribution List</u>	
<u>Legal</u>	WHALEY, HUNT	lhattenburg@spokanecity.org	
<u>For the Mayor</u>	SANDERS, THERESA	kbustos@spokanecity.org	
<u>Additional Approvals</u>		jsalstrom@spokanecity.org	
<u>Purchasing</u>		htrautman@spokanecity.org	
		mmyers@spokanecity.org	
		creed@spokanecity.org	

RESOLUTION 2015-0062

WHEREAS, in accordance with RCW 35.44.410, a local improvement assessment may be segregated only by resolution of the City Council; and

WHEREAS, said resolution must set forth certain information as required by law;

NOW, THEREFORE, be it resolved by the City Council of the City of Spokane:

1. The City Treasurer is hereby directed to amend the assessment roll of Local Improvement District No. 2011082, for the improvement of 15th Avenue from Chestnut Street to Inland Empire Way; 14th Avenue from Chestnut Street to Inland Empire Way and to segregate County Assessor's Parcel Numbers 25251.0621, in the amount of \$5,958.95 and 25251.0622, in the amount of \$6,213.13.

2. The original assessment was levied on the County Assessor's Parcel Number as follows:

Parcel 25251.0621 - Cannon Hill Addition, South 10 feet of Lot 8, together with all of Lot 9, Block 6 (See Exhibit 1)	\$5,958.95
--	------------

Parcel 25251.0622 - Cannon Hill Addition, North 35 feet of the west half of Lot 8, together with the west half of Lot 7, Block 6 (See Exhibit 1)	<u>\$6,213.13</u>
	\$12,172.08

3. The above described property shall be divided and the assessment segregated as follows:

Segregation 'A' (Parcel 'A' 25251.0624)	
Cannon Hill Addition, south 5 feet of the west half of Lot 8, together with the south 10 feet of the east half of Lot 8, and all of Lot 9, Block 6 (See Exhibit 2)	\$5,788.93

Segregation 'B' (Parcel 'B' 25251.0625)	
Cannon Hill Addition, north 40 feet of the west half of Lot 8, together the west half of Lot 7, Block 6 (See Exhibit 2)	<u>\$6,383.15</u>
	\$12,172.08

4. The City Council orders and approves this segregation and finds that such segregation will not jeopardize the security of the lien for such assessment.

5. In addition to the administrative fee charged for such segregation, the City Council orders that the person requesting the segregation be required to pay the reasonable engineering and clerical costs incurred by the City as a condition to the order of segregation.

Adopted by the City Council _____.

City Clerk

Approved as to form:

Assistant City Attorney

EXHIBIT 1



EXHIBIT 2





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

June 18, 2015

City Clerk File No.:
ORD C35258

COUNCIL ACTION MEMORANDUM

RE: FINAL READING ORDINANCE C35258 RELATING TO INDECENT PUBLIC EXPOSURE, PUBLIC VISIBILITY, AND DISCLOSURE STANDARDS FOR ADULT-ORIENTED BUSINESSES

During the Spokane City Council's 6:00 p.m. Legislative Session held Monday, June 15, 2015, upon consideration of Final Reading Ordinance C35258, Council President Stuckart called for a motion to defer for two weeks. Council Member Fagan noted there are three council members (Allen, Fagan, and Mumm) working on the ordinance as it contains some legal ambiguity that needs to be addressed and clarified before moving forward. Subsequently, the following action was taken:

Motion by Council Member Fagan, seconded by Council Member Allen, **to defer** Final Reading Ordinance C35258—relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses—for two weeks and it can be appear (on the agenda) for final reading on June 29; **carried unanimously (Council Member Snyder absent).**

Terri L. Pfister, MMC
Spokane City Clerk



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

June 8, 2015

City Clerk File No.:
ORD C35258

COUNCIL ACTION MEMORANDUM

RE: FINAL READING ORDINANCE C35258 RELATING TO INDECENT PUBLIC EXPOSURE, PUBLIC VISIBILITY, AND DISCLOSURE STANDARDS FOR ADULT-ORIENTED BUSINESSES

During the Spokane City Council's 6:00 p.m. Legislative Session held Monday, June 1, 2015, Council Member Allen requested a deferral of Final Reading Ordinance C35258 so that it can be placed on the PCED agenda. He thanked Councilwoman Mumm for pointing out something within our current laws that may impact the ordinance, and so it needs to be explored a little bit further before taking a vote on it. Subsequently, the following action was taken:

Motion by Council Member Allen, seconded by Council Member Mumm, **to defer** Final Reading Ordinance C35258—relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses—for two weeks (to June 15, 2015); **carried unanimously.**

Terri L. Pfister, MMC
Spokane City Clerk

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

05/11/2015

Date Rec'd

4/29/2015

Clerk's File #

ORD C35258

Renews #Submitting Dept

CITY COUNCIL

Cross Ref #Contact Name/PhoneMIKE ALLEN & 625-6715
MIKE FAGANProject #Contact E-Mail

RBARDEN@SPOKANECITY.ORG

Bid #Agenda Item Type

Final Reading Ordinance

Requisition #Agenda Item Name

ORDINANCE RELATING TO INDECENT PUBLIC EXPOSURE

Agenda Wording

An ordinance relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses; adopting a new section 10.06.050 to chapter 10.06 of the Spokane Municipal Code.

Summary (Background)

The recent increase in the number of drive-through coffee stands at which the employees' standard work uniform may violate existing law concerning indecent exposure, and may create off-site impacts at locations such as schools, parks, libraries, churches, and playgrounds, calls for a clarification of the law concerning the practices at these facilities. This proposed ordinance creates an opportunity for drive-through coffee stands to take appropriate measures to screen their employees from publi

Fiscal ImpactBudget Account

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

ApprovalsCouncil NotificationsDept Head

MCDANIEL, ADAM

Study SessionDivision DirectorOtherFinance

SALSTROM, JOHN

Distribution ListLegal

DALTON, PAT

For the Mayor

SANDERS, THERESA

Additional ApprovalsPurchasing

The recent increase in the number of drive-through coffee stands at which the employees' standard work uniform may violate existing law concerning indecent exposure, and may create off-site impacts at locations such as schools, parks, libraries, churches, and playgrounds, calls for a clarification of the law concerning the practices at these facilities. This proposed ordinance creates an opportunity for drive-through coffee stands to take appropriate measures to screen their employees from public view.

ORDINANCE NO. C35258

An ordinance relating to indecent public exposure, public visibility, and disclosure standards for adult-oriented businesses; adopting a new section 10.06.050 to chapter 10.06 of the Spokane Municipal Code.

The City of Spokane does ordain:

Section 1. That there is adopted a new section 10.06.050 to the Spokane Municipal Code to read as follows:

10.06.050 - Indecent public exposure and disclosure standards for Adult-Oriented Businesses.

A. Definitions

1. For purposes of this section, “public place” has the meaning stated in SMC 10.06.030(D)(2).
2. For purposes of this section, an “Adult-Oriented Business” is one in which the employee uniform consists of anything less than fully opaque covering of a male’s genitals or buttocks, or a female’s genitals, breast, or buttocks.

B. It is unlawful for any person to expose his or her genitalia while in a public place or while in a place which is visible from the public right of way, if the public place is open or available to persons of the opposite sex.

C. No Adult-Oriented Business may allow their employees, in the course of their employment, to be visible from any of the following preexisting uses, whether located inside or outside of the city of Spokane:

1. Public library.
2. Public playgrounds or park.
3. Public or private school and its grounds, from kindergarten to twelfth grade.
4. Nursery school, mini-daycare center or daycare center.
5. Church, convent, monastery, synagogue, or other place of religious worship.

D. All Adult-Oriented Businesses shall maintain and display city-approved signage which notifies the general public of the businesses’ employee uniform requirement.

E. Existing Adult-Oriented Businesses shall have ninety (90) days following the effective date of this section in which to come into compliance with this section.

F. Penalties

1. Violation of this section is a Class I civil infraction pursuant to SMC 1.02.950(C)(1).
2. Enforcement of this section is intended to be directed to business owners rather than employees engaged in the conduct of their employment.

PASSED by the City Council on _____

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
06/22/2015

Date Rec'd	6/10/2015
Clerk's File #	ORD C35274
Renews #	

Submitting Dept	CITY COUNCIL	Cross Ref #	
Contact Name/Phone	JON SNYDER 6254	Project #	
Contact E-Mail	JSNYDER@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	0320 ORD RE VACANCIES FOR POLICE OMBUDSMAN		

Agenda Wording

An ordinance relating to the process for filling vacancies in the position of police ombudsman; amending SMC section 04.32.080 and SMC section 04.32.090.

Summary (Background)

This ordinance amends SMC Section 04.32.080 and SMC Section 04.32.090 to require that the OPO Commission appoint an interim Police Ombudsman (for a term not to exceed six months) within forty-five days of notice regarding a vacancy in the position.

Fiscal Impact		Budget Account	
Select	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
Dept Head	STUCKART, BEN	Study Session	
Division Director		Other	
Finance	DAVIS, LEONARD	Distribution List	
Legal	DALTON, PAT		
For the Mayor	SANDERS, THERESA		
Additional Approvals			
Purchasing			



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

The ordinance also requests that the OPO Commission maintain a list of applicants for Police Ombudsman in case of future vacancies and the OPO Selection Committee forward a list of no more than five candidates for permanent Ombudsman no later than one hundred and twenty days after its formation. The OPO Commission would then select a qualified candidate from the list within sixty days of receiving the OPO Selection Committee recommendations.

Fiscal Impact

Select \$

Budget Account

#

Select \$

#

Distribution List

ORDINANCE NO. C35274.

An ordinance relating to the process for filling vacancies in the position of police ombudsman; amending SMC section 04.32.080 and SMC section 04.32.090.

The City of Spokane does ordain:

Section 1. That section 04.32.080 of the Spokane Municipal Code to read as follows:

Section 04.32.080 Appointment

- A. Whenever there is a vacancy in the police ombudsman position due to expiration of term, resignation, sickness, death, retirement, conflict of interest, or any other reason, the commission shall, at the next regular meeting following its receipt of notice of the vacancy, form a ((A)) selection committee which shall consist of five members, and which shall forward to the commission its ~~((committee)) will be formed that will recommend~~ recommended list of no more than five (5) ~~((three))~~ candidates for the police ombudsman ~~((OPO))~~ position, one of which shall be selected. ~~((to the commission, one of which must be selected.))~~ The committee shall be composed of:
1. one member appointed by the Spokane Police Officers Guild,
 2. one member appointed by the Lieutenants and Captains Association,
 3. one member appointed by the city council,
 4. one member appointed by the mayor, and
 5. the fifth member selected by the other four members.
- B. ~~((The commission must appoint one of the three individuals recommended by the committee to the OPO position.))~~ The five member selection committee will select the committee's chair.
- C. The commission shall, within forty-five (45) days of its receipt of notice of a vacancy in the police ombudsman position, appoint an interim police ombudsman for a term not to exceed six (6) months. Should a permanent ombudsman not be selected and hired within the term of the interim police ombudsman, the commission may, with the prior approval of the city council, extend the interim police ombudsman's term for three (3) months. If the commission fails to appoint an interim ombudsman, the city council shall appoint an interim ombudsman, to serve until the permanent police ombudsman is hired.
- D. In order to remain prepared for future vacancies, the commission should maintain a list of applicants for the positions of interim and permanent police ombudsman from which future interview pools can be drawn.
- E. Any period of service as interim police ombudsman, by itself, shall not disqualify the person holding that office from being considered for the permanent police ombudsman position.
- F. The selection committee shall, according to its own process and organizing principles, forward a list of no more than five (5) qualified candidates for the position of permanent police ombudsman to the commission no later than one hundred twenty (120) days from the committee's formation. For purposes of this

section, the “committee’s formation” occurs when the final member of the committee is seated.

- G. No later than sixty (60) days after receiving the selection committee’s list of qualified candidates for the position of permanent police ombudsman, the commission shall select one of the individuals on the list for appointment as permanent police ombudsman.

Section 2. That section 04.32.090 of the Spokane Municipal Code is amended to read as follows:

Section 04.32.090 Term

- A. The appointment of the police ombudsman shall be for an initial three-year term.
- B. A current police ombudsman may be reappointed for additional terms not to exceed three years upon reappointment by the commission. If commission does not approve the reappointment prior to the expiration of the appointment term, the appointment term shall expire at the end of the term.
- C. ~~((Should a vacancy in the position occur, due to expiration of term, resignation, sickness, death, retirement, conflict of interest, or any other reason, the commission appoints an interim police ombudsman for a term not to exceed four months, in compliance with the appointment process stipulated in SMC 4.32.080. The selection committee referenced in SMC 4.32.080 must meet within thirty days of notification by the commission of the need to appoint an interim police ombudsman.))~~

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date



Agenda Sheet for City Council Meeting of:
06/15/2015

Date Rec'd	6/3/2015
Clerk's File #	ORD C35272
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	
Submitting Dept	CITY COUNCIL
Contact Name/Phone	JON SNYDER 6254
Contact E-Mail	JSNYDER@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	0320 ORD RE AUTOMATED TRAFFIC SAFETY CAMERAS IN SCHOOL ZONES

Agenda Wording

An ordinance relating to the use of automated traffic safety cameras for school speed zones; amending SMC sections 16A.64.210 and 16A.64.220 of the Spokane Municipal Code.

Summary (Background)

The City Council has previously authorized the use of automated traffic safety cameras for traffic control devices for stoplights at two-arterial intersections. This ordinance will also authorize the use of safety cameras at school speed zones pursuant to state law.

<u>Fiscal Impact</u>		<u>Budget Account</u>	
Select	\$	#	
Select	\$	#	
Select	\$	#	
Select	\$	#	
<u>Approvals</u>		<u>Council Notifications</u>	
<u>Dept Head</u>	STUCKART, BEN	<u>Study Session</u>	5/21/15
<u>Division Director</u>		<u>Other</u>	
<u>Finance</u>	DAVIS, LEONARD	<u>Distribution List</u>	
<u>Legal</u>	PICCOLO, MIKE	tfuller@spokanepolice.org	
<u>For the Mayor</u>	SANDERS, THERESA	mpiccolo@spokanecity.org	
<u>Additional Approvals</u>		jcaro@spokanecity.org	
<u>Purchasing</u>			

ORDINANCE NO. C35272

An ordinance relating to the use of automated traffic safety cameras for school speed zones; amending SMC sections 16A.64.210, 16A.64.220 and 16A.64.240 of the Spokane Municipal Code.

WHEREAS, the City of Spokane has been using automated traffic safety cameras for the red light enforcement at two arterial intersections with traffic control signals; and

WHEREAS, additional analysis has been performed by the Police Department regarding use of automated traffic safety cameras for school speed zone enforcement, and

WHEREAS, the Police Department presented its analysis to the City Council Public Safety Committee during its meetings on January 5, 2015 and March 2, 2015, which has been submitted as part of the legislative record for this ordinance; - - Now, Therefore,

The City of Spokane does ordain:

Section 1. That SMC 16A.64.210 is amended to read as follows:

16A.64.210 Authorized Use of Automated Traffic Safety Cameras

- A. Law enforcement officers of the City and persons specially commissioned by the chief of police are authorized to use automated traffic safety cameras for the enforcement of RCW 46.61.050, requiring obedience to traffic control devices for stoplights for two-arterial intersection and RCW 46.61.440, requiring obedience to school speed zones. Use of automated traffic safety cameras shall comply and be consistent with RCW 46.63.170, as well as other applicable state laws and regulations regarding automated traffic safety cameras.
- B. For the purposes of this section, "automated traffic safety camera" means a device that uses a vehicle sensor installed to work in conjunction with an intersection traffic control system, a railroad grade crossing control system, or a speed measuring device, and a camera synchronized to automatically record one or more sequenced photographs, microphotographs or electronic images of the rear of a motor vehicle at the time the vehicle fails to stop when facing a steady red traffic control signal or an activated railroad grade crossing control signal, or exceeds a speed limit in a school speed zone as detected by a speed measuring device.

Section 2. That SMC 16A.64.220 is amended to read as follows:

16A.64.220 Procedures of Use of Automated Traffic Safety Cameras

The use of automated traffic safety cameras is authorized for issuance of notices of infraction for violations regarding obedience to traffic control devices for stoplights at two-arterial intersection and school speeding zones and is subject to the following requirements:

- A. Use of automated traffic safety cameras is restricted to two-arterial intersections and school speeding zones only.
- B. Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle.
- C. A notice of infraction must be mailed to the registered owner of the vehicle within fourteen days of the violation, or to the renter of a vehicle within fourteen days of establishing the renter's name and address under SMC 16A.64.240(B). The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by an automated traffic safety camera, stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this chapter. The photographs, microphotographs or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the infraction. A person receiving a notice of infraction based on evidence detected by an automated traffic safety camera may respond to the notice by mail.
- D. The registered owner of a vehicle is responsible for an infraction under SMC 16A.64.270(A) unless the registered owner overcomes the presumption in SMC 16A.64.270(B), or, in the case of a rental car business, satisfies the conditions under SMC 16A.64.240(B). If appropriate under the circumstances, a renter identified under SMC 16A.64.240(B)(1) is responsible for an infraction.
- E. Pursuant to RCW 46.63.170(1)(f), notwithstanding any other provision of law, all photographs, microphotographs, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a violation under this section. No photograph, microphotograph or electronic image may be used for any purpose other than enforcement of violations under this section nor retained longer than necessary to enforce this section.
- F. All locations where an automated traffic safety camera is used must be clearly marked by placing signs in locations that clearly indicate to a driver that he is entering a zone where traffic laws are enforced by an automated traffic safety camera.

Section 3. That SMC 16A.64.240 is amended to read as follows:

16A.64.240 Notice and Disposition of Traffic Infractions

- A. Infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and RCW 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 3.46.120, RCW 3.50.100, RCW 35.20.220, RCW 46.16.216, and RCW 46.20.270(3). A notice of infraction for stoplight and school speed zone ((~~;~~)) violations detected through the use of automated traffic safety cameras shall result in a fine ~~((of one hundred twenty-four dollars))~~ equal to the total penalty, including the base penalty plus any statutory assessments authorized under state law, for such violations otherwise detected by a police officer.
- B. If the registered owner of the vehicle is a rental car business, the police department shall, before a notice of infraction being issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within eighteen days of receiving the written notice, provide to the police department by return mail:
1. a statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred; or
 2. a statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred; or
 3. in lieu of identifying the vehicle operator, the rental car business may pay the applicable penalty.
- Timely mailing of this statement to the police department relieves a rental car business of any liability under this section for the notice of infraction.
- C. Nothing in this section prohibits a law enforcement officer from issuing a notice of traffic infraction at the time a violation occurs to a person in control of a vehicle under the Washington Model Traffic Ordinance.

PASSED BY THE CITY COUNCIL ON _____

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date