



City of SeaTac

Council Study Session Agenda

April 24, 2012
4:00 PM

City Hall
Council Chambers

CALL TO ORDER:

1. **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 SeaTac Market / Sunset International Furniture (10 minutes)**

By: Economic Development Manager Jeff Robinson

2. PRESENTATIONS:

- **Informational presentation on the Regional Traffic Buster System (15 minutes)**

By: Public Works Director Tom Gut / Washington State Department of Transportation Northwest Regional ITS Engineer Michael Forbis

- **Police Contract Update (30 minutes)**

By: Police Chief Jim Graddon / King County Sheriff Steve Strachan

- **At Will Employment (15 minutes)**

By: Human Resources Director Anh Hoang

- **Salary Range for Assistant City Manager position (10 minutes)**

By: Human Resources Director Anh Hoang

- **Traffic School (20 minutes)**

By: Administrative Captain Annette Louie / Court Administrator Paulette Revoir

- **Format of Public Safety Statistics (10 minutes)**

By: Mayor Tony Anderson

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 24, 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.)

3. PRESENTATIONS:

● **Girl Scouts of America 100th Anniversary Proclamation (5 minutes)**

By: Mayor Tony Anderson

● **Council confirmation of Mayoral Re-Appointment of Valerie Allan to the Human Services Advisory Committee (5 minutes)**

By: Mayor Tony Anderson

● **Ruth Dykeman Children's Center-NAVOS (5 minutes)**

By: Program Director Victor Place / Therapist Alisa Kelly

● **Update on Affordable Housing Policies (20 minutes)**

By: Senior Planner Michael Scarey

● **Animal Services (30 minutes)**

By: Police Chief Jim Graddon / Administrative Captain Annette Louie / Program Manager Soraya Lowry

4. CONSENT AGENDA:

● **Approval of claims vouchers** (check nos. 97945 – 98154) in the amount of \$487,642.02 for the period ended April 20, 2012.

● **Approval of payroll vouchers** (check nos. 50552 – 50582) in the amount of \$182,571.58 for the period ended April 15, 2012.

● **Approval of payroll electronic fund transfers** (72246 – 72417) in the amount of \$351,561.74 for the period ended April 15, 2012.

● **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$69,452.13 for the period ended April 15, 2012.

● **Summary of Councilmember and City Manager travel City MasterCard expenses and/or reimbursement requests** for the period ended April 16, 2012.

Approval of Council Meeting Minutes:

● **Council Retreat** held February 24-25, 2012

● **Council Study Session** held February 28, 2012

● **Special Council Meeting** held February 28, 2012

● **Regular Council Meeting** held March 13, 2012

● **Council Workshop** held April 2, 2012

● **Special council Meeting** held April 16, 2012

Agenda Items reviewed at the April 10, 2012 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #3411; A Motion authorizing the City Manager to execute a design agreement for the South 168th Street Sidewalk Project

4. CONSENT AGENDA (Continued):

Agenda Bill #3416; A Motion authorizing staff to apply for the 2013 Community Development Block Grant for design and construction of expanding the Valley Ridge Community Center

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

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:

- 5. Agenda Bill #3423; A Joint Resolution to formally recognize the Highline Communities Coalition in collaboration with the Cities of Burien, Des Moines, and Normandy Park and the Highline School District and to authorize Mayor Anderson to sign said Resolution (20 minutes)**

By: Deputy Mayor Mia Gregerson

UNFINISHED BUSINESS:

NEW BUSINESS:

CITY MANAGER'S COMMENTS:

COUNCIL COMMENTS:

EXECUTIVE SESSION:

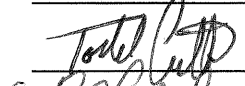


ADJOURN:

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 SeaTac Market / Sunset International Furniture.

<i>April 19, 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>RCM 5-8-2012</u>
Ord/Res Exhibits:	_____
Review Dates:	<u>CSS 4-24-2012</u>
Prepared By:	<u>Jeff Robinson, Economic Development Manager</u>
Director:	<u></u>
City Attorney:	<u>Mark Johnson, Jr. Asst. City Atty</u>
Finance:	<u></u>
BARS #:	<u>108.362.50.00.002</u>
City Manager:	<u></u>
Applicable Fund Name:	<u>Building Management Fund</u>

JK
KA

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 SeaTac 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. The new full service market is planning on offering a wide range of canned goods, including fresh produce, meats and seafood.

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



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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 SeaTac Market (Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. **Trade Name.** SeaTac Market.

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 64 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 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 \$ _____.~~

(SA)

(SA)



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

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

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or fifty percent (50%) or more of the GLA of the Property are entirely destroyed, or partially damaged and rendered untenable, 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 untenable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and Rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant'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 unexpired 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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Tukwila, WA 98188
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(Multi Tenant - Triple Net)

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.

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



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RETAIL LEASE AGREEMENT
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STATE OF WASHINGTON

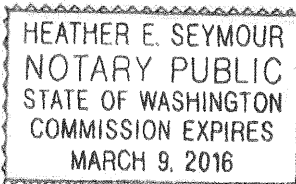
COUNTY OF King

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
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STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,

residing at _____

My appointment expires _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

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

Dated this _____ day of _____, 20__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,

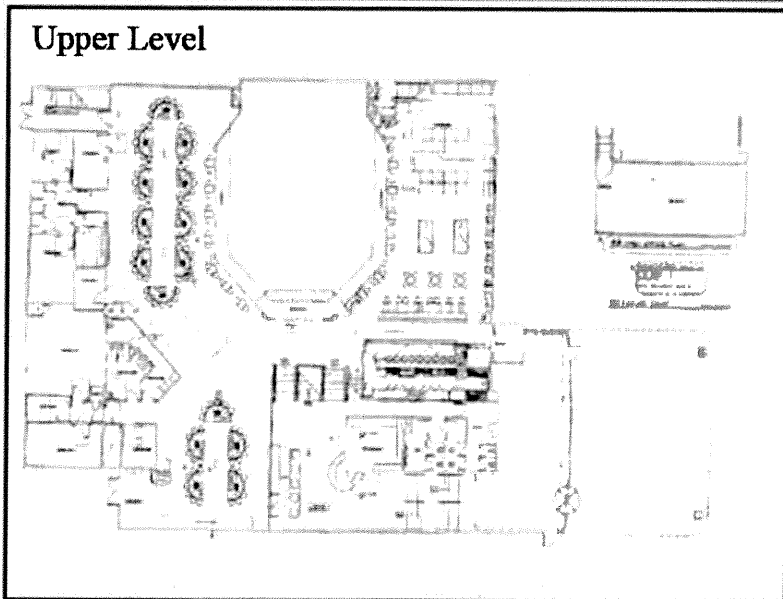
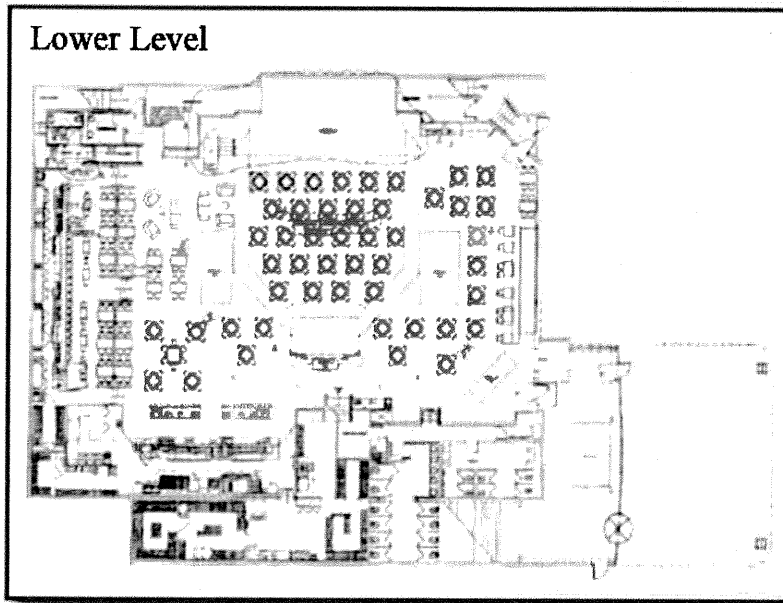
residing at _____

My appointment expires _____

RETAIL LEASE AGREEMENT
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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

PARCELA

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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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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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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New text inserted by licensee indicated by small capital letters.

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.

Handwritten signature and date 3/28/12 above lines for GUARANTOR and 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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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 _____

2. PRESENTATIONS:

- **Informational presentation on the Regional Traffic Buster System (15 minutes)**

By: Public Works Director Tom Gut / Washington State Department of Transportation Northwest Regional ITS Engineer Michael Forbis

- **Police Contract Update (30 minutes)**

By: Police Chief Jim Graddon / King County Sheriff Steve Strachan

- **At Will Employment (15 minutes)**

By: Human Resources Director Anh Hoang

- **Salary Range for Assistant City Manager position (10 minutes)**

By: Human Resources Director Anh Hoang

- **Traffic School (20 minutes)**

By: Administrative Captain Annette Louie / Court Administrator Paulette Revoir

- **Format of Public Safety Statistics (10 minutes)**

By: Mayor Tony Anderson

3. PRESENTATIONS:

- **Girl Scouts of America 100th Anniversary Proclamation (5 minutes)**

By: Mayor Tony Anderson

- **Council confirmation of Mayoral Re-Appointment of Valerie Allan to the Human Services Advisory Committee (5 minutes)**

By: Mayor Tony Anderson

- **Ruth Dykeman Children's Center-NAVOS (5 minutes)**

By: Program Director Victor Place / Therapist Alisa Kelly

- **Update on Affordable Housing Policies (20 minutes)**

By: Senior Planner Michael Scarey

- **Animal Services (30 minutes)**

By: Police Chief Jim Graddon / Administrative Captain Annette Louie /
Program Manager Soraya Lowry



MEMORANDUM

Date: April 20, 2012
To: City of SeaTac Mayor and Council
From: Kristina Gregg, City Clerk *KAG*
Subject: Confirmation of Re-Appointment

Please be advised that the following individual's application went before the Mayor and Council at the April 10, 2012 Regular Council Meeting for consideration of re-appointment and will go before the 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

Cc: Human Services Program Manager Colleen Brandt-Schluter



MEMORANDUM

*Department of Community and Economic Development
Planning Division*

TO: Councilmembers
FROM: Michael Scarey, Senior Planner 
REGARDING: Draft Countywide Planning Policies Related to Affordable Housing
DATE: April 20, 2012

The attached is the current draft of the affordable housing-related policies, which will be incorporated into the Countywide Planning Policies (CPP).

As you know, staff has been working with the staffs of King County and other cities to update these policies. This work was prompted by the letter that the mayors of several south county cities sent to County Executive Dow Constantine last year, requesting that the policies be revised to achieve more equity in the distribution of affordable housing throughout the county.

The draft was reviewed by the King County Growth Management Planning Council (GMPC) at their April 4 meeting, and is scheduled for action by the GMPC at their June 6 meeting. The two sections shown in underline format are recent suggestions from the SeaTac Planning Commission.

Staff will review the materials in more detail at Tuesday's RCM, and will be seeking comment and general direction from the Council.

cc Todd Cutts, City Manager
Gary Schenk, Acting Director, Community and Economic Development
Department

HOUSING

The Countywide Planning Policies provide a framework for all jurisdictions to plan for and promote a range of affordable, accessible, and healthy housing choices for current and future residents. Within King County, there is an unmet need for housing that is affordable for households earning less than 80 percent of area median income (AMI). Households within this category include low-wage workers in services and other industries; persons on fixed incomes including many disabled and elderly residents; and homeless individuals and families. A high proportion of these households spend a greater percentage of their income on housing than is typically considered appropriate. This is especially true for low and very low income households earning less than 50 percent (low) and less than 30 percent (very-low) of area median income. The county and all cities share in the responsibility to increase the supply of housing that is affordable to these households.

While neither the county nor the cities can guarantee that a given number of units at a given price level will exist, be preserved, or be produced during the planning period, establishing the countywide need clarifies the scope of the effort for each jurisdiction. The type of policies and strategies that are appropriate for a jurisdiction to consider will vary and will be based on its analysis of housing. Some jurisdictions may need to address housing needs at multiple income levels because their overall supply of affordable housing is significantly less than their proportional share of the countywide need. Other jurisdictions that currently have housing stock that is generally affordable will focus efforts on preservation or on the needs of a specific demographic segment of the population.

The provision of housing affordable to very low income households, those earning less than 30% of AMI, is the most challenging problem and one faced by all communities in the county. Housing for these very low income households cannot be met solely through the private market. Meeting this need will require interjurisdictional cooperation and support from public agencies, including the cities and the county.

Overarching Goal: *The housing needs of all economic and demographic groups are met within all jurisdictions.*

H-1 Address the countywide need for housing for those with lower incomes and special needs. The countywide need for housing by percentage of Area Median Income (AMI) is:

50-80% of AMI (moderate)	16% of total housing supply
30-50% of AMI (low)	12% of total housing supply
30% and below AMI (very-low)	12% of total housing supply

H-2 Address the need for households at less than 30% AMI (very low income), recognizing that this is where the greatest need exists, and addressing this need will require policies and collaborative actions by jurisdictions working individually and collectively.

Housing Inventory and Needs Analysis

The Growth Management Act requires an inventory and analysis of existing and projected housing needs as part of each jurisdiction's comprehensive plan housing element. Assessing local housing needs provides jurisdictions with information about the local housing supply, the cost of housing, and the demographic and income levels of the community's households. This information on current and future housing conditions provides the basis for the development of effective housing policies and programs. While some cities may find that they meet current need for housing or for some populations groups, the inventory and needs analysis will help identify those income levels and demographic segments of the population where there is the greatest need. Further guidance on conducting a housing inventory and analysis is provided in Appendix 4.

H-3 Conduct an inventory and analysis of existing and projected housing needs of all economic and demographic segments of the population in each jurisdiction. The analysis and inventory shall include:

- a. Characteristics of existing housing and population;
- b. Projected growth and demographic change in the community;
- c. The needs of very-low, low, and moderate-income households; and
- d. Special needs populations.

Strategies to Meet Housing Needs

VISION 2040 encourages local jurisdictions to adopt best housing practices and innovative techniques to advance the provision of affordable, healthy, sustainable, and safe housing for all residents. Meeting the county's affordable housing needs will require actions by a wide range of private for profit, non-profit and government entities, including substantial resources from federal, state, and local levels. No single tool is likely to be sufficient to meet the full range of needs in a given jurisdiction. The county and cities are encouraged to employ a range of housing tools to ensure the countywide need is addressed and are responsive to local conditions. More detailed guidance on the range of strategies for promoting housing supply and affordability is contained in Appendix 4.

H-4 Provide zoning capacity within each jurisdiction in the Urban Growth Area for a range of housing types and densities, sufficient to accommodate each jurisdiction's overall housing targets and, where applicable, housing growth targets in designated Urban Centers, .

H-5 Adopt policies and strategies, at the local and countywide levels, that promote housing supply, affordability, and diversity, including those that address a significant share of the

countywide need for very-low, low, and moderate income households. These strategies should address the following areas:

- a. Overall supply and diversity of housing, including both rental and ownership;
- b. Housing suitable for a range of household types and sizes;
- c. Affordability to very-low, low-, and moderate-income households;
- d. Housing suitable and affordable for households with special needs;
- e. Universal design and sustainable development of housing; and
- f. Housing supply, including affordable housing and special needs housing, within Urban Centers and in other areas planned for concentrations of mixed land uses.

H-6 Preserve existing affordable units where appropriate, including preservation of affordable housing, and the acquisition and rehabilitation of housing for long-term affordability.

H-7 Identify barriers to housing affordability and implement strategies to overcome them.

H-8 Tailor housing policies and strategies to local needs, conditions and opportunities, recognizing the unique strengths and challenges of different cities and sub-regions.

H-9 Plan for housing that is accessible to major employment centers and affordable to the workforce in them so people of all incomes can live near or within reasonable commuting distance of their places of work. Encourage housing production at a level that improves the balance of housing to employment throughout the county.

H-10 Promote housing development, preservation, and affordability in coordination with transit, bicycle, and pedestrian plans and investments and in proximity to transit hubs and corridors, such as through transit oriented development and planning for mixed uses in transit station areas.

H-11 Maintain the condition and quality of existing housing stock.

H-12 Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting active living and healthy eating and reducing the risk of injury and exposure to environmental toxins.

H-13 Promote fair housing and plan for communities that include residents with a range of abilities, ages, races, incomes, and other diverse characteristics of the population of the county.

H-14 Encourage economically sustainable projects that do not shift portions of the building and operating costs and the cost of government services to others.

Regional Cooperation

Housing affordability is important to regional economic vitality and sustainability. Housing markets do not respect jurisdictional boundaries. For these reasons, multijurisdictional efforts for planning and adopting strategies to meet regional housing needs are an additional tool for identifying and meeting affordable housing needs. Collaborative efforts, supported by the work of Puget Sound Regional Council and other agencies, contribute to producing and preserving affordable housing and coordinating equitable, sustainable development in the county and region. Where individual cities lack sufficient resources, collective efforts to fund or provide technical assistance for affordable housing development and preservation, and for the creation of strategies and programs, can help to meet the housing needs identified in comprehensive plans. Cities with similar housing characteristics tend to be clustered geographically. Therefore, there are opportunities for efficiencies and greater impact through interjurisdictional cooperation. Such efforts are encouraged and can be a way to achieve countywide affordable housing needs.

~~H-14~~ 15 Work cooperatively among jurisdictions to provide mutual support in meeting countywide housing growth targets and affordable housing needs.

~~H-15~~ 16 Collaborate in developing sub-regional and countywide housing resources and programs, including funding, to provide affordable housing for very-low, low-, and moderate-income households.

~~H-16~~ 17 Work cooperatively with the Puget Sound Regional Council and other agencies to identify ways to expand technical assistance to local jurisdictions in developing, implementing and monitoring the success of strategies that promote affordable housing that meets changing demographic needs. Collaborate in developing and implementing a housing strategy for the four-county central Puget Sound region.

Measuring Results

Maintaining timely and relevant data on housing markets and residential development allows the county and cities to evaluate the effectiveness of their housing strategies and to make appropriate changes to those strategies when and where needed. In assessing efforts to meet affordable housing targets, jurisdictions need to consider public actions taken to encourage development and preservation of very low-, low- and moderate-income housing, such as local funding, development code changes, and creation of new programs, as well as market and other factors that are beyond local government control. Further detail on monitoring procedures is contained in Appendix 4.

~~H-17~~ 18 Monitor housing supply and affordability, including progress toward meeting the identified needs for affordable housing. Monitoring should encompass:

- a. Number and type of new housing units;

- b. Number of units lost to demolition, redevelopment, or conversion to non-residential use;
- c. Number of new units that are affordable to very-low, low-, and moderate-income households;
- d. Number of affordable units newly preserved and units acquired and rehabilitated with a regulatory agreement for long-term affordability for very-low, low-, and moderate-income households;
- e. Housing market trends including affordability of overall housing stock;
- f. Changes in zoned capacity for housing;
- g. The number and nature of fair housing complaints;
- h. Housing development and market trends in Urban Centers.
- i. Provide transparency of comprehensive housing related subsidies annually.

H-18 Periodically review and amend the countywide and local housing policies and strategies, especially where monitoring indicates that adopted strategies are not resulting in adequate affordable housing to meet the countywide need.

**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**

**City Council/City Manager Travel Summary
Consent Agenda: 4.24.12**

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

City Mastercard statements received 4.16.12 for verification

Name: Barry Ladenburg	City Mastercard	Personal Reimbursement
Lodging (on Mia's expense reimbursement)		
Meals (Includes other Councilmembers)	162.33	16.73
Transportation	20.00	668.60
Registration (on-site reg. workshop)	120.00	
Total	\$302.33	\$685.33

Name: Dave Bush	City Mastercard	Personal Reimbursement
Lodging (6 nights)	1710.66	
Meals - Includes other Councilmembers	168.63	9.35
Transportation (previously submitted)		
Registration (on-site reg. workshop)	180.00	
Total	\$2059.29	\$9.35

Name: Todd Cutts	City Mastercard	Personal Reimbursement
Lodging (2 nights)	570.22	
Meals (includes some Councilmembers)	181.26	
Transportation (airfare previously submitted)	195.25	33.25
Registration (previously submitted)		
Total	\$946.73	\$33.25

City of SeaTac

City Council Retreat

February 24, 2012 – 9 AM–5 PM

February 25, 2012 – 9 AM–5 PM

City Hall
Council Chambers

Friday, February 24, 2012

Convene: Mayor Tony Anderson called the meeting to order at 9:02 a.m.

Council Present: Mayor Tony Anderson, Deputy Mayor (DM) Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson, Dave Bush, and Pam Fernald.

Administrative Staff Present: City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnson, Executive Assistant Lesa Ellis, Human Resources (HR) Director Anh Hoang, Court Administrator Paulette Revoir, Police Chief Jim Graddon and Fire Chief Jim Schneider.

Team Building Exercise: Mayor A. Anderson introduced Executive Diversity Services, Inc. President Elmer Dixon. Council participated in the Building Effective Teams exercise.

Recessed: Council recessed for a break from 10:53 a.m. to 11:03 a.m.

Team Building Exercise (Continued): Council continued participating in the Building Effective Teams exercise.

Recessed: Council recessed for lunch from 12:07 p.m. to 1:00 p.m.

Council discussion ensued regarding the Team Building Exercise.

City Manager Cutts announced that new Finance Director Aaron Antin will start March 23.

Organizational Alignment, Performance Measurement, Process Improvement

City Manager Cutts stated that this was considered as a decision card during the budget process but was denied.

The City faces questions in the future regarding sustaining existing service levels given stagnant/volatile revenues, increased cost of doing business, and sustainability of funding sources.

Potential solutions are: increase revenues, decrease expenditures, and/or improve efficiency.

His recommendation is a comprehensive three step process that can decrease expenditures while increasing efficiency: (1) community survey – in process, (2) Council visioning and goal setting – in April, and (3) Organizational alignment, Performance Measurement and Process Improvement – today's discussion.

He stated the Organizational Alignment, Performance Measurement and Process Improvement presentation was made at the 2012 Budget Workshop 1 which was received favorably and interest level was high however there was an anticipated budgeted shortfall which compelled Council not to fund this effort. After the budget was adopted, the City was informed of an additional \$1 million in revenue in 2012 from property taxes. The new proposal budget/scope has been significantly pared down from the original proposal (\$220,000 to \$150,000).

He reviewed the proposed phases: (1) establish the plan, and (2) establish the foundation.

Mr. Cutts stated that his goal for today was to bring this process before the Council again to determine the level of interest. There is no funding currently budgeted for this.

Council discussion ensued regarding their thoughts on this process. Mr. Cutts detailed some of the cost estimates.

Mr. Cutts stated this could be budgeted out of fund balance based on the increase in utility value. This would not result in any additional tax to the residents.

Council stated their interest in the process, but concerned with costs.

Mr. Cutts stated that based on today's discussion, any of the following could occur: (1) presentation at a Council Study Session (CSS) with more information; (2) Chris Lindstrom from CEPTARA could talk individually with any CMs with questions; (3) Mr. Cutts could compile questions; or (4) he could develop a Request for Proposals (RFP) to see which companies would be interested in developing a scope and cost.

Action: Staff to prepare a RFP for discussion at the goal setting workshop (date to be determined).

Recessed: Council recessed for a break from 2:27 to 2:34 p.m.

Discussion Regarding Fire Services Consolidation

City Manager Cutts stated that this was brought to a January Council meeting. Today's presentation is to provide an update and ways to move forward.

Fire Chief Schneider stated that since 1992, staff has been reduced from 12 to 6 in the Training, Administration and Fire & Life Safety Divisions. Through contracting with the Kent RFA, some of those positions have been reimplemented.

He detailed the three options:

(1) Continue to operate as a separate Municipal Fire Department: SeaTac Fire Department operating budget for 2012 is approximately \$7.5 million. There are also soft costs, capital equipment and capital facilities costs. He reviewed future costs and added demands. The main reason for originally entering into an Interlocal Agreement (ILA) with the Kent Regional Fire Authority (RFA) was due to safety standards not being met. He reviewed the Master Plan Recommendations – all items that could be cost prohibitive.

(2) Join the Kent RFA: the exploratory process was suspended because the Fire Benefit Charge could not be placed on the personal property at the Port of Seattle (POS) so the City could not generate enough revenue.

(3) Contract for services with Kent RFA: Contract for Services, same idea as with Sheriff's Office. He explained the benefits of this option.

He reviewed the accomplishments through the existing partnership: entered into ILA for various services; implemented the training consortium that consists of SeaTac, Maple Valley, and Kent Fire Department; and SeaTac and Kent RFA created an observation and training agreement.

City administration is seeking Council direction for additional consolidation considerations in 2012 between the SeaTac Fire Department and Kent RFA. The consolidation consideration staff would like to explore is the option of SeaTac contracting for Fire/Emergency Medical Services (EMS) protective services with the Kent RFA.

Chief Schneider detailed the process: (1) exploratory process beginning in March 2012 and presenting a white paper to SeaTac Council and Kent RFA in July or August 2012; (2) If Council gives direction to continue moving forward, create a plan; (3) create an ILA, and (4) contract for services and ILA implemented.

Council discussion ensued regarding the options with Council consensus for staff to begin the exploratory process.

Council and staff also discussed residents' involvement. Mayor A. Anderson suggested this conversation be brought forward to a televised CSS, allowing all residents to hear the information.

Action: Staff presentation at a March or April CSS.

Revisit Council Reimbursement Policy

City Manager Cutts provided background on this policy. He has received requests from staff and Council to revisit this policy. He reviewed the pros and cons of the current policy/practice. The options are: (1) don't make changes, (2) amend the existing policy, or (3) repeal the Ordinance and return to prior practice.

Council discussion ensued regarding the options, allowances versus reimbursements, and the deadlines.

Ms. Mirante Bartolo clarified that the piece the auditor is most concerned with is meals while not traveling.

Action: Staff to revise Ordinance for Council approval, keeping the allowance for phones, without the set deadline, and everything else, including internet, is a reimbursement.

Council Continuing Education Opportunities

Mayor A. Anderson stated Council is required to make decisions on a variety of topics. Council needs a basic knowledge in order to make wise decisions.

City Manager Cutts stated that departments reviewed upcoming training opportunities. The list was provided to Council. Mr. Cutts stated that staff can continue to produce these lists for future retreats if Council is interested.

Council discussion ensued. Council stated it is good for Council to know which classes are of interest to staff so Council can strategically attend.

Action: Staff to provide updates to Council regarding potential training opportunities as they develop.

Recess: Council recessed the Retreat until Saturday, February 25 at 9 a.m.

Saturday, February 25, 2012

Reconvened: Council reconvened at 9:06 a.m.

Council Present: Mayor Tony Anderson, DM Mia Gregerson (*arrived at 9:25 a.m.*), CMs Barry Ladenburg, Rick Forschler (*left at 1:21 p.m., returned at 1:49 p.m.*), Terry Anderson, Dave Bush, and Pam Fernald.

Administrative Staff Present: City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Community & Economic Development (CED) Director Cindy Baker, Economic Development (ED) Manager Jeff Robinson, Building Services Manager Gary Schenk, Senior Planner Mike Scarey, Senior Planner Kate Kaehny, City Engineer Susan Sanderson, Police Chief Jim Graddon and Fire Chief Jim Schneider.

Position Vacancy Review Board (PVRB)

City Manager Cutts briefed Council on the background of the PVRB. He reviewed the current practice, including Administration & Finance (A&F) Committee review. There is no longer an A&F Committee to review vacancies. He requested that the Council reconsider the need for this level of oversight for filling positions. He stated that the internal process will continue no matter what Council's decision is today.

Council discussion ensued regarding the current and proposed processes. Many CMs were of the opinion that it is the City Manager's job to hire positions. These positions are already budgeted. If an additional position and/or funding is needed, Council action would be required. Council felt that to some degree the Council should be involved with the Director positions.

DM Gregerson arrived at this point in the meeting.

Mr. Cutts clarified that no formal Council action was taken to implement the current process, so only Council concurrence is needed to revise the practice.

Action: City Manager to change his practice to remove Council (A&F Committee) approval.

City Purchasing System-City Manager Approval Level

City Manager Cutts stated that the current purchasing code provides the City Manager, or designee, the authority to sign contracts or make purchases up to \$5,000. He requested this authority be increased to \$50,000. Council will have already approved the money in the budget. Requests for additional funding will be brought to Council. Anything above \$50,000 will come before Council as an agenda bill.

He reviewed other cities current processes and stated that if Council concurs with this change, the Purchasing Code would need to be amended by Ordinance.

Council discussion ensued regarding the dollar amounts. Council concurred 6-1 with these changes.

Action: Staff to prepare an Agenda Bill to revise the Purchasing Code to be presented at a future CSS.

Update on 2012 Council Goals

CED Director Baker stated that this presentation is to update Council as to where staff is with the goals set by Council for 2012.

1. To promote ED to attract and retain businesses and jobs while maintaining reasonable laws and regulations.

ED Manager Robinson reviewed the current ED Strategies: (1) Real Estate Development – South 200th and 176th Streets Station Areas, POS Property, Private Property; (2) Business Recruitment & Retention – tracking property and business development opportunities in SeaTac market, businesses; (3) Image & Communications – implementing new regional business attraction program and outreach strategy through Southwest King County Economic Development Initiative (SKCEDI), and two articles on ED activities and success stories for national real estate and trade publications; (4) Communications – strategic economic planning, and website features; (5) Tourism Promotion – Southside Seattle Tourism Promotion Area and Tourism Development Authority, additional way-finding signage to the Visitors Center, and multi-sports facility market and feasibility study; and (6) Property Management – negotiated/finalized 8,900 square foot (sq. ft.) lease in the SeaTac Center, solved several parking issues at SeaTac Center, recruiting two additional businesses to the SeaTac Center.

Council discussion ensued regarding this goal.

Mr. Robinson requested Council be willing to talk to businesses that are ready to leave the City.

Action: Staff shall continue to pursue the ED strategy as outlined.

Recessed: Council recessed for a break from 10:32 to 10:41 a.m.

Update on 2012 Council Goals (Continued):

2. To enhance Code Compliance within all Neighborhoods.

Building Services Manager Schenk provided the background for this goal.

Ms. Baker stated that the biggest question Council needs to consider is how aggressive they want staff to be.

Ms. Baker discussed the implementation steps: (1) hire staff, (2) create Code Compliance “Action Team”, and (3) work with the Legal Department.

Council discussion ensued regarding the proposed Code Compliance Position.

Ms. Baker reviewed the current infraction process.

Based on Council discussion, Mr. Cutts clarified that a budget amendment would be required to hire a Program Manager instead of a Code Compliance Officer, which will be brought forward to a CSS.

Action: Staff to prepare an agenda bill for a budget amendment to hire a Program Manager.

3. Move forward with the South 154th Street light rail development to establish a clear focus and attract ideas from developers.

Mr. Robinson provided an ED Update for the South 154th Street Station area, including market conditions. Staff is requesting Council direction on preferred housing types in that area.

Council discussion ensued regarding various types of housing: senior housing, multi-use, reserving a single-family feeling in neighborhood. A suggestion was made to have a workshop for developers to present to Council visual options. Mr. Cutts stated that one service the Urban Land Institute provides is an option for a one or two day session which includes providing a product.

Mr. Robinson stated that the initial developers indicated that by having residential development go in first, it creates an incentive for people to live near the light rail. More residential density drives development. He questioned whether Council would like apartments in this area. Council concurred to consider apartments.

Mr. Robinson reviewed additional accomplishments: selected a Riverton Heights development consultant to refine and implement the detailed park plan to be implemented in phases, analyzed potential opportunities for additional land assemblage, and continued discussions with the POS regarding the L-shaped and other properties in the area.

Chief Graddon reviewed the safety and security aspects: meeting with business community leaders to open lines of communication, problem-solving with business complex at South 152nd Street / Military Road, and emphasis patrols along the Military Road related to parking and commercial vehicle enforcement.

4. To establish a plan for infrastructure costs relating to the vision of both 154th and 200th streets stations. Tie both to transportation to SR 509-lightrail-airport.

City Engineer Susan Sanderson reviewed the projects included in the 2012-2017 Capital Improvement Program (CIP) related to this goal:

South 154th Street Station Area:

Military Road – Staff would like to begin communicating with adjacent property owners about the opportunities provided by the project and advise them about what to expect as the project goes forward. This is all contingent on whether there’s enough funding for the project. If the City does initiate design work, a designer would be selected, a contract negotiated, and then Council approval requested.

The rest of the projects in the South 154th Street Station Area are considered physical improvements. Staff will develop a plan to fund and design those programs in conjunction with redevelopment of the area and will be working with CED as redevelopment opportunities arise.

South 200th Street Station area:

The major project is connecting 28th/24th Extension from South 202nd to 208th Streets. Staff applied in 2011 for a grant and was recommended for a \$2.5 million grant; still waiting for approval. Staff will need to confirm whether there is enough funding to move forward if the City is only awarded the \$2.5 million grant. If funding becomes available, a consultant would be selected and then Council approval of the consultant agreement requested.

Update on 2012 Council Goals (Continued):

4. To establish a plan for infrastructure costs relating to the vision of both 154th and 200th streets stations. Tie both to transportation to SR 509-lightrail-airport. (Continued):

Ms. Sanderson detailed other significant infrastructure improvements that would be made by Sound Transit as part of their light rail station extension to South 200th Street, including: sidewalk project at South 204th Street from 30th to 32nd Avenues South, bike trail connection from the station to the Des Moines Creek Trail, bike lanes on South 200th Street between International Boulevard (IB) and 26th Avenue South, and pedestrian facilities along the station frontage.

She reviewed upcoming grant opportunities. Council concurred with staff pursuing these grants.

Action: Staff to pursue potential grant opportunities.

5. To assist, expedite, and facilitate the design and continuance of light rail south to South 200th Street.

Mr. Cutts reviewed some of the challenges of this project: accelerated timeframe, and design-built process. In order to overcome these challenges, it is critical for the City to focus on communication and collaboration with Sound Transit.

He reviewed the City's work plan for the project: negotiating the Development Agreement (DA), establishing the policy framework for the project, identifying major project impacts and mitigation, and providing funding for staff time that will be spent in excess of what's covered by the permit fees for the light rail project.

He stated that the current focus is on negotiating the DA. He reviewed the following elements: parking management strategy, mitigate traffic impacts, multi-modal access, encourage redevelopment, station design, and public restrooms.

Mr. Cutts stated that staff is seeking direction on whether to partner with Sound Transit for operating and maintenance, which is estimated at about \$48,000 per year: (1) Sound Transit builds and provides operating and maintenances, or (2) Sound Transit builds and SeaTac provides operating and maintenance. Council discussion ensued regarding the restrooms.

Mayor A. Anderson stopped the discussion on the 2012 Goals to accommodate the presenters for the following presentation.

Library Advisory Committee Mission Statement

City Clerk Gregg provided background on the need for a revised purpose. If Council concurs with the revised mission or an amended version, staff will present an agenda bill for Council action at a future Council meeting.

Library Advisory Committee Vice Chair Harlan Feinstein stated that based on comments received by a few CMs, a few revisions were made to the draft that was presented at the February 14 CSS.

Council discussion ensued regarding the proposed statement. Mr. Feinstein, Valley View, Foster, Tukwila and Skyway Libraries Manager John Sheller, and Valley View Library Friends of the Library Treasurer Taryn Hill clarified sections of the mission.

Mr. Sheller stated that the committee is a bridge between the City Council, residents of the City, and the library. The committee's mission should reflect their attempt to be that bridge. Revitalizing the committee coincides with the King County Library System's (KCLS) initiative to encourage more civic engagement in all of the communities it serves.

Suggestions were made to include the following: advocate for achieving the goals set forth by the KCLS with the City, add a statement about education to "facilitate community dialogue", and partner with the Highline School District (HSD).

Action: Staff to prepare an agenda bill to present the revised mission statement to Council for approval at a future Council meeting.

CM Forschler left at this point in the meeting.

Recessed: Council recessed for a break from 1:21 to 1:31 p.m.

Update on 2012 Council Goals (Continued):

5. To assist, expedite, and facilitate the design and continuance of light rail south to South 200th Street.
(Continued):

Mr. Cutts clarified the questions still needing to be answered:

- (1) Is Council interested in Sound Transit building restrooms absent retail? Council concurred 5-2.
- (2) Should staff negotiate operating and maintenance costs? Council unanimously concurred.

Staff is also negotiating reimbursement for staff time, and conditional use permit (CUP).

It is anticipated that the DA will be executed in Spring 2012, design-build contract awarded in Fall 2012, and construction started in Spring 2013 and completed in Fall 2016.

CM Forscherler returned at this point in the meeting.

Action: Staff to continue negotiating the DA to include public restrooms with operating and maintenance costs.

Major Comprehensive Plan (CP) Update

CED Director Baker stated that no direction is being requested today. This is an update only. She explained how SeaTac's CP fits into the bigger picture. SeaTac must comply with Washington Growth Management Act (GMA) and the King County (KC) Countywide Planning Policies (CPP). If the City doesn't comply, it could be sanctioned and not receive grants.

SeaTac's current CP meets all requirements; however, some new chapters will be developed to meet GMA requirements.

The GMA requires an update every seven years. A fully updated plan is due December 1, 2014 to update the CP. There is so much lead time because there is a lot to do.

There are at least three significant new GMA policies that the City's CP will have to address: (1) green house gas emissions, (2) vehicle miles traveled; and (3) climate change.

2012 will be used to lay the foundation; develop scope of work and create a schedule to meet the deadline. Also in 2012, staff will review the current format, and review and incorporate growth targets, growth forecasts, 2040 update, and census data.

She also reviewed the schedule for 2013 and 2014.

Action: N/A

Recessed: Council recessed for a break from 2:40 to 2:49 p.m.

Communities Putting Prevention to Work (CPPW) Update

Senior Planner Kaehny stated that this is the last major portion of the CPPW grant. Today's objective is to get Council direction on proposed policies and codes that encourage access to healthy food.

This presentation continues the discussion that began at the February 14 CSS.

The University of Washington (UW) provided their set of policy/code recommendations for the City to pursue. They identified policies under the following categories: healthy food retail, community gardens, farmers markets, and improving physical access to sources of healthy food. She noted that some of the work on improving access to healthy food was done through the Safe and Complete Streets Plan which was endorsed by the City Council.

She briefed on the questionnaire findings. The purpose of the questionnaire was to get a sampling of opinions. It was not a scientific survey.

She stated that while current City policies and codes have general language, they lack specific language directly supporting access to sources of healthy food.

Communities Putting Prevention to Work (CPPW) Update (Continued):

Ms. Kaehny presented the following proposed policies and asked, in concept, if the Council is supportive of moving each proposal forward for consideration at the March 13 Regular Council Meeting (RCM):

Policy	Council interest
Support healthy food retailers near residential	
Economic Vitality Element	Yes
Land Use Element	Yes
Support healthy food retailers near residential	
Mobile Farmers' Markets	Yes
Temporary Mini-Grocery Stores	Yes, replacing shipping containers with modular stores

Due to time limitations, Mayor A. Anderson suggested the discussion be continued at the February 28 CSS.

Action: Staff to continue discussion at the February 28 CSS for Council action at the March 13 RCM.

Adjourn: The SeaTac City Council Retreat adjourned at 3:42 p.m.

City of SeaTac

Council Study Session Minutes Synopsis

February 28, 2012
4:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Study Session (CSS) was called to order by Mayor Anthony (Tony) Anderson at 4:01 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson, Deputy Mayor (DM) Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson, Dave Bush, and Pam Fernald.

This presentation was moved forward on the agenda to accommodate the presenter:

PRESENTATIONS:

•Reclassification of Medical Cannabis as a Schedule II Controlled Substance

Auburn City CM John Partridge stated that he is presenting a report that was presented to the Regional Law, Safety & Justice Committee from the City of Seattle. He reviewed how the City of Seattle has handled this issue, a recent situation in Clark County, and some additional information to further explain the issue.

Currently, marijuana use is illegal by the Federal Government. The Governor's initiative is to take Medical Marijuana from a schedule I drug (illegal) to schedule II (allows medical marijuana to be dispensed through pharmaceutical operations).

The petition is the first step in a many step process.

Marijuana comes in different forms and uses. A synthetic form is already available as a schedule II drug. This petition targets the botanical version.

The Council has two choices: (1) support the petition and the ongoing work to see this change happen, or (2) work to reverse what the state has already done. Doing nothing is supporting the petition.

Council discussion ensued regarding the petition. Mayor A. Anderson clarified that the Suburban Cities Association (SCA) Public Issues Committee (PIC) is looking for guidance on this issue.

Council majority expressed support of the Resolution for the SCA knowing that this is just the first step to change legislation.

Council consensus: Express support for the Resolution at the SCA PIC Meeting

Agenda Bill #3405 – A Motion authorizing the City Manager to request a two-year extension of the contract with Redflex Traffic Systems to continue providing automated traffic safety camera enforcement services to the City

Summary: In October 2006, the City contracted with Redflex Traffic Systems to provide automated traffic safety camera enforcement services to the City. Pursuant to the terms of the contract, the City has the right, but not the obligation, to extend the term of the agreement for up to two additional consecutive and automatic two-year periods following the expiration of the initial term. In order to exercise the extension, the City must request the extension in writing. The City agreed to a two-year extension on March 23, 2010 that ends on March 16, 2012. This Motion authorizes the City Manager to request a two-year extension of the contract with Redflex commencing on March 17, 2012 and expiring on March 16, 2014.

The contract with Redflex Traffic Systems specifies that the City will pay a fee of \$4,964.46 per month for each designated intersection for photo red light enforcement. Currently, the City has three designated intersections for photo red light enforcement. Therefore, each month the City pays \$14,893.38 to Redflex.

Administrative Captain Annette Louie reviewed the agenda bill summary. 2011 revenue totaled \$217,377 and expenditures for the cameras totaled \$178,721.

Council discussion ensued regarding the program and the proposed agreement extension.

Chief Graddon stated that the purpose of the cameras was traffic safety. The number of accidents weren't that statistically high, but found over time that ticket numbers dropped showing a greater compliance with red lights.

Council consensus: Refer to the 03/13/12 RCM Consent Agenda

Agenda Bill #3403 – A Motion authorizing the City Manager to execute a contract with GreenRubino to implement the Economic Development (ED) Marketing Action and Public Relations Plan for 2012

Summary: This Motion facilitates execution of the marketing action plan that was jointly created by the City's ED staff and GreenRubino to further the City's ED branding strategy – "everywhere's possible". This comprehensive marketing plan will primarily target the recruitment of new business and industry, development and new private sector investment in the community. The plan was endorsed by the Hotel/Motel (H/M) Tax Advisory Committee as part of the 2012 budget process. The following components are included in the 2012 scope of services: Public / Media Relations, Management of annual advertising calendar, Media Placement / Vendor Costs / Media Contingencies, Creative Services, Website Creative and Development Services, and Development and Dissemination of Media Releases and Photo Opportunities as warranted.

It is anticipated the majority of the funding will come from the H/M Tax Fund (Fund 107). However, GreenRubino may also provide minimal public relations services that are not related to tourism promotion, which is a requirement for the use of H/M funds. Therefore, any expenses in which H/M funds cannot be used will come from the General Fund.

- Total Contract: Maximum of \$104,000, depending on final Scope of Work
- \$100,000 from H/M Tax Fund
- \$4,000 from Non-Departmental General Fund

ED Manager Jeff Robinson reviewed the agenda bill summary.

Council discussion ensued regarding the City's vision and the responsiveness of the company to the current contract.

Council consensus: Refer to the 03/13/12 RCM Consent Agenda

Agenda Bill #3408 – A Motion approving leasing space on the second floor to the International Association of Machinists and Aerospace Workers (IAMAW Local 2202)

Summary: The Aerospace Machinists Union is interested in leasing 1,486 square feet (sq. ft.) on the second floor of City Hall. The space is in the middle of the floor on the East side of the building. The term of the lease is July 31, 2017 with a five-year option to renew. The rate will start at \$16.00 per sq. ft. the first year and increase by \$.50 per sq. ft. every year subsequently. The lease also allows for one free month per year with all 5 months taken up front. This is a common practice in today's commercial real estate market in order to entice prospective tenants. The City will remove two small offices in the space and replace the worn carpet in half of the space.

The cost for these tenant improvements is approximately \$3,500. Over the term of the lease the City will collect \$116,403 in rent. The Andover Company Inc. will collect \$5,820.15 in commissions out of that amount. Utilities and services are expected to cost \$43,600 during that period. The net amount to the City after costs is approximately \$63,483.

Facilities Manager Pat Patterson reviewed the agenda bill summary.

CM Ladenburg recused himself from this item due to being a member of the union.

Council consensus: Refer to the 03/13/12 RCM Action item

PRESENTATIONS (Continued):

•Animal Services

Program Manager Soraya Lowry compared the options: (1) SeaTac; (2) SeaTac-Other City; (3) CARES; and (4) King County (KC).

The next step is to seek Council direction to narrow the options. If a non-County option is preferred, a decision will be needed soon in order to identify a project manager (1 full-time employee for 6-9 months), and present a budget amendment for truck/equipment (\$30,000 - \$60,000).

Council discussion ensued regarding the four options with Council concurring to narrow it to the KC option only.

Police Chief Jim Graddon stated that no contract language is available yet. Staff will bring this back to the March 13 CSS to discuss the status of the contract.

Council consensus: Refer this to the 03/13/12 RCM Presentations

PRESENTATIONS (Continued):

•Department of Justice Assistance Grants (JAG) – Enhanced Collaborative Model to Combat Human Trafficking

Administrative Captain Annette Louie stated that staff is requesting approval to apply for a JAG grant for an enhanced collaborative model to combat human trafficking. The City can apply for a cooperative agreement of up to \$500,000 to be shared with law enforcement and a victim service provider to be awarded as a task force. This model is specifically addressing sex and labor trafficking of foreign nationals and United States citizens. The grant does request a 25% match grant in cash or in kind services. Staff feels the match may be covered with in kind services because there are already detectives working on this issue. This is a two year grant.

Council discussion ensued regarding the grant and the model.

Council consensus: Staff to apply for the grant.

•Communities Putting Prevention to Work (CPPW) Update: Continued Discussion on Access to Corner Stores

Community & Economic Development (CED) Director Cindy Baker stated that this is the last presentation on the Access to Corner Stores.

Senior Planner Kate Kaehny presented the following proposed policies and asked, in concept, if the Council is supportive of moving each proposal forward for consideration at the March 13 Regular Council Meeting (RCM):

Policy	Council interest
Establish Community Gardens Policy Language	
Glossary Definition	Yes, with term “pea patch”
Land Use Element	Yes
Parks, Recreation and Open Space Element	No
Revise Existing Policy 9.3B Discussion to add “community gardens”	Yes
Farmers’ Markets	
Zoning Code-Proposed Definition	Yes
Zoning Code-Proposed New Use in Use Chart	Yes, with further consideration of potential conditions regarding proximity to existing stores
Healthy School Food Zone	
Zoning Code	No
Continued Support of Healthy Food Access	
Land Use Element	Yes

Ms. Kaehny reviewed the next steps: March 13 RCM with request for endorsement of proposed policies. The CPPW grant end date is March 19, 2012.

Ms. Baker clarified that these are the policies. When the City begins addressing the codes, that’s when the discussion about what it looks like will take place.

Council consensus: Refer this to the 03/13/12 RCM Action item

ADJOURNED: Mayor A. Anderson adjourned the Council Study Session at 6:09 p.m.

City of SeaTac

Special Council Meeting Minutes

February 28, 2012
6:30 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Special Meeting was called to order by Mayor Anthony (Tony) Anderson at 6:30 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson, Deputy Mayor (DM) Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson (*left at 7:41 p.m.*), Dave Bush, and Pam Fernald.

STAFF PRESENT: City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnsen, Parks & Recreation (P&R) Director Kit Ledbetter, Community & Economic Development (CED) Director Cindy Baker, Senior Planner Kate Kaehny, Communities Putting Prevention to Work (CPPW) Program Manager Anne Atonini, Economic Development (ED) Manager Jeff Robinson, and Police Chief Jim Graddon.

FLAG SALUTE: Mayor A. Anderson led the Council, audience and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Steve Beck, Oren Hadaller, and Judy Williams requested Council support for Celebrate America which is a July 4th proposed Citywide event.

Ms. Williams also commented on the following: (1) requested walking trail around Bow Lake; (2) encouraged participation in Clean Sweep which is an annual clean up of areas within the City. Last year the focus was Angle Lake. They are trying to expand into neighborhoods; (3) suggested the Hughes property could have many pea patches/community gardens and would help keep the property clean; and (4) requested that when Council receives handouts at a meeting, that they also be provided to the audience.

Doris Cassan thanked CM T. Anderson for her service to the City as a CM and as the former Mayor. Ms. Cassan, regarding the scheduled Executive Session on Property Acquisition, spoke against the City purchasing land unless it is truly for a public need.

Janice Taylor thanked Council for continuing to allow public input at Council meetings. She encouraged the Council to work together.

PRESENTATIONS:

●Plaque to former Mayor Terry Anderson

Mayor A. Anderson presented the plaque to CM T. Anderson for her term as Mayor.

●Council confirmation of Mayoral appointment of Joe Adamack to the Planning Commission (PC)

MOVED BY GREGERSON, SECONDED BY LADENBURG TO APPROVE THE APPOINTMENT OF JOE ADAMACK TO THE PLANNING COMMISSION.

MOTION CARRIED UNANIMOUSLY.

Mayor A. Anderson read and presented the certificate to Mr. Adamack.

●Highline Community Coalition (HCC)

Des Moines DM Matt Pina encouraged Council participation in the HCC Forum scheduled for March 15 from 6 – 8 p.m. at Mt. Rainier High School. He stated that the coalition is made up of electeds from neighboring cities (Normandy Park, Burien, SeaTac, Des Moines) and Highline School District (HSD). The HCC mission is to develop sustainable relationships to maximize resources and services to support thriving families, schools and communities. Their goal is to develop consistent policies to promote regional vitality among the HCC agencies.

Des Moines CM Melissa Musser thanked CM Gregerson for her efforts with the HCC. All of the agencies have some commonalities. The HCC first focused on how to have a healthy community through a “Health Eating. Active Living.” (HEAL) grant that was obtained for the whole Highline area. Then the HCC questioned what else could be done as a group. The hope for the March 15 forum is to bring everyone together to hear ideas on the future of this group.

Burien DM Rose Clark stated that the HCC came together to consider ways to work collaboratively to help the collective communities. The HCC created a work plan and now needs help with ways to sustain the coalition.

Normandy Park CM Shawn McEvoy stated that the HCC looks forward to future collaboration (communication, coordination, cooperation) to better energize communities and save money.

PRESENTATIONS (Continued):

● **Auburn Youth Resources (AYR)**

Executive Director Jim Blanchard expressed his appreciation for the \$3,500 funding provided from SeaTac. AYR program in the SeaTac area relates to their staff locating homeless and runaway youth between the ages of 15 and 24. Over the last year, AYR made 197 contacts, provided food and hygiene packs for 21 of those youth, and 15 of those youth are enrolled in the Outreach Case Management Program. AYR has 60 housing units, operate a drop-in center in Enumclaw, and starting a drop-in center in Auburn. He assured the Council of the commitment AYR has to SeaTac.

● **Seattle Southside Visitors Services (SSVS)**

ED Manager Robinson introduced Executive Director Katherine Kertzman and Hotel/Motel (H/M) Tax Advisory Committee Members Vickie Molzer and Caroline Curtis.

Ms. Kertzman stated that 2011 marked the 10th Anniversary of the SSVS.

She highlighted travel trends and impacts for the Seattle Southside cities (Tukwila, SeaTac, Kent and Des Moines). In 2011, travel spending in Seattle Southside increased by 8.8% to over \$590 million dollars within the four cities. Visitor nights contribute to over 95% of the visitor spending in our region.

Research also shows that the Seattle Southside region is positive across the board with occupancy nearly back up to the highs of 2008. Average daily rate is also increasing but at a much slower pace. The steepest portion of the demand recovery is behind us. Now the focus on room rate will become increasingly more important to hotel operators.

She summarized additional trends and SSVS accomplishments, including visitor center growth in walk-ins, Public Relations, promotional Campaigns - Rock 'n' Roll Marathon, Shop like a Rock Star, Marketing strategies (Seattle Southside map, meeting and event guides), and groups and meetings.

The 2011 estimated total visitor spending is \$12,338,300. The program budget was \$1,426,000. This equals an estimated return on investment (ROI) of \$8.65 for every \$1 spent.

SSVS's 2012 major goal is to convert relationships into actual visitors to Seattle Southside.

She also announced that Roger McCracken received the Seattle Southside 2012 Tourism Ambassador of the Year Award.

● **Washington Department of Ecology (DOE)**

P&R Director Ledbetter introduced Soil Safety Program Coordinator Amy Hargrove and Technical Assistance Coordinator Elizabeth Weldin. Mr. Ledbetter stated that park clean up has been in the news lately so staff felt it would be prudent to have DOE explain past and present developments and programs.

Ms. Weldin briefed Council on the Tacoma Smelter Plume in regards to SeaTac. Over 100 years, arsenic, lead, and other heavy metals were carried north or south and settled on surface soils. The amount of contamination found varies. Soil sampling is the key to determining levels of contamination.

She showed maps detailing the levels of arsenic concentration found in the soil for the entire area, and SeaTac specifically. SeaTac fared well in comparison to surrounding cities.

This matters because health issues are possible, while the odds of developing health problems are different for each person. High levels haven't been found in SeaTac.

Ms. Hargrove explained the Soil Safety Program, which is a free program for play areas at existing schools, licensed childcares, parks, camps, and multi-family housing play areas.

Since 2010, five parks were selected for new or additional samplings. Riverton Heights, North SeaTac, and Neighborhood Parks samplings were below criteria. Sunset Playfields and McMicken Park samples were above the criteria.

The DOE will work with SeaTac to excavate and dispose of contaminated soil, replace with clean soil, hydro seed, and provide signage. Everything is paid for by the DOE.

Council discussion ensued regarding the results and affects for the residents.

CONSENT AGENDA:

- **Approval of claims vouchers** (check nos. 97203 – 97449) in the amount of \$622,105.09 for the period ended February 17, 2012.
- **Approval of payroll vouchers** (check nos. 50419 – 50447) in the amount of \$181,762.96 for the period ended February 15, 2012.
- **Approval of payroll electronic fund transfers** (check nos. 71547 - 71720) in the amount of \$358,470.91 for the period ended February 15, 2012.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$73,505.49 for the period ended February 15, 2012.
- **Summary of \$5,000 - \$35,000 Purchase Requests** for the period ended February 22, 2012.
- **Summary of Donations \$500 or Greater** for the period ended February 22, 2012.

MOVED BY T. ANDERSON, SECONDED BY GREGERSON TO ACCEPT THE CONSENT AGENDA AS PRESENTED.*

PUBLIC COMMENTS (related to the Consent Agenda): There were no public comments.

*MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to the Unfinished Business): There were no Public Comments.

UNFINISHED BUSINESS: There was no Unfinished Business.

CITY MANAGER'S COMMENTS: City Manager Cutts announced that there is a Comprehensive Plan (CP) Open House scheduled for March 6.

COUNCIL COMMENTS: CM Ladenburg encouraged everyone to look at the Celebrate America packet of information they received. He also congratulated CM Fernald for being appointed to the Joint Recommendations Committee.

Mayor A. Anderson stated that Council had a productive Council retreat on February 24 and 25.

RECESSED: Mayor A. Anderson recessed the Special Council Meeting to an Executive Session on Property Acquisition for 30 minutes at 7:41 p.m.

CMT. Anderson left at this point in the meeting.

EXECUTIVE SESSION: Property Acquisition (RCW 42.30.110 [1][c]) (30 minutes)

Senior Assistant City Attorney Johnsen announced that Council requested 10 more minutes at 8:11 p.m., 14 more minutes at 8:21 p.m., and 10 more minutes at 8:36 p.m.

RECONVENE: Mayor A. Anderson reconvened the meeting at 8:46 p.m.

ADJOURNED:

MOVED BY GREGERSON, SECONDED BY A. ANDERSON TO ADJOURN THE SPECIAL MEETING OF THE SEATAC CITY COUNCIL AT 8:47 P.M.

MOTION CARRIED UNANIMOUSLY.

Tony Anderson, Mayor

Kristina Gregg, City Clerk

City of SeaTac

Regular Council Meeting Minutes

March 13, 2012
6:00 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Regular Meeting was called to order by Deputy Mayor (DM) Mia Gregerson at 6:00 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson (*participated by Skype*), DM Mia Gregerson, Councilmembers (CMs) Barry Ladenburg (*participated by Skype*), Rick Forschler, Terry Anderson, Dave Bush (*participated by Skype*), and Pam Fernald.

STAFF PRESENT: City Manager Todd Cutts (*participated by Skype*), City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnsen, Community & Economic Development (CED) Director Cindy Baker, Senior Planner Kate Kaehny, Communities Putting Prevention to Work (CPPW) Program Manager Anne Atonini, Economic Development (ED) Manager Jeff Robinson, Facilities Manager Pat Patterson and Police Chief Jim Graddon.

FLAG SALUTE: Ray McCullah led the Council, audience and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Ray McCullah, Global Connections High School student, discussed his senior project which is to raise awareness about teenage prostitution.

Vicki Lockwood questioned why Agenda Bill #3408 (Machinists and Aerospace Workers union lease) was removed from the agenda and whether it will come back before Council in the future.

Earl Gipson spoke against Agenda Bill #3405 (Redflex contract).

Matthew York spoke in favor of Agenda Bill #3406 (corner stores policies), specifically community gardens.

PRESENTATIONS:

●Des Moines Area Food Bank

Associate Director Barb Shimizu thanked the City for its support. She briefed Council on some of the programs the Des Moines Area Food Bank provides. She stated that one of their areas of emphasis has been childhood hunger.

Executive Director Kris Van Gasken explained programs they use to focus on kids: backpack program and summer meals.

●Small Business Development Center

Certified Business Advisor Rich Shockley introduced Senior Business Advisor Zev Siegl. Mr. Shockley stated that their goal is to help businesses who have potential to export, to begin that process, and those who are already exporting, to begin looking at other ways to market and grow their business. Their role is to help facilitate small businesses to solve their specific problems.

Mr. Siegl and Mr. Shockley exemplified some of the clients they serve and how their programs have helped the clients.

CONSENT AGENDA:

●**Approval of claims vouchers** (check nos. 97450 – 97582) in the amount of \$330,250.89 for the period ended March 5, 2012.

●**Approval of payroll vouchers** (check nos. 50448 – 50483) in the amount of \$409,668.12 for the period ended February 29, 2012.

●**Approval of payroll electronic fund transfers** (check nos. 71721 - 71896) in the amount of \$339,135.78 for the period ended February 29, 2012.

●**Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$67,727.25 for the period ended February 29, 2012.

●**Summary of \$5,000 - \$35,000 Purchase Requests** for the period ended March 6, 2012.

Approval of Council Meeting Minutes:

●**Council Study Session** held January 24, 2012.

●**Regular Council Meeting** held January 24, 2012.

CONSENT AGENDA (Continued):

Agenda Items reviewed at the February 28, 2012 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #3405; Motion authorizing the City Manager to request a two-year extension of the contract with Redflex Traffic Systems to continue providing automated traffic safety camera enforcement services to the City

Agenda Bill #3403; Motion authorizing the City Manager to execute a contract with GreenRubino to implement the Economic Development Marketing Action and Public Relations Plan for 2012

MOVED BY T. ANDERSON, SECONDED BY A. ANDERSON TO ACCEPT THE CONSENT AGENDA AS PRESENTED.*

PUBLIC COMMENTS (related to the Consent Agenda): Earl Gipson spoke against, and Mr. York spoke for, Agenda Bill #3405.

Unknown participant stated that some of the statistics need to be publicized in order to educate everyone and help them either accept or reject the idea.

CM Forschler requested Agenda Bill #3405 be removed from the Consent Agenda.

*MOTION CARRIED UNANIMOUSLY WITH REMOVAL OF AGENDA BILL #3405 TO BE DISCUSSED UNDER UNFINISHED BUSINESS.

ACTION ITEMS:

This item was removed from the agenda.

Agenda Bill #3408 - A Motion approving leasing space on the second floor to the International Association of Machinists and Aerospace Workers (IAMAW Local 2202)

Agenda Bill #3406; Resolution #12-005 endorsing proposed Corner Store Policies and Regulations

Summary: This Resolution endorses the proposed Corner Store Policies and Regulations that were prepared for the City as part of the CPPW grant.

In September 2010, SeaTac received a CPPW sub-grant from the Seattle-King County (KC) Department of Public Health as part of a county-wide federal grant award from the Department of Health and Human Services. The Grant provided the City with resources to research concepts and to consider Corner Store Policies and Regulations for the City. "Corner Store" policies and regulations are those that encourage the development of sources of fresh food and produce, such as grocery stores, farmers markets, and community gardens, with the goal of ensuring the availability of fresh food to SeaTac's residents, workers, and visitors. By passing this Resolution, Council is endorsing the proposed Corner Store Policies and Regulations and forwarding them for consideration and potential adoption as part of the Major Zoning Code Update and the 2014 Major Comprehensive Plan (CP) Update.

The proposed Corner Store Policies and Regulations address the following topics: Allowing mobile vending of fresh food; Allowing farmers markets; Encouraging small grocery stores closer to residential neighborhoods; and Encouraging community gardens.

Senior Planner Kaehny stated Council has the option to not pass this agenda bill; however, one of the requirements of the CPPW grant, in order for the City to be funded, is for the City of SeaTac to have "actively supported policy, systems and environmental changes that result in increased access to healthy food for residents in the City." Therefore, additional direction to modify the proposed Corner Store Policies and Regulations would be needed so that another Resolution could be brought forward for Council consideration at a later date.

Council discussion ensued regarding individual opinions about this Resolution and potential costs.

CED Director Baker stated some CMs previously stated they want the market to speak for itself, however, some zones don't allow items like Mobile Farmers' Markets or Community Gardens. If these items aren't allowed, then the market won't be able to speak for itself.

MOVED BY A. ANDERSON, SECONDED BY LADENBURG TO PASS RESOLUTION #12-005.*

ACTION ITEMS (Continued):

Agenda Bill #3406; Resolution #12-005 (Continued):

UPON A ROLL CALL VOTE, MOTION CARRIED WITH LADENBURG, A. ANDERSON, GREGERSON, AND BUSH VOTING YES, AND FORSCHLER, T. ANDERSON AND FERNALD VOTING NO.

UNFINISHED BUSINESS:

Agenda Bill #3405; Motion authorizing the City Manager to request a two-year extension of the contract with Redflex Traffic Systems to continue providing automated traffic safety camera enforcement services to the City

MOVED BY T. ANDERSON, SECONDED BY A. ANDERSON TO PASS AGENDA BILL #3405.*

Council discussion ensued regarding the purpose of the cameras and whether they are effective.

Police Chief Graddon stated that there has been a more than 50% reduction of infractions, which means drivers are not running red lights as often.

*UPON A ROLL CALL VOTE, MOTION PASSED WITH LADENBURG, T. ANDERSON, A. ANDERSON, GREGERSON, BUSH, AND FERNALD VOTING YES AND FORSCHLER VOTING NO.

NEW BUSINESS: There was no New Business.

CITY MANAGER'S COMMENTS: City Manager Cutts had no comments.

COUNCIL COMMENTS: CM Ladenburg, Mayor A. Anderson, and CM Bush commented on NLC conference.

CM Fernald questioned whether there is a way to specifically track accident causes at South 188th Street/International Boulevard (IB) and South 188th Street/Military Rd until the end of the Redflex contract. Mr. Cutts stated that he will discuss this with the Police Chief.

DM Gregerson commented on the following events: (1) March 15 – 6 p.m., Highline Community Coalition (HCC) Forum, and (2) March 15 – Community Emergency Response Team (CERT) program starting.

ADJOURNED:

MOVED BY GREGERSON, SECONDED BY FERNALD TO ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 7:52 P.M.

MOTION CARRIED UNANIMOUSLY.

Mia Gregerson, Deputy Mayor

Kristina Gregg, City Clerk

City of SeaTac

Council Workshop Minutes Synopsis

April 2, 2012
5:30 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Workshop was called to order by Mayor Anthony (Tony) Anderson at 5:29 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson, Deputy Mayor (DM) Mia Gregerson (*arrived at 6:08 p.m.*), Barry Ladenburg (*arrived at 5:43 p.m.*), Rick Forschler (*arrived at 5:35 p.m.*), Terry Anderson, Dave Bush, and Pam Fernald.

STAFF PRESENT: City Manager Todd Cutts, City Clerk Kristina Gregg, City Attorney Mary Mirante Bartolo, Human Resources (HR) Director Anh Hoang, and Senior HR Analyst Stephanie Johnson.

CM Forschler arrived at this point in the meeting.

Topics for Discussion:

Labor Law and Labor Negotiations

HR Director Hoang reviewed the laws related to labor contracts and employees.

CM Ladenburg arrived at this point in the meeting.

Topics included: Underlying Labor Laws, Authority, Collective Bargaining Agreements (CBA's) – provisions and effect, Arbitrators, Unfair Labor Practice (ULP), ULP for bargaining representatives, Commission to prevent ULP's and issue remedial orders and cease and desist orders, Interest arbitration for uniformed personnel, Role of Elected Officials in the Collective Bargaining Process, Collective Bargaining (including what it means to negotiate in good faith).

CM Gregerson arrived at this point in the meeting.

Council discussion ensued regarding the American Federation of State, County, and Municipal Employees (AFSCME) and International Association of Fire Fighters (IAFF) unions, length of contracts, negotiation period, and grievance process.

ADJOURNED: Mayor A. Anderson adjourned the workshop at 6:20 p.m.

Following this meeting, Council and staff went into a meeting exempt from the Open Public Meetings Act (OPMA) per RCW 42.30.140(4)(a).

City of SeaTac

Special Council Meeting Minutes

April 16, 2012
5:30 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Special Meeting was called to order by Deputy Mayor (DM) Mia Gregerson at 5:30 p.m.

COUNCIL PRESENT: Mayor Anthony (Tony) Anderson (*participated by phone during the Executive Session only*), DM Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson, Dave Bush, and Pam Fernald.

STAFF PRESENT: City Manager Todd Cutts, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, and Human Resources (HR) Director Anh Hoang.

RECESSED: DM Gregerson recessed the Special Council Meeting to an Executive Session at 5:32 p.m.

EXECUTIVE SESSION: Review the Performance of a Public Employee (5 minutes) (RCW 42.30.110 [1] [g])

City Clerk Gregg announced that Council requested an additional 10 minutes at 5:37, and an additional 10 minutes at 5:47 p.m.

RECONVENED: DM Gregerson reconvened the meeting at 5:57 p.m.

ADJOURNED:

MOVED BY FORSCHLER, SECONDED BY LADENBURG TO ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 5:57 P.M.

MOTION CARRIED UNANIMOUSLY.

Mia Gregerson, Deputy Mayor

Kristina Gregg, City Clerk

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.

March 28, 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:	April 24, 2012 RCM
Ord/Res Exhibits:	
Review Dates:	April 10, 2012 CSS
Prepared By:	Toli Khlevnoy, Civil Engineer II
Director:	<i>[Signature]</i>
City Attorney:	<i>Mary Mirante Bartolo</i>
Finance:	<i>[Signature]</i>
BARS #:	307.000.11.595.61.63.185
City Manager:	<i>[Signature]</i>
Applicable Fund Name:	Transportation CIP (307)

MR
H4

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

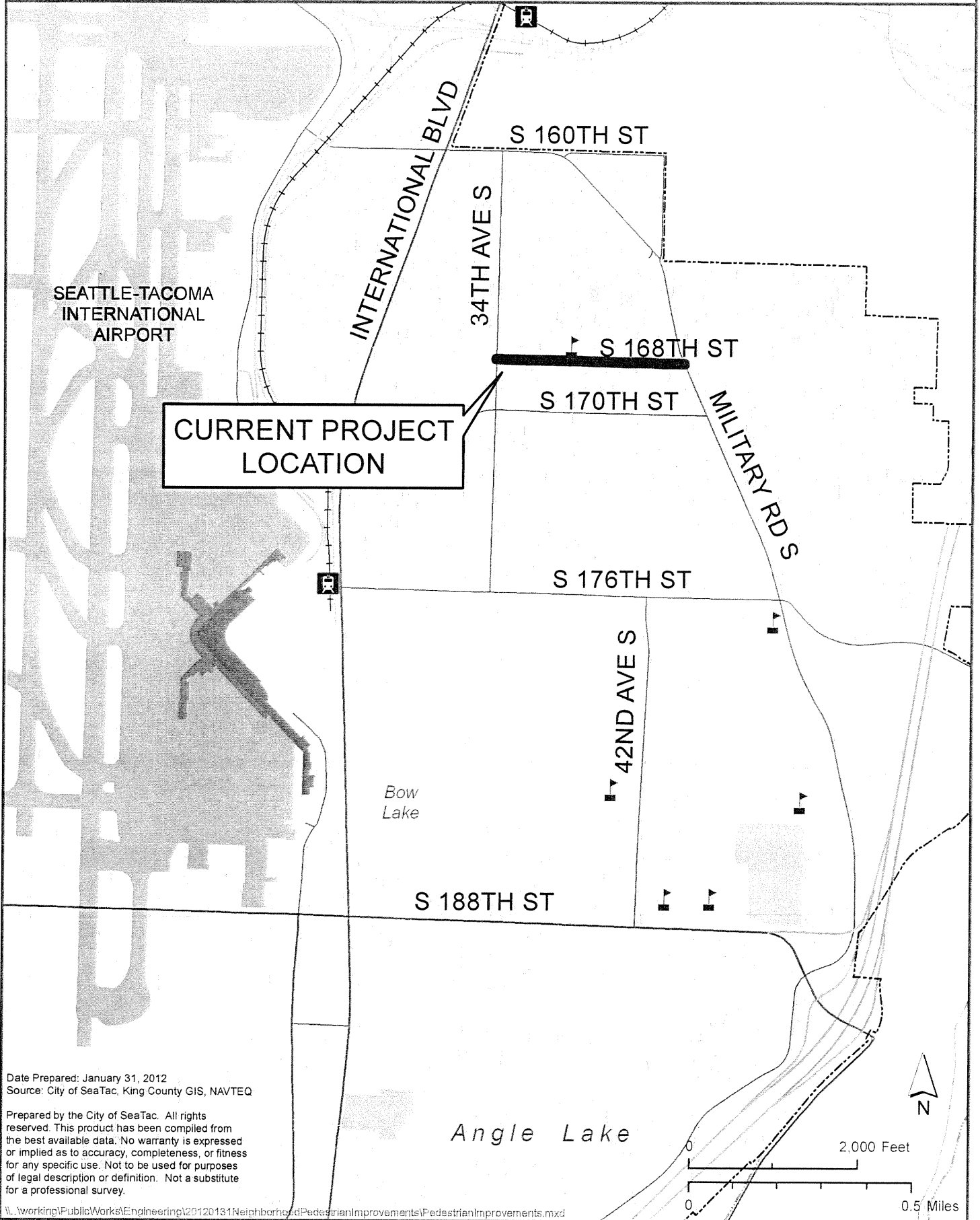
MANAGEMENT RESERVE SERVICES

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



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.

<i>March 26, 2012</i>	
__Ordinance __Resolution <u>X</u> Motion __Info. Only __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: 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 Mirante Barbolo</i></u> MR 1/14
Finance: <u><i>Ann Ann</i></u>	BARS #: _____
City Manager: <u><i>Todd Catto</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


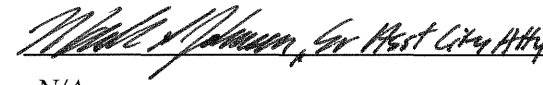
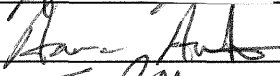

ATTACHMENTS:

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, Des Moines, and Normandy Park and the Highline School District and to authorize Mayor Anderson to sign said Resolution substantially in the form as attached.

April 16, 2012	
___ Ordinance <input checked="" type="checkbox"/> Resolution ___ Motion ___ Info. Only ___ Other	
Date Council Action Requested:	RCM 4/24/12
Ord/Res Exhibits:	
Review Dates:	CSS 4/10/12
Prepared By:	Todd Cutts, City Manager
Director:	
City Attorney:	
Finance:	 BARS #: N/A
City Manager:	 Applicable Fund Name: N/A

[Handwritten initials]

SUMMARY: A Joint Resolution to formally recognize the Highline Communities Coalition in collaboration with the Cities of Burien, Des Moines, 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 elected officials 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 and continue to seek new resources to work toward its mission. There will not be a negative financial impact to the City.

ALTERNATIVE(S): Do not pass the Resolution.

ATTACHMENTS: None.

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



Approve as to form
Mary Mirante Bartolo,
City Attorney