



Administration and Finance Committee Meeting Minutes

November 8, 2018
4:00 PM
SeaTac City Hall - Riverton Room 128

Members:	Present:	Absent:	Commence:	4:01 P.M.
			Adjourn:	5:06 P.M.
Erin Sitterley, Chair	X			
Peter Kwon		X		
Clyde Hill		X		

Other Council Members Present: Joel Wachtel (substituting for committee member), Pam Fernald (substituting for committee member)

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Committee Chair Erin Sitterley called the meeting to order at 4:01 PM</i>
2. Public Comment	<i>None</i>
3. Review of the Minutes	<u> X </u> Recommended for Approval <i>A copy of the 10/11/18 minutes was provided to the committee for review. The committee approved the minutes as written.</i>
4. Council/City Manager Travel Pre-Approval or Final Approval	<i>None</i>
5. Vacant Positions Update	<u> X </u> Informational Update <i>Finance & Systems Director Gwen Pilo provided the committee with a brief update of vacant positions within the City.</i>
6. SSRTA	<u> X </u> Recommended for Approval <i>Ashley Comar from Seattle Southside Regional Tourism Authority (SSTRA) provided the committee with SSTRA's 2019-2020 funding request. SSRTA is asking the City for \$830,000, the same amount requested for the past 10 years. This amount has already been built into the City's 2019-2020 Biennial Budget which goes to Council for final</i>

	<i>approval at the November 13th meeting. The committee recommended this item for approval.</i>
7. YMCA Agreement for Services	<p><u> X </u> Recommended for Approval</p> <p><i>Parks Community Programs & Services Director Lawrence Ellis presented the committee with a memo detailing the financial breakdown of the value of services owed to the City and a proposed payment plan for the remaining 11 years of the YMCA agreement. The committee discussed the proposed plan and requested staff to amend the contract to include a strict provision if a late payment is made. The committee suggested if after 30 days past the due date a payment has not been made, YMCA will owe the City the entire unmet balance of the agreement. The committee recommended this item for approval, pending clarification of recreation services and the addition of the contract language.</i></p>
8. 2019 Internal Legislative Agenda	<p><u> X </u> Recommended for Approval</p> <p><i>Briahna Murray and Trevor Justin from Gordon Thomas Honeywell addressed the committee to discuss the City’s 2019 internal legislative agenda. The City’s Internal Policy Document is additional direction for staff and lobbyists which includes statements of support or opposition with regards to specific issues. The committee discussed the draft policy document and decided to make the following changes:</i></p> <ol style="list-style-type: none"> <i>1. Remove item “Animal Control” – this no longer applies as the City no longer bans specific dog breeds.</i> <i>2. Remove item “Business Licenses and Taxes” – this no longer applies as the task force is complete.</i> <i>3. Add item in regards to the opposition of marijuana stores in SeaTac</i> <p><i>With these revisions, the committee recommended this item for approval. This document will be presented for approval at the November 27th City Council meeting.</i></p>
9. Future Meeting Schedule	<i>The next A&F Meeting will be held on December 13, at 4:00PM in Riverton Room 128.</i>
10. Adjourn	<i>Committee Chair Erin Sitterley adjourned the meeting at 5:06 PM.</i>



City Council Post Trip Report

Required for City paid expenses or reimbursements of \$50 and above

Per the City Council Administrative Policies and Procedures, Section 13.(A), the Trip Report shall be completed and submitted to the Executive Assistant within 15 days for inclusion in the next A&F Committee meeting packet.

Filed By: Peter Kwon

What type of event did you attend?

Training

Conference

Other (specify): [Click here to enter text.](#)

Name of Event:	NLC City Summit
Purpose:	Education, Networking
Location:	Los Angeles, CA
Date(s) of Event:	11/6/2018 - 11/11/2018
Number of hours attended:	6 days

Please answer the following questions

What interested you in attending this event?
This is an annual event well attended by council members and mayors nation wide.

Please summarize what you learned and how it benefits the taxpayer:
<p>Trip report follows:</p> <p><i>Protip: It's cheaper to take an UBER/LYFT to/from LAX airport as traditional cabs charge upwards of \$40/tip compared to \$30 for rideshare.</i></p> <p>===</p> <p>Tuesday, November 6, 2018 arrival, check-in, registration, and networking opportunity</p> <p>===</p> <p>Wednesday, November 7, 2018</p> <p>---</p> <p>Airport Noise Help</p> <p>Agenda: NextGen Advisory Committee update by Brad Pierce, NOISE President</p>

Federal update by Emily Tranter, NOISE National Coordinator

Communities and Aviation Noise -an airport perspective by Sandy Lancaster, Environmental Program Manager, Dallas Fort Worth International Airport

Emerging Supersonic Impacts by Dan Rutherford, Ph.D Program Director, International Council on Clean Transportation (ICCT)

Personal notes:

NOISE is currently assisting The City of SeaTac on responding to and addressing the Sea-Tac Airport expansion (SAMP). This was a good opportunity to catch up with how other cities are dealing with their own airport related impacts.

Transportation and Infrastructure Services (TIS) Committee Meeting

Agenda:

speaker: Emily Warren, Sr. Director of Policy & Public Affairs, Lime

TRANSPORTATION LEADER PERSPECTIVE ON RAIL SERVICE

Introduction by Councilmember Fred Strong, Paso Robles, CA

Jennifer Bergener, Managing Director, Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN)

The 351-mile Los Angeles – San Diego – San Luis Obispo Rail Corridor (LOSSAN Corridor) travels through a six-county coastal region in Southern California and is the second busiest intercity passenger rail corridor in the U.S. and the busiest state-supported Amtrak route. The LOSSAN Corridor service includes 41 stations and more than 150 daily passenger trains, with an annual ridership of nearly 3 million on Amtrak Pacific Surfliner intercity trains and 5 million on Metrolink and COASTER commuter trains.

COMMITTEE POLICY AND RESOLUTIONS

The Honorable Pam O'Connor, Chair, Councilmember, Santa Monica, California

Brittney Kohler, NLC Program Director, Transportation & Infrastructure

NLC Partner Introduction: Waymo

Sydnee Journal, Waymo Local Policy & Community Manager, Bay Area

Waymo is a self-driving technology company with a mission to make it safe and easy for people and things to move around—without the need for anyone in the driver's seat. Waymo began as the Google self-driving car project in 2009, and their self-driving vehicles just crossed 10 million miles driven on public roads.

Transportation Tech, Data and Privacy: How to Weigh the Possibilities for Your City and Your Citizens

Panel discussion of transportation and technology leaders.

Personal notes:

This is an informative meeting where many current and emerging transportation technologies are discussed and future policy positions are determined. This opportunity only occurs once per year through NLC. Most of the policy amendments were regarding passenger rail and the Federal Railroad Administration and the infrastructure trust fund for roads, bridges, transit, rail, ports, sidewalks, and bike paths, which has very little impact on SeaTac. There is a new resolution which passed regarding cities embracing the innovation and potential for the safe and effective integration of Unmanned Aircraft Systems (UAS or drones) into our cities' transportation & ecosystems.

Following the policy votes, Waymo's representative Sydnee Journal presented information on self driving cars. Waymo was a subsidiary of Google and is now an independent company currently running a trial of an autonomous ride-hailing business in Phoenix, Arizona. I plan to follow up with them.

Contact: Sydnee Journal

Lead Policy & CCommunity Manager, SF Bay Area

City of SeaTac

4800 S 188th St SeaTac, Washington 98188

sydneej@waymo.com

650-450-7982

Supplemental policy document provided.

Conference Welcome Reception in Expo Hall

The City Summit Expo Hall brings attendees the latest products, services and ideas – direct from manufacturers, consultants and specialists – and provides opportunities for information sharing during the conference.

Personal notes:

Visited various vendors providing products and services for governments. See ClickFix had a booth and we discussed the possibility of integrating bike share and e-scooter reporting. Also visited a vendor that provides more durable crosswalks that are available in various designs which may be a good way to provide neighborhood personality and individuality.

Gavin Lee, Regional Sales Manager

Traffic Scapes, Ennis-Flint

707-837-3217

glee@ennisflint.com

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Thursday, November 8, 2018

Mobile Workshop: Transforming Travel: The Airport of the Future

Los Angeles International Airport is the second busiest airport in the United States and is currently undergoing \$14 billion dollars in renovations. Those renovations include a redesign of every Terminal, a \$4.9 billion people mover utilizing a 30-year DBFOM contract, runway improvements and more. You will also learn about LAX's innovative local hire and training programs and partnerships with local neighborhoods and residents. Join us for this behind the scenes tour and see the transformation in action as LAX becomes the airport of the future.

Personal notes:

LAX is currently the busiest airport in the country and going through further expansion including an automated people-mover and a new access roadway to alleviate traffic congestion. The biggest difference is LAX has 3,500 acres while Sea-Tac Airport has 2,500 acres so LAX has physical room to expand. The adoption of a 90% local hire policy at LAX helps keep jobs local and improve economic development. I've obtained hand out materials that provide more information.

Opening General Session

The Opening General Session will feature welcome addresses by Los Angeles, California Mayor Eric Garcetti; Columbia, South Carolina Mayor and President of the US Conference of Mayors Stephen Benjamin; President and CEO of ICMA-RC Bob Schultze and Executive Director and CEO of the National League of Cities Clarence E. Anthony. NLC President and Little Rock, Arkansas Mayor Mark Stodola will address delegates, and a keynote address will be delivered by Senior Political Analyst at CNN and Editorial Director for Strategic Partnerships at Atlantic Media Ron Brownstein. This session will also feature a fireside chat with Los Angeles Mayor Eric Garcetti and his guest Tesla CEO Elon Musk. Pre-session entertainment is provided by Mariachi Divas, and the Colors and National Anthem are presented by the Los Angeles Police Department. This session is sponsored by ICMA-RC, a NLC Capstone Corporate Partner.

Personal notes:

Seattle could learn from Elon Musk on how to dig tunnels faster and cheaper:

https://en.wikipedia.org/wiki/The_Boring_Company

<https://www.cnn.com/2018/11/07/salesforces-benioff-asks-elon-musk-to-dig-tunnels-in-san-francisco.html>

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How the Gig Economy Can Help Cities Thrive

The gig economy in America is growing exponentially as more than a third of the workforce hold a contractor or part-time gig. From Uber to TaskRabbit, innovative mobile applications offer ways to find work and provide users with more control of their time and income. When the local economy takes a turn, a strong gig economy offers a great economic opportunity for municipalities. Local leaders will gain insights on programs operating in communities throughout the country, learn policies and strategies that can help support this economic lever and explore the meaningful pathway the gig economy can be for its residents.

Nicole DuPuis, Manager for Urban Innovation
- National League of Cities

Betty Emarita, President
- Development & Training, Inc.

Sean Kline, Director Office of Financial Empowerment
- San Francisco, CA City and County

Caleb Jonas, Senior Director, Growth + Partnerships
- Samaschool
cjonas@samaschool.org
complimentary 90-minute webinars: bit.ly/Samaschool-NLC

Personal notes:

I thought this would help SeaTac deal with Uber, Air BnB, Lime Bike, etc. but it was more of a pitch for how beneficial the gig economy is by providing flexible hours and new opportunities for workers. Large cities like Los Angeles, San Francisco, and Seattle are experiencing benefits from the gig economy. Councilmembers from other smaller cities in attendance shared similar stories as what we are dealing with in SeaTac about unaccountable, unlicensed, unregulated gig economy businesses operating in their cities. In order to realize the benefits, it's apparent SeaTac needs to get ahead of this with local regulations similar to Seattle and other larger cities.

Oregon/Washington Reception

Personal notes:

This is an opportunity to meet elected officials in our neighboring state of Oregon and hear what issues they're dealing with as well as which solutions are working for them.

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Friday, November 9, 2018

Forging the Future Between Cities and the Mobility Industry

With the arrival of shared scooters and bikes, cities suddenly have an opportunity to expand transportation options for residents and visitors alike. But with this opportunity comes new challenges. Join a lightning panel with Remix, LADOT, and leading new mobility companies to discuss how together, we can create safer streets and healthier communities.

Personal notes:

This was a sales pitch for Remix Software, Inc. which provides data on all connected modes of transportation including bike/scooter sharing, connected vehicles, ride sharing (Uber/Lyft/etc.) and public transportation (bus/rail/etc.). Los Angeles is now requiring all bike share companies to provide data in a standard format that Remix can use so that the city and the general public can analyze and make quicker informed decisions. I think this is worth a follow up.

remix.com

Tiffany Chu, co-founder and COO

tiffany@remix.com

908-240-1489

Andrew Glass Hastings, Sr. mobility strategist

andrew.glasshastings@remix.com

206-601-1084

General Session

Our second general session on Friday morning will feature remarks from NLC Youth Delegates, a one-on-one conversation with Wells Fargo CEO Tim Sloan, and a presentation from Esri CEO Jack Dangermond. A panel on innovation, with representation from the private, academic and public spaces will round out the session. This session is sponsored by City Summit Title Sponsor and NLC Capstone Partner Wells Fargo.

Mark Stodola, President, National League of Cities

- Mayor, Little Rock, AR

Rebecca Bagley, Vice Chancellor for Economic Partnerships

- University of Pittsburgh

Jack Dangermond, CEO

- Esri

Sky Kelley, Founder and CEO

- Avisare

Morgan Clendaniel, Senior Editor

- Fast Company

Kumar Garg, Senior Director for Technology and Society

- Schmidt Futures

Tim Sloan, CEO

- Wells Fargo

Michael Tubbs, Mayor

- Stockton, CA

Smart Cities Sharing Summit: Building Smart City Innovation Ecosystems

America is filled with local leaders who are innovating and leveraging new technology by partnering with anchor institutions, startups, schools and others to help their cities thrive in the modern economy. Through specific and actionable commitments to new programs and initiatives, cities are reshaping the trajectory of their economies. Leaders from across the country are invited to join NLC and Schmidt Futures for an executive roundtable with cities committed to innovation and those who want to learn from their efforts to build their own innovation ecosystems.

Chris Foreman

CEO

- Marketplace.city

Personal notes:

Various city and private company representatives briefly discussed innovative things they are doing to improve their areas. Most of the projects were theoretical but Las Vegas stood out as a city that has a successful project in progress in the form of an autonomous shuttle.

<http://www.aahoponlasvegas.com/>

<https://lasvegassun.com/news/2018/apr/05/how-does-downtowns-autonomous-bus-work/>

<https://www.wired.com/story/las-vegas-shuttle-crash-self-driving-autonomous/>

<http://www.latimes.com/travel/deals/la-tr-las-vegas-first-driverless-shuttle-to-loop-the-city-20171228-story.html>

A Sustainability Program for Your City's Convention Center

Learn more about Los Angeles's current and future practices of environmental and sustainability programs for the convention center. Learn about the historical and benchmarking events of the facility, get an overview of programs at the building and future expectations for the Los Angeles Convention Center facility and the City.

Personal notes:

I thought this was going to cover financial sustainability but it was about environmental sustainability, covering things like water conservation, recycling, etc. Did not seem very useful for SeaTac.

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Saturday, November 10, 2018

What Your City's Budget Says About Local Priorities

How cities decide to raise revenue and spend money should reflect its community values and priorities. What is your city's budget saying? Learn how to transform the budget and streamline the process to obtain revenue in ways that do not unfairly burden particular members of the community, and that direct dollars to outcomes that matter for your city.

Jose Cisneros

Treasurer

- Office of the Treasurer & Tax Collector

Andrew Kleine

Former Budget Director

- Baltimore, MD

Tameika Devine

Councilmember

- Columbia, SC

Christiana McFarland

Research Director

- National League of Cities

Personal notes:

The discussions covered various approaches to managing a healthy balanced budget. I've learned SeaTac has already implemented most of the suggestions that apply to our city. Afterwards I had a brief follow up chat with NLC research director Christy McFarland and she expressed interest in covering a specific case study on how SeaTac managed to turn a deficit into a surplus in a short time.

E-Scooter special interest group with Bird

Personal notes:

This was an invite-only event open to Transportation Federal Advocacy members that provided a direct opportunity to

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engage with the e-scooter company Bird.

By placing e-scooters in various locations, Bird has collected a lot of data on how people move around in specific cities.

some pros:

access to data -urban planning

improve mobility, decrease traffic

improve quality of life

some cons:

impact to sidewalk traffic (wheelchairs, strollers, etc.)

impact to clutter on public right of way

impact to vandalism -improperly parked, hanging from light posts etc.

I shared the real life experience SeaTac recently had with Lime, Ofo, and Spin bike sharing businesses where they operated without a license and blacked out the city from their mobile app, but continued to operate illegally without addressing concerns.

I asked how they plan to manage where their equipment ultimately ends up when they are transported beyond where one jurisdiction ends and another begins. They had no answer for this question.

Closing General Session and Delegates Luncheon

The Closing General Session and Delegates Luncheon will begin with the presentation of the John J. Stutz Awards, the 50 Year Milestone Awards and the Distinguished Service to Cities Awards. Comcast Senior Executive Vice President and Chief Diversity Officer David L. Cohen and Starbucks Senior Vice President of Public Affairs John Kelly will provide remarks. National League of Cities Deputy Executive Director Antoinette Samuel will conduct a special interview with Incoming NLC President and Gary, Indiana Mayor Karen Freeman-Wilson, and a representative of 2019 City Summit Host City will invite NLC to San Antonio. The final speaker will be political Journalist and Former First Lady of California Maria Shriver, who will participate in a Q&A session with Executive Director and CEO of the National League of Cities Clarence E. Anthony.

Joe Buscaino, First Vice President, National League of Cities

- Councilmember, Los Angeles, CA

David L. Cohen, Senior Executive Vice President and Chief Diversity Officer

- Comcast

Karen Freeman-Wilson, Incoming President, National League of Cities

- Mayor, Gary, IN

John Kelly, Senior Vice President of Public Affairs

- Starbucks

Antoinette Samuel, Deputy Executive Director

- National League of Cities

Maria Shriver, Award-Winning Journalist

Mark Stodola, President, National League of Cities

- Mayor, Little Rock, AR

Fred Tayco, Director of External Affairs
- National Apartment Association

Rebecca J. Viagran, Councilmember
- San Antonio, TX

Personal notes:
Standard lunch event with the presentations.

HOST CITY CLOSING EVENT: Universal Studios Hollywood
Enjoy an evening of Hollywood at its best! Buses will depart from each hotel and take registered attendees straight to Universal Studios Hollywood. Start your evening with the famed Studio Backlot Tour to see how Hollywood works its magic and makes your favorite movies. The Backlot Tour will carry you past The Bates Motel, Wisteria Lane, Elm Street, Downtown New York City and more.

After the tour, explore the mysteries of Hogwarts™ castle, visit the shops of Hogsmeade™ and sample fare from some of the Wizarding World's best-known establishments. Plus, experience Harry Potter and the Forbidden Journey™ and Flight of the Hippogriff™ as you are transported into a world of magical thrills and excitement.

No evening would be complete without visiting the home of Homer, Marge, Bart, Lisa, and Maggie Simpson – on the Simpson's ride in Springfield, USA.


Personal notes:
The logistics of transporting 3500 attendees from various hotel locations to a single destination 12 miles away and back again at the same time was impressive. Normally the studio tour has a backlog of thousands of people and it was interesting to see how the waiting areas are designed to accommodate the long lines of people and provide entertainment while waiting. While it was also interesting to see how the special effects are created in for various movies, I found the logistical crowd-control design much more insightful. The pedestrian and vehicle approach designs could be useful for planning things like a train station, bus terminal, community center, or convention center.

Full schedule for reference:
<https://citysummit.nlc.org/program/full-schedule/>

Would you recommend this opportunity for others? Please summarize why or why not.
Yes, refer to complete trip report above.

Other Comments
When attending conferences I recommend staying at the conference hotel to reduce commute times.

Please attach copies of any training outlines, lesson plans, or agendas

Signature:	 X Peter Kwon
Date of Signature:	11/19/2018



City Council Post Trip Report

Required for City paid expenses or reimbursements of \$50 and above

Per the City Council Administrative Policies and Procedures, Section 13.(A), the Trip Report shall be completed and submitted to the Executive Assistant within 15 days for inclusion in the next A&F Committee meeting packet.

Filed By: Clyde Hill

What type of event did you attend?

Training

Conference

Other (specify): [Click here to enter text.](#)

Name of Event:	National League of Cities – City Summit
Purpose:	Training, Governance Education, Networking
Location:	Los Angeles, CA
Date(s) of Event:	November 6 – 11, 2018
Number of hours attended:	6 days

Please answer the following questions

What interested you in attending this event?

Was highly recommended by several current City Council Members. Opportunity to train, become informed about civic issues and solutions, network with elected officials and staff from communities throughout the nation.

Please summarize what you learned and how it benefits the taxpayer:

I had attended to formal training sessions: Jurassic Parliamentary Procedures in effort to conduct procedurally correct and efficient meetings; and Ethical Leadership Tools to introduce a new way of deciding on difficult issues. Approach with Values in mind (your core values, community values); Facts in hand (vs. emotions and gut feelings, drive us in determining which values should be considered) and applying moral principles (i.e. do unto others; delivering greatest benefit through least harm; etc.).

Would you recommend this opportunity for others? Please summarize why or why not.

Politics is the process of making decisions that apply to members of a group. To be an effective leader, one must not only know the issues, but gain an understanding of successful solutions. This is achieved by building relationships and through networking with persons of similar interests and capabilities. Conferences like City Summit is an opportunity to immerse oneself in the potential to learn, acquire knowledge, make relationships and brainstorm on common issues. If these align with the participant objectives – then yes, I would highly recommend attending similar future events.

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Other Comments

As individual experience grows, you are in a position to expand on what you have learned. Learning is achieved by being exposed to issues, working through them and reaching successful goals. Other people's experience provides you with a great foundation from which to reach higher goals. While there is benefit learning from your own experiences – take advantage of opportunities to acquire an edge by learning from what others have already been through. Attending conferences like this (NLC, AWC, PSRC, etc.) affords the opportunity to identify other resources that are facing or have faced similar issues and apply and leverage their experiences and knowledge to our local issues.

Other considerations beyond the monetary cost to the city are the personal costs to the individual participant to consider, as well. For persons who hold a full time job in addition to their council employment, you will be giving up your personal vacation time to attend and time away from you family. These are not small investments to be overlook.

Please attach copies of any training outlines, lesson plans, or agendas

TUESDAY, NOVEMBER 6

	TIMES	EVENT
Travel Day (Afternoon)	11:00 - 2:00	Outbound Travel
Registration & Ask NLC Open (Afternoon)	3:00 - 5:00	Registration Open Walking tour through Grand Central Market and Original Farmers Market. Example of what the 154th Street facility could become as an Int'l Market.
Historical Makets - Self Guided Tour	6:00 - 9:00	

WEDNESDAY, NOVEMBER 7

New Member and First Time Attendee Breakfast (Early Morning)	7:30 - 8:45	New Member and First Time Attendee Breakfast. Networking opportunity, learn about NLC mission, benefit and values. L05-Leadership 101: Parliamentary Procedure: Making Robert's Rules Work for You. Procedures on how to manage efficient meetings.
NLC University Seminars (All Day) Host City Mobile Workshops (Morning and Afternoon)	9:00 - 12:00	
	1:00 - 4:00	Effective City Council & City Manager Team Work Airport Noise Help. Topics included noise and overhead traffic solutions at NYC
Additional Events	4:00 - 5:00	Airport Noise Reception. Opportunity to network
Expo Hall Welcome Reception (Early Evening)	5:00 - 6:30	Conference Welcome Reception in Expo Hall
Constituency Group Meetings and Events (Evening)	6:30 - 7:30	Small Cities Reception
	6:30 - 8:45	Route Fifty Navigator Awards

THURSDAY, NOVEMBER 8

NLC University Seminars (Morning)	9:00 - 12:00	L12-Leadership 101: The Ethical Leader: Rules and Tools
Opening General Session (Afternoon)	1:30 - 3:00	Opening General Session Tools to Promote Culture, Entertainment, and Sustainability in your City
Conference Workshops (Afternoon)	3:00 - 3:25 4:00 - 4:25	Destroying Silos to Build a Strong Start for Our Kids Oregon/Washington Reception, Dinner invitation with Peter King and guests.
State League and Additional Events (Evening)	6:00 - 8:00	

FRIDAY, NOVEMBER 9

General Session (morning)	9:00 - 10:15	General Session
Expo Hall and Market Square Open (All Day)		
		World Café: Tools to Mitigate the Housing and Homelessness Crisis
	10:30 - 11:45	
	12:00 - 1:30	SAP Concur Technologies
Conference Workshops (All Day)	1:30 - 5:30	Public Forum: Strategies to Strengthen Local Democracy

SATURDAY, NOVEMBER 10

	9:00 - 10:15	Big Ideas for Small Cities
Conference Workshops (Morning)	10:45 - 12:00	Building Broadband
Closing General Session and Delegates Luncheon (Lunchtime)	12:30 - 2:15	General Session Lunch
Host City Closing Event	5:30 - 9:30	Universal Studios Hollywood

SUNDAY, NOVEMBER 11

Travel Day (Afternoon)	1:00 - 4:00	Inbound Travel
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Signature:	<i>Clyde A Hill</i> (Signature on File)
Date of Signature:	12/01/2018

**Pre-approval or final approval of City Council and
City Manager travel related expenses
December 13, 2018 A&F**

Travel Expense Approval

NLC Summit

Nov 7 -10, 2018, Los Angeles

Four councilmembers included in 2018 budget @ \$2,719 each.

Clyde Hill	A&F Approval Date: 7.26.18 Estimated Costs	A&F Approval Date: 7.26.18	A&F Approval Date: 12.13.18
Lodging	1125		1613.95*
Meals	300		
Transportation (one ride included Peter Kwon)	750		46.58
Registration (early bird by 7.15.18 and first time discount)	545	460	
Total	\$2,720	460	1660.53

*Conference Hotel per travel policy

NLC Summit

Nov 7 -10, 2018, Los Angeles

Four councilmembers included in 2018 budget @ \$2,719 each.

Peter Kwon	A&F Approval Date: 4.12.18 Estimated Costs	A&F Approval Date: 4.26.18	A&F Approval Date: 12.13.18
Lodging	1125		1613.95*
Meals	300		
Transportation (one ride included in Clyde's expenses)	750		30.63
Registration (early bird)	545	450	
Total	\$2,720	450	1644.58

*Conference Hotel per travel policy

Erin Sitterley, A&F Chair

Current Vacancies

Updated November 26, 2018



Vacancy	AFSCME	Position Funding	Dept	Notes/Status
Plans Examiner/Inspector 2	Y	100% General Fund	CED	Offer Pending, Potential Hire Date 12/4/18
Code Compliance Supervisor	N	100% General Fund	CED	Pending PVRB
Civil Engineer 1	Y	50% 102 Fund, 50% 307 Fund	PW	Hiring Manager Reviewing Applications
Civil Engineer 1	Y	50% 102 Fund, 50% 403 Fund	PW	Hiring Manager Reviewing Applications
Civil Engineer 1	Y	50% 102 Fund, 50% 403 Fund	PW	Hiring Manager Reviewing Applications
Parks Maintenance Supervisor	N	100% General Fund	PCPS	Pending PVRB
Parking Compliance Officer (2 year limited term)	Y	100% General Fund	PD	Offer Pending KCSO Background Checks
Parking Compliance Officer (2 year limited term)	Y	100% General Fund	PD	Offer Pending KCSO Background Checks

Fund Key

102 Fund = Street

307 Fund = Public Works Engineering/Transportation CIP

403 Fund = Surface Water Management

404 Fund = Solid Waste

501 Fund = Equipment Rental



MEMORANDUM

TO: Administration and Finance Committee
FROM: Joseph Scorcio, City Manager
FROM: Will Appleton, Public Works Director ✓
Steve Pilcher, CED Director ✓
DATE: December 3, 2018
SUBJECT: Re-alignment of Engineering Review Division from Community and Economic Development (CED) to Public Works

Background

The Engineering Review Division (ERD) is responsible for:

- review and final approval of Site Development (STE), and Right-of-Way Use (ROW) permit applications,
- review and approval of Temporary Noise Variances,
- review and comment on subdivision, building permit and other development-related permit applications.

The Public Works inspection staff (Engineering Division) provide field inspections associated with private development related to permits issued by the ERD staff.

The Engineering Review function has been located within the Community and Economic Development (CED) Department since 2011, when it was moved from Public Works as part of the Council-approved 2011 Reorganization. Division positions include a manager, two engineering plan reviewers and one limited-term engineering technician. The recent departure of all staff with the exception of the Manager has created an opportunity to once again evaluate the alignment of the ERD Division.

History

In 2010, the Prothman Company was contracted to study and make recommendations relating to the organization of the Planning, Public Works and Facilities Departments. As a result of that study, both the Building Services and Engineering Review divisions were moved out of Public Works and aligned with the Planning Department and the Economic Development Division (out of City Manager's Office) to become the current CED Department.

The primary goals of the reorganization were to create a more streamlined coordinated permitting process for the development community and to promote integration with economic development and planning efforts. In addition, the reorganization was to establish:

- Open and frequent communication between engineering review staff who review and approve private projects with the engineering staff in Public Works who establish and maintain engineering standards,
- Open and frequent communication between engineering review staff with the maintenance personnel in Public Works who ultimately maintain public infrastructure installed by a private developer,
- Clearly defined engineering standards, documentation of their interpretation/implementation, and procedures/documentation for how/when variances are approved,
- Clear authority of who is authorized to interpret and authorize variances from the adopted standards,
- Clearly defined timelines and expectations for the expedited review of permit-related activities.

The new organizational structure went forward with the understanding the CED and Public Works Departments would collaborate closely to ensure success. Due largely to Director-related issues, the collaboration and coordination improvements did not effectively begin until a new CED Director was appointed in 2013 (subsequent appointments in 2016 and 2018). The improvements between the departments have continued steadily since 2013, and even more rapidly with the hiring of a new Public Works Director in 2016.

Budget alignment changes in the 2017-2018 Biennium and 2019-2020 Biennium have provided for better cost accounting, improved commitment of resources and improved coordination between the departments, specifically for the Engineering Review process.

Current CED Structure

The CED Department includes the Engineering Review Division; the Building Services Division (code compliance; plan review and inspections; Permit Center); Planning Division (current and long-range planning); and Economic Development program.

The ERD Division is managed by a licensed Professional Engineer (P.E.). Having a licensed PE as the Division Manager provides efficiencies in making engineering decisions and is necessary in resolving disputes with plans and permits submitted by private party professional engineers.

Advantages of realignment

Realigning the Engineering Review Division back into Public Works at this time will have the following benefits:

- Improved coordination and consistency of street-related improvements constructed as part of private development with public improvements that are constructed by the City.
- Opportunity to provide cross training staff within one department (Public Works) such as a Civil Engineer Rotation Program that will further ensure a high level of consistent service to our development community.
- Better utilization of limited staff resources across the Public Works Department that should allow for the long-overdue completion/adoption of ROW Standards, Transportation Concurrency and other similar projects.
- Improved coordination between engineering review staff and inspection staff.
- Improved coordination between engineering review staff and road maintenance staff.

Both CED and Public Works Directors agree that the proposed realignment is in the best interests of the City and the development community.

Impact on Permit Process

With the realignment, Public Works Department will further ensure that the Engineering Review Division is properly resourced, staffed and dedicated to providing a high level of service to the development community through the permitting process. Further, the Department will ensure that permit-related activities related to private development will always be the top priority. Any impacts to the permitting staff would be minimal, as they would continue to perform their current function in regards to ROW and STE permits. CED's Permit Center already routes permit applications for review by non-CED departments (Police & Fire); the proposed realignment would be similarly handled.

A&F Committee

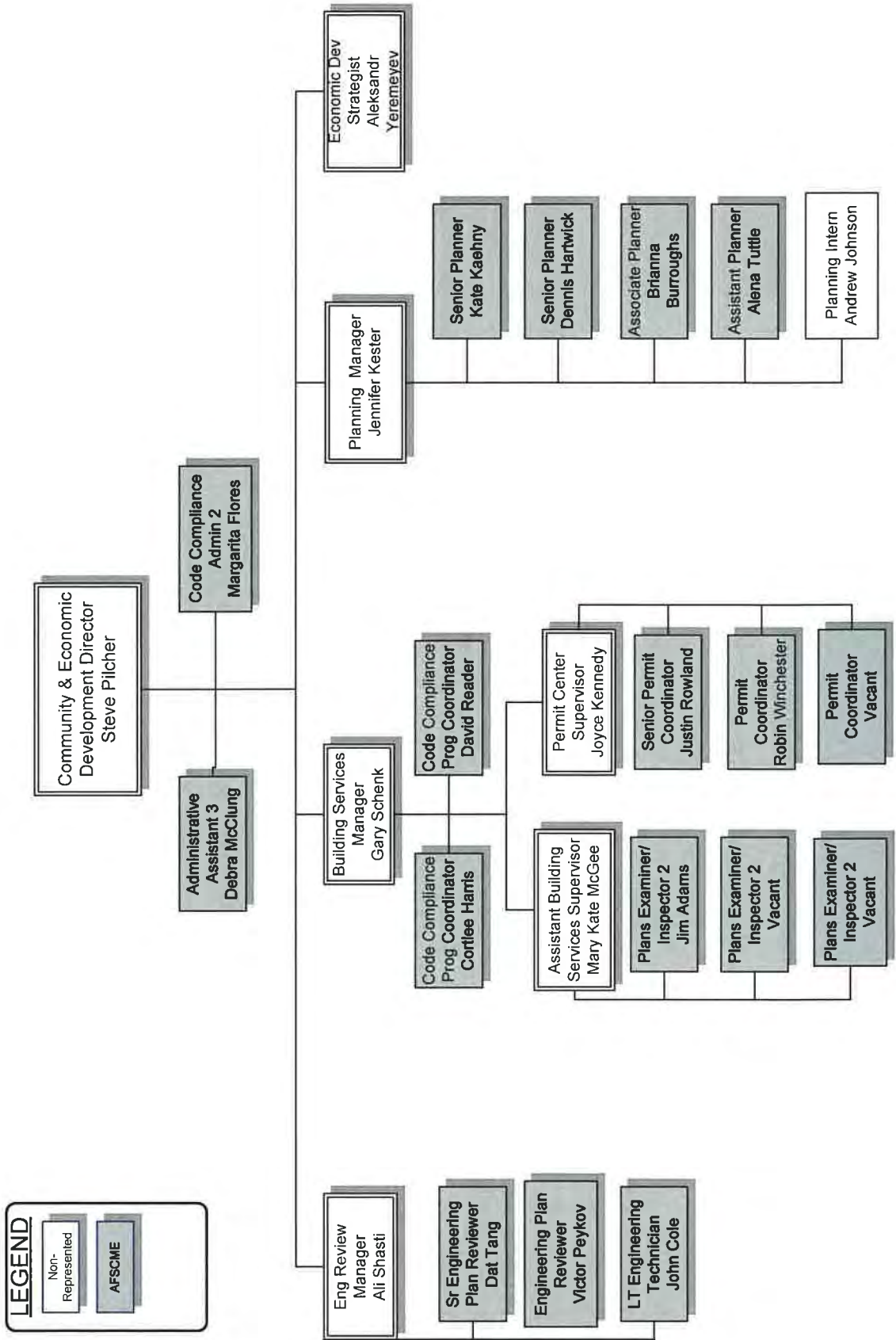
As there are no reclassifications of existing positions resulting from this realignment, no Committee approval is needed. The Council has already approved budget changes which support this realignment, so no Council action or amendment is necessary. Unless the Committee objects, the realignment will be effective on January 1, 2019.

Attachments:

Current and proposed Organization Charts for Public Works and CED Departments

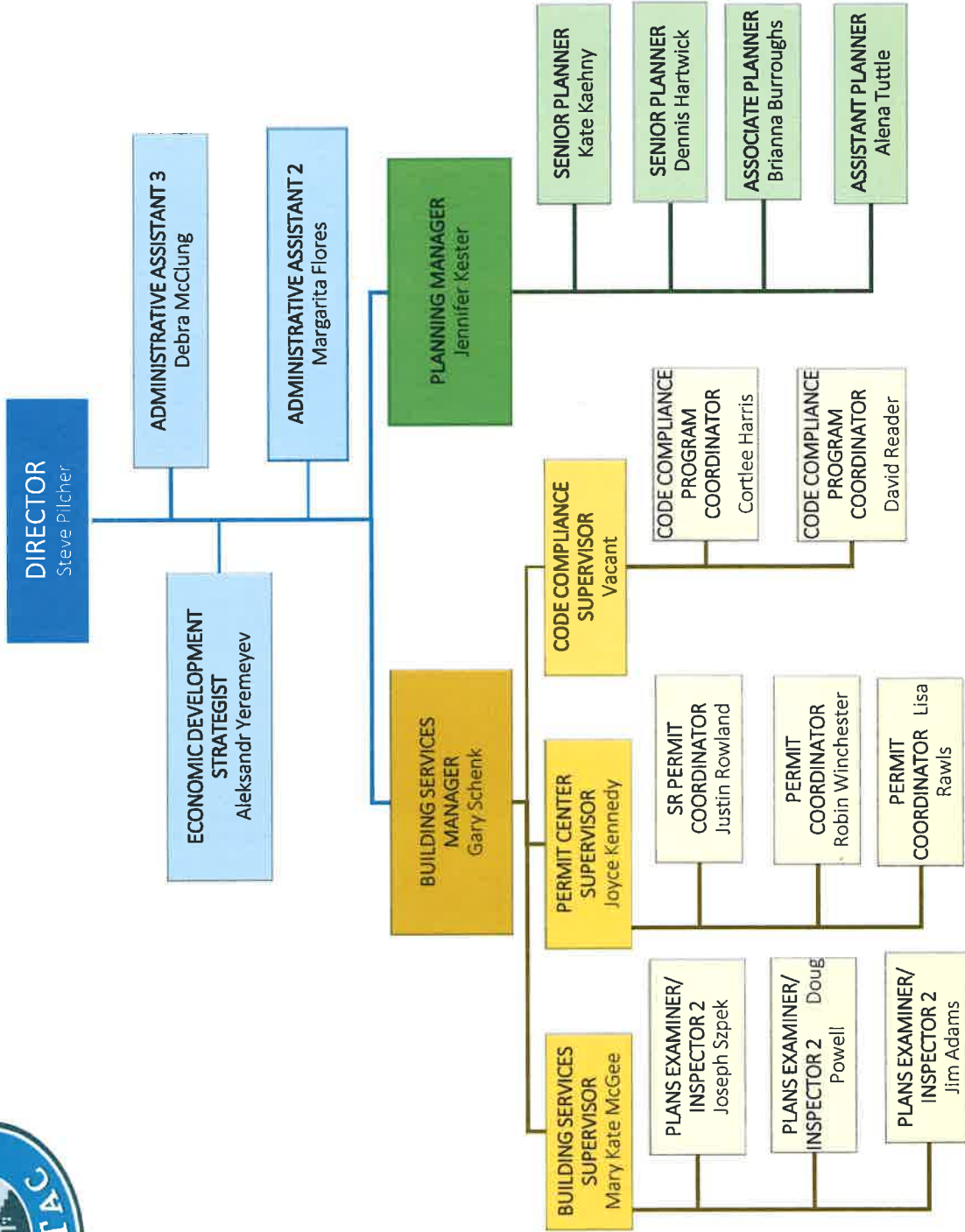


City of SeaTac Community & Economic Development Department 2018 Organization Chart



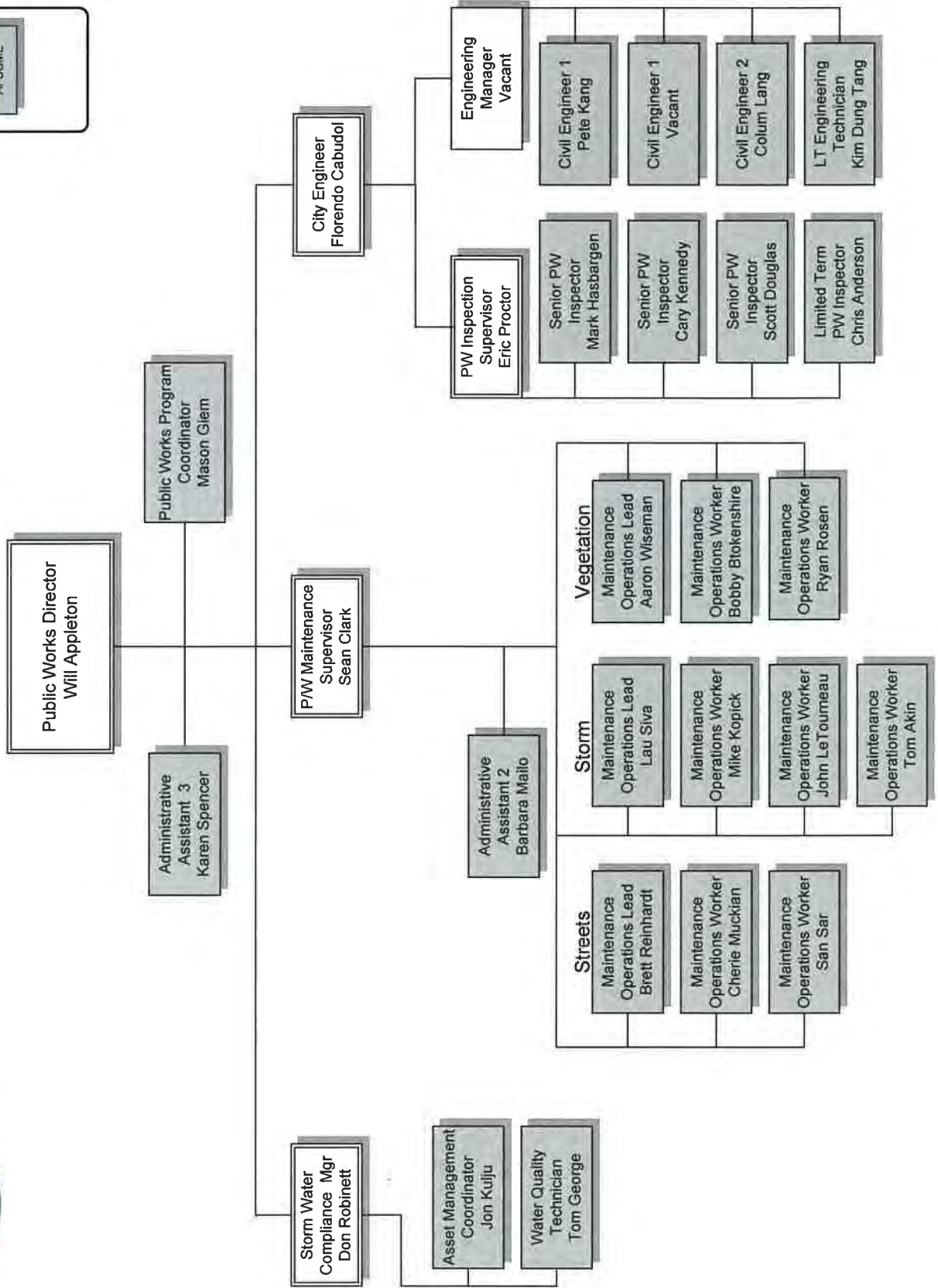
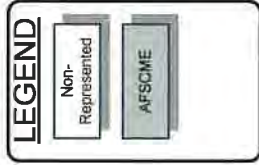


**City of SeaTac
Community Economic Development
Potential Organizational Chart**





City of SeaTac Public Works Department 2018 Organization Chart



PROPOSED 2019 ORGANIZATION CHART

William Appleton P.E.
Public Works Director

Will Lugo
Emergency Mgmt Coordinator

Karen Spenser
Administrative Assistant 3

Sean Clark
Maintenance Supervisor

Don Robinson
Surface Water Compliance Mgr

Mason Glem
Solid Waste Coordinator

Florento Cabudal P.E.
City Engineer

Alli Shasti P.E.
Engr Review Manager

Administrative Assistant
2
Barbara Klabo

Asset Management
Coordinator
John Kufly

Water Quality Technician
George Thomas

Street Maint Worker II
Brett Reinhardt

Street Maint Worker I
Ryan Rosen

Street Maint Worker I
Cheri McMillan

Veg Maint Worker II
Aaron Weisman

Veg Maint Worker I
Sam Sar

Veg Maint Worker I
Bobby Brodowski

SWM Worker II
Lari Swa

SWM Worker I
John Ledwithaka

SWM Worker I
Blair Kippel

SWM Worker I
Terry Adams

Engineering Manager
Kamal Mahmood P.E.

Civil Engineer 2
Colum Lang P.E.

Civil Engineer 1
Vacant

Civil Engineer 1
Peck Lang E.I.T.

Inspection Supervisor
Eric Proctor

Sr. Inspector
Mark Habergan

Sr. Inspector
Cary Kennedy

Sr. Inspector
Scott Douglas

Inspector
Cris Anderson

Civil Engineer 1
Vacant

Civil Engineer 1
Vacant

Civil Eng. Tech.
Vacant

ST Project Manager
(Internal Promotions)

ST Admin II (Limited
Term; Vacant)



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LEASE AGREEMENT
(Multi Tenant Gross Lease)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this 6th day of December, 2018, between City of SeaTac ("Landlord"), and Refugee Women's Alliance (Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. Leased Premises. The leased commercial real estate i) consists of an agreed area of 7,800 rentable square feet and is outlined on the floor plan attached as Exhibit A (the "Premises"); ii) is located on the land legally described on attached Exhibit B; and iii) is commonly known as 4800 South 188th Street, Suite 240, City of SeaTac, WA (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises; the land beneath the Premises; the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the building in which the Premises are located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to as the "Property." The Building and all other buildings on the Property as of the date of this Lease consist of an agreed area of 105,000 rentable square feet.

b. Lease Commencement Date. The term of this Lease shall be for a period of 72 months and shall commence on April 1, 2019 or such earlier or later date as provided in Section 3 (the "Commencement Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).

c. Lease Termination Date. The term of this Lease shall expire at midnight on March 31, 2025 or such earlier or later date as provided in Section 3 (the "Termination Date").

d. Base Rent. The base monthly rent shall be (check one): \$_____, or according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

e. Prepaid Rent. Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$12,675.00 as prepaid rent, to be applied to the Rent due for months 1 through 1 of the Lease.

f. Security Deposit. Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$14,341.00 to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one): cash, or letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto.

g. Permitted Use. The Premises shall be used only for general office and educational purposes and for no other purpose without the prior written consent of Landlord (the "Permitted Use").

h. Notice and Payment Addresses.

Landlord: City of SeaTac
4800 South 188th Street
City of SeaTac, WA 98101
Fax No.: (206) 973-4809
Email: accountspayable@ci.seatac.wa.us



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Tenant: Refugee Womens Alliance c/o Mahnaz K. Eshetu
4800 South 188th Street, Suite 240
Seattle, WA 98101
Fax No.: (206) 721-0282
Email: _____

2. PREMISES.

a. Lease of Premises. Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

b. Acceptance of Premises. Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements to be completed by Landlord as described on attached Exhibit C (the "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

c. Tenant Improvements. Attached Exhibit C sets forth all of Landlord's Work, if any, and all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth on attached Exhibit C. If Tenant fails to notify Landlord of any defects in the Landlord's Work within thirty (30) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct.

3. TERM. The term of this Lease shall commence on the Commencement Date specified in Section 1, or on such earlier or later date as may be specified by notice delivered by Landlord to Tenant advising Tenant that the Premises are ready for possession and specifying the Commencement Date, which shall not be less than 30 days (thirty (30) days if not filled in) following the date of such notice.

a. Early Possession. If Landlord permits Tenant to possess and occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1, but otherwise all terms



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and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date.

b. Delayed Possession. Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement Date set forth in Section 1 shall also be delayed. In addition, the Termination Date set forth in Section 1 shall be modified so that the length of the Lease term remains the same. If Landlord does not deliver possession of the Premises to Tenant within 60 days (sixty (60) days if not filled in) after the Commencement Date specified in Section 1, Tenant may elect to cancel this Lease by giving notice to Landlord within ten (10) days after such time period ends. If Tenant gives notice of cancellation, the Lease shall be cancelled, all prepaid rent and security deposits shall be refunded to Tenant, and neither Landlord nor Tenant shall have any further obligations to the other. The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year. To the extent that the tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date set forth in Section 1.

4. RENT.

a. Payment of Rent. Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one): the Commencement Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent") (collectively, "rent" or "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

b. Late Charges; Default Interest. If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.



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c. Less Than Full Payment. Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section.

5. SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If Landlord applies the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefor by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the Lease term, the security deposit shall be repaid to Tenant without interest within thirty (30) days after the surrender of the Premises by Tenant in the condition required by Section 12 of this Lease.

6. USES. The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, the Building, or the Property, or cause the cancellation of any insurance on the Premises, the Building, or the Property. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building, or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or to injure or annoy such persons.

7. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that as of the Commencement Date, to Landlord's knowledge but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, or orders, including without limitation, the Americans With Disabilities Act, if applicable, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.

8. UTILITIES AND SERVICES. Landlord shall provide the Premises the following services: water and electricity for the Premises seven (7) days per week, twenty-four (24) hours per day, and heating,



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ventilation and air conditioning from 8:00 a.m. to 6:00 p.m. Monday through Friday; 8:00 a.m. to 1:00 p.m. on Saturday; and NA on Sunday, and Landlord shall also provide janitorial service to the Premises and Building five (5) nights each week, exclusive of holidays. Heating, ventilation and air conditioning services will also be provided by Landlord to the Premises during additional hours on reasonable notice to Landlord, at Tenant's sole cost and expense, at an hourly rate reasonably established by Landlord from time to time and payable by Tenant, as and when billed, as Additional Rent. If water and electricity services are not separately metered to the Premises, Tenant shall pay its proportionate share of all charges for any utilities that are jointly metered based on the ratio which the rentable square feet of the Premises bears to the total rentable square feet served by the joint meters. Notwithstanding the foregoing, if Tenant's use of the Premises incurs utility charges which are above those usual and customary for the Permitted Use, Landlord reserves the right to require Tenant to pay a reasonable additional charge for such usage.

Tenant shall furnish all other utilities (including, but not limited to, telephone, Internet, and cable service if available) and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, and of all other utilities and other services which Tenant requires with respect to the Premises, except those to be provided by Landlord as described above. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof.

9. TAXES. Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant's use of the Premises as well as all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Property, including any Taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise.

10. COMMON AREAS.

a. Definition. The term "Common Areas" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general, non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. To the extent that such areas and facilities exist within the Property, Common Areas include hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas, lobby or mall areas, common heating, ventilating and air conditioning systems, common electrical service, equipment and facilities, and common mechanical systems, equipment and facilities. Tenant shall comply with reasonable rules and regulations concerning the use of the Common Areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the right to install, maintain, use, repair and replace pipes,



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ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.

b. Use of the Common Areas. Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, to comply with those rules and regulations, and not interfere with the use of Common Areas by others.

c. Maintenance of Common Areas. Landlord shall maintain the Common Areas in good order, condition and repair. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

11. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises, including any Tenant Work identified on attached Exhibit C (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the names of Tenant's contractors and reasonably detailed plans and specifications therefor. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the structural integrity of the Premises, the Building, or the Property, and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as to not unreasonably interfere with other tenants. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 19) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or the Property or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

12. REPAIRS AND MAINTENANCE; SURRENDER. Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition, including all HVAC components and other utilities and systems to the extent exclusively serving the Premises. Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises, the Building, or the Property and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct



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of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the default rate set forth in Section 4 shall be due and payable as Additional Rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

13. ACCESS AND RIGHT OF ENTRY. After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term, and (b) posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

14. SIGNAGE. Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

15. DESTRUCTION OR CONDEMNATION.

a. Damage and Repair. If the Premises or the portion of the Building or the Property necessary for Tenant's occupancy are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and the portion of the Property necessary for Tenant's occupancy to the extent required below and this Lease shall not terminate. Tenant may, however, terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event by giving twenty (20) days notice of termination.

The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are damaged. If insurance proceeds are not available or are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender does not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or fifty percent (50%) or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a)



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terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within sixty (60) days after receipt by Landlord from Tenant of notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant Work identified in Exhibit C (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

Rent will be prorated during times that Tenant is unable to occupy the Premises pursuant to this Section.

b. Condemnation. If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the Property taken by the condemning authority. All Rents and other payments shall be paid to that date.

If the condemning authority takes a portion of the Premises or of the Building or the Property necessary for Tenant's occupancy that does not render them untenable, then this Lease shall continue in full force and effect and the base monthly rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make



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a separate claim against the condemning authority for moving expenses if Tenant may terminate the Lease under this Section, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

a. Tenant's Liability Insurance. During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds using an endorsement form acceptable to Landlord, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$10,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.

b. Tenant's Property Insurance. During the Lease term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.

c. Miscellaneous. Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the state in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.

d. Landlord's Insurance. Landlord shall carry special form clauses of loss coverage property insurance of the Building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The Landlord agrees to carry liability insurance in amounts not less than



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those required of the Tenant but such liability insurance will protect only the Landlord and does not replace or supplement the liability insurance this Lease obligates the Tenant to carry.

e. Waiver of Subrogation. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION.

a. Indemnification by Tenant. Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

b. Indemnification by Landlord. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.

c. Waiver of Immunity. Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.

d. Exemption of Landlord from Liability. Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, other licensees or invitees, or any other person in or about the Premises or the Property.

e. Survival. The provisions of this Section shall survive expiration or termination of this Lease.



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18. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$1,000.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement and documents.

19. LIENS. Tenant shall not subject the Landlord's estate to any liens or claims of lien. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

20. DEFAULT. The following occurrences shall each constitute a default by Tenant (an "Event of Default"):

a. Failure To Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.

b. Vacation/Abandonment. Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. Insolvency. Tenant's insolvency or bankruptcy (whether voluntary or involuntary); or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the



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existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.

d. Levy or Execution. The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.

e. Other Non-Monetary Defaults. The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.

f. Failure to Take Possession. Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant Improvement in a timely fashion.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

21. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

a. Termination of Lease. Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any re-letting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve



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Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described below.

b. Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" are defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs of securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease

c. Waiver of Redemption Rights. Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term or any extension thereof.

d. Nonpayment of Additional Rent. All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.

e. Failure to Remove Property. If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other



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sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

22. MORTGAGE SUBORDINATION AND ATTORNMENT. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request, execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.

23. NON-WAIVER. Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

24. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return the Premises to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 125% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

25. NOTICES. All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by notice delivered in conformance with this Section.

26. COSTS AND ATTORNEYS' FEES. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.



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27. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.

28. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

29. LANDLORD'S LIABILITY. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder. Subject to Sections 16(d) and 17(d).

30. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

31. HAZARDOUS MATERIAL. As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's knowledge without duty of investigation, there is no Hazardous



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Material on, in, or under the Premises as of the Commencement Date except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Material on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises and the Property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section shall survive expiration or termination of this Lease.

32. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

33. MERGER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

34. GENERAL.



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LEASE AGREEMENT
(Multi Tenant Gross Lease)

- a. Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- b. Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described and disclosed in Section 36 of this Lease), it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 36, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.
- c. Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d. Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e. Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.
- f. Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- g. Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.
- h. Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.
- i. No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.



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j. Authority of Parties. Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.

k. Time. “Day” as used herein means a calendar day and “business day” means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.

35. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: Floor Plan/Outline of the Premises

Exhibit B: Legal Description of the Property

Exhibit C: Tenant Improvement Schedule

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant’s Lease Obligations Rider
- Parking Rider
- Option to Extend Rider
- Rules and Regulations

36. AGENCY DISCLOSURE. At the signing of this Lease, Landlord is represented by The Andover Company - Michael Ewing & Michael Hemphill (insert both the name of the Broker and the Firm as licensed) (the “Landlord’s Broker”); and Tenant is represented by The Andover Company - Jim Bisset/David Baumerl (insert both the name of the Broker and the Firm as licensed) (the “Tenant’s Broker”).

This Agency Disclosure creates an agency relationship between Landlord, Landlord’s Broker (if any such person is disclosed), and any managing brokers who supervise Landlord Broker’s performance (collectively the “Supervising Brokers”). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant’s Broker (if any such person is disclosed), and any managing brokers who supervise Tenant’s Broker’s performance (also collectively the “Supervising Brokers”). If Tenant’s Broker and Landlord’s Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant’s and Landlord’s Supervising Brokers acting as dual agents. If Tenant’s Broker and Landlord’s Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant’s Broker, Landlord’s Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant



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consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on an attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

37. COMMISSION AGREEMENT. If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:

- \$Landlord agrees to pay the tenant representation broker Jim Bisset/Dave Baumer of The Andover Company, Inc., a commission equal to the cumulative of \$1.00/RSF per year for years 1-5 and \$.50/RSF for year 6. Landlord to pay listing brokers Mike Ewing/Michael Hemphill of The Andover Company, Inc., a commission equal to the cumulative of \$.50/RSF per year for years 1-5 and \$.25/RSF for years 6.
- ___% of the gross rent payable pursuant to the Lease
- \$_____ per square foot of the Premises
- Other _____

Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows ___ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of the Premises pursuant to any right reserved to Tenant under the Lease, calculated as provided above or as follows _____ (if no box is checked, as provided above).

Any commission shall be earned upon execution of this Lease, and paid one-half upon execution of the Lease and one-half upon occupancy of the Premises by Tenant

Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

38. BROKER PROVISIONS.

LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES, THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE, LANDLORD'S OR TENANT'S FINANCIAL STANDING, ZONING, COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS, SERVICE OR CAPACITY OF UTILITIES, OPERATING COSTS, OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.



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LEASE AGREEMENT
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IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

City of SeaTac
LANDLORD:

Refugee Women's Alliance
TENANT:

LANDLORD:

TENANT:

Joseph Scorcio
BY:

BY:

City Manager
ITS:

ITS:



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LEASE AGREEMENT
 (Multi Tenant Gross Lease)

STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____



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LEASE AGREEMENT
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STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

LEASE AGREEMENT
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EXHIBIT A

[Floor Plan/Outline of the Premises]





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EXHIBIT B

[Legal Description of the Property]

THIS EXHIBIT A (Legal Description) dated June 16, 1992, is attached to and made part of Lease for space in the IBM Building at Sea-Tac, executed concurrently herewith by SEKOTAC, INC., a Washington corporation, as Landlord, and Guardsmark, Inc. a Delaware corporation, as Tenant for the IBM Building. The legal description for the Land is:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID SUBDIVISION WITH THE "C"-LINE SURVEY OF PRIMARY STATE HIGHWAY NO. 1, SOUTH 188TH INTERCHANGE;

THENCE SOUTH 2°04'00" WEST A DISTANCE OF 246.90 FEET TO A POINT DISTANT 90.0 FEET NORTHEASTERLY WHEN MEASURED RADIALLY FROM THE "F"-LINE SURVEY OF SAID PRIMARY STATE HIGHWAY NO. 1;

THENCE SOUTHEASTERLY PARALLEL WITH SAID "F"-LINE ALONG THE ARC OF A CURVE TO THE RIGHT THE CENTER OF WHICH BEARS SOUTH 47°18'40" WEST SAID CURVE HAVING A RADIUS OF 490.00 FEET THROUGH A CENTRAL ANGLE OF 17°45'20" A DISTANCE OF 151.85 FEET TO A POINT OF TANGENT OPPOSITE "F"-LINE STA. 54+44.96;

THENCE SOUTH 24°56'00" EAST CONTINUING PARALLEL WITH SAID "F"-LINE A DISTANCE OF 215.04 FEET TO A POINT OPPOSITE AND PERPENDICULAR TO "F"-LINE STA. 56+60;

THENCE NORTH 85°53'18" EAST A DISTANCE OF 73.72 FEET TO A POINT DISTANT 60.0 FEET NORTHWESTERLY WHEN MEASURED PARALLEL WITH AND PERPENDICULAR TO THE "MR"-LINE SURVEY OF SAID PRIMARY STATE HIGHWAY NO. 1 AT STA. 173+20.00;

THENCE NORTH 68°10'00" EAST PARALLEL WITH SAID "MR"-LINE A DISTANCE OF 158.30 FEET TO A POINT OF CURVE OPPOSITE "MR"-LINE STA 174+78.30; THENCE CONTINUING PARALLEL WITH SAID "MR"-LINE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 340.00 FEET THROUGH A CENTRAL ANGLE OF 49°03'51" A DISTANCE OF 291.15 FEET TO A POINT OF COMPOUND CURVATURE OPPOSITE "MR"-LINE STA. 178+20.85;

THENCE CONTINUING ON A CURVE TO THE LEFT HAVING A RADIUS OF 894.93 FEET, THROUGH A CENTRAL ANGLE OF 0°03'10", AN ARC LENGTH OF 0.83 FEET TO A POINT DISTANT 85.00 FEET SOUTHERLY WHEN MEASURED PARALLEL WITH AND PERPENDICULAR TO SAID NORTH LINE OF SAID SUBDIVISION;

THENCE NORTH 87°56'00" WEST PARALLEL WITH SAID NORTH LINE A DISTANCE OF 229.02 FEET;

THENCE NORTH 73°25'37" WEST A DISTANCE OF 119.77 FEET TO THE TRUE POINT OF BEGINNING.

SITUATED IN THE COUNTY OF KING, STATE OF WASHINGTON,



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EXHIBIT C

[Tenant Improvement Schedule]

1. Tenant Improvements to be Completed by Landlord

Landlord at landlord's cost shall add an additional class room, provide new carpet/paint and provide some minor work to be mutually agreed upon in the "police area".

A work letter and space plan shall be mutually agreed upon by Landlord & Tenant detailing all improvements, this will become part of the lease document.

2. Tenant Improvements to be Completed by Tenant



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RENT RIDER

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New text inserted by licensee indicated by small capital letters.

This Rent Rider ("Rider") is a part of the lease agreement dated December 6th, 2018 (the "Lease") between City of SeaTac ("Landlord") and Refugee Womens Alliance ("Tenant") concerning the space commonly known as SeaTac City Hall, Suite 240, 7,800 SF on the Second Floor (the "Premises"), located at the property commonly known as SeaTac City Hall (the "Property").

1. BASE MONTHLY RENT SCHEDULE. Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Table with 2 columns: Lease Year (Stated in Years or Months) and Base Monthly Rent Amount. Rows include periods from April 1, 2019 through March 31, 2020 up to April 1, 2024 through March 31, 2025.

The Tenant, which is a Washington Nonprofit Public Benefit Corporation, is currently exempt from the payment of Leasehold Excise Tax as set forth in RCW 82.29A et. seq. Therefore, Leasehold Excise Tax is not included in the calculation of the base monthly rent. The Tenant agrees that if at any time during the Lease Term, the Tenant is not exempt from the payment of Leasehold Excise Tax, the Tenant shall remit to the Landlord the payment of Leasehold Excise Tax to the Landlord. Said Leasehold Excise Tax is in addition to the base monthly rent. Once Leasehold Excise Tax has been received by the Landlord, the Landlord will remit the tax to the State of Washington. If there is any dispute regarding the amount of Leasehold Excise Tax owed, the decision of the Washington State Department of Revenue will be determinative.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
LANDLORD _____ DATE _____ 48 TENANT _____ DATE _____



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Option to Extend Rider
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OPTION TO EXTEND RIDER

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This Option to Extend Rider ("Rider") is made part of the lease agreement dated December 6th, 2018 (the "Lease") between City of SeaTac ("Landlord") and Refugee Womens Alliance ("Tenant") concerning the leased space commonly known as SeaTac City Hall, Suite 240, 7,800 SF on Second Floor, SeaTac, WA (the "Premises"), located at the property commonly known as SeaTac City Hall (the "Property").

- 1. Extension of Lease. Provided Tenant is not in default of any provision of the Lease at the time that Tenant exercises the right to extend the Lease or at the time the new term begins, Tenant shall have one (1) (zero if not completed) successive options to extend the term of the Lease for five (5) years each.
2. Notice. To extend the Lease, Tenant must deliver written notice to Landlord not less than one hundred eighty (180) days prior to the expiration of the then-current Lease term.
3. Monthly Rent. Landlord and Tenant shall made a good faith effort to determine and agree on the fair market value of rent for the Premises for the next term of the Lease.
a. Failure to Agree on Rent. If Landlord and Tenant are unable to agree on the fair market rental value for the Premises within thirty (30) days after Tenant gives notice to extend, they shall then have ten (10) days to select or, appoint one real estate appraiser to determine the fair market value of rent for the Premises.
b. Failure to Appoint One Appraiser. If Landlord and Tenant cannot mutually agree upon an appraiser, then either party may give the other party written notice that it has selected and appointed an M.A.I. appraiser, complete with the name, address, and other identifying information about the appraiser.
c. Method of Determining Rent. The appraisers appointed shall proceed to determine fair market rental value within twenty (20) days following their appointment.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
LANDLORD _____ DATE _____ TENANT _____ DATE _____



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OPTION TO EXTEND RIDER

upon both Landlord and Tenant. If the appraisers should fail to agree, but the difference in their conclusions as to fair market rental value is ten percent (10%) or less of the lower of the two appraisals, then the fair market rental value shall be deemed to be the average of the two, and Base Rent shall be adjusted accordingly for the new term. If the two appraisers should fail to agree on the fair market rental value, and the difference between the two appraisals exceeds ten percent (10%) of the lower of the two appraisals, then the two appraisers shall appoint a third M.A.I.-qualified appraiser. If they fail to agree on a third appraiser within ten (10) days after their individual determination of the fair market rental value, either party may apply to the courts for the county in which the Premises are located, requesting the appointment of a the third M.A.I.-qualified appraiser. The third appraiser shall promptly determine the fair market rental value of the Premises. The parties shall then take the average of the two appraisals that are closest in value, which shall then constitute the fair market value; shall be final, conclusive and binding upon both parties; and Base Rent shall be adjusted accordingly for the new term. Each party shall pay the fees and expenses for its own appraiser. In the event a third appraiser must be appointed, his or her fees and expenses shall be borne equally by the parties.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
 LANDLORD _____ DATE _____ TENANT _____ DATE _____

Vouchers 101



SeaTac Finance Department

Purchasing System Overview

The City of SeaTac's Purchasing System can be found in SeaTac Municipal Code Chapter 3.31 (attachment 2). As stated in Section 3.31.010 (A) "The purpose of this chapter is to delegate authority for the purchase or lease of material, equipment services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government".

Section B of Chapter 3.31 addresses the objectives of the City's purchasing system. They are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment and services in an efficient and timely manner;
2. To facilitate responsibility and accountability with the use of City resources;
3. To ensure equal opportunity and competition among suppliers and contractors;
4. To promote effective relationships and clear communication between the City and its suppliers and contractors;
5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;
6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment in accordance with other provision of the Municipal Code and City policies.

Purchasing & Approval Process

With every purchase there is a process to ensure the policies of the City, as well as any State requirements, have been met prior to vendor payments being made. The steps below detail the City's process each time a purchase and payment is made:

1. Initial Purchase

The adopted City Budget acts as the purchasing plan for every department within the City. When incurring costs for services, materials, etc., departments are required to follow the City's adopted purchasing system policies.

2. Department Authorization

The department head/authorized signer approves the invoice stating they have adhered to all of the guidelines in place to ensure this invoice is a true and just claim for goods and/or services provided and the City is obligated to pay.

3. Invoice Processing

Once the Finance Department receives this approved and signed invoice for payment, it is included in the next accounts payable cycle. Our accounts payable cycle coincides with the payroll cycle, the 5th & 20th of every month.

4. Voucher Audit & Certification

Before the checks have been mailed out, the vouchers are pre-audited and signed by the auditing officer. The auditing officer(s) are separately bonded as part of this fiduciary role for the City. The guidelines for voucher certification and approval are stated in section 3.8.5 of the State Budgeting Accounting and Reporting System (BARS) manual (attachment 1).

5. Mailing of Payments

The mailing of the checks prior to the legislative body approving the claim is addressed in section 3.8.5.50 (attachment 1). There are four components that need to be addressed to be able to make payments prior to approval. The City passed Resolution #07-014 (attachment 3) on July 24, 2007 to be in compliance with RCW 42.24.180 (attachment 4) that is referenced in the BARS manual section 3.8.5.50.

Frequently Asked Questions

Q: How do you determine the timing of payments?

A: Avoidance of penalties/late fees, more timely payment for services/goods already rendered, and Real Estate related payments (closing docs, recording fees, etc.)

Q: How do we ensure City purchasing policies are being followed?

A: Any City employee authorized to make purchases is required to follow the purchasing policies as well as their adopted department budget approved by Council. Also, the State Auditor's Office (SAO) comes in once a year to audit and verify the appropriate processes are being followed as part of their annual Accountability Audit. This audit report is publicly available on the SAO office website.

Q: Who are the approved signers for the City?

A: The Finance Department has a list of approved signers for each department on file with their signature. The State Auditor's office uses this document to verify payment authorizations.

Q: Who are the City's designated Auditing Officers, bonded per BARS 3.8.5.50?

A: The Finance & Systems Director (officer designated to sign checks), and the Treasury Operations Manager (auditing officer).

Q: What is Council's role in approving claims that have already been certified and paid?

A: If Council denies a claim that is already certified as true and just, this is direction to staff to pursue collections and may expose the City to risk if contractual obligations are not being met.

State Budgeting Accounting and Reporting System (BARS) Manual

Attachment 1

3. ACCOUNTING

3.8 Expenditures

3.8.5 Voucher Certification and Approval¹

3.8.5.10 All claims against a municipality must be preaudited by the auditing officer of the municipality or his/her delegate. In addition, all claims must be certified by the auditing officer. *Claims* refer to all external payments that are made to satisfy obligations of the entity, regardless of how payments are processed (i.e., through warrants, checks, EFTs, etc.). *Claims* would include refunds or reimbursements, bond payments, federal tax payments, payments to other governments, grants, transfers or payments made to component units or joint ventures, etc. *Claims* would not include interfund loans, interfund reimbursements or payments (i.e., to internal service funds), indirect cost allocations or other internal accounting transactions, purchases of investments or transfers between bank accounts both owned by the entity, etc.

The auditing officer's certification may be made on each individual claim voucher or, subject to the acceptance and approval of the municipal legislative body, a blanket voucher certification may be used so long as it indicates the particular vouchers so certified. The use of a blanket certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified. The certification must be signed and dated by the auditing officer or his/her delegate. For all claims, except expense reimbursement claims certified by officers or employees (see [Employee Travel](#)), the certification must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim.

3.8.5.20 The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to certify to said claim.

3.8.5.30 The certification by the auditing officer in no manner relieves members of the governing body from the responsibility and liability for each voucher approved. It is the governing body's responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the governing body members and the municipality.

¹ Chapter [42.24](#) RCW

3.8.5.40 To indicate governing body approval for payment of claim vouchers and payroll, the following should be entered in the minutes:

The following voucher/warrants/electronic payments are approved for payment:

(Funds)		Total
Voucher (warrant)		
numbers: _____	through _____	\$ _____
Payroll warrant		
numbers: _____	through _____	\$ _____
Electronic payments		
dates: _____	through _____	\$ _____

3.8.5.50 If the legislative body authorizes the procedure, cities, counties and districts may issue warrants, checks or electronic payments before the legislative body approves claims. To do this the municipality must enact the following policies and procedures (required in Chapter [42.24 RCW](#)):

1. The auditing officer and the officer designated to sign the checks, warrants or initiate an electronic payment must have an official bond. The amount should be determined by the legislative body but cannot be less than \$50,000 (RCW [42.24.180](#));
2. The legislative body should adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control; for electronic payments, the legislative body should adopt information technology policies that implement effective internal control over technology used to initiate and approve electronic payments.
3. The legislative body must review and approve the claims paid at its next regularly scheduled public meeting, or for cities and towns, at a regularly scheduled public meeting within one month from issuance; and
4. If the legislative body disapproves some claims, the auditing officer and the officer designated to sign the checks, warrants or initiate the electronic payment must recognize these claims as receivables of the taxing district and pursue collection diligently until the amounts are either collected or the legislative body is satisfied and approves the claims.

3.8.5.60 The legislative body may stipulate that certain kinds or amounts of claims should not be paid before the board has reviewed the supporting documentation and approved the issue of checks, warrants or electronic payments in payment of those claims.

3.8.5.70 The original copy of all vouchers should be filed in the office of the auditing officer of the municipality. The detailed accounts to which the expenditures are to be posted must be clearly designated. Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse. See [Original Supporting Documentation](#) for requirements.

3.8.5.80 Districts that do not issue their own warrants should send either original vouchers or other supporting documentation (e.g., listing of approved vouchers, etc.) to the county auditor.

SeaTac Municipal Code Chapter 3.31
Attachment 2

Chapter 3.31 PURCHASING SYSTEM

Sections:

- 3.31.010 Purpose, objective, and scope.
- 3.31.020 Definitions.
- 3.31.030 Purchasing and contracting – City manager responsibilities.
- 3.31.040 Determining total purchase cost.
- 3.31.050 Cost threshold – Contract approval levels and contract amendments.
- 3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.
- 3.31.070 Procedure for professional services contracts.
- 3.31.080 Procedures for architectural, engineering, and design services.
- 3.31.090 Procedures for public works.
- 3.31.100 Competitive bidding procedures for public works projects.
- 3.31.110 Emergency purchases.
- 3.31.120 Sole source and special market conditions.
- 3.31.130 Electronic data processing and telecommunications systems.
- 3.31.140 Final acceptance.
- 3.31.150 Intergovernmental cooperative purchasing.
- 3.31.160 Compliance.
- 3.31.170 Third party contracts.
- 3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].
- 3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.

3.31.010 Purpose, objective, and scope.

A. The purpose of this chapter is to delegate authority for the purchase or lease of material, equipment, services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government.

B. The objectives of the City's purchasing system are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner;
2. To facilitate responsibility and accountability with the use of City resources;
3. To ensure equal opportunity and competition among suppliers and contractors;
4. To promote effective relationships and clear communication between the City and its suppliers and contractors;
5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;
6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment, in accordance with other provisions of the Municipal Code and City policies.

C. This chapter does not apply to the acquisition, sale, or lease of real property.

D. If grant funding is involved in the proposed purchase or project, any additional requirements should be obtained from the funding agency. Such requirements may be more restrictive than the requirements of this chapter. However, it is the intent of this chapter to complement any requirements of funding agencies.

E. All purchases shall comply with appropriate and relevant Federal, State, and City laws and policies. If the appropriate and relevant Federal or State laws, regulations, grants, or requirements are more restrictive than these guidelines, such laws, regulations, grants, or requirements should be followed. Furthermore, the City Attorney should be consulted when questions regarding potential conflicts arise. (Ord. 09-1011 § 1 (part))

3.31.020 Definitions.

As used in this chapter, the following terms shall have the following meaning:

- A. "Appropriation" means City Council budgeting to expend funds for a specific purpose.
- B. "Bid" means an offer to perform a contract to sell, lease or supply material, equipment, services or supplies in response to a formal solicitation.
- C. "Bid security" means a bond or deposit submitted with a bid, for a sum not less than five percent (5%) of the bid amount (including sales tax). A bid security is designed to help ensure that a bid has been made in good faith and that the bidder will enter into a contract if a bid is accepted.
- D. "Bidder" means a person or legal entity who submits a bid.
- E. "Change order" means written modification or addition to a purchase order or contract authorized by the appropriate authority.
- F. "City Purchasing Agent" is the person who is charged with procurement of all supplies, materials, equipment and services for the City.
- G. "Competitive bidding" means the submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.
- H. "Description" means identifying information distinctly and plainly set forth and sufficiently portrayed and explained to ensure that the product or service under consideration is uniquely identified.
- I. "Emergency" means unforeseen circumstances beyond the City's control that present a real, immediate threat to the proper performance of essential functions, or that will likely result in material loss to property, bodily injury, or loss of life if immediate action is not taken.
- J. "Emergency purchase" means a purchase made in response to unforeseen circumstances beyond the control of the City which presents a real, immediate and material threat to the public interests or property of the City.
- K. An "equal" is material, equipment or supplies which equal or exceed the quality, performance and usefulness of the brand, model or specifications designated as the standard.
- L. An "informality" or "irregularity" is one which is merely a matter of form or is some immaterial variation from the exact requirements of the invitation for bids, having no effect or merely a trivial or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of or be otherwise prejudicial to bidders.
- M. "Invitation to bid" means the procedure used in the competitive bidding procedures.
- N. "Lowest bidder" means the bidder submitting the lowest price. See "responsive bidder" and "responsible bidder."
- O. "Prevailing wages" means the hourly wages, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Washington State Department of Labor and Industries for each trade and occupation employed in the performance of public work.

P. "Professional services" means services which provide professional or technical expertise from a corporation, firm, agency, individual or group of individuals who, for a fee, accomplish a specific study, project, task, or other work statement. Examples include, but are not limited to: accounting and auditing, bond or insurance brokerage, financial or administrative studies, feasibility studies, special project management for a defined period of time or result, consulting services, legal services, real estate appraisal or title abstracts, surveying, soils analysis or core testing.

Q. "Purchase" includes leasing or renting.

R. "Request for quotation" means the procedure used when soliciting quotations.

S. "Responsible bidder" or "responsible vendor" means a person or legal entity who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

T. "Responsive bidder" or "responsive vendor" means a person or legal entity who has submitted a bid conforming in all material respects to the terms and conditions, specifications, and other requirements in a request or invitation for bids.

U. "Sealed bid" means a bid which has been submitted in a sealed envelope to prevent its contents from being revealed before the deadline for the submission of all bids. A sealed bid cannot be delivered to the City via electronic means (such as fax or email).

V. "Specification" means the explicit requirements furnished with an invitation to bid or request for quotation upon which a purchase or contract is to be based. Specifications set forth the characteristics of the equipment, material, supplies or services to be purchased to enable the bidder or vendor to determine and understand what is to be supplied. This information may be either in terms of physical characteristics or performance requirements or both.

W. "Vendor" means the supplier of goods or services, or both. (Ord. 09-1011 § 1 (part))

3.31.030 Purchasing and contracting – City manager responsibilities.

The City Manager may delegate the authority and responsibilities of the specific purchases and contracts to any appropriate member of the City staff. (Ord. 09-1011 § 1 (part))

3.31.040 Determining total purchase cost.

A. Use Anticipated Cost. The anticipated annual need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which contract approval level, cost threshold, and other related purchasing requirements apply.

B. No "Bid Splitting." Requirements shall not be divided in order to come up with a lower total cost that avoids contract approval levels or competition requirements. If one (1) item being purchased requires another item to "make a whole," the total accumulated costs of the two (2) items should be considered together to determine which approval level and cost threshold apply.

C. Costs such as taxes, freight, and installation charges shall be included when determining which cost threshold applies. The value of a trade-in, when applicable, shall be considered to determine the lowest bid when competitive bidding is used.

D. Requirements for the total quantity of an item (when they can reasonably be projected) should be considered when determining which cost threshold and related purchasing requirements apply.

E. If a project is to be completed in phases, the total accumulated cost for all phases shall be used when determining which contract approval level applies. (Ord. 09-1011 § 1 (part))

3.31.050 Cost threshold – Contract approval levels and contract amendments.

A. The following approval levels are designed for all contracts and purchases. Contracts and purchases that require additional budget appropriations must be approved by the City Council, regardless of amount.

1. Contracts and purchases not exceeding fifty thousand dollars (\$50,000) may be approved by the City Manager or designee without City Council approval.
 2. Contracts and purchases exceeding fifty thousand dollars (\$50,000) shall be presented to the City Council for approval.
- B. The approval process for contract amendments, except contract amendments for public works, is set forth in this subsection.
1. The City Manager may execute an amendment without City Council approval; provided, that the amendment:
 - a. Extends the time of completion for a project. Such an extension can be for up to six (6) months; and/or
 - b. Provides for a cost increase that does not exceed ten percent (10%) of the original contract cost or fifty thousand dollars (\$50,000), whichever is less, and such cost increase does not require additional budget appropriations; or
 - c. The total value of the contract does not exceed fifty thousand dollars (\$50,000) after the cost increase.
- C. The approval process for amendments to public works contracts exceeding fifty thousand dollars (\$50,000) in value (including change orders) is set forth in this subsection.
1. The City Manager or designee may execute an amendment to a public works contract, including change orders, without City Council approval; provided, that the amendment or change order does not increase the cost of the original contract amount beyond any contingency authorized by the City Council when the contract was awarded. (Ord. 12-1005 § 1: Ord. 09-1011 § 1 (part))

3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.

- A. This section applies to purchases of supplies, equipment, nonprofessional services and information services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), contracting for professional services (which is addressed in SMC 3.31.070), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).
- B. Purchases that do not exceed five thousand dollars (\$5,000) may be entered into through direct negotiation. Advertisement and competitive bidding is not required, although every effort shall be made to receive the best price possible.
- C. For purchases exceeding five thousand dollars (\$5,000), but less than fifty thousand dollars (\$50,000), at least three (3) quotations shall be obtained. Quotations may be obtained by telephone or in writing (which includes electronic communications such as fax and email), and quotations shall be recorded and available for public inspection. Advertisement is not required. The purchase shall be made from the responsible vendor providing the lowest quotation. When three (3) quotations cannot be obtained, the City Manager shall be so notified at the time that the purchase is submitted for approval in accordance with SMC 3.31.050.
- D. For purchases exceeding fifty thousand dollars (\$50,000), but less than three hundred thousand dollars (\$300,000), formal competitive bids shall be obtained. Bids do not need to be sealed, but shall be in writing (which includes electronic communications such as fax and email). The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.
- E. For purchases exceeding three hundred thousand dollars (\$300,000), competitive sealed bids shall be obtained. The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.
- F. RCW 39.30.045 allows for the purchase of any supplies or equipment at auctions rather than through competitive bidding, if the items can be obtained at a competitive price. Purchases of supplies or equipment may be acquired at auction, subject to the provisions of RCW 39.30.045 so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

G. RCW 39.33.010 allows for the purchase of surplus property from other governmental agencies. Surplus property may be acquired from other governmental agencies, subject to the provisions of RCW 39.33.010, so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

H. RCW 39.04.080 authorizes one (1) public agency to contract with another public agency to perform any function which each agency is authorized by law to perform itself. Contracts with another public agency are authorized, subject to the provisions of RCW 39.04.080 so long as the City Council has authorized the expenditure of funds for said contract as required in SMC 3.31.050. (Ord. 12-1005 § 2: Ord. 09-1011 § 1 (part))

3.31.070 Procedure for professional services contracts.

A. This section applies to contracts for professional services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).

B. A formal process is not required for the selection of vendors providing professional services. Furthermore, it is recognized that a formal professional services selection process may not be advantageous, based on the nature of the needed services, and the dollar value involved. Therefore, a process to select vendors for professional services contracts may be utilized that the City Manager deems appropriate, considering both the vendors' qualifications and the cost of the services being provided. Such process may include procedures set forth for selecting vendors for architectural, engineering, and design services.

C. The City Manager must be able to identify what, if any, selection process and/or criteria was used in selection of a vendor. For contracts subject to City Council approval, the City Council reserves the right to require additional selection processes to be followed, in order to ensure that the most highly qualified vendor is chosen to contract with the City. (Ord. 09-1011 § 1 (part))

3.31.080 Procedures for architectural, engineering, and design services.

A. This section applies to contracts for architectural, engineering, and design services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070).

B. Chapter 39.80 RCW outlines the requirements for obtaining professional architectural or engineering services. The requirements outlined in Chapter 39.80 RCW as stated in this section, or as may be amended by the State Legislature, shall be followed.

C. Contracts for these services will be approved in accordance with the contract approval levels outlined in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.090 Procedures for public works.

A. This section applies to contracts for public works. This section does not apply to the contracting for architectural, engineering, and design services (which is addressed in SMC 3.31.080), purchase of supplies, equipment, nonprofessional services and information services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070). This section is not intended to conflict with State law.

B. As defined in RCW 39.04.010, public works include (but are not limited to) all work, construction, alteration, repair, or improvement (other than ordinary maintenance, engineering analysis, and design and other professional services) executed at the City's cost, or which is by law a lien or charge on any property therein.

C. Pursuant to RCW 35.22.620, the cost of a public works project is the costs of materials, supplies, equipment, and labor on the construction of that project.

D. For public works projects, the Purchasing Agent may use the small works roster procedures when applicable, as established by Council resolution.

E. Public works projects shall be awarded by use of competitive sealed bidding as provided in SMC 3.31.100 if the small works roster procedures are not used.

F. The City is required by RCW 39.12.040 to require contractors to pay prevailing wages on all public works contracts. A "statement of intent to pay prevailing wages" must be received from a contractor prior to the start of any construction, and an "affidavit of wages paid" must be received following final acceptance of the work.

G. RCW 39.08.010 mandates that the City require a performance bond for every public works contract. The performance bond shall be received by the City within seven (7) calendar days of contract execution or prior to the start of any construction, whichever is earlier. The bond shall also be executed by a surety company authorized to do business in Washington State, in an amount equal to one hundred percent (100%) of the price specified in the contract.

1. For contracts of thirty-five thousand dollars (\$35,000) or less, the City may retain fifty percent (50%) of the contract for thirty (30) days after final acceptance, or until receipt of all necessary releases from the Department of Revenue and Department of Labor and Industries, and settlement of any liens filed under Chapter 60.28 RCW (whichever is later), in lieu of a performance bond. This requirement is at the option of the contractor.

2. For contracts being awarded under the limited small works roster process provided under RCW 39.04.155(3), the payment and performance bond requirements of Chapter 39.08 RCW may be waived.

H. In order for a bid to be considered responsive for public works contracts valued at over one million dollars (\$1,000,000), every bidder must submit (either with their bid or within one (1) hour of the bid submittal time) the names of all subcontractors that will be used for heating, ventilation and air conditioning, plumbing, and electrical work, pursuant to RCW 39.30.060. (Ord. 12-1005 § 3: Ord. 10-1007 § 1: Ord. 09-1011 § 1 (part))

3.31.100 Competitive bidding procedures for public works projects.

A. Public Notice. While State law does not contain any detailed requirements for public notice, good business practice calls for using a notification process that will reach the most contractors and allow enough time for responsive bids to be prepared. At a minimum, notice shall be published in the City's official newspaper at least twice, and each publication shall be a minimum of five (5) days apart. Furthermore, the first notice shall be published at least thirteen (13) days prior to the last date upon which bids will be received, and the second notice shall occur at least seven (7) days prior to the last date upon which bids will be received. In addition to publication in the City's official newspaper, public works projects that exceed the maximum dollar amount for utilization of the small works roster must also be advertised in the Daily Journal of Commerce in the same manner as the City's official newspaper.

B. Submittal of Bids. Bids will be submitted as specified in the invitation for bid by the appointed date and time listed in the invitation. All bids must be filled out in ink or be typewritten and must be properly signed by an authorized representative of the vendor. All changes and/or erasures shall be initialed in ink. Unsigned bids shall be rejected. Each bid will be date and time stamped as it is received, and late bids will not be accepted. If a bid is a sealed bid, all qualified bids will be opened and read aloud publicly at the appointed time.

C. Cancellation. An invitation for bids may be cancelled.

D. Award. The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids.

E. No City representative shall inform a vendor of the terms or amount of any other vendor's bid for the same project prior to the bid opening date and time. Once bids have been submitted (and opened, if the bids are sealed), the City may not negotiate with

bidders. The contract must be awarded to the lowest responsive and responsible bidder, or else the City Council may choose to reject all bids by Council action.

F. A written record shall be made of each bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bids shall be recorded, open to public inspection, and available by telephone inquiry.

G. The original bid responses shall be filed with the City Clerk within fourteen (14) days of the date bids were due, and will be retained for review and audit as required.

H. Bid Security. In general, bid security is optional. However, bid security shall be required for all competitive bidding of public works projects valued in excess of the maximum dollar amount allowed for utilization of the small works roster. Security shall be in the form of a bond with a value of five percent (5%) of the amount of the bid, provided by a surety company that is authorized to do business in Washington State, or the equivalent in cash or certified check. When the invitation for bids requires submittal of bid security, noncompliance will result in rejection of the bid. If a bidder is permitted to withdraw a bid before award, its bid security shall be returned.

I. Noncollusion Affidavit. Each bidder may be required to warrant that their bid is genuine, and that they have not entered into collusion with other bidders, by submitting with their bid an executed and notarized affidavit. (Ord. 12-1005 § 4: Ord. 09-1011 § 1 (part))

3.31.110 Emergency purchases.

In the event of an emergency when the public interest or property of the City would suffer material injury or damage by delay, the City Manager may waive the requirements set forth in this chapter. The City Manager shall report, in detail, such emergency expenditures to the City Council within twenty (20) days of purchases or contracts entered into pursuant to this section, or as soon as practicable. Written determination of the basis for the emergency and for the selection of the particular vendor or vendors shall be filed with the City Clerk within twenty (20) days of procurement. If an emergency is proclaimed pursuant to Chapter 2.75 SMC, the provisions of that chapter shall supersede in the event of any conflicts. (Ord. 09-1011 § 1 (part))

3.31.120 Sole source and special market conditions.

A. The provisions of this section only apply to the purchase of supplies, equipment, and information services.

B. Sole source purchases are authorized when:

1. There is clearly and legitimately only one (1) source capable of supplying the good or service in a timely fashion; or
2. There are special circumstances or market conditions that result in only one (1) appropriate source. This includes parts and services for equipment and technical support for computer software or hardware that the City is already using.

C. Purchases may be made from a sole source vendor without soliciting other quotes or bids. However, written documentation demonstrating the appropriateness of a sole source purchase shall be submitted to the City Manager in advance of the purchase. The City Manager will evaluate whether a vendor can legitimately be defined as a sole source, pursuant to RCW 39.04.280. Any sole source purchases and contracts and the basis for the exception from competitive procurement shall be recorded and open to public inspection immediately after the purchase.

D. Any purchases or agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.130 Electronic data processing and telecommunications systems.

Notwithstanding any provisions of this chapter, electronic data processing and telecommunications systems may be acquired in accordance with the provisions of RCW 39.04.270. However, the contract approval limits set forth in SMC 3.31.050 are still applicable. (Ord. 09-1011 § 1 (part))

3.31.140 Final acceptance.

In order to comply with the provisions of RCW 39.08.030, the City Council shall formally accept the work for all projects in which a bond has been filed with the City in accordance with Chapter 39.08 RCW. (Ord. 09-1011 § 1 (part))

3.31.150 Intergovernmental cooperative purchasing.

A. The City may sell to, acquire from or use any supplies, material or equipment belonging to any agency, political subdivision, or unit of local government including, but not limited to, special purpose and local service districts, any agency of the State, County, or Municipal government, King County, and any agency of the United States, without the necessity for competitive sealed bids.

B. The City may join the above-described units of government in cooperative purchasing plans when the best interests of the City would be served thereby; provided, that each of the participating units shall be separately invoiced by the vendors for purchases made under such plans, and the City shall not be obligated for purchases other than those required for its own use. It is further provided that in the case of purchases by the City through such intergovernmental cooperative purchasing plans, the City Manager or designee shall be authorized to negotiate with the successful bidder for any additional equipment, options and/or accessories where such equipment, options and/or accessories were not included in the bid package of the other public agency, political subdivision, or unit of local government; provided, that such accessories, options or equipment could be purchased within budgeted amounts. It is further provided that the City Manager or designee is authorized to negotiate reductions or deletions of equipment, options and/or accessories where such equipment, options and/or accessories were included in the bid package of the other public agency, political subdivision, or unit of local government and where such equipment, options and/or accessories are not needed, wanted or required by the City.

C. Any agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.160 Compliance.

Officers and employees should be aware of possible personal penalties, and financial liability for intentional or willful violation of competitive bidding laws. RCW 39.30.020 states:

In addition to any other remedies or penalties contained in any law, municipal charter, ordinance, resolution, or other enactment, any municipal officer by or through whom or under whose supervision, in whole or in part, any contract is made in willful and intentional violation of any law, municipal charter, ordinance, resolution, or other enactment requiring competitive bidding upon such contract shall be held liable to civil penalty of not less than three hundred dollars and may be held liable, jointly and severally, with any other such municipal officer for all consequential damages to the municipal corporation.

If, as a result of a criminal action, the violation is found to have been intentional, the municipal officer shall immediately forfeit their office. For purposes of this section "municipal officer" shall mean an "officer" or "municipal officer" as those terms are defined in RCW 42.23.020 (2).

(Ord. 09-1011 § 1 (part))

3.31.170 Third party contracts.

A. At times, the City is a third party to a contract in which there is no net financial impact to the City. These situations include, but are not limited to, contracts for peer review of developer studies and reports submitted to the City as part of the development review process.

B. Contracts in which the City is a party with two (2) or more other parties, and in which there is no net financial impact to the City, may be executed by the City Manager without Council approval.

C. Contracts in which the City is a party with two (2) or more other parties, and in which there is a net financial impact to the City, are subject to the contract approval levels set forth in SMC 3.31.050. The specific contract approval level shall be based upon the net fiscal impact to the City, which may be less than the total value of the contract. (Ord. 09-1011 § 1 (part))

3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].

The City hereby adopts as a part of its purchasing system the "Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" as it relates to purchasing and procurement, established by the Office of Management and Budget (OMB), and set forth now or as hereafter amended in OMB Circular A-102, which is adopted herein by reference. (Ord. 09-1011 § 1 (part))

3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.

The City Manager or designee, on behalf of the City, is granted the authority to accept grants, lease or rent City facilities, or let any contract in which the City receives either monetary or nonmonetary payment for material, equipment, services, or supplies under such terms and conditions the City Manager deems is in the best interest of the City and does not interfere with public use; provided, that annual payment to the City for any such lease, rental agreement, or contract is less than fifty thousand dollars (\$50,000) in value. (Ord. 12-1005 § 5: Ord. 09-1011 § 1 (part))

The SeaTac Municipal Code is current through Ordinance 17-1017, passed October 10, 2017.

Disclaimer: The City Clerk's Office has the official version of the SeaTac Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.ci.seatac.wa.us/> (<http://www.ci.seatac.wa.us/>)

City Telephone: (206) 973-4800

Code Publishing Company (<http://www.codepublishing.com/>)

Resolution 07-014

Attachment 3

RESOLUTION NO. 07-014

A RESOLUTION of the City Council of the City of SeaTac, Washington authorizing the Director of Finance to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

WHEREAS, RCW 42.24.180 provides that the City Council may authorize the issuance of checks in payment of claims provided that certain statutory requirements are followed, including 1) the auditing officer obtains a bond in an amount not less than \$50,000; 2) the Council adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal controls; 3) the Council approve claims paid at the next regularly scheduled meeting; and 4) if the Council disapproves a claim, any amount paid becomes a receivable to the City; and

WHEREAS, the City Council deems that it is appropriate to make said authorization;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON HEREBY RESOLVES as follows:

1. The Director of Finance is authorized to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

PASSED this 24th day of July, 2007 and signed in authentication thereof on this 24th day of July, 2007.

CITY OF SEATAC

Gene Fisher, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to Form:

Mary Mirante Bartolo, City Attorney

[Payment of Claims prior to Council Approval]

Attachment 3

RCW 42.24.180

Attachment 4

RCW 42.24.180***Taxing district—Issuance of warrants or checks before approval by legislative body—
Conditions.**

In order to expedite the payment of claims, the legislative body of any *taxing district, as defined in RCW 43.09.260, may authorize the issuance of warrants or checks in payment of claims after the provisions of this chapter have been met and after the officer designated by statute, or, in the absence of statute, an appropriate charter provision, ordinance, or resolution of the *taxing district, has signed the checks or warrants, but before the legislative body has acted to approve the claims. The legislative body may stipulate that certain kinds or amounts of claims shall not be paid before the board has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims. However, all of the following conditions shall be met before the payment:

(1) The auditing officer and the officer designated to sign the checks or warrants shall each be required to furnish an official bond for the faithful discharge of his or her duties in an amount determined by the legislative body but not less than fifty thousand dollars;

(2) The legislative body shall adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;

(3) The legislative body shall provide for its review of the documentation supporting claims paid and for its approval of all checks or warrants issued in payment of claims at its next regularly scheduled public meeting or, for cities and towns, at a regularly scheduled public meeting within one month of issuance; and

(4) The legislative body shall require that if, upon review, it disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants shall jointly cause the disapproved claims to be recognized as receivables of the *taxing district and to pursue collection diligently until the amounts disapproved are collected or until the legislative body is satisfied and approves the claims.

[1994 c 273 § 18; 1984 c 128 § 11.]

NOTES:

***Reviser's note:** "Taxing district" redesignated "local government" by 1995 c 301 § 15.