



City of SeaTac

Council Study Session Agenda

April 10, 2012
4:00 PM

City Hall
Council Chambers

CALL TO ORDER:

1. **Agenda Bill #3411 – A Motion authorizing the City Manager to execute a design agreement for the South 168th Street Sidewalk Project (10 minutes)**
By: Public Works Director Tom Gut
2. **Agenda Bill #3416 – A Motion authorizing staff to apply for 2013 Community Development Block Grant for design and construction of expanding the Valley Ridge Community Center (10 minutes)**
By: Assistant Parks and Recreation Director Lawrence Ellis
3. **Agenda Bill #3419 – A Motion authorizing the City Manager to enter into a five-year lease agreement in the SeaTac Center with Sahra Abdulle, doing business as Tabarak Market / Sunset International Furniture (10 minutes)**
By: Economic Development Manager Jeff Robinson
4. **Agenda Bill #3422 – A Motion authorizing hiring of a Code Compliance Program Manager for an ongoing, full-time permanent position (20 minutes)**
By: Community and Economic Development Director Cindy Baker / Building Services Manager Gary Schenk
5. **Agenda Bill #3421 – A Motion establishing an Exploratory Process, to explore consolidation considerations between the City of SeaTac Fire Department and the Kent Fire Department Regional Fire Authority (10 minutes)**
By: Fire Chief Jim Schneider
6. **Agenda Bill #3423 – A Resolution formally recognizing the Highline Communities Coalition in collaboration with the Cities of Burien, SeaTac, and Normandy Park and the Highline School District and to authorize Mayor Anderson to sign said resolution (10 minutes)**
By: Deputy Mayor Mia Gregerson
7. **PRESENTATIONS:**
 - **Resident Survey Result Briefing (30 minutes)**
By: Program Manager Soraya Lowry
 - **Edward Bryne Memorial Justice Assistance Grant Program (10 minutes)**
By: Administrative Captain Annette Louie
 - **Council consideration of Mayoral Re-Appointment of Valerie Allan to the Human Services Advisory Committee (5 minutes) (Scheduled for confirmation at the April 24, 2012 Regular Council Meeting)**
By: Mayor Tony Anderson
 - **Citywide Employee Training Plan (10 minutes)**
By: Human Resources Director Anh Hoang

ADJOURN:

THE COUNCIL CHAMBERS IS ACCESSIBLE TO PERSONS WITH DISABILITIES AND IS EQUIPPED WITH ASSISTIVE LISTENING DEVICES. PERSONS REQUIRING SPECIAL ACCOMMODATIONS SHOULD CONTACT THE CITY CLERK'S OFFICE BEFORE 5:00 PM THE FRIDAY PRECEDING THE COUNCIL MEETING.



City of SeaTac

Regular Council Meeting Agenda

April 10, 2012

6:00 PM

City Hall
Council Chambers

(Note: The agenda numbering is continued from the Council Study Session.)

CALL TO ORDER:

ROLL CALL:

FLAG SALUTE:

PUBLIC COMMENTS: (Speakers must sign up prior to the meeting. Individual comments shall be limited to three minutes. A representative speaking for a group of four or more persons in attendance shall be limited to ten minutes. When recognized by the Mayor or his designee, walk to the podium, state and spell your name, and give your address [optional] for the record.)

8. PRESENTATIONS:

- **South King Council of Human Services (5 minutes)**

By: Program Director Nathan Phillips

- **Southwest King County Chamber of Commerce (10 minutes)**

By: President/CEO Lynn Wallace

- **Port of Seattle Century Agenda Conversation (20 minutes)**

By: Port of Seattle Commission President Gael Tarleton / Port of Seattle Commissioner John Creighton

9. CONSENT AGENDA:

- **Approval of claims vouchers** (check nos. 97734 – 97744) in the amount of \$60,057.42 for the period ended March 23, 2012.

- **Approval of claims vouchers** (check nos. 97745 – 97944) in the amount of \$272,312.30 for the period ended April 5, 2012.

- **Approval of payroll vouchers** (check nos. 50515 – 50551) in the amount of \$508,445.85 for the period ended March 31, 2012.

- **Approval of payroll electronic fund transfers** (check nos. 72068 - 72245) in the amount of \$347,932.99 for the period ended March 31, 2012.

- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$69,883.86 for the period ended March 31, 2012.

- **Summary of \$5,000 - \$35,000 Purchase Requests** for the period ended April 4, 2012.

- **Summary of Councilmember and City Manager travel City MasterCard expenses and/or reimbursement requests** for the period ended April 5, 2012.

Agenda Items reviewed at the March 27, 2012 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #3407; An Ordinance authorizing the City Manager to execute a contract with MacLeod Reckord, to design Angle Lake Park Phase II improvements, and amending the City's annual budget

Agenda Bill #3413; A Motion authorizing the City Manager to execute a contract with Anchor QEA, LLC to complete the Tub Lake Trail Master Plan

PUBLIC COMMENTS (related to the Consent Agenda): (Individual comments shall be limited to one minute and group comments shall be limited to three minutes.)

ACTION ITEMS:

- 10. **Agenda Bill #3417; A Motion approving leasing 3361 square feet of the City Hall second floor to SASH, Inc. (10 minutes)**

By: Facilities Manager Pat Patterson

ACTION ITEMS (Continued):

11. Agenda Bill #3418; An Ordinance amending Chapter 3.31 of the SeaTac Municipal Code related to purchasing (10 minutes)

By: City Manager Todd Cutts

UNFINISHED BUSINESS:

NEW BUSINESS:

CITY MANAGER'S COMMENTS:

COUNCIL COMMENTS:

EXECUTIVE SESSION:

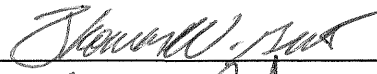
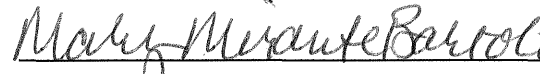
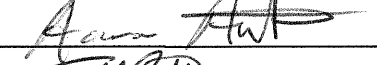

ADJOURN:

SeaTac City Council
REQUEST FOR COUNCIL ACTION

Department Prepared by: Public Works

Agenda Bill #: 3411

TITLE: A Motion authorizing the City Manager to execute a design agreement for the South 168th Street Sidewalk Project.

<i>March 28, 2012</i>	
<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>April 24, 2012 RCM</u>
Ord/Res Exhibits:	
Review Dates:	<u>April 10, 2012 CSS</u>
Prepared By:	<u>Toli Khlevnoy, Civil Engineer II</u>
Director:	<u></u> City Attorney: <u></u>
Finance:	<u></u> BARS #: <u>307.000.11.595.61.63.185</u>
City Manager:	<u></u> Applicable Fund Name: <u>Transportation CIP (307)</u>

*MR
PJA*

SUMMARY: This Motion authorizes the City Manager to execute an agreement for the design of the South 168th Street Sidewalk Project.

DISCUSSION / ANALYSIS / ISSUES: The South 168th Street Sidewalk Project is the fourth project from the City's Neighborhood Sidewalk Program. This project is scheduled to construct sidewalks on both sides of South 168th Street from 34th Avenue South to Military Road South. Design services requested for this project include preparation of detailed engineering drawings, specifications and estimates required to bid and construct the project.

A statement of qualifications was requested from firms selected from the MRSC Consultant Roster in January, 2012. The following firms submitted statements of qualifications: The Blueline Group, LLC; Gray and Osborne, Inc.; Parametrix, Inc.; and Reid Middleton, Inc. The firms were evaluated based on their staff qualifications, experience with similar projects, project understanding, and available resources to complete the project on schedule. Reid Middleton was selected as the most qualified firm due to their extensive experience on similar projects, including the adjacent Military Road South Improvements from South 166th Street to South 176th Street. The scope of work includes surveying, engineering design, cost estimating, possible right-of-way or easement acquisition, public outreach, environmental services, geotechnical investigation, and coordination with affected utilities. A detailed scope of work is attached. The negotiated scope and fee for Reid Middleton, Inc. is reasonable for the level of effort and work anticipated. The City of SeaTac's standard agreement form will be used. It is anticipated that the project will be constructed in 2013.

RECOMMENDATION(S): It is recommended the Motion be carried.

FISCAL IMPACT: The amount to be paid is not to exceed \$217,891. The Transportation CIP Fund (307) has a current budget balance of \$250,000 for this project.

ALTERNATIVE(S): 1) The Council may request staff to eliminate or delay the project. 2) Council may request staff to negotiate with another firm. If this is done, Reid Middleton, Inc. would then be eliminated from further consideration.

ATTACHMENTS: Scope of Services; Fee Summary; Vicinity Map.

EXHIBIT "A-1"

Scope of Services

South 168th Street Sidewalk Project

SeaTac Public Works Project ST-829
PS&E

A. PROJECT UNDERSTANDING

The City of SeaTac (City) requires the services of Reid Middleton, Inc. (Design Firm), and its Sub-consultants provide engineering and related services necessary to develop preliminary and final plans, specifications, and cost estimates (PS&E) resulting in the preparation of bid/construction documents suitable for bidding and construction of:

South 168th Street Sidewalk Project. The project limits extend from 34th Avenue South on the west to Military Road South on the east. The project will include new sidewalks on both sides of the street, storm drainage improvements, roadway widening, utility coordination, property restoration and public outreach. Pedestrian improvements at the easterly limits will connect to Military Rd. improvements currently under design. The project will integrate the existing improvements at the McMicken Heights Elementary School.

The City shall provide support services to the Design Firm as described in the following text. The Design Firm will cooperate and coordinate with City staff to facilitate the project.

B. SCOPE OF SERVICES

The Design Firm will provide the following services:

Task 1 Project Management

Provide overall project management, coordination with the City, monitor and manage budget using monthly progress reports and invoicing for the duration of the design. A 10-month design schedule is assumed.

- 1.1 Provide overall project management services including:
 - a. Preparation and execution of subcontracts
 - b. Project staff and team management
 - c. Implementation of the quality control program
 - d. Control of project budget and schedule

- 1.2 Coordinate with City staff, including attendance at project status and submittal review meetings, for a total of 3 meetings, during the course of the project.
- 1.3 Prepare and submit monthly progress reports and invoices.
- 1.4 Provide quality control review of design documents, memorandums and cost estimates.
- 1.5 Prepare design schedule for City review and approval. Manage and oversee the schedule of deliverables. Notify City Project Manager in writing when schedule changes are necessary.
- 1.6 Provide project coordination with utility purveyors known to provide service in the area.
- 1.7 Coordinate and manage Sub-Consultants work.
- 1.8 Design Firm will provide detailed invoices identifying personnel, hours, direct and indirect labor rates/costs, fees, Sub-Consultant itemized cost, and direct reimbursable costs (mileage, printing, etc.).

Task 2 Mapping

- 2.1 Provide base mapping showing all pertinent topographical features within project limits as required to support the right-of-way and design tasks.

The plan set will be created using the City border sheet. Prepare 1"=20' base mapping for South 168th Street from Military Road South to 34th Avenue South. As a part of the survey effort, side streets will be mapped 100-feet north and south of S 168th Street

Research and acquire public records of survey, plat maps, assessor maps, and related survey data as may be available from public agencies (County and City). This work includes researching and identifying property owners (of record at county assessor's office) and addresses of property.

Establish horizontal and vertical control for the project using the Washington State plane coordinate system for horizontal control and NAVD 1988 to establish the vertical datum. Coordinate survey work with City of SeaTac Public Works Department. Provide (set or establish) a minimum of two survey control points for vertical and horizontal control within project area.

Mapping limits will extend 10 feet beyond the right-of-way limits and will include profiling all adjacent driveways (up to 50 feet). The base maps for this section will be produced in AutoCAD. One-foot contour mapping will be prepared.

Field surveying will include cross sections at every 25 feet cut from the digital terrain model within the survey limits.

- 2.2 Collect existing utility data and identify a maximum of 10 locations for utility potholing and field survey the location of existing underground utilities if review of utility data compiled indicates a potential conflict. The Design Firm will coordinate potholing performed by a utility locate service. An allowance of \$5,000 is included for work by the utility locate service.

Task 3 Preliminary Design (30 Percent)

Provide the preliminary engineering services necessary for the development of design criteria, preparation of a brief summary memorandum, and 30 percent preliminary design documents, including an opinion of probable construction cost for the project.

- 3.1 Compile and review the data and records from the City and affected utilities including record drawings, geotechnical reports, property ownership data and design standards. The City shall provide available record information on City-owned facilities and the Design Firm will obtain information from the affected utilities and private parties.

3.2 Perform geotechnical analysis for determination of suitability of soils and provide design recommendations for porous concrete sidewalk, pavement design requirements for new pavement sections, pavement reclamation (pulverization) and asphalt overlay.

a. Field Preparation

Visit the site to locate exploration locations and meet with utility locaters. Prepare a traffic control plan, and schedule drilling subcontractors.

b. Field Exploration

Drill up to five hollow-stem auger borings (to a depth of 10-feet) within the roadway/right-of-way to evaluate thee soils for porous sidewalk, subgrade support and groundwater depths.

Before drilling, the Design Firm will prepare a site plan of the approximate locations of the proposed borings and temporary traffic control plan per MUTCD manual for City approval. The Design Firm will apply for a no charge City Right-of-Way permit.

Prior to field explorations, the Design Firm will contact the Utilities Underground Location Center to mark any underground utilities at each exploration location. The Design Firm will not be responsible for damage to unmarked or unknown utilities. Additional costs due to damage of unmarked/unknown utilities will be requested as needed and are not included in the proposed budget.

Upon arrival at the site, the Design Firm assumes that equipment and crew will be given ready-access to the work locations and that any necessary permits or rights-of-entry will have been obtained in advance by the Design Firm.

c. Geologic Interpretation

Perform laboratory analysis on soil samples collected from the explorations. Research available geologic maps and nearby exploration logs; review the laboratory results; prepare boring logs; and prepare a site and exploration plan. Based on laboratory test results, estimate soil infiltration rates for stormwater drainage.

d. Engineering Analysis

Using estimated traffic volumes and WSDOT pavement design methods to develop design pavement sections. Prepare recommendations for the proposed pavement section based on applicable design standards. Using

estimated infiltration rate based on laboratory testing, determine the suitability of soils for porous concrete sidewalks and provide design recommendations.

e. Report Preparation

Prepare Geotechnical Engineering Report summarizing findings, and provide recommendations for sub-grade preparation, utility excavation and backfill, asphalt pavement sections, porous sidewalk, structural fill, and groundwater construction techniques (if applicable). Finalize the report in response to comments provided by the project team. Print final Geotechnical Engineering Report (2 bound copies, 1 unbound copy, 1 PDF/scanned copy).

- 3.3 Establish and document drainage and roadway design criteria that will be used to develop and evaluate alternatives.

The use of sustainable design elements will be examined and recommendations will be formed. Possible sustainable elements will include porous sidewalks, reuse of native soils and recycling of pavement in-place will be examined.

A brief summary memorandum will be prepared documenting the findings.

- 3.4 Develop a conceptual design for roadway design. Placement of the stormwater conveyance facilities and utility pole relocations will be examined. The conceptual design will be formatted using a roll plot. The conceptual design shall be reviewed by the City.

- 3.5 Prepare one typical section for paving identification and slope treatment. The typical roadway section will provide 28-feet of pavement, with 5.5-foot wide sidewalks, measured to face of curb.

- 3.6 Conduct preliminary alternative assessments of storm water detention and water quality requirements in accordance with the *2009 King County Surface Water Design Manual*. The Design Firm will develop preliminary design concepts for applicable low impact drainage alternatives or using an equivalent area trade for the treatment and detention.

- 3.7 Evaluate and design approved new enhancements for existing crosswalks (flashing crosswalk beacons, flashing school zone warning signs, etc.)

- 3.8 Estimate preliminary quantities and prepare an opinion of probable construction costs.

- 3.9 Assemble and submit four (4) copies of the preliminary design memorandum and plans to the City. Perform quality control review of memorandum.

- 3.10 Review preliminary design documents with the City and address City comments.

Task 4 Environmental Documentation

- 4.1 Prepare State SEPA Checklist and all necessary exhibits.

The Design Firm will evaluate the environmental impacts for each SEPA element using brief, qualitative analyses.

The City will review and submit SEPA Checklist along with all attached exhibits prepared by the Design Firm.

Task 5 Community, Utility and Agency Coordination

- 5.1 Arrange and attend a total of two project meetings with the utility companies.
- 5.2 The City shall arrange for staff from their other affected departments to attend the project status meetings to discuss the design elements. Three meetings are budgeted. For the meetings the Design Firm will prepare graphics for the elements for discussion.
- 5.3 Support City staff during one open house meeting. An open house will be held to present the 60 percent design to the public and to address project impacts and specific concerns of the public. The Design Firm will prepare computer renderings (full size 24"x 36"), typical cross section (full size 24" x 36"), and 1"=20' scale strip map(s). The intent is to inform the residents of the neighborhood about the project and discuss project interface (drainage, driveways, mailboxes and frontage). The prepared materials will be presented at the open house and will be electronically furnished to the City for use on their project web site. A summary report for each open house will be prepared by the Design Firm.

The Public meeting will be scheduled by the City, to include location, time and meeting room accommodations. The City will notify participants and will participate in public meeting. It is anticipated that the meeting will be for two to three hours.

- 5.4 Prepare information to the City website, in support of the open house.

Task 6 Final Engineering (60 Percent, 90 Percent and Construction PS&E)

This task will include the preparation and submittal of the 60 percent, 90 percent, and final design documents for construction. The plan set will consist of the following (1"=20') and detail sheets. The total estimated sheet count is 45 drawings.

Plan sheets shall include:

- Title/index sheet
- General notes and survey control

- Site preparation and erosion control plans
- Roadway section and detail sheets
- Alignment and right-of-way
- Roadway and drainage profile sheets
- Drainage profiles
- Misc Detail (Curb ramp and intersection grading
- Channelization and signing plans
- Sign schedule and details
- Driveway profiles

In order to complete the contract documents, the Design Firm anticipates that the following engineering services will be necessary to prepare the detailed construction plans, specifications, and opinions of probable construction costs for the project in accordance with the approved design report.

- 6.1 Assemble a title and index sheet that includes a vicinity map and any required symbol and abbreviation legends.
- 6.2 Prepare a sheet which includes general notes and abbreviations for the project, as well as survey control of sufficient accuracy to locate property corners.
- 6.3 Prepare erosion control plans that describe the limits of site preparation, paving removal and grading limits. Erosion and sedimentation notes will be included.

Prepare the Stormwater Pollution Prevention Plan for the contract manual.
- 6.4 Prepare roadway section and detail sheets to document the roadway cross sections and provide miscellaneous details not covered by standard plans.
- 6.5 Prepare alignment and right-of-way plans. These plans will include all horizontal alignment information and right-of-way.
- 6.6 Assemble roadway plan and profile sheets. Curb profiles based on the roadway centerline profile will establish edge of pavement elevations. Construction notes will be included with these plans.

Any adjustments to utilities, such as water valves or sewer manholes, will be included in these plans.
- 6.7 Prepared drainage profiles will include elevations on all inverts, catch basin and manhole locations, and the details required describing detention and water quality facilities.
- 6.8 Miscellaneous Details will include curb ramp grading (16 separate ramps) and intersection grading (5 intersections).
- 6.9 Prepare channelization and signing, include plans, details and sign schedule.

- 6.10 Prepare driveway profiles and details. Provide detailed plan showing grading limits, driveway paving materials notes.
- 6.11 Prepare and assemble standard plans for inclusion in the contract documents.
- 6.12 Compute quantities and prepare an opinion of probable construction costs.
- 6.13 Prepare contract specifications based on the 2012 WSDOT/APWA standard specifications and amendments.
- 6.14 Submit draft full-sized plans and opinions of probable construction costs (four sets for each review) at 60, 90 and final level of design development. Address comments for each submittal. Provide 60 percent draft submittals to the utility companies for review. Submit final plans, specifications and estimate.
- 6.15 Assemble and submit bond copy contract plans and camera-ready specifications. The Design Firm will assemble and print 18 sets of final contract documents, consisting of 15 half-size reduction sets and 3 full-size sets, with specifications for use during construction. The documents for bidding will be issued through Builders Exchange.
- 6.16 Provide assistance during construction bidding, including addressing contractor questions, preparation of addendum and related tasks. Scope and fee for services for support during construction will be provided as requested as a contract supplement.
- 6.17 Provide geo-referenced AutoCad record drawings once construction is completed.

Task 7 Management Reserve

7.1 Other Tasks

Due to the complexity and character of the project, the City may require additional services from the Design Firm for unanticipated and/or out of scope work items which could include, but are not limited to, changes/additions to environmental documents, geotechnical investigations, right-of-way acquisitions, roadway alignments, community and developer involvement, streetscape design or other unanticipated tasks beyond those identified in the above scope of work. The Design Firm shall not proceed with the work under this task until the City reviewed proposal for the additional work, has further authorized the work, and issued the Design Firm a notice to proceed with the work.

In the event that State Grant Funds become available for this project, the City at any time may require additional services from the Design Firm to convert the project documents and environmental approvals to comply with State Laws and Regulations applicable to the State Grant.

EXHIBIT E-1
South 168th Street Pedestrian Improvements
(34th Ave South to Military Road South)

PS&E
ST 829
City of SeaTac

Task Breakdown

1. Project Management	\$11,725
2. Mapping	\$35,885
3. Preliminary Design	\$33,939
4. Environmental Documentation	\$888
5. Community, Utility and Agency Coordinatio	\$5,493
6. Final Engineering	\$109,959
7. Management Reserve	\$20,000
TOTAL	\$217,891

BASIC SERVICES

Reid Middleton	\$186,446
AMEC	\$11,443
SUBTOTAL-Basic Services	\$197,889

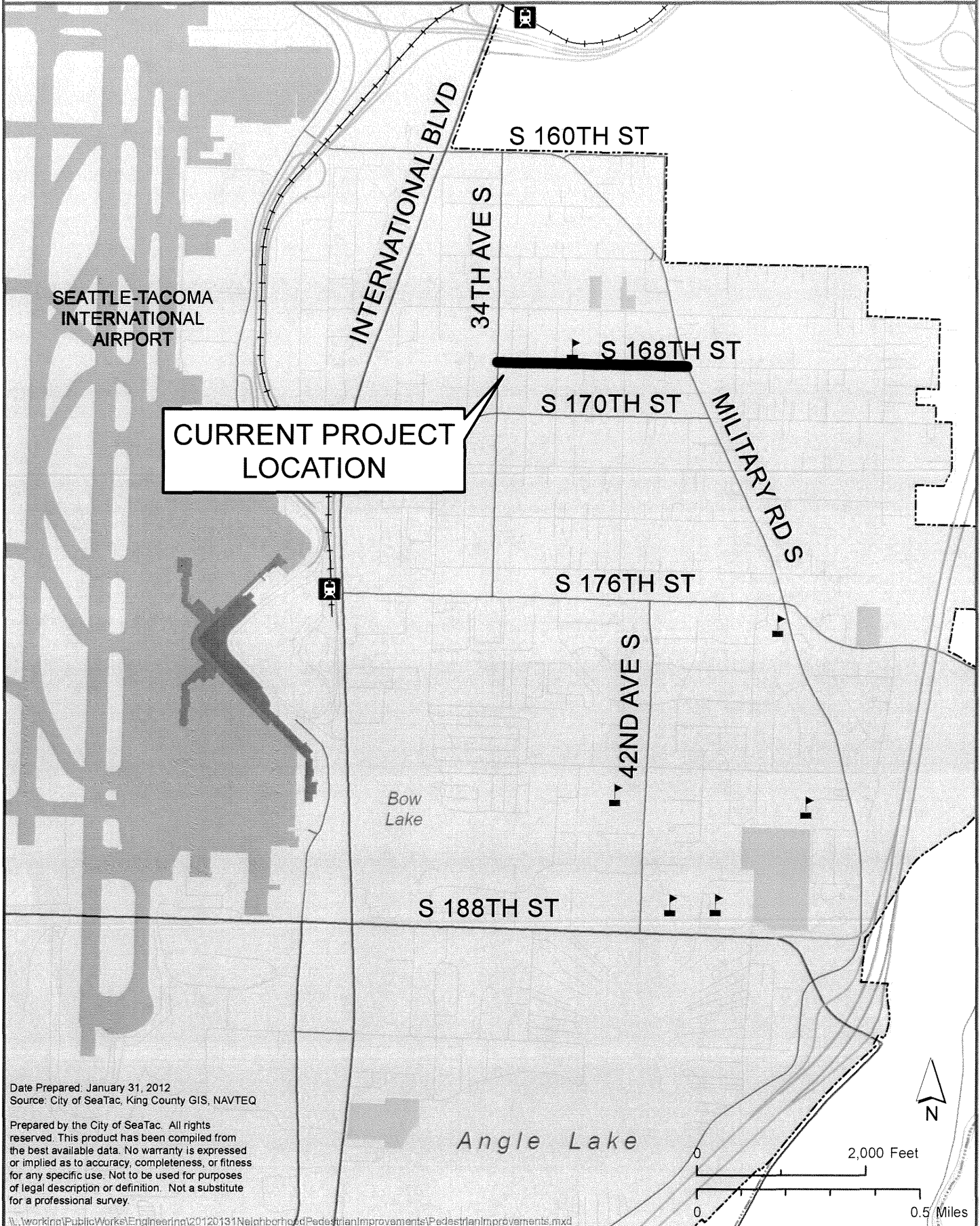
MANAGEMENT RESERVE SERVICES

Reid Middleton	\$20,000
SUBTOTAL-Management Reserve	\$20,000

TOTAL (Basic+ Management Reserve Servi	\$217,891
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South 168th Street Sidewalk Project

City of SeaTac



CURRENT PROJECT LOCATION

Date Prepared: January 31, 2012
Source: City of SeaTac, King County GIS, NAVTEQ

Prepared by the City of SeaTac. All rights reserved. This product has been compiled from the best available data. No warranty is expressed or implied as to accuracy, completeness, or fitness for any specific use. Not to be used for purposes of legal description or definition. Not a substitute for a professional survey.


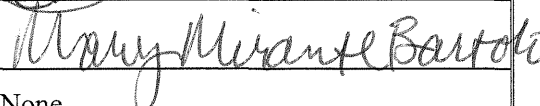
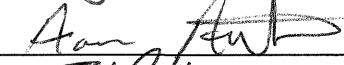

SeaTac City Council

REQUEST FOR COUNCIL ACTION

Department Prepared by: Parks and Recreation

Agenda Bill #: 3416

TITLE: A Motion authorizing staff to apply for the 2013 Community Development Block Grant for design and construction of expanding Valley Ridge Community Center.

March 26, 2012	
<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>RCM 04/24/12</u>
Ord/Res Exhibits:	_____
Review Dates:	<u>CSS 04/10/12</u>
Prepared By:	<u>Lawrence Ellis, Assistant Parks and Recreation Director</u> LE
Director:	<u></u> City Attorney: <u></u> MR XX
Finance:	<u></u> BARS #: <u>None</u>
City Manager:	<u></u> Applicable Fund Name: <u>None</u>

SUMMARY: This Motion authorizes the City Manager to apply for the 2013 Community Development Block Grant (CDBG) to design and construct expanding the Valley Ridge Community Center for the teen program.

DISCUSSION / ANALYSIS / ISSUES: The City pre-school and teen programs currently share space at the Valley Ridge Community Center. This makes it very difficult for each program to establish their own identity and limits storage capacity for each program. The expansion of the Valley Ridge Community Center will separate the programs so the teen program can grow, establish their own identity, have their own storage area, and decrease conflicts between the pre-school and teen program. The expansion will also allow the possibility of extending the hours of teen programming by offering evening and weekend programs without interrupting the pre-school's equipment.

CDBG funding will allow for expansion of the facility by approximately 1,000 square feet (Valley Ridge Community Center is currently 1,800+ square feet). The expansion will provide more storage, a small office for staff, and enough space to allow the tennis table and other free standing equipment upright at all times (We currently take down all teen recreational equipment each day to accommodate the pre-school program the following day). The existing restrooms and kitchen will continue to be shared by both programs.

Since the Valley Ridge Community Center is adjacent to the Tyee Educational Complex, we're able to offer a free afterschool program which provides homework assistance, supervision, video games, table tennis, arts and crafts, and refreshments. We currently serve between 35-50 teens daily.

The design and construction of the proposed project is not budgeted and this project will not proceed without CDBG grant funding and no city funding will be requested for this project. Therefore, this Motion authorizes the City Manager to apply for grant funding to design and construct the expansion of Valley Ridge Community Center. The estimated cost for design and construction is \$245,000. If the grant funding is approved, the City Council will be asked to formally accept the grant and award contracts for design and construction of the expansion project.

To meet all grant requirements, a pre-application has been submitted (due April 6, 2012) with the grant application deadline June 1, 2012. Approval of this Motion is required for the City to formally apply for

this grant funding. If Motion to apply is not approved, staff will withdraw the pre-application.

RECOMMENDATION(S): It is recommended that the Motion be carried.

FISCAL IMPACT: Applying for this grant has no fiscal impact. This is not a matching grant and the project will not move forward without this grant.

ALTERNATIVE(S): Do not carry this Motion. This would discontinue the City's application for the grant funding.

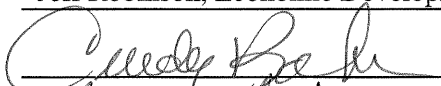
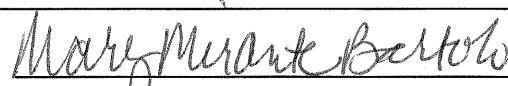


ATTACHMENTS: None.

SeaTac City Council
REQUEST FOR COUNCIL ACTION

Department Prepared by: Community & Economic Development

Agenda Bill #: **3419**

TITLE: A Motion authorizing the City Manager to enter into a five-year lease agreement in the SeaTac Center with Sahra Abdulle, doing business as Tabarak Market / Sunset International Furniture.

<i>April 3, 2012</i>	
___ Ordinance ___ Resolution <u>X</u> Motion ___ Info. Only ___ Other	
Date Council Action Requested: <u>RCM 4-24-2012</u>	
Ord/Res Exhibits: _____	
Review Dates: <u>CSS 4-10-2012</u>	
Prepared By: <u>Jeff Robinson, Economic Development Manager</u>	
Director: <u></u>	City Attorney: <u></u>
Finance: <u></u>	BARS #: <u>108.362.50.00.002</u>
City Manager: <u></u>	Applicable Fund Name: <u>Building Management Fund</u>

mk
SA

SUMMARY: This Motion authorizes the City Manager to execute a sixty month lease with one five-year option at the City's discretion with the Tabarak Market / Sunset International Furniture in the north building of the SeaTac Center in space that was most recently occupied by the Monte Carlo nightclub. The lease and options will both include a redevelopment clause that can be exercised at the City's discretion.

DISCUSSION / ANALYSIS / ISSUES: The proposed lease is for 24,500 square feet that has been empty since the Monte Carlo Nightclub vacated the space in August, 2010. Since that time the space has been shown to over 20 prospective tenants all of which required an initial lease term longer than five years and substantial investment by the City in tenant improvements. For this lease the tenant will provide an advance of \$10,000.00 as prepayment for the fifth month's rent and triple net charges and a \$10,000.00 security deposit.

The tenant will receive four month's free rent but will pay the triple net charges as the tenant improvements and fixturing of the space is completed. The agreement also includes a personal guarantee of the rents due over the initial five-year term.

RECOMMENDATION(S): It is recommended that the Motion be carried.

FISCAL IMPACT: The total revenue generated by the lease over the initial five year term is approximately \$930,000, including triple net charges. The agreement includes a leasing commission to the Andover Company equal to 5% or approximately \$40,850.00 and a maximum fixturing allowance for the tenant of \$10,000.00. In addition, the City will clean the kitchen area and remove the carpeting on the first floor for an estimated cost of approximately \$10,000.00.

ALTERNATIVE(S): Do not carry the Motion. However, the space will remain vacant until such time as another tenant has been identified which would likely require a much larger expenditure by the City for tenant improvements.

ATTACHMENTS: 1) Proposed Lease Agreement



The Andover Company, Inc.
415 Baker Boulevard, Suite 200
Tukwila, WA 98188
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RETAIL LEASE AGREEMENT
(Multi Tenant - Triple Net)

THIS RETAIL LEASE AGREEMENT (the "Lease") is entered into and effective as of this 28th day of March, 2012, between The City of SeaTac ("Landlord"), and Sahra H. Abdulle, dba Sunset Int'l Furniture & Tabarak Wholesale/Retail Company (Tenant). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. Trade Name. Sunset Int'l Furniture & Tabarak Wholesale/Retail Company.

b. Leased Premises. The leased commercial real estate i) consists of an agreed gross leasable area ("GLA") of 24,500 square feet as 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 15221 International Blvd., North Building, SeaTac, WA (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the building in which the Premises are located (the "Building"), the land beneath the Building, and the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling, and the structural elements of 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 a total agreed GLA of 66,924 square feet. GLA as used herein shall mean: 1) as to each building or part thereof within the Property, including Tenant's Premises, the actual number of square feet of ground floor space measured to the exterior faces of exterior walls and to the center of party walls, including columns, stairs, elevators and escalators, but excluding exterior ramps and loading docks; and 2) the actual number of square feet of any area in the Property exclusively used by a particular tenant, measured from the exterior faces of outside walls, fences, or boundary markers.

c. Lease Commencement Date. The term of this Lease shall be for a period of 66 months and shall commence on June 1, 2012 or such earlier or later date as provided in Section 3 (the "Commencement Date").

d. Lease Termination Date. The term of this Lease shall terminate at midnight on September 30, 2017 or such earlier or later date as provided in Section 3 (the "Termination 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).

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

f. Percentage Rent.

Period: _____ Percentage Rent: _____
percent (_____ %) of Gross Sales exceeding a breakpoint of \$ _____
percent (_____ %) of Gross Sales exceeding a breakpoint of \$ _____



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_____ percent (_____ %) of Gross Sales exceeding a breakpoint of \$ _____.

_____ percent (_____ %) of Gross Sales exceeding a breakpoint of \$ _____.

_____ percent (_____ %) of Gross Sales exceeding a breakpoint of \$ _____.

g. Prepaid Rent. Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$10,000.00 as prepaid rent *INCLUDING TRIPLE NETS*, to be applied to the Rent due for months 5 through _____ of the Lease.

h. Security Deposit. Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$10,000.00 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.

i. Permitted Use. The Premises shall be used only for wholesale and retail market and for no other purpose without the prior written consent of Landlord (the "Permitted Use").

j. Notice and Payment Addresses.

Landlord: <u>City of SeaTac</u>	<u>Colliers International</u>
<u>4800 South 188th Street</u>	<u>601 Union Street, Ste. 5300</u>
<u>SeaTac, WA 98188-8605</u>	<u>Seattle, WA 98101</u>
Fax No.: <u>Attn: Jeff Robinson</u>	<u>Attn: Gardner Erickson</u>
Email: <u>jrobinson@ci.seatac.wa.us</u>	

Tenant: Sahra H. Abdulle
4238 S. 137th Street
Tukwila, WA 98168
Fax No.: _____
Email: sahraabdulle@yahoo.com

k. Tenant's Pro Rata Share. Landlord and Tenant agree that Tenant's Pro Rata Share is 36.6 %, based on the ratio of the agreed GLA of the Premises to the agreed GLA of the Building and all other buildings on the Property as of the date of this Lease. Any adjustment to the Premises' or Building's GLA measurements will be reflected in an adjustment to Tenant's Base Rent or Pro Rata Share. Tenant acknowledges that the GLA of certain tenants at the Property may be excluded from the total GLA of the Property for purposes of calculating Tenant's Pro Rata Share of Common Area Charges or other expenses.

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



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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 an 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 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 after 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 _____ 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 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 _____ 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 written 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



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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.

4. RENT.

a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the 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"), including Percentage Rent and Common Area Charges (collectively "rent" or "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall be 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. **Triple Net Lease.** This Lease is what is commonly called a "Net, Net, Net" or "triple-net" Lease, which means that, except as otherwise expressly provided herein, Landlord shall receive all Base Rent free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition to Base Rent, Tenant shall pay to the parties respectively entitled thereto, or satisfy directly, all Additional Rent and other impositions, insurance premiums, repair and maintenance charges, and any other charges, costs, obligations, liabilities, requirements, and expenses, including without limitation the Common Area Charges described in Section 8, which arise with regard to the Premises or may be contemplated under any other provision of the Lease during its term, except for costs and expenses expressly made the obligation of Landlord in this Lease.

c. **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 fifteen percent (15%) 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.

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



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remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section 4.

d. Percentage Rent. In addition to Base Rent, Tenant shall pay to Landlord Percentage Rent at the rate specified in Section 1 above.

e. Gross Sales Defined. "Gross Sales" shall mean the entire amount of the actual sale price, whether for cash, credit or otherwise, of all sales of goods and services and all other income and receipts whatsoever of all business conducted in, at, or on the Premises, including, without limitation: (i) mail, catalogue, telephone, facsimile, internet, electronic, video and computer orders, and orders by means of other technology-based systems whether now existing or hereafter developed, and other orders received, placed or filled at the Premises, (ii) deposits not refunded to purchasers, (iii) orders taken at the Premises although filled elsewhere, (iv) gross receipts from vending and game machines, whether coin-, card-, computer-, or credit card-operated or otherwise (not to be construed to authorize Tenant to install vending or game machines unless specifically set forth elsewhere in this Lease), (v) sale price of gift and merchandise certificates, (vi) payments from other parties for shelf or advertising space at the Premises, (vii) the full value of all consideration other than money received, (viii) all other gross income or receipts from any business or operation in, at, or on the Premises, and (ix) Gross Sales (as defined in this subsection) by any subtenant, concessionaire or licensee. However, Gross Sales shall not include, but Tenant shall keep separate records of, the following as part of Tenant's Records: (a) returns to shippers or manufacturers, (b) proceeds from the sale of used trade fixtures, (c) any cash or credit refunds made upon any sale made in, at, or on the Premises where the merchandise is returned by the purchaser, (d) any sales or excise tax imposed by any duly constituted governmental authority (provided that no income or franchise tax; capital stock tax; tax based upon gross receipts, assets or net worth; or similar tax shall be deducted from Gross Sales), and (e) the exchange of merchandise between the stores and warehouses of Tenant, if any, where such exchange of merchandise is made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale that has previously been made in, at, or on the Premises or for the purpose of depriving Landlord of the benefit of a sale that otherwise would be made in, at, or on the Premises. No deduction shall be allowed for any uncollected or uncollectible amounts or reserves therefore, nor for cost of products or services sold, or other costs, charges or expenses of purchasing, financing, selling, transportation, overhead or taxes except as expressly provided herein. Trade-ins shall not reduce the sale price of the item sold for purposes of calculating Gross Sales. Layaway, credit and installment sales shall be included in the month in which the goods or services are delivered or provided, or in which any portion of the payment is received, whichever first occurs, regardless of when or whether full payment is received.

f. Gross Sales Records. Tenant shall ensure that the business of Tenant and of any subtenant, licensee or concessionaire in, at or on the Premises is operated such that the following books and records are prepared, preserved and maintained in accordance with generally accepted accounting principles: (i) daily dated, sealed, continuous, cash register tapes, (ii) serially numbered sales slips, (iii) settlement report sheets of transactions with subtenants, concessionaires and licensees, (iv) bank statements, (v) general ledger or summary record of all receipts and disbursements from operations in, at or from the Premises, (vi) state and local sales and use tax returns, and (vii) such other records that would normally be kept pursuant to generally accepted accounting principles, or as the Landlord may reasonably require in order to



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determine Gross Sales hereunder ("Tenant's Records"). Tenant shall retain Tenant's Records at the Premises or at the home or regional office of Tenant for at least three (3) years from the end of the lease year to which they are applicable or, if any audit is required or a controversy should arise between the parties regarding Percentage Rent, until such audit or controversy is terminated, even though such retention period may be after the expiration of the Term or earlier termination of this Lease.

f. Gross Sales Statements. Tenant shall provide Landlord with a monthly statement of Gross Sales, including copies of any sales or use tax returns or statements filed with or prepared for local or state authorities during such period, within fifteen (15) days after the end of each calendar month, signed by an authorized representative, which shall show Gross Sales and an itemization of any exclusions or deductions therefrom for such month, as well as year-to-date amounts for the current lease year. Percentage Rent shall be paid on a monthly basis commencing with the first month in each year in which Tenant's Gross Sales for such lease year exceed the Breakpoint set forth in Section 1 above. If any Percentage Rent is due for any month, the payment shall accompany the monthly statement. In addition to regular monthly statements, Tenant shall provide an annual statement within sixty (60) days after the end of each Lease Year, which shall show the total amount of Gross Sales for such lease year, and shall be certified to be true, complete and correct by an independent certified public accountant reasonably satisfactory to Landlord, or at Tenant's option by Tenant's chief financial officer. If such annual statement shows that Tenant underpaid Percentage Rent for the lease year, Tenant shall include the additional amount with the yearly statement, and if the yearly statement shows that Tenant overpaid Percentage Rent, Landlord shall provide a credit or refund. Tenant shall require that any subtenant, licensee or concessionaire furnish similar statements.

g. Audits. Landlord may from time to time (but not more frequently than once each calendar year), upon at least ten (10) days' notice to Tenant, cause a complete audit or examination to be made of Tenant's Records and such books and records of any subtenant, licensee or concessionaire for all or any part of the three (3) lease years immediately preceding such notice. During the audit, Landlord or its authorized representatives shall have full and free access to Tenant's Records and the right to require that Tenant, its agents and employees furnish information or an explanation of the information as may be necessary for a proper examination and audit. If an audit or examination discloses that any of Tenant's statements of Gross Sales understates Gross Sales made during any lease year by three percent (3%) or more, or if Tenant shall have failed to furnish Landlord any monthly Gross Sales statements during any lease year or shall have failed to prepare and maintain Tenant's Records as required by this Lease, Tenant shall pay Landlord the cost of the audit or examination, including travel and related expenses, and any deficiency in Percentage Rent, with interest at the Default Rate. Landlord's acceptance of Percentage Rent during the Lease shall be without prejudice to the Landlord's examination, audit and other rights hereunder.

h. Breakpoint Prorations. The Breakpoint for any partial Lease Year shall be prorated on a per diem basis. If Base Rent is abated or reduced for any reason during any Lease Year, the Breakpoint for such period shall be reduced proportionately. If two Breakpoint amounts are in effect during different portions of a given Lease Year, the Breakpoint for such Lease Year shall be the weighted average of both Breakpoint amounts, determined as follows: (i) each Breakpoint amount shall be multiplied by the number of days during which it is in effect, and then divided by



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365, and (ii) the amounts so computed shall be added to obtain the weighted average Breakpoint for such Lease Year.

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 13 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. The Premises shall be used continuously and uninterruptedly solely for the specific use set forth in Section 1 above and under the Trade Name set forth in Section 1 above and for no other purpose or use whatsoever. 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 on 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.

Tenant shall (i) remain open for business at least six (6) days a week and at least eight (8) hours a day; (ii) adequately staff its store with sufficient employees to handle the maximum business and carry sufficient stock of merchandise of such amount, character and quality to accomplish this purpose; (iii) keep the display windows and signs, if any, well-lit during the hours from sundown to midnight; (iv) keep the Premises and exterior and interior portions of windows, doors and all other glass or plate glass fixtures in a neat, clean, sanitary and safe condition; (v) warehouse, store or stock only such merchandise as Tenant intends to offer for sale at retail; and (vi) use for office or other non-selling purposes only such space as is reasonably required for Tenant's business. Tenant shall not, without Landlord's prior written consent, which consent Landlord may withhold in its sole discretion: (a) conduct any auction or bankruptcy sales; (b) conduct any fire sale except as a result of a fire on the Premises; (c) conduct any going out of business sale or close-out sale except at the expiration of the Lease term; (d) sell any so-called "surplus", "Army and Navy", or "secondhand" goods, as those terms are generally used on the Commencement Date and from time to time hereafter; (e) permit anything to be done on the Premises which will in any way obstruct, interfere with or infringe on the rights of other occupants or invitees of the Property; (f) install or erect any satellite dish or other roof- or building-mounted equipment; (g) install any Automated Teller Machines ("ATMs"), cash machines, lottery machines, appliances, video games, arcade games, pinball machines, vending machines, or pay telephones in or about the Premises;



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or (h) bring or keep on the Premises any item or thing or permit any act thereon which is prohibited by any law, statute, ordinance or governmental regulation now in force or hereinafter enacted or promulgated, or which is prohibited by any standard form of fire insurance policy. Furthermore, no portion of the Premises shall be used for: (1) the handling or sale of alcoholic beverages unless expressly permitted elsewhere in this Lease; (2) the handling or sale of gasoline, petroleum products, tires, or automobile accessories; (3) a beauty shop, nail shop, or salon; (4) the handling or sale of wigs or hair pieces; (5) a theater; (6) a place of amusement or recreation including the use of video, electronic, mechanical, or other gaming machines other than as offered for sale (and except for small numbers of hand-held, non-arcade game machines for the convenience of Tenant's customers); (7) a massage parlor, adult bookstore or adult video store; (8) a health spa, dance studio or aerobic studio; (9) a church or other religious institution; (10) a day care center; (11) a warehouse facility; (12) a car wash or sales, maintenance or service facility for motorized conveyances; or (13) a training or educational facility.

Neither Tenant nor any person who controls or is controlled by Tenant shall own, operate or become interested in a business similar or related to that operated by Tenant within the Premises, or within a radius of three (3) miles in any direction from the exterior boundary of the Property. As used in this Lease, the word "person" means any natural person or persons in individual or representative capacities and any entity or entities of any kind whatsoever, including without limitation, corporations, partnerships and associations, limited liability companies, or any combination of persons or entities. Without limiting Landlord's remedies, in the event Tenant should violate this covenant, Landlord may, at its option and for so long as such violative business is being operated, include all Gross Sales generated by such violative business in calculating the Gross Sales transacted from the Premises for the purpose of computing Percentage Rent.

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. COMMON AREA CHARGES.

a. Definition. As used herein, "Common Area Charges" shall mean all costs of operating, maintaining and repairing the Premises, the Building and the Property and all Common Areas thereon, determined in accordance with generally accepted accounting principles, and including without limitation the following: all taxes and assessments (including, but not limited to, real and personal property taxes and assessments, local improvement district assessments and other special purpose assessments, and taxes on rent or gross receipts); insurance premiums paid by Landlord and (to the extent used) deductibles for insurance applicable to the Property; water, sewer and all other utility charges (other than utilities separately metered and paid directly by Tenant or other tenants); janitorial and all other cleaning services; refuse and trash removal;



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supplies, materials, tools, and equipment used in the operation, repair, and maintenance of the Property; refurbishing and repainting; carpet replacement; to the extent serving areas other than just the Premises, heating, ventilation and air conditioning ("HVAC") service, repair and replacement when necessary; elevator service and repair and replacement of elevators when necessary; pest control; lighting systems, fire detection and security services; landscape maintenance; management (fees and/or personnel costs); parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; repair, maintenance, and, where reasonably required, replacement of signage; amortization of capital improvements as Landlord may in the future install to comply with governmental regulations and rules or undertaken in good faith with a reasonable expectation of reducing Common Area Charges (the useful life of which shall be a reasonable period of time as determined by Landlord); costs of legal services (except those incurred directly relating to a particular occupant of the Building); and accounting services, labor, supplies, materials and tools. Common Area Charges shall not include: Landlord's income tax or general corporate overhead, depreciation on the Building or equipment therein; loan payments; real estate broker's commissions; capital improvements to or major repairs of the Building shell (i.e., the Building structure, exterior walls, roof, and structural floors and foundations), except as described above; or any costs regarding the operation, maintenance and repair of the Premises, the Building, or the Property paid directly by Tenant or other tenants in the Building, or otherwise reimbursed to Landlord. If Tenant is renting a pad separate from any other structures on the Property for which Landlord separately furnishes the services described in this paragraph, then the term "Common Area Charges" shall not include those costs of operating, repairing, and maintaining the enclosed mall which can be separately allocated to the tenants of the other structures. Common Area Charges which cannot be separately allocated to the tenants of other structures may include but are not limited to: insurance premiums; taxes and assessments; management (fees and/or personnel costs); exterior lighting; parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; and costs of legal services and accounting services. Permitted Common Area Charges of a capital nature will be amortized over a reasonable period.

b. Calculation and Payment. Tenant shall pay to Landlord Common Area Charges pursuant to the following procedure:

(i) Landlord shall provide to Tenant, at or before the Commencement Date, a good faith estimate of annual Common Area Charges for the calendar year in which the Commencement Date occurs. Landlord shall also provide to Tenant, as soon as possible following the first day of each succeeding calendar year, a good faith estimate of Tenant's annual Pro Rata Share of Common Area Charges for the then-current year.

(ii) Each estimate of Tenant's annual Pro Rata Share of Common Area Charges determined by Landlord, as described above shall be divided into twelve (12) equal monthly installments. Tenant shall pay to Landlord such monthly installment of Common Area Charges with each monthly payment of Base Rent. In the event the estimated amount of Tenant's Pro Rata Share of Common Area Charges has not yet been determined for any calendar year, Tenant shall pay the monthly installment in the estimated amount determined for the preceding calendar year until the estimate for the current calendar year has been provided to Tenant. When the estimate for the current calendar year is received, Tenant shall then pay any shortfall or receive a credit for any



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surplus for the preceding months of the current calendar year and shall, thereafter, make the monthly installment payments in accordance with the current estimate.

(iii) As soon as reasonably possible following the end of each calendar year of the Lease term, Landlord shall determine and provide to Tenant a statement (the "Common Area Charges Statement") setting forth the amount of Common Area Charges actually incurred and the amount of Tenant's Pro Rata Share of Common Area Charges actually payable by Tenant with respect to such calendar year. In the event the amount of Tenant's Pro Rata Share of Common Area Charges exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following receipt of the Common Area Charges Statement. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Common Area Charges actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Common Area Charges payable by Tenant pursuant to this Section, or if the term of this Lease has expired, the excess shall be refunded to Tenant within thirty (30) days after delivery of such Common Area Charges Statement.

(iv) If Tenant disputes any amount shown on the Common Area Charges Statement, Tenant may audit Landlord's books and records for the calendar year covered by such Common Area Charges Statement upon written notice to Landlord given within ninety (90) days after Tenant's receipt of such Common Area Charges Statement. If Tenant fails to provide notice of dispute within such ninety (90) day period, the Common Area Charges Statement shall be final and conclusive. Any audit conducted by Tenant shall be completed within sixty (60) days after Tenant's request. In the event the amount of Tenant's Pro Rata Share of Common Area Charges exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following completion of the audit. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Common Area Charges actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Common Area Charges payable by Tenant pursuant to this Section, or if the term has expired, the excess shall be refunded to Tenant within thirty (30) days after completion of the audit. Landlord and Tenant shall cooperate as may be reasonably necessary in order to facilitate the timely completion of any audit. Nothing in this Section shall in any manner modify Tenant's obligations to make payments as and when provided under this Lease.

9. UTILITIES AND SERVICES. Landlord shall provide the Premises the following services, the cost of which shall be included in the Common Area Charges, to the extent not separately metered to the Premises: water and electricity for the Premises seven (7) days per week, twenty-four (24) hours per day, and HVAC from ____ a.m. to ____ p.m. Monday through Friday; ____ a.m. to ____ p.m. on Saturday; and ____ a.m. to ____ p.m. on Sunday. HVAC 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. Notwithstanding the foregoing, if Tenant's use of the Premises incurs utility service 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. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any



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variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof.

Tenant shall furnish all other utilities (including, but not limited to, HVAC, telephone, Internet, and cable service if available) and other services, including janitorial services, which Tenant requires with respect to the Premises, except those to be provided by Landlord as described above, 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 and included in Common Area Charges as described above.

10. 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 and assessments with respect to the Property, including any taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise, all of which shall be included in Common Area Charges and subject to partial reimbursement by Tenant as set forth in Section 8.

11. 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; use the Common Areas for such promotions, exhibitions and similar uses as Landlord reasonably deems in the best interests of the Property and its tenants; and temporarily close parts of the Common Areas for such periods of time as may be necessary for temporary use as a work area in connection with the construction of buildings or other improvements within the Property or contiguous property; prevent the public from obtaining prescriptive rights in or to the Common Areas; use the Common Areas temporarily for a "farmers' market" or comparable entertainment or shopping events, 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 of the Building and the right to install, maintain, use, repair and replace pipes, 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



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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. Tenant shall cause its employees to park in areas designated for employee parking at or away from the Property, as designate by Landlord from time to time.

c. Maintenance of Common Areas. Landlord shall maintain the Common Areas in good order, condition and repair. This maintenance cost shall be a Common Area Charge assessed to Tenant pursuant to Section 8. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

12. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises, including any Tenant's 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 name 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 not to unreasonably interfere with other tenants. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 20) 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.

13. REPAIRS AND MAINTENANCE; SURRENDER. Tenant shall, at its sole expense, maintain the entire 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 and its store front, signage, windows, window frames, and plate glass. 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, the costs of which shall be included in Common Area Charges. 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 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



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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.

14. 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) for posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

15. 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 may at its own expense erect and maintain upon the interior sales areas of the Premises all signs and advertising matter customary and appropriate in the conduct of Tenant's business, subject to Landlord's right to remove any signs or advertising matter which violates this Section. Tenant shall not affix or maintain upon the glass panes and supports of the show windows and doors, or within twelve inches (12") of the show windows and doors, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first received the written approval of the Landlord as to size, type, color, location, copy, nature and display qualities. Tenant shall, at its own expense, be required to erect an exterior sign on its store front, which sign shall be in place and operating (if illuminated) concurrent with Tenant opening for business in the Premises. All signs, decorations and advertising media shall conform in all respects to any sign criteria established by Landlord for the Property from time to time, and shall be subject to the prior written approval of Landlord as to construction, method of attachment, size, shape, height, lighting, color and general appearance. Except for signs which comply with the terms of this Section, Tenant shall not erect, place, paint, or maintain in or on the Premises, any sign, exterior advertising medium, or any other object of any kind whatsoever, whether an advertising device and whether visible or audible, outside the Premises. Tenant shall not change the color, size, location, composition, wording or design of any sign or advertisement on the Premises that may have been previously approved by Landlord, without the prior written approval of Landlord and the applicable governmental authorities. Tenant shall not solicit business in or about the Common Areas, nor distribute any handbills or other advertising matter in or on automobiles or other vehicles parked in or about said Common Area. Without otherwise limiting the foregoing, Tenant shall not, without first obtaining Landlord's written consent, use any advertising or promotional media, including, without limitation, searchlights, loudspeakers or phonographs, which can be heard, seen or experienced outside the Premises. Tenant shall not damage or deface the Premises when installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal. Tenant shall pay its Pro Rata Share of operating, maintaining, repairing, lighting, and, where reasonably necessary, replacement of any multi-tenant signage on which Tenant is granted space by Landlord.



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16. 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 untenantable, 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 written notice of termination.

The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenantable 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 GLA of the Property are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) 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 written notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenantable, 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 Rent shall be abated in the same proportion as the untenantable 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's Work identified in Exhibit C (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or



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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.

b. Condemnation. If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the GLA 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 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, the Building, or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make 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.

17. 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, plate glass insurance, and, if applicable to Tenant's Permitted Use, liquor liability insurance.

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 improvements, alterations, personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.



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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 written 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, liability insurance with respect to the Common Areas, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The cost of any such insurance shall be included in Common Area Charges, and if such insurance is provided by a "blanket policy" insuring other parties and/or locations in addition to the Building, then only the portion of the premiums allocable to the Building and Property shall be included in Common Area Charges.

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.

18. INDEMNIFICATION.

a. Indemnification by Tenant. Tenant shall defend, indemnify, and hold Landlord and its property manager (if any) 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 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



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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, or 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.

19. 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. Without limiting the generality of the foregoing, it shall be deemed reasonable for Landlord to deny consent to a proposed Transfer if the transferee's proposed use of the Premises would violate any lease exclusives granted by Landlord to other tenants at the Property or would, in Landlord's commercially reasonable opinion, interfere with Landlord's desired tenant-mix for the Property. 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 \$1,250.

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 agreements and documents.



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20. LIENS. Tenant shall not subject the Landlord's assets 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.

21. 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' written 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 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, is taken 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.



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

22. 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 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. For purposes of this Section, Percentage Rent shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding twenty-four (24) month period, except that if it becomes necessary to compute such amounts before such a period has occurred then such amounts shall be computed on the basis of the average monthly amounts accruing during such shorter period.

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



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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" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for 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 extensions 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 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.

23. 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 the 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.

24. 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



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Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

25. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return them 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 150% 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.

26. 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 written notice delivered in conformance with this Section.

27. 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.

28. 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.

29. 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,



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other than a transfer for collateral 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.

30. 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.

31. 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.

32. 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 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,



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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 Materials on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or 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.

33. 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.

34. 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.

35. GENERAL.

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 37 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 37, 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 to except in writing, signed by Landlord and Tenant.



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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 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.

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.

36. 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



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- Guaranty of Tenant's Lease Obligations Rider
- Option to Extend Rider
- Rules and Regulations

37. **AGENCY DISCLOSURE.** At the signing of this Lease, Landlord is represented by Connie Boyle and Mike Ewing of The Andover Company (insert both the name of the Broker and the Firm as licensed) (the "Landlord's Broker"), and Tenant is represented by _____ (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's 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 Tenants' Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant 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 the 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."

38. **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:

- \$ _____
- 5 % 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 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 Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate



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agreement between them or, if there is no agreement, \$_____ or _____% (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord shall shall not (shall not if not filled in) pay an additional commission according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. 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.

39. 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 OR 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.

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

_____	<i>SAHRA ABPUIL</i>
LANDLORD:	TENANT:
_____	_____
LANDLORD:	TENANT:
_____	_____
BY:	BY:
_____	_____
ITS:	ITS:



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Rev. 3/2011
Page 27 of 31



RETAIL LEASE AGREEMENT
(Multi Tenant - Triple Net)

STATE OF WASHINGTON

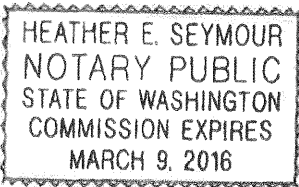
COUNTY OF King

ss.

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

Dated this 29th day of March, 2012.

Heather E Seymour
(Signature of Notary)



(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington,
residing at Seattle, WA
My appointment expires 3/9/2016

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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RETAIL LEASE AGREEMENT
(Multi Tenant - Triple Net)

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,

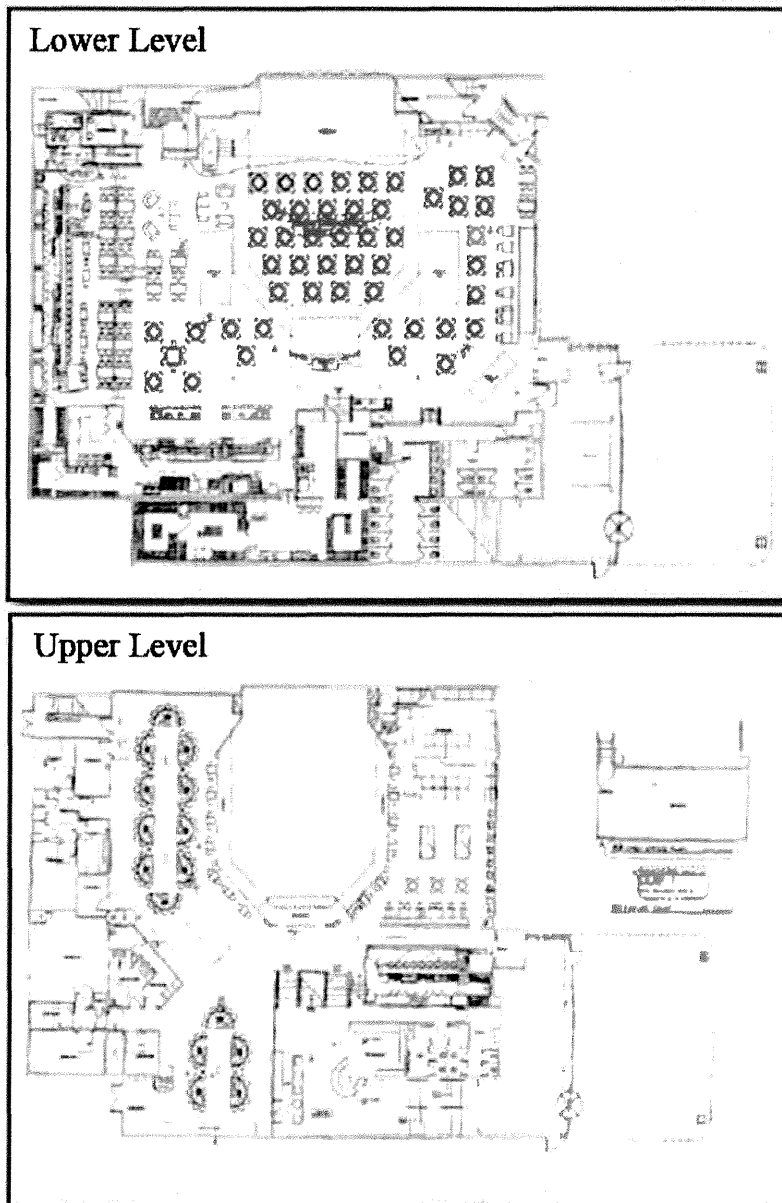
residing at _____

My appointment expires _____

RETAIL LEASE AGREEMENT
(Multi Tenant - Triple Net)

EXHIBIT A

[Floor Plan/Outline of the Premises]





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RETAIL LEASE AGREEMENT
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EXHIBIT B

[Legal Description of the Property]

Legal Description

PARCEL A

Lots 6, 7 and 8, Block 1, Third Addition to the Adams Homes Tracts, according to the plat thereof recorded in Volume 15 of Plats, page 17, in King County, Washington,
EXCEPT the north 2 feet of the east 175 8 feet of said Lot 6,
AND EXCEPT those portions of Lots 6, 7 and 8 lying easterly of the west margin of Primary State Highway Number 1;
AND EXCEPT that portion of Lot 8 conveyed to the state of Washington for highway purposes by deed recorded under Recording Number 5133875.

PARCEL B

Lots 4, 9 and 10, and the east 66 feet of the south 104 9 feet of Lot 3, Block 1, Third Addition to Adams Homes Tracts, according to the plat thereof recorded in Volume 15 of Plats, page 17, in King County, Washington;
EXCEPT the north 200 feet of that portion of said Lot 4, lying west of the west line of the east 60 feet thereof;
AND EXCEPT the west 56 feet of said Lot 10,
AND EXCEPT that portion of said Lots 9 and 10 conveyed to the state of Washington for highway purposes by deed recorded under Recording Number 5133875



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RETAIL LEASE AGREEMENT
(Multi Tenant – Triple Net)

EXHIBIT C

[Tenant Improvement Schedule]

1. Tenant Improvements to be Completed by Landlord

Landlord to provide \$10,000 fixture allowance to increase lighting for market in facility.

Landlord shall clean kitchen and premises. Landlord remove existing carpet on lower floor to expose a clean concrete surface.

2. Tenant Improvements to be Completed by Tenant



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 Rent Rider
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 Page 1 of 1

RENT RIDER

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This Rent Rider ("Rider") is a part of the lease agreement dated March 28, 2012 (the "Lease") between The City of SeaTac ("Landlord") and Sahra H. Abdulle, dba Sunset Int'l Furniture & Tabarak Wholesale/Retail Co. ("Tenant") concerning the space commonly known as SeaTac Center (the "Premises"), located at the property commonly known as 15221 International Boulevard, Suite 201, SeaTac, WA (the "Property").

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

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>Months 1-4</u>	<u>\$ Fixturing period - No Rent</u>
<u>Months 5-12</u>	<u>\$ 8,000.00/mo., plus \$2,000 NNN</u>
<u>Months 13-24</u>	<u>\$15,000.00/mo., plus \$2,000 NNN</u>
<u>Months 25-36</u>	<u>\$15,450.00/mo., plus \$2,000 NNN</u>
<u>Months 37-48</u>	<u>\$15,914.00/mo., plus \$2,000 NNN</u>
<u>Months 49-60</u>	<u>\$16,391.00/mo., plus \$2,000 NNN</u>
<u>Months 61-64</u>	<u>\$16,883.00/mo., plus \$2,000 NNN</u>

2. CONSUMER PRICE INDEX ADJUSTMENT ON BASE MONTHLY RENT. The base monthly rent shall be increased on the first day of the second year of the Lease and on the first day of each year of the Lease thereafter (each, an "Adjustment Date") during the term of this Lease (but not during any extension term(s) unless specifically set forth elsewhere in the Lease or another Rider attached thereto). The increase shall be determined in accordance with the increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (all items for the geographical statistical area in which the Premises is located on the basis of 1982-1984 equals 100) (the "Index"). The base monthly rent payable immediately prior to the applicable adjustment date shall be increased by the percentage that the Index published for the date nearest preceding the applicable Adjustment Date has increased over the Index published for the date nearest preceding the first day of the Lease Year from which the adjustment is being measured. Upon the calculation of each increase, Landlord shall notify Tenant of the new base monthly rent payable hereunder. Within twenty (20) days of the date of Landlord's notice, Tenant shall pay to Landlord the amount of any deficiency in Rent paid by Tenant for the period following the subject Adjustment Date, and shall thereafter pay the increased Rent until receiving the next notice of increase from Landlord. If the components of the Index are materially changed after the Commencement Date, or if the Index is discontinued during the Lease term, Landlord shall notify Tenant of a substitute published index which, in Landlord's reasonable discretion, approximates the Index, and shall use the substitute index to make subsequent adjustments in base monthly rent. In no event shall base monthly rent be decreased pursuant to this Rider.

INITIALS: LANDLORD _____ DATE _____ TENANT SA DATE 3/28/12
 LANDLORD _____ DATE _____ TENANT _____ DATE _____



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Guaranty
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GUARANTY OF TENANT'S LEASE OBLIGATIONS RIDER

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This Guaranty of Tenant's Lease Obligations Rider (the "Guaranty") is made by Sahra H. Abdulle, whose address is 4238 S. 137th Street, Tukwila, WA 98168 ("Guarantor"), for the benefit of City of SeaTac ("Landlord"), whose address is 4800 South 188th Street, SeTac, WA 98188-8605.

- 1. Underlying Lease. Landlord and Sahra H. Abdulle, dba Sunset Int'l Furniture & Tabarak Wholesale/Retail Co ("Tenant"), have entered into that certain Lease Agreement dated March 28, 2012 (the "Lease") concerning the leased space commonly known as 15221 International Blvd., Suite 201, SeaTac, WA. (the "Premises").
2. Guaranty. Guarantor induced Landlord to enter into the Lease in consideration for Guarantor's guaranty, and Guarantor further acknowledges that it receives direct financial and economic benefits because Tenant will lease the Premises. Therefore, Guarantor absolutely, unconditionally and irrevocably guarantees to Landlord and its successors and assigns, without deduction by reason of set-off, defense or counterclaim, a) the full, punctual, and complete payment of all rent and other sums to be paid to Landlord under the Lease, including all attorney's fees, costs and expenses of collection incurred by Landlord in enforcing its rights and remedies under the Lease and this Guaranty; and b) the full, punctual, and complete discharge and performance of each and every other term, covenant, obligation and warranty of Tenant contained in the Lease. If Tenant defaults or breaches the Lease, Guarantor shall perform Tenant's obligations on Tenant's behalf. This Guaranty shall remain in full force and effect until all the terms, covenants, conditions, and agreements contained in the Lease are fully performed and observed. This Guaranty shall be enforceable against Guarantor without the necessity of any suit or proceeding on the part of Landlord against Tenant or any other party.
3. No Discharge of Guarantor. This Guaranty shall not be discharged and the liability of Guarantor shall in no way be affected by (a) the release or discharge of Tenant in any receivership, bankruptcy or other proceeding; (b) the impairment, limitation or modification of any liability to Landlord of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease or resulting from the operation of any present or future provision of federal or state bankruptcy or insolvency laws or other statute or from the decision in any court; (c) the rejection or disaffirmance of the Lease in any bankruptcy, insolvency, or similar proceeding; (d) the assignment, transfer, or encumbrance of all or any portion of the Tenant's interest in the Lease, the subletting of all or any portion of the Premises, or the granting to any third party of any rights of occupancy of all or any portion of the Premises; (e) waiver of discharge by Landlord of default or future performance by Tenant of any term of the Lease or Guaranty; (f) the exercise, forbearance, or election by Landlord of any of its rights or remedies reserved under the Lease, this Guaranty, or by law; (g) the release by Landlord of any security given to Landlord; or (h) any extension, renewal, amendment, expansion, or termination of the Lease.
4. Notice. Landlord shall have no obligation to notify Guarantor of any of the events described in Paragraph 3 of this Guaranty, and Guarantor waives any such notice and acknowledges specifically that such waiver includes notice of acceptance of this Guaranty, notice of any event of default under the Lease or this Guaranty, opportunity to cure any event of default under the Lease or this Guaranty, and proof of notice or demand to Tenant relating to any event of default. Guarantor hereby further waives any and all defenses, rights of subrogation, reimbursement, indemnification, contribution, and any other rights and defenses that are or may become available to it. Until all of the obligations of Tenant set forth in the Lease are fully performed and observed (including without limitation the payment of all rent and other sums required to be paid by Tenant to Landlord), Guarantor shall have

INITIALS: LANDLORD _____ DATE _____ TENANT SA DATE 5/28/12
LANDLORD _____ DATE _____ TENANT _____ DATE _____



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GUARANTY OF TENANT'S LEASE OBLIGATIONS RIDER

no right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor hereunder, and subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

- 5. **Attorneys' Fees.** If either party is required to employ an attorney to enforce or declare its rights hereunder, including in any appeal, bankruptcy or insolvency proceeding involving Tenant or any Guarantor, the prevailing party in any such action shall be entitled to recover its attorneys' fees and costs.
- 6. **Successors and Assigns.** The benefits of this Guaranty shall inure to the successors and assigns of Landlord and shall be binding upon Guarantor's successors, assigns, heirs, and legal and personal representatives.

GUARANTOR	DATE	GUARANTOR	DATE

SPOUSE (if personal guaranty)	DATE	SPOUSE (if personal guaranty)	DATE

INITIALS: LANDLORD _____ DATE _____ TENANT SA DATE 3/28/12
 LANDLORD _____ DATE _____ TENANT _____ DATE _____



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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 15, 2011 (the "Lease") between The City of SeaTac ("Landlord") and Sahra H. Abdulle, dba Sunset Int'l Furniture & Tabarak Wholesale/Retail Company ("Tenant") concerning the leased space commonly known as 15221 International Blvd., North Building, SeaTac, WA (the "Premises"), located at the property commonly known as SeaTac Center (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. The term of the Lease shall be extended on the same terms, conditions and covenants set forth in the Lease, except that (i) the amount of the Base Rent stated in the Lease shall be adjusted as set forth below (provided, however, that Base Rent shall not be decreased); (ii) there shall be no free or abated rent periods, tenant improvement allowances or other concessions that may have been granted to Tenant at the beginning of the initial term hereof; and (iii) after exercise of Tenant's final extension term option, there shall be no further extension or renewal term options.

OPTION: OPTION IS SUBJECT TO A REDEVELOPMENT CLAUSE: IN THE EVENT THAT LANDLORD WILL BE PURSUING REDEVELOPMENT OF THE PROPERTY, LANDLORD SHALL GIVE NOTICE TO TENANT NO LATER THAN SEPTEMBER 30, 2016 OF THEIR INTENT TO REDEVELOP AND RELOCATE TENANT OR VOID THE OPTION AGREEMENT.

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. Time is of the essence of this Rider.

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. All appraisers selected or appointed pursuant to this Rider shall be a Member of the American Institute of Real Estate Appraisers ("M.A.I.") with at least ten (10) years experience appraising commercial properties in the commercial leasing market in which the Premises are located, or equivalent. The appraiser appointed shall determine the fair market rental value for the Premises within twenty (20) days of appointment, which determination shall be final, conclusive, and binding upon both Landlord and Tenant, and Base Rent shall be adjusted accordingly for the new term. The appraiser's fees and expenses shall be shared equally between the parties.

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. The party receiving such notice shall then have ten (10) days to select and appoint its own M.A.I. appraiser and respond by giving written notice to the other party, complete with the name, address, and other identifying information about the appraiser. If, however, the responding party fails to select and appoint an appraiser and give notice to the other party within ten (10) days, the determination of the appraiser first appointed shall be final, conclusive and binding upon both parties, and the Base Rent shall be adjusted accordingly for the new term. The appraiser's fees and expenses shall be shared equally between the parties.

c. **Method of Determining Rent.** The appraisers appointed shall proceed to determine fair market rental value

INITIALS: LANDLORD _____ DATE _____ TENANT SA DATE 3/28/12
LANDLORD _____ DATE _____ TENANT _____ DATE _____



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OPTION TO EXTEND RIDER

within twenty (20) days following their appointment. The conclusion shall be final, conclusive and binding 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 SA DATE 3/28/12
 LANDLORD _____ DATE _____ TENANT _____ DATE _____

SeaTac City Council
REQUEST FOR COUNCIL ACTION
Department Prepared by: Community and Economic Development

Agenda Bill #: 3422

TITLE: Hiring of a Code Compliance Program Manager for an Ongoing, Full-time Permanent Position.

April 6, 2012

<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>April 24, 2012</u>
Ord/Res Exhibits:	<u>none</u>
Review Dates:	<u>CSS 3/27/12; CSS 4/10/2012</u>
Prepared By:	<u>Gary Schenk, Building Services Manager and Cindy Baker, Director, CED</u>
Director:	<u><i>Cindy Baker</i></u> City Attorney: <u><i>Mary Miriam Bartolo</i></u>
Finance:	<u><i>Aaron Ant</i></u> BARS #: <u>001.000.13.559.60.41.137</u>
City Manager:	<u><i>Todd Cott</i></u> Applicable Fund Name: <u>Code Enforcement Enhancement</u>

MR
1/28

SUMMARY: The Department of Community and Economic Development is requesting authorization for the hiring of a permanent, full-time Code Compliance Program Manager with the skill to design and implement a new code compliance program, including creating an Action Team. The position will at the same time actively participate in the actual code compliance activities. The initial focus of the program would be in and around the 154th Street Station.

DISCUSSION / ANALYSIS / ISSUES: The Code Compliance Program Manager position was created to design a code compliance program with a holistic approach and specifically to focus on improving economic development opportunities and livability in SeaTac. By hiring a person with greater skills who can develop and perform at a high experience level, the overall results are anticipated to be better, faster and strategic. It is expected that the person in this position would not only spend time creating the program but would also spend a majority of their time conducting code compliance activities.

For example, code violations that often influence development and livability include, but are not limited to vacant homes, graffiti, loitering, jay-walking, safety issues and litter. The initial part of the new program managed by the Program Manager would be on Area-Specific objectives in and around the 154th Street Station and later in other areas of the city. The objectives will include:

- increasing business and community awareness
- furthering the efforts of the neighborhood improvement program already made by Neighbors Without Borders,
- supporting and identifying methods for graffiti clean-up,
- creating more flexible and/or strict codes to achieve the overall goals of the program, including streamlined abatement processes if needed, and
- creating and establishing an Action Team with outside agencies that can mobilize and respond effectively for the toughest cases
- adding support for the current Code Compliance Officer

Also in support of the position and the program, there have been comments regarding the lack of “commercial” code enforcement. Most complaints are from citizens regarding residential violations in close proximity to their homes. Because of the amount of residential code compliance and limited staffing to address all violations, little time has been spent on responding to commercial violations of a police matter. Also, there is an overall tendency to enforce reactively as opposed to strategically and proactively. Consequently, because we receive fewer citizen complaints regarding commercial violations, which are

mostly reported by City staff and officials, the business climate and future potential development in the 154th Street Station area could be affected.

The Council approved \$105,000 in the 2012 budget for code compliance efforts, not specifying whether to hire consultants or staff. At the February Council Retreat and again at the March 27, 2012 Council Study Session, the Council agreed that a staff person could be hired but questioned whether a Program Manager or Compliance Officer was more appropriate. The budget was originally comprised of \$95,000 for salary and benefits and \$10,000 for program costs such as pamphlets, etc. Staff believes the program manager position with an estimated salary and benefits range of \$100,000 to \$123,000 better serves the City needs for the reasons mentioned above. As a manager, this position is non-represented.

The budget line item identified in 2012 for this effort will adequately fund a full-time position through 2012 and the associated \$10,000 program costs. There is expected to be realized savings by not hiring the Manager for five to six months into the 2012 calendar year. It is anticipated that this new position will incur a 5% salary increase for successfully making it through the 6-month probationary period, at which time the position would continue to receive annual step increases for the duration defined within the parameters of the job description. In future years, funding for the the Program Manager position would continue to be requested along with any specific program costs suggested by the Action Team.

RECOMMENDATION(S): It is recommended that the Council pass this motion.

FISCAL IMPACT: This position is covered in 2012 by the \$105,000 budget allocated to code compliance enhancement. In 2013, there would be an incremental step increase of 5%. The salary & benefit funding difference between a Code Compliance Officer position and the Code Compliance Program Manager position is an estimated range of \$13,000 to \$17,000. The Code Compliance Officer would also be a represented position (overtime consideration) and the Code Compliance Manager position is salaried.

ALTERNATIVE(S):

- 1) Do not pass this motion and continue with the current staffing level in code compliance, with the same level of service and reactive versus strategic and proactive approach.
- 2) Hire a Code Compliance Officer to assist with the city-wide effort to respond only to violations.

SeaTac City Council REQUEST FOR COUNCIL ACTION

Department Prepared by: Fire

Agenda Bill #: 3421

TITLE: A Motion Establishing an Exploratory Process, To Explore Consolidation Considerations Between the City of SeaTac Fire Department and the Kent Fire Department RFA

<i>April 2, 2012</i>	
___ Ordinance ___ Resolution <u>X</u> Motion ___ Info. Only ___ Other	
Date Council Action Requested:	<u>April 24, 2012 RCM</u>
Ord/Res Exhibits:	
Review Dates:	<u>1/10/12 PS&J, 2/24/12 Council Retreat, 3/27/12 Council Presentation, 04/10/12 CSS</u>
Prepared By:	<u>Jim Schneider, Fire Chief</u>
Director:	<u><i>Jim Schneider</i></u> City Attorney: <u><i>Mary Miranda Barolo</i></u> <i>me</i>
Finance:	<u><i>Garrett</i></u> BARS #: _____
City Manager:	<u><i>Todd Cotto</i></u> Applicable Fund Name: _____

SUMMARY:

Motion establishing an Exploratory Process, to explore consolidation considerations between the City of SeaTac and the Kent Fire Department RFA.

DISCUSSION / ANALYSIS / ISSUES:

An initial presentation was given to the Public Safety and Justice Committee on January 10, 2012; as requested a presentation was given and discussion occurred at the SeaTac City Council Retreat on February 24, 2012; as requested, at the City Council meeting on Tuesday, March 27, 2012, a presentation was made to the SeaTac City Council, where there was additional discussion. The SeaTac Fire Department is requesting a Motion to establish an Exploratory Consideration Process, to review additional consolidation considerations in 2012 between the SeaTac Fire Department and the Kent Fire Department RFA.

The Exploratory Process will occur between May 2012, and July 2012. Fire Administration will then create a White Paper reviewing the data collected during the Exploratory Process; answer questions we have identified from other jurisdictions experiencing consolidation; and evaluate if consideration of the two fire departments would bring better services at a more sustainable cost effective level.

The department will present the White Paper to the SeaTac City Council and Kent Fire Department RFA Governance Board in the Fall of 2012 .

RECOMMENDATION(S):

It is recommended that the Motion be carried

FISCAL IMPACT:

The Exploratory Process would have no direct fiscal impact.

ALTERNATIVE(S):

- 1) Adopt the Motion
- 2) Do not adopt the Motion

ATTACHMENTS:

None

SeaTac City Council
REQUEST FOR COUNCIL ACTION

Department Prepared by: City Manager's Office

Agenda Bill #: 3423

TITLE: A Joint Resolution to formally recognize the Highline Communities Coalition (HCC) in collaboration with the Cities of Burien, SeaTac, and Normandy Park and the Highline School District and to authorize Mayor Anderson to sign said resolution substantially in the form as attached.

<i>April 5, 2012</i>	
<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>RCM 4/24/12</u>
Ord/Res Exhibits:	_____
Review Dates:	<u>CSS 4/10/12</u>
Prepared By:	<u>Todd Cutts, City Manager</u>
Director:	<u><i>Todd Cutts</i></u> City Attorney: <u><i>Mary Mirante Bartolo</i></u>
Finance:	<u><i>Ava</i></u> BARS #: _____
City Manager:	<u><i>Todd Cutts</i></u> Applicable Fund Name: _____

MR

SUMMARY: A Joint Resolution to formally recognize the Highline Communities Coalition in collaboration with the Cities of Burien, SeaTac, and Normandy Park and the Highline School District and to authorize Mayor Anderson to sign said resolution substantially in the form as attached.

DISCUSSION / ANALYSIS / ISSUES: In 2007, Councilmember Rose Clark, City of Burien, and School Board President Bernie Dorsey, Highline School District, began meeting monthly on Saturday mornings and soon decided that their jurisdictions should be exploring ways to work together since they served the same communities. After a few months, they invited electeds from SeaTac (Mia Gregerson), Normandy Park (Shawn McEvoy), and Des Moines (Matt Pina) to the meetings. The collaborative moved forward as the Highline Communities Coalition (HCC) to continue to discuss issues related to vibrant Highline communities.

In 2010, the HCC (Cities of Des Moines, Burien, SeaTac and Normandy Park and Highline School District) each applied for grant funding from Seattle-King County Dept. of Public Health to change policies, systems and environments to promote vibrant and livable Highline communities.

From 2010-2012, each of the Cities and the School District received grant funding from Seattle-King County Dept. of Public Health and worked together to successfully achieve grant deliverables targeting over 12 policy areas for healthier Highline citizens and communities.

The mission of the HCC is to develop sustainable relationships to maximize resources and services to support thriving families, schools, and communities. The coalition will continue to meet regularly to discuss characteristics of vibrant communities and identify where the coalition can collaborate to leverage collective resources efficiently and effectively and gain new resources for the betterment of Highline citizens.

Examples of characteristics of vibrant communities that the HCC is targeting include and are not limited to: 1) Community events and traditions that encourage social interaction and sharing; 2) community awareness, attachment, education, and involvement that encourages everyone; and 3) safe, clean, well-lit connected neighborhoods that encourage mobility, interaction, physical activity, and play.

The HCC will develop consistent policies and leverage resources to promote regional vitality. A Joint Resolution strengthens the coalition's capacity to create vibrant Highline communities where residents, families, and schools thrive.

RECOMMENDATION(S): Deputy Mayor Mia Gregerson represents the City of SeaTac on the HCC and supports the Joint Resolution.

FISCAL IMPACT: The HCC will make the most efficient and effective use of existing resources. There will not be a negative financial impact to the City.

ALTERNATIVE(S):

- 1) Authorize the resolution.
- 2) Do not authorize the resolution.

ATTACHMENTS:

JOINT RESOLUTION

City of Burien

City of Des Moines

City of Normandy Park

City of SeaTac

Highline School District

A JOINT RESOLUTION of the Burien, Des Moines, Normandy Park, and SeaTac City Councils and the Highline School District School Board, formally recognizing the Highline Communities Coalition, committing to sustained participation, and giving reasonable consideration to all efforts brought forward by the group.

WHEREAS, in the spirit of cooperation and with the intent of maximizing the benefits to the citizens of the Highline Community; and

WHEREAS, the Highline Communities Coalition (HCC) is a voluntary collaborative made up of elected representatives from the Burien, Des Moines, Normandy Park, and SeaTac City Councils and the Highline School District School Board; and

WHEREAS, it is the intent for the HCC to meet several times per year to discuss potential areas where our municipalities can cooperate by leveraging our collective resources for the betterment of our citizens; and

NOW, THEREFORE, WE HEREBY RESOLVE as follows:

1. The Highline Communities Coalition is formally recognized, and the jurisdictions below are committed to sustained participation and will give reasonable consideration to all efforts brought forward by the group.
2. Effective Date. This resolution shall take effect immediately upon passage by each agency.

**JOINT RESOLUTION
FORMALLY RECOGNIZING HIGHLINE COMMUNITIES COALITION**

The **City of Burien** City
Council passed Resolution No.
_____ at its _____
Regular Council Meeting.

Brian Bennett, Mayor

Attest/Authenticate
Monica Lusk, City Clerk

Approve as to form
Craig D. Knutson, City Attorney

The **City of Des Moines** City
Council passed Resolution No.
_____ at its _____
Regular Council Meeting.

Dave Kaplan, Mayor

Attest/Authenticate
Sandy Paul, City Clerk

Approve as to form
Pat Bosmans, City Attorney

The **City of Normandy Park**
City Council passed Resolution
No. _____ at its _____
Regular Council Meeting.

Clarke Brant, Mayor

Attest/Authenticate
Debbie Burke, City Clerk

Approve as to form
James Haney, City Attorney

The **City of SeaTac** City
Council passed Resolution No.
_____ at its _____
Regular Council Meeting.

Tony Anderson, Mayor

Attest/Authenticate
Kristina Gregg, City Clerk

The **Highline School District**
School Board passed Resolution
No. _____ at its _____
Meeting.

Angelica Alvarez, President

Attest/Authenticate
Dr. Alan Spicciati, Board Secretary

Mary Mirante Bartolo

Approve as to form
Mary Mirante Bartolo,
City Attorney

7. PRESENTATIONS:

- **Resident Survey Result Briefing (30 minutes)**

By: Program Manager Soraya Lowry

- **Edward Bryne Memorial Justice Assistance Grant Program (10 minutes)**

By: Administrative Captain Annette Louie

- **Council consideration of Mayoral Re-Appointment of Valerie Allan to the Human Services Advisory Committee (5 minutes) (Scheduled for confirmation at the April 24, 2012 Regular Council Meeting)**

By: Mayor Tony Anderson

- **Citywide Employee Training Plan (10 minutes)**

By: Human Resources Director Anh Hoang



MEMORANDUM

Date: April 6, 2012
To: City of SeaTac Mayor and Council
From: Kristina Gregg, City Clerk *K&G*
Subject: Citizen Advisory Committee Re-appointment

Please be advised that Mayor Tony Anderson has selected, for the Council's consideration, the following individual that he feels is best qualified to serve as a member of the Human Services Advisory Committee. The re-appointment is being presented at the April 10, 2012 Regular Council Meeting for your consideration and then, if accepted by Council, at the April 24, 2012 Regular Council Meeting for confirmation of re-appointment.

Re-Appointment:

Human Services Advisory Committee:

- Valerie Allan to fill a term ending December 31, 2015

* Please note that Ms. Allan was an alternate member of the Human Services Advisory Committee. The City Council appointed her as a full member in January 2012 to fill an unexpired term ending April 28, 2012.

Attachment: Application

8. PRESENTATIONS:

- **South King Council of Human Services (5 minutes)**

By: Program Director Nathan Phillips

- **Southwest King County Chamber of Commerce (10 minutes)**

By: President/CEO Lynn Wallace

- **Port of Seattle Century Agenda Conversation (20 minutes)**

By: Port of Seattle Commission President Gael Tarleton / Port of Seattle
Commissioner John Creighton

**PAYROLL/CLAIMS VOUCHERS WERE SENT
ELECTRONICALLY TO THE CITY COUNCIL
A HARD COPY OF THE VOUCHERS
CAN BE VIEWED IN THE CITY CLERK'S OFFICE**

SUMMARY OF PURCHASE REQUESTS \$5,000-\$35,000

For April 10, 2012 - Regular Council Meeting

Period ended April 4, 2012

<u>Item Description</u>	<u>Department</u>	<u>BARS Number</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Estimate</u>	<u>Additional Information</u>
Replace Carpet - 2nd Floor, City Hall	Parks & Recreation	108.000.12.518.30.48.000	\$10,000	\$10,000	\$10,000	Suite 220 of City Hall Building
Fireworks Display (Angle Lake Fireworks Show - July 4th)	Parks & Recreation	001.000.10.574.24.41.000	\$10,000	\$10,000	\$10,000	Two payments due to Angle Lake Shore Club providing support to annual community event. NOTE: 1st payment of \$5,000 due May 15; 2nd payment is due on July 15th, following the event.

City Council/City Manager Travel Summary
Consent Agenda: 4.10.12

Travel Pre-Approval Requests: None

Travel Expense Approval:

*Pre-Approval/Budgeted Amount: \$2,490 per city official
NLC Conference, Washington D.C., March 10-14, 2012*





Prior expenses submitted and approved at 3/27/12 RCM

Name: Mia Gregerson	City Mastercard	Personal Reimbursement
Lodging		
Meals *includes other Councilmembers		237.09*
Transportation (taxis, metro pass)		72.00
Registration		
Total		\$309.09

SeaTac City Council
REQUEST FOR COUNCIL ACTION
Department Prepared by: Parks and Recreation

Agenda Bill #: 3407

TITLE: An Ordinance authorizing the City Manager to execute a contract with MacLeod Reckord to design Angle Lake Park Phase II improvements, and amending the City's annual budget.

March 19, 2012	
<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested: RCM 04/10/2012	
Ord/Res Exhibits: Exhibit A—Proposed contract	
Review Dates: CSS 03/27/2012	
Prepared By: Kit Ledbetter, Parks and Recreation Director	
Director: <u></u>	City Attorney: <u></u>
Finance: <u></u>	BARS #: 301.000.04.594.76.63.119
City Manager: <u></u>	Applicable Fund Name: Municipal Capital Improvement Fund

MR


SUMMARY: The proposed Ordinance authorizes the City Manager to execute a contract with MacLeod Reckord to design Angle Lake Park Phase II improvements. In addition, the Ordinance amends the 2012 Annual City Budget to appropriate the funding necessary to complete the design in 2012.

DISCUSSION / ANALYSIS / ISSUES: This design would complete the Master Plan for Angle Lake Park that was approved by the City Council on September 10, 1996. Staff had several Landscape Architects that were interviewed in 1996 and MacLeod Reckord was the most qualified. Staff is recommending rehiring MacLeod Reckord because they are the most qualified firm to complete Phase II and they did an outstanding design for Angle Lake Park Phase I. The plan is to complete the design and bid the project in late December 2012, so we can start construction as early as possible in 2013 and complete the project before the International Festival and 4th of July.

The Angle Lake Park Phase I project was completed in 1996. The cost estimate for Phase II was completed in 1998, and has been carried forward every year since. The park improvements will include two new rentable picnic shelters, a spray waterpark, regrading the area south of the performing stage, renovating the lower parking lot, removing the old roadway, installing a new pathway system, and installation of a new irrigation throughout the park. Staff used the Washington State Architect and Engineer fee schedule to negotiate the fees for this project. The fee is \$194,219 plus a contingency of 10% (\$19,422) for a total request not to exceed \$213,641. Ed MacLeod will attend the study session and be available to answer questions.

RECOMMENDATION(S): It is recommended that the Ordinance be adopted.

FISCAL IMPACT: The 2012 Budget approved \$100,300. However, the 2012—2017 Capital Improvement Plan (CIP) provided a total of \$386,653 for design services (\$100,300 in 2012 and \$286,353 in 2013). Therefore, an additional appropriation needs to be made if the entire design is to be completed in 2012. The proposed Ordinance amends the City's 2012 budget to appropriate an additional \$93,613 in the Municipal Capital Facilities Fund #301 that will be paid for through Real Estate Excise Taxes (REET). This means that a total of \$193,913 will be appropriated in 2012 for the Angle Lake Park Phase II design. This amount will pay for 80% of the architect fee plus a 10% contingency, and \$23,000 for additional survey and geotechnical work that may be necessary to complete the design. The remaining portion of the architect's fees will be requested as part of the 2013 budget process.

ALTERNATIVE(S): 1) Hire another landscape architect firm to design the project; 2) Hire the same architect but do not amend the 2012 Budget. This would mean that only a portion of the design work would be completed in 2012, with the remainder to be completed in 2013. If this were to occur, the construction would not be completed prior to the current target of early Summer, 2013; 3) Do not complete the project at this time.

ATTACHMENTS: None.

ORDINANCE NO. _____

AN ORDINANCE of the City Council of the City of SeaTac, Washington, authorizing the City Manager to execute a contract with MacLeod Reckord to design Angle Lake Park Phase II improvements, and amending the 2012 Annual City Budget.

WHEREAS, the SeaTac City Council has reviewed Agenda Bill #3407, submitted by the Parks and Recreation Department; and

WHEREAS, the City's 2012—2017 Capital Improvement Plan provided that design costs for the Angle Lake Park Phase II project design would be split between the 2012 and 2013 budget years; and

WHEREAS, it is now proposed that a bulk of the design costs be borne in the 2012 budget year; and

WHEREAS, amendment to the City's 2012 Annual City Budget is necessary to provide additional appropriation authority to pay for design costs that were originally going to be appropriated in 2013;

WHEREAS, the additional appropriation will utilize Real Estate Excise Taxes (REET);

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN as follows:

Section 1. The 2011 Annual City Budget shall be amended to increase expenditures by \$93,612 in the Municipal Capital Improvements Fund #301.

Section 2. The City Manager is authorized to sign an agreement with MacLeod Reckord, in substantially similar form as attached hereto as Exhibit A, for the design of the Angle Lake Park Phase II improvements.

Section 3. This Ordinance shall not be codified, and shall be in full force and effect five (5) days after passage and publication as required by law.

ADOPTED this _____ day of _____, 2012, and signed in authentication thereof on this _____ day of _____, 2012.


CITY OF SEATAC

Tony Anderson, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to Form:



Mary E. Mirante Bartolo, City Attorney

[Effective Date: _____]

[Angle Lake Phase II]

CITY OF SEATAC
PARKS CAPITAL IMPROVEMENT PROJECT
CONSULTANT AGREEMENT

THIS AGREEMENT, is made and entered into this ____ day of March, 2012, by and between City of SeaTac, Washington, hereinafter called the "Owner," and MacLeod Reckord, PLLC, hereinafter called the "Consultant", on the following terms and conditions.

WITNESSETH:

WHEREAS, the Owner proposes to proceed with the design and construction of Angle Lake Park Phase II, hereinafter called the "Project"; and

WHEREAS, the Consultant is willing to provide the said services;

NOW, THEREFORE, the Owner and the Consultant, for consideration hereinafter named, agree to the following Scope of Services:

1. The Consultant agrees to perform and furnish the following Basic services for the above-mentioned project as well as those specific basic professional services set forth at Article III of this Agreement:

BASIC SERVICES

- a. Civil Engineering (including a TIR report)
- b. Landscape Architecture (including irrigation design)
- c. Architecture
- d. Electrical Engineering
- e. Structural Engineering

and all other services customarily furnished by an Landscape Architect and its consultants. Per the attached scope of work for Angle Lake Park Phase II.

2. **EXTRA SERVICES** (may include but not limited to the following)
 - a. Land Surveying (to be completed by owner)
 - b. Geotechnical Engineering
 - c. Value Engineering
 - d. Wetlands Studies
 - e. Environmental Studies
 - f. Environmental Impact Statements
 - g. Seismic Engineering
 - h. Level II (and above) Drainage Report for King County DDES
 - i. Shoreline, Corps of Engineers Permits

3. The Owner agrees to pay the Consultant as compensation for all basic services described in Paragraph 1, above, and in Articles III of this Agreement, a lump sum fee of \$194,219. The said total compensation includes all reasonable and necessary expenses incurred in connection with this project, including, but not limited to, means, lodging, transportation, telephone and electronic transmission charges, reproduction, printing, and other direct costs.

ARTICLE I - THE OWNER'S RESPONSIBILITIES:

- A. The Owner shall designate a Representative authorized to act on the Owner's behalf. The Consultant shall communicate with the City only through the Owner's Representative.
- B. The Owner's Representative shall furnish the Consultant with a written program for the project, and site information on file with the Parks Division including record documents if available. The written program (Program) may include the detailed summary of the Owner's needs, desired elements and design objectives.
- C. The Owner shall pay for any required additional testing, studies or surveying which the Consultant identifies and the Owner's Representative agrees, in writing, is necessary to complete the design and construction.
- D. The Owner's Representative shall furnish the Consultant sample general requirement documents containing the construction contract requirements of the Owner.
- E. The Owner's Representative shall examine documents submitted by the Consultant, render decisions and advise the Consultant promptly to avoid unreasonable delay in the progress of the Consultant's work.
- F. The Owner's Representative shall provide the Consultant with written authorization to proceed with the Design Development Phase after the satisfactory completion of the Schematic Design Phase and with Construction Documents after the satisfactory completion of Design Development.
- G. The Owner's Representative shall arrange and pay for the required advertisements for bids, shall distribute bid documents, conduct the bid opening, and may award a contract to the successful bidder.
- H. The Owner's Representative shall arrange and pay for any required inspection and testing of the quality and placement of critical construction materials during construction.
- I. The Owner's Representative shall follow the procedure of issuing orders to Contractors only through the Consultant except in case of an emergency, a threat of injury to persons or property, or when the Owner's policies, personnel, or property are involved. In each case the Owner's Representative will promptly notify the Consultant of the action taken.
- J. The Owner's Representative will make routine on-site inspections. He shall consult with the Consultant on problems as they may arise and assist the Consultant in matters relative to coordinating the progress of the work.
- K. The Owner shall provide to the Consultant, the following:
 - Boundary and topographic survey of existing conditions of the site.
 - All permits associated with the project without cost. Consultant will provide information related to the extra services which is necessary to obtain any permits.

ARTICLE II - THE CONSULTANT'S RESPONSIBILITIES:

- A. The Consultant shall cooperate with the Owner in the accomplishment of all items listed in Article I, "The Owner's Responsibilities."
- B. The Consultant shall not employ any design subconsultants on this project unless they have been approved by the Owner's Representative.
- C. The Consultant shall identify and inform the Owner's Representative in writing of all applicable codes, requirements, permits, and approvals necessary from Federal, State, and local governments, agencies, and parties.

- D. The Consultant shall notify the Owner's Representative of additional testing, studies, or surveying necessary to complete the design. The Consultant shall call for, define the scope of and coordinate testing, study or survey approved by the Owner's Representative.
- E. The Consultant shall design all work in accordance with all applicable laws, statutes, codes, standards and regulations.
- F. The Consultant shall promptly perform without limitation all phases, as detailed in Articles III, IV, and V of this Agreement, so as to ensure that neither the Contractor nor the Project is delayed by action or omission of the Consultant. It shall be the Consultant's responsibility to inform the Owner's Representative of any deviations from the project time schedule (PTS).
- G. The Consultants shall prepare all drawings on 24 inch X 36 inch. All documents and original drawings shall become the property of the Owner.
- H. The Consultant shall be responsible for and correct any errors, inconsistencies and omissions in the drawings, specifications and other documents prepared by the Consultant, at no additional cost to the Owner.
- I. All costs arising during construction which are due to the errors of the Consultant, or are necessary to accommodate the omissions in the Consultant's design, shall be borne by the Consultant, except that the Consultant shall not bear the cost of actual construction or installation of the omitted item.

ARTICLE III - BASIC SERVICES OF THE CONSULTANT

A. Schematic Design Phase

The Consultant shall:

1. Consult with the Owner's Representative to ascertain, confirm or recommend revision to the general and detailed requirements for the project as indicated in the Program.
2. Accomplish necessary and reasonable site inspections, interviews, research, analysis and Program reviews. Verify existing site conditions.
3. Identify zoning and building codes and ordinances that have jurisdiction over the project. Contact all permitting authorities to determine specific code and permitting requirements and procedures that affect the project.
4. Coordinate with applicable utility districts and/or companies to obtain utility location drawings and to determine all service connection and/or extension requirements, schedules, assessments and fees necessary to obtain construction approvals.
5. Analyze all conditions and requirements of the project and illustrate with the Schematic Design Documents the Consultant's proposed design solution to the Program requirements. The Schematic Design Documents shall include:
 - (a) The drawings of site plan, floor plans, elevations and sections sufficient to indicate site conditions, general scope and character of the project, and size, location and relationships of the project components, including diagrammatic or schematic drawings of proposed mechanical, electrical and structural systems.
 - (b) The outlined specification, addressing all aspects of the work, and narrative descriptions of the proposed mechanical, electrical and structural systems.

- (c) The preliminary construction cost estimate, as projected to the time of bidding, based on comparable area, volume, or appropriate unit costs in a format approved by the Owner's Representative.
 - (d) The projected time schedule (PTS) showing all of the related activities of the project. The PTS shall cover the period beginning with Consultant's Notice to Proceed through Final Warranty periods.
6. Present copies of the schematic design, preliminary cost estimate, and projected time schedule to the Owner's Representative.
 7. Present the schematic design to the Design Review Committee.
 8. After review by the Owner, Design Review Committee, and when sought by the Owner, provide the Owner's Representative a written response to all review comments. The response shall include budget and schedule impacts.
 9. Revise Schematic Documents as directed by Owner's Representative.
 10. Obtain from the Owner's Representative authorization to proceed with Design Development.

B. Design Development Phase:

The Consultant shall:

1. Upon authorization from the Owner's Representative to proceed, prepare Design Development Documents which expand, elaborate, fix and describe the accepted Schematic Design solution. All Design Development documents shall reflect the revisions or developments which occurred during this phase. The Design Development Documents shall include:
 - (a) The drawings of site plan, floor plans, preliminary grading plans, elevations, sections, and details showing all site conditions, project components, mechanical, electrical and structural systems, and utilities. Illustrate in sufficient detail to define the dimensions, locations, volumes, materials, appearance, and finishes of the project components necessary to produce a complete and functional finished facility.
 - (b) The outlined specification, and narrative descriptions of the electrical and structural system. Also, the Consultant shall provide Division I Technical Specifications which the Consultant has reviewed and modified to ensure that no provision or requirement conflicts with those contained in the Owner's General Conditions, Special Provisions, Instructions to Bidders, Form of Bid or other sample documents provided to the Consultant under paragraph F of article I.
 - (c) The preliminary construction cost estimate as projected to the time of bidding.
 - (d) The projected time schedule (PTS).
2. Arrange for and attend any required pre-application meetings and contact permitting authorities as necessary to determine or clarify project specific permit requirements. Provide the Owner's Representative with written meeting or telephone conversation notes and an evaluation of the probable program and cost impacts of each of the permitting authorities' review comments.
3. Prepare Technical Information Report to meet City of SeaTac Storm Drainage requirements.

4. Contact applicable utility districts and/or companies to confirm that service connection and extension requirements, schedules, assessments, and fees necessary to obtain construction approvals have not changed since the Schematic Phase.
5. Present one (1) copy of the Design Development Documents to the Owner.
6. Present two public meetings (one day time and one evening) for design.
7. Revise Design Development Documents as directed by the Owner's Representative.
8. Obtain from the Owner's Representative authorization to proceed with Construction Documents Phase.

C. Construction Documents Phase:

The Consultant shall:

1. Upon authorization from the Owner's Representative to proceed, prepare Construction Documents which describe the accepted Design Development solution in sufficient scope, extent and detail to produce a complete and functional facility. All Construction Documents shall reflect the revisions to developments which occurred during this phase. The Construction Documents shall include:
 - (a) Construction Drawings sufficient in scope, extent, detail and format to:
 - i. obtain all necessary construction permits and approvals
 - ii. obtain competitive bids
 - iii. construct and complete the project.
 - (b) A Project Manual which shall consist of the Owner's general requirement documents modified by the Consultant to reflect the specific project requirements, and the Technical Specifications calling for terms and conditions, materials, equipment, execution, workmanship and finishes for the project in sufficient detail and format to:
 - i. obtain all necessary construction permits and approvals
 - ii. obtain competitive bids
 - iii. construct and complete the project.
 - (c) All reports, appendices, calculations and other technical information necessary to supplement and support the drawings to obtain all necessary construction permits and approvals.
 - (d) The Final Construction Cost estimate, as projected to the time of bidding, which the Consultant has revised to reflect current costs as well as modifications and additions made during the Construction Documents phase.
 - (e) The projected time schedules (PTS). The Consultant shall adhere to the said schedule.
2. Examine and check completed construction documents to verify completeness, accuracy and continuity between drawings and specifications.
3. Submit six (6) copies of the drawings at least 90% completed and other documents to the Owner's Representative for review and internal approval.
4. Revise and correct Construction Documents as directed by the Owner's Representative.

5. Assemble complete permit application documents with required number of copies necessary to obtain Commercial Building and Grading permits and other necessary construction approvals.
6. Present the application documents to permitting authorities and other governmental authorities, including utility districts or companies with jurisdiction over the project in application for such necessary permits and approvals.
7. During the permit and approvals process: meet with permitting and approval authorities to answer questions or clarify provisions in the application documents; provide the Owner's Representative with meeting or phone notes describing all review comments of permitting and approval authorities and the potential impact of the review comments on project Program and cost. Make changes agreed upon by Owner's Representative and permitting or approval authorities.
8. Provide the Owner's Representative with the names and addresses of Contractors who may wish to bid the project.

D. Bid Phase:

The Consultant shall:

1. Upon authorization from the Owner's Representative to proceed, oversee the printing and collating of sets of Bid Documents which include: construction drawings, Project Manual, and loose leaf Form of Bid. Provide for the delivery of the Documents to City of SeaTac for distribution and bidding. Arrange for printing and delivery of additional sets as requested by the Owner's Representative. Owner will pay direct printing costs for above.
2. Answer planholder's questions to clarify the bid documents, and approve or reject planholder-proposed substitutions.
3. Keep notes describing all planholder contacts and apprise Owner's Representative daily during the bid phase of all planholder questions in a timely fashion.
4. Attend and conduct a pre-bid meeting at the project site if necessary. Circulate a sign-in sheet, take notes and provide the Owner's Representative with written meeting minutes.
5. Prepare addenda as needed to notify planholders of corrections, clarifications and substitutions using addenda format provided by Owner's Representative. Obtain approval from Owner's Representative of addenda prior to issuing to City of SeaTac for distribution to planholders.
6. After Bid Opening, evaluate the bids and assist the Owner's Representative with developing a Recommendation of Award of Bid.

E. Construction Phase:

The Consultant shall:

1. Assume the role and perform the duties of "Architect" as described in the Contract Documents. Be prepared to assist the Owner's Representative by whatever means necessary to ensure the orderly and prompt execution of the work.
2. Prior to the pre-construction conference, review the construction documents and prepare for distribution at the pre-construction conference, a list of warranties, shop drawings, and product submittals that the Contractor will be required to submit, as well as a list of the points in the work where testing and inspection will be required.

3. Attend the pre-construction conference and write and distribute notes to all parties in attendance.
4. Evaluate with the Owner's Representative the Construction Schedule, Job Cost Breakdown, and List of Subcontractors and Materials submitted by the Contractor and accept or modify each.
5. Conduct periodic site observations and progress meetings throughout the construction of the project sufficient to determine whether the quality and progress of the work is in accordance with the contract documents and schedule. At a minimum, this shall include visiting the site at least once every other week while in construction and observing all critical phases of construction, such as: pouring concrete, aligning and adjoining subterranean pipes, establishing grades, laying asphalt, and similar activities that are difficult to alter or correct once set or covered by additional work. For each visit to the site, the Consultant shall record his observations, time and date of visit, number of construction personnel and equipment on the site, the progress of the work, and any existing or potential deviations of the work from the construction documents or schedule. The Consultant shall provide the Owner's Representative with a copy of all site observation reports and meeting notes. The Consultant shall require subconsultants to conduct site observations as required to adequately observe the work they have designed and to attend progress meetings as mutually agreed by the Owner's Representative and Consultant.
6. Guard the Owner against defects and deficiencies in material and in the workmanship of the Contractor. The Consultant shall advise the Owner's Representative of work which does not conform to the Contract Documents, any non-conforming work which should be rejected, and required corrective work as needed. It is understood that the Consultant does not guarantee the performance of the Contractor, nor does the Consultant's observation of the work constitute supervision or superintendence of the work.
7. Arrange for, attend, conduct, and take notes at weekly job progress meetings with the Owner's Representative, Contractor, pertinent trades, authorities, and subconsultants. At the job progress meeting the Consultant shall review current and planned work progress in relationship to the Contract Documents and Schedule, identify problems in the work and changes to the work. The meeting notes shall describe the decisions and discussions of the meeting. The Consultant shall distribute meeting notes to all parties in attendance, make agreed upon changes to the notes, and maintain a record of amended meeting notes throughout the construction of the job.
8. Promptly check and approve or modify shop drawings, samples, schedules and any other submittals from the Contractor for conformance with the design concept of the project and for compliance with the Contract Documents and secure the approval of the Owner's Representative.
9. Receive and review the Contractor's Certificates for Payment. Prior to signing the Certificates, the Consultant shall confirm that all work for which pay is being approved has been completed and is in apparent conformance with the Contract Documents, and that the Contractor's Record Set of Drawings and Specifications has been updated to accurately reflect work completed.
10. Assist the Owner's Representative in accomplishing necessary or appropriate changes to the Contract work by one of the Owner's approved methods. Assistance shall be the form of:
 - (a) Identify when changes are necessary or beneficial and provide the Owner's Representative with alternative solutions along with cost and schedule implications. Recommend to the Owner's Representative the preferred solution and with the concurrence of the Owner's Representative, design or define the selected change, and transmit it to the Contractor on a Change Proposal form.

- (b) Receive, review, analyze and recommend disposition of Change Proposals initiated by the Contractor.
 - (c) After consulting with the Owner's Representative, issue Field Directives to the Contractor for changes in the work which are necessary to prevent damage to property or life. If the Directive is oral, follow up with a written Field Directive form.
 - (d) Assist the Owner's Representative in negotiating a fair and reasonable price and extension of time, if necessary, for the agreed upon changes in the work.
 - (e) At the request of the Contractor and with the concurrence of the Owner's Representative, or at the request of the Owner's Representative, collect approved Change Proposals, Field Directives, or other documentation acceptable to the Owner's Representative, and prepare Contract Change Orders. Provide the Owner's Representative with completed Change Order forms with sufficient detail and in sufficient number for the Owner's Representative.
- 11. Issue written interpretations of the Construction Documents in response to all requests for information from Contractors, subcontractors, or suppliers.
 - 12. When the Consultant determines construction near completion, or ten (10) days prior to PTS for completion, whichever is sooner, prepare a preliminary punchlist which describes work to be completed or corrected.
 - 13. Upon notice from the Contractor, or at the expiration of the construction period as defined in the Contract Documents, whichever is sooner, arrange for and conduct the Final Inspection of the work. The Consultant shall take notes of the inspection, recording all decisions and prepare the Final Punch List, which describes the work which is not in conformance with the Contract Documents. The Consultant shall distribute the notes of the inspection to all those in attendance.
 - 14. Upon notice from the Contractor of 100% completion of all final Punch List items, re-inspect the work to confirm that it is in conformance with the Contract Documents.
 - 15. When, in the opinion of the Consultant, all work has been satisfactorily completed, make written recommendation to the Owner to accept the work.
 - 16. Upon completion of construction, obtain, review for conformance with Contract Documents written guarantees, operating and maintenance manuals and instructions required in the Contract Documents. The Consultant shall transmit approved documents to the Owner's Representative.

F. Record Drawings Phase:

The Consultant shall:

- 1. Prepare record data from Contractor's "as-built" data and submit to Owner's Representative as follows:
 - (a) Drawings shall be corrected to reflect Contractor modifications and submittals.
 - (b) Detail drawings bound in the technical specifications shall be corrected from Contractor as-built data reformatted for 2' x 3' drawing sheets.
 - (c) Utility Drawings prepared by others shall be checked for as-built data.

All data above shall be submitted to the Owner's Representative within 30 days of receipt of Contractor's as-built data. All documents and drawings shall become the property of the Owner.

2. During the warranty period of the construction contract, assist the Owner's Representative in securing correction of defects that become apparent. Prior to the expiration of the warranty period, arrange for and conduct with the Owner's Representative and Contractor, an inspection of the work that was installed under the construction contract. Take notes and report to the Contractor and the Owner's Representative any observed deficiencies in workmanship or material.

ARTICLE IV - EXTRA SERVICES OF THE CONSULTANT:

It is Owner's intention to complete this project through construction and final acceptance. In addition to work performed under the BASIC of this Agreement, the Consultant may be requested in writing to perform extra or follow-on work to complete this project. In such event, the parties hereto have the right to amend this Agreement to include these extra services.

ARTICLE V - PAYMENTS TO THE CONSULTANT FOR BASIC SERVICES:

Payments to the Consultant for basic services work shall be made monthly in proportion to services performed, and shall not exceed the following percentages of the total contract price herein at the completion of each phase of work, with the exception of Extra Services performed under Article IV:

Schematic Phase	15%
Design Development Phase	35%
Construction Documents Phase	75%
Receipt of Bids	80%
Construction Phase	97%
Record Drawings	100%

ARTICLE VI - PAYMENT TO THE CONSULTANT FOR EXTRA SERVICES:

When requested by the Owner in writing, MacLeod Record Landscape Architects will provide additional or extra services to the Owner at the following hourly rates:

- Principal @ \$150 hour
- Project Manager \$127 hour
- Landscape Architect @ \$100 hour
- Draftsperson @ \$85 hour

Sub-consultants shall be billed at a factor of 1.10 times amount billed to the Consultant.

ARTICLE VII - MAXIMUM ALLOWABLE CONSTRUCTION COST:

The Maximum Allowable Construction Cost is: \$1,336,392 and is defined as the total sum available for contract award purposes, not including State of Washington Sales Tax, professional fees, or any charges incidental to the project.

ARTICLE VIII - CONSULTANT'S ESTIMATES OF COST:

- A. At any time prior to calling for bids, the Consultant shall notify the Owner, in writing, if for any reason he believes that the project will exceed the Maximum Allowable Construction Cost (MACC) stated above. The Owner when so notified shall cooperate fully with the Consultant in reducing the scope of the project in an amount sufficient to bring the project within the MACC. This will not result in a fee increase for the Consultant.

The Owner may, at his option, based upon the Consultant's estimated cost of the work, increase the MACC. In this case, the Consultant may receive a fee increase which in no case will exceed the difference between the existing contract amount and an amount determined by the factoring of the appropriate City of SeaTac fee schedule percentage to the increased MACC.

- B. In order to secure the best possible bid price on construction, the Consultant will recommend and the Owner's Representative will approve items to be bid as additive alternates to the base bid. The Consultant will not receive additional fees for structuring the bid in this manner.

In the event that the lowest responsible bid received exceeds the Maximum Allowable Construction Cost, the Consultant agrees to revise the drawings if so requested by the Owner's Representative in order to bring construction cost within the Maximum Allowable Construction Cost at no additional expense to the Owner. The Owner in this event agrees to cooperate with the Consultant and permit reasonable and necessary reductions in the scope of the project.

ARTICLE IX - TERMINATION OF AGREEMENT:

- A. Termination of Agreement for Cause:

The parties recognize that time is of the essence. Therefore, if, through any cause, the Consultant shall fail to fulfill in a timely and proper manner his obligations under this Agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of the Agreement, the Owner shall thereupon have the right to terminate this Agreement by giving written notice to the Consultant of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Consultant shall, at the option of the Owner, become its property; and the Consultant shall be entitled to receive just and equitable compensation for any work completed on such documents and other materials, according to the value to City of SeaTac for such work not to exceed the percentages set forth in Article VI.

- B. Termination for Convenience of Owner:

The Owner may terminate this Agreement at any time by a 10 day notice in writing from the Owner to the Consultant.

In that event, all finished or unfinished documents and other materials as described in paragraph A of Article XI above shall, at the option of the Owner, become its property. If the agreement is terminated by the Owner as provided herein, the Consultant will be paid on the basis of actual payroll cost times a factor of 2.5 plus reimbursable expenses, or an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Consultant covered by this Agreement. If this Agreement is terminated due to the fault of the Consultant, paragraph A of Article XI shall apply.

ARTICLE X - SUCCESSORS AND ASSIGNS:

Neither the Owner nor the Consultant shall assign, sublet, transfer, mortgage, pledge as collateral, or otherwise encumber any rights or interests accruing from this Agreement without the written consent of the other.

ARTICLE XI - HOLD HARMLESS AND INDEMNIFICATION:

- A. In providing services under this Agreement, the Consultant is an independent contractor, and neither the Consultant nor its officers, agents or employees are employee of the City for any purpose. The Consultant shall be responsible for all federal and/or state tax, industrial insurance, and Social Security liability that may result from the performance of and compensation for these services and shall make no claim of career service or civil service rights which may accrue to a City employee under state or local law.

The City assumes no responsibility for the payment of any compensation, wages, benefits, or taxes by or on behalf of the Consultant, its employees and/or others by reason of this Contract. The Consultants shall protect, indemnify and save harmless the City and its officers, agents, and employees from and against any and all claims, costs, and losses whatsoever occurring or resulting from (1) the Consultant's failure to pay any such compensation, wages, benefits or taxes; and/or (2) the supplying to the Consultant of work, service, materials, and/or supplies by Consultant employees or other suppliers in connection with or in support of the performance of this Contract.

- B. The Consultant further agrees that it is financially responsible for and will repay the City all indicated amounts following an audit exception which occurs due to the negligence, intentional act and/or failure for any reason to comply with the terms of this Contract by the Consultant, its officers, employees, agents, or representatives. This duty to repay shall not be diminished or extinguished by the prior termination of the Contract pursuant to the Duration of Contract, or Termination section.
- C. The Consultant shall protect, defend, indemnify, and save harmless the City, and the State of Washington (when any funds for this Contract are provided by the State of Washington), their officers, employees, and agents from any and all costs, claims, judgments, and /or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the Consultant, its officers, employees, and/or agents. The Consultant agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees, or agents. For this purpose, the Consultant, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the City incurs any judgment, award, and/or cost arising therefrom, including attorney's fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from the Consultant.

ARTICLE XII - INSURANCE REQUIREMENTS

- A. By the date of execution of this Contract the Consultant shall procure and maintain for the duration of this Contract insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of work hereunder by the Consultant, its agents, representative, employees, and/or subcontractors. The cost of such insurance shall be paid by the Consultant or subcontractor. The Consultant may furnish separate certificates of insurance and policy endorsements for each subcontractor as evidence of compliance with the insurance requirements of this Contract.

For All Coverages:

Each insurance policy shall be written on an "Occurrence" form; excepting that insurance for Professional Liability, Errors and Omissions when required, may be acceptable on a "claims made" form.

If coverage is approved and purchased on a "claims made" basis, the Consultant warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of completion of the work which is the subject of this Contract.

- B. Minimum Limits of Insurance
 - 1. General Liability: \$1,000,000 combined single limit per occurrence by bodily injury, personal injury, and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
 - 2. Professional Liability, Errors, and Omissions: \$1,000,000
 - 3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

4. Workers' Compensation: Statutory requirements of the state of residency.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by the City. The deductible and/or self-insured retention policies shall not limit or apply to the Consultant's liability to the City and shall be the sole responsibility of the Consultant.

D. Other Insurance Provisions

The insurance policies required in this Contract are to contain, or be endorsed to contain, the following provisions:

(a) General Liability Policy:

- i. The City, its officers, officials, employees and agents are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Consultant in connection with this Contract.
- ii. To the extent of the Consultant's negligence, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the City, its officers, officials, employees or agents shall not contribute with the Named Insured's insurance or benefit the Named Insured in any way.
- iii. The Consultant's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(b) All Coverages

- i. Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior notice, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A:VIII, or, if not rated by Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.

Professional Liability, Errors and Omissions insurance may be placed with insurers with a Bests' rating of B+:VII. Any exceptions must be approved by the City.

If at any time the foregoing policies shall be or become unsatisfactory to the City as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the City, the Consultant shall, upon notice to that effect from the City, promptly obtain a new policy, and shall submit the same to the City, with the appropriate certificates and endorsements, for approval.

F. Verification of Coverage

The Consultant shall furnish City of SeaTac with certificates of insurance and endorsements required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the City and are to be received and approved by the City prior to the

commencement of activities associated with the Contract. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

G. Subcontractors

The Consultant shall include all subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements for each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of this Contract shall be subject to all of the requirements of this Contract shall be subject to all of the requirements stated herein.

ARTICLE XIII - NONDISCRIMINATION:

- A. During the performance of this Agreement, neither the Consultant nor any party subcontracting under the authority of this Agreement shall discriminate on the basis of race, color, sex, religion, nationality, creed, marital status, sexual orientation, age, or presence of any sensory, mental, or physical handicap in the employment or application for employment or in the administration or delivery of services or any other benefits under this Agreement.
- B. Federal, State, and Local laws prohibit discrimination based on disability. Section 504 of the Rehabilitation Act of 1973, as amended, requires that all recipients receiving federal monies be accessible to qualified/eligible persons with disabilities. All organizations and firms contracting with the City of SeaTac must comply with Section 504, The Americans with Disabilities Act of 1990 (ADA).

ARTICLE IV - SEVERABILITY:

Should any provision in this agreement be declared unconstitutional, invalid or void by a court of law, such decision shall not affect the validity or enforceability of the remaining provisions of this agreement.

ARTICLE V - CAPTIONS:

The captions in this agreement are provided for the convenience of the parties and have no effect on the construction or interpretation of any part hereof.

ARTICLE VI - EXTENT OF AGREEMENT:

This Agreement represents the entire and integrated agreement between the Owner and Consultant and supersedes all prior agreements. This Agreement may be amended only by written instrument signed by both the Owner and the Consultant.

OWNER:

CONSULTANT:

Signature

Signature

Title: CITY OF SEATAC, CITY MANAGER

Title: _____

Date: _____

Date: _____

Federal Tax ID No. _____

Washington Registration No. _____

Approved as to Form:

Mary Mirante-Bartolo, City Attorney

REV. 1/99

MacLeod Reckord

Landscape Architecture ■ Planning ■ Urban Design

Colman Building

91 Marion Street

Seattle, Washington 98104

P 206-323-7919

F 206-323-9242

February 24, 2012

Kit Ledbetter, Director
City of SeaTac Parks & Recreation
4800 South 188th Street
SeaTac, WA 98188

MacLeod Reckord is please to submit for Design and Construction Administration Services for **Angle Lake Park Phase 2**. We understand that the scope of the project is largely based on the 2001 Phase 2 scope of work for which we prepared partial construction documents. That scope will be amended to include: the integration of a new 'spray play' area designed by others; a second Phase 2 picnic shelter; a new lifeguard/picnic shelter structure; and other miscellaneous improvements. It is our understanding that the City will provide necessary updates to the existing topographic survey by Dowl Engineers date 10/23/96, and provide geotechnical evaluations for the design of shelter footings, should they become necessary. MacLeod Reckord will assist the City with a scope of work for survey and geotechnical evaluations as needed.

MacLeod Reckord proposes a Lump Sum Fee of \$194,219.00 to be billed and payable based on the percentage of work complete. We will begin work upon execution of a contract and complete documents for bidding by September 2012, with anticipated construction occurring in the first six months of 2013.

When requested by the Owner in writing, MacLeod Reckord Landscape Architects (consultant) will provide additional or extra services to the Owner at the following hourly rates:

Principal	\$ 150
Project Manager	\$ 127
Landscape Architect	\$ 100
Drafter	\$ 85

Subconsultants will be billed at a factor of 1.10 times the amount billed to consultant.

A scope of work for the MacLeod Reckord design team is attached.

Thank you for the opportunity to submit this proposal. Please call with any questions.

Sincerely,



Ed MacLeod

ANGLE LAKE PARK PHASE 2

Scope of Services

February 2012

SITE PLANNING AND LANDSCAPE ARCHITECTURE SERVICES

Task 1. Project Startup

- 1.1 Initial scoping meetings with Owner
Meet with Park Director to discuss current plans for Phase 2 development. Identify physical changes to the park since 2002 and discuss new elements to be included in the design program.
- 1.2 Finalize Project Scope
Coordinate with Park Director, subconsultants and other City staff to refine and finalize the project Scope of Work.
- 1.3 Finalize Project Schedule
Coordinate with Park Director, subconsultants and other City staff to refine and finalize the project schedule.
- 1.4 Coordinate Survey Work
Meet with Park Director to refine Scope of Work for required new survey.
- 1.5 Meet with City Staff
Attend meeting with City staff and design team to discuss the project program elements, related design standards and regulatory issues related to the project.
- 1.6 Setup Project Accounting
Enter project into MacLeod Reckord accounting software to allow tracking of finances and staffing on the project.
- 1.7 Administration
Prepare subconsultant contracts, finalize contract with Owner, distribute schedules to all team members, and coordinate the work of all team members.

Task 2. Predesign

- 2.1 Site Visit/Field Verify Survey
Site visit to review existing conditions and field verify survey mapping.
- 2.2 Review 2001 Project Documents
- 2.3 Current Code Review
- 2.4 Administration
Subconsultant contract administration, staffing, scheduling, billing and correspondence.

Task 3. Program Review

- 3.1 Review Existing Program
List and review 2002 program for park improvements.
- 3.2 Meet with User Groups
Meet with City staff and user groups interested in the swimming pier, lifeguard, fishing pier, boat dock and boat ramp program elements.
- 3.3 Meet with Spray Park Consultant
Meet with spray park consultant to discuss size, location and utility requirements for the spray park. Establish limits of work for spray park consultant and MacLeod Reckord design team.
- 3.4 Finalize Phase 2 Program
Provide a written list of the proposed Phase 2 improvements.
- 3.5 Administration

Task 4. Schematic Design

- 4.1 Coordinate AJEM lifeguard/shelter building.
Coordinate the work of AJEM for design of the lifeguard/shelter and provide site planning around new building.
- 4.2 Coordinate with Spray Park Consultant
Work with spray park consultant to integrate their spray park elements into other Phase 2 park improvements and understand requirements for utilities.
- 4.3 Provide Schematic Design around the Spray Park
Provide schematic design around the spray park including layout, circulation, grading and ADA accessibility.
- 4.4 Planting Plan for Existing Parking Lot
Provide selective demolition plan for planting in existing parking lot, redesign planting, submit proposed plant list for approval.
- 4.5 City Staff Meetings (2)
- 4.6 Administration

Task 5. Design Development (60% Documents)

- 5.1 Drawings
Provide a 60% complete set of drawings in AutoCAD electronic format and three hardcopy sets for Owner review. The drawings will fix and describe the size character, elevation and relationships for all project improvements through plans, notes, sections, elevations, and typical construction details and will include the following sheets:
 - Cover Sheet (1)
 - General Plan Notes (1)
 - Existing Conditions Plans (1)
 - TESC Plan Notes and Details (2)
 - Demolition Plans (2)
 - Coordinate PACE Drainage Plans (2)
 - Grading Plans (2)
 - Layout Plans (2)
 - Irrigation Plans & Details (2)
 - Site Details (6)
 - Enlarged Area Plans
 - Coordinate Architectural Drawings (6)
 - Coordinate Structural Drawings (2)
 - Coordinate Civil Drawings (3)
 - Coordinate Electrical Drawings (2)
- 5.2 Specifications (2010 CSI Format)
Coordinate Owner provided Division 00 Procurement and Contracting Requirements and add project specific language as approved. Work with Owner to amend Division 01 General Requirements to include Owner's General Conditions and provide project specific Supplemental General Conditions. Provide technical specification sections as necessary to describe the scope, products and execution of the work in this project.
- 5.3 City Staff Meetings (3)
- 5.4 Cost Estimate
Provide Owner with an opinion of probable construction cost based on quantities and unit prices for materials, labor and contractors' overhead and profit.
- 5.5 Submit Documents for Owner Review
Provide three sets of drawings and specifications for Owner review.
- 5.6 Pickup Comments
Meet with Owner to review comments and agree on a course of action to address each comment and incorporate agreed upon changes into the documents.

- 5.7 Submit for Permitting
Assist Owner with the submission of building permits.
- 5.8 Quality Control & Quality Assurance
Provide quality control and quality assurance review of design development documents, including a coordination back check of the work of each individual team member.
- 5.9 Administration

Task 6. Construction Documents

- 6.1 Complete Drawing Identified in Task 5 to 90%
- 6.2 Incorporate Permit Comments and Conditions
- 6.3 Submit for Owner Review
Submit three bound hard copies sets of drawings and specifications for review by Owner.
- 6.4 Present for City Council
Prepare presentation graphics based on 90% contract documents and present to SeaTac City Council.
- 6.5 Incorporate Owner and City Council Comments
- 6.6 Finalize Specifications
- 6.7 Provide Final Quality Control & Quality Assurance
Final technical and coordination set review.
- 6.8 Final Revisions
Revisions based on final checking, coordination and Owner comments.
- 6.9 Subconsultant Coordination
Coordinate final revisions with subconsultants and perform final interdisciplinary coordination.
- 6.10 City Staff Meetings
- 6.11 Submit 100% Documents to Owner for Bidding
Assumes online bidding. Submittal will include three hardcopy sets of bid documents.
- 6.12 Administration

Task 7. Bidding

Assist the Owner with the solicitation of competitive bids for the construction of the project include:

- 7.1 Assist the Owner with the preparation of an advertisement for bid.
- 7.2 Answer bidders' questions and keep a log of communications with contractors.
- 7.3 Issue required addenda to clarify bid documents and provide uniform information to all bidders.
- 7.4 Attend pre-bid conference to describe project to prospective bidders and answer contractor questions.
- 7.5 Evaluate qualifications of low bidder and provide a recommendation to the Owner.
- 7.6 Assist Owner with the award of contract and Notice to Proceed.
- 7.7 Administration
- 7.8 Staff Meeting (1)

Task 8. Limited Construction Administration

Assist the Owner with the administration of the construction contract as follows:

- 8.1 Attend pre-construction conference including the review/preparation of conference agenda and meeting notes.
- 8.2 Weekly Construction Meetings (24)
Attend weekly construction meetings to review project status including RFIs, submittals, change proposals and change orders, progress payments, as-builts schedule and three week schedule. Chair an open discussion concerning construction issues, prepare a list of action items and meeting notes.

- 8.3 Weekly Construction Progress Observations (24)
Provide weekly construction observation walkthrough of the site to observe contractor's progress and workmanship and provide a written report to the Owner.
- 8.4 Review material samples provided by the contractor and provide a recommendation to the Owner.
- 8.5 Review product submittals from the contractor and provide a recommendation to the Owner.
- 8.6 Perform additional site observations at critical times during construction and as requested by the Owner or contractor and provide a report to the Owner. (8)
- 8.7 Review the contractor's submitted project schedule and provide recommendations to the Owner.
- 8.8 Review the contractor's schedule of values and provide recommendations to the Owner.
- 8.9 Review shop drawings for accuracy and conformance with the contract documents and provide a written recommendation to the Owner.
- 8.10 Review test results for conformance with requirements of permits and contract documents.
- 8.11 Respond to contractors' request for additional information (RFIs).
- 8.12 Witness irrigation pressure tests performed by the contractor in the presence of the landscape architect and provide test results to the Owner.
- 8.13 Witness irrigation coverage tests performed by the contractor in the presence of the landscape architect and provide the Owner with a list of changes and adjustments to be performed by the contractor.
- 8.14 Preliminary Punch List
Perform a thorough walkthrough of the completed project and provide the Owner with a list of construction deficiencies requiring correction by the contractor.
- 8.15 Final Punch List
Perform a thorough walkthrough of the completed project to back check the preliminary punch list and provide a recommendation to the Owner.
- 8.16 Administration

Task 9. Project Closeout

- 9.1 Coordinate receipt of required contractor closeout documents including warranties, release of liens, Operation & Maintenance Manuals, and Record Drawings.
- 9.2 "As-Built" Drawings
Convert contractor provided redline markups of changes during construction to AutoCAD electronic files and submit to Owner.
- 9.3 Administration
- 9.4 One-Year Warranty Inspection

ARCHITECTURAL AND STRUCTURAL SERVICES

Task 1. Picnic Shelter Design

Provide the design for 2 picnic shelters, identical to the design for the Phase 1 project, updated to meet current code and 2 separate site locations. The only anticipated variation between the 2 shelters, besides orientation, will be the extent and location of the perimeter seating wall.

Task 2. Lifeguard/Shelter Building Design

Provide the design for a new lifeguard station at the north end of the beach, in the general proximity of the existing lifeguard station. Based on the sketch provided by Kit Ledbetter, it appears that the size of the lifeguard station is similar to the picnic shelter, but the majority of the roof structure will be an open air trellis with ¼ of it covered with a standing seam roof. There will be 2 areas for picnic tables, and a covered storage area separating the two. There will be no mechanical or plumbing involved, and we anticipate the only electrical to be receptacles (engineering provided by others). Up to three iterations of the design will be provided leading up to a preferred option.

Task 3. Contract Documents

Plans elevations, sections and details will be provide for all three buildings. Picnic shelter drawings will include structural information required by current codes. The lifeguard building will have separate structural drawings.

Task 4. Cost Estimates

Provide cost estimates for each building at the completion of design development and construction documents.

Task 5. Bidding

Answer Contractors' questions and issue any required addenda.

Task 6. Construction Administration

Respond to RFIs, review submittals, provide 3 site visits, perform a punchlist, and final walkthrough.

CIVIL ENGINEERING SERVICES

Task 1. Meetings and Coordination

Attend meetings for coordination as required. For budgeting purposes twelve hours total has been allocated for meeting attendance time.

Task 2. Design and Documents

- 2.1 Provide Temporary Erosion Sedimentation Control (TESC) plans and details including limits of clearing and construction in accordance with City of SeaTac standards and requirements
- 2.2 Provide input on onsite grading plans prepared by MacLeod Reckord.
- 2.3 Provide input on pavement section design as prepared by MacLeod Reckord.
- 2.4 Review earthwork calculations performed by others and offer input on balancing site grading.
- 2.5 Provide design plans and details for the construction of onsite storm drainage facilities in accordance with City of SeaTac standards and requirements. This will include all required stormwater conveyance and water quality treatment facilities. It is anticipated that flow control will not be required for this project, therefore, no effort has been budgeted for design of flow control facilities and, as such, is not a part of this proposal.
- 2.6 Provide design plans for the construction of a water line to the proposed spray park site in accordance with Highline Water District standards and requirements. It is assumed that this new water line will be supplied from the existing onsite water system. It is assumed that connection for irrigation water will be shown by MacLeod Reckord and that supply will be from the existing onsite irrigation system. No new connections to the public water system are anticipated.
- 2.7 Provide design plans for a sanitary side sewer service system to waste water from the spray park area to the public sanitary system in accordance with Midway Sewer District standards and requirements. It is assumed that this new sanitary line will be connected by gravity to the existing onsite sanitary system. No new connections to the public sewer system or pump systems are anticipated or included in this proposal
- 2.8 Provide written book specifications for civil scoped items to include TESC, storm drainage, water and sanitary sewer.

Task 3. Storm Drainage Report

Provide a Storm Drainage Report supporting the stormwater design in accordance with City of SeaTac requirements.

Task 4. Cost Estimates

Provide estimate of probable construction costs for civil coped items.

Task 5. Permit Assistance

Assist with the information for submittal to the City for review, approval and permit. Submittals are anticipated to be performed by others.

Task 6. Bidding and Construction Administration

Provide support during bidding, award and construction of the project. This may include attendance at construction meetings, site visits, material submittal review, RFI response, change order review, or any other construction support activities necessary to successfully complete the project.

ELECTRICAL ENGINEERING SERVICES

Task 1. 65% Drawings

- a. Review existing drawings\survey, verify existing conditions
- b. Obtain base files and set up drawings
- c. Prepare schematic lighting\electrical system layout
- d. Attend one Owner meeting to discuss alternatives\impacts
- e. Develop estimate of probable costs
- f. Develop Specifications

Task 2. Construction Documents (95 / 100%)

- a. Develop load calculations and electrical one line
- b. Design pole, conduit & wiring layout
- c. Develop electrical details
- d. PSE Service Application
- e. Prepare 95% construction document plans
- f. Attend design team meeting
- g. Prepare 100% construction document plans
- h. Prepare estimate of probable costs (95 /100%)
- i. Prepare specifications (95 /100%)

Task 3. Construction Administration


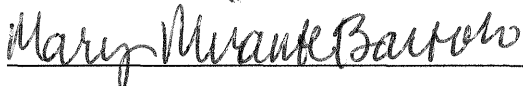


- a. Assist with bid, answer bid questions, prepare addenda
- b. Construction observation (3 total)
- c. Answer RFIs, review paperwork, prepare modifications
- d. Punch List
- e. Record drawings and project closeout

End of Scope of Services

SeaTac City Council
REQUEST FOR COUNCIL ACTION
 Department Prepared by: Parks and Recreation

Agenda Bill #: 3413

TITLE: A Motion authorizing the City Manager to execute a contract with Anchor QEA, LLC to complete the Tub Lake Trail Master Plan.

March 16, 2012	
<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>RCM 4/10/2012</u>
Ord/Res Exhibits:	_____
Review Dates:	<u>CSS 03/27/2012</u>
Prepared By:	<u>Kit Ledbetter, Parks and Recreation Director</u>
Director:	<u></u>
City Attorney:	<u></u>
Finance:	<u></u>
BARS #:	<u>001.000.10.576.10.41.000 and 001.311.10.00.001</u>
City Manager:	<u></u>
Applicable Fund Name:	<u>General Fund</u>

MR


SUMMARY: It is requested that the City Council authorize the City Manager to execute a contract with Anchor QEA, LLC to design the Tub Lake Trail Master Plan.

DISCUSSION / ANALYSIS / ISSUES: The Tub Lake Trail is included in the City of SeaTac's Park, Recreation and Open Space Plan adopted by the City Council in 2009. This design would complete the Master Plan for the Tub Lake Trail. Staff sent out a Request for Proposal and seven landscape architect firms responded. After scoring the proposals, three landscape architect firms were interviewed on February 29, 2012. The interview panel consisting of Councilmember Pam Fernald, Parks Director Kit Ledbetter, Parks Operations Supervisor Roger Chouinard, and Bob Duffner from the Port of Seattle selected Anchor QEA of Seattle to complete the Tub Lake Master Plan.

This project will complete a quality Master Plan on a trail to Tub Lake. We will determine the best route (Westside Trail or Sunset Park) for a part gravel and part boardwalk trail, with a viewing area for the beautiful Tub Lake. The project will require a combination of several disciplines working together to determine the best route, permitting issues, constructability and cost estimates. The final plan will be of high quality for use in seeking outside grants with cost estimates.

RECOMMENDATION(S): It is recommended that the City Council carry the Motion.

FISCAL IMPACT: The Parks & Recreation Department has a total of \$18,000 for the Master Plan in the 2012 Budget. The proposed contract will not exceed \$15,000 in cost. This plan will be funded with the King County Proposition #2 open space and regional trails property tax levy.

ALTERNATIVE(S): Do not complete the project at this time, although the funds that will be used to pay for this master plan are limited to Regional Trail projects.

ATTACHMENTS: 1) Draft contract and scope of work.



STANDARD AGREEMENT

This agreement is entered into on the full execution date indicated on the signature page by and between:

Anchor QEA, LLC
720 Olive Way, Suite 1900
Seattle, Washington 98101

herein referred to as "Anchor QEA" and:

City of SeaTac
4800 South 188th St.
SeaTac, Washington 98188

hereinafter called "CLIENT."

This AGREEMENT is for the Tub Lake Trail Master Plan project.

PROVISIONS

ARTICLE 1. TERMS OF PAYMENT

A. Invoicing

Monthly invoices will be issued to the CLIENT for payment and will represent the value of the Scope of Services completed to date.

B. Payment

Payment is due within 30 calendar days of date of the invoice for the entire invoice amount.

C. Final Payment

Final payment of any balance will be made upon completion of the Scope of Services, and receipt of all deliverables and all PROJECT-related documents and data that are required to be furnished under this AGREEMENT.

ARTICLE 2. OBLIGATION OF ANCHOR QEA

A. Independent Contractor

Anchor QEA is an independent contractor and will maintain complete control of and responsibility for its employees, agents, and operations.

B. Lower Tier Subcontracts

Anchor QEA shall not sublet or assign any of the work covered by this Agreement, except with the prior written approval of the CLIENT and in compliance with the terms, provisions, and conditions of this Agreement. Anchor QEA

will bind all Lower Tier Subconsultants to the Provisions of this AGREEMENT.

Neither this AGREEMENT nor any Lower Tier subcontract will create any contractual relationship between any Lower Tier Subconsultant and the CLIENT nor any liability of the CLIENT to any Lower Tier Subconsultant.

C. Standard of Care

In providing services under this Agreement, Anchor QEA will endeavor to perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

D. Notice of Delay

The time schedule for the performance of services as set forth under this Agreement is based on Anchor QEA's anticipation of the orderly and continuous progress of the project. If Anchor QEA is delayed in the performance of services by conditions that are beyond its control, Anchor QEA shall notify the CLIENT in writing of the cause of delay and the amount of delay anticipated. Such notice shall be delivered to the CLIENT within five (5) days of the time Anchor QEA is aware of the delay.

E. Insurance

Anchor QEA will maintain throughout this AGREEMENT the following insurance and will submit certificates verifying such to the CLIENT when requested:

- (1) Worker's compensation insurance as required by the state or province where the work is performed and Employers Liability as follows:
 - \$1,000,000 each accident
 - \$1,000,000 each employee
 - \$1,000,000 disease aggregate
- (2) Comprehensive automobile liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
- (3) Commercial general liability insurance covering claims for injuries arising out of any negligent act or omission of Anchor QEA or of any of its employees, agents, or subconsultants, with \$1,000,000 per occurrence/general aggregate.
- (4) Professional liability insurance of \$1,000,000.

Anchor QEA will give the CLIENT thirty (30) days notice of any cancellation of the policies.

F. Limitation of Liability

To the maximum extent permitted by law, the CLIENT agrees to limit Anchor QEA's liability for the CLIENT's damages and legal costs to Anchor QEA's fees for the services provided under this AGREEMENT.

G. Indemnification

Anchor QEA and the CLIENT mutually agree, to the fullest extent permitted by law, to indemnify and hold each other harmless from any and all damage, liability, or cost, including reasonable attorneys' fees and costs of defense, arising from their own negligent acts, errors or omissions in the performance of their services under this AGREEMENT, to the extent that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

H. Consequential Damages

Notwithstanding any other provision of this AGREEMENT, and to the fullest extent permitted by law, neither the CLIENT nor Anchor QEA, their respective officers, directors, partners, employees, contractors or subconsultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this AGREEMENT. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the CLIENT and Anchor QEA shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

I. Permits, Licenses, and Fees

Anchor QEA will obtain and pay for all permits and licenses required by law that are associated with Anchor QEA's performance of the Scope of Services and will give all necessary notices, including obtaining a City of SeaTac Business License.

J. Access to Records

Anchor QEA will maintain accounting records, in accordance with generally accepted accounting principles and practices to substantiate all invoiced amounts. Said records will be available for examination by the CLIENT during Anchor

QEA's normal business hours for a period of 3 years after the final invoice to the extent required to verify the costs incurred hereunder.

K. Ownership

CLIENT retains ownership of all instruments of professional service developed by Anchor QEA under this AGREEMENT. Anchor QEA shall not be liable for any reuse or modification of these work products for purposes not anticipated by Anchor QEA under this AGREEMENT.

L. Equal Employment Opportunity

Anchor QEA, with regard to the work performed by it after approval and/or award and prior to completion of this contract, shall comply with all applicable provisions of Executive Agreement 11246 of September 24, 1965, as amended, the terms of which are incorporated herein by this reference and made a part of this AGREEMENT. Anchor QEA will provide equal employment opportunity and adhere to federal, state and local laws pertaining thereto. Appropriate action will be taken by Anchor QEA, with respect to itself and any of its subconsultants, vendors and suppliers to ensure compliance with such laws. All federal, state and local equal opportunity and affirmative action requirements with regard to race, gender, creed, color, age, religion, national origin, disability or veteran status are incorporated into this AGREEMENT by reference. Anchor QEA will give all notices, pay all fees and take all other action which may be necessary to conduct its business in accordance with all applicable statutes, ordinances, rules and regulations including, without limitation, the above stated standards and acts, any statutes regarding qualification to do business and any statutes prohibiting discrimination among employees because of race, creed, color, national origin, age, or sex.

ARTICLE 3. GENERAL PROVISIONS

A. Waivers

No waiver by either party of any default by the other party in the performance of any provision of this AGREEMENT will operate as, or be construed as, a waiver of any future default, whether like or different in character.

B. Force Majeure

Neither party to this AGREEMENT will be liable to the other party for delays in performing the Scope of Services, or for the direct or indirect costs resulting from such delays, that may result from labor strikes, riots, war, acts of governmental authorities, extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable control or contemplation of either party.

C. Authorization to Proceed

Execution of the AGREEMENT by the CLIENT will be authorization for Anchor QEA to proceed with the Scope of Services, unless otherwise provided for in this AGREEMENT.

D. No Third Party Beneficiaries

This AGREEMENT gives no rights or benefits to anyone other than Anchor QEA and the CLIENT and has no third-party beneficiaries.

E. Jurisdiction

The laws of the state in which the project is located shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it; venue of any lawsuit shall also be in King County Superior Court, Maleng Regional Justice Center.

F. Disputes

In the event of any dispute arising out of this Agreement, the parties agree to submit the dispute to non-binding mediation and binding arbitration under the then prevailing rules of the American Arbitration Association (AAA) for construction industry disputes, provided that no party objects to arbitration within 30 days after a demand for arbitration is filed with AAA. In any action brought for such dispute, the prevailing party shall be entitled to recover its reasonable costs and attorney fees.

G. Severability and Survival

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in

any respect, unenforceability will not affect any other provision of this AGREEMENT. The provisions of this AGREEMENT shall survive its termination and completion of services.

H. Termination/Cancellation

The CLIENT will have the right to terminate this AGREEMENT for its convenience. After termination, Anchor QEA will be reimbursed for services rendered and necessary expenses incurred to the termination date upon submission to the CLIENT of detailed supporting invoices.

I. Complete Agreement

This AGREEMENT constitutes the complete and final understanding between the parties. The CLIENT may adjust the Scope of Services by either adding to or deleting from the services to be performed. If such adjustment increases or decreases the cost or time required for Anchor QEA's Scope of Services, adjusting compensation and/or time will be mutually agreed upon in writing. Additional Services provided by Anchor QEA will be entitled to additional compensation or extension of time only as authorized in writing by the CLIENT.

J. Attachments and Schedules

The following attachments and schedules are hereby made a part of this AGREEMENT:

Attachment A – Current Rate Sheet

Attachment B – Scope of Services

This Agreement represents the entire agreement between the parties, supersedes all prior agreements and understandings, and may be changed only by written amendment executed by both parties.

Approved for Anchor QEA, LLC

By _____

Printed Name _____

Title _____

Date _____

Accepted for CLIENT

By _____

Printed Name _____

Title _____

Date _____

Anchor QEA, L.L.C.

2012 BILLING RATES

Professional Level Hourly Rates

Principal CM ¹ /Engineer/LA ² /Planner/Scientist.....	\$215
Senior Managing Analyst/CM/Engineer/LA/Planner/Scientist.....	\$195
Managing Analyst/CM/Engineer/LA/Planner/Scientist.....	\$175
Senior Analyst/CM/Engineer/LA/Planner/Scientist.....	\$155
Staff 3 Analyst/CM/Engineer/LA/Planner/Scientist.....	\$140
Staff 2 Analyst/CM/Engineer/LA/Planner/Scientist.....	\$125
Staff 1 Analyst/CM/Engineer/LA/Planner/Scientist.....	\$105
Technician.....	\$89
Senior CAD ³ Designer.....	\$112
CAD Designer.....	\$95
Technical Editor.....	\$95
Project Coordinator.....	\$89

Special Hourly Rates

National expert consultant.....	\$350
All work by a testifying expert.....	1.5 times professional level rate

EXPENSE BILLING RATES

Expense Rates

Computer Modeling (per hour).....	\$10.00
Graphic Plots (varies with plot size).....	\$3-6/sf
Mileage (per mile).....	Current Federal Standard

FEE ON LABOR AND EXPENSE CHARGES

Subcontracts/subconsultants.....	10%
Travel and other direct costs.....	10%
Field equipment & supplies.....	10%

This is a company confidential document.

¹ CM = Construction Manager

² LA = Landscape Architect

³ CAD = Computer Aided Design

SCOPE OF WORK – ATTACHMENT B

Tub Lake Trail Master Plan

1 PROJECT UNDERSTANDING

Anchor QEA, LLC (Anchor QEA) has prepared the following scope for the City of SeaTac (City) to provide master plan design services for the proposed trail system for Tub Lake. The final products are intended to aid the City in securing grant funding for final design and construction. This scope of work includes a discussion of the assumptions and deliverables associated with the following work plan:

- Background Information and Design Criteria Development
- Alternative Designs
- Preliminary and Final Master Plan Preparation
- Project Management and Meetings

The project area is located within North SeaTac Park. This park is owned by the Port of Seattle (Port) and operated by the City through a long term lease. The Tub Lake site consists of a relatively undisturbed fen, and surrounding forested and non-forested buffers (see attached map provided by the City). The boundaries of the master plan will need to be further defined at the outset of the planning process. Master planning will need to consider both the project site and surrounding recreation areas including the Westside trail, and the North SeaTac Park complex including Sunset Park, the SeaTac Community Center, and the Highline SeaTac Botanical Garden.

2 SCOPE OF WORK

Task 1: Background Information and Design Criteria Development

This task includes the review of documents pertaining to the Tub Lake site, preparing a base map for use in the public involvement task, considering the major environmental issues and human uses in and around the site, and synthesizing this information into a brief memorandum.

Step 1.1: Collect and Compile Existing Information

- Collect and review background information pertaining to the Tub Lake site including:
 - City of SeaTac's Park, Recreation and Open Space plan
 - Port of Seattle lease and any related Port/SeaTac Airport requirements
 - Relevant wetland and critical areas regulatory requirements
 - Wetland reconnaissance based on aerial photo interpretation and limited ground verification
- Prepare base map using existing geospatial data including Light Detection and Ranging (LiDAR) topographic data, aerial imagery, King County parcel boundaries, and results of wetland reconnaissance.
- Prepare brief 2- to 3-page memorandum summarizing existing conditions and background information and identifying opportunities and constraints for the site.

Step 1.2: Preliminary Design Criteria and Park Program

- Prepare a preliminary park program (quantitative description of elements to be included in the master plan) and preliminary design criteria (qualitative description of what the park's characteristics should be), based on discussions with the City and input from stakeholders.
- Obtain feedback on program and criteria from the City prior to starting design. Use this feedback to refine the program and criteria.

Task 1 Deliverables

- Memorandum summarizing existing information, site analysis, opportunities, and constraints in PDF file format.
- Base map in PDF file format showing results of wetland reconnaissance.
- Preliminary design program and design criteria in MS Word and PDF file format.

Task 2: Alternative Designs

Step 2.1: Alternative Design Plans

- Prepare a minimum of two alternative design plans based on the preliminary park program and design criteria and feedback received at this point in the process. The alternative plans will be presented to the City for feedback.
-

Task 2 Deliverables

- Alternative design plans will be prepared as full size (assume 22-inch by 34-inch) sheets, color rendered, and to scale. Meeting handouts (11-inch by 17-inch) will be provided, and each alternative will be provided in PDF file format.

Task 3: Master Plan Preparation

Step 3.1: Preliminary Master Plan Design and Cost Estimate

- Based on alternative design plan input, prepare a preferred alternative as a more detailed plan view with a minimum of two typical cross-sections of the preliminary master plan. Prepare an opinion of probable construction costs for review by the City.

Step 3.2: Final Master Plan Design, Cost Estimate, and White Paper

- Based on input from the City, the Port, the public, and others, prepare a final master plan design, opinion of probable construction cost, and master plan white paper. The master plan white paper shall include:
 - One site plan drawing and two supporting sections that clearly define future uses, locations of structures, pedestrian circulation (including Americans with Disabilities Act [ADA] accessibility, access points, parking, and maintenance and emergency access routes), and view corridors
 - A brief description of the proposed trail system
 - Identification of potential need for environmental or other mitigation due to recreation development impacts, and any other anticipated permitting requirements affecting implementation of the project
 - Preliminary concept level opinion of probable construction cost
 - Summary of findings of Task 1 information gathering

Step 3.3: Grant Funding Brochure

- To help secure funding for future design and construction stages of the project, prepare a grant funding handout that summarizes the master plan design based on grant funding objectives. It is anticipated that the handout will have a project
-

description and master plan figure that balances public recreation and ecological integrity.

Task 3 Deliverables

- Preferred alternative/preliminary master plan design as full size (assume 22-inch by 34-inch) plan and section drawings, color rendered and to scale. Meeting handouts (11-inch by 17-inch) and PDF files will be provided.
- Opinion of probable construction cost in PDF file format.
- Final master plan design as full size (assume 22-inch by 34-inch) plan and section drawings, color rendered and to scale.
- Grant funding brochure and white paper in PDF file format.

Task 4: Project Management and Meetings

Step 4.1: Prepare Project Schedule

- A project schedule showing the primary project milestones and dates will be prepared in consultation with the City. The schedule graphic will be provided in a format that can be used for public meetings and the City Council to describe the steps and timeframes for the master plan.

Step 4.2: Project Management

- Ensure good communication flow between the client and consultant team.
- Identify team member roles and communication methods.
- Manage team budget, including invoicing.

Step 4.3: Meetings

Project Kickoff Meeting with the City

- Prior to Task 1 initiation, conduct a project kickoff meeting with the core consultant team and City and Port representatives.
 - Discuss vision, roles, project goals and objectives, concerns, scope, schedule, and budget.
-

Alternatives (Task 2) Meeting

- Anchor QEA staff will present and discuss with City representatives the two Alternative plans developed in Task 2.

Preliminary Master Plan Meeting

- Anchor QEA staff will present and discuss with City representatives the preliminary master plan developed in Task 3 (Step 3.1).

Public Involvement Meeting

- We recommend that the public involvement meeting be held on a weekend to encourage greater participation. We anticipate that the duration of this meeting will be 2 to 3 hours, which will include time for participants to examine display boards of Task 1 information, and converse informally with City and consultant staff.
- The public involvement meeting will include these components:
 - The City will provide an overview of the project and present existing nearby recreational facilities and non-motorized connections and recreational uses.
 - Anchor QEA staff will lead a presentation of the existing conditions.
 - The consultant team will facilitate a brief design workshop with the participants to develop a conceptual layout (bubble diagram) for the site, from which more detailed design work can be developed later.

Permit Agency Meeting

- One site tour or office meeting with the available local, state, and federal permit agency representatives is anticipated during the preliminary master plan stage.
- Anchor QEA will contact agency representatives to schedule this meeting.

City Council Communications and Meetings

- Present preliminary master plan design to City Council at one meeting.
 - Attend a second City Council approval meeting. City staff will present the final master plan; one consultant team member will be present to assist City staff with any questions from the City Council.
-

Task 4 Deliverables

- Project schedule in PDF file format.
- Meeting minutes for each public and stakeholder meeting prepared in draft form for review by the City and submitted in MS Word file format, with final version submitted in PDF format for posting by the City to their website.
- Prepare meeting agendas, display boards, and MS PowerPoint presentations in conjunction with the City.

3 SCHEDULE

Table 1 provides the anticipated schedule for the tasks described in this scope of work. This schedule assumes notice to proceed from the City on April 11, 2012, and average review turnaround times of one week by the City.

Table 1
Proposed Milestone Schedule

Task	Description	Milestone
4	Project Kickoff Meeting	Mid-April 2012
1	Background Information and Design Criteria Development	Late April 2012
4	Public Involvement Meeting	Early May 2012
2	Alternative Design	Late May 2012
4	Alternatives Meeting with City	Late May 2012
3	Preliminary Master Plan	Mid-June 2012
4	Preliminary Master Plan Meeting with City	Mid-June 2012
4	Permit Agency Meeting	Late June 2012
4	City Council Meeting	Late June 2012
3	Final Master Plan & Grant Funding Brochures	Mid-July 2012
4	City Council Meeting	Late July 2012
4	Project Management	Throughout

4 PROPOSED FEES

Anchor QEA's work will be performed on a time and materials basis based on the attached fee proposal. A \$15,000 not to exceed total for this scope of work has been established by the City.

5 ASSUMPTIONS

- Anchor QEA will prepare meeting minutes (in summary form) for each project meeting that Anchor QEA participates in. Meetings are assumed to have durations of approximately 1 hour each, unless otherwise noted.
- For public and stakeholder involvement meetings, the City will make all meeting arrangements and announcements, including public notices. The City will also be responsible for any Internet (City website) information posting about the project.
- Known stakeholders requiring specific meetings will consist of Port of Seattle staff, City Public Works Departments (joint meetings with the City), and local, state and federal permitting agencies (separate joint meeting). Public and stakeholder meetings are described in Task 4. If additional meetings with the City, other stakeholders, or the public are required, these meetings will be negotiated as additional work.

ATTACHMENTS

Location Map (provided by City of SeaTac)

Exhibit B: Fee Proposal

Task	Description	Hours by Labor Categories (hourly rates shown in parentheses)						Total Labor Hours	Total Labor Cost	Subcontractor Direct Costs	Total Subcontractor Costs	Reimbursable Direct Costs	Total Reimbursable Costs	Total Direct Costs	Total Cost
		Principal CM / Engineer / LA / Planner / Scientist (\$215)	Managing Analyst / CM / Engineer / LA / Planner / Scientist (\$175)	Senior Analyst / CM / Engineer / LA / Planner / Scientist (\$155)	Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist (\$140)	Project Coordinator (PAs) (\$95)	Project Coordinator (Admin.) (\$89)								
Task1	Background Information, Park Programming and Design Criteria Development														
1.1	Collect and Compile Existing Information	1.00	1.50	3.00	5.00	2.00	-	12.50	\$ 1,833	\$ -	\$ -	\$ 10	\$ 10	\$ 10	\$ 1,843
1.2	Preliminary Design Criteria and Park Program	0.50	0.50	-	1.00	-	-	2.00	\$ 335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335
Task2	Alternative Designs														
2.1	Alternative Design Plans	2.00	2.00	-	6.00	-	-	10.00	\$ 1,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,620
Task3	Preliminary and Final Master Plan														
3.1	Preliminary Master Plan Design and Cost Estimate	1.00	1.00	-	8.00	0.50	-	10.50	\$ 1,558	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ 2,558
3.2	Final Master Plan Design, Cost Estimate, and Whitepaper	2.00	2.00	-	9.00	4.00	-	17.00	\$ 2,420	\$ 500	\$ 500	\$ -	\$ -	\$ 500	\$ 2,920
3.3	Grant Funding Brochure	1.00	-	-	2.00	1.00	-	4.00	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590
Task4	Project Management and Meetings														
4.1	Prepare Project Schedule	0.50	0.50	-	1.00	1.00	-	3.00	\$ 430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430
4.2	Project Management	-	-	-	2.00	-	1.50	3.50	\$ 414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 414
4.3	Meetings	3.00	10.00	-	13.00	-	-	26.00	\$ 4,215	\$ -	\$ -	\$ 71	\$ 71	\$ 71	\$ 4,286
	Total Hours	11.00	17.50	3.00	47.00	8.50	1.50	88.5							
	Total Cost	\$2,365	\$3,063	\$465	\$6,580	\$808	\$134		\$13,414	\$1,500	\$1,500	\$82	\$82	\$1,582	\$14,995

TUB LAKE

City of SeaTac



Date Prepared: Nov 28, 2011
Source: City of SeaTac

Prepared by the City of SeaTac GIS. All rights reserved. This product has been compiled from the best available data. No warranty is expressed or implied as to accuracy, completeness, or fitness for any specific use. Not to be used for purposes of legal description or definition. Not a substitute for a professional survey.

Tub Lake Master Plan

Task	Task Description	Hours by Labor Categories (hourly rates shown in parentheses)						Total Hours	Total Labor Cost	Total Subcontractor Expenses	Total Reimbursable Expenses	Total Direct Expenses	Total Cost
		Principal CM / Engineer / LA / Planner / Scientist (\$215)	Managing Analyst / CM / Engineer / LA / Planner / Scientist (\$175)	Senior Analyst / CM / Engineer / LA / Planner / Scientist (\$155)	Staff 3 Analyst / CM / Engineer / LA / Planner / Scientist (\$140)	Project Coordinator (PAs) (\$95)	Project Coordinator (Admin.) (\$89)						
1		1.50	2.00	3.00	6.00	2.00	-	14.50	\$ 2,167.50	\$ -	\$ 10.20	\$ 10.20	\$ 2,177.70
2		2.00	2.00	-	6.00	-	-	10.00	\$ 1,620.00	\$ -	\$ -	\$ -	\$ 1,620.00
3		4.00	3.00	-	19.00	5.50	-	31.50	\$ 4,567.50	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 6,067.50
4		3.50	10.50	-	16.00	1.00	1.50	32.50	\$ 5,058.50	\$ -	\$ 71.40	\$ 71.40	\$ 5,129.90
	Total Hours	11.00	17.50	3.00	47.00	8.50	1.50	88.50					
	Total Cost	\$2,365	\$3,063	\$465	\$6,580	\$808	\$134		\$13,414	\$1,500	\$82	\$1,582	\$14,995

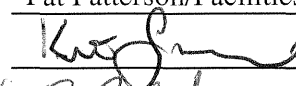
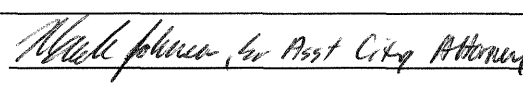
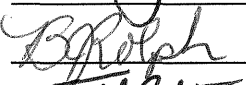

SeaTac City Council

REQUEST FOR COUNCIL ACTION

Department Prepared by: Parks

Agenda Bill #: 3417

TITLE: A Motion to approve leasing 3361 sf of the City Hall second floor to SASH, Inc.

March 23, 2012	
<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested: <u>RCM 4/10/12</u>	
Ord/Res Exhibits: _____	
Review Dates: <u>CSS 3/27/12</u>	
Prepared By: <u>Pat Patterson/Facilities Manager</u>	
Director: <u></u>	City Attorney: <u></u>
Finance: <u></u>	BARS #: <u>108.362.50.00.000</u>
City Manager: <u></u>	Applicable Fund Name: <u>Building Management Fund</u>

MR
KSA

SUMMARY: This Motion will allow the City Manager to enter into a lease agreement with the SASH, Inc. company for space on the second floor of City Hall.

DISCUSSION / ANALYSIS / ISSUES: The SASH company is a service provider aimed at assisting seniors in moving into retirement/assisted living communities and then helping them to sell their current residences. They are interested in renting 3361 sf of space in City Hall with first rights of refusal on any additional available space on the second floor. The lease has a 3 year lease renewal option upon mutually agreeable terms.

The proposed lease provides that if SASH requires additional square footage within the building and the City is unable to accommodate their request, then SASH shall have the ongoing right to terminate the lease after 18 months. Should SASH terminate the lease prior to the expiration of the three year term, they shall be responsible for a portion of the leasing transaction costs (pro-rated commissions, cost of tenant improvements, and free rent) based on the amount of time remaining on the lease.

RECOMMENDATION(S): It is recommended that the Motion be carried.

FISCAL IMPACT: Consistent with current trends in the commercial real estate market, the proposal from SASH asks for one free month of rent for each year of the lease agreement. The breakdown for the three year term is as follows:

Months 1-3	\$0
Months 4-12	\$4,481.33 per month
Months 13-18	\$4,621.38 per month
Months 19-24	\$4,691.40 per month
Months 25-30	\$4,761.42 per month
Months 31-36	\$4,831.44 per month

The total rent collected over the three year period is \$153,765.81. The Andover Company will receive 5% commission or \$7,688.29. Tenant improvements are expected to cost \$16,500.00. Utilities and services during that period will be approximately \$39,102.89. Leasehold excise taxes will amount to about

\$19,743.53. However, the City will receive approximately \$6,027.62 of the leasehold excise tax back from the State. The net revenue will be approximately \$76,758.72.

Although the rent revenues will ultimately pay for the cost of tenant improvements and the lease commissions, these expenditures are not budgeted in 2012. Therefore, a budget amendment will be necessary and will be brought forward for Council approval at a later date.

ALTERNATIVE(S):

- 1) Do not rent the space.

ATTACHMENT(S):

- 1) Lease agreement with SASH, Inc.
- 2) Office lease comparables from Andover.

Lease Agreement

THIS LEASE was made effective on the date in which the last party signs this Lease Agreement, by and between **City of SeaTac**, herein referred to as Lessor, and SASH, Inc. herein referred to as Lessee:

WITNESSETH:

1. **PREMISES:** Lessor does hereby lease to Lessee, the real property (premises) located at 4800 South 188th Street, Suite 220, City of SeaTac, County of King, State of Washington. The leased space contains a total of 3,361 square feet.

2. **TERM:** The term of this Lease shall be for 36 months commencing May 1, 2012 and shall terminate on April 30, 2015. Should lessee's space needs require additional square footage within the building and the landlord is unable to accommodate for growth, then lessee shall have the ongoing right to terminate after month 18. Should Lessee terminate prior to the end of the lease term, then Lessee shall pay for the pro-rated lease transaction costs in the following amount:

Free Rent	\$373.44 per month
Broker Commission	\$213.56 per month
Tenant Improvements	\$458.33 per month
Total	\$1,045.33 per month

Payment for the pro-rated lease transaction costs shall be payable within 15 days of Lease termination. Lessor shall also be entitled to the recovery of any and all costs and attorney's fees associated with the collection of any lease transaction costs.

3. **RENT:** Lessee covenants and agrees to pay Lessor, at the offices of Lessor, City of SeaTac, Attn: Finance Department, 4800 South 188th Street, SeaTac, WA 98188, base monthly rent in the amount listed below, on the first day of each month:

Months 1-3	\$0
Months 4-12	\$4,481.33 per month
Months 13-18	\$4,621.38 per month
Months 19-24	\$4,691.40 per month
Months 25-30	\$4,761.42 per month
Months 31-36	\$4,831.44 per month

Any late rental payments received ten or more calendar days after the beginning of each month will be subject to a service charge of Twenty Five Dollars (\$25.00) to cover additional accounting notices, administrative and handling costs, and loss of use of funds.

4. **OPTION TO RENEW:** Upon mutual agreement, this Lease may be renewed for one additional three (3) year term, provided the Lessee is in full compliance with all the terms

ATTACHMENT 1

and conditions of this Lease. To exercise these options, Lessee must give Lessor sixty (60) days written notice. The Lessor is under no obligation to notify Lessee of this deadline. Failure to give the required notice will make this renewal option null and void. During the renewal term, all terms and conditions of this Lease shall remain in effect. Rent for the renewal term shall be at a mutually agreeable rate.

5. **Right of First Refusal:** Lessee shall have the right of first refusal for additional space on the second floor. Once notified of the availability and rate of additional leaseable space, the Lessee will have 3 business days to exercise their right of first refusal. Nothing in this paragraph is intended to require the Lessor to modify the size, shape, or characteristics of any potential leasable space in order to conform to the requirements or preferences of the lessee.
6. **Parking:** All parking shall be at no charge to tenant. 2.5 stalls per 1000 SF are guaranteed.
7. **Early Access:** Lessee shall have the right to enter the Premises during business hours (Monday –Friday 8:30 am—5:00 p.m.) at no cost prior to lease commencement for purposes of installing furniture and fixtures. Tenant will not be charged rent or operating expenses for the premises during the installation period.
8. **LANDLORD RESPONSIBILITIES, PRIOR TO MOVE IN:** Adequate electrical service must be available for use before the Lessee moves into the space. Landlord will also perform work as described on workletter which is attached as Exhibit A.
9. **UTILITIES AND FEES:** The rent payment shall include all charges for light, heat, water, sewage, garbage, and drainage utilities and services to the premises during the full term of this Lease. All other items including all license fees and other governmental charges levied on the operation of Lessee’s business on the premises will be paid directly by Lessee. In the event the leased premises are a part of a building or a larger premises to which such charges are charged as a whole, with the consent of the Lessor, then Lessee agrees to pay, upon demand, a proper and fair share of said charges.
10. **JANITORIAL SERVICE:** The rent payment shall also include all charges for janitorial service to the space. Such service will be provided no less than 2 time(s) per week and shall include removal of trash and recycling, cleaning the floors, dusting etc.
11. **TAXES:** Also included in the rent payment listed in paragraph 3 above is any real estate taxes and assessments applicable to the premises which are due and payable during the term of this Lease or any extension hereof.
12. **USE:** Lessee shall use the premises for the purposes of general office use and for no other purpose, without written consent of Lessor. Lessee shall have 24 hour access to the premises.

- 13. COMMON AREAS:** If the premises are part of a building occupied by other tenants, Lessee agrees to conform to Lessor's rules and regulations pertaining to the parts of the building that are in common use by tenants.
- 14. REPAIRS AND MAINTENANCE:** Lessee shall, at its own expense and at all times, keep the premises neat, clean and in a sanitary condition, and keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessor shall, at Lessor's expense, maintain in good repair, order and serviceable condition the premises and every part thereof, including but not limited to all ceiling tiles, plumbing, ventilation, heating, air conditioning and electrical systems and equipment in, on or exclusively serving the premises, windows, doors, storefronts, plate glass, interior walls and ceilings which are part of the premises, and all walkways and signs which are on or adjacent to the premises.
- 15. SIGNS:** All signs or symbols placed by Lessee in the windows and doors of the premises, or upon any exterior part of the building, shall be subject to Lessor's prior written approval. Lessor may demand the removal of signs which are not so approved, and Lessee's failure to comply with said request within forty-eight (48) hours will constitute a breach of this paragraph and cause the sign to be removed and the building repaired at the sole expense of the Lessee. At the termination of this Lease, Lessee will remove all signs placed by it upon the premises, and will repair any damage caused by such removal. All signs must comply with sign ordinances and be placed in accordance with required permits.
- 16. ALTERATIONS:** After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at Lessee's sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Lessor harmless from damage, loss or expense. Upon termination of this Lease and upon Lessor's request, or Lessor's approval, Lessee shall remove such improvements and restore the premises to its original condition not later than the termination date, at Lessee's sole costs and expense. Any improvements not so removed shall be removed at Lessee's expense provided that Lessee shall pay for any damage caused by such removal.
- 17. CONDEMNATION:** In the event a substantial part of the premises is taken or damaged by the right of eminent domain, or purchased by the condemner, in lieu thereof, so as to render the remaining premises economically untenable, then this Lease shall be cancelled as of the time of taking at the option of either party. In the event of a partial taking which does not render the premises economically untenable, the rent shall be reduced in direct proportion to the leased property taken. Lessee shall have no claim to any portion of the compensation for the taking or damaging of the land or building. Nothing herein contained shall prevent the Lessee from his entitlement to negotiate for his own moving costs and his leasehold improvements.
- 18. LIENS AND INSOLVENCY:** Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee and shall indemnify and hold Lessor harmless against the same. In the event Lessee becomes

insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor may cancel this Lease at its option.

- 19. SUBLETTING OR ASSIGNMENT:** Lessee shall not sublet the whole or any part of the premise, nor assign this Lease without the written consent of Lessor, which will not be unreasonably withheld. This Lease shall not be assignable by operation of law. Any assignment shall not release the Lessee from liability under this lease unless the assignment states such.
- 20. ACCESS:** Lessor shall have the right to enter the premises at all reasonable times for the purpose of inspection or of making repairs, additions or alteration, and to show the premises to prospective tenants for ninety (90) days prior to the expiration of the Lease term.
- 21. POSSESSION:** If for any reason Lessor is unable to deliver possession of the premises at the commencement of the term of the Lease, Lessee may give Lessor written notice of its intention to cancel this Lease if possession is not delivered within thirty (30) days after receipt of such notice by Lessor. Lessor shall not be liable for any damages caused by delay, and Lessee shall not be liable for any rent until such times as Lessor delivers possession. A delay of possession shall not extend the term of the termination date. If Lessor offers possession of the premises prior to the commencement date of the term of this Lease, and if Lessee accepts such early possession, then both parties shall be bound by all of the covenants and terms contained herein, including the payment of rent during such period of early possession.
- 22. DAMAGE OR DESTRUCTION:** In the event the premises are rendered untenable in whole or in part by fire, the elements, or other casualty, Lessor may elect, at its option, not to restore or rebuild the premises and shall so notify Lessee, in which event Lessee shall vacate the premises and this Lease shall be terminated; or, in the alternative, Lessor shall notify Lessee, within thirty (30) days after such casualty, that Lessor will undertake to rebuild or restore the premises, and that such work can be completed within one hundred eighty (180) days from date of such notice of intent. If Lessor is unable to restore or rebuild the premises within the said one hundred eighty (180) days, then the Lease may be terminated at Lessee's option by written ten (10) day notice to Lessor. During the period of untenability, rent shall abate in the same ratio as the portion of the premises rendered untenable bears to the whole of the premises.
- 23. ACCIDENTS AND LIABILITY:** Lessor or its agent shall not be liable for any injury or damage to persons or property sustained by Lessee or other, in or about the premises. Lessee agrees to defend and hold Lessor and its agents harmless from any claim, action and/or judgment for damages to property or injury to persons suffered or alleged to be suffered on the premises by any person, firm or corporation, unless caused by Lessor's negligence. Lessee agrees to maintain public liability insurance on the premises with broad form property damage and contractual liability endorsements and in the minimum combined single limit of \$1,000,000 and deductible of not more than \$5,000 for bodily injuries and death, and shall name Lessor as an additional insured. Prior to occupancy, Lessee shall furnish Lessor a certificate indicating that the insurance policy is in full force and effect, the

Lessor has been named as an additional insured, and that the policy may not be cancelled unless ten (10) days prior written notice of the proposed cancellation has been given to Lessor.

- 24. SUBROGATION WAIVER:** Lessor and Lessee each herewith and hereby releases and relieves the other and waives its entire right of recovery against the other for loss and damage arising out of or incident to the perils described in standard fire insurance policies and all perils described in "Extended Coverage" insurance endorsement approved for use in the state where the premises are located, which occurs in, on or about the premises, unless due to the negligence of either party, their agents, employees, or otherwise.
- 25. DEFAULT AND RE-ENTRY:** If Lessee shall fail to keep and perform any of the covenants and agreements herein contained, other than the payment of rent, and such failure continues for thirty (30) days after written notice from Lessor, unless appropriate action has been taken by Lessee in good faith to cure such failure, Lessor may terminate the Lease and re-enter the premises, or Lessor may, without terminating this Lease, re-enter said premises, and sublet the whole or any part thereof for the account of the Lessee upon as favorable terms and conditions as the market will allow for the balance of the term of this Lease and Lessee covenants and agrees to pay to Lessor any deficiency arising from a re-letting of the premises at a lessor amount than herein agreed to. Lessee shall pay such deficiency each month as the amount thereof is ascertained by Lessor. However, the ability of Lessor to re-enter and sublet shall not impose upon Lessor the obligation to do so.
- 26. REMOVAL OF PROPERTY:** In the event Lessor lawfully re-enters the premises as provided herein, Lessor shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Lessee. Lessee agrees that a landlord's lien shall continue to attach to the property whether or not removed from the leased premises.
- 27. COSTS AND ATTORNEY'S FEES:** If, by reason of any default or breach on the party of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith, including costs and fees to collect any judgment. It is agreed that the venue of any legal action brought under the terms of this Lease may be in the county in which premises are situated. Interest on unpaid sums shall accrue at the rate of 12 percent per annum from due date, even if unliquidated at that time.
- 28. NO WAIVER OF COVENANTS:** No conduct of a party shall constitute accord and satisfaction unless contained in a writing of such effect and signed by the parties. Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

29. SURRENDER OF PREMISES: Lessee agrees, upon termination of this Lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean and to deliver all keys to the premises to Lessor.

30. HOLDING OVER: If Lessee, with the implied or express consent of Lessor, shall hold over after the expiration of the term of this Lease, Lessee shall remain bound by all the covenants and agreement herein, except that the tenancy shall be from month to month and shall be for a monthly rate of 125 percent of the last rental rate under the Lease.

31. BINDING ON HEIRS, SUCCESSORS, AND ASSIGNS: The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.

32. NOTICE: Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to the Lessor at 4800 South 188th Street, SeaTac, WA 98188 or to the Lessee at

or at such other address as either party may designate to the other in writing from time to time. A facsimile transmission will suffice in lieu of mail if receipt is confirmed as to date and time.

33. RIDERS: Riders, if any, attached hereto, are made as part of this Lease by reference and are described as follows: Work Letter which is attached as Exhibit A.

34. TIME IS OF THE ESSENCE OF THIS LEASE.

35. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

36. GOVERNING LAW AND VENUE: Any disputes arising from the terms of this Lease shall be subject to the laws of the State of Washington. Venue for any lawsuit arising from the terms of this lease shall be King County, Washington.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

Lessor(s):

Lessee(s):

City of SeaTac

Lessor *by*

Lessee *by*

Signature

Todd Cutts, City Manager

Printed Name, Title

Signature

Printed Name

Date

Date

Approved as to form:

SeaTac City Attorney

Exhibit A

SASH Work letter

1. Add door between reception area and main offices.
2. Add receptacles as mutually agreed on.
3. Paint Interior. Color to be mutually agreed on.
4. Replace stained ceiling tiles.
5. Verify dedicated circuits to existing server room.
6. Replace carpet with building accepted manufacturer. Color of carpet as selected by Tenant. Tenant shall pay for carpet costs above \$10,000.00.
7. Remove the odd-colored countertop in the corner of the kitchen (the one that doesn't have cupboards underneath) so that tenant can install a full-size fridge.
8. Rekeying all of the doors with individual locks, and providing one master key.
9. Lock on storage room needs a lock as well.
10. Tuck up the power poles in the center room.
11. Repairing the wall in the reception area (looks like a sign was taken down?)

Office Lease Comps




Wednesday, February 29, 2012

Provided Courtesy Of



Comp Date	City	Tenant Name/ Buyer Name	Building Name	Building Photo	Total SF	Lease Term	Office rate Lease Type	Rental Increases	TI's	Concessions Comments
1/23/2012	Auburn	VOLT Information Sciences	Auburn Corporate Center II		4,446	65	\$14.00 NNN	\$.50/Annuall y	43/sf	5 Months None
7/15/2011	Kent	Laufer Group International	Creeksides at Centerpoint		3,554	72	\$12.00 NNN	\$.50/year	Carpet & paint, buildout one	12 Months None
10/28/2011	Tukwila	Direct Contact LLC	Southcenter Corporate Square		3,137	66	\$18.00 FS	\$.50/SF Yr.	\$8.00/SF - Full Service Est.	6 Months Space pocket of 800 SF for initial year
8/1/2011	Renton	Raymond Ng & Tina Chow	Airport Plaza		3,012	65	\$15.00 NNN	\$1.00 - \$1.50/SF	\$20.00	5 Months None
2/15/2012	Renton	Pacific iD	Renton Plaza		2,784	64	\$18.55 FS	2% Annually	\$11.00/sf	4 months None

ATTACHMENT #2

Comp Date	City	Tenant Name/ Buyer Name	Building Name	Building Photo	Total SF	Lease Term	Office rate Lease Type	Rental Increases	TI's	Concessions Comments
3/14/2011	Renton	YKK	Oakesdale Center		2,667	72	\$13.00 NNN	.50/Annually	\$40/sf	7 Months None
5/31/2011	Tukwila	Rescare Washington, Inc.	1101 Building		2,370	60	\$1,775.00 FS	.25/sf	\$2.00/RS F	2 Months None
5/1/2011	Tukwila	Terra Staffing, Inc.	Baker Square		2,106	64	\$16.75 NNN	\$.50/SF/Yr.	\$20/SF	4 Months None

SeaTac City Council
REQUEST FOR COUNCIL ACTION

Department Prepared by: Legal

Agenda Bill #: 3418

TITLE: An Ordinance amending Chapter 3.31 of the SeaTac Municipal Code related to purchasing.

<i>March 21, 2012</i>	
<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other	
Date Council Action Requested:	<u>RCM 04/10/2012</u>
Ord/Res Exhibits:	
Review Dates:	<u>Council Retreat 02/25/2012; CSS: 03/27/2012</u>
Prepared By:	<u>Mark S. Johnsen, Senior Assistant City Attorney</u> <i>MSJ</i>
Director:	<u>Mary Mianke Bartolo</u> City Attorney: <u>Mary Mianke Bartolo</u>
Finance:	<u>B. Polsh</u> BARS #: <u>N/A</u>
City Manager:	<u>Tom Bell</u> Applicable Fund Name: <u>N/A</u>

MLC
SB

SUMMARY: The proposed Ordinance amends the City's Purchasing Code, pursuant to direction given to the City Manager at the City Council retreat on February 25, 2012.

DISCUSSION / ANALYSIS / ISSUES: The proposed Ordinance amends several sections of the City's Purchasing Code (Chapter 3.31 of the SeaTac Municipal Code). The following is a list of proposed changes:

SMC 3.31.050. Currently, the City Manager has authority to execute contracts that do not exceed \$5,000. Contracts that exceed \$5,000 but are less than \$35,000 are approved by the City Council by Motion as part of the consent agenda. Similar authority is provided for the execution of contract amendments. The proposed Ordinance authorizes the City Manager to execute contracts that do not exceed \$50,000 in value. The current \$5,000--\$35,000 agenda item would be removed. In addition, the City Manager would be authorized to execute contract amendments that do not exceed the lesser of 10% of the contract cost or \$50,000.

SMC 3.31.060. This Section related to the purchase of supplies and equipment would be amended so that the requirement to obtain at least three quotations more closely matches the contract approval limits in SMC 3.31.050 and the dollar amounts for public works contracts.

SMC 3.31.090 and SMC 3.31.100. These Sections related to public works projects would be amended to remove the maximum dollar for utilizing the small works roster, and instead provides that the small works roster process can be used when applicable. The maximum dollar amount is set by State law, which is currently \$300,000.

SMC 3.31.190. Currently, the City Manager is authorized to lease or rent City facilities or let a contract in which the City receives payment, provided that the annual payment does not exceed \$35,000. However, when the City receives annual payment between \$5,000 and \$35,000 the agreements are approved by the City Council by Motion, similar to the \$5,000--\$35,000 purchases. This Section related to lease or rental of City facilities would be amended to authorize the City Manager to execute such contracts if the annual payment to the City does not exceed \$50,000. The proposed Ordinance also authorizes the City Manager to accept grants on behalf of the City with these same dollar amounts.

RECOMMENDATION(S): It is recommended that the Ordinance be adopted.

FISCAL IMPACT: None.

ALTERNATIVE(S): 1) Do not adopt the Ordinance. 2) Amend the Ordinance prior to adoption.

ATTACHMENTS: Chief Executive Officer Purchasing/Contract Authority

ORDINANCE NO. _____

AN ORDINANCE of the City Council of the City of SeaTac, Washington, amending Chapter 3.31 of the SeaTac Municipal Code related to Purchasing.

WHEREAS, the City Council discussed amending the City's Purchasing Code to increase the City Manager's authority to make purchases and execute contracts when the value does not exceed \$50,000 at the February, 2012 Council Retreat; and

WHEREAS, the City Council has determined that it is appropriate to amend the City's Purchasing Code;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN as follows:

Section 1. Section 3.31.050 of the SeaTac Municipal Code is hereby amended to read as follows:

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 ~~are not budgeted or~~ require additional budget appropriations must be approved by the City Council, regardless of amount.

1. Contracts and purchases not exceeding \$50,000 may be approved by the City Manager or designee without City Council approval.
- ~~2. Contracts and purchases exceeding \$5,000 but not exceeding \$35,000 shall be reported to the City Council for approval by motion in accordance with the Council's administrative procedures.~~
- ~~32.~~ 3. Contracts and purchases exceeding \$3550,000 shall be ~~formally~~ presented to the City Council for approval ~~as a separate item on the City Council agenda.~~

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:
 - i. Extends the time of completion for a project. Such an extension can be for up to six months; and/or
 - ii. Provides for a cost increase that does not exceed 10% of the original contract cost or \$50,000, whichever is less, and such cost increase ~~has been appropriated in the City's budget~~ does not require additional budget appropriations; or
 - iii. The total value of the contract does not exceed \$50,000 after the cost increase.

C. The approval process for amendments to public works contracts exceeding \$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 a change order, 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.

~~D. For contract amendments requiring City Council approval, a separate agenda item on the City Council agenda is required unless one of the following exceptions apply:~~

- ~~1. If the contract amendment increases the cost of the contract by \$35,000 or less, the contract amendment may be approved by the City Council utilizing the procedure set forth in SMC 3.31.050(A)(2); or~~
- ~~2. The contract does not require approval as identified in SMC 3.31.050(B) or (C).~~

Section 2. Section 3.31.060 of the SeaTac Municipal Code is hereby amended to read as follows:

3.31.060 Purchasing Procedures for Supplies, Equipment, Non-Professional Services, and Information Services.

A. This Section applies to purchases of supplies, equipment, non-professional 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 \$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 \$5,000, but less than ~~\$35~~50,000, at least three 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 quotations cannot be obtained, the City ~~Council~~ 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 ~~\$35~~50,000, but less than ~~\$200~~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 ~~\$200~~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 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.

Section 3. Section 3.31.090 of the SeaTac Municipal Code is hereby amended to read as follows:

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, non-professional 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 ~~totaling \$200,000 or less~~, 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 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 100% of the price specified in the contract.

1. For contracts of \$35,000 or less, the City may retain 50% of the contract for 30 days after final acceptance, or until receipt of all necessary releases from the Department of Revenue and Department of Labor & Industries, and settlement of any liens filed under

RCW 60.28 (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 RCW 39.08 may be waived.

H. In order for a bid to be considered responsive for public works contracts valued at over \$1,000,000, every bidder must submit (either with their bid or within one 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.

Section 4. Section 3.31.100 of the SeaTac Municipal Code is hereby amended to read as follows:

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 days prior to the last date upon which bids will be received, and the second notice shall occur at least seven 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 ~~in excess of \$200,000~~ 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 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 \$200,000 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 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. Non-Collusion 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.

Section 5. Section 3.31.190 of the SeaTac Municipal Code is hereby amended to read as follows:

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 thirty five thousand dollars (\$35,000) in value. However, leases, rental agreements, or contracts in which annual payment to the City exceeds five thousand dollars (\$5,000) but less than thirty five thousand dollars (\$35,000) shall be reported to the City Council for approval by motion prior to execution.

Section 6. This Ordinance shall be in full force and effect five days after passage and publication as required by law.

ADOPTED this _____ day of _____, 2012, and signed in authentication thereof on this _____ day of _____, 2012.

CITY OF SEATAC

Tony Anderson, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to Form:

Mary Mirante Bartolo

Mary Mirante Bartolo, City Attorney

[Effective Date: _____]

[2012 Purchasing Code Update]

Chief Executive Officer Purchasing/Contract Authority

City	Contracts/Purchases
Burien	Expenditures approved during budget. City Manager has authority to sign contracts/make purchases at any amount.
Covington	City Manager has contract/purchasing authority for Public Works items up to \$45K and for all other items up to \$30K.
Des Moines	City Manager has authorization to sign contract/make purchases under \$50K
Kent	Mayor has authorization to sign contracts/make purchases under \$50K.
Maple Valley	City Manager has contract/purchasing authority for items under \$35K if not addressed in budget process and unlimited contract authority if item included in budget process.
Normandy Park	Varies depending on topics.
Renton	Department Administrators have the authority to sign contract/make purchases under \$25K, Mayor under \$50K.
SeaTac	City Manager has contract/purchasing authority for items under \$5K.
Tukwila	Mayor has authorization to sign contracts/make purchases under \$40K.