

AMENDED AGENDA

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, September 12, 2024 - 6:00 PM**

City Council meeting can be viewed live on the City's website, Comcast Channel 21/321 or on the City's [YouTube](#) channel.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE NOT PREVIOUSLY RECEIVED BY COUNCIL

[Correspondence](#)

COMMENTS FROM THE PUBLIC

COMMITTEE CHAIR REPORT

- Public Safety/Emergency Management Committee Meeting: Chair Traci Buxton
- Transportation Committee Meeting: Chair Matt Mahoney
- Environment Committee Meeting: Chair JC Harris

CITY MANAGER REPORT/PRESENTATIONS/BRIEFINGS

Item 1. RECOLOGY

[Recology Presentation](#)

Item 2. REALLOCATING AMERICAN RESCUE PLAN ACT FUNDS

[Reallocating American Rescue Plan Act funds](#)
[ARPA Reallocation](#)

CONSENT AGENDA

Item 1. APPROVAL OF VOUCHERS

Motion is to approve the payment vouchers through September 05, 2024 and payroll transfers through September 05, 2024 in the attached list and further described as follows:

EFT Vendor Payments	#10504-16085	\$1,723,100.37
Wires	#2663-2698	\$1,216,301.77

Accounts Payable Checks	#166016-166099	\$ 587,150.63
EFT Void	#10624-106204	\$ (50.00)
Payroll Check	#19864-19864	\$ 300.00
Payroll Checks	#19865-19874	\$ 15,346.77
Payroll Advice	#10390-10571	\$ 516,409.37
Payroll Checks	#19875-19880	\$ 12,688.16
Payroll Advice	#10572-10746	\$ 494,615.99
Payroll Check Void	#19877-19877	\$ (2,132.61)
Payroll Check	#19881-19881	\$ 2,132.61
Payroll Checks Voided	#19882-19888	\$ 0.00
Payroll Check	#19889-19895	\$ 10,973.83
Payroll Advice	#10747-10931	\$ 514,479.79

Total Checks and Wires for A/P & Payroll: \$5,091,316.68

[Approval of Vouchers](#)

Item 2. APPROVAL OF MINUTES

Motion is to approve the July 30, 2024 Special Meeting minutes, the August 1, 2024 City Council Study Session minutes, and the August 08, 2024 City Council Regular Meeting minutes.

[Approval of Minutes](#)

Item 3. ARTS COMMISSION APPOINTMENTS

Motion 1 is to confirm the Mayoral appointment of Nicholas Fannin to an open position on the Des Moines Arts Commission, effective immediately and expiring on December 31, 2027.

Motion 2 to confirm the Mayoral appointment of Theresa Jewell to an open position on the Des Moines Arts Commission, effective immediately and expiring on December 31, 2027.

[Arts Commission Appointments](#)

Item 4. CHILDHOOD CANCER AWARENESS MONTH PROCLAMATION

Motion is to approve the Proclamation recognizing September as Childhood Cancer Awareness Month.

[Childhood Cancer Awareness Month Proclamation](#)

Item 5. NATIONAL PREPAREDNESS MONTH PROCLAMATION

Motion is to approve the Proclamation recognizing September as National Preparedness Month.

[National Preparedness Month Proclamation](#)

Item 6. NATIONAL RECOVERY MONTH PROCLAMATION

Motion is to approve the Proclamation recognizing September as National Recovery Month.

[National Recovery Month Proclamation](#)

- Item 7. UPDATING THE CITY'S SURPLUS UTILITY PROPERTY POLICY
Motion is to adopt Draft Ordinance 24-066 amending DMMC 3.108.060 to update the City's utility property surplus policy.

[Updating the City's Surplus Utility Property Policy](#)

- Item 8. DES MOINES STORMWATER IMPROVEMENT PROJECT AGREEMENTS

Motion 1 is to approve the Public Works Contract with Reed Trucking & Excavating Inc. (Contractor) for the Des Moines Stormwater Improvements Projects in the amount of \$1,384,000.00, authorize a project construction contingency in the amount of \$250,000.00, and further authorize the City Manager to sign said Contract substantially in the form as submitted.

Motion 2 is to approve the 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-04 with KBA, Inc. to provide Construction Administration and Inspection services for the Des Moines Stormwater Improvements Projects in the amount of \$222,451.00 and further authorize the City Manager to sign said Task Assignment substantially in the form as submitted.

Motion 3 is to approve the 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-01 with Perteet, Inc. to provide Engineer of Record services for the Des Moines Stormwater Improvements Projects in the amount of \$77,892.00, and further authorize the City Manager to sign said Task Assignment substantially in the form as submitted.

[Des Moines Stormwater Improvement Project Agreements](#)

- Item 9. COLIBRI NORTHWEST LLC CONSULTING CONTRACT AMENDMENT 1

Motion is to approve Amendment 1 to the contract with Colibri Northwest LLC, extending the consultant services contract through June 30, 2024.

[Colibri Northwest LLC Consulting Contract Amendment 1](#)

PUBLIC HEARING/CONTINUED PUBLIC HEARING

- Item 1. PUBLIC HEARING FOR DES MOINES CREEK BUSINESS PARK WEST: DECLARING TRACT C SURPLUS, APPROVING PURCHASE AND SALE AGREEMENT AND APPROVING TRAIL EASEMENT
Staff Presentation by Interim City Manager Tim George

[Public Hearing for Des Moines Creek Business Park West - Declaring Tract C surplus, approving Purchase and Sale Agreement and approving Trail Easement](#)
[Public Hearing Surplus Presentation](#)
[Public Hearing Public Comment 09.12.2024](#)

NEW BUSINESS

- Item 1. **CITY MANAGER EMPLOYMENT AGREEMENT**
[City Manager Employment Agreement](#)
[City Manager Motion](#)
- Item 2. 2025 BUSINESS LICENSES FEE SCHEDULE
Staff Presentation by Finance Director Jeff Friend
[2025 Business Licenses Fee Schedule](#)
[Business Licenses Presentation](#)
- Item 3. NEW AGENDA ITEMS FOR CONSIDERATION – 10 Minutes

COUNCILMEMBER REPORTS

(4 minutes per Councilmember) - 30 minutes

PRESIDING OFFICER'S REPORT

EXECUTIVE SESSION

NEXT MEETING DATE

September 26, 2024 City Council Regular Meeting

ADJOURNMENT

[Public Comment 09.12.2024](#)

City of Des Moines

City Council

RE: Comments on 2024-09-12 City Council Agenda Items

Honorable City Council Members

This letter is being sent representing approximately 250 members of the Redondo Community Association. There are 3 items of significant concern on the agenda tonight.

1. You are being asked to approve Item 9 on the consent agenda is a consulting contract extension with Peter Phillips, Colibri Northwest LLC. We ask that you not approve the contract to move forward until the following details are clarified.
 - a. On page 3 of 17, the scope of work is defined as “The parties agree that work will begin on the tasks described in Section I above on January 1, 2024.” However, **Section 1 (scope of work) is missing from the agreement.** It would be irresponsible to execute a contract extension without thoroughly defining the scope of work.
 - b. **Additionally:** by some chance, if this is referring to Item 1 on the previous contract for work January 2024 through August 2024, on page 5 of 17, under Item 1 which refers to Exhibit A, attached to that agreement, that scope of work on page 14 of 17 includes consulting services for: **“OFF BOAT FISH SALES 1. Secure infrastructure necessary to make off boat fish sales economically viable for commercial fisherman. Including processing, ice machine, freezer capacity and negative forklift.”**

This is the first we have heard that commercial fishing operations and fish processing were ever considered in the Des Moines Marina. Please explain as this seems 180 degrees to the character of the Marina. A fish processing operation would destroy any chance for upscale economic development. If this is the case, we are shocked that such a facility is being proposed and consulting fees are being spent on this major change. If it is not the case, then take the language out of the contract and issue a detailed scope of work must be itemized before contracts are presented for approval.

- c. **Additionally:** there are no deliverables defined. What are we getting from these fees? Actually, what deliverables have we received from the fees we have paid already?
- d. **Additionally:** this addendum has an effective date of September ? 2024. Paragraph 1, states “work will begin on the tasks described in Section I above (which is missing) on January 1, 2024. Upon the effective date of this Contract, Consultant shall complete the work described in Section I by June 30, 2025. 2) SECTION III(A) of the Contract is hereby amended to read as follows: The Consultant agrees that the rate of \$5,500/month for its services contracted for herein shall remain locked at the negotiated rate(s) for a period of two (2) years from the effective date of this Contract.” The question is, Is this a 6

month contract or is just the rate locked in for 2 years? If the latter, why lock in a rate for 2 years?

2. We have heard that a new Development Director was recently hired and will start October 1. This position will also serve as Economic Development Director (which actually conflicts with Peter Phillips scope of work in item 1 above). This hire is concerning in that the Community was told at the last Council meeting by Tim George that all new hires were frozen due to the intense focus on reducing expenditures.

If the excuse for this is that these were existing vacancies, that is a poor excuse, certainly not transparent nor does it promote trust between the City and the Community and especially with another tax increase request on the ballot in a few weeks. Aside from all the above, the new City Manager should pick their departmental team directors and honestly, there is no rush to complete filling this position. To use a Tim George sports analogy, the Seahawks don't hire their offensive coordinator coach a month or 2 before bringing in a new head coach.

This hire is critical to economic strategic plan in that between the City Manager, Police Chief, Economic Development Director and Public Works Director, these 4 positions by far make up the super majority of City spending. If the excuse is that it is because the development plan is due the end of this year, the plan has the former Development director's fingerprints on it and it can easily be submitted with an explanation and a revision submitted later.

3. Council is being asked to approve a Reallocation of American Rescue Plan Funds for certain Police cost items. Item 2 of the City Manager report identifies 2 items totaling \$169,209. which states "(replaced by Redondo Traffic Camera funds)" which implies that revenue from those cameras will be used for the Repurposed ARPA funds. We were told by Tim George and the State Enhanced Substitute House Bill requires that revenue from camera infractions are highly restricted and to be used for roadway safety improvements, operating and installation costs of camera systems. The defined uses for camera revenues does not include the uses itemized. Please advise.

From: [V.L Andrews](#)
To: [CityCouncil](#)
Subject: City Manager Decision
Date: Friday, September 6, 2024 10:02:41 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello, again,

I am thrilled and everyone I've talked to is as well that Catherine is your top choice. I sure hope she says "yes" but I appreciate Councilmember Harris' foreshadowing what might happen if not. (Shannon was my #2 choice as well.) I know you all remember we didn't get our first or even second choice last time you went through this painful exercise.

Fingers crossed we all get a notification of some kind soon! Congrats on a great decision.

Victoria

Sent from [Outlook](#)

From: [Stephen Dziadosz](#)
To: [CityCouncil](#)
Subject: Ferry Consultant
Date: Wednesday, September 11, 2024 12:00:22 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I oppose the continuation of paying a ferry consultant.

It is a waste of money that can easily be used to help our city in different ways.

Stephen

From: [Mandy Heeg](#)
To: [CityCouncil](#)
Subject: NO ferry advisor
Date: Wednesday, September 11, 2024 10:11:21 AM

[CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.](#)

Hi there,

I am a Des Moines resident and I oppose the renewal of a ferry advisor, as we do not have a ferry at this time. That money (102,000 a year!) could go to any number of other things, sidewalks, park repairs and updates (have you seen any of Kent's new parks? Why are Des Moines's playgrounds so lackluster?), starting a fund for a safe injection site, even a salary for a **much needed** animal control officer.

At the very least, this decision should be postponed until after September 26 when the ferry feasibility report becomes available.

The people of Des Moines already refused to increase taxes on the last ballot, it should be clear by now that we are tired of all this frivolous, ill-considered, short-term-thinking spending. Some of us plan to be in this city a long time and would like to see the city thrive!

Amanda Cox

From: [Mary Schuster](#)
To: [CityCouncil](#)
Subject: Please vote no on ferry consultant proposals
Date: Tuesday, September 10, 2024 4:51:47 PM

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<u>CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.</u>

</p>

<p style="margin-right: 0in; margin-left: 0in; font-size: 15px; font-family: 'Calibri', sans-serif; margin: 0in; margin-bottom: 0.0001pt;"> </p>

<p style="margin-right: 0in; margin-left: 0in; font-size: 15px; font-family: 'Calibri', sans-serif; margin: 0in; margin-bottom: 0.0001pt;"> </p>

Hello,

I am writing to you to urge you to vote no on renewing the ferry consultant(s) contracts. There is no need to be spending that money right now, especially as you are looking to increase our taxes for "public safety" reasons. I think more people would be more willing to vote on the levy if they knew you were looking at places to cut the budget and \$8K+ a month is a good start. It seems like the reason it failed the first time was because the perception is the Des Moines City Council is not fiscally transparent or responsible.

There is no need for ferry consultants right now. I am sure we can find new people when other proposals like the Marina Steps are closer to finish.

Please do not vote for these contracts.

Thank you,
Mary Schuster

From: [V.L Andrews](#)
To: [CityCouncil](#)
Cc: [Taria Keane](#)
Subject: Prioritizing
Date: Friday, September 6, 2024 7:46:46 AM
Attachments: [City Council Comments- Budget- 9-5-24.pdf](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning, all,

For the record, I've attached my comments from last night. I agreed with the other speakers that public safety outranks other funding priorities. I chose instead to address non-essential cuts, the "wants" over "needs," and I assume you'll eventually get there, painful though it will be.

Tim said, "officers over substation rent." So keep that in mind. People over things (Human Services clients included). As Jeff's final bullet noted, the last option should be avoidable if possible: layoffs and/or furloughs. But I've been there, too, in Kent. And we all survived.

We can all survive without "Currents" and a ferry. Lead us through this.

Try to have a restful weekend,
Victoria

Sent from [Outlook](#)



City of Des Moines: Mid-Year Update

September 12, 2024





Solid Waste Contract: Mid-Year Review

- New contract benefits
- Overview of customer service and operations
- Target outreach to multifamily and commercial sites
- Recology Store diversion
- Community Outreach
- Upcoming events and continued service benefits

Contract Benefits: Highlights

- New collection fleet and all-electric support vehicles
- Full-time dedicated Customer Service representative
- Waste Zero education & outreach; expanded recycle capacity for commercial and multifamily sites
- Access to Recology Store for hard-to-recycle drop-offs, bill pay, and waste-diversion opportunities
- Free On-Call Curbside Clean-Up
- Free Kitchen Compost Pails
- 2 Special Drop-Off Collection Events Each Year

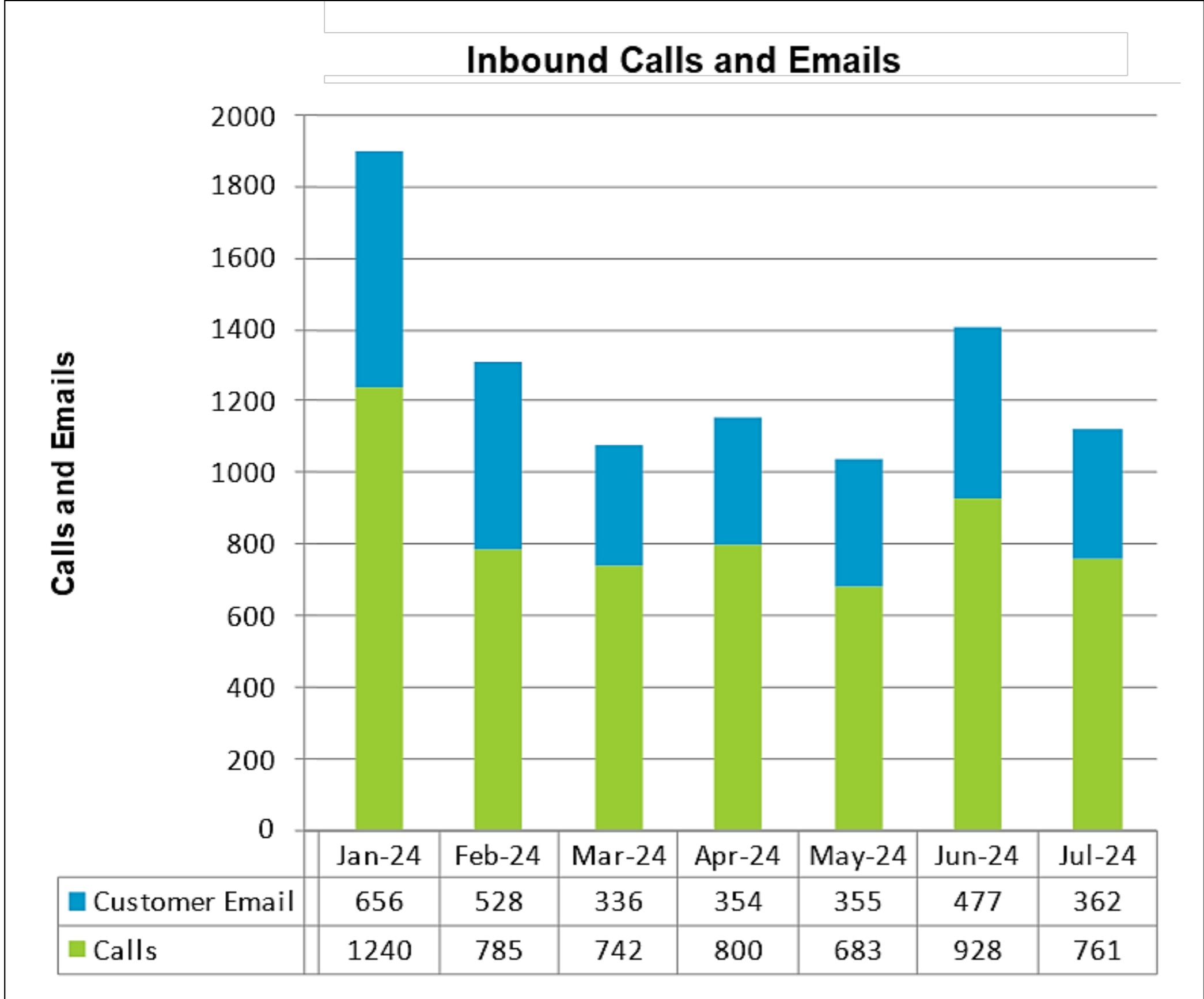


Enhanced Operations & Customer Service

- Quality of Service Routes
- Route Manager Visits
- Driver Recruitment & Development
- Waste Zero Onsite Support



Customer Service Review



- Cyber event: November 2023 – February 2024
- Significant decrease of call and email volume in March: resuming systems full-functions and standard operational procedures
- Increased staffing for Customer Service
- Des Moines Customer Service Satisfaction Average Score: 4.5/5

Recycle & Compost Diversion Growth

- **Multifamily and Commercial Diversion**
 - Recycling: on average, 11% increase in monthly tons collected
 - Compost: diversion: on average, 17% increase in monthly tons collected
- **Residential diversion:**
 - 99.5% of residential customers subscribed to recycle service
 - 70% of residential customers subscribed to compost service
- **Contamination Reduction:**
 - Contamination Reduction Program: in 2024, average rate of contamination is 5% – compared to 20%+ at start of program in 2019



Contamination Reduction Program & Diversion Outreach

- 400+ Recycle right doorhangers and bags provided to Multifamily properties
- 20+ Site Visits/Technical Assistances with Multifamily and Commercial Properties
 - Signage and educational materials provided, including multilingual, laminated, various sizes & customizations
- 3 Recycling Facility Tours for Schools and Multifamily groups



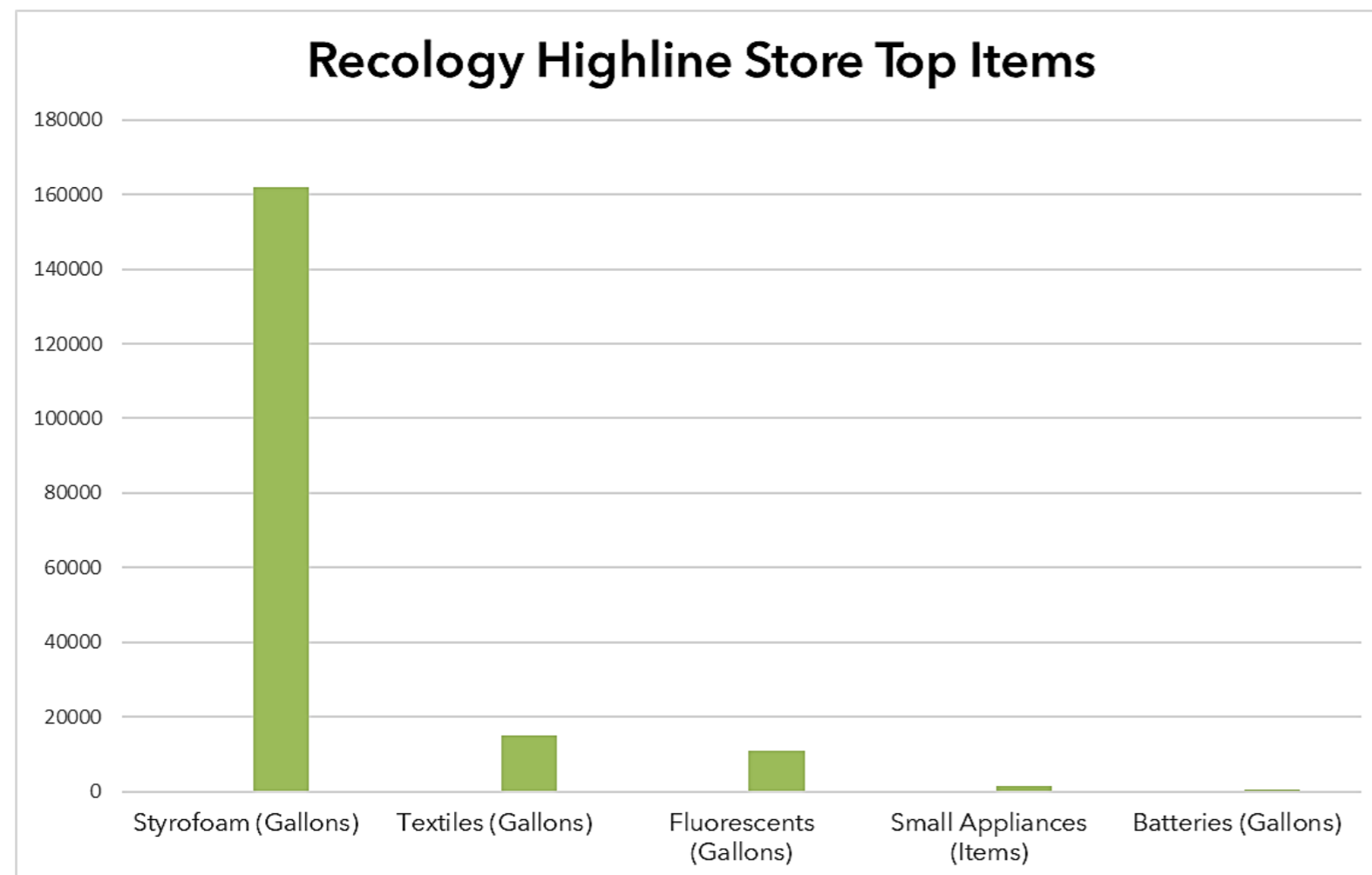
Engaging with the Community

- Waterland Weekend Parade - July 20th
 - Touch a Truck & Booth hosted by Recology
- Des Moines Repair Event – March 19th
- Des Moines Dollars For Scholars
- Blue and Brews – Des Moines Rotary – August 24th
- Tabling Events at Multifamily and Commercial properties



Highline Store

- 500+ hard to recycle drop-offs
- Waste Reduction Workshops
 - Sustainable Gift wrapping, Scissor Repair, Mending
 - December 2023, February 2024, May 2024 & August 2024
- 40+ free kitchen top compost pail pickups



What's Next?

- **Des Moines Fall Garbage Dropoff Event**
- **Des Moines Farmer's Market**
- **Trunk or Treat: Oct 28th**
- **Materials Recovery Facility (MRF) Innovation:** In October 2024, six robotic additions
- **New Hauling Yard:** In the summer of 2024, Recology will begin construction of a new yard in the town of Maltby
- **Annual Service Guide** to be mailed in November





Contact:
206.762.4900
DesMoines@Recology.com



Reallocating American Rescue Plan Act funds

Background

In 2021, the City of Des Moines was awarded \$9,029,879 in funds from the American Rescue Plan Act (ARPA). In September of 2021, the City Council approved allocating these funds for 34 various projects. The City Council also approved creation of a fund in the City’s general ledger to track expenditures of ARPA funds. It is a requirement of the ARPA grant that all funds must be obligated by December 31st 2024 and expended by December 31st 2026.

Discussion

As previously stated, ARPA funds are required to be obligated by December 31, 2024 or the City risks losing the funds. One project, the Marina Tenant Restroom, is not expected to have a contract by year-end. Two other projects, ADA Compliance Program and Traffic Calming have unspent amounts that can be supplanted by revenue from the Redondo Speed Enforcement Cameras.

Available ARPA Funds	
Marina Tenant Restroom	\$ 400,000
ADA Compliance Program (replaced by Redondo Traffic Camera funds)	88,936
Traffic Calming (replaced by Redondo Traffic Camera funds)	80,273
Nonprofit	25,404
Marina Redevelopment Materials	20,000
	\$ 614,613

Recommendations for the reallocation of these funds are as follows:

Repurposed ARPA	
Field House Play Equipment	\$ 5,000
SCORE Costs	265,656
LT-Crime Analyst/Mental Health Support	143,957
Police/Police Support Overtime	200,000
	\$ 614,613

Field House Play Equipment – The Field House Playground project is expected to be completed in the first half of October with possible cost overruns near \$30,000. The City received a donation of \$25,000 from the Des Moines Legacy Foundation. \$5,000 of ARPA funds would close the projected gap.

SCORE Jail Costs – During the 2024 budget process, it was anticipated that the City’s costs for jail services could be reduced to \$750,000. However, this cost reduction did not come to fruition. The City is paying \$1,015,656 against a budget of \$750,000. ARPA funds can fully fund the City’s jail services in 2024.

Limited-Term Crime Analyst/Mental Health Support – As of August 31, 2024, \$8,096 remains for the \$250,000 allocated for these positions. ARPA funds can fully fund each position through the end of 2024.

Police/Police Support Overtime – ARPA funds can be used to fund overtime for police and police support positions that faced various staffing challenges in 2024. The job market for hiring police is highly competitive and retaining officers is a priority for the City. Funding overtime costs with ARPA funds can show the City’s support for police despite the failure of the Levy Lid Lift in the August Primary election.

Financial Impact

ARPA funds would be fully obligated in compliance with the grant agreement’s directive to obligate all funds by December 31, 2024.

The cash position and fund balance of the General Fund would be reinforced at a time when projections show a declining fund balance resulting in a negative fund balance in 2025.

Recommendation

Staff recommends approval of the proposed reallocations.

ARPA REALLOCATION

Available ARPA Funds	
Marina Tenant Restroom	\$ 400,000
ADA Compliance Program (replaced by Redondo Traffic Camera funds)	88,936
Traffic Calming (replaced by Redondo Traffic Camera funds)	80,273
Nonprofit	25,404
Marina Redevelopment Materials	20,000
	\$ 614,613

Repurposed ARPA	
Field House Play Equipment	\$ 5,000
SCORE Costs	265,656
LT-Crime Analyst/Mental Health Support	143,957
Police/Police Support Overtime	200,000
	\$ 614,613

 ARPA REALLOCATION

Motion: "I move to approve the reallocation of ARPA funds as proposed."

CITY OF DES MOINES
Voucher Certification Approval
September 12, 2024
Auditing Officer Certification

Voucher transfers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the City Council.

As of September 12, 2024 the Des Moines City Council, by unanimous vote, does approve for payment those vouchers through September 5, 2024 and payroll transfers through September 5, 2024 included in the attached list and further described as follows:

The vouchers below have been reviewed and certified by individual departments and the City of Des Moines Auditing Officer:



 Jeff Friend, Finance Director

		# From	# To	Amounts
Claims Vouchers:				
EFT's		10504	16085	1,723,100.37
Wires		2663	2698	1,216,301.77
Accounts Payable Checks		166016	166099	587,150.63
EFT Void		10624	10624	(50.00)
Total Vouchers paid				3,526,502.77
Payroll Vouchers				
Payroll Check	7/26/2024	19864	19864	300.00
Payroll Checks	8/5/2024	19865	19874	15,346.77
Payroll Advice		10390	10571	516,409.37
Payroll Checks	8/20/2024	19875	19880	12,688.16
Payroll Advice		10572	10746	494,615.99
Payroll Check Void	8/28/2024	19877	19877	(2,132.61)
Payroll Check		19881	19881	2,132.61
Payroll Checks Voided See Note		19882	19888	0.00
Payroll Checks	9/5/2024	19889	19895	10,973.83
Payroll Advice		10747	10931	514,479.79
Total Paychecks & Direct Deposits				1,564,813.91
Total checks and wires for A/P & Payroll				5,091,316.68

MINUTES

**DES MOINES CITY COUNCIL
SPECIAL MEETING
City Council Chambers**

Tuesday, July 30, 2024 - 6:00 PM

CALL TO ORDER

Mayor Traci Buxton called the Special Meeting to order at 6:00 p.m. in the Council Chambers.

ROLL CALL

Council Present:

Mayor Traci Buxton; Deputy Mayor Harry Steinmetz; Councilmember Gene Achziger; Councilmember Yoshiko Grace Matsui; Councilmember JC Harris; Councilmember Matt Mahoney; and Councilmember Jeremy Nutting

Staff Present:

Assistant City Manager Adrienne Johnson-Newton

Other Present:

SGR Consultant Dave Tuan via Zoom

PURPOSE

The purpose of the Special Meeting was to hold an Executive Session to discuss qualified applications per RCW 42.30.110(1)(g). The Executive Session was expected to last 60 minutes.

No formal action was take. The Executive Session lasted 1 hour.

The meeting adjourned at 7:00 p.m.

Respectfully
Submitted
Taria Keane
City Clerk

MINUTES

**DES MOINES CITY COUNCIL
STUDY SESSION
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, August 1, 2024 - 6:00 PM**

CALL TO ORDER

Mayor Traci Buxton called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was lead by Mayor Traci Buxton.

ROLL CALL

Council Present:

Mayor Traci Buxton; Deputy Mayor Harry Steinmetz; Councilmember Gene Achziger; Councilmember Yoshiko Grace Matsui; Councilmember JC Harris; Councilmember Matt Mahoney; and Councilmember Jeremy Nutting

Staff Present:

Interim City Manager Tim George; Interim City Attorney Matt Hutchins; Assistant City Manager Adrienne Johnson-Newton; Director of Community/Administrative Services Bonnie Wilkins; Harbormaster Scott Wilkins; Finance Director Jeff Friend; Acting Police Chief Mark Couey; Assistant Police Chief Kevin Penney; Police Officer Nate Chevallier; Director of Court Administration Melissa Patrick; Communication Director Nicole Nordholm; and City Clerk Taria Keane

CORRESPONDENCE

- There was no additional correspondence outside of the emails already received by Council.

COMMENTS FROM THE PUBLIC

Comments from the public must be limited to the items of business on the Study Session Agenda. Please sign in prior to the meeting and limit your comments to three (3) minutes.

- Jenny Russo, Greenspace and wetlands

DISCUSSION ITEMS

Study Session Minutes
August 1, 2024

EMERGING ISSUES

1.) Port of Seattle Part 150 Update

- Noise Program Manager Tom Fagerstrom gave Council a PowerPoint Presentation update on the SEA Part 150 Noise and Land Use Compatibility Study.

2.) City Manager Recruitment Update

- Assistant City Manager Adrienne Johnson-Newton gave Council an update on the City Manager Recruitment.

3.) Police Department Community Update

- Acting Police Chief Mark Couey gave Council a PowerPoint Presentation on the Semi-Annual Police Department Update.

PRELIMINARY DISCUSSION OF 2025 CITY LEGISLATIVE PRIORITIES

- Legislative Advocate Anthony Hemstad gave Council a PowerPoint Presentation on the 2025 Legislative Priorities.

NOVEMBER 05, 2024 PUBLIC SAFETY LEVY LID LIFT: PRO AND CON COMMITTEE APPOINTMENTS

Direction/Action

Motion made by Councilmember Jeremy Nutting to confirm the Mayoral appointments of Bettina Carey to the Pro Committee, and the appointment of Susan White to the Con Committee, for the November 5, 2024 Public Safety Levy Lid Lift Ballot Proposition; seconded by Deputy Mayor Harry Steinmetz.

Motion passed 7-0.

EXECUTIVE SESSION

LABOR NEGOTIATIONS UNDER RCW 42.30.140(4)(a) - 15 Minutes

The Executive Session was called to order by Mayor Traci Buxton at 7:53 p.m.

Roll Call

Council Present:

Mayor Traci Buxton; Deputy Mayor Harry Steinmetz; Councilmember Gene Achziger; Councilmember Yoshiko Grace Matsui; Councilmember JC Harris; Councilmember Matt Mahoney; and Councilmember Jeremy Nutting.

Study Session Minutes
August 1, 2024

Staff Present:

Interim City Manager Tim George; Assistant City Manager Adrienne Johnson-Newton; Interim City Attorney Matthew Hutchins; and Finance Director Jeff Friend.

Purpose:

The purpose of the Executive Session was to discuss Labor Negotiations under RCW 42.30.140(4)(a). The Executive Session was expected to last 15 minutes.

No formal action was taken.

The Executive Session ended at 8:08 p.m.

The Executive Session lasted 15 minutes.

NEXT MEETING DATE

August 08, 2024 City Council Regular Meeting

ADJOURNMENT

Direction/Action

Motion made by Deputy Mayor Harry Steinmetz to adjourn; seconded by Councilmember Jeremy Nutting.
Motion passed 7-0.

The meeting adjourned at 8:08 p.m.

MINUTES

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, August 8, 2024 - 6:00 PM**

CALL TO ORDER

Mayor Traci Buxton called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Councilmember JC Harris.

ROLL CALL

Council Present:

Mayor Traci Buxton; Deputy Mayor Harry Steinmetz; Councilmember Gene Achziger; Councilmember Yoshiko Grace Matsui; Councilmember JC Harris; Councilmember Matt Mahoney; and Councilmember Jeremy Nutting

Staff Present:

Interim City Manager Tim George; Interim City Attorney Matt Hutchins; Assistant City Manager Adrienne Johnson-Newton; Director of Community/Administrative Services Bonnie Wilkins; Harbormaster Scott Wilkins; Finance Director Jeff Friend; Public Works Director Michael Stevin; City Engineer Tommy Owen; Director of Court Administration Melissa Patrick; Communication Director Nicole Nordholm; Executive Administrative Analyst Rochelle Caton; Police Officer Nate Chevallier; and City Clerk Taria Keane

CORRESPONDENCE NOT PREVIOUSLY RECEIVED BY COUNCIL

- There were no addition correspondence outside of the emails already received by Council.

COMMENTS FROM THE PUBLIC

- Kojo Ward, 194th St. Closure

COMMITTEE CHAIR REPORT

- Finance Committee: Chair Matt Mahoney
 - Councilmember Matt Mahoney gave Council an update on

Regular Meeting Minutes
August 8, 2024

- the Finance Committee meeting.
- Environment Committee: Chair JC Harris
 - Councilmember JC Harris gave Council an update on the Environment Committee meeting.

CITY MANAGER REPORT/PRESENTATIONS/BRIEFINGS

DAVE UPTHEGROVE

- King County Councilmember Dave Upthegrove gave Council a report on the King County Council.

~~CERT (COMMUNITY EMERGENCY RESPONSE TEAM) GRADUATES~~

MIDWAY OPEN SPACE DESIGN

- Communication Director Nicole Nordholm and KPG Project Manager and Senior Landscape Architect Phuong Nguyen gave Council a PowerPoint Presentation on the Midway Open Space Design Project.

WSDOT SR 509 INTERAGENCY AGREEMENT/PROJECT UPDATE

- City Engineer Tommy Owen along with Puget Sound Gateway Program Deputy Administrator Daniel Babuca and SR 509 Project Construction Manager Andrey Chepel gave Council a PowerPoint Presentation on the SR509 Completion Project.

2024 2nd QUARTER FINANCIAL REPORT

- Finance Director Jeff Friend gave Council a PowerPoint Presentation on the 2024 2nd Quarter Financial Report.

CITY MANAGER RECRUITMENT UPDATE

- Assistant City Manager Adrienne Johnson-Newton gave Council a PowerPoint Presentation update on the City Manager Recruitment.

CONSENT AGENDA

Item 1: APPROVAL OF VOUCHERS

Motion is to approve the payment vouchers through July 25, 2024 and payroll transfers through July 26, 2024 in the attached list and further described as follows:

EFT's	#10468-10503	\$ 184,893.55
Wires	#2650-2660	\$ 741,602.50
Accounts Payable	#165985-166015	\$1,284,280.56
Checks		
EFT Void	#10409-10409	\$ (100.00)

Regular Meeting Minutes
August 8, 2024

Account Payable	#165930-1965930	\$	(100.00)
Voided Check			
Payroll Voided Check	#19864-19864	\$	(300.00)

Total Checks and Wires for A/P & Payroll: \$2,210,276.61

Item 2: APPROVAL OF MINUTES

Motion is to approve the July 25, 2024 City Council Meeting minutes.

Item 3: SETTLEMENT AGREEMENT SANBORN V. DES MOINES

Motion is to approve the Stipulation and Agreed Order quieting title to certain platted but unimproved right of way abutting 20820 Des Moines Memorial Drive in Des Moines in favor of Plaintiff Sanborns, and authorize the City Manager and the City Attorney to sign the Agreement and Stipulated Judgment substantially in the form as attached.

Item 4: TEMPORARY RIGHT-OF-WAY EASEMENT - COLLEGE WAY

Motion is to accept the temporary right-of-way easement of a portion of Sound Transit owned property, Tax Parcel No. 2500600660, and authorize the City Manager to execute documents for this agreement substantially in the form as submitted.

Item 5: INTERAGENCY AGREEMENT GCB 3807 BETWEEN WSDOT AND CITY OF DES MOINES

Motion is to approve the Interagency Agreement between the Washington State Department of Transportation and the City of Des Moines - Agreement GCB 3807, and further authorize the City Manager to sign said Agreement substantially in the form as submitted.

Item 6: COLLECTIVE BARGAINING AGREEMENT: POLICE SUPPORT GUILD

Motion is to approve the attached Collective Bargaining Agreement between the City of Des Moines and the Police Support Guild and to authorize the Interim City Manager to sign the Agreement substantially in the form as attached.

Direction/Action

Motion made by Councilmember Jeremy Nutting to approve the Consent Agenda; seconded by Councilmember Matt Mahoney. Motion passed 7-0.

NEW BUSINESS

Item 1: NEW AGENDA ITEMS FOR CONSIDERATION – 10 Minutes

- Councilmember JC Harris proposed that a 4 to 1 tree replacement policy get remanded to the Environment Committee for review. Council Supported.

Regular Meeting Minutes
August 8, 2024

COUNCILMEMBER REPORTS

(4 minutes per Councilmember) - 30 minutes

COUNCILMEMBER JC HARRIS

- National Night Out Events
- City Manager Recruitment Community Panel
- King County Flood District Advisory Committee
- Robinson Newspapers
- State Electives and Port of Seattle Meeting

COUNCILMEMBER MATT MAHONEY

- Finance Presentation
- Levy Lid Lift

COUNCILMEMBER YOSHIKO GRACE MATSUI

- National Night Out
- Inkfish Gallery Art Exhibition

COUNCILMEMBER JEREMY NUTTING

- No Report

COUNCILMEMBER GENE ACHZIGER

- National Night Out
- Levy Lid Lift
- Poverty Bay Blues and Brews

DEPUTY MAYOR HARRY STEINMETZ

- National Night Out
- Parks and Recreation Activities
- Budget
- Cambodian Cultural Celebration

PRESIDING OFFICER'S REPORT

- Good Day Seattle featuring the City of Des Moines
- State Little League Softball Tournament
- Visit with Dignitaries from China
- Hosted Regional Conversation about Climate Resilience and Homelessness

Regular Meeting Minutes
August 8, 2024

- Youth Summit
- Beachfront Music in Des Moines
- National Night Out
- Chat with the Mayor

EXECUTIVE SESSION

NEXT MEETING DATE

September 05, 2024 City Council Study Session

ADJOURNMENT

Direction/Action

Motion made by Councilmember JC Harris to adjourn; seconded by Councilmember Yoshiko Grace Matsui.
Motion passed 7-0.

The meeting adjourned at 8:36 p.m.

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Arts Commission Appointments

FOR AGENDA OF: September 12, 2024

ATTACHMENTS:

- 1. Nicolas Fannin application
- 2. Theresa Jewell application

DEPT. OF ORIGIN: Communications

DATE SUBMITTED: August 21, 2024

CLEARANCES:

- City Clerk *JK*
- Communications *W. M. M.*
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance _____
- Human Resources _____
- Legal /s/ MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services *Blm*
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is for the City Council to consider the approval of two applicants for appointment to the City of Des Moines Arts Commission.

Suggested Motion

Motion 1:

“I move to confirm the Mayoral appointment of Nicholas Fannin to an open position on the Des Moines Arts Commission, effective immediately and expiring on December 31, 2027.”

Motion 2:

“I move to confirm the Mayoral appointment of Theresa Jewell to an open position on the Des Moines Arts Commission, effective immediately and expiring on December 31, 2027.”

Background

The Arts Commission was created by chapter 4.56 DMMC, which details the powers and duties of the Committee, ex-officio members, terms, meetings, reports to City Council, and scope of duties for the Arts Commission.

The duties of the Arts Commission include:

- (1) Represent the interest of the city in matters of the arts, to be a spokes group for the arts in the city and to keep the city council informed on all such related matters.
- (2) Evaluate, prioritize, and make recommendations on funding for cultural arts needs within the city.
- (3) Review and recommend works of art for the city, especially works to be acquired through appropriations set aside from municipal construction projects. Local artists will be encouraged and given equal consideration for these projects.
- (4) Inform, assist, sponsor or coordinate with arts organizations, artists, or others interested in the cultural advancement of the community.
- (5) Encourage and aid programs for the cultural enrichment of the citizens of Des Moines and encourage more public visibility of the arts.
- (6) Develop cooperation with schools, local, regional, state and national arts organizations.
- (7) Obtain private, local, regional, state or federal funds to promote arts projects within the Des Moines community.

The Commission consists of nine members. The initial appointment term will be three members for one year, three members for two years, and three members for three years – to provide for staggered terms.

Members shall be artists, members of arts groups, or individuals interested in the arts

Discussion

The current committee consists of 3 members, one of which moved and has committed to staying on in an advisory/support role. We are eager to recruit new members, and excited that two individuals want to join the Commission. They will be appointed to three year terms.

Alternatives

None provided.

Financial Impact

No financial impact.

Recommendation/Concurrence

Des Moines Administration recommends the Mayoral appointment of Nicholas Fannin and Theresa Jewell to the Arts Commission.



**CITY OF DES MOINES
APPLICATION FOR APPOINTIVE OFFICE**
21630 11th Avenue South
Des Moines, WA 98198

Recvd. _____

Please Check

NAME: Nicholas Fannin
ADDRESS: 22320 10th Ave S.
CITY/ZIP: Des Moines
PHONE: Home 206-949-5047 Work _____
LENGTH OF RESIDENCE AT THE ABOVE ADDRESS 17 years
REGISTERED VOTER? Yes
E-MAIL ADDRESS: downedock@gmail.com

- Civil Service Commission
- Planning Agency
- Library Board
- Human Services
- Senior Services
- Arts Commission
- Marina Beach Park

EMPLOYMENT SUMMARY LAST FIVE YEARS: Keller Williams

Are you related to anyone presently employed by the City or a member of a City Board? NO
If yes, explain: _____

Do you currently have an owning interest in either real property (other than your primary residence or a business) in the Des Moines planning area? NO if so, please describe: _____

IN ORDER FOR THE APPOINTING AUTHORITY TO FULLY EVALUATE YOUR QUALIFICATIONS FOR THIS POSITION, PLEASE ANSWER THE FOLLOWING QUESTIONS USING A SEPARATE PAPER IF NECESSARY.

1. Why do you wish to serve in this capacity and what can you contribute? I am interested in supporting our community

2. What problems, programs or improvements are you most interest in? I am interested in supporting art in Des Moines

3. Please list any Des Moines elective/appointive offices you have run/applied for previously. I have served as an Arts Commissioner in the past and I am a Sewer Commissioner at the Midway Sewer Dist.



CITY OF DES MOINES
APPLICATION FOR APPOINTIVE OFFICE
 21630 11th Avenue South
 Des Moines, WA 98198

Recvd. _____

Please Check

NAME: Theresa Jewell
 ADDRESS: 12515 SE 312th St Apt. 45
 CITY/ZIP: Auburn 98092
 PHONE: Home 253-314-1081 Work _____
 LENGTH OF RESIDENCE AT THE ABOVE ADDRESS 4 yrs
 REGISTERED VOTER? yes
 E-MAIL ADDRESS: tjewell123@yahoo.com

- Civil Service Commission
- Planning Agency
- Library Board
- Human Services
- Senior Services
- Arts Commission
- Marina Beach Park

EMPLOYMENT SUMMARY LAST FIVE YEARS: I have been employed at Waterland Arcade for the last five years. I have also worked other part-time positions in addition to this role, including gas station attendant, SEO specialist, and karaoke host.

Are you related to anyone presently employed by the City or a member of a City Board? No
 If yes, explain: _____

Do you currently have an owning interest in either real property (other than your primary residence or a business) in the Des Moines planning area? No If so, please describe: _____

IN ORDER FOR THE APPOINTING AUTHORITY TO FULLY EVALUATE YOUR QUALIFICATIONS FOR THIS POSITION, PLEASE ANSWER THE FOLLOWING QUESTIONS USING A SEPARATE PAPER IF NECESSARY.

1. Why do you wish to serve in this capacity and what can you contribute? I have worked in the city of Des Moines roughly 7 yrs and enjoy spending time supporting local businesses and finding things to do here. I have been hosting and producing different types of events for about 4 years and can assist w/organizing events, design work & promotions, content creation, and in person volunteering within reason. I am good at networking and putting together the parts of the work.
2. What problems, programs or improvements are you most interest in? I am most interested in helping to improve engagement during community events, find out what kind of events locals want to see happening, and help to execute the tasks needed or make necessary communications to produce successful events
3. Please list any Des Moines elective/appointive offices you have run/applied for previously. N/A

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Childhood Cancer Awareness Month
Proclamation

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Administration

ATTACHMENTS:
1. Proclamation

DATE SUBMITTED: August 21, 2024

CLEARANCES:

- City Clerk *JK*
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance _____
- Human Resources _____
- Legal _____
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *JK*

Purpose and Recommendation

The purpose of this agenda item is for City Council approval of the attached Proclamation recognizing September as Childhood Cancer Awareness Month.

Suggested Motion

Motion: "I move to approve the Proclamation recognizing September as Childhood Cancer Awareness Month."

Background

Each year in the United States more than 15,000 children, from birth to 19 years of age, are diagnosed with cancer, equal to about 42 childhood cancer diagnoses each day. Worldwide, there are more than 300,000 new childhood cancer diagnoses, equal to about a child being diagnosed with cancer every 3 minutes.

Discussion

The City Council has approved Proclamations recognizing September as Childhood Cancer Awareness Month in previous years

Recommendation

Administration supports approval of the Proclamation recognizing September as Childhood Cancer Awareness Month.

City of Des Moines



ADMINISTRATION
21630 11th AVENUE S, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D: (206) 824-6024 FAX: (206) 870-6540



Proclamation

WHEREAS, each year in the United States more than 300,000 children and youth under the age of 19 are diagnosed with cancer worldwide; and

WHEREAS, childhood cancer is the #1 disease-related cause of death for children in the United States and many other countries; and

WHEREAS, although the five-year survival rate for childhood cancers has reached 80 percent, nearly 2,000 American children under the age of nineteen will die each year from cancer, making it the leading killer of children by disease; and

WHEREAS, those that do survive will face at least one chronic health condition later on in life; and

WHEREAS, the causes of childhood cancer are largely unknown and more studies are needed to understand which treatments work best for children; and

WHEREAS, cancer treatment for children often must differ from traditional adult treatments to take into account children's developmental needs and other factors; and

WHEREAS, children including Layla Beckstrand, are just one of many hundreds of local children who have been successfully treated for cancer at Seattle Children's Hospital, and her family now volunteers there to raise awareness about childhood cancers; and

WHEREAS, Des Moines is a caring community that supports children and families;

NOW THEREFORE, THE DES MOINES COUNCIL HEREBY PROCLAIMS the month of September as

CHILDHOOD CANCER AWARENESS MONTH

SIGNED this 12th day of September, 2024.

Traci Buxton, Mayor

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: National Preparedness Month
Proclamation

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Administration

ATTACHMENTS:
1. Proclamation

DATE SUBMITTED: August 19, 2024

CLEARANCES:

- City Clerk *JK*
- Communications _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance _____
- Human Resources _____
- Legal _____
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to seek City Council approval of the attached Proclamation recognizing September as National Preparedness Month.

Suggested Motion

Motion: "I move to approve the Proclamation recognizing September as National Preparedness Month."

Background

National Preparedness Month, occurring annually in September since 9/11, creates an ideal opportunity for every resident to join citizens across the United States in preparing their homes, businesses, and communities for any type of emergency, including natural disasters and potential terrorist attacks. During an emergency, First Responders may not always be able to reach you quickly. Planning before a disaster happens is the best way to improve community recovery. During National Preparedness Month, community members are encouraged to take time to prepare for emergencies and disasters that can impact them for days at a time.

Discussion

Council has previously approved Proclamations recognizing September as National Preparedness Month in years past.

Recommendation

Administration supports approval of the Proclamation recognizing September as National Preparedness Month.

City of Des Moines



ADMINISTRATION
21630 11th AVENUE S, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D: (206) 824-6024 FAX: (206) 870-6540



Proclamation

WHEREAS, National Preparedness Month, occurring annually in September since 9/11, creates an ideal opportunity for every resident to join citizens across the United States in preparing their homes, businesses, and communities for any type of emergency, including natural disasters and potential terrorist attacks; and

WHEREAS, planning now, before a disaster, is the best way to improve community recovery from disasters; and

WHEREAS, when individuals take responsibility for preparing their families and their communities, the chance of survival and return to normalcy following a disaster is greatly increased; and

WHEREAS, First Responders may not always be able to reach you quickly in an emergency or disaster, and the most important step you can take in helping them is being able to take care of yourself and those in your care for at least a short period of time following an incident; and

WHEREAS, during National Preparedness Month, community members are encouraged to take time to prepare yourself and those in your care for emergencies and disasters that can impact our neighborhoods for days at a time; and

NOW THEREFORE, The Des Moines City Council hereby declares September as

NATIONAL PREPAREDNESS MONTH

and urges all Des Moines residents to make sure that their families are prepared for an emergency by 1) preparing a Disaster Supply Kit and 2) creating a Family Emergency Plan.

SIGNED this 12th day of September, 2024.

Traci Buxton, Mayor

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: National Recovery Month
Proclamation

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Administration

ATTACHMENTS:
1. Proclamation

DATE SUBMITTED: August 20, 2024

CLEARANCES:

- City Clerk *SK*
- Communications _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance _____
- Human Resources _____
- Legal _____
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of Recovery Month is to promote recovery, celebrate those in treatment, and continue to educate our community about how to overcome the barriers of stigma and discrimination associated with mental health issues and/or substance use disorders.

Suggested Motion

Motion: "I move to approve the Proclamation recognizing September as National Recovery Month."

Background

Recovery Month spreads the message that behavioral health is essential to health and overall wellness, and that prevention works, treatment is effective and people with substance use and mental health issues can and do recover. People in recovery lead healthier lifestyles and contribute in positive ways to their communities.

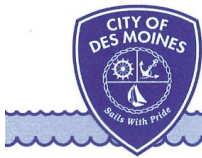
Throughout the years, hundreds of proclamations have been signed to support Recovery Month. Since 2001, the President of the United States has signed a proclamation declaring September as Recovery Month, further recognizing substance use disorders and mental disorders as conditions that need to be addressed, just like any other illness.

Discussion

The City Council has previously approved Proclamations recognizing September as National Recovery Month in years past.

Recommendation

Administration supports approval of the Proclamation recognizing September as National Recovery Month.



City of Des Moines

ADMINISTRATION
21630 11TH AVENUE SOUTH, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D.: (206) 824-6024 FAX: (206) 870-6540



Proclamation

WHEREAS, behavioral health is an essential part of health and one's overall wellness;
and

WHEREAS, prevention of mental and/or substance use disorders works, treatment is effective, and recovery is possible; and

WHEREAS, preventing and overcoming mental and/or substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

WHEREAS, an estimated 400,000 people in King County are affected by these conditions; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), and the City of Des Moines invite all residents to participate in National Recovery Month; and

NOW, THEREFORE, the City Council of the City of Des Moines, do hereby proclaim September 2024 as

NATIONAL RECOVERY MONTH

and urge all residents to observe this month with appropriate programs, activities and ceremonies to increase public understanding.

SIGNED this 12th day of September, 2024.

Traci Buxton, Mayor

The Waterland City

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Updating the City’s surplus utility property policy

FOR AGENDA OF: 9/12/2024

DEPT. OF ORIGIN: Legal

ATTACHMENTS:

- 1. Draft Ordinance no. 24-066

DATE SUBMITTED: 9/04/2024

CLEARANCES:

- City Clerk _____
- Community Development _____
- Courts _____
- Director of Marina Redevelopment _____
- Emergency Management _____
- Finance *M.S.*
- Human Resources _____
- Legal */s/ MH*
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works *MPS*

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is for the City Council to consider Draft Ordinance 24-066 which would update the City’s procedure regarding the sale or disposition of personal property or equipment acquired for utility purposes with an estimated value of less than fifty thousand dollars.

Suggested Motion

Motion 1: “I move to adopt Draft Ordinance 24-066 amending DMMC 3.108.060 to update the City’s utility property surplus policy.”

Background

In the course of conducting the many functions of municipal government, cities come to acquire both real property and personal property of all kinds. As time passes, much of the property is no longer necessary for city purposes or reaches the end of its useful life. When this happens, state law allows cities to declare the property surplus and dispose of it by sale or other reasonable means.

State law gives code cities a fair amount of latitude on the disposal of surplus property in general, so long as proper procedures are followed and the constitutional ban on gifts of public funds is followed, but the state has imposed greater restrictions on the disposal of certain classes of property. One such class of property is property that is purchased for utility purposes.

In 2017, the Des Moines City Council enacted Ordinance no. 1678 to modernize the City's policies governing the disposition of surplus property. The Council reserved for itself final decision making on all real property, vehicles, and personal property valued at \$10,000 or more. The City Manager was given authority to surplus non-vehicle personal property under \$10,000 according to the process set by the Council.

In addition to this general policy, the Council set specific rules for property acquired for utility purposes, which in the case of Des Moines would include property acquired by Surface Water Management. These rules for utility property were consistent with state law, which required a public hearing with notice and opportunity for public comment before the Council could declare such property surplus by a resolution of the Council. The Legislature has since amended state law to exclude personal property with an estimated value of \$50,000 or less from the requirement of a public hearing.

Discussion

The proposed Draft Ordinance would remove the requirement for a public hearing to surplus equipment and other personal property acquired for SWM and valued at \$50,000 or less and make the DMMC consistent with state law. A public hearing would still be required to surplus SWM real property or personal property valued at more than \$50,000, and the Council would still need to approve the surplus of SWM personal property valued at \$50,000 or less, as well as leaving the general rules unchanged. The proposed Draft Ordinance would simply remove procedural steps that the Legislature has affirmatively decided are unnecessary.

Alternatives

The Council may:

1. Adopt the Draft Ordinance as presented
2. Adopt the Draft Ordinance with amendments
3. Decline to pass the Draft Ordinance.

Financial Impact

The City will realize minor savings from not having to publish notice of public hearing prior to consideration of these items.

Recommendation

Staff recommends that Council adopt the draft ordinance as presented

Council Committee Review

N/A

2

CITY ATTORNEY'S FIRST DRAFT 09/04/2024

DRAFT ORDINANCE NO. 24-066

AN ORDINANCE OF THE CITY OF DES MOINES, relating to municipal finance and amending DMMC 3.108.060.

WHEREAS, the sale or disposition of City property is subject to state law and City policies, and

WHEREAS, in 2017 the City Council adopted Ordinance no. 1678 to update City policies to reflect modern commercial practices consistent with state law, and

WHEREAS, consistent with then current state law, Ordinance no. 1678 required that a public hearing be held before the City Council approved the sale or disposition of any lands, property, or equipment that was originally acquired for public utility purposes, and

WHEREAS, in 2020, the Legislature amended RCW 35.94.040 to remove the requirement for a public hearing before approving the sale or disposition of personal property or equipment with an estimated value of less than fifty thousand dollars, and

WHEREAS, amending the Des Moines Municipal Code to make DMMC 3.108.060 consistent with updated state law will eliminate unnecessary procedure before sale or disposal of no longer needed utility assets, and

WHEREAS, the proposed amendment to Title 3 DMMC will assist the City's continued efforts to improve the efficiency of its operations; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. DMMC 3.108.060 and section 1(6) of Ordinance no. 1678 are each amended to read as follows:

Sale or disposition of real or personal property or equipment originally acquired for public utility purposes. Whenever the City shall determine that any lands, property or equipment originally acquired for public utility purposes is surplus to the City's needs and is not required for providing continued public utility service and, in the case of personal

Ordinance No. ____
Page 2 of 3

property or equipment, has an estimated value of greater than fifty thousand dollars, then the City Council by resolution and after a public hearing may cause such lands, property or equipment to be sold, leased, or conveyed. Such resolution shall state the fair market value and such other terms and conditions for such disposition as the City Council deems to be in the best public interest.

Sec. 2. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

(2) If the provisions of this Ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this Ordinance is deemed to control.

Sec. 3. Effective date. This Ordinance shall take effect and be in full force thirty (30) days after its final passage by the Des Moines City Council in accordance to law.

PASSED BY the City Council of the City of Des Moines this ____ day of _____, 2024 and signed in authentication thereof this ____ day of _____, 2024.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

Ordinance No. ____
Page 3 of 3

City Clerk

Effective Date: _____

Published: _____

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Des Moines Stormwater Improvement
Project Agreements

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Public Works

ATTACHMENTS:

- 1. Public Works Contract
- 2. KBA, Inc. 2024-2025 On-Call General Civil Engineering Services, Task Assignment 2024-04
- 3. Pertect, Inc. 2024-2025 On-Call General Civil Engineering Services, Task Assignment 2024-01
- 4. Bid Proposal (Responsive Low Bid)

DATE SUBMITTED: September 5, 2024

CLEARANCES:

- City Clerk _____
- Community Development /s/ DH
- Courts _____
- Director of Marina Redevelopment _____
- Emergency Management _____
- Finance *[Signature]*
- Human Resources _____
- Legal /s/ MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works *[Signature]*

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to seek City Council approval for the following Public Works Contracts related to the combined Des Moines Memorial Drive Pipe Project and South 216th Place/ Marine View Drive Pipe Upgrade Project:

Public Works Contract with Reed Trucking & Excavating Inc.; 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-04 with KBA, Inc. to provide Construction Administration and Inspection Services; and the 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-01 with Pertect, Inc. to provide Engineer of Record Services. The following motions will appear on the Consent Agenda:

Suggested Motions

Motion 1: “I move to approve the Public Works Contract with Reed Trucking & Excavating Inc. (Contractor) for the Des Moines Stormwater Improvements Projects in the amount of \$1,384,000.00, authorize a project construction contingency in the amount of \$250,000.00, and further authorize the City Manager to sign said Contract substantially in the form as submitted.”

Motion 2: “I move to approve the 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-04 with KBA, Inc. to provide Construction Administration and Inspection services for the Des Moines Stormwater Improvements Projects in the amount of \$222,451.00 and further authorize the City Manager to sign said Task Assignment substantially in the form as submitted.”

Motion 3: “I move to approve the 2024-2025 On-Call General Civil Engineering Services Task Assignment 2024-01 with Perteet, Inc. to provide Engineer of Record services for the Des Moines Stormwater Improvements Projects in the amount of \$77,892.00, and further authorize the City Manager to sign said Task Assignment substantially in the form as submitted.”

Background

The Des Moines Memorial Drive Pipe Project, between South 208th Street and South 212th Street, is a high-priority project identified in the 2015 Surface Water Management Comprehensive Plan. The ditch and culvert system along the west side of Des Moines Memorial Drive is insufficient to convey a 25-year storm that can result in pooling water within the southbound travel lane. The City’s engineering consultant, Perteet, Inc. completed the project’s design under the 2022-2023 On-Call General Civil Engineering Services Contract that the City Council approved at its May 12, 2022 meeting.

The South 216th Place/Marine View Drive Pipe Upgrade Project is also a high-priority project identified in the 2015 Surface Water Management Comprehensive Plan. The project is located directly northwest of the intersection of South 216th Place, Marine View Drive South, and Des Moines Memorial Drive South. The project extends from the northwest corner of this intersection to approximately 350 feet north along the west sides of Des Moines Memorial Drive South and 6th Avenue South. This project will replace ditch lines along these road sections and upgrade the existing pipe sections to ensure adequate stormwater capacity. The City’s engineering consultant, Perteet, Inc. completed the project’s design under the 2022-2023 On-Call General Civil Engineering Services Contract that the City Council approved at its May 11, 2023 meeting.

The Des Moines Stormwater Improvements Projects combines these two Capital Improvement Projects into a single project for the construction phase. After design completion, a solicitation for Bids was published on August 5, 2024, and August 12, 2024, with a public bid opening on August 26, 2024.

Discussion

Construction Contract (Motion #1)

The Des Moines Stormwater Improvements Project was advertised for public bids in accordance with state law, WSDOT LAG Manual, and requirements for competitive bidding of public works contracts. Bid proposals from three contractors were received. Bids were publicly opened and read out loud on August 26, 2024 by the City Clerk and are summarized below.

BID RESULTS

<u>Engineer’s Estimate</u>	<u>\$1,921,730.00</u>
<u>Contractor Name</u>	<u>Bid Proposal</u>
Reed Trucking & Excavating Inc.	\$1,384,000.00 (Responsive Low Bid)
Ceccanti ,Inc.	\$1,500,000.00
HCON Inc.	\$1,538,045.00
SCI Infrastructure LLC.	\$1,573,938.00
Tucci & Sons, LLC.	\$1,591,751.00
Northwest Cascade, Inc.	\$1,668,092.00
Marshbank Construction, Inc.	\$1,672,870.00
Active Construction Inc.	\$1,683,683.00
R.L. Alia Company	\$1,810,340.00

Reed Trucking & Excavating Inc. is the Responsive Low Bidder at \$1,384,000.00 (Attachment 4). The bid proposals and contractor qualifications have been reviewed and staff finds that the low bid is responsive and recommends award of the contract to Reed Trucking & Excavating Inc..

Construction Administration and Inspections Services Task Assignment (Motion #2)

Engineering consultants are needed in order to supplement and expand the capability of City staff for Construction Administration and Inspection for the Project. These services are proposed to be provided by KBA, Inc. (Attachment 2). The scope of work for KBA, Inc. includes the following services: preconstruction coordination, documentation, project control, and construction inspection.

All construction support shall comply with the Washington State Department of Transportation (WSDOT) Local Agency Guidelines (LAG) for construction contract administration to maintain the City’s Certification Acceptance (CA) status.

Construction Engineering Task Assignment (Motion #3):

Engineering consultants are needed in order to supplement and expand the capability of City staff for Engineer of Record Services for the Project. These services are proposed to be provided by Perteet (Attachment 3). Perteet Inc. will be able to maintain valuable overall project history and consistency with the previous phases of work. The scope of work for Perteet Inc. includes the following services: design clarifications, schedule review, change order review, and response to information requests.

Alternatives

(Motion #1) – Reject All Bids

The City Council could direct staff to reject all Bid Proposals and re-submit for construction bids at a later time. However, there is no reason to believe project bids would be lower given the busy bidding climate and expected future cost inflation.

(Motion #2) – Not Approve On-Call Task Assignment with KBA, Inc.

The City Council could elect not to approve the Task Assignment with KBA, Inc. for Construction Administration and Inspection Services. The City does not have adequate resources to perform complete Construction Administration and Inspection in compliance with the general project requirements or the

WSDOT LAG Manual. Council could direct staff to solicit for proposals, but this will cause project delay and a potential need to re-bid the project in 2025 due to the current project schedule.

Motion #3 – Not Approve On-Call Task Assignment with Perteet

The City Council could elect not to approve the Task Assignment with Perteet Inc. for Engineer of Record Services. The City does not have adequate resources to perform Engineer of Record Services in compliance with the general project requirements or the WSDOT LAG Manual. Council could direct staff to solicit for proposals, but this will cause project delay and potential need to re-bid the project in 2025 due to current project schedule.

Financial Impact

The City's CIP Budget includes revenues to achieve full project funding.

Recommendation

Staff recommends the adoption of the motion(s).

Council Committee Review

The Environment Committee has been routinely updated on the status of this project.



PUBLIC WORKS CONTRACT
between City of Des Moines and
Reed Trucking & Excavating Inc

THIS CONTRACT is made and entered into this [Enter Day] day of [Enter Month], [Year], by and between the City of Des Moines, a Washington municipal corporation (hereinafter the "City"), and Reed Trucking & Excavating Inc organized under the laws of the State of Washington, located and doing business at 11616 24th Ave E, Tacoma, WA 98445, 253-841-4837, Dustin Wright (hereinafter the "Contractor").

CONTRACT

The parties agree as follows:

I. DESCRIPTION OF WORK.

Contractor shall perform the services for the City as specifically described in Exhibit "A" Scope and Schedule of Work, attached hereto and incorporated herein by reference.

Work anticipated to be performed under this contract is as follows:

- Clearing, grubbing, and structure excavation
- Installing high visibility fence and compost sock
- Remove pavement, curb and gutter, pipe, and guardrail
- Paving with hot mix asphalt (including roadway pavement and asphalt raised edge)
- Constructing storm drainage improvements
- Filling existing ditches with gravel borrow, topsoil, and quarry spalls
- Installing channelization and bollards
- Installing cement concrete sidewalk and curb and gutter
- And all incidental items necessary to complete the Work as described in the Plans and Specifications.

a. Contractor represents that the services furnished under this Contract will be performed in accordance with generally accepted professional practices within the Puget Sound region in effect at the time such services are performed.

b. The Contractor shall provide and furnish any and all labor, materials, tools, equipment and utility and transportation services along with all miscellaneous items necessary to perform this Contract except for those items mentioned therein to be furnished by the City.



c. All work shall be accomplished in a workmanlike manner in strict conformity with the attached plans and specifications including any and all Addenda issued by the City, City Regulations and Standards, other Contract Documents hereinafter enumerated.

In addition, the work shall be in conformance with the following documents which are by reference incorporated herein and made part hereof:

- (i) the Standard Specifications of the Washington State Department of Transportation (WSDOT) (current edition);
- (ii) the American Public Works Association (APWA) (current edition);
- (iii) the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways (current edition);
- (iv) the Standard Plans for Road, Bridge and Municipal Construction (as prepared by the WSDOT/APWA current edition);
- (v) the American Water Works Association Standard (AWWA) (current edition), and;
- (vi) shall perform any changes in the work in accord with the Contract Documents.

d. Any inconsistency in the parts of the Contract and the documents referenced in section I c above shall be resolved by following this order of precedence (e.g., 1 presiding over 2, 2 over 3, 3 over 4, and so forth):

1. Terms and provisions of the Contract
2. Addenda,
3. Proposal Form,
4. Special Provisions, including APWA General Special Provisions, if they are included,
5. Contract Plans,
6. Amendments to the Standard Specifications,
7. WSDOT Standard Specifications for Road, Bridge and Municipal Construction,
8. Contracting Agency's Standard Plans (if any), and
9. WSDOT Standard Plans for Road, Bridge, and Municipal Construction.

II. TIME OF COMPLETION. The parties agree that work on the tasks described in Section I above and more specifically detailed in Exhibit A attached hereto will begin immediately upon execution of this Contract. Upon the effective date of this Contract, the Contractor shall complete the work described in Section I 75 Working Days. If said work is not completed within the time specified, the Contractor agrees to pay the City the sum specified in Section VI - Liquidated Damages of this contract.

III. COMPENSATION. The City shall pay the Contractor a total amount not to exceed \$1,384,000.00, plus any applicable Washington State Sales Tax, for the work and services contemplated in this Contract. If the work and services to be performed as specified in Exhibit A "Scope and Schedule of Work" is for street, place, road, highway, etc. as defined in WAC 458-20-171, then the applicable Washington State Retail Sales Tax on

this contract shall be governed by WAC 458-20-171 and its related rules for the work contemplated in this Contract. The Contractor shall invoice the City monthly. The City shall pay to the Contractor, as full consideration for the performance of the Contract, an amount equal to the unit and lump sum prices set forth in the bid. The Contractor will submit requests for Progress payments on a monthly basis and the City will make progress payment within 45 days after receipt of the Contractor's request until the work is complete and accepted by the City. The City's payment shall not constitute a waiver of the City's right to final inspection and acceptance of the project.

- A. Retainage. The City shall hold back a retainage in the amount of five percent (5%) of any and all payments made to contractor for a period of sixty (60) days after the date of final acceptance, or until receipt of all necessary releases from the State Department of Revenue and the State Department of Labor and Industries and until settlement of any liens filed under Chapter 60.28 RCW, whichever is later. If Contractor plans to submit a bond in lieu of the retainage specified above, the bond must be in a form acceptable to the City and submitted within 30 days upon entering into this Contract, through a bonding company meeting standards established by the City.
- B. Defective or Unauthorized Work. The City reserves its right to withhold payment from Contractor for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Contract; and extra work and materials furnished without the City's written approval. If Contractor is unable, for any reason, to satisfactorily complete any portion of the work, the City may complete the work by contract or otherwise, and Contractor shall be liable to the City for any additional costs incurred by the City. "Additional costs" shall mean all reasonable costs, including legal costs and attorney fees, incurred by the City beyond the maximum Contract price specified above. The City further reserves its right to deduct the cost to complete the Contract work, including any Additional Costs, from any and all amounts due or to become due the Contractor. Notwithstanding the terms of this section, the City's payment to contractor for work performed shall not be a waiver of any claims the City may have against Contractor for defective or unauthorized work.
- C. Final Payment: Waiver of Claims. THE CONTRACTOR'S ACCEPTANCE OF FINAL PAYMENT (EXCLUDING WITHHELD RETAINAGE) SHALL CONSTITUTE A WAIVER OF CONTRACTOR'S CLAIMS, EXCEPT THOSE PREVIOUSLY AND PROPERLY MADE AND IDENTIFIED BY CONTRACTOR AS UNSETTLED AT THE TIME FINAL PAYMENT IS MADE AND ACCEPTED.

IV. INDEPENDENT CONTRACTOR. The parties understand and agree that Contractor is a firm skilled in matters pertaining to construction and will perform independent functions and responsibilities in the area of its particular field of expertise. Contractor and its personnel, subcontractors, agents and assigns, shall act as independent contractors and not employees of the City. As such, they have no authority to bind the City or control employees of the City, contractors, or other entities. The City's Public Works Director or his or her designated representative shall have authority to ensure that the terms of the Contract are performed in the appropriate manner.

The Contractor acknowledges that all mandatory deductions, charges and taxes imposed by any and all federal, state, and local laws and regulations shall be the sole responsibility of the Contractor. The Contractor represents and warrants that all such deductions, charges and taxes imposed by law and/or regulations upon the Contractor are, and will remain, current. If the City is assessed, liable or responsible in any manner for those deductions, charges or taxes, the Contractor agrees to indemnify and hold the City harmless from those costs, including attorney's fees.

V. TERMINATION. The City may terminate this Contract for good cause. "Good cause" shall include, without limitation, any one or more of the following events:

- A. The Contractor's refusal or failure to supply a sufficient number of properly skilled workers or proper materials for completion of the Contract work.
- B. The Contractor's failure to complete the work within the time specified in this Contract.
- C. The Contractor's failure to make full and prompt payment to subcontractors or for material or labor.
- D. The Contractor's persistent disregard of federal, state or local laws, rules or regulations.
- E. The Contractor's filing for bankruptcy or becoming adjudged bankrupt.
- F. The Contractor's breach of any portion of this Contract.

If the City terminates this Contract for good cause, the Contractor shall not receive any further money due under this Contract until the Contract work is completed. After termination, the City may take possession of all records and data within the Contractor's possession pertaining to this project which may be used by the City without restriction.

VI. Liquidated Damages. This section of the Contract shall apply only in the event of a delay in the completion of the work within the timeframe specified in the Contract. This being a Public Works project performed for the benefit of the public, and there being a need for the completion of the project in the time specified in the Contract, City and Contractor agree that damages for delay in the performance or completion of the work are

extremely difficult to ascertain. However, City and Contractor agree that due to the expenditure of public funds for the work specified in this Contract, and the need to provide the work for the benefit of the health, safety and welfare of the public, the failure to complete the work within the time specified in the Contract will result in loss and damage to City. City and Contractor agree that a delay will result in, but not be limited to, expense to the City in the form of salaries to City employees, the extended use of City equipment, delays in other portions of the project on which Contractor is working, increased cost to the City for the project, delays in other projects planned by City, and loss of use and inconvenience to the public.

Although difficult to quantify and ascertain, City and Contractor agree that the sum listed as liquidated damages represents a fair and reasonable forecast of the actual damage caused by a delay in the performance or completion of the work specified in the Contract. In addition, City and Contractor agree that the liquidated damages set forth below are intended to compensate the City for its loss and damage caused by delay. The liquidated damages are not intended to induce the performance of Contractor.

Contractor declares that it is familiar with liquidated damages provisions, and understands their intent and purpose. By signing this Contract, Contractor further declares that it understands the liquidated damages provision of this contract, that it is a product of negotiation, and that it is a fair estimation of the damage and loss that City will suffer in the event of delay.

City and Contractor further agree that the contractor shall not be charged with liquidated damages because of any delays in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of the contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes.

City and Contractor agree that for each day beyond the completion date specified in the Contract that the project is not completed, the sum of **\$2,768.00 [Liquidated Damages = (0.15*Contract Amount)/Time for Completion]** shall be deducted from the amount to be paid Contractor and shall be retained by City as damages.

In the event that the Contract is terminated by City for cause pursuant to the general conditions of the contract, this liquidated damages section shall apply, but only to the extent that the contract is delayed. In addition to liquidated damages, City shall be permitted to recover from Contractor the cost of completion of the work if the cost of completion exceeds the original sum of money agreed upon.

VII. PREVAILING WAGES. Contractor shall file a "Statement of Intent to Pay Prevailing Wages," with the State of Washington Department of Labor & Industries prior to commencing the Contract work and an Affidavit of prevailing wages paid after completion of the work. The Statement of Intent to Pay Prevailing Wages," shall include Contractor's registration certificate number and the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020, and the estimated number of workers in each classification. Contractor shall pay prevailing wages in effect on the date the bid is accepted or executed by Contractor, and comply with Chapter 39.12 of the Revised

Code of Washington, as well as any other applicable prevailing wage rate provisions. The latest prevailing wage rate revision issued by the Department of Labor and Industries must be submitted to the City by Contractor. It shall be the responsibility of Contractor to require all subcontractors to comply with Chapter 39.12 RCW and this section of the Contract.

VIII. Hours of Labor. Contractor shall comply with the "hours of labor" requirements and limitations as set forth in Chapter 49.28 RCW. It shall be the responsibility of Contractor to require all subcontractors to comply with the provisions of Chapter 49.28 RCW and this section of the Contract. The Contractor shall pay all reasonable costs (such as over-time of crews) incurred by the City as a result of work beyond eight (8) hours per day or forty (40) hours per week. Additional hours beyond a forty (40)-hour workweek will be pro-rated against contractual workdays.

IX. Compliance with Wage, Hour, Safety, and Health Laws. The Contractor shall comply with the rules and regulations of the Fair Labor Standards Act, 29 U.S.C. 201 et seq, the Occupational Safety and Health Act of 1970, 29 U.S.C. 651, et seq, the Washington Industrial Safety and Health Act, Chapter 49.17 RCW, and any other state or federal laws applicable to wage, hours, safety, or health standards.

X. Days and Time of Work. Unless otherwise approved by the City, the working hours for this project will be limited to the following hours:

Monday through Friday: 7:00 a.m. to 7:00 p.m.

Saturday, Sunday and Holidays: 8:00 a.m. to 5:00 p.m.

XI. Workers' Compensation. The Contractor shall maintain Workers' Compensation insurance in the amount and type required by law for all employees employed under this Contract who may come within the protection of Workers' Compensation Laws. In jurisdictions not providing complete Workers' Compensation protection, the Contractor shall maintain Employer's Liability Insurance in the amount, form and company satisfactory to the City for the benefit of all employees not protected by Workers' Compensation Laws.

The Contractor shall make all payments arising from the performance of this Contract due to the State of Washington pursuant to Titles 50 and 51 of the Revised Code of Washington.

Whenever any work by the Contractor under the authority of this Contract is on or about navigable waters of the United States, Workers' Compensation coverage shall be extended to include United States Longshoreman and harbor worker coverage. The Contractor shall provide the City with a copy of the necessary documentation prior to the start of any activity.

XII. CHANGES. The City may issue a written change order for any change in the Contract work during the performance of this Contract. If the Contractor determines, for any reason, that a change order is necessary, Contractor must submit a written change order request to the person listed in the notice provision section of this Contract, section XXII(C), within seven (7) calendar days of the date Contractor knew or should have known of the facts and events giving rise to the requested change. If the City determines that the change increases or decreases the Contractor's costs or time for performance, the City will make an equitable adjustment. The City will attempt, in good faith, to reach agreement with the Contractor on all equitable adjustments. However, if the parties are unable to

agree, the City will determine the equitable adjustment as it deems appropriate. The Contractor shall proceed with the change order work upon receiving either a written change order from the City or an oral order from the City before actually receiving the written change order. If the Contractor fails to require a change order within the time specified in this paragraph, the Contractor waives its right to make any claim or submit subsequent change order requests for that portion of the contract work. If the Contractor disagrees with the equitable adjustment, the Contractor must complete the change order work; however, the Contractor may elect to protest the adjustment as provided in subsections A through E of Section XIII, Claims, below.

The Contractor accepts all requirements of a change order by: (1) endorsing it, (2) writing a separate acceptance, or (3) not protesting in the way this section provides. A change order that is accepted by Contractor as provided in this section shall constitute full payment and final settlement of all claims for contract time and for direct, indirect and consequential costs, including costs of delays related to any work, either covered or affected by the change.

XIII. CLAIMS. If the Contractor disagrees with anything required by a change order, another written order, or an oral order from the City, including any direction, instruction, interpretation, or determination by the City, the Contractor may file a claim as provided in this section. The Contractor shall give written notice to the City of all claims within seven (7) calendar days of the occurrence of the events giving rise to the claims, or within seven (7) calendar days of the date the Contractor knew or should have known of the facts or events giving rise to the claim, whichever occurs first. Any claim for damages, additional payment for any reason, or extension of time, whether under this Contract or otherwise, shall be conclusively deemed to have been waived by the Contractor unless a timely written claim is made in strict accordance with the applicable provisions of this Contract.

At a minimum, a Contractor's written claim shall include the information set forth in subsections A, items 1 through 5 below.

FAILURE TO PROVIDE A COMPLETE, WRITTEN NOTIFICATION OF CLAIM WITHIN THE TIME ALLOWED SHALL BE AN ABSOLUTE WAIVER OF ANY CLAIMS ARISING IN ANY WAY FROM THE FACTS OR EVENTS SURROUNDING THAT CLAIM OR CAUSED BY THAT DELAY.

- A. Notice of Claim. Provide a signed written notice of claim that provides the following information:
1. The date of the Contractor's claim;
 2. The nature and circumstances that caused the claim;
 3. The provisions in this Contract that support the claim;
 4. The estimated dollar cost, if any, of the claimed work and how that estimate was determined; and
 5. An analysis of the progress schedule showing the schedule change or disruption if the Contractor is asserting a schedule change or disruption.

- B. Records. The Contractor shall keep complete records of extra costs and time incurred as a result of the asserted events giving rise to the claim. The City shall have access to any of the Contractor's records needed for evaluating the protest.

The City will evaluate all claims, provided the procedures in this section are followed. If the City determines that a claim is valid, the City will adjust payment for work or time by an equitable adjustment. No adjustment will be made for an invalid protest.

- C. Contractor's Duty to Complete Protested Work. In spite of any claim, the Contractor shall proceed promptly to provide the goods, materials and services required by the City under this Contract.
- D. Failure to Protest Constitutes Waiver. By not protesting as this section provides, the Contractor also waives any additional entitlement and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).
- E. Failure to Follow Procedures Constitutes Waiver. By failing to follow the procedures of this section, the Contractor completely waives any claims for protested work and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).

XIV. LIMITATION OF ACTIONS. CONTRACTOR MUST, IN ANY EVENT, FILE ANY LAWSUIT ARISING FROM OR CONNECTED WITH THIS CONTRACT WITHIN 120 CALENDAR DAYS FROM THE DATE THE CONTRACT WORK IS COMPLETE OR CONTRACTOR'S ABILITY TO FILE THAT CLAIM OR SUIT SHALL BE FOREVER BARRED. THIS SECTION FURTHER LIMITS ANY APPLICABLE STATUTORY LIMITATIONS PERIOD.

XV. WARRANTY. Upon acceptance of the contract work, Contractor must provide the City a warranty bond for one year in the amount of the contract value specified in Section III above and in a form acceptable to the City. In the event any defects are found within the first year, the warranty bond shall be extended for an additional year. The Contractor shall correct all defects in workmanship and materials within one (1) year from the date of the City's acceptance of the Contract work. In the event any parts are repaired or replaced, only original replacement parts shall be used—rebuilt or used parts will not be acceptable. When defects are corrected, the warranty for that portion of the work shall extend for one (1) year from the date such correction is completed and accepted by the City. The Contractor shall begin to correct any defects within seven (7) calendar days of its receipt of notice from the City of the defect. If the Contractor does not accomplish the corrections within a reasonable time as determined by the City, the City may complete the corrections and the Contractor shall pay all costs incurred by the City in order to accomplish the correction.

XVI. DISCRIMINATION. In the hiring of employees for the performance of work under this Contract or any sub-contract, the Contractor, its sub-contractors, or any person acting on behalf of the Contractor or sub-contractor shall not, by reason of race, religion,

color, sex, age, sexual orientation, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

XVII. INDEMNIFICATION. Contractor shall defend, indemnify and hold the City, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or in connection with the performance of this Contract, except for injuries and damages caused by the sole negligence of the City.

The City's inspection or acceptance of any of Contractor's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

The provisions of this section shall survive the expiration or termination of this Contract.

XVIII. INSURANCE. The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees or subcontractors.

No Limitation. Contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Contractor shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed

operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85 or an equivalent endorsement. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

B. Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.

C. Other Insurance Provisions

The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

E. Verification of Coverage

Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing insurance of the Contractor before commencement of the work.

F. Subcontractors

The Contractor shall have sole responsibility for determining the insurance coverage and limits required, if any, to be obtained by subcontractors, which determination shall be made in accordance with reasonable and prudent business practices.

E. Notice of Cancellation

The Contractor shall provide the City and all Additional Insureds for this work with written notice of any policy cancellation, within two business days of their receipt of such notice.

F. Failure to Maintain Insurance

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

XIX. WORK PERFORMED AT CONTRACTOR'S RISK. Contractor shall take all necessary precautions and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of the contract work and shall utilize all protection necessary for that purpose. All work shall be done at Contractor's own risk, and Contractor shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

XX. Bond - Separate Payment and Performance Bond Required. Pursuant to Chapter 39.08 RCW, the Contractor shall, prior to the execution of the Contract, furnish both a performance bond and a payment bond to the City, both in the full amount of the bid with a surety company as surety. The purpose of the bonds is to ensure that the Contractor shall faithfully perform all the provisions of this Contract and pay all laborers, mechanics, and subcontractors and materialmen, and all persons who supply such Contractor or subcontractors with provisions and supplies for the carrying on of such work. Such bonds shall provide that any person or persons performing such services or furnishing material to any subcontractor shall have the same right under the provisions of such bond as if such work, services or material was furnished to the original Contractor. In addition, the surety company providing such bond shall agree to be bound to the laws of the state of Washington, and subjected to the jurisdiction of the state of Washington and the King County Superior Court in any proceeding to enforce the bond. This Contract shall not become effective until said bonds are is supplied and approved by the Engineer and filed with the City Clerk.

In the event that the Compensation called for in Section III of this Contract is less than \$35,000.00, which sum shall be determined after the addition of applicable Washington State sales tax, the Contractor may, prior to the execution to this contract and in lieu of the above mentioned bond, elect to have the City retain 50% of the contract amount for a period of either thirty (30) days after final acceptance, or until receipt of all necessary releases from the department of revenue and the department of labor and industries and settlement of any liens filed under Chapter 60.28 RCW, whichever is later.

XXI. Debarment. The Contractor must certify that it, and its subcontractors, have not been and are not currently on the Federal or the Washington State Debarment List and if the Contractor or its subcontractors become listed on the Federal or State Debarment List, the City will be notified immediately.

XXII. MISCELLANEOUS PROVISIONS.

A. Non-Waiver of Breach. The failure of the City to insist upon strict performance of any of the covenants and agreements contained in this Contract, or to exercise any option conferred by this Contract in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

B. Resolution of Disputes and Governing Law.

1. Alternative Dispute Resolution. If a dispute arises from or relates to this Contract or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under JAMS Alternative Dispute Resolution service rules or policies before resorting to arbitration. The mediator may be selected by agreement of the parties or through JAMS. Following mediation, or upon written Contract of the parties to waive mediation, any unresolved controversy or claim arising from or relating to this Contract or breach thereof shall be settled through arbitration which shall be conducted under JAMS rules or policies. The arbitrator may be selected by agreement of the parties or through JAMS. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

2. Applicable Law and Jurisdiction. This Contract shall be governed by the laws of the State of Washington. Although the agreed to and designated primary dispute resolution method as set forth above, in the event any claim, dispute or action arising from or relating to this Contract cannot be submitted to arbitration, then it shall be commenced exclusively in the King County Superior Court or the United States District Court, Western District of Washington as appropriate. In any claim or lawsuit for damages arising from the parties' performance of this Agreement, each party shall pay all its legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the City's right to indemnification under Section XVII of this Contract.

C. Written Notice. All communications regarding this Contract shall be sent to the parties at the addresses listed on the signature page of the Contract, unless notified to the contrary. Any written notice hereunder shall become effective three (3) business days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Contract or such other address as may be hereafter specified in writing.

D. Assignment. Any assignment of this Contract by either party without the written consent of the non-assigning party shall be void. If the non-assigning party gives

its consent to any assignment, the terms of this Contract shall continue in full force and effect and no further assignment shall be made without additional written consent.

E. Modification. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by a duly authorized representative of the City and Contractor.

F. Compliance with Laws. The Contractor agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or in the future become applicable to Contractor's business, equipment, and personnel engaged in operations covered by this Contract or accruing out of the performance of those operations.

G. Counterparts. This Contract may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Contract.

H. Business License. Contractor shall comply with the provisions of Title 5 Chapter 5.04 of the Des Moines Municipal Code.

I. Records Retention and Audit. During the progress of the Work and for a period not less than three (3) years from the date of completion of the Work or for the retention period required by law, whichever is greater, records and accounts pertaining to the Work and accounting therefore are to be kept available by the Parties for inspection and audit by representatives of the Parties and copies of all records, accounts, documents, or other data pertaining to the Work shall be furnished upon request. Records and accounts shall be maintained in accordance with applicable state law and regulations.

J. Entire Contract. The written provisions and terms of this Contract, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Contract. All of the above documents are hereby made a part of this Contract. However, should any language in any of the Exhibits to this Contract conflict with any language contained in this Contract, then the order of precedence shall be in accordance with Section I c of this Contract.

K. Severability. If any one or more sections, sub-sections, or sentences of this Contract are held to be unconstitutional or invalid, that decision shall not affect the validity of the remaining portion of this Contract and the remainder shall remain in full force and effect.

IN WITNESS, the parties below execute this Contract, which shall become effective on the last date entered below.

CONTRACTOR: By: _____	CITY OF DES MOINES: By: _____
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<p style="text-align: right;">(signature)</p> Print Name: _____ Its _____ <p style="text-align: right;">(Title)</p> DATE: _____	<p style="text-align: right;">(signature)</p> Print Name: <u>Tim George</u> Its <u>City Manager</u> <p style="text-align: right;">(Title)</p> DATE: _____
	Approved as to Form: _____ City Attorney DATE: _____

<p>NOTICES TO BE SENT TO:</p> <p>CONTRACTOR:</p> <p>Dustin Wright Reed Trucking and Excavating Inc 11616 24th Ave E Tacoma, WA 98445</p> <p>253-841-4837 (telephone) dwright@reedtrucking.com (facsimile/email)</p>	<p>NOTICES TO BE SENT TO:</p> <p>CITY OF DES MOINES:</p> <p>Tyler Beekley City of Des Moines 21630 11th Avenue S., Suite A Des Moines, WA 98198 206-870-6869 (telephone) tbeekley@desmoineswa.gov (facsimile/email)</p>
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FORMAL TASK ASSIGNMENT DOCUMENT

Task Number TO-04

The general provisions and clauses of Agreement 2024-2025 On-Call General Civil Engineering Services

Shall be in full force and effect for this Task Assignment.

Location of Project: 2 Locations, 1) West side of 6th Ave S and Des Moines Memorial Drive, north of S. 216th St/Marine View Drive S, 2) West side of Des Moines Memorial Drive, from S. 212th St to South 208th St.

Project Title: Des Moines Stormwater Improvements: Des Moines Memorial Drive and 216th/Marine View Drive Pipe Repair

Maximum Amount Payable Per Task Assignment: \$222,451

Completion Date: 12/31/2025

Description of Work: Provide Construction Management Services for the above-named project as described in the attached scope and budget exhibits.

Agency Project Manager Signature: _____ Date: _____

Oral Authorization Date: _____ See Attachment Dated: _____

Consultant Signature: _____ Date: _____

Agency Approving Authority: _____ Date: _____

EXHIBIT A SCOPE OF SERVICES

for Des Moines Stormwater Improvements: Des Moines Memorial Drive and 216th PI/Marine View Drive Pipe Repair

KBA, Inc. (Consultant) will provide Construction Management (CM) services to the City of Des Moines (Client), for the project known as **Des Moines Stormwater Improvements: Des Moines Memorial Drive and 216th PI/Marine View Drive Pipe Repair (Project)**. These services will include consultation, contract administration, field observation, and documentation, as required during the construction of the Project, as detailed below.

Project Description: This project makes improvements to the stormwater system and adjacent roadway elements in two locations. The first is along portions of the west sides of 6th Avenue South and Des Moines Memorial Drive, just north of South 216th Street/Marine View Drive South. The second is along the west side of Des Moines Memorial Drive, from South 212th Street to South 208th Street. Improvements include new stormwater structures and pipes, HMA paving, filling in existing ditches, and restoration work. The Designer of Record on this Project is Perteet (Designer).

I. CONSTRUCTION MANAGEMENT SERVICES

A. Consultant Contract and Team Management: Provide overall day-to-day management of the Consultant contract and Team, including:

1. Decide on best modes and frequency of communication with Client and Designer. Liaison and coordinate with Client on a regular basis to discuss Project issues and status.
2. Manage Consultant Team, comprised of Consultant's staff and its subconsultants, if any. Organize and layout work for Consultant Team.
3. Review monthly expenditures and Consultant Team scope activities. Prepare and submit to Client monthly, an invoice and progress report describing services provided that period. Prepare and submit reporting required by funding source(s), if any.

Deliverables

- *Monthly invoices and progress reports*

B. Preconstruction Services

1. Review Contract Documents to familiarize team with Project requirements.
 - a. Communication and coordination between the CM Team, Designer, Client and other stakeholders
 - b. Project procedures and forms
 - c. Document control system
2. Organize and lead preconstruction conference:
 - a. Prepare and distribute notices.
 - b. Prepare agenda.
 - c. Conduct the meeting.
 - d. Prepare and distribute meeting notes to attendees and affected agencies.

3. Provide one set of preconstruction photographs.

Deliverables

- *Preconstruction Conference Notice, Agenda, and Notes*
- *Preconstruction photos, digital files on electronic storage medium*

C. Construction Phase Services – Contract Administration

1. Liaison with the Client, construction contractor, Designer, appropriate agencies, adjacent property owners, and utilities.
2. In concurrence with Progress Estimates, provide the Client with brief construction progress reports, highlighting progress and advising of issues that are likely to impact cost, schedule, or quality/scope.
3. Schedule Review:
 - a. Review construction contractor's schedules for compliance with Contract Documents.
 - b. Monitor the construction contractor's conformance to schedule and request revised schedules when needed. Advise Client of schedule changes.
4. Progress Meetings. Lead regular (usually weekly) progress meetings with the construction contractor, including Client pre-briefing. Prepare weekly meeting agenda and meeting notes and distribute copies to attendees. Track outstanding issues on a weekly basis.
5. Manage Submittal Process. Track and review, or cause to be reviewed by other appropriate party, work plans, shop drawings, samples, test reports, and other data submitted by the construction contractor, for general conformance to the Contract Documents.
6. Prepare weekly statement of working days and distribute to the Client and Contractor.
7. Manage RFI (Request for Information) process. Track and review/evaluate or cause to be reviewed/evaluated by other appropriate party, RFIs. Manage responses to RFIs.
8. Change Management. Evaluate entitlement, and prepare scope, impact, and independent estimate for change orders. Facilitate resolution of change orders.
9. Monthly Pay Requests. Prepare monthly progress estimates for payment. Review payment requests submitted by construction contractor for comparison and reconcile differences. Review with Client and construction contractor and recommend approval, as appropriate.
 - a. Evaluate construction contractor's Schedule of Values for lump sum items. Review the Contract Price allocations and verify that such allocations are made in accordance with the requirements of the Contract Documents.
10. Notify construction contractor of work found in noncompliance with the requirements of the contract.
11. Assist the Client in the investigation of malfunctions or failures observed during construction.
12. Public Information. Provide information for Client to prepare media communications and public notices on Project status. Provide information for Client's inclusion into a Project website and/or newsletter, if requested.
13. Record Drawings. Review not less than monthly, the construction contractor's redline set of contract plans. Maintain a CM Team set of conformed drawings tracking plan changes, location of discovered anomalies and other items, as encountered by Consultant Team. Use these markups to check the progress of the Contractor-prepared Record Drawings.
14. Document Control. Establish and maintain document filing and tracking systems, following Client guidelines and meeting funding agency requirements. Collect, organize, and prepare documentation on the Project.

- a. If requested, one hard copy of files will be kept in the Project field office.
 - b. Electronic documentation will be stored in a Project Website, using Autodesk Construction Cloud, managed and hosted by the Consultant. The Client will be provided with licenses for their and the construction contractor's use of the website during the Project. Consultant will provide one training session for Client and construction contractor users of the Autodesk Construction Cloud Document Management System, and ongoing support, as needed.
 - c. The Project website will transition to "read-only" access upon expiration of the Agreement, or upon project completion and transfer of final records, whichever occurs first. Transference of final records will include a digital copy of the files stored in the Project website. Access to the website will expire 60 days after transference of final records.
15. Project Closeout. If requested, prepare or assist with preparation of Certificate Letters of Substantial, Physical, and Final Completion for Client approval and signature, to include punch list. Prepare final pay estimate for Client approval and processing.
 16. Final Records. Compile and convey final Project records, transferring to the Client for its archiving at final acceptance of the Project. Should Consultant's work end prior to full completion of the Project, its records will be transferred to the Client prior to departure from the Project. Records will consist of hard copy originals and electronic records on electronic storage medium.

Deliverables

- *Schedule Review Comments*
- *Meeting Agendas and Notes*
- *Submittal Log*
- *RFI Log*
- *Change Order(s)*
- *Progress Pay Requests*
- *Certificate Letters of Completion*
- *Final records – hard copy (as requested) and electronic*

D. Construction Phase Services – Field

1. Observe the technical conduct of the construction, including providing day-to-day contact with the construction contractor, Client, utilities, and other stakeholders, and monitor for adherence to the Contract Documents. The Consultant's personnel will act in accordance with Sections 1-05.1 and 1-05.2 of the WSDOT/APWA Standard Specifications.
2. Observe material, workmanship, and construction areas for compliance with the Contract Documents and applicable codes. Advise the Client of any non-conforming work observed during site visits.
3. Prepare Inspector Daily Reports (IDRs), recording the construction contractor's operations as actually observed by the Consultant; includes estimated quantities of work placed that day, contractor's equipment and crews, photos of work performed, and other pertinent information.
4. Interpret Construction Contract Documents, in coordination with Designer.
5. Evaluate and report to Client issues that may arise as to the quality and acceptability of material furnished, work performed, and rate of progress of work performed by the construction contractor.
6. Establish communications with adjacent property owners. Respond to questions from property owners and the general public.

7. Coordinate with permit holders on the Project to monitor compliance with approved permits, if applicable.
8. Prepare field records, daily reports of force account worked, and other payment source documents to help facilitate administration of the Project in accordance with funding agency requirements.
9. Attend and actively participate in regular on-site meetings.
10. Take periodic digital photographs during the course of construction.
11. Punch List. Upon substantial completion of work, coordinate with the Client and affected agencies, to prepare a 'punch list' of items to be completed or corrected. Coordinate final inspection with those agencies.
12. Testing. Testing to be provided by others. Coordinate the work of the Field Representative(s) and testing laboratories in the observation and testing of materials used in the construction; evaluate results of testing; and inform Client and construction contractor of deficiencies.

Deliverables

- *IDRs with Project photos – submitted on a weekly basis*
- *Field Note Records and Daily Reports of Force Account Worked*
- *Additional Project photos not included in IDRs*
- *Punch List(s)*

E. Assumptions

1. **Budget:**
 - a. Staffing levels are anticipated in accordance with the attached budget estimate. Consultant services are budgeted for a 6 month period, from December 2024 through May 2025. This is intended to span the originally planned construction duration of 75 working days, plus time allotted for Project setup and closeout. Some of overtime has been figured into the budget.
 - b. Consultant will work up to the limitations of the authorized budget. If additional budget is needed to cover instances, including but not limited to the following, Client and Consultant will negotiate a Supplement to this Agreement:
 - i. The contractor's schedule requires inspection coverage of extra crews and shifts.
 - ii. The construction contract runs longer than the time period detailed above.
 - iii. Any added scope tasks.
 - iv. Adjustment of Consultant Indirect Cost Rate (ICR) percentage
 - c. The work is anticipated to be performed during daytime hours. Should night work be necessary, a 15 percent differential for labor will be applied to all night shift hours worked by Consultant's employees.
 - d. Budget assumes inspection staff will work primarily out of their Client provided vehicle.
 - e. The budget allocations shown in Exhibit B are itemized to aid in Project tracking purposes only. The budget may be transferred between tasks or people, or between labor and expenses, provided the total contracted amount is not exceeded without prior authorization.
 - f. The budget assumes that Consultant's standard forms, logs, and processes will be used on the Project SharePoint site. Any customization to meet specialized Client requirements will be Extra Work.
 - g. Should Consultant's level of effort extend beyond the time period detailed in the attached Exhibit B - Estimate, and into a new year, labor rates will adjust annually on January 1.

2. **Items and Services Client will provide:**
 - a. Meeting arrangements and facilities for preconstruction meetings. Prepare and distribute meeting notes), if any.
 - b. Periodic access to City office, including:
 - i. Access to combination printer/copier/scanner machine with these capabilities: 11x17 size, color, and of business quality
 - ii. utilities and sanitary facilities
 - c. Retain Engineer of Record for shop drawing review, RFIs, design changes, and final record drawings.
 - d. Coordination with and enforcement of utility franchise agreements and/or contracts and schedules for services related to this Project.
 - e. Verify that the required permits, bonds, and insurance have been obtained and submitted by the construction contractor. Obtain all permits not required to be provided by construction contractor.
 - f. Construction Survey. Provide project control survey and staking that is not already assigned to the construction contractor.
3. **Scope:**
 - a. The Autodesk Construction Cloud tool being used on this Project is proprietary to the Consultant (KBA, Inc.), and may not be used by any other party or on any other project without the written permission and involvement of KBA, Inc.
 - b. Consultant will provide observation services for the days/hours that its' Inspector(s) personnel is/are on-site. The Inspector(s) will not be able to observe or report construction activities, or collect documentation, during the time they are not on-site.
 - c. The Consultant's monitoring of the construction contractor's activities is to ascertain whether or not they are performing the work in accordance with the Contract Documents; in case of noncompliance, Consultant will reject non-conforming work and pursue the other remedies in the interests of the Client, as detailed in the Contract Documents. The Consultant cannot guarantee the construction contractor's performance, and it is understood that Consultant shall assume no responsibility for proper construction means, methods, techniques, Project site safety, safety precautions or programs, or for the failure of any other entity to perform its work in accordance with laws, contracts, regulations, or Client's expectations.
 - d. **Definitions and Roles.** The use of the term "inspect" in relation to Consultant services is synonymous with "construction observation," and reference to the "Inspector" role is synonymous with "Field Representative," and means: performing on-site observations of the progress and quality of the Work and determining, in general, if the Work is being performed in conformance with the Contract Documents; and notifying the Client if Work does not conform to the Contract Documents or requires special inspection or testing. Where "Specialty Inspector" or "specialty inspection" is used, it refers to inspection by a Building Official or independent agent of the Building Official, or other licensed/certified inspector who provides a certified inspection report in accordance with an established standard.
 - e. Because of the prior use of the Project site, there is a possibility of the presence of toxic or hazardous materials. Consultant shall have no responsibility for the discovery, presence, handling, removal or disposal of toxic or hazardous materials, or for exposure of persons to toxic or hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB), or other toxic substances. If the Consultant suspects the presence of hazardous materials, they will notify the Client immediately for resolution.

- f. Review of Shop Drawings, samples, and other submittals will be for general conformance with the design concept and general compliance with the requirements of the contract for construction. Such review will not relieve the Contractor from its responsibility for performance in accordance with the contract for construction, nor is such review a guarantee that the work covered by the shop drawings, samples and submittals is free of errors, inconsistencies or omissions.
- g. Any opinions of probable construction cost provided by the Consultant will be on the basis of experience and professional judgment. However, since Consultant has no control over competitive bidding or market conditions, the Consultant cannot and does not warrant that bids or ultimate construction costs will not vary from these opinions of probable construction costs.
- h. Quantity takeoffs and calculated quantities are for the purpose of comparing with Designer's and/or bidders' quantities and are not a guarantee of final quantities.
- i. Development of construction schedules and/or sequencing, and/or reviewing and commenting on contractor's schedules, is for the purpose of estimating number of days to complete a project, for identifying potential schedule and coordination challenges, and determining compliance with the construction contract. It is not a guarantee that a construction contractor will complete the Project in that sequence or timeline, as means and methods are the responsibility of the construction contractor.
- j. Consultant is not responsible for any costs, claims or judgments arising from or in any way connected with errors, omissions, conflicts or ambiguities in the Contract Documents prepared by others. The Consultant does not have responsibility for the professional quality or technical adequacy or accuracy of the design plans or specifications, nor for their timely completion by others.
- k. If Consultant provides Value Analysis or Value Engineering services, it is understood that any ideas, advice, or recommendations generated by the Consultant are made based only on the information presented to them, and need engineering analysis by the Designer to verify; Consultant is not responsible for the final design product.
- l. Client agrees to include a statement in the construction Bid Documents for this Project, requiring construction contractor to name KBA, Inc. as an additional insured via endorsement to the contractor's commercial general liability and automobile insurance policies.
- m. RCW 4.24.115 is applicable to Consultant's services provided under this Agreement.
- n. Consultant's insurance carrier provides coverage on ISO equivalent endorsement forms.
- o. Services provided by the Consultant under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances, in the same geographical area and time period.
- p. Nothing in the Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other. Consultant makes no warranties, guarantees, express or implied, under this Agreement or otherwise in connection with Consultant's services.
- q. Client agrees that Consultant will not be held liable for the completeness, correctness, readability, or compatibility of any electronic media submitted to Client, after an acceptance period of 30 days after delivery of the electronic files, because data stored on electronic media can deteriorate undetected or can be modified without Consultant's knowledge.
- r. Consultant will not be liable for any damage to the field office premises or utilities provided by Client, unless caused by Consultant's own negligence.

II. OPTIONAL SERVICES

All services not detailed above, are considered Optional Services, which, along with any other Extra Work requested by the Client, will be performed only when a mutually negotiated Supplement to this Agreement is executed, specifying scope of services and budget.



TO-04 Des Moines Memorial Dr and
216th PI Marine View Dr

City of Des Moines

KBA Job No. 023025-04
Cost + Net fee (on DSC Only)
Prepared On: 6/18/2024

	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025
Working Days / Month	21	22	20	21	22	21	21
Hours / Month	168	176	160	168	176	168	168
Overtime Utilization %	4%	6%	8%	10%	11%	12%	12%
Regular + OT Hours / Month	175	187	173	185	195	188	188

Project Schedule

December 2024 - May 2025

75 Working Days



KBA Hours				2024 DSC Rate	2025 DSC Rate	Total Hours	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025
H	Paul Garrett	M3	Manager III	01.00	\$ 95.40	\$ 100.17	2	1			1		
H	Cameron Bloomer	E5	Engineer V	01.00	\$ 82.00	\$ 86.10	60	10	10	10	10	10	
H	Jean Peabody	A3	Contract Administrator	01.00	\$ 38.00	\$ 39.90	15	3	2	3	2	3	2
H	Erica Dougherty	E4	Engineer IV	03.00	\$ 70.00	\$ 73.50	14	6					8
H	TBD Inspector	T5	Technical Representative V	02.00	\$ 69.00	\$ 72.45	940	80	187	173	185	195	120
Subtotal - KBA Labor Hours							1,031	100	199	186	197	209	140

Project Expenses - Task DE				Rate (Tax Included)	Total Costs	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025
DE	KBA Field Vehicle	Hourly	4-Door SUV	\$ 7.82	1,188	625						938
DE	KBA Field Vehicle	Monthly	Special Use SUV	\$ 1,285.06	5,140		1,285	1,285	1,285	1,285		
Subtotal - Direct Expenses						6,328	625	1,285	1,285	1,285	1,285	938

Combined Costs				2024 DSC Rate	2025 DSC Rate	Total DSC	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025
H	Paul Garrett	M3	Manager III	01.00	\$95.40	\$100.17	196	95	-	-	-	100	-
H	Cameron Bloomer	E5	Engineer V	01.00	\$82.00	\$86.10	5,125	820	861	861	861	861	-
H	Jean Peabody	A3	Contract Administrator	01.00	\$38.00	\$39.90	593	114	80	120	80	120	-
H	Erica Dougherty	E4	Engineer IV	03.00	\$70.00	\$73.50	1,008	420	-	-	-	-	588
H	TBD Inspector	T5	Technical Representative V	02.00	\$69.00	\$72.45	67,827	5,520	13,548	12,534	13,403	14,128	8,694
Subtotal Direct Labor Cost							\$ 74,748	6,969	14,489	13,515	14,344	15,209	10,223
Home Overhead							118,575	11,057	22,984	21,438	22,754	24,125	16,216
Subtotal Overhead Cost							\$ 118,575	11,057	22,984	21,438	22,754	24,125	16,216
Subtotal Fee 30% of Direct Salary Costs							22,425	2,091	4,347	4,054	4,303	4,563	3,067
Subtotal Fully Loaded Labor Cost							\$ 215,748	20,117	41,819	39,007	41,401	43,897	29,506
Subtotal Direct Expenses							6,703	625	1,285	1,285	1,285	1,285	938
ESTIMATED TOTAL							222,451	20,742	43,105	40,292	42,686	45,182	30,444



Formal Task Assignment Document

Task Number: Perteet 2024-01

The general provisions and clauses of Agreement On-Call Svcs. shall be in full force and effect for this Task Assignment

Location of Project: **Des Moines Memorial Drive, S 208th St to S 212th St; Des Moines Memorial Drive and 6th Ave S, north of SR 509 to S 214th St**

Project Title: **Des Moines Stormwater Projects – Engineering Services During Construction**

Maximum Amount Payable Per Task Assignment: **\$77,892.00**

Completion Date: **12/31/25**

Description of Work:

The purpose of this project is to provide Engineer of Record services during construction of the Des Moines Stormwater projects (Des Moines Memorial Drive, and 216th Pl/Marine View Drive Pipe Upgrade). The work includes project management, engineering office and field support, coordination meetings, RFI responses, design support services, and record drawings.

See attached Scope of Work and Fee.

Agency Project Manager Signature: _____ Date: _____

Oral Authorization Date: _____ See Letter Dated: _____

Consultant Signature: _____ Date: _____

Agency Approving Authority: _____ Date: _____

**EXHIBIT A
SCOPE OF SERVICES
City of Des Moines
2024-2025 On Call Contract**

Engineering Services During Construction

INTRODUCTION

The purpose of this task order is to provide construction support and Engineer of Record (EOR) services for the Des Moines Stormwater Improvements projects (the Des Moines Memorial Drive project, also known as the “North Site”; and the 216th Pl/Marine View Drive Pipe Upgrade project, also known as the “South Site”). At the City’s request, the Consultant will provide construction engineering design support, attend meetings, conduct site visits, perform on-site inspection, and produce record drawings for both projects as requested by the City and as detailed in this Scope of Services.

Consultant’s services will be limited to those expressly set forth herein. If the service is not specifically identified herein, it is expressly excluded. Consultant will have no other obligations, duties, or responsibilities associated with the project except as expressly provided in this Agreement.

Transferring Budget within Contract Maximum: The level of effort is specified in the scope of services. The budget may be transferred between discipline tasks within each site at the discretion of the Consultant, provided that the total contracted amount is not exceeded. The Consultant will have the flexibility to manage budget within a given discipline on a subtask level.

Services provided by the Consultant will consist of:

GENERAL SCOPE OF SERVICES

This Scope of Services describes the work elements to be accomplished by the Consultant as summarized under each Task. This scope consists of the following elements:

- Task 1 – Des Moines Memorial Drive (North Site)
 - Task 1.1 – Project Management and Coordination
 - Task 1.2 – Engineering Office and Field Support

Agreement with Perteet Inc.

August 29, 2024

Task 1.3 – Coordination Meetings

Task 1.4 – RFI's

Task 1.5 – Design Support Services

Task 1.6 – Record Drawings

Task 2 – 216th Pl/Marine View Drive Pipe Upgrade (South Site)

Task 2.1 – Project Management and Coordination

Task 2.2 – Engineering Office and Field Support

Task 2.3 – Coordination Meetings

Task 2.4 – RFI's

Task 2.5 – Design Support Services

Task 2.6 – Record Drawings

Management Reserve (separate NTP required)

SCOPE OF SERVICES DEFINED

Task 1 – Des Moines Memorial Drive (North Site)

Task 1.1 – Project Management and Coordination

Overall project management and coordination work elements include:

Consultant will coordinate with the City of Des Moines on a regular basis to keep the City's project manager informed about project progress, project issues and schedule.

The Consultant will manage the Consultant budgets, monitor staff, manage change and prepare amendments, and monitor work progress under this work element.

As part of the project, the Consultant will prepare monthly progress reports that describe the work items and percentage of work that were accomplished during a given month, as well as a forecast of work to be completed over the following month. Progress report will include a status of budget, spent, and remaining for the project. The monthly progress reports will also identify other issues or problems that may occur in any given month, if any. The Consultant will submit these monthly progress reports to the City's Project Manager with the monthly invoices.

Assumptions:

- The schedule for the project anticipates NTP in late September 2024 and Substantial Completion of construction in July of 2025, for roughly a 10-month project duration.
- Project meetings are included in a separate task.

Deliverables:

- Invoices and Progress Reports

Task 1.2 – Engineering Office and Field Support

Provide general design and engineering assistance for the City’s construction management team, as well as meet with the construction management team and/or the Contractor on site, as requested. This may include, but is not limited to, assisting the City’s Resident Engineer or the City Inspector with requests where field construction modifications or additions are requested. The designer may also provide responses to field directives, and provide plan sheet revisions for field directives, as requested by the Construction Engineer. The designer will also provide claims support to the City, as requested by the Construction Engineer. The designer will also provide assistance with material submittal reviews, but official materials submittals will be approved by others.

Assumptions:

- Consultant will assist with the review of a maximum of six (6) material submittals total (including resubmittals). It is assumed that approximately four (4) of these submittals will be for the North Site.
- Final approval of material submittals shall be by the City.
- Up to four (4) site visits will be conducted by the Consultant, with up to two (2) Consultant staff in attendance for four (4) hours each per visit. It is assumed that approximately three (3) of these site visits will be for the North Site.

Task 1.3 – Coordination Meetings

Attend construction coordination meetings, including the pre-construction meeting, as requested. The effort for this subtask is limited to the hours in the fee worksheet.

Assumptions:

- City will lead meetings, including scheduling coordination and preparation of meeting agendas and formalized meeting notes.

Deliverables:

- Attendance of the Pre-Con meeting with up to three (3) Consultant staff. Assumed that this meeting will be at the City offices and a 1-hour duration. Labor for this effort will be split evenly between both the North Site and the South Site.
- Attendance of up to four (4) construction coordination meetings with up to three (3) Consultant staff. Assumed that these meetings will be virtual and a 1-hour duration. It is assumed that approximately three (3) of these meetings will be for the North Site.

Agreement with Perteet Inc.

August 29, 2024

- Meeting notes and related documents for each meeting, as applicable.

Task 1.4 – RFI’s

Assist with answering RFIs, as requested.

Assumptions:

- Consultant will respond to a maximum of twenty-four (24) RFI’s, as requested. It is assumed that approximately eighteen (18) of these RFI responses will be for the North Site.

Deliverables:

- RFI responses, returned in PDF or Microsoft Word format.

Task 1.5 – Design Support Services

The Consultant will provide support for design changes and other professional services as requested by the City. This may include providing new or revised drawings, special provisions, quantity estimates, and other requested engineering services.

Cost estimates and quantity estimates prepared by the Consultant are based on the Consultant’s professional qualifications and experience and are not a guarantee of actual costs or quantities.

Assumptions:

- Design support services will be provided only upon City request up to the authorized budget.
- Up to four (4) design changes will be performed, averaging six (6) professional engineer hours and eight (8) CADD technician hours for each change. It is assumed that approximately three (3) of these design changes will be for the North Site.
- Design changes will be provided in electronic format only.

Deliverables:

- Electronic copies of design changes, sketches, estimates, technical memos, specifications and other engineering related deliverables that may be required to support the scope, in PDF formats.

Task 1.6 – Record Drawings

Agreement with Perteet Inc.

August 29, 2024

Prepare Record Drawings to be printed on 11"x17" half size plan sheets at the completion of construction. The City will review the submitted set of Record Drawings prepared and submitted by the Contractor to the City.

Services performed within this work element will be done only upon the request and direction of the City.

Assumptions:

- The City will review the submitted set of Record Drawings prepared and submitted by the Contractor prior to distributing the Record Drawings to the Consultant for drafting.

Deliverables:

- Record Drawings, after the completion of construction, including one (1) 11"x17" half-size plan set in electronic format (PDF copy suitable for reproduction). This will also include the associated CADD electronic files.

Task 2 – 216th PI/Marine View Drive Pipe Upgrade (South Site)

Task 2.1 – Project Management and Coordination

Overall project management and coordination work elements include:

Consultant will coordinate with the City of Des Moines on a regular basis to keep the City's project manager informed about project progress, project issues and schedule.

The Consultant will manage the Consultant budgets, monitor staff, manage change and prepare amendments, and monitor work progress under this work element.

As part of the project, the Consultant will prepare monthly progress reports that describe the work items and percentage of work that were accomplished during a given month, as well as a forecast of work to be completed over the following month. Progress report will include a status of budget, spent, and remaining for the project. The monthly progress reports will also identify other issues or problems that may occur in any given month, if any. The Consultant will submit these monthly progress reports to the City's Project Manager with the monthly invoices.

Assumptions:

- The schedule for the project anticipates NTP in late September 2024 and Substantial Completion of construction in July of 2025, for roughly a 10-month project duration.
- Project meetings are included in a separate task.

Agreement with Perteet Inc.

August 29, 2024

Deliverables:

- Invoices and Progress Reports

Task 2.2 – Engineering Office and Field Support

Provide general design and engineering assistance for the City’s construction management team, as well as meet with the construction management team and/or the Contractor on site, as requested. This may include, but is not limited to, assisting the City’s Resident Engineer or the City Inspector with requests where field construction modifications or additions are requested. The designer may also provide responses to field directives, and provide plan sheet revisions for field directives, as requested by the Construction Engineer. The designer will also provide claims support to the City, as requested by the Construction Engineer. The designer will also provide assistance with material submittal reviews, but official materials submittals will be approved by others.

Assumptions:

- Consultant will assist with the review of a maximum of six (6) material submittals total (including resubmittals). It is assumed that approximately two (2) of these submittals will be for the South Site.
- Final approval of material submittals shall be by the City.
- Up to four (4) site visits will be conducted by the Consultant, with up to two (2) Consultant staff in attendance for four (4) hours each per visit. It is assumed that approximately one (1) of these site visits will be for the South Site.

Task 2.3 – Coordination Meetings

Attend construction coordination meetings, including the pre-construction meeting, as requested. The effort for this subtask is limited to the hours in the fee worksheet.

Assumptions:

- City will lead meetings, including scheduling coordination and preparation of meeting agendas and formalized meeting notes.

Deliverables:

- Attendance of the Pre-Con meeting with up to three (3) Consultant staff. Assumed that this meeting will be at the City offices and a 1-hour duration. Labor for this effort will be split evenly between both the North Site and the South Site.
- Attendance of up to four (4) construction coordination meetings with up to three (3) Consultant staff. Assumed that these meetings will be virtual and a 1-hour duration. It is assumed that approximately one (1) of these meetings will be for the South Site.
- Meeting notes and related documents for each meeting, as applicable.

Task 2.4 – RFI’s

Assist with answering RFIs, as requested.

Assumptions:

- Consultant will respond to a maximum of twenty-four (24) RFI’s, as requested. It is assumed that approximately six (6) of these RFI responses will be for the South Site.

Deliverables:

- RFI responses, returned in PDF or Microsoft Word format.

Task 2.5 – Design Support Services

The Consultant will provide support for design changes and other professional services as requested by the City. This may include providing new or revised drawings, special provisions, quantity estimates, and other requested engineering services.

Cost estimates and quantity estimates prepared by the Consultant are based on the Consultant’s professional qualifications and experience and are not a guarantee of actual costs or quantities.

Assumptions:

- Design support services will be provided only upon City request up to the authorized budget.
- Up to four (4) design changes will be performed, averaging six (6) professional engineer hours and eight (8) CADD technician hours for each change. It is assumed that approximately one (1) of these design changes will be for the South Site.
- Design changes will be provided in electronic format only.

Deliverables:

- Electronic copies of design changes, sketches, estimates, technical memos, specifications and other engineering related deliverables that may be required to support the scope, in PDF formats.

Task 2.6 – Record Drawings

Prepare Record Drawings to be printed on 11”x17” half size plan sheets at the completion of construction. The City will review the submitted set of Record Drawings prepared and submitted by the Contractor to the City.

Services performed within this work element will be done only upon the request and direction of the City.

Assumptions:

- The City will review the submitted set of Record Drawings prepared and submitted by the Contractor prior to distributing the Record Drawings to the Consultant for drafting.

Deliverables:

- Record Drawings, after the completion of construction, including one (1) 11"x17" half-size plan set in electronic format (PDF copy suitable for reproduction). This will also include the associated CADD electronic files.

Management Reserve (separate NTP required)

For project additional needs or tasks to be identified, a management reserve fund of up to \$10,000 may be approved. These tasks are to be identified and budget determined prior to authorization of some or all of the management reserve.

Additional (Optional) Services

The Consultant may provide additional services as directed by the City which are not identified in this Scope of Services. Additional services shall not commence without written authorization and approval from the City and a supplement to the contract.

Services Not Included in this Scope of Services

1. Public outreach
2. Construction Management and administrative services
3. Construction observation and inspection services
4. Preparation of change orders
5. Approval of material submittals

Items to be furnished by the City

1. Record drawing markups reviewed and prepared and ready for drafting.

Information Provided by Others:

The Client shall furnish, at the Client's expense, all information, requirements, reports, data, surveys and instructions required by this Agreement. The Consultant may use such information, requirements, reports, data, surveys, and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof. Further, the Client agrees that the

2024-2025 ON-CALL CONTRACT – ENGINEERING SERVICES DURING CONSTRUCTION

Agreement with Perteet Inc.

August 29, 2024

Consultant shall have no responsibility for any portion of the Project designed by other consultants engaged by the Client.



Project Des Moines Stormwater Projects - Construction
Engineering Services
Client City of Des Moines
PM Patricia Buchanan

Last Update date 8/30/2024

Task	Billing Rate	Director	Sr. Engineer / Mgr	Lead Engineer / Mgr	Lead Technician/ Designer	Accountant	Total Hours	Labor Dollars
		\$310.00	\$225.00	\$190.00	\$145.00	\$125.00		
Task 1 - Des Moines Memorial Drive (North Site)								
Task 1.1 - Project Management and Coordination		4.00	7.00			7.00	18.00	\$3,690.00
Task 1.2 - Engineering Office and Field Support		12.00	27.00	13.00			52.00	\$12,265.00
Task 1.3 - Coordination Meetings		11.00	11.00	11.00			33.00	\$7,975.00
Task 1.4 - RFIs		9.00	36.00	18.00			63.00	\$14,310.00
Task 1.5 - Design Support Services		3.00	9.00	9.00	24.00		45.00	\$8,145.00
Task 1.6 - Record Drawings		1.00	3.00	3.00	18.00		25.00	\$4,165.00
Total Task 1 - Des Moines Memorial Drive (North Site)		40.00	93.00	54.00	42.00	7.00	236.00	\$50,550.00
Task 2 - 216th PI/Marine View Drive Pipe Upgrade (South Site)								
Task 2.1 - Project Management and Coordination		2.00	3.00			3.00	8.00	\$1,670.00
Task 2.2 - Engineering Office and Field Support		3.00	9.00	5.00			17.00	\$3,905.00
Task 2.3 - Coordination Meetings		3.00	3.00	3.00			9.00	\$2,175.00
Task 2.4 - RFIs		3.00	12.00	6.00			21.00	\$4,770.00
Task 2.5 - Design Support Services		1.00	3.00	3.00	8.00		15.00	\$2,715.00
Task 2.6 - Record Drawings		1.00	1.00	1.00	6.00		9.00	\$1,595.00
Total Task 2 - 216th PI/Marine View Drive Pipe Upgrade (South Site)		13.00	31.00	18.00	14.00	3.00	79.00	\$16,830.00
Total Hours		53.00	124.00	72.00	56.00	10.00	315.00	
Total Dollars		\$16,430.00	\$27,900.00	\$13,680.00	\$8,120.00	\$1,250.00		\$67,380.00

Expenses:	
Mileage - \$.67	510
Totals:	510

SUMMARY	
Labor	\$67,380.00
Expenses	\$510.00
Subconsultants	\$0.00
Management Reserve	\$10,002.00
CONTRACT TOTAL	\$77,892.00

REED I
C.

TRUCKING & EXCAVATING

"EXCELLENCE IN CIVIL CONSTRUCTION SINCE 1998"

11616 24th Ave E

Tacoma, WA 98445

Attachment #4

RECEIVED
AUG 26 2024

BY: TAB 10:43

Public Works Department
City of Des Moines - City Hall
21650 11th Avenue South
Des Moines, WA 98198

Enclosed Bid: Des Moines Stormwater Improvements Projects:
Des Moines Memorial Drive and 216th Place/Marine View Drive Pipe Re

Proposal

Des Moines Stormwater Improvements Projects: Des Moines Memorial Drive and 216th Place/Marine View Drive Pipe Repair

TO: Honorable Mayor and City Council
City of Des Moines
21630 11th Avenue South
Des Moines, WA 98198

The undersigned Bidder hereby certifies that he has examined the site of all the proposed work under this Contract and that he has read and thoroughly understands the Plans, Specifications and other Contract Documents pertaining to this Contract, that he is fully aware of the construction problems and costs involved, and proposes to perform all work for the following stated prices.

The undersigned bidder hereby agrees to start construction within ten (10) days after the date stated in the Notice to Proceed, and to complete the contract within [75] working days thereafter. This period shall be known as the "Contract Time" for the purposes of the project.

The project is exempt from retail sales (sewer/water relocation) and use tax per WAC 458-20-171, commonly known as Rule 171. This rule exempts the sale of or charge made for labor and services rendered in respect to building, repairing or improving any street, place, road, highway, easement, right of way, bridge, tunnel or trestle which is owned by a municipal corporation that is used for foot or vehicle traffic. Bidders should note that only the labor and services costs are exempt from the sales tax. Tax for materials need to be included in their respective bid items.

All schedules on the Bid Proposal must be completed, or the bid shall be considered non-responsive. Basis for award shall be total Bid for all Schedules included in the Proposal.

The Owner will correct obvious mathematical errors in bid proposals.

Unit prices for all items, all extensions and the total amount of bid must be shown. All entries must be typed or entered in ink.

Show unit prices in figures. Where conflict occurs between the unit price and the total amount named for any item, the unit price shall prevail, and totals shall be corrected to conform thereto.

ADDENDUM 1, ATTACHMENT B

CITY OF DES MOINES
 DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
 PLACE/MARINE VIEW DRIVE PIPE REPAIR

PROPOSAL

CITY OF Des Moines

THIS CERTIFIES THAT THE UNDERSIGNED HAS EXAMINED THE LOCATION OF

**DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
 PLACE/MARINE VIEW DRIVE PIPE REPAIR**

AND THAT THE PLANS, SPECIFICATIONS AND CONTRACT GOVERNING THE WORK EMBRACED IN THIS
 IMPROVEMENTS, AND THE METHOD BY WHICH PAYMENT WILL BE MADE FOR SAID WORK IS
 UNDERSTOOD. THE UNDERSIGNED HEREBY PROPOSES TO UNDERTAKE AND COMPLETE THE WORK
 EMBRACED IN THIS IMPROVEMENT, OR AS MUCH THEREOF AS CAN BE COMPLETED WITH THE MONEY
 AVAILABLE IN ACCORDANCE WITH THE SAID PLANS, SPECIFICATIONS, AND THE FOLLOWING SCHEDULE
 OF RATES AND PRICES:

(NOTE: UNIT PRICES FOR ALL ITEMS, ALL EXTENSIONS, AND TOTAL AMOUNT OF BID SHALL BE SHOWN.
 ALL ENTRIES MUST BE TYPED OR ENTERED IN INK. SHOW PRICES IN FIGURES ONLY. FIGURES WRITTEN
 TO THE RIGHT OF A DOT SHALL BE INTERPRETED AS CENTS.)

BID SCHEDULE A – 216TH PLACE/MARINE VIEW DRIVE PIPE REPAIR

Item No.	Spec. Section	Item Description	Estimated Quantity	Unit	Unit Price*	Amount
1	1-04.4	Minor Change	1	FA	\$11,000.00	\$11,000.00
2	1-05	Roadway Surveying	1	LS	\$5,000	\$5,000
3	1-09	Record Drawings (Minimum Bid \$1,500)	1	LS	\$1,500	\$1,500
4	1-09	Mobilization	1	LS	\$40,000	\$40,000
5	1-10	Project Temporary Traffic Control	1	LS	\$50,000	\$50,000
6	2-01	Clearing and Grubbing	4,960	SF	\$2.00	\$9,920
7	2-02SP	Sawcutting Existing Pavement	950	LF	\$10.00	\$9,500
8	2-02SP	Remove Existing Guardrail	29	LF	\$50.00	\$1,450
9	2-02SP	Remove Cement Conc. Curb	27	LF	\$20.00	\$540

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ADDENDUM 1, ATTACHMENT B

CITY OF DES MOINES

DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
PLACE/MARINE VIEW DRIVE PIPE REPAIR

10	2-02SP	Remove Cement Conc. Curb and Gutter	16	LF	\$20.00	\$320
11	2-02SP	Remove Asphalt Conc. Pavement	267	SY	\$10.00	\$2,670
12	2-02SP	Remove Cement Conc. Sidewalk	22	SY	\$27.00	\$594
13	2-02SP	Remove Existing Pipe	113	LF	\$25.00	\$2,825
14	2-03	Gravel Borrow Incl. Haul	720	TON	\$35.00	\$25,200
15	2-09	Structure Excavation Class B Incl. Haul	490	CY	\$45.00	\$22,050
16	2-09	Shoring or Extra Excavation Class B	2,460	SF	\$1.00	\$2,460
17	4-04	Crushed Surfacing Top Course	40	TON	\$60.00	\$2,400
18	4-04	Crushed Surfacing Base Course	80	TON	\$50.00	\$4,000
19	5-04SP	Planing Bituminous Pavement	310	SY	\$15.00	\$4,650
20	5-04SP	HMA CL. 1/2" PG 58H-22	140	TON	\$210.00	\$29,400
21	5-04SP	Asphalt Concrete Raised Edge	270	LF	\$8.00	\$2,160
22	7-04	Corrugated Polyethylene Storm Sewer Pipe 12 In. Diam.	520	LF	\$120	\$62,400
23	7-04	Corrugated Polyethylene Storm Sewer Pipe 18 In. Diam.	80	LF	\$130	\$10,400
24	7-05	Catch Basin Type 1	7	EA	\$2,000	\$14,000
25	7-05	Catch Basin Type 2 48 In. Diam.	3	EA	\$4,500	\$13,500
26	7-05	Catch Basin Type 2 54 In. Diam.	1	EA	\$5,000	\$5,000
27	7-05	Catch Basin Type 2 60 In. Diam. with Solid Locking Lid	1	EA	\$6,000	\$6,000
28	7-05	Manhole Type 1 with Solid Locking Lid	1	EA	\$5,000	\$5,000
29	7-05SP	Downspout Connection	2	EA	\$500	\$1,000

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ADDENDUM 1, ATTACHMENT B

CITY OF DES MOINES
 DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
 PLACE/MARINE VIEW DRIVE PIPE REPAIR

30	8-01	Erosion/Water Pollution Control	1	LS	\$5,000	\$5,000
31	8-01	Topsoil Type A	200	CY	\$60.00	\$12,000
32	8-01	Inlet Protection	16	EA	\$100.00	\$1,600
33	8-01	High Visibility Fence	510	LF	\$2.00	\$1,020
34	8-01	Compost Sock	710	LF	\$10.00	\$7,100
35	8-02	Seeding and Fertilizing by Hand	510	SY	\$3.00	\$1,530
36	8-04	Cement Conc. Traffic Curb and Gutter	16	LF	\$100.00	\$1,600
37	8-10SP	Fixed Bollard	7	EA	\$1,000	\$7,000
38	8-14	Cement Conc. Sidewalk	22	SY	\$200.00	\$4,400
39	8-21	Permanent Signing	1	LS	\$1,000	\$1,000
40	8-22	Paint Line	170	LF	\$10.00	\$1,700

TOTAL BID AMOUNT, SCHEDULE A* \$ 388,889.00

*All applicable sales tax shall be included in the unit and lump sum Bid price per Section 10-7.2(1) and WAC 458-20-171.

(NOTE: THE WORK IN EACH BID SCHEDULE SHALL BE TRACKED AND BILLED SEPARATELY. SEE SPECIAL PROVISION 1-09.1.)

BID SCHEDULE B – DES MOINES MEMORIAL DRIVE

Item No.	Spec. Section	Item Description	Estimated Quantity	Unit	Unit Price*	Amount
1	1-04.4	Minor Change	1	FA	\$36,000.00	\$36,000.00
2	1-05	Roadway Surveying	1	LS	\$17,500	\$17,500
3	1-09	Record Drawings (Minimum Bid \$1,500)	1	LS	\$1,500	\$1,500
4	1-09	Mobilization	1	LS	\$85,000	\$85,000
5	1-10	Project Temporary Traffic Control	1	LS	\$75,000	\$75,000
6	2-01	Clearing and Grubbing	12,890	SF	\$2.00	\$25,780
7	2-02SP	Sawcutting Existing Pavement	4,420	LF	\$10.00	\$44,200
8	2-02SP	Remove Asphalt Conc. Pavement	1,180	SY	\$15.00	\$17,700
9	2-02SP	Remove Existing Pipe	339	LF	\$25.00	\$8,475

ADDENDUM 1, ATTACHMENT B

CITY OF DES MOINES

DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
PLACE/MARINE VIEW DRIVE PIPE REPAIR

10	2-02SP	Remove Abandoned Water Pipe	340	LF	\$25.00	\$8,500
11	2-02SP	Remove Existing Drainage Structure	6	EA	\$500.00	\$3,000
12	2-03	Gravel Borrow Incl. Haul	2,010	TON	\$35.00	\$70,350
13	2-09	Structure Excavation Class B Incl. Haul	1,310	CY	\$45.00	\$58,950
14	2-09	Shoring or Extra Excavation Class B	8,120	SF	\$1.00	\$8,120
15	4-04	Crushed Surfacing Top Course	140	TON	\$60.00	\$8,400
16	4-04	Crushed Surfacing Base Course	280	TON	\$50.00	\$14,000
17	5-04SP	Planing Bituminous Pavement	2,210	SY	\$8.00	\$17,680
18	5-04SP	HMA CL. 1/2" PG 58H-22	910	TON	\$155.00	\$141,050
19	5-04SP	Asphalt Concrete Raised Edge	1,470	LF	\$6.00	\$8,820
20	7-04	Corrugated Polyethylene Storm Sewer Pipe 12 In. Diam.	160	LF	\$120.00	\$19,200
21	7-04	Corrugated Polyethylene Storm Sewer Pipe 18 In. Diam.	1,320	LF	\$130.00	\$171,600
22	7-05	Concrete Inlet	4	EA	\$2,000	\$8,000
23	7-05	Catch Basin Type 1	1	EA	\$2,000	\$2,000
24	7-05	Catch Basin Type 1 with Beehive Grate	1	EA	\$2,200	\$2,200
25	7-05	Catch Basin Type 1L	4	EA	\$2,500	\$10,000
26	7-05	Catch Basin Type 2 48 In. Diam.	12	EA	\$4,500	\$54,000
27	8-01	Erosion/Water Pollution Control	1	LS	\$5,000	\$5,000
28	8-01	Topsoil Type A	310	CY	\$70.00	\$21,700
29	8-01	Inlet Protection	24	EA	\$100.00	\$2,400
30	8-01	High Visibility Fence	1,520	LF	\$2.00	\$3,040
31	8-01	Compost Sock	1,820	LF	\$10.00	\$18,200
32	8-02	Seeding and Fertilizing by Hand	850	SY	\$3.00	\$2,550

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ADDENDUM 1, ATTACHMENT B

CITY OF DES MOINES
 DES MOINES STORMWATER IMPROVEMENTS PROJECTS: DES MOINES MEMORIAL DRIVE AND 216TH
 PLACE/MARINE VIEW DRIVE PIPE REPAIR

33	8-09	Raised Pavement Marker Type 1	1.5	HUND	\$800	\$1,200
34	8-09	Raised Pavement Marker Type 2	8.5	HUND	\$800	\$6,800
35	8-14	Cement Conc. Sidewalk	15	SY	\$200.00	\$3,000
36	8-15	Quarry Spalls	5	CY	\$200.00	\$1,000
37	8-21	Permanent Signing	1	LS	\$1,396	\$1,396
38	8-22	Paint Line	1,440	LF	\$2.50	\$3,600
39	8-22	Plastic Stop Line	30	LF	\$40.00	\$1,200.00
40	7-04	Corrugated Polyethylene Storm Sewer Pipe 8 In. Diam.	35	LF	\$200.00	\$7,000

TOTAL BID AMOUNT, SCHEDULE B* \$ 995,111.00

*All applicable sales tax shall be included in the unit and lump sum Bid price per Section 10-7.2(1) and WAC 458-20-171.

(NOTE: THE WORK IN EACH BID SCHEDULE SHALL BE TRACKED AND BILLED SEPARATELY. SEE SPECIAL PROVISION 1-09.1.)

Proposal (Continued)

Total \$ 1,384,000.00

Total Bid Price (in figures) \$ 1,384,000.00

Total Bid Price (in words) One million three hundred eighty-four thousand dollars and no/100

Attached hereto is the required Bid Security in the amount of \$ Five Percent (5%) of Bid Amount (_____) payable to the City of Des Moines which is equal to or more than five percent (5%) of the total bid price.

Signed 

Title Vice President

Name of Bidder

Registration or license, Division of Professional Licensing:

1. License Number REEDTEI016JW

2. Date 8/26/2024

3. Contractor's Signature 

4. Title Vice President

Address of Bidder: 11616 24th Ave E Tacoma, WA 98445
Street City Zip

Telephone Number of Bidder 253-841-4837
Office Home

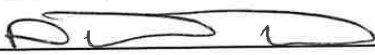
Email Contacts dwright@reedtrucking.com

tbarquist@reedtrucking.com

sreed@reedtrucking.com

Date of Bid 8/26/2024

Receipt is hereby acknowledged for the following Addenda:

<u>Addendum No.</u>	<u>Date Received</u>	<u>Signature</u>
1	8/22/2024	

The bidder acknowledges that bids must be submitted for all Bid Schedules. Partial Bids shall not be considered.

Bid proposal to be submitted in a sealed envelope marked "Bid Enclosed" for **Des Moines Stormwater Improvements Projects: Des Moines Memorial Drive and 216th Place/Marine View Drive Pipe Repair**

Form of a Bid Bond

BID BOND DEPOSIT

Herewith find deposit in the form of a bid bond (state whether certified check, cashier's check, bid bond, or postal money order)

for the amount of Five Percent (5%) of Bid Amount, which amount is not less than five percent (5%) of the total bid, including sales tax.

Signature _____

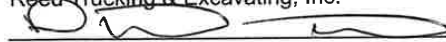
BID BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, Reed Trucking & Excavating, Inc., as Principal, and Endurance Assurance Corporation, as Surety, are held and firmly bound unto the City of Des Moines, as Oblige, in the penal sum of Five Percent (5%) of Bid Amount dollars (\$ 5% of Bid Amount) for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

The Condition of this obligation is such that if the Oblige shall make award to the Principal for the **Des Moines Stormwater Improvements Projects: Des Moines Memorial Drive and 216th Place/Marine View Drive Pipe Repair**, according to the terms of the proposal or bid made by the Principal therefore and the Principal shall duly make and enter into a contract with the Oblige in accordance with the terms of said proposal or bid and award and shall give bond for the faithful performance thereof, with Surety or Sureties approved by the Oblige; or, if the Principal shall in case of failure so to do, pay and forfeit to the Oblige the penal amount of the deposit specified in the call for bids; then this obligation shall be null and void; otherwise it shall be and remain in full force and effect and the Surety shall forthwith pay and forfeit to the Oblige, as penalty and liquidated damages, the amount of this bond.

SIGNED, SEALED AND DATED THIS 26th DAY OF August, 2024.
Reed Trucking & Excavating, Inc.



Principal
Endurance Assurance Corporation
Alyssa J. Lopez
Surety Alyssa J. Lopez, Attorney-in-Fact

Received return of deposit in the sum of _____

Date _____

Signature _____

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation ("EAC"), **Endurance American Insurance Company**, a Delaware corporation ("EAIC"), **Lexon Insurance Company**, a Texas corporation ("LIC"), and/or **Bond Safeguard Insurance Company**, a South Dakota corporation ("BSIC"), each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Aliceon A. Keltner, Cynthia L. Jay, Eric A. Zimmerman, James B. Binder, Brandon K. Bush, Jacob T. Haddock, Diane M. Harding, Jamie L. Marques, Carley Espiritu, Christopher Kinyon, Brent E. Heilesen, Annelies M. Richie, Hollie Albers, Michael S. Mansfield, Sara Sophie Sellin, Donald Percell Shanklin Jr., Misti M. Webb, Kari Michelle Motley, Bryan Richard Ludwick, Tamara A. Ringeisen, Dana Marie Brinkley, Amelia G. Burrill, Katharine J. Snider, Amber Lynn Reese, Justin Dean Price, Julie R. Truitt, Sherri W. Hill, Lindsey Elaine Jorgensen, Alyssa J. Lopez, Alexa Manley, Lois F. Weathers, Terrie L. Conard, Sarah Whitaker, Lori J. Kelly, Marian C. Newman, Wesley V. Dasher, Jr.** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **One Hundred Million Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the board of directors of each Company by unanimous written consent effective the 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the board of directors of each Company by unanimous written consent effective the 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 25th day of May, 2023.

Endurance Assurance Corporation
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

Endurance American Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

Lexon Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel

Bond Safeguard Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 25th day of May, 2023, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/they is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*
Amy Taylor, Notary Public - My Commission Expires 09/27

CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

- 1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
- 2. The following are resolutions which were adopted by the board of directors of each Company by unanimous written consent effective 30th day of March, 2023 for BSIC and LIC and the 17th day of May, 2023 for EAC and EAIC and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, MATTHEW E. CURRAN, MARGARET HYLAND, SHARON L. SIMS, CHRISTOPHER L. SPARRO,** and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

- 3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 26th day of August, 2024.

By: *Daniel S. Lurie*
Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

Non-collusion Affidavit

City of Des Moines

STATE OF WASHINGTON)

) ss.

County of ~~King~~ Pierce)

Dustin Wright, being first duly sworn on his oath, says he is Vice President and that the bid above submitted is a genuine and not a sham or collusive bid, or made in the interest or on behalf of any person not therein named; and he further says that the said Bidder has not directly or indirectly induced or solicited any bidder on the above work or supplies to put in a sham bid, or any other person or corporation to refrain from bidding; and that said Bidder has not in any matter sought by collusion to secure to (her)(him)self an advantage over any other bidder or bidders.

Signature 

Subscribed and sworn to before me this 26 day
of August, 2024.

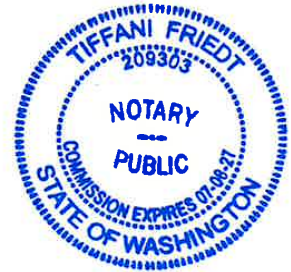


Notary Public in and for the State of Washington

Graham

Residing at

My commission expires 7-8-27



Statement of Bidder's Qualifications

Each bidder submitting a proposal on work included in these Plans and Specifications shall prepare and submit as part of this bid the following schedule:

1. Name of bidder: Reed Trucking & Excavating, Inc.

2. Business address and telephone number:
11616 24th Ave E Tacoma, WA 98445

3. How many years has said bidder been engaged in the contracting business under present firm name:
28 + years

4. Contracts now in hand (gross amount):
\$ 21,200,209.57

5. General character of work performed by said company:
General Contractor

6. List of more important projects constructed by said company, including approximate costs and dates:
See Attachment A

7. List of company's major equipment:
See Attachment A

8. Bank references:

Banner Bank - Tacoma

9. Dept. of Labor and Industries' firm number:

983,104-00

10. Dept. of Revenue registration number:

91-1938552

Name of Bidder Reed Trucking & Excavating, Inc.

By Dustin Wright

Title Vice President

Date 8/26/2024


Certification of Non-Segregated Facilities

The Bidder certifies that s/he does not maintain or provide for his/her employees any segregated facilities at any of her/his establishments, and that s/he does not permit her/his employees to perform their services at any locations under her/his control where segregated facilities are maintained. The undersigned certifies further that s/he will not maintain or provide for her/his employees any segregated facilities at any of her/his establishments, and that s/he will not permit her/his employees to perform their services at any location under her/his control where segregated facilities are maintained. The undersigned agrees that a breach of this certification will be in violation of the Equal Opportunity clause set forth in this contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.

The undersigned agrees that, except where s/he has obtained identical certification from subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that s/he will obtain identical certifications from subcontractors and that s/he will retain such certifications in her/his files.

Date: 8/26/2024

Signature:  _____

Name/Title: Dustin Wright / Vice President

Vendor Name: Reed Trucking & Excavating, Inc.

Address: 11616 24th Ave E

City/State/Zip: Tacoma, WA 98445

Statement of Proposed Subcontractors and Material Suppliers

Subcontractors Name, Address, and Telephone Number	Description of Work
Specialized Pavement Marking	Striping
175 Roy SW Bldg C Pacific, WA 98047 253-299-1200	
Becker Blacktop LLC	Paving
PO Box 2273 Sumner, WA 98930 (206) 940-3912	
Leroy Surveyors & Engineers, Inc.	Survey
PO Box 740 Puyallup, WA 98371	

Material Suppliers	Material (major items only)
Ferguson Waterworks	Pipe

Local Agency Subcontractor List

Local Agency Name
Local Agency Address

Local Agency Subcontractor List

Prepared in compliance with RCW 39.30.060 as amended
To Be Submitted with the Bid Proposal

Project Name Des Moines Stormwater Improvements

Failure to list subcontractors with whom the bidder, if awarded the contract, will directly subcontract for performance of the work of structural steel installation, rebar installation, heating, ventilation and air conditioning, plumbing, as described in Chapter 18.106 RCW, and electrical, as described in Chapter 19.28 RCW or naming more than one subcontractor to perform the same work will result in your bid being non-responsive and therefore void.

Subcontractor(s) with whom the bidder will directly subcontract that are proposed to perform the work of structural steel installation, rebar installation, heating, ventilation and air conditioning, plumbing, as described in Chapter 18.106 RCW, and electrical as described in Chapter 19.28 RCW must be listed below. The work to be performed is to be listed below the subcontractor(s) name.

To the extent the Project includes one or more categories of work referenced in RCW 39.30.060, and no subcontractor is listed below to perform such work, the bidder certifies that the work will either (i) be performed by the bidder itself, or (ii) be performed by a lower tier subcontractor who will not contract directly with the bidder.

Subcontractor Name Reed Trucking & Excavating, Inc.
Work to be performed Rebar Installation

Subcontractor Name Reed Trucking & Excavating, Inc.
Work to be performed Structural Steel

Subcontractor Name Transportation Systems, Inc. - If Needed
Work to be performed Electrical

Subcontractor Name _____
Work to be performed _____

Subcontractor Name _____
Work to be performed _____

* Bidder's are notified that it is the opinion of the enforcement agency that PVC or metal conduit, junction boxes, etc. are considered electrical equipment and therefore considered part of electrical work, even if the installation is for future use and no wiring or electrical current is connected during the project.

DOT Form 271-015A
Revised 06/2020

Certification of Compliance with Wage Payment Statutes

The bidder hereby certifies that, within the three-year period immediately preceding the bid solicitation date August 5, 2024, the bidder is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Reed Trucking & Excavating, Inc.
Bidder's Business Name


Signature of Authorized Official*

Dustin Wright
Printed Name

Vice President
Title

8/26/2024 Tacoma WA
Date City State

Check One:

Sole Proprietorship Partnership Joint Venture Corporation

State of Incorporation, or if not a corporation, State where business entity was formed:

Washington

If a co-partnership, give firm name under which business is transacted:

** If a corporation, proposal must be executed in the corporate name by the president or vice-president (or any other corporate officer accompanied by evidence of authority to sign). If a co-partnership, proposal must be executed by a partner.*

Statement of Bidder Responsibility Criteria

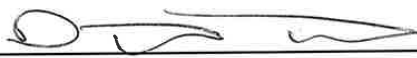
I, by signing the proposal and this statement, hereby declare, under penalty of perjury under the laws of the United States that the following statements are true and correct:

1. That the undersigned persons(s), firm, association, or corporation meet all the bidder responsibility criteria for public works contracts under RCW 39.04.350.
2. That the undersigned persons(s), firm, association, or corporation meet all the bidder responsibility as identified in the Contract Documents.
3. That by signing the proposal and this form, I am deemed to have signed and to have agreed to the provisions of this statement.
4. That by signing the proposal and this form, if omissions are found the bidder will be deemed an unresponsive bidder or if awarded a public works project, the contract will be immediately terminated by the Contracting Agency.

Contract Title: Des Moines Stormwater Improvements

Bidder's Business Name: Reed Trucking & Excavating, Inc.

Bidder's Name: Dustin Wright

Bidder's Signature:  _____

Bidders Title: Vice President

Date: 8/26/2024



ATTACHMENT A

11616 24th Ave E
 Tacoma, WA 98445
 Office 253-841-4837
 Fax 253-841-4816
 Shawn Reed, President
sreed@reedtrucking.com

Contractor's License: REEDEI016JW
 Contractor's License Bond: WA5470784
 Employment Security: 093121-004
 L&I: 983, 104-00
 Tax ID: 91-1938552
 UBI: 601 915 034
 King County SCS Certification No. 989
 Prime Contractor

Qualifications Information

Project:	Seattle & Cedar Water Main Replacement & Complete Streets
Owner:	City of Pacific
Contact:	Rick Gehrke
Scope:	This project provides for the improvement of water mains, water services, water meters, and pavement within Seattle Blvd S from 2 nd Ave SW to 3 rd Ave SW, Cedar Ln from 1 st Ave E to 2 nd Ave Se, and 1 st Pl SE east of Cedar Ln, and other work.
Bonded:	YES
Contract Amount:	\$1,756,207.63
% Complete:	0%
Scheduled Completion:	190 calendar days
Federally Funded:	No
Project:	Projects for 2024 Overlay
Owner:	City of Normandy Park
Contact:	Tani Stafford
Scope:	The Contract provides for sidewalk and storm drainage improvements in various streets within the City. The project includes storm drainage improvements, curb and gutter replacements and sidewalk improvements at various locations within the public right of way and easements, around the City, and other work all in accordance with the attached Contract Plans.
Bonded:	YES
Contract Amount:	\$678,565.00
% Complete:	23%
Scheduled Completion:	40 Days
Federally Funded:	No
Project:	10th Street SE Improvements
Owner:	City of Puyallup
Contact:	Jessica Wilson
Scope:	Specific work consists repairing the roadway for 10 th Street SE, replacement of approximately 260 linear feet of sewer main, and replacement of approximately 500 linear feet of water main and 465 linear feet of stormwater lines. The work will also include new curb and gutters, sidewalk, an ADA ramp, signing, striping, and traffic control for the City of Puyallup.
Bonded:	YES
Contract Amount:	\$804,329.99

% Complete:	78%
Scheduled Completion:	70 Days
Federally Funded:	No
Project:	124th Ave NE Roadway Improvements
Owner:	City of Kirkland
Contact:	Allen Prouty
Scope:	Specific work consists of furnishing all labor, tools, materials, and equipment necessary for construction of the 124 th Ave NE Roadway Improvements. Specific Work includes, but is not limited to the improvement of 124 th Ave NE from NE 116 th St to NE 124 th St including clearing and grubbing, traffic control and maintenance of traffic, temporary erosion and sedimentation control, construction of curbs, asphalt concrete paving, reconstruction of driveways, retaining walls, landscaping, installation of storm drainage pipe, catch basins, traffic signal and APS upgrades, roadway illumination, channelization, signing, and property restoration and other work.
Bonded:	YES
Contract Amount:	\$10,310,710.24
% Complete:	13%
Scheduled Completion:	220 Days
Federally Funded:	Yes
Project:	Streets Initiative Package # 23
Owner:	City of Tacoma
Contact:	Brandon Snow
Scope:	This project includes generally consists of a grind and overlay of the roadway surface along all existing segments and new grade and pave with wedge curb on gravel road segments on Kellogg Street. New catch basins will be installed and catch basin maintenance will occur at all intersections as needed. Additionally, new street trees are to be installed.
Bonded:	YES
Contract Amount:	\$3,896,647.00
% Complete:	99%
Scheduled Completion:	140 Days
Federally Funded:	No
Project:	A Street Loop
Owner:	City of Auburn
Contact:	Matt Larson
Scope:	The major items of work include constructing approximately 250 linear feet of new collector street, storm drainage, and retaining wall improvements – including excavation for new roadway pavement and subgrade; new asphalt concrete roadway pavement and subgrade; pavement grinding; cement concrete curb and gutter; pervious concrete sidewalk; curb ramps; storm drainage collection, conveyance, infiltration and water quality treatment; soldier pile retaining walls; fencing; illumination system; and other appurtenances, and other work.
Bonded:	YES
Contract Amount:	\$1,602,715.00
% Complete:	26%
Scheduled Completion:	65 Days
Federally Funded:	Yes
Project:	Israel Road & Linderson Way Water Main
Owner:	City of Tumwater

Contact:	Nhan Vo
Scope:	This project includes new ductile iron water main spanning Israel Road from I-5 to Capitol Boulevard, and Linderson Wat from Israel Road to Department of Labor and Industries building. The new water main will include connections to existing laterals, replacement if meter services and hydrant assemblies, and connection to existing dry line that crosses the bridge on the west end of the project limits. Other work will include shifting of existing gas and sewer lines to resolve conflicts with the proposed water main, joint utility trenching for private utilities, and overhead to underground power conversion, removing and replacing cement concrete sidewalks, striping, repairing paved surfaces, clean-up and other work.
Bonded:	YES
Contract Amount:	\$3,365,536.16
% Complete:	100%
Scheduled Completion:	60 Days
Federally Funded:	No
Project:	Kingston Regional Stormwater Facilities
Owner:	Kitsap County
Contact:	Tim Beachy
Scope:	This project includes procurement and installation of six BioPod vaults within the Kitsap County right of way, construction of new sidewalks on Ohio Avenue, roadway reconstruction and other work
Bonded:	YES
Contract Amount:	\$1,653,867.71
% Complete:	99%
Scheduled Completion:	60 Days
Federally Funded:	No
Project:	Auburn Way S. South Side Sidewalk
Owner:	City of Auburn
Contact:	Seth Wickstrom
Scope:	The work provides for the construction of Project CP2129, Auburn Way S South Side Sidewalk. The major items of work include the construction of approximately 1,400 linear feet of curb/gutter and sidewalk, 1,300 linear feet of beam guardrail, storm drainage improvements and a new Rectangular Rapid Flashing Beacon (RRFB).
Bonded:	YES
Contract Amount:	\$645,591.25
% Complete:	100%
Scheduled Completion:	50 Days
Federally Funded:	No
Project:	1st Avenue South Sidewalk
Owner:	City of Normandy Park
Contact:	Tani Stafford
Scope:	The Contract provides for sidewalk and storm drainage improvements in various streets within the City. The project is divided into two schedules of work. Schedule A: 1 st Avenue South Sidewalk Improvements includes 900 LF of clearing, grubbing, pavement removals, storm improvements, cement concrete curb, gutter and sidewalk, HMA pavement patch, raising guardrail, modular block walls and advanced traffic loop replacement on the west side of 1 st Avenue South between SW 176 th Street and South 174 th Street. Schedule B: Projects for 2023 Overlay includes storm drainage improvements on 1 st Avenue South near the south city limits, ditch regrading and improvements along South 218 th Street and 6 th Avenue

	South; and approximately 335 linear feet of sidewalk, driveway entrance and curb ramp replacement at 16 isolated locations along the SW 171st Street, SW 174th Street, Marine View Drive, Terrace Court SW, and SW Normandy Road corridors.
Bonded:	YES
Contract Amount:	\$497,167.00
% Complete:	100%
Scheduled Completion:	40 Days
Federally Funded:	No
Project:	Riverwalk Drive SE Non-Motorized Improvements
Owner:	City of Auburn
Contact:	Aleksey Koshman
Scope:	Site preparation and demolition, constructing new pavement surfacing, new sidewalk, curb and gutter, curb walls, stormwater conveyance, franchise utility coordination, permanent signing, illumination, RRFB, traffic control and staging.
Bonded:	YES
Contract Amount:	\$1,689,653.33
% Complete:	100%
Scheduled Completion:	125 Days
Federally Funded:	No
Project:	Park Street Turn Lane
Owner:	City of North Bend
Contact:	Tom Mohr
Scope:	Vertical concrete curb and gutter, concrete sidewalk, replacing sewer manhole castings, miscellaneous surface restoration, pavement markings, traffic control.
Bonded:	YES
Contract Amount:	\$59,750.00
Final Contract Amount:	\$55,231.10
% Complete:	100%
Scheduled Completion:	30 Days
Federally Funded:	No
Project:	SR 162 E Water Main Replacement Phase 2 & 3
Owner:	Valley Water District
Contact:	Will Smythe
Scope:	This project provides for water main improvements within the Valley Water District. The project is located within WSDOT right-of-way. Work will consist of furnishing and installing approximately 1,460 linear feet of 12" ductile iron water main in Phase 2 and 3,530 linear feet of 12" ductile iron water main in Phase 3 and all associated water system materials including water main, fittings, valves, fire hydrants, and water service materials, as well as traffic control and surface restoration.
Bonded:	YES
Contract Amount:	\$1,602,163.00
% Complete:	100%
Scheduled Completion:	100 Days
Federally Funded:	No
Project:	CIP 30 North Fork McSorley Creek Diversion
Owner:	City of Des Moines
Contact:	Tyler Beekley

Scope:	The project consists of approximately 1,100 linear feet of storm sewer pipe and catch basin of various types and diameters. The project will also include replacing hot mix asphalt pavement, new cement concrete rolled curb and gutter, new cement concrete sidewalk, and other work.
Bonded:	YES
Contract Amount:	\$630,324.70
Final Contract Amount:	\$708,866.74
% Complete:	100%
Scheduled Completion:	40 Days
Federally Funded:	No
Project:	4th Street SE Preservation
Owner:	City of Auburn
Contact:	Jeffrey Bender
Scope:	Site preparation and demolition, constructing new pavement surfacing, sidewalks, curb and gutter, curb walls, stormwater conveyance, water main, sanitary sewer main, franchise utility coordination, private property restoration, landscaping restoration, permanent signing, and traffic control and staging, and other work.
Bonded:	YES
Contract Amount:	\$3,703,704.32
Final Contract Amount:	\$3,447,120.44
% Complete:	100%
Scheduled Completion:	160 Days
Federally Funded:	No
Project:	WSU LID Frontage Improvements Phase 4B
Owner:	City of Puyallup
Contact:	Ryan Rutkosky RRutkosky@PuyallupWA.gov
Scope:	Precast concrete bridge under Pioneer Way, 600 ft of porous HMA and concrete curbs, sidewalks, coil nail and gabion walls
Bonded:	YES
Contract Amount:	\$995,054.89
Final Contract Amount:	\$818,514.08
% Complete:	100%
Completion Date:	6/8/2022
Federally Funded:	No
Project:	Duvall Ave NE
Owner:	City of Renton
Contact:	Flora Lee
Scope:	Excavation, grading, removal of pavement, planing pavement, paving with asphalt, curb and gutter, drainage, illumination, HAWK signal, sidewalk, walls, adjustments to utility frames, grates, and covers, water system improvements, undergrounding utilities, property restoration.
Bonded:	YES
Contract Amount:	\$5,218,171.95
% Complete:	100%
Scheduled Completion:	260 Days
Federally Funded:	No
Project:	Alameda Drive
Owner:	City of University Place
Contact:	Jack Ecklund

Scope:	New road consisting of curbs, gutters, sidewalks, walls, bike lanes, storm drainage improvements, paving, landscaping, irrigation and street lights.
Bonded:	YES
Contract Amount:	\$981,798.00
Final Contract Amount:	\$935,490.73
% Complete:	100%
Completion Date:	5/27/2022
Federally Funded:	No
Project:	Streets Initiative Package # 22
Owner:	City of Tacoma
Contact:	Larry Rybachuck
Scope:	Pavement removal, roadway excavation, adjustment of utility structures, and paving.
Bonded:	YES
Contract Amount:	\$1,790,920.00
Final Contract Amount:	\$2,494,934.65
% Complete:	100%
Completion Date:	5/27/2022
Federally Funded:	No
Project:	24th & Meridian Sidewalk Gaps
Owner:	City of Edgewood
Contact:	Jeremy Metzler
Scope:	Construct sidewalks and appurtenant road and utility improvements, retaining wall, storm drainage, water main, bike lane and illumination.
Bonded:	YES
Contract Amount:	\$621,356.25
% Complete:	100%
Completion Date:	1/15/2022
Federally Funded:	No
Project:	WSU LID Frontage Improvements Phase 4A
Owner:	City of Puyallup
Contact:	Ryan Rutkosky RRutkosky@PuyallupWA.gov
Scope:	Precast concrete bridge under Pioneer Way, 600 ft of porous HMA and concrete curbs, sidewalks, coil nail and gabion walls
Bonded:	YES
Contract Amount:	\$2,436,462.50
Final Contract Amount:	\$2,001,932.72
% Complete:	100%
Completion Date:	4/8/2022
Federally Funded:	No
Project:	North Airport Area Storm Improvements
Owner:	City of Auburn
Contact:	Seth Wickstrom 2532-804-5034 swickstrom@auburnwa.gov
Scope:	Remove existing and install 470' of new storm pipe with structures.
Bonded:	YES
Contract Amount:	115,000
% Complete:	100%
Completion Date:	01/29/2021

Federally Funded:	No
Project:	Fitz Hugh Watermain
Owner:	City of Lacey
Contact:	Justin Knox
Scope:	Install 1,300 Lineal feet of water main.
Bonded:	YES
Contract Amount:	\$427,754.00
% Complete:	100%
Completion Date:	1/8/2021
Federally Funded:	No
Project:	Mary Lyon Elementary SRTS
Owner:	City of Tacoma
Contact:	Neal Sartain 253-208-3739
Scope:	Safe Routes to School includes remove asphalt & concrete, replace with new. Add storm structures, crosswalk paint lines, and traffic signal modifications at three intersections.
Bonded:	YES
Contract Amount:	\$260,913.00
% Complete to Date:	100%
Completion Date:	12/7/2020
Federally Funded:	No

Project:	SR 410 Sewer Bottleneck Phase II
Owner:	City of Bonney Lake
Contact:	Doug Budzinsky 253-447-4342
Scope:	Install new sewer main and rejoin existing sewer system boring under SR-410 at 192 nd Upgrade pushbuttons, new concrete curb ramps, storm water swale improvements.
Bonded:	YES
Contract Amount:	\$910,908.04
Final Contract Amount:	\$911,720.78
% Complete to Date:	100%
Completion Date:	10/23/2020
Federally Funded:	No

Project:	Jackson Ave SE & SE Salmonberry Road Intersection
Owner:	Kitsap County
Contact:	Steve Nichols 253-405-9711
Scope:	Construct single-lane roundabout, 10' sidewalks, Bioretention cell, 4 gravity block walls and new illumination system at the intersection of Jackson Avenue SE & SE Salmonberry Road. Traffic control, paving, curb & gutter and pavement markings.
Bonded:	YES
Contract Amount:	\$1,121,773.00
Final Contract Amount:	\$1,141,692.83
% Complete to Date:	100%
Completion Date:	12/4/2020
Federally Funded:	No

Project:	Cedar Street Improvements
Owner:	City Of Buckley

Contact:	Chris Banks
Scope:	Install 1,200 LF of roadway on Cedar Street from Jefferson Ave to Main Street. Grind & overlay above existing concrete panels, full reconstruction, replace curb & gutter, curb ramp retrofits. 1,100 LF of new 8-in & 12-in storm pipe structures. 1,100 LF of 8-inch DI water main replacement. replace 220 LF of 8-inch PVC SCH 35 sanitary sewer main. Pave 275 LF of alley. concrete curb, gutter, sidewalk.
Bonded:	YES
Contract Amount:	\$1,290,651.24
Final Contract Amount:	\$1,290,651.24
% of Work Completed to Date:	100%
Completion Date:	July 30, 2020
Federally Funded:	No
Project:	Water Main Replacement Project MRP 2018-45
Owner:	City of Tacoma Public Utilities
Contact:	Geff Yotter 253-377-5966
Scope:	Construct approximately 9,700 LF of water main with all necessary valves and specials. Also install 10 foot precast concrete vault with bollards.
Bonded:	YES
Contract Amount:	1,473,617.30
% of work completed to date:	100%
Completion Date:	1/15/2021
Project:	Meridian Water Improvements
Owner:	City of Lacey
Contact:	Aubrey Collier 360-438-2639
Scope:	Install 1,700 LF of 6 inch and 12 inch water main, valves and connections.
Bonded:	YES
Contract Amount:	\$340,212.12
% of work completed to date:	100%
Completion Date:	05/01/2020
Federally Funded:	No
Project:	Liberty Bay Bioretention Project
Owner:	City of Poulsbo
Contact:	Charles Roberts 360-779-4078
Scope:	Install water quality features: Site 1 Install large concrete storm water quality treatment vault on the NK Middle School, install 300 LF storm pipe. Site 2- Retrofit and install 300 LF bio-retention swale on Fjord Drive.
Bonded:	Yes
Contract Amount:	\$270,224.35
% of work completed to date:	100%
Completion Date:	5/29/ 2020
Federally Funded:	No
Project:	Volunteer Sidewalks
Owner:	City of Sumner
Contact:	Andrew Leach 253-299-5711
Scope:	Various sidewalk and ADA improvements, new water main, spot repairs, asphalt.
Bonded:	YES
Contract Amount:	\$1,072,061.17
% of work completed to date:	100%
Completion Date:	1/17/2020

Federally Funded:	No
Project:	24th/25th Street Water Main Replacement
Owner:	City of Bonney Lake
Contact:	Doug Budzynski
Scope:	Replace existing PVC Water Main with new DIP Water Main.
Bonded:	YES
Contract Amount:	\$116,546.59
% of work completed to date:	100%
Completion Date:	6/10/2019
Federally Funded:	No
Project:	2017 Sidewalk Links
Owner:	City of Puyallup
Contact:	Drew Young PE (253- 435-3641)
Scope:	Roadwork, utilities, HMA, concrete sidewalks, pervious concrete, spot repair
Bonded:	YES
Contract Amount:	\$1,288,155.00
% of work completed to date:	100%
Completion Date:	7/10/2019
Federally Funded:	No
Project:	2016 Sidewalk Program
Owner:	City of Puyallup
Contact:	Drew Young Project Engineer (253- 435-3641)
Scope:	Roadwork, utilities, HMA, concrete sidewalks, spot repair, tree removal.
Bonded:	YES
Contract Amount:	\$656,941.00
% of work completed to date:	100%
Completion Date:	5/17/2019
Federally Funded:	No

Construction experience and present commitments of the key individuals of Reed Trucking & Excavating, Inc.

Shawn J. Reed: President /Owner	30 years managing construction projects
Dustin Wright: Vice President /Superintendent	27 years construction
Tiffani Barquist: Contract Administrator	5 years contract administration
Chance Erdmann: Foreman	20 years construction
Travis Haney: Foreman	20 years construction
Chris Rustan: Foreman	25 years construction
Joey Frantom: Foreman	15 years construction

Equipment Operators, Pipe Layers, Top Man, Laborers, Dump Truck Drivers, Flaggers, Traffic Control Supervisor

List of Major Equipment Owned:

- 2023 KOMATSU PC 238 Excavator
- 2022 KOMATSU PC 238 Excavator
- 2002 KOMATSU PC 200 Excavator
- 2023 KOMATSU PC 138 Excavator
- (2) 2019 KOMATSU PC 138 Excavator
- 2018 & 2020 KOMATSU PC 88 Excavator

2019 Kubota KX057 Excavator
 2005 KOMATSU WA250L-5 Loader
 2018 KOMATSU WA270-8 Loader
 2022 KOMATSU WA320-8 Loader
 2002 JOHN DEERE 310 Backhoe
 2020 JOHN DEERE 410 Backhoe
 2002 JOHN DEERE MDL 550H Dozer
 2002 Tilt Top Trailer
(3) FRIEGHTLINER 8 Axle DUMP Trucks & Trailers
 2005 Ford F-450 Utility Truck
 2019 Ford F-450 Utility Truck
 2020 Ford F-450 Utility Truck
 2022 Ford F-450 Utility Truck
 2023 Ford F-450 Utility Truck
 2014 Ford F-350 TCS Truck
 2022 Ford F-350 TCS Truck
 2001 International Water Truck
 2014 RANDCO Tanks Water Truck
 1998 Sakai 84" Drum Roller
 2019 ASPHALT ZIPPER
(2) 2019 PORTABLE MESSAGE BOARDS
(2) 2021 PORTABLE MESSAGE BOARDS
(2) 2021 ARROW BOARDS
 2015 Caterpillar CB24B Asphalt Compactor
 2015 SM300 Laymore Sweeper004
 2022 NB25 BROOM Sweeper
(2) 2022 Super Solo Dump Trucks
 2024 Western Star

TRADE REFERENCES

Ferguson Waterworks Lance Hayes	2042 S 112th ST. Tacoma, WA 98444	PH: 253-538-8275 lance.hayes@ferguson.com	Fax: 253-531-9909
Shope Concrete Derek Rogers	1618 E. Main Puyallup, WA 98372	PH: 253-848-1551 drogers@shopeconcrete.com	Fax: 253-845-0292
Washington Rock Madison Cole	21711 103rd Ave Graham, WA 98338	PH: 253-262-1661 ext 102 AR@wa-rock.com	Fax: 253-262-1664

Contracts on Hand

Job #	Project Name	Bonded Amount	Billed to date	Balance of contract
166	1 st Avenue South Sidewalk	\$497,167	\$641,041.09	
165	Kingston Regional Stormwater Facilities	\$1,653,867.71	\$1,567,265.79	\$86,601.92
169	A Street Loop	\$1,602,715.00	\$596,794.59	\$1,005,920.41
170	Streets Initiative Package # 23	\$3,896,647.00	\$4,300,718.96	
172	124 th Ave NE Improvements	\$10,310,710.24	\$1,069,759.76	\$9,240,950.28
173	10 th St SE improvements	\$804,329.99	\$635,144.76	\$169,185.23
174	Projects for 2024 Overlay	\$678,565.00	\$158,926.92	\$519,638.08
175	Seattle & Cedar Water Main	\$1,756,207.63	\$0.00	\$1,756,207.63
		\$21,200,209.57	\$8,969,651.87	\$12,778,503.55

CONSENT OF DIRECTORS
OF
REED TRUCKING & EXCAVATING, INC.
IN LIEU OF ANNUAL MEETING

Pursuant to the provisions of RCW 23B.07.040, the undersigned, being the sole member of the Board of Directors of REED TRUCKING & EXCAVATING, INC., a Washington corporation, acting by unanimous written consent to the taking of the action set forth therein.

RESOLVED: That the following named elected to all the offices of the corporation for the coming year, or until their successors are elected and qualified:

President:	Shawn J. Reed
Vice President:	Dustin Wright
Secretary:	Connie L. Gordon

ALL
CAN
SIGN

S.R.

RESOLVED: That all actions by officers of the corporation since the last meeting of the Board of Directors are hereby ratified and confirmed.

RESOLVED: That the Corporation shall continue to create a budget and forecast for the coming year and review spending and equipment paid off in 2021.

The execution of the Consent, which may be accomplished in counterparts, shall constitute a written waiver of any notice required by the Washington Business Corporation Act or Corporation's Articles of Incorporation and Bylaws.

DATED the 29th of March, 2022.


Shawn J. Reed, President


Dustin Wright, Vice President


Connie L. Gordon, Secretary

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Colibri Northwest LLC Consulting
Contract Amendment 1

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Administration

ATTACHMENTS:

1. Consulting Contract Amendment 1
2. Consulting Contract and Assignment

DATE SUBMITTED: September 5, 2024

CLEARANCES:

- City Clerk _____
- Communications _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance *[Signature]*
- Human Resources _____
- Legal */s/ MH*
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to seek City Council approval of an Amendment to extend the existing contract with Colibri Northwest LLC (formerly Peter Philips) for the purpose of assisting with passenger ferry service, grant assistance, marina redevelopment as well as other potential economic development opportunities for the Marina and Marina District. The extension of this contract is proposed to be funded with existing Lodging Tax funds and not General Fund money. The following motion will appear on the consent calendar:

Suggested Motion

Motion 1: “I move to approve Amendment 1 to the contract with Colibri Northwest LLC, extending the consultant services contract through June 30, 2024.”

Background

The City entered into a new consulting agreement with Peter Philips in 2023 in order to assist with securing passenger ferry service to Des Moines, related grant assistance, marina redevelopment opportunities as well as other potential tourism promotion opportunities for the Marina, Marina District and the City as a whole. The contract was assigned to Colibri Northwest LLC and has since expired as of August 31, 2024.

The promotion of Des Moines as a tourism destination and the procurement of a passenger ferry to bring visitors to Des Moines is eligible for the use of Lodging Tax funds. By funding this work using available lodging tax funds, there would be a savings to the General Fund through the remainder of 2024 and the contracted term of 2025.

Discussion

The work Peter Philips has provided to the City has been valuable in promoting the City and our efforts to secure passenger ferry service without substantial cost to the City. Over his career in the maritime industry, Mr. Philips has cultivated relationships with influential decision makers that can help position the City to be a key player in regional ferry service. He has built a working relationship between Kitsap Transit, King County Metro and the City of Des Moines that has a likelihood of leading directly to regularly scheduled ferry service between Des Moines, Seattle and Vashon Island operated by King County at zero cost to the City of Des Moines. His continued involvement with this initiative will hasten the initiation of that service.

In addition to ferry specific work, Mr. Philips has acted as an economic development consultant during a time that the City no longer has a staff member to fill that role. Mr. Philips regularly attends meetings and events to promote the City and the City’s interest. The promotion and procurement of a passenger ferry to Des Moines would increase tourism related visits and bring individuals from outside of the City into Des Moines.

Alternatives

Do not extend the Contract or extend it on a more limited basis.

Financial Impact

The contract extension would be cost neutral to the general fund as the contract can be paid using existing Lodging Tax funds.

Recommendation

Administration recommends approval of the motion.

CONTRACT AMENDMENT/ADDENDUM FORM
CONTRACT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF DES MOINES AND COLIBRI NORTHWEST LLC

THIS AMENDMENT/ADDENDUM is entered into on this ... day of September, 2024, pursuant to that certain Contract entered into on the 19th day of December, 2023, between the **CITY OF DES MOINES, WASHINGTON** (hereinafter "City"), and **COLIBRI NORTHWEST, LLC, as successor in interest to Peter Philips**, (hereinafter "CONSULTANT"),.

The parties herein agree that the Contract dated Decemeber 19, 2023, (hereinafter "Contract") shall remain in full force and effect, except for the amendments/addendums set forth as follows:

- 1) **SECTION II** of the Contract is hereby amended to read as follows:

Time of Completion. The parties agree that work will begin on the tasks described in Section I above on January 1, 2024. Upon the effective date of this Contract, Consultant shall complete the work described in Section I by June 30, 2025.

- 2) **SECTION III(A)** of the Contract is hereby amended to read as follows:

The Consultant agrees that the rate of \$5,500/month for its services contracted for herein shall remain locked at the negotiated rate(s) for a period of two (2) years from the effective date of this Contract.

Except as modified hereby, all terms and conditions of Contract dated remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Addendum as of the date first above written.

<p style="text-align: center;">CONSULTANT:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: _____</p> <p>Its _____ <i>(Title)</i></p> <p>DATE: _____</p>	<p style="text-align: center;">CITY OF DES MOINES:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: <u>Tim George</u></p> <p>Its <u>City Manager</u> <i>(Title)</i></p> <p>DATE: _____</p> <p style="text-align: right;">Approved as to form:</p> <p style="text-align: right;">_____ City Attorney</p> <p style="text-align: right;">DATE: _____</p>
<p>NOTICES TO BE SENT TO:</p> <p>(Colibri Northwest LLC:</p> <p>Peter Philips Colibri Northwest LLC P.O. Box 13130 Des Moines, WA 98198</p> <p>206-284-8285 (telephone) Peter@ColibriNW.com (facsimile/email)</p>	<p>NOTICES TO BE SENT TO:</p> <p>CITY OF DES MOINES:</p> <p>Bonnie Wilkins City of Des Moines 21630 11th Avenue S., Suite A Des Moines, WA 98198 206-870-6519 (telephone) bwilkins@desmoineswa.gov (facsimile/email)</p>



CONSULTANT SERVICES CONTRACT between the City of Des Moines and Peter Philips

THIS CONTRACT is made between the City of Des Moines, a Washington municipal corporation (hereinafter the "City"), and Peter Philips doing business at 19679 Marine View Drive SW, Normandy Park, WA 98166 (hereinafter the "Consultant").

I. DESCRIPTION OF WORK.

Consultant shall perform the following services for the City in accordance with the following described plans and/or specifications:

See Exhibit "A" attached to this agreement and hereby incorporated by reference

Consultant further represents that the services furnished under this Contract will be performed in accordance with generally accepted professional practices within the Puget Sound region in effect at the time those services are performed.

II. TIME OF COMPLETION. The parties agree that work will begin on the tasks described in Section I above on January 1, 2024. Upon the effective date of this Contract, Consultant shall complete the work described in Section I by August 31, 2024.

III. COMPENSATION.

- A. The City shall pay the Consultant, based on time and materials, an amount not to exceed forty-four thousand dollars and no cents (\$44,000.00) for the services described in this Contract. This is the maximum amount to be paid under this Contract for the work described in Section I above, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed amendment to this Contract. The Consultant agrees that the amount budgeted the rate of \$5,500/month for its services contracted for herein shall remain locked at the negotiated rate(s) for a period of one (1) year from the effective date of this Contract.

CONSULTANT SERVICES CONTRACT
(Various)

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- B. The Consultant shall submit monthly payment invoices to the City for work performed, and a final bill upon completion of all services described in this Contract. The City shall provide payment within forty-five (45) days of receipt of an invoice. If the City objects to all or any portion of an invoice, it shall notify the Consultant and reserves the option to only pay that portion of the invoice not in dispute. In that event, the parties will immediately make every effort to settle the disputed portion.

IV. INDEPENDENT CONTRACTOR. The parties intend that an Independent Contractor-Employer Relationship will be created by this Contract and that the Consultant has the ability to control and direct the performance and details of its work; however, the City shall have authority to ensure that the terms of the Contract are performed in the appropriate manner.

V. CHANGES. The City may issue a written change order for any change in the Contract work during the performance of this Contract. If the Consultant determines, for any reason, that a change order is necessary, Consultant must submit a written change order request to the person listed in the notice provision section of this Contract, section XVI(C), within fourteen (14) calendar days of the date Consultant knew or should have known of the facts and events giving rise to the requested change. If the City determines that the change increases or decreases the Consultant's costs or time for performance, the City will make an equitable adjustment. The City will attempt, in good faith, to reach agreement with the Consultant on all equitable adjustments. However, if the parties are unable to agree, the City will determine the equitable adjustment as it deems appropriate. The Consultant shall proceed with the change order work upon receiving either a written change order from the City or an oral order from the City before actually receiving the written change order. If the Consultant fails to require a change order within the time specified in this paragraph, the Consultant waives its right to make any claim or submit subsequent change order requests for that portion of the contract work. If the Consultant disagrees with the equitable adjustment, the Consultant must complete the change order work; however, the Consultant may elect to protest the adjustment as provided in subsections A through E of Section VI, Claims, below.

The Consultant accepts all requirements of a change order by: (1) endorsing it, (2) writing a separate acceptance, or (3) not protesting in the way this section provides. A change order that is accepted by Consultant as provided in this section shall constitute full payment and final settlement of all claims for contract time and for direct, indirect and consequential costs, including costs of delays related to any work, either covered or affected by the change.

VI. CLAIMS. If the Consultant disagrees with anything required by a change order, another written order, or an oral order from the City, including any direction, instruction, interpretation, or determination by the City, the Consultant may file a claim as provided in this section. The Consultant shall give written notice to the City of all claims within fourteen (14) calendar days of the occurrence of the events giving rise to the claims, or within fourteen (14) calendar days of the date the Consultant knew or should have known of the facts or events giving rise to the claim, whichever occurs first. Any claim for damages, additional payment for any reason, or extension of time, whether under this Contract or otherwise, shall be conclusively deemed to have been waived by the Consultant unless a

CONSULTANT SERVICES CONTRACT 2
(Various)

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timely written claim is made in strict accordance with the applicable provisions of this Contract.

At a minimum, a Consultant's written claim shall include the information set forth in subsections A, items 1 through 5 below.

FAILURE TO PROVIDE A COMPLETE, WRITTEN NOTIFICATION OF CLAIM WITHIN THE TIME ALLOWED SHALL BE AN ABSOLUTE WAIVER OF ANY CLAIMS ARISING IN ANY WAY FROM THE FACTS OR EVENTS SURROUNDING THAT CLAIM OR CAUSED BY THAT DELAY.

A. Notice of Claim. Provide a signed written notice of claim that provides the following information:

1. The date of the Consultant's claim;
2. The nature and circumstances that caused the claim;
3. The provisions in this Contract that support the claim;
4. The estimated dollar cost, if any, of the claimed work and how that estimate was determined; and
5. An analysis of the progress schedule showing the schedule change or disruption if the Consultant is asserting a schedule change or disruption.

B. Records. The Consultant shall keep complete records of extra costs and time incurred as a result of the asserted events giving rise to the claim. The City shall have access to any of the Consultant's records needed for evaluating the protest.

The City will evaluate all claims, provided the procedures in this section are followed. If the City determines that a claim is valid, the City will adjust payment for work or time by an equitable adjustment. No adjustment will be made for an invalid protest.

C. Consultant's Duty to Complete Protested Work. In spite of any claim, the Contractor shall proceed promptly to provide the goods, materials and services required by the City under this Contract.

D. Failure to Protest Constitutes Waiver. By not protesting as this section provides, the Consultant also waives any additional entitlement and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).

E. Failure to Follow Procedures Constitutes Waiver. By failing to follow the procedures of this section, the Consultant completely waives any claims for protested work and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).

VII. LIMITATION OF ACTIONS. CONSULTANT MUST, IN ANY EVENT, FILE ANY LAWSUIT ARISING FROM OR CONNECTED WITH THIS CONTRACT WITHIN 120 CALENDAR DAYS FROM THE DATE THE CONTRACT WORK IS COMPLETE OR CONSULTANT'S ABILITY

CONSULTANT SERVICES CONTRACT 3
(Various)

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TO FILE THAT CLAIM OR SUIT SHALL BE FOREVER BARRED. THIS SECTION FURTHER LIMITS ANY APPLICABLE STATUTORY LIMITATIONS PERIOD.

VIII. TERMINATION. Either party may terminate this Contract, with or without cause, upon providing the other party thirty (30) days written notice at its address set forth on the signature block of this Contract. After termination, the City may take possession of all records and data within the Consultant's possession pertaining to this project, which may be used by the City without restriction. If the City's use of Consultant's records or data is not related to this project, it shall be without liability or legal exposure to the Consultant.

IX. DISCRIMINATION. In the hiring of employees for the performance of work under this Contract or any subcontract, the Consultant, its subcontractors, or any person acting on behalf of the Consultant or subcontractor shall not, by reason of race, religion, color, sex, age, sexual orientation, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

X. INDEMNIFICATION. Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Contract, except for injuries and damages caused by the sole negligence of the City.

The City's inspection or acceptance of any of Consultant's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

The provisions of this section shall survive the expiration or termination of this Contract.

XI. INSURANCE. The Consultant shall procure and maintain for the duration of the Contract, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

No Limitation. Consultant's maintenance of insurance as required by the Contract shall not be construed to limit the liability of the Consultant to the coverage

CONSULTANT SERVICES CONTRACT 4
(Various)

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provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance. Consultant shall obtain insurance of the types and coverage described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.
2. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO endorsement form CG 20 26.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance: Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit.

C. Other Insurance Provisions.

1. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

E. Verification of Coverage Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not

CONSULTANT SERVICES CONTRACT 5
(Various)

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necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contract before commencement of the work.

F. Notice of Cancellation. The Consultant shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

G. Failure to Maintain Insurance. Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

H. City Full Availability of Consultant Limits. If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

XII. EXCHANGE OF INFORMATION. The City will provide its best efforts to provide reasonable accuracy of any information supplied by it to Consultant for the purpose of completion of the work under this Contract.

XIII. OWNERSHIP AND USE OF RECORDS AND DOCUMENTS. Original documents, drawings, designs, reports, or any other records developed or created under this Contract shall belong to and become the property of the City. All records submitted by the City to the Consultant will be safeguarded by the Consultant. Consultant shall make such data, documents, and files available to the City upon the City's request. The City's use or reuse of any of the documents, data and files created by Consultant for this project by anyone other than Consultant on any other project shall be without liability or legal exposure to Consultant.

XIV. CITY'S RIGHT OF INSPECTION. Even though Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Contract, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure satisfactory completion.

XV. WORK PERFORMED AT CONSULTANT'S RISK. Consultant shall take all necessary precautions and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of the contract work and shall utilize all protection necessary for that purpose. All work shall be done at Consultant's own risk, and Consultant

CONSULTANT SERVICES CONTRACT 6
(Various)

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shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

XVI. MISCELLANEOUS PROVISIONS.

A. Non-Waiver of Breach. The failure of the City to insist upon strict performance of any of the covenants and agreements contained in this Contract, or to exercise any option conferred by this Contract in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

B. Resolution of Disputes and Governing Law.

1. Alternative Dispute Resolution. If a dispute arises from or relates to this Contract or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under JAMS Alternative Dispute Resolution service rules or policies before resorting to arbitration. The mediator may be selected by agreement of the parties or through JAMS. Following mediation, or upon written agreement of the parties to waive mediation, any unresolved controversy or claim arising from or relating to this Contract or breach thereof shall be settled through arbitration which shall be conducted under JAMS rules or policies. The arbitrator may be selected by agreement of the parties or through JAMS. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

2. Applicable Law and Jurisdiction. This Contract shall be governed by the laws of the State of Washington. Although the agreed to and designated primary dispute resolution method as set forth above, in the event any claim, dispute or action arising from or relating to this Contract cannot be submitted to arbitration, then it shall be commenced exclusively in the King County Superior Court or the United States District Court, Western District of Washington as appropriate. In any claim or lawsuit for damages arising from the parties' performance of this Contract, each party shall pay all its legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the City's right to indemnification under Section X of this Contract.

C. Written Notice. All communications regarding this Contract shall be sent to the parties at the addresses listed on the signature page of this Contract, unless notified to the contrary. Any written notice hereunder shall become effective three (3) business days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Contract or such other address as may be hereafter specified in writing.

D. Assignment. Any assignment of this Contract by either party without the written consent of the non-assigning party shall be void. If the non-assigning party gives its consent to any assignment, the terms of this Contract shall continue in full force and effect and no further assignment shall be made without additional written consent.

CONSULTANT SERVICES CONTRACT 7
(Various)

PC
12/15/23

E. Modification. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by a duly authorized representative of the City and Consultant.

F. Entire Contract. The written provisions and terms of this Contract, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Contract. All of the above documents are hereby made a part of this Contract. However, should any language in any of the Exhibits to this Contract conflict with any language contained in this Contract, the terms of this Contract shall prevail.

G. Compliance with Laws. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or in the future become applicable to Consultant's business, equipment, and personnel engaged in operations covered by this Contract or accruing out of the performance of those operations.

H. Business License. Contractor shall comply with the provisions of Title 5 Chapter 5.04 of the Des Moines Municipal Code.

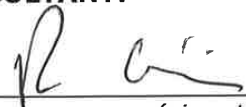
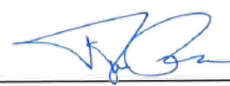
I. Counterparts. This Contract may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Contract.

J. Records Retention and Audit. During the progress of the Work and for a period not less than three (3) years from the date of completion of the Work or for the retention period required by law, whichever is greater, records and accounts pertaining to the Work and accounting therefore are to be kept available by the Parties for inspection and audit by representatives of the Parties and copies of all records, accounts, documents, or other data pertaining to the Work shall be furnished upon request. Records and accounts shall be maintained in accordance with applicable state law and regulations.

VP
12/15/23

CONSULTANT SERVICES CONTRACT 8
(Various)

IN WITNESS, the parties below execute this Contract, which shall become effective on the last date entered below.

CONSULTANT: By: <u></u> (signature) Print Name: <u>Peter Phillips</u> Its <u>Owner</u> (Title) DATE: <u>12/15/23</u>	CITY OF DES MOINES: By: <u></u> (signature) Print Name: <u>Tim George</u> Its <u>City Manager</u> (Title) DATE: <u>December 19, 2023</u> Approved as to form: <u>/s/ Matthew Hutchins</u> City Attorney DATE: <u>12/18/2023</u>
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NOTICES TO BE SENT TO: CONSULTANT: Peter Philips 19679 Marine View Dr SW Normandy Park, WA 98166 206-284-8285 (telephone) Peter@ColibriNW.com (facsimile)	NOTICES TO BE SENT TO: CITY OF DES MOINES: Bonnie Wilkins City of Des Moines 21630 11 th Avenue S., Suite A Des Moines, WA 98198 (206) 870-6519 (telephone) BWilkins@desmoineswa.gov (facsimile)
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CONSULTANT SERVICES CONTRACT 9
(Various)

Exhibit A
Scope of Work
1/1/2024 – 8/31/2024
Peter Philips
Flat Rate of \$5,500/mo.

Mission:

Perform duties designed to increase the vibrancy of downtown and the marina district by building on previous water-taxi service pilot and off boat fish sales to enhance the quality of life for Des Moines residents.

Assist in activation of the Des Moines Marina and surrounding downtown core, especially around maritime and marine transit, commercial fishing and retail development.

Raise visibility of the City of Des Moines with the local, regional and state public and private sectors as an innovative collaborator with public and private partners around marine transit.

Promotion of downtown and marina to retail and restaurant sectors, especially as a center of seafood and off-boat fish sales, and destination for water taxi passengers coming from Seattle, Tacoma and other locations.

Assist City staff with efforts to assure seamless integration of Marina waterside and landside improvements.

Support grant applications for marina-related projects for marine transit, infrastructure and electrification of the maritime assets of the marina. These efforts will also review resources for commercial fishing and sales.

2024 Projects:

Water Taxi

1. Identify and secure funding and operational partner(s) for pilot projects and to ensure long-term viability of permanent seasonal and/or permanent year-round water taxi service.
2. Secure vessel (consistent with City Council direction), terminals and operator for permanent, regularly scheduled water taxi service to Seattle.
3. Explore the possibility of other marine transit routes, especially a southern route toward Tacoma.

Off-boat fish sales at marina

1. Secure infrastructure necessary to make off boat fish sales economically viable for commercial fishermen. Including processing, ice machine, freezer capacity and negative forklift (which may also serve future dry stack storage facility associated with Marina dock replacement and reconfiguration.
2. Identify and engage private and public funding partners: grants and private investment to benefit seafood sales at the marina and by extension the Farmers Market.

Maritime High School

1. Support city effort to demonstrate how Des Moines is the best location to site a high school aimed at exposing students to maritime careers.

PP
4/15/23

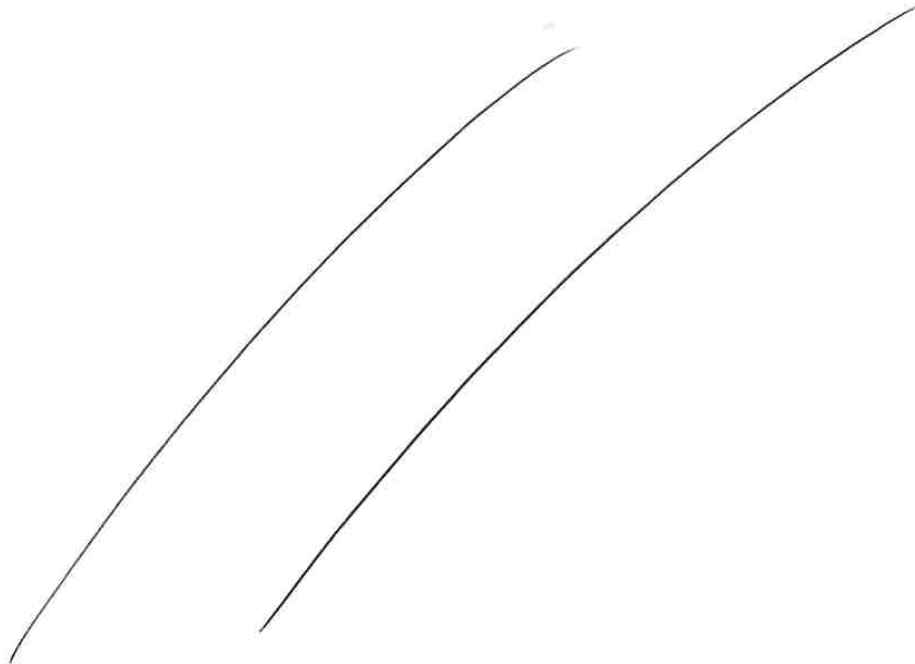
**Exhibit A
Scope of Work
1/1/2024 – 8/31/2024
Peter Philips
Flat Rate of \$5,500/mo.**

2. Work with High School to establish internships and direct-to-work path between students and the maritime industry, especially internships related to water taxi service, expansion of a commercial fishing presence, and the crafts associated with the operation and maintenance of commercial vessels.

Marine Infrastructure Development Grants

1. Work with city staff (AND City Legislative Advocate, Mr. Hemstad) to identify and secure funding through grants, public and private funds.

PP
12/15/23





CONTRACT ASSIGNMENT

CONTRACT FOR CONSULTANT SERVICES BETWEEN THE CITY OF DES MOINES AND PETER PHILIPS

THIS CONTRACT ASSIGNMENT agreement is entered pursuant to section XVI, subsection D of that certain Contract entered into on the 19th day of December, 2023, between the **CITY OF DES MOINES, WASHINGTON** (hereinafter "City"), and **Peter Philips**, (hereinafter "Consultant"),.

The parties herein agree that the Contract dated December 19, 2023, (hereinafter "Contract") shall remain in full force and effect, except as follows:

1. Pursuant to section XVI, subsection D of the Contract, and at the request of the Consultant, all rights, duties, and responsibilities of the Consultant under the Contract shall be assigned to Colibri Northwest LLC, limited liability company organized under the State of Washington with Peter Philips as its principal, and
2. Colibri Northwest LLC accepts the assignment of all rights, duties, and responsibilities under the Contract, and agrees that the terms of the Contract shall continue in full force and effect and no further assignment shall be made without additional written consent, and
3. The City hereby consents to the assignment consistent with the terms of section XVI, subsection D of the Contract.

Except as modified hereby, all terms and conditions of Contract dated December 19, 2023 remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Assignment as of the latest date written below.

<p style="text-align: center;">Peter Philips:</p> <p>By: <u></u> (signature)</p> <p>DATE: <u>2.8.24</u></p> <p style="text-align: center;">For Colibri Northwest LLC:</p> <p>By: <u></u> (signature)</p> <p>Print Name: <u>Peter Philips</u> Its <u>Manager / CEO</u> (Title)</p> <p>DATE: <u>2.8.24</u></p>	<p style="text-align: center;">CITY OF DES MOINES:</p> <p>By: <u></u> (signature)</p> <p>Print Name: <u>Tim George</u> Its <u>City Manager</u> (Title)</p> <p>DATE: <u>2/8/2024</u></p> <p style="text-align: right;">Approved as to form: <u>/s/ Matt Hutchins</u> City Attorney</p> <p style="text-align: right;">DATE: 2.8.2024</p>
<p>NOTICES TO BE SENT TO:</p> <p>Colibri Northwest LLC:</p> <p>Peter Philips Colibri Northwest LLC P.O. Box 13130 Des Moines, WA 98198</p> <p>206-284-8285 (telephone) Peter@ColibriNW.com (facsimile/email)</p>	<p>NOTICES TO BE SENT TO:</p> <p>CITY OF DES MOINES:</p> <p>Bonnie Wilkins City of Des Moines 21630 11th Avenue S., Suite A Des Moines, WA 98198 206-870-6519 (telephone) bwilkins@desmoineswa.gov (facsimile/email)</p>

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Public Hearing for Des Moines Creek Business Park West: Declaring Tract C surplus, approving Purchase and Sale Agreement and approving Trail Easement

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: September 5, 2024

ATTACHMENTS:

1. Draft Ordinance 24-030: Declaring Tract C Surplus
2. Draft Purchase and Sale Agreement
3. Appraisal
4. Appraisal Review
5. Trail Easement
6. Port of Seattle - Letter in support

CLEARANCES:

- City Clerk _____
- Communications _____
- Community Development /s/ DH
- Courts _____
- Emergency Management _____
- Finance *MH*
- Human Resources _____
- Legal /s/ MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works *APS*

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation:

The purpose of this agenda item is to hold a public hearing to consider the surplus of City property commonly referred to as "Tract C" located within the Des Moines Creek Business Park West, as well as to approve the Purchase and Sale Agreement and accept a Trail Easement.

Motions:

Motion 1: "I move to enact Draft Ordinance 24-030 declaring surplus to City needs Tract C located within the Des Moines Creek Business Park West, and authorize the City Manager to execute the documents necessary for the sale of the property to the Port of Seattle for fair market value."

Motion 2: "I move to approve the Trail Easement from the Port of Seattle over the Des Moines Creek Business Park West property, and authorize the City Manager to sign the Easement substantially in the form as attached."

Background

Over the last 15 years, the City has been implementing the vision for the Des Moines Creek Business Park to bring new economic activity, jobs and environmental reclamation to the long vacant parcels owned by the Port of Seattle. This work has included Comprehensive Plan amendments, zoning code updates, development agreements as well as extensive transportation and infrastructure improvements to accommodate the needs of various commercial and industrial businesses that were targeted for a future business park.

The latest section, the Des Moines Creek West phase, adds to this decade plus effort and when completed, will include the ability to support an estimated 600+ full-time jobs, sustainable design elements that protect local wetlands, improve the regional trail system, and replace impacted trees by a minimum 3 for 1 ratio. Panattoni Development Company, who was responsible for developing the majority of the existing business park, is also developing this site.

Discussion:

As a next step in the development process, several actions need to be taken by the City Council before construction can begin. Specifically, the surplus and sale of City owned parcel “Tract C” and the acceptance of the easement to provide a connection between Barnes Creek Trail and the Des Moines Creek Trail.

Tract C Surplus, Purchase and Sale

Tract C (“Parcel”) is a vacant parcel totaling 19,881 SF (aerial photos shown in Attachment 3). The Parcel is located at the intersection of South 216th Street and 20th Avenue South, just west of International Boulevard in the City of Des Moines. The Parcel was originally deeded over to the City of Des Moines from the Port of Seattle at no cost as part of an Interlocal Agreement in 2014 which included several other land swaps due to the development of the Des Moines Creek Business Park immediately to the east of the Parcel. Now the Port of Seattle requires this parcel due to its strategic location for safe and easy access for commercial cargo trucks that will be entering and exiting the Des Moines Creek West development site from 20th Ave S.

The Parcel was appraised by Kidder Mathews, using a highest and best use standard, at a value of \$690,000. The City obtained a review appraisal of the Kidder Mathews valuation that confirmed that \$690,000 reflected current market value.

As a note, there are currently no trees on the Tract C parcel and as a result no trees will be impacted by the construction of a private access on Tract C.

Trail Easement

As a condition of the Second Development Agreement between the Port of Seattle and the City approved by the City Council in 2012, the Port is required to construct a 12 foot wide joint use pedestrian and bike pathway within a 24 foot wide tract to provide a connection to the Des Moines Creek Trail in conjunction with this phase of the business park development. This connection will provide access from the Joint Use Access Path via Barnes Creek Trail to the Des Moines Creek Trail, which is part of the Lake to Sound Regional Trail System.

Pursuant to this requirement, the parties have negotiated a draft trail easement (Attachment 5) that contains the requirements of the DA. The Port, through their developer, will construct the pathway and associated improvements in accordance with the Agreement.

Alternatives:

Council has the option to decline to surplus Tract C. As a result, the City would receive no compensation and the Tract would be developed as a public street, which the City would own and ultimately be responsible for maintaining (not recommended).

The Council could also decline to accept the Trail Easement, however this would result in a gap in the trail and would be contrary to the Council approved Development Agreement (not recommended).

Financial Impact:

By approving the surplus and sale of Tract C, the City would receive a one time payment of \$690,000 which represents the fair market value of the property. The City would also be relieved of future maintenance costs for the roadway. In addition, the City will receive a fully constructed trail that provides connectivity between the Barnes Creek and the Des Moines Creek Trail.

Recommendations/Conclusion:

Administration recommends that the City Council approve the motions above as written.

DRAFT ORDINANCE NO. 24-030

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON, declaring certain City property commonly referred to as "Tract C" located approximately 100 yards north of the intersection of S 216th Street and 20th Ave South and extending to the east approximately 100 yards in a narrow tract that consists of 20,000 square feet within the City of Des Moines as surplus to the needs of the City and authorizing the sale of this property to the Port of Seattle, subject to the Port's compliance with the requirements set forth herein.

WHEREAS, in April of 2016, the City acquired fee interest in Tract C from the Port of Seattle as a condition of the 2nd Addendum to the Amended & Restated Second Development Agreement for the Des Moines Creek Business Park that required the extension of 20th Ave to provide public access to the site, and

WHEREAS, during the design and permitting process for the Des Moines Creek West Development Project, the decision was made to develop the 20th Ave extension contained in Tract C as a private drive, and

WHEREAS, development of the access road as a private drive would require the Port of Seattle to regain ownership of Tract C in fee simple, and

WHEREAS, developing the access as a private drive would result in the City no longer requiring ownership of the property for roadway purposes, and

WHEREAS, no apparent municipal use exists in private access roads, and

WHEREAS, consultation with utility providers confirmed that there are no existing utilities in Tract C that would require an easement, and

WHEREAS, RCW 39.33.010 specifies, "[t]he state or any municipality or any political subdivision thereof, may sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to the state or any municipality or any political subdivision thereof, or the federal government, on such terms and conditions as may be

mutually agreed upon by the proper authorities of the state and/or the subdivisions concerned," and

WHEREAS, The City of Des Moines and the Port of Seattle are political subdivisions of the State and as such are eligible to transfer and sell properties to each other pursuant to RCW 39.33.010, and

WHEREAS, RCW 39.33.020 requires that the City must hold a public hearing to provide public notice prior to disposing of surplus property having an estimated value greater than fifty thousand dollars, and

WHEREAS, a public hearing was noticed in accordance with state law for September 12, 2024, to be followed by City Council action, and

WHEREAS, the Council conducted a public hearing on September 12, 2024 and provided for public testimony regarding the declaration to surplus public property and the sale of said property to the Port of Seattle, and

WHEREAS, notice of the public hearing was given in accordance with RCW 39.33.020, and

WHEREAS, the Council finds that there is no public need sufficient to maintain City ownership of the property legally described in section 2 of this ordinance and on the map marked Exhibit "A" to this ordinance, and it is in the public interest to surplus this property and sell it to the Port of Seattle for the construction of a private drive, now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. Findings adopted. Based on the evidence presented, the City Council adopts the following findings of fact:

(1) Tract C, which is the subject of this Ordinance is located approximately 100 yards north of the intersection of S 216th Street and 20th Ave South and extending to the east

approximately 100 yards in a narrow tract that consists of 20,000 square feet within the City of Des Moines; and

(2) Tract C was conveyed in fee simple to the City in April of 2016, and the City owns the property subject to any restrictions found in the Statutory Warranty Deed; and

(3) City ownership of Tract C is not necessary for present and future use by public utilities; and

(4) Tract C is surplus and not necessary to the present and future needs of the citizens of the City of Des Moines for transportation purposes; and

(5) It is in the public interest to sell Tract C to allow for the construction of a private access drive by the Port of Seattle; and

(6) The property will be sold for fair market value as determined by a real estate appraisal and appraisal review.

Sec. 2. Surplus and sale of public property. Subject to the requirements set forth in this Ordinance, the following legally described public property and depicted on the attached map (incorporated herein by this reference) entitled Exhibit "A" is declared surplus:

TRACT C OF CITY OF DES MOINES SHORT PLAT NO. LUA2013-0036, RECORDED NOVEMBER 13, 2014 AS RECORDING NO. 20141113900004, RECORDS OF KING COUNTY, WASHINGTON AS AMENDED BY CITY OF DES MOINES SHORT PLAT NO. LUA2013-0036 ALTERATION RECORDED APRIL 26, 2016 AS RECORDING NO. 20160426900009, RECORDS OF KING COUNTY, WASHINGTON.

Sec. 3. Conditions of the surplus. The property declared surplus and eligible for transfer under this Ordinance shall be subject to the following conditions:

(1) The Port of Seattle shall be required to compensate the City of Des Moines the fair market value for purchase of the surplus property legally described in Section 2 of this Ordinance.

(2) All terms of a negotiated Purchase and Sale Agreement shall be met prior to transfer of the property.

Sec. 4. Severability-Construction. If a section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction; such decision shall not affect the validity of the remaining portions of this Ordinance.

Sec. 5. Recordation. The City Clerk shall cause a certified copy of this Ordinance to be recorded in the records of the King County Recorder.

Sec. 6. Effective date. This Ordinance shall take effect and be in full force thirty (30) days after its passage, approval, and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this _____ day of September, 2024 and signed in authentication thereof this _____ day of September, 2024.

M A Y O R

APPROVED AS TO FORM:

City Attorney

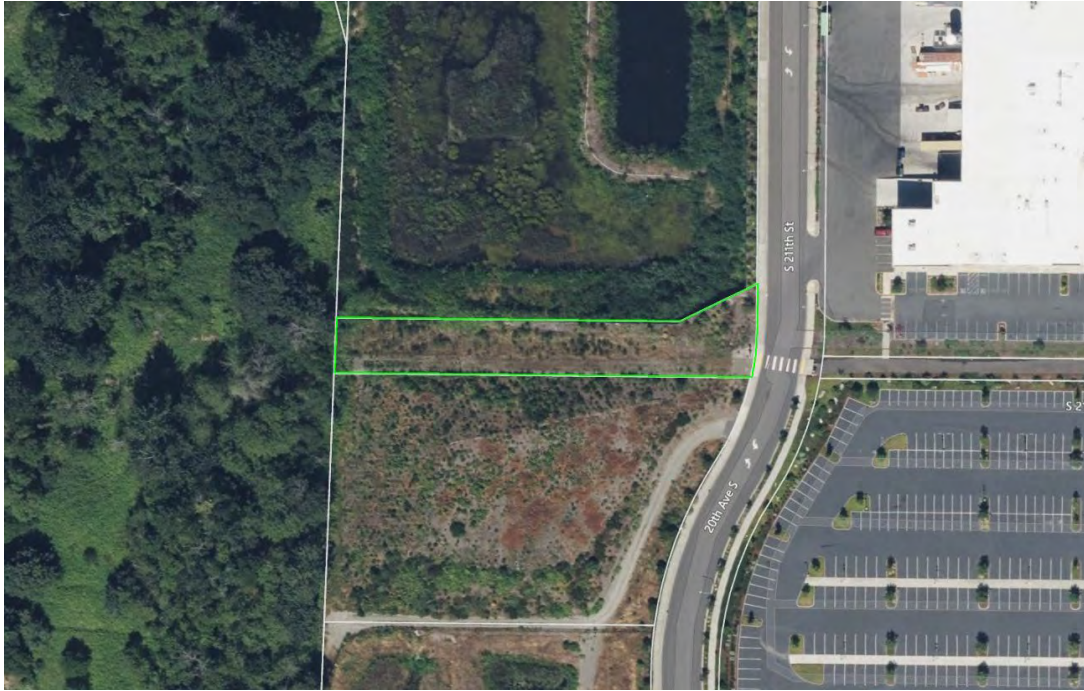
ATTEST:

City Clerk

Effective Date: _____

Published: _____

Exhibit "A"



REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between **the City of Des Moines**, a political subdivision of the State of Washington (the “Seller”) and **the Port of Seattle**, a Washington municipal corporation (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at [REDACTED], Des Moines, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property.

C. Prior to executing this Agreement, the Des Moines City Council determined the Property to be surplus to its need, and approved the sale of the Property to the Buyer on the terms contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all of Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property, if any; ;

1.1.3. all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of connection to the sewers, rights of ingress and egress, licenses, government approvals and permits affecting the Real Property, and all Seller’s right, title and interest in and to any plans, drawings, surveys, and warranty right related to the Real Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property."

**ARTICLE 2.
PURCHASE PRICE**

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefore, pay in cash to Seller on the Closing Date a total purchase price of six hundred and ninety thousand 00/100 dollars (\$690,000) (the "Purchase Price").

**ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND
CONDITION OF PROPERTY**

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington.

3.1.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the state of Washington, and (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's City Council. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding to act for or on behalf of Seller.

3.1.4. NO LITIGATION. There is no pending, or to Seller's knowledge, threatened claim, lawsuit, litigation, arbitration, investigation or other proceeding pertaining to the Property or any part thereof. There is no pending or, to the best of Seller's knowledge, threatened condemnation or similar proceeding pertaining to the Property or any part thereof.

3.1.5. NO VIOLATIONS. No governmental entity with jurisdiction or other person or entity has asserted, or to Seller's knowledge, has threatened to assert that the Property or any part thereof is in violation of any applicable legal requirement.

3.1.6. CONDITION OF PROPERTY. During Seller's ownership of the Property, and to Seller's knowledge before Seller's ownership of the Property, (i) there has been no generation, treatment, storage, transfer, disposal or release of Hazardous Substances, as defined in Section 3.2.4 of this Agreement, on, in, under or emanating from the Property; and (ii) there are or have been no underground storage tanks on the Property and no underground storage tanks have been removed from the Property. To Seller's knowledge there are no facts that would lead it to believe that there are any Hazardous Substances on, in, under or emanating from the Property. To Seller's knowledge there are no concealed material defects in the Property.

3.1.7. NO CONTRACTS. Except for the Permitted Exceptions (defined below), there are no contracts, agreements or other arrangements under which Seller is obligated to sell, exchange, transfer, lease, rent or allow the use of the Property or any part thereof now or in the future, or under which any person or entity has the right to possess or occupy the Property or any part thereof now or in the future.

3.1.8. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or

(b) sell, dispose of or encumber any portion of the Property.

3.1.9. MAINTENANCE OF PROPERTY. Seller shall continue to maintain the Property in its current condition, normal wear and tear excepted, and in compliance with all applicable laws and to pay all costs of the Property between the Effective Date and Closing.

3.1.10. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT C**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a Washington municipal corporation, duly organized, validly existing and in good standing under the laws of the State of Washington.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a Washington municipal corporation, and (ii) , has been duly authorized by all necessary action of the Buyer's governing authority, the Port of Seattle Commission. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted

for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding to act for or on behalf of Buyer.

3.2.4. CONDITION OF PROPERTY. Buyer acknowledges that, it has conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Property. Except to the extent of Seller's representations and warranties in Section 3.1, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the Property "AS IS, WHERE IS", including, without limitation, the existence or non-existence of Hazardous Substances on, in, under or emanating from the Property. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law, and the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. Nothing herein shall be deemed or construed to constitute a waiver by Buyer of any right of contribution under any Environmental Law.

3.3. RISK OF LOSS. Until the Closing, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, fire, earthquakes, tremors, wind, rain or other natural occurrences ("Casualty"). If the Property is destroyed or damaged by Casualty prior to Closing Buyer may terminate this Agreement, or alternatively, Buyer may elect to proceed with Closing, in which case Seller shall assign to Buyer all claims and right to proceeds under Seller's property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the property insurance policy. Buyer shall make its election under this Section 3.3 by written notice to Seller within fifteen (15) business days from Buyer learning of a Casualty and the Closing Date will be extended for the period of time necessary to allow Buyer to make its election.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Bargain and Sale Deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, and building or use restrictions

Page 4 of 17

420 Fourth Avenue Real Estate PSA -
12-18-14 DRAFT

general to the governing jurisdiction.

4.2. TITLE COMMITMENT. Buyer has obtained and provided to Seller a preliminary commitment for an owner's extended coverage policy of title insurance (the "Title Commitment") issued by [REDACTED] (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer and Seller have already agreed upon a set of exceptions or other items that are set forth in the Title Commitment or Survey and to which Buyer does not object, which shall be deemed to be permitted exceptions ("Permitted Exceptions"). The Permitted Exceptions are set forth in **EXHIBIT B**

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner's policy of standard coverage title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, and building or use restrictions general to the governing jurisdiction ("Title Policy"). The obligation of Buyer to provide the Title Policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policy in the form required by this Section.

ARTICLE 5. CONTINGENCIES

5.1. PROJECT ENTITLEMENT CONTINGENCY. Buyer is the owner of tax parcels adjacent to the Property which are subject to a ground lease between Buyer and a developer tenant, PDC, Seattle LPIV BB/TH, LLC ("Panattoni"). Panattoni has submitted a master plan application to seller and has a Title 16 variance application pending with Seller to develop and construct a project on Buyer's adjacent tax parcels. Buyer's performance under this Agreement shall be contingent on Panattoni receiving all necessary entitlements for its project from Seller, including approval of the variance for the project. This "Project Entitlement Contingency" shall be considered satisfied when the following events have all occurred: (i) approval by Seller of Panattoni's Master Plan for the project; (ii) Seller's issuance of a clearing and grading permit to Panattoni for its project; (iii) approval of Panattoni's Title 16 Variance for the project; and (iv) the passage of sixty (60) days following Panattoni's receipt of a SEPA determination from Seller and issuance of the Master Plan, or alternately, the passage of twenty-one (21) days following Panattoni's receipt of Seller's SEPA determination if no appeals are filed during the relevant appeal period. If the Project Entitlement Contingency has not been satisfied by June 1, 2025, this Agreement shall automatically terminate, and the Parties shall have no further obligations hereunder.

5.2. RIGHT OF ENTRY. Throughout the term of this Agreement, Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer

Panattoni and Buyer's and Panattoni's designated representatives the right to enter the Property and conduct tests, investigations and studies upon 24 hours advance verbal or email notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. Buyer will not be permitted to undertake activities that damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer ("Claims") caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees. The indemnification provisions in this Section 5.1.4 are specifically and expressly intended to constitute a waiver of the Buyer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.1 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

6.2 EXCLUSIVITY. Between the Effective Date and the Closing or earlier termination of this Agreement, Seller shall not market the Property, make or accept any offers to sell, refinance, or recapitalize the Property, or otherwise solicit any offers to purchase, or enter into any agreement for the sale, refinancing or recapitalization of the Property.

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the Effective Date and the Closing Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Section 3.2 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this

Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

**ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Title Company shall be irrevocably committed to issue the Title Policy as required by Section 4.4 of this Agreement.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

**ARTICLE 9.
CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS**

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

**ARTICLE 10.
CLOSING**

10.1. CLOSING/CLOSING DATE. The Closing shall take place within twenty (20) business days following the removal of all the contingencies in Article 5 of this Agreement or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices

of the Escrow Agent at [REDACTED], Washington.

10.2. PRORATIONS AND MONETARY LIENS.

10.2.1. Prorations. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (1/2) of the escrow fee charged by the Escrow Agent, the recording fees for the deed, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (1/2) of the escrow fee charged by the Escrow Agent, the costs of the preliminary and binding Title Commitments and the premium for the Title Policy and its own attorneys' fees. Except as otherwise provided in this Section 10.2, all other expenses hereunder shall be paid by the Party incurring such expenses.

10.2.2. Taxes. Buyer is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments ("Taxes") on the Property. Seller is and remains liable for the payment of such Taxes up to the Closing Date and any payments of Taxes unpaid on the Closing Date will be paid from Seller's proceeds by the Escrow Agent on the Closing Date.

10.2.3. Monetary Liens. Except as otherwise expressly provided to the contrary in this Agreement, Seller shall pay or cause to be satisfied at or before Closing all monetary liens on or with respect to all or any portion of the Property. If Seller fails to satisfy said liens, the Purchase Price shall be reduced by the amounts due to satisfy and discharge the liens.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A Bargain and Sale Deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT C**, attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price.

**ARTICLE 11.
MISCELLANEOUS PROVISIONS**

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default by Buyer, Seller shall have the right to bring an action for specific performance, damages and any other remedies available at law or in equity. In seeking any equitable remedies, Seller shall not be

required to prove or establish that Seller does not have an adequate remedy at law. Buyer hereby waives the requirement of any such proof and acknowledges that Seller would not have an adequate remedy at law for Buyer's breach of this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default of Seller, Buyer shall have the right to bring an action for specific performance, damages and any other remedies available at law or in equity. In seeking any equitable remedies, Buyer shall not be required to prove or establish that Buyer does not have an adequate remedy at law. Seller hereby waives the requirement of any such proof and acknowledges that Buyer would not have an adequate remedy at law for Seller's breach of this Agreement.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to "day" in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a "Legal Holiday." A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer:

Email _____

If to Seller:

Email _____

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be

construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

11.17. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Certificate of Non-Foreign Status

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: City of Des Moines

BUYER: Port of Seattle

By: _____

By: _____

Name: _____

Name:

Title: _____

Title:

Date: _____

Date: _____

EXHIBIT A.
LEGAL DESCRIPTION



EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:

[Redacted]

ATTN: [Redacted]

BARGAIN AND SALEDEED

Grantor - - King County, Washington

Grantee - - [Redacted]

Legal - - - [Redacted]

Tax Acct. - [Redacted]

The Grantor, the City of Des Moines, a political subdivision of the State of Washington, for and in consideration of mutual benefits, does hereby bargain, sell and convey unto the Grantee, the Port of Seattle, a Washington municipal corporation, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT B.

GRANTOR

GRANTEE

[Redacted]

BY: _____

BY: _____

TITLE:

TITLE:

DATE: _____

DATE: _____

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR PORT OF SEATTLE

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State of Washington, residing

at _____

City and State

My appointment expires _____

NOTARY BLOCK FOR CITY OF DES MOINES

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2015, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GAIL HOUSER, to me known to be the _____, and who executed the foregoing instrument and acknowledged to me that SHE was authorized to execute said instrument on behalf of _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State of Washington, residing

at _____

City and State

My appointment expires _____

EXHIBIT C.

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____ ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is _____;
4. Transferor's office address is _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 2024.

City of Des Moines, Transferor:

By: _____
Name: _____
Title: _____



Appraisal Report

Tract C | Des Moines, WA

as of February 25, 2024



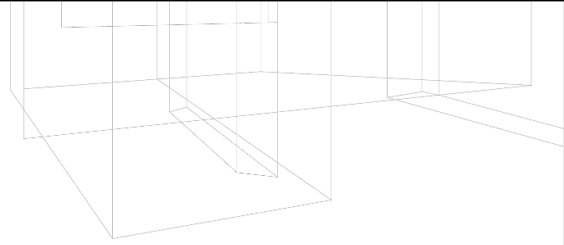
Prepared for
Mr. Daniel Alhadeff
Port of Seattle

Prepared by
David Chudzik, Ph.D., MAI, CRE
Jane Manke
KM Job A24-0192

Kidder Mathews
Valuation Advisory Services
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Seattle, WA 98101
206.205.0222 | Fax 206.205.0220
david.chudzik@kidder.com
jane.manke@kidder.com

**Kidder
Mathews**

KIDDER.COM



February 28, 2024

Mr. Daniel Alhadeff
Port of Seattle
P.O. Box 68727
Seattle, WA 98168

RE: Tract C
XX 20th Ave S
Des Moines, WA 98198

Dear Mr. Alhadeff:

At your request, we have prepared an appraisal of the above-referenced property, which is fully described in the attached report. The subject is 0.45 acres of land in Des Moines, WA. We have inspected the subject property and obtained data regarding similar real estate in the area. This appraisal provides a market value estimate for the subject property.

This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP). In addition, our services comply with and are subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The intended use of this appraisal is for use by the Port of Seattle to aid in internal decision-making purposes in relation to a potential acquisition of the subject property.

As a result of our investigation and analysis, we have concluded on the following fee simple market value, subject to the limiting conditions and assumptions contained herein:

Fee Simple Market Value, as of February 25, 2024..... \$690,000

Respectfully submitted,

David Chudzik, Ph.D., MAI, CRE
State-Certified General Real Estate Appraiser
#11102099

DMC-JGM/sh

Jane Manke
State-Registered Appraiser Trainee
Appraiser #1002120

Valuation Advisory Services
601 Union Street, Suite 4720
Seattle, WA 98101

T 206.205.0200
kidder.com

50 YEARS. THE EDGE IN YOUR MARKET.



Certification

We certify that, to the best of our knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3) We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- 4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 8) Jane Manke made a personal inspection of the property that is the subject of this report.
- 9) We have provided not professional appraisal or consulting services concerning the subject property in the past three years.
- 10) No one provided significant real property appraisal assistance to the persons signing this certification.
- 11) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) As of the date of this report David Chudzik, Ph.D., MAI, CRE has completed the program for Designated Members of the Appraisal Institute and Jane Manke, Practicing Affiliate, has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Practicing Affiliates.

David Chudzik, Ph.D., MAI, CRE
State-Certified General Real Estate
Appraiser #11102099

Jane Manke
State-Registered Appraiser Trainee
Appraiser #1002120



Limiting Conditions

Limiting conditions specific to this appraisal are:

- 1) Physical dimensions for the property were taken from public records or from information provided, and the appraisers assume no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.
- 2) We are assuming that there are no hidden or unapparent conditions of the property, subsoil, or structures (including asbestos, soil contamination, or unknown environmental factors) that render it more or less valuable. No responsibility is assumed for such conditions or for arranging the studies that may be required to discover them.
- 3) No responsibility is assumed for the legal description or for matters including legal or title considerations.
- 4) The information identified in this report as being furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 5) The appraisers are not required to give testimony or attendance in court by reason of this appraisal unless arrangements have previously been made.
- 6) The allocation of total value to land, buildings, or any fractional part or interest as shown in this report, is invalidated if used separately in conjunction with any other appraisal.
- 7) Valuation Advisory Services is a subsidiary of Kidder Mathews, a full service commercial real estate brokerage firm. On occasion, employees or agents of the firm have interests in the property being appraised. When present, interests have been disclosed, and the report has been made absent of any influence from these parties.

RESTRICTION UPON DISCLOSURE & USE:

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the appraisers. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraisers.



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ADDENDUM

 Appraisers' Experience Data



Summary of Appraisal



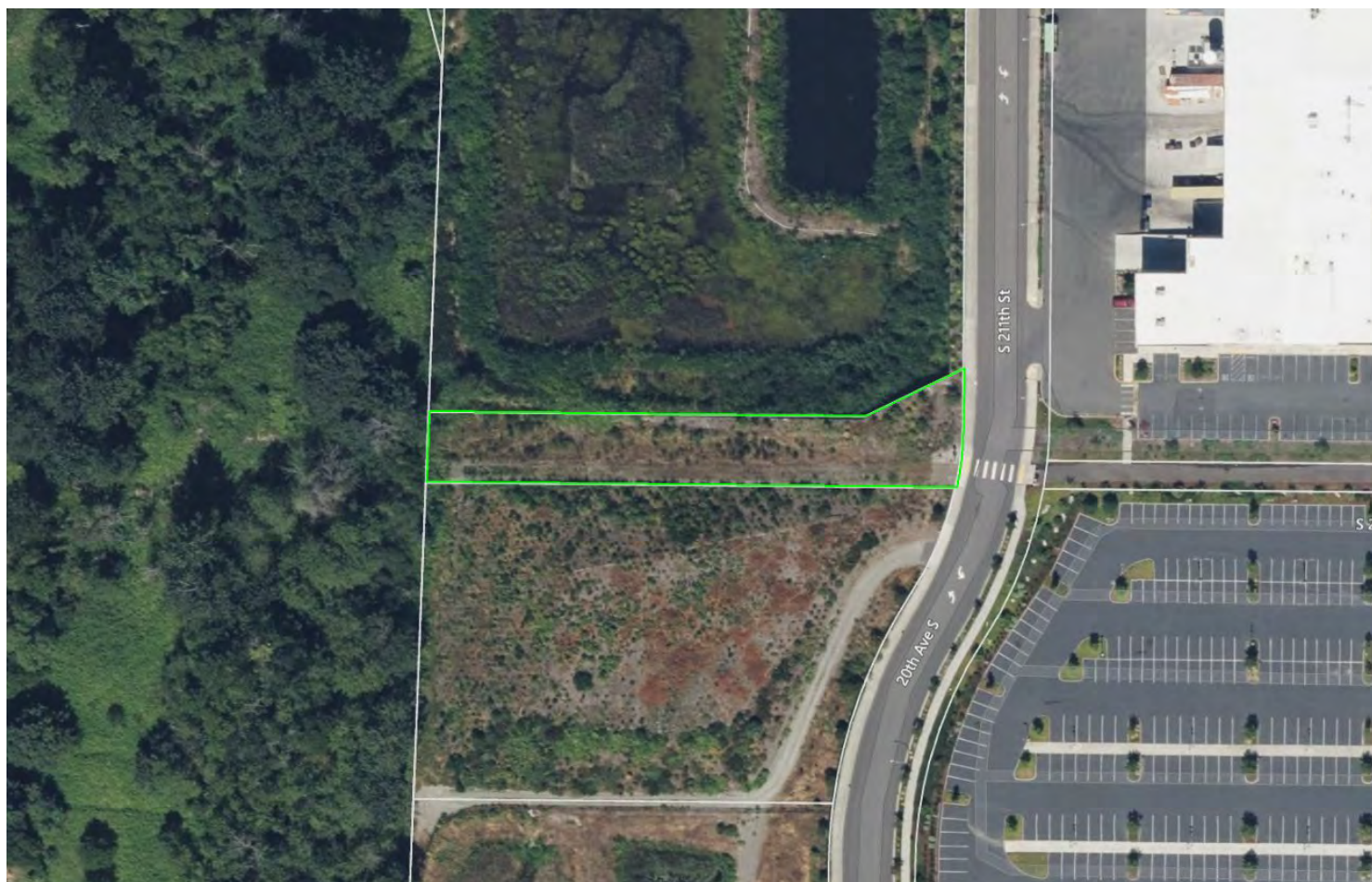
Summary of Appraisal

Identity of Property	Tract C XX 20th Ave S Des Moines, WA 98198
Property Description	The subject is 0.45 acres of land in Des Moines, WA. The subject is comprised of a single tax parcel with an irregular narrow shape and moderately sloping topography. Access and exposure are by 20 th Ave S. Zoning is Business Park, B-P, by the City of Des Moines.
Scope	This is a complete scope appraisal presented in a narrative approach. All appropriate steps were taken to provide a fully reliable and credible appraisal of the subject. This appraisal utilizes the Across the Fence (or ATF) value which estimates sale price based on the unit prices of sales of land similar to that adjoining the subject. A detailed scope of the appraisal is included in the following Introduction section.
Intended Use & Intended User	The intended use of this assessment is for internal decision-making purposes in relation to a potential acquisition of the subject property by the Port of Seattle.
Property Rights Appraised	Fee Simple
Extraordinary Assumptions	None
Hypothetical Conditions	None
Existing Lease Encumbrances	None
Highest & Best Use	As Vacant Assemblage with neighboring parcel(s) for industrial development.

Approaches to Value & Final Value	As of February 25, 2024				
Conclusion	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: left;">Sales Comparison Approach</td> <td style="text-align: right;">\$690,000</td> </tr> <tr> <td style="text-align: center;">Market Value</td> <td style="text-align: right;">\$690,000</td> </tr> </table>	Sales Comparison Approach	\$690,000	Market Value	\$690,000
Sales Comparison Approach	\$690,000				
Market Value	\$690,000				



Date of Report	February 28, 2024
Date of Last Inspection	February 25, 2024
Effective Date of Appraisal	February 25, 2024
Exposure Time	Three to six months
Marketing Time	Three to six months



Aerial Photograph (North is Up, Boundaries are Approximate)



Subject Photographs

View from 20th Ave S, facing west



East end of the site, facing east
towards 20th Ave S



East end of the site, facing
northeast





Subject Photographs

North end of the site, facing northwest



View from the center of the site, facing east. There is a rough gravel road along the south parcel boundary



West end of the site





Subject Photographs

View facing west



View of the retaining wall along
the north parcel boundary





Introduction



Introduction

Property Description The subject is 0.45 acres of land known as Tract C in Des Moines, WA. The subject is comprised of a single tax parcel with an irregular narrow shape. It has moderate topography with a downward slope to the north and west. Access and exposure are by 20th Ave S. Zoning is Business Park, B-P, by the City of Des Moines. The size and shape of the parcel will significantly limit its utility as a standalone development site.

ADDRESS XX 20th Ave S
Des Moines, WA 98198

**ASSESSOR'S TAX
PARCEL NUMBER** 092204-9418

**LEGAL
DESCRIPTION** The subject's abbreviated legal description follows according to the title report provided:

TRACT C OF CITY OF DES MOINES SHORT PLAT NO. LUA2013-0036, RECORDED NOVEMBER 13, 2014 AS RECORDING NO. 20141113900004, RECORDS OF KING COUNTY, WASHINGTON AS AMENDED BY CITY OF DES MOINES SHORT PLAT NO. LUA2013-0036 ALTERATION RECORDED APRIL 26, 2016 AS RECORDING NO. 20160426900009, RECORDS OF KING COUNTY, WASHINGTON.

Ownership History According to the title report provided, ownership in the subject parcel is vested in the City of Des Moines. Over the past three years, there have been no known sales of the subject property. The owner is considering selling the subject to the Port of Seattle.

Property Rights Appraised This is an appraisal of the fee simple estate. The definition of "fee simple estate" is as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Source: [The Dictionary of Real Estate Appraisal](#), Seventh Edition. Chicago: Appraisal Institute, 2022.



Purpose of Appraisal

The purpose of this appraisal is to estimate the market value of the subject property. The term "Market Value" is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date, and the passing of title from seller to the buyer under conditions whereby:

- a. the buyer and seller are typically motivated;*
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [h].

Scope of Appraisal

This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP), as formulated by the Appraisal Foundation. In this report, we have estimated the market value of the subject real estate as of February 25, 2024. It is presented as a comprehensive appraisal report. A copy of the written instructions adhered to in the preparation of this report is contained in the Addendum. In this report, the Sales Comparison is used as this is the only relevant approach for land. The Cost and Income Capitalization Approaches are not relevant and are not used.

- The subject was inspected on February 25, 2024.
- The research included both general and specific data. Sources of general data included in the market trends and neighborhood description are obtained from various sources that include Kidder Mathews field investigation, as well as information from various organizations and governmental resources.

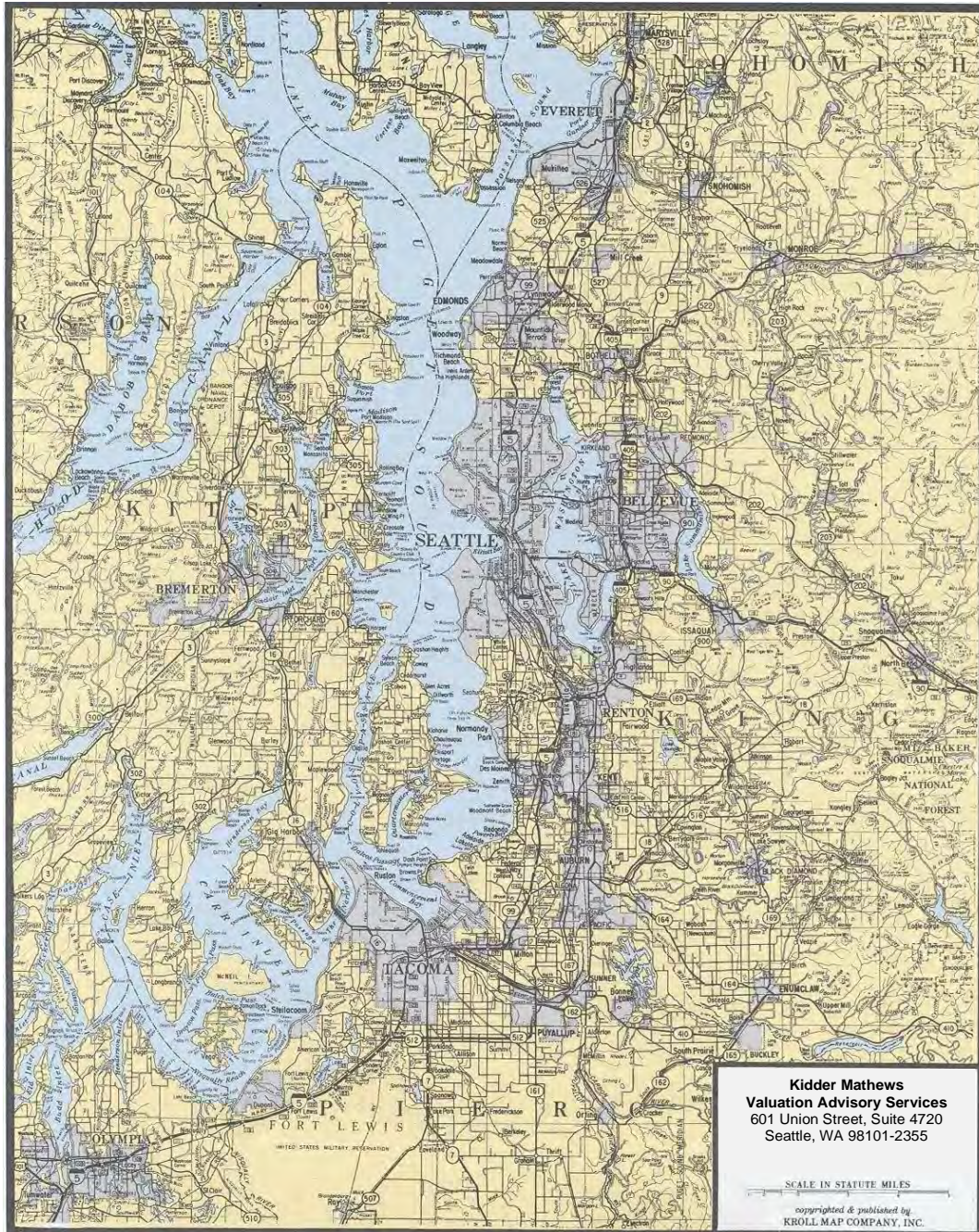


- Specific data concerning the subject was obtained from various sources, including King County (assessed values and real estate taxes), the City of Des Moines (zoning), and the client (property information).
- This appraisal utilizes the Across the Fence (or ATF) value which estimates sale price based on the unit prices of sales of land similar to that adjoining the subject. The ATF method is based on the principle of substitution. In theory, a corridor, or segment of a corridor, is divided down the centerline and each half is “joined” to the adjacent parcel and the adjacent parcel’s highest and best use. Sales data is gathered that reflects the highest and best use of typical adjacent properties. The underlying assumption of this method is that land in the transportation corridor is equal to the value of adjoining lands.
- In the Sales Comparison Approach, sales were researched of properties in the surrounding areas with a similar highest and best use as the subject. All the sales data were confirmed with a party involved in the transaction and/or through private sources or public records.

Extraordinary Assumptions	None
Hypothetical Conditions	None
Intended Use & Intended User	The intended use of this assessment is for internal decision-making purposes in relation to a potential acquisition of the subject property by the Port of Seattle.
Date of Report	February 28, 2024
Date of Last Inspection	February 25, 2024
Effective Dates of Appraisal	February 25, 2024



Market Overview



Regional Map



Regional Overview

Introduction

The Puget Sound region comprises King, Kitsap, Pierce, Snohomish, and Thurston Counties. King County has the largest population and employment base with growth in technology driven by Amazon, Microsoft, Facebook, and Google. King County has the region's largest airport, largest university, and the second largest port. Snohomish County includes Boeing's largest manufacturing facility but has downsized and a Navy Homeport in Everett. Pierce County includes the region's largest port and its largest military base. Kitsap County has significant military bases. Thurston County has significant government employment.

Regional Overview

The Puget Sound region has been one of the best performing areas in the nation. Even with employment decline in 2020, the regional employment growth was nearly 448,000 jobs in the last ten years, an average of 2.3% per year, outpacing population growth.

Regional and National Economic Indicators	Forecast											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Annual Change												
Puget Sound Region												
Employment	3.1%	3.2%	2.4%	2.3%	2.3%	-5.0%	1.6%	4.3%	1.4%	-0.1%	1.4%	
Personal Income	5.9%	4.7%	5.6%	6.1%	4.5%	5.8%	8.5%	2.1%	5.1%	5.0%	7.4%	
Consumer Price Index	1.4%	2.2%	3.0%	3.2%	2.6%	1.7%	4.7%	8.9%	5.3%	2.5%	2.1%	
Housing Permits	23.5%	-4.5%	7.3%	-6.1%	4.4%	-6.8%	28.3%	-13.3%	-26.9%	4.4%	21.7%	
Population	1.7%	1.7%	1.5%	1.4%	1.3%	1.3%	0.8%	1.1%	0.7%	0.8%	1.2%	
United States												
Employment	2.1%	1.8%	1.6%	1.6%	1.4%	-5.7%	2.7%	4.3%	2.4%	-0.1%	0.2%	
Personal Income	4.9%	2.8%	4.9%	5.3%	3.9%	6.3%	7.5%	2.0%	6.0%	4.9%	6.2%	
Consumer Price Index	0.1%	1.3%	2.1%	2.4%	1.8%	1.3%	4.7%	8.0%	4.2%	2.7%	2.2%	

Source: *The Puget Sound Economic Forecaster, December 2023*

Growth has been driven by technology, and by Amazon which is now the largest employer in the region. From 2012 through early 2020, the region enjoyed a strong economy. In 2020, the world, national, and regional economies faced the unprecedented challenge of the Covid-19 pandemic. Lodging, travel, leisure, and retail sectors saw employment reduction. In 2022, employment surpassed the pre-Covid peak.

The Puget Sound Economic Forecaster is the longest running and primary source of regional data in the market. It is produced by Western Washington University. The December 2023 report includes the latest estimates for employment, personal income, and housing starts. The forecast for 2023 is employment growth of 30,900 jobs or 1.4% compared to their previous forecast of 57,000 new jobs or 2.6%. The increase is expected in Other Services (+28,200 jobs), Government (+6,200 jobs),

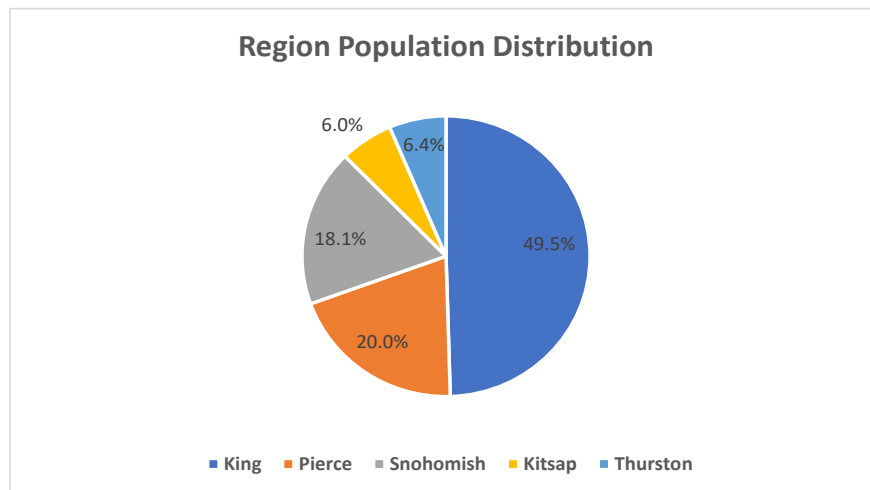


Manufacturing (+2,900 jobs), Retail/Wholesale (+2,000 jobs) and Construction (+1,300 jobs), which is offset by losses in Professional & Business Services (-5,700 jobs) and Information (-5,500 jobs). Looking beyond 2023, employment growth is projected to be slightly negative at -0.1% in 2024 and only 1.4% in 2025.

During 2022, the mean consumer price index (CPI) rose 8.9%, up from 4.7% in 2021 and 1.7% in 2020. To combat inflation, the Federal Reserve signaled tighter monetary policy. In 2022 and 2023, the Federal Reserve raised the interest rate 11 times in an effort to cool off inflation. The federal funds rate is presently at 5.25% to 5.50% and has been at that rate since July 27, 2023. The result is the inflation rate for the past 12 months is 3.4% for December 2023, down from 6.5% in December 2022. The higher interest rates have flowed into economic activity from car purchases to real estate. The stock market continues to be volatile with the S&P 500 down 19.44% in 2022, but up 25% in 2023. The tech-heavy Nasdaq was down 33% in a bear market in 2022 but was up 44.7% in 2023. With the volatility of the markets, some investment capital has shifted somewhat more to real estate, but that is met with challenges given very little product has sold and capitalization rates are up due to higher interest rates.

Population

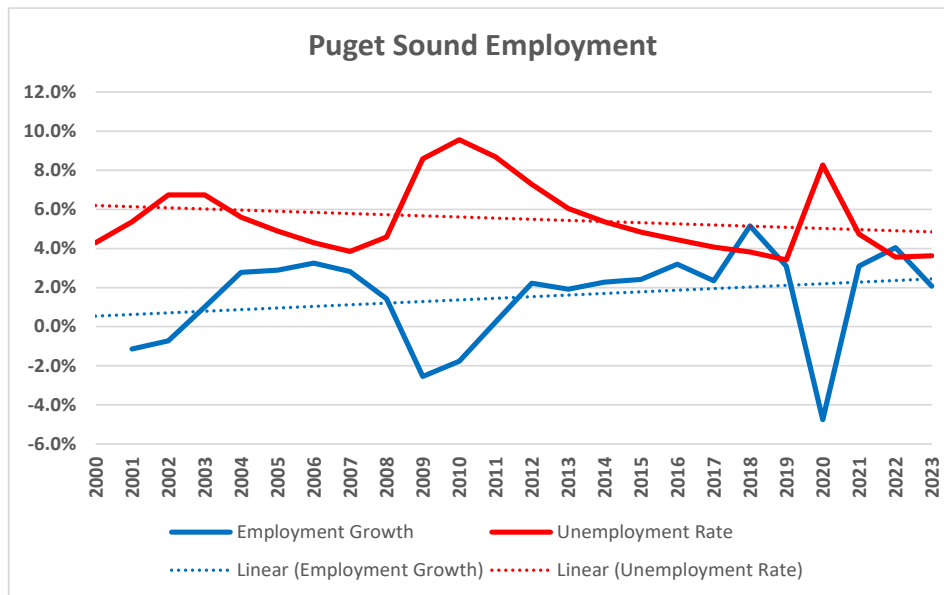
For the past 40 years, the population of Washington has grown nearly 20% per decade. The five counties that comprise the Central Puget Sound Region account for 60% of Washington's 2023 population of 7,951,150. Since 2020, the region's growth has been slower at 1.1% per year. The major change has been declining in-migration. That is tied directly to the slowing job growth (particularly during Covid) and cost of living increases.





Employment

As of December 2023, regional employment was at an all-time high, but has leveled off. Unemployment has inched up at 3.6% compared to 3.4% from one year ago.



Over the past 10 years, Amazon has been the biggest single contributor to employment growth with over 85,000 employees in the state and about 55,000 in the Seattle and 10,000 in Bellevue. So far in 2023, companywide, Amazon has reduced their workforce from 1.62MM to 1.5MM. In Seattle, total employment now stands at about 55,000 compared to 65,000. Amazon supercharged the Seattle tech hub that now includes significant local expansions by Facebook, Google, Tableau, Zillow, Apple, eBay, and Alibaba, in both Seattle and the Eastside. The tech industry accounts for nearly 30% of the local economy. That said, there have been layoffs, including Microsoft and Amazon and other Seattle area startups as venture capital dollars dried up.

Microsoft has 53,576 employees in Washington State as of 2022 (latest available data), about 44% of its U.S. total of 122,000, and 24% of its worldwide total of 221,000. The 500-acre Microsoft Headquarters campus in Redmond includes over 10MM sq ft in 80 buildings. Microsoft is overhauling and expanding its main campus in a multi-year project that started in 2019. Over five to seven years, the company plans 18 new buildings on the campus. The expansion will add about 1.3MM sq ft, room



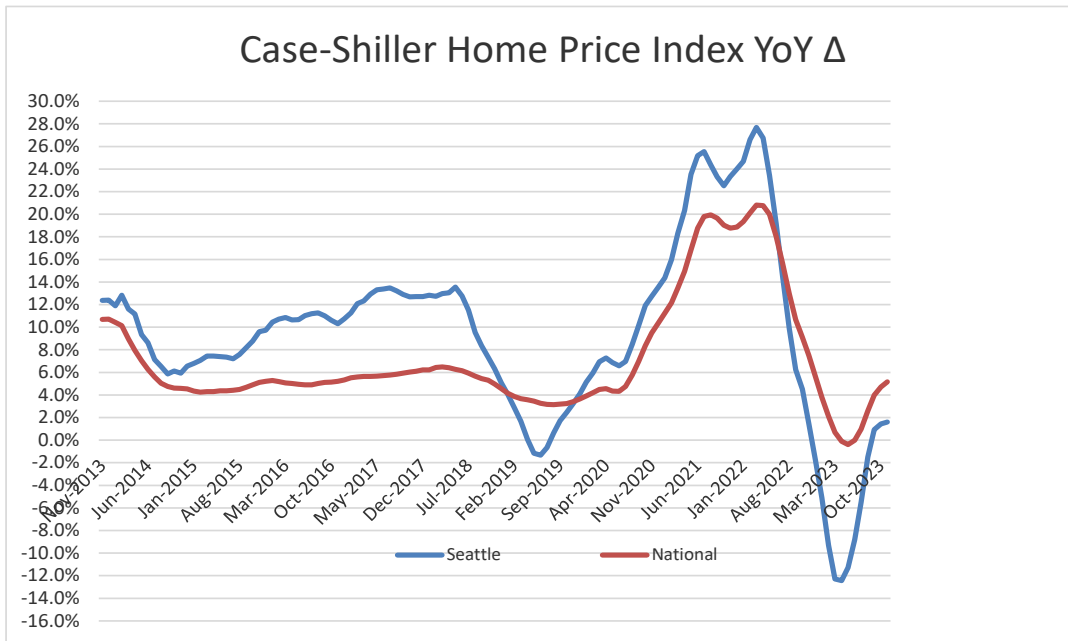
for an additional 8,000 employees. Despite the expansion, Microsoft has laid off about 3,000 worker locally in 2023.

After several years of declining employment in Washington, Boeing's workforce in Washington grew by 6,553 in 2023 and now stands at 66,792 workers, still shy of the pre-pandemic count of 71,829. Most of these employees are in King, Snohomish, and Pierce Counties. The company has seen improvement since resolving issues on the 737 Max and recovering from lack of travel demand due to the pandemic, although the recent grounding due to the mid-air blowout of a fuselage panel on January 5, 2024 is not going to help.

Regional Housing Market

Home values in the region have steadily increased over the last ten years, with demand outpacing supply and mortgage rates at historic lows. The Covid-19 pandemic did not have a negative impact on housing, as a percentage of apartment renters have moved to home ownership. With long-term employment growth and barriers to supply (geographic and government), housing values have appreciated strongly in the region, outpacing the national rate of appreciation. That said, since May 2022 interest rates have been on the rise, and we have seen home prices come down, a trend that continued through February 2023 before starting to rise again through August 2023, before starting another decline in September 2023.

Standard & Poor's Case-Shiller Index has increased 127.2% for the Seattle market over the last ten years, with average year-over-year increases in the monthly index of 9.4%. For this same period, the national 20 city composite index increased 101.2%, with an average annual increase for the monthly index of 7.3%.



Housing-permit activity is the sum of single and multifamily markets. It increased by 23.5% in 2015, and then dropped by 4.5% in 2016. Activity picked back up in 2017, increasing by 7.3%, but dropped again by -6.1% in 2018 and was up 3.6% in 2019, 8.1% in 2020, and 28.3% in 2021 according to the Puget Sound Economic Forecaster. Activity declined again in both 2022 (-13.3%) and 2023 (-26.9%) but is expected to increase 4.4% in 2024 and 21.7% in 2025. Most of this high variability comes from the multifamily segment. With increases in vacancy, apartment development has slowed. Single-family developers have been disciplined; however, the housing market is now finding older households sizing down at the same time the millennial generation is entering the market as first-time buyers.

Commercial Real Estate Markets

With strong employment growth, the region has been a top national investment market. Class A core apartments, industrial, and retail properties are all high on the institutional buyers' list, while the office market with rising vacancies and lack of demand is not.



Vacancy Rates - Q4 2023

Segment	Region	King	Kitsap	Pierce	Snohomish	Thurston
Office	13.2%	15.0%	3.5%	9.3%	8.4%	2.3%
Industrial	6.2%	6.6%	1.4%	6.2%	5.4%	4.8%
Apartment	6.7%	6.8%	7.0%	6.4%	6.7%	7.4%
Retail	3.0%	3.3%	2.7%	2.6%	2.8%	2.0%

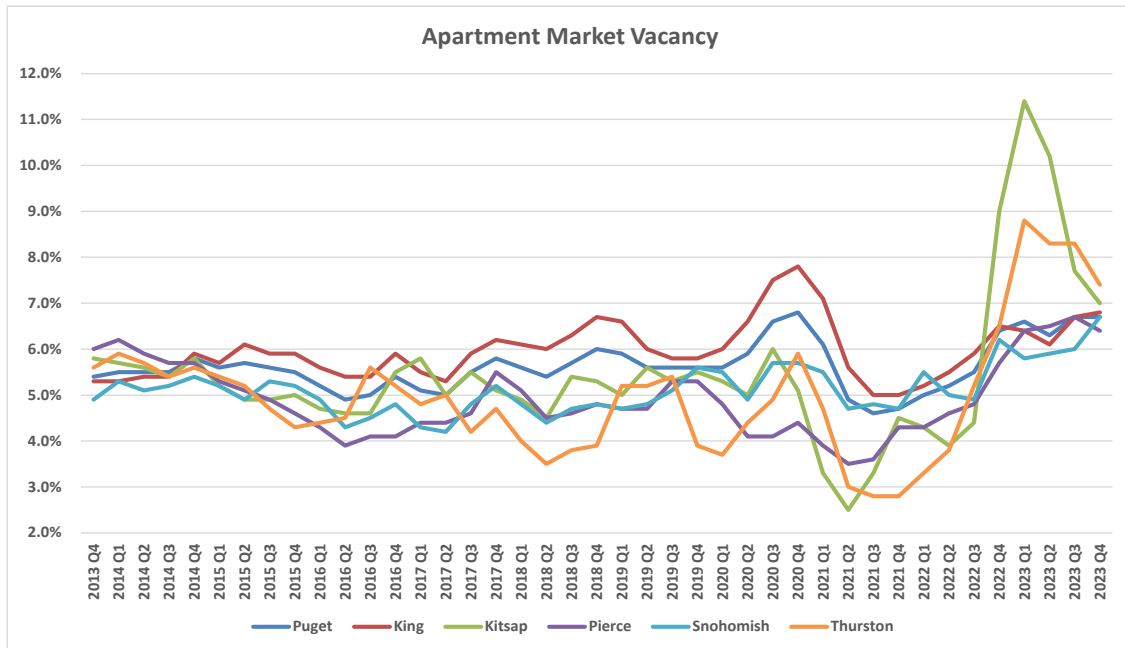
Source: CoStar

For the region, all segments saw increases in vacancy over the past quarter. The office market saw an increase of 70 basis points; the industrial market was up 50 basis points; the apartment market saw an increase of 40 basis points; and retail's vacancy is up 20 basis points. Office is still seeing tepid demand, particularly in the Seattle CBD, the largest market. Retail is also seeing challenges in the Seattle CBD due to lower daytime employment and safety concerns but is more positive in the suburban markets. Industrial continues to see very heavy development activity, although leasing demand has softened.

APARTMENT

The apartment market has slowed down. There has been a disconnect between supply and demand. Developers have added about 9,800 units to the region's inventory over the past 12 months, while about 6,600 units were absorbed. Not surprising, vacancy rates have increased from 6.3% to 6.7% as of the end of 2023. With a robust pipeline of new units delivering at a time of slowing demand, rent growth has slowed. Annual rent growth sits at 1.2%, after reaching an all-time high of 10% two years ago. Areas with a lot of new supply such as Downtown Seattle and Redmond were the first to see negative rent growth in the most recent cycle. They were the first to see rent growth return as that wave of projects leased up.

The pace of multifamily sales in the region has slowed. Over the past 12 months, volume came in at \$2.3 billion, down from a high of \$9.4 billion within the past few years. The five-year average annual sales volume is \$5.4 billion. Cap rates have taken a hit from both an increase in borrowing costs and slowing rent growth, which makes it difficult to take on negative leverage. Pricing has adjusted accordingly. For example, pricing in the upper tier categories were about \$400,000/unit in 2022. In 2023, the average price was around \$350,000 in the same category. Recent cap rates have hovered around 5%, while cap rates in the 3% to 4% range was not uncommon in 2021 and 2022.



The baseline forecast suggests that apartment vacancies will decrease slightly over the next year as demand ticks up. Against that background, the recent slowdown in construction starts should also help in lowering vacancies. This should create upward pressure on rents. Annual rent growth is forecast to be 4% by the end of 2024.

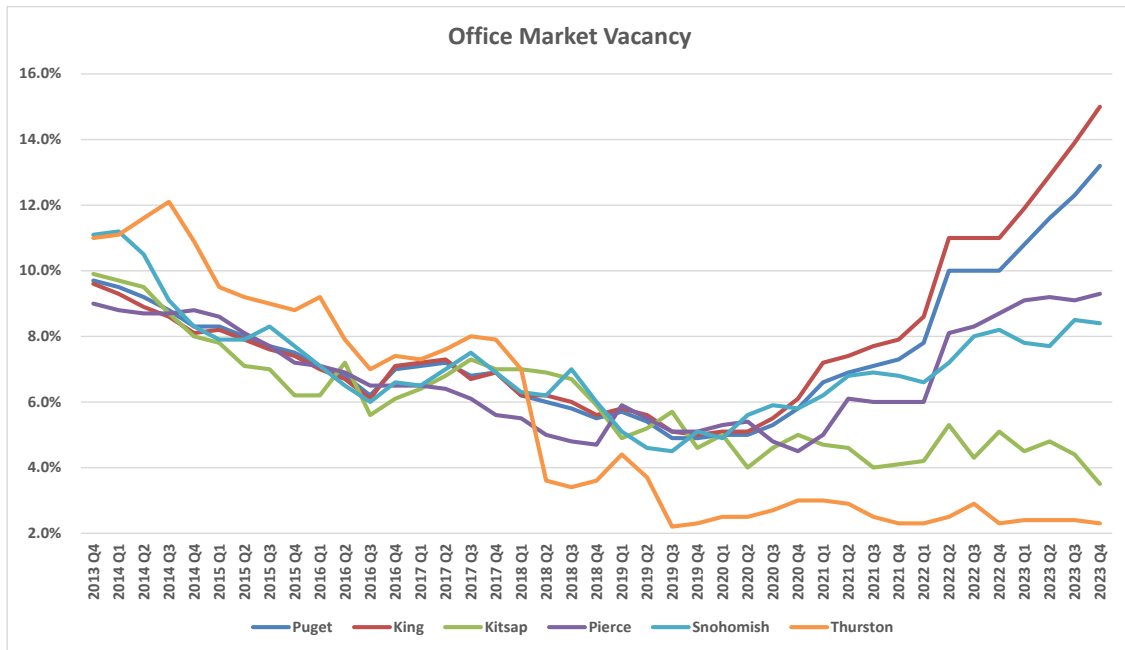
OFFICE

The region’s office market is still very much unsettled as it is currently in one of the most pronounced downturn in more than 40 years. In the past year, occupancy fell by more than 4 million sq ft, the largest one-year drop on record, and it continued a trend that started in 2020. Since the onset of the pandemic, tenants have vacated about 10 million sq ft, or 4% of the total office inventory. By comparison, negative absorption during the dotcom bust was only about 2% of total inventory.

Seattle is most vulnerable than most U.S. office markets because of exposure to tech companies with large leases expiring. With an increase focus on office usage and shrinking headcounts in the tech sector, companies have reduced space requirements. This has resulted in heightened availability in many submarkets. While Seattle proper has seen a consistent rise in vacancy since 2020, Bellevue is now experiencing similar challenges. Move-outs by Microsoft, T-Mobile, and Boeing drove the largest jump in vacancy in the nation in Bellevue’s I-90 corridor in 2023. More than 40% of the space there is now vacant. Downtown



Bellevue could see a jump in vacancy in the year ahead as well. Vacancy there has risen to 10%, but about a third of office space there is available, driven by move-outs by Microsoft.



Regionwide, vacancy stands at 13.2%, with King County struggling the most at 15%, followed by Pierce County at 9.3% and Snohomish County at 8.4%. The outlying submarkets of Kitsap and Thurston Counties are faring much better. Kitsap County’s vacancy now stands at 3.5%, while Thurston County, which is driven by State government is at 2.3%. Sublet vacancy in the region, which was 18.3% of total vacant inventory as of mid-2023 now stands at about 16.9%.

Given the lack of tenant demand, rent growth in the past 12 months came in at -1.1% compared to the 10-year average of 3.2%. For comparison, the national benchmark for rent growth over the past year was 0.8%, and the 10-year average was 1.1%. Once factors such as inflation and tenant incentives (free rent and TI allowances) are included, rents likely fell much further than the headline asking rents indicate.

A lack of pressure from new construction is one bright spot for Seattle. The region has one of the fastest-growing office inventories in the nation. Yet, much of the space still underway is owner-occupied or pre-leased,



with Amazon and Microsoft accounting for about half of that. Activity has also slowed rapidly, with starts falling by about 90% in 2023.

Given the major downturn in tenant demand, the office sector has also seen the most dramatic slowdown in sales among property asset classes. With transactions so rare, there is not yet a clear picture of a pricing reset, though one deal closed in early 2023 for 27% less than it last traded in 2019. The property was 95% leased at the time of the sale and was fully leased at the time of the previous sale in 2019. The property traded at a 9.5% cap rate, compared to 6.7% for the prior sale. As rates begin to normalize in 2024, more trades will likely take place. When that happens, a clearer picture of pricing should hopefully emerge.

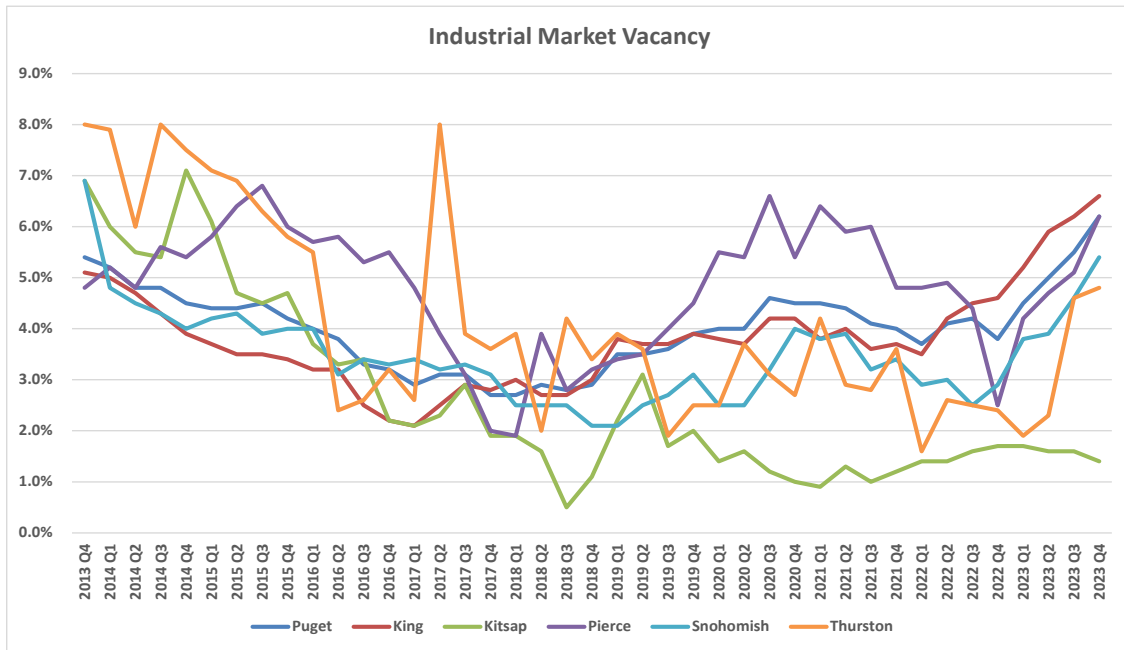
INDUSTRIAL

The region's industrial market which has been performing well even during the pandemic is started to see its vacancy rate rise as of the 1st quarter of 2023 and has continued since, with year-end 2023 vacancy regionwide at 6.2% compared to 3.8% at the end of 2022. King County has the highest vacancy at 6.6%, followed by Pierce at 6.2% and Snohomish County at 5.4%. Thurston is the next highest at 4.8%, while Kitsap County is the only market to improved with 1.4% vacancy compared to 2.0% at the beginning of 2023.

Net absorption for 2023 was -1.6 million sq ft, compared to nearly 5.8 million sq ft of positive net absorption in 2022. Construction volume is down from 14.2 million sq ft at the end of 2022 to 7.4 million sq ft at the end of 2023.

While the vacancy rate is at 6.2%, the availability rate is higher at 8.4%, up from 6.7% from the beginning of 2023 due to a combination of a wave of new construction and a slowdown in leasing volume, along with companies giving back space. One example is Amazon's 92,000 sq ft space at Everett Commerce Center, which was leased in 2017 is now available for sub-lease. Amazon also recently closed a 79,000 sq ft distribution center in Renton. In mid-2023, Costco put a 450,000 sq ft space up for sublease in Dupont that it just leased two years earlier in 2021.

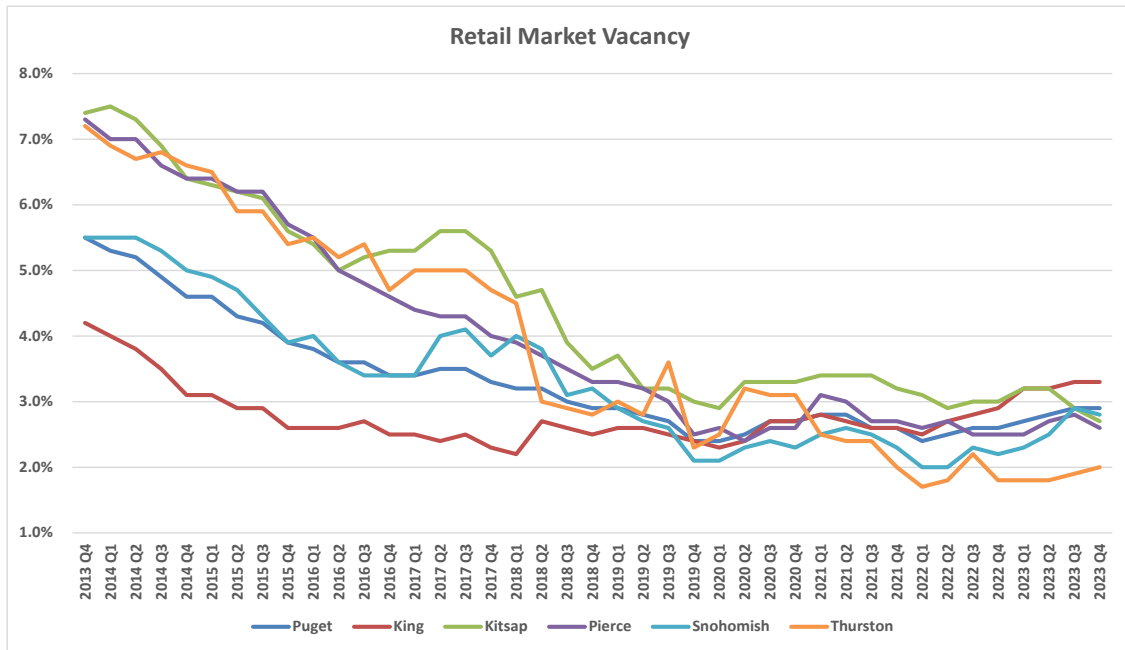
Like the other segments, sales volume in 2023 for industrial properties was down by more than 70%, the slowest pace for industrial sales volume in more than a decade. The large institutional buyers were the most active over the past several years, but in 2023, private buyers and owner/users represented nearly all the sales volumes.



RETAIL

While the retail market overall has the lowest vacancy of the four sectors, over the past 12 months, the vacancy has inched up modestly by 40 basis points to 3.0% as the region had negative net absorption of -404,965 sq ft. A reduction in overall inventory over the past five years, 3.6 million sq ft has been demolished and very little has been added back.

Several mall properties have been repositioned as mixed-use assets with retail space giving way to the multifamily component. Ground level retail in the Seattle CBD is restrained by lower daytime employment and safety concerns. In the suburban areas, it is a different story, much more optimistic with low vacancy and stronger tenant demand and higher rent increases. Over the past three years, King County retail asking rents grew a cumulative 6%, compared to about 10% in the more suburban and rural Snohomish and Pierce counties.



Retail investments in the region was close to \$800 million in 2023, Aside from a slowdown in 2020, this was the lowest sales volume in 12 years. For comparison, 12-months sales volume averaged \$1.5 billion over the past five years, reaching a high of \$2.1 billion in 2021.

Overall, despite a drop in retail demand in downtown Seattle, the retail market remains tight, driven by redevelopment efforts and a shift towards mixed-use. This trend is likely to continue through 2024 given expectations for minimal new supply and an active pace of redevelopment.

HOSPITALITY

In the Puget Sound region, the 12-month average ADR through December 2023 was at \$177, a historic peak high and is the primary driver of RevPar growth. The 12-month average occupancy grew 1.5% year over year, lower than ADR growth, and remains well below previous peak levels, reaching only 67.3%. The growth is attributed to the return of some conferences and conventions and the mega summer events such as the MLB All-Star Game. Seattle also benefits from a surge in leisure travel throughout the summer but still lags in corporate and group travel due to lack of travel from the tech market. As group demand improves, boosted by the Washington State Convention Center’s new \$1.9 billion, 1.6 million sq ft building that opened in early 2023, annual occupancy, ADR, and RevPar are projected to grow for the next five years.



The past two years had fewer rooms open after a significant hotel inventory increase from 2017 to 2019, with over 6,500 new rooms added. The slowdown in inventory additions is expected to continue, with only 8 hotels with a combined 1,424 rooms currently under construction. The opening dates are spread through 2026, increasing the region's inventory by 2.8%. Unlike most markets nationally, the under-construction hotel pipeline has increased, despite the Seattle market attempting to absorb pre-pandemic significant supply and the reduction in corporate and group travel. New and major renovations to tourism attracting amenities could spur optimism in the market for developers.

In the past 12 months, hotel sales volume slowed to \$349 million, compared to the previous three-year average of \$410 million. The highest priced deals to transpire were from Pebblebrook Hotel Trust, an active seller. They sold two upper scale Kimpton branded hotels to different buyers for a combined \$97 million, or an average price per key/room of \$308,917.

Area Market Summary

The long-term outlook for the region is for employment growth to be flat to a minor decline of -0.1% in 2024, before rebounding modestly in 2025 to 1.4%. These are down from the prior forecast in September 2023 which had projected a 1.6% increase in employment in 2024. While tech companies have had layoffs, minor growth in the Other Services sector as well as the Government and Professional Business Sectors are expected to more help offset most of the losses expected in manufacturing, construction, wholesale and retail trade, and the information sectors. Going forward into 2024 and 2025, the region should continue to outperform most of the nation, based on the diversified core of the economy anchored by the tech sector.



Industrial Market Overview

Introduction An overview of the region's industrial market is presented first followed by a discussion of the subject's submarket.

Regional Overview 2023 was the year for rumors, bordering on anticipation, of a recession that never materialized. Two elements contributed to keeping any recession at bay: the decreasing inflation rate and the stable job market. These elements buoyed consumer confidence that kept the economy going. Inflation peaked in at 8.9% (annualized) in June 2022, but now stands at 3.3%, creeping nearing the Fed's target rate of 2.0%. The national unemployment rate is 3.7%, with Washington slightly higher at 4.0%. The labor participation rate in Washington is 64.8%, 368 basis points over the national figure of 62.5%, bolstering an optimistic regional outlook. In terms of the real estate markets, the office sector remains the weak link with the regional vacancy at 13.7% (direct and sublease) with an additional 3.4% occupied but marketed as available. The Seattle CBD/Lake Union has the greatest vacancy, 19.6% with 24.9% available. The Seattle retail sector is stronger at 8.9% vacant, with the region very strong at 3.0%. For the industrial markets at yearend 2023, absorption was negative, offsetting the strong Q3 2023 absorption. For Q4, absorption was (-1.07) million sq ft and 2023 ended the year with a net absorption of 1.52 million sq ft. The Northend had the strongest absorption for the year, at 3.24 million sq ft, followed by Thurston County at 1.42 million sq ft. Regional, vacancy is 6.0%, an increase of 120 basis points over Q3. Below are a few notable points:

- 4.3 million sq ft of new product in 23 buildings was added to the region in 2023 bringing the regional inventory to 376.9 million sq ft.
- Construction activity has declined 26.5%, year over year, with 7.9 million sq ft currently under construction in 42 projects. Preleasing stands at 41.9%, led by Pierce County with 67.2% of 4.2 million sq ft under construction preleased.
- Sales activity shows 36 properties closed this quarter, \$133.2 million at an average of \$192/sq ft, with a cap average of 5.11%.

Washington State employment stands at 3,616,100 (October 2023, Revised, Employment Security Department, WA), a 1.6% growth year over year. The four-county region contained 2,278,000 (revised October 2023), or 63% of the State's total. The preliminary November 2023 shows a decrease of 1,300, or 0.1%. The decreases are in Information (-3.9%) and Construction (-2.8%) with gains in Education and Health Services



(5.7%), Government (5.5%) and Wholesale Trade (3.7%). Manufacturing added 5,200 positions, a 3.1% boost to total 171,500 with 4,8500 positions added in King County and 600 positions (3.6%) in Pierce County. Government grew in each of the counties, 5.9% in King/Snohomish, 5.4% in Pierce and 4.0% in Thurston.

The Federal Reserve target rate is at 5.25% to 5.5%, after the last quarter point raise in July. Another quarter point increase was anticipated in November but this did not occur. The ten-year treasury hit a ten year high at 4.88% (10/31/23) but ended Q4 at 3.88%. In terms of lending, Life Companies are looking at spreads of 150 to 250 basis points over the T-Bill, with all in rates ranging from 5.49% to 6.49%. CMBS lenders are still looking for 300 to 400 basis points over the ten-year, with all in rates of 6.63% to 7.63%. With the cost of capital remaining elevated, the sales market has slowed considerably. These rates extend to construction lending as well, putting a damper on any project that was wasn't well underway prior to the rise in interest rates. The general market has not yet come to grips with the elevated cost of capital and buyers and sellers remain far apart on pricing. The capital markets are anticipating the Fed to cut rates throughout 2024, which would have a positive impact on lending but would be done only in a weak economy.

The Northwest Seaport Alliance reports YTD (through November 2023) container volume as 2,711,245 TEUs (Twenty Foot Equivalent), a 14.0% decline from the same period in 2022. The longshoremen union, ILWU, had been working without a contract since July 2022 and instituted work slowdowns and stoppages impacting container traffic in Q1 and Q2 2023. A six-year contract was ratified by the members and announced in August. The agreement will be in force until July 1, 2028, giving the dockworkers a 32% increase in pay plus a \$70 million bonus spread across its 22,000 members. Prior to the new contract, the average union member earned nearly \$195,000 per year plus \$102,000 in benefits ([West Coast Dockworkers Ratify a New Contract](#), Los Angeles Times, September 1, 2023).



Regional Industrial Inventory-Q4 2023

Sub-Market	Size (Sq ft)	% of Market	New Construction
Seattle Close-In	50,441,557	13.6%	863,752
Southend	119,187,331	32.1%	4,207,871
Eastside	21,769,353	5.9%	52,342
Northend	63,678,132	17.1%	2,049,447
Pierce County	94,681,361	25.5%	2,599,243
Thurston County	21,744,184	5.9%	594,117
Total	371,501,918	100.0%	10,366,772

Source: KM & CoStar

Regional Industrial Vacancy Q4 2023

Sub-Market	2017	2018	2019	2020	2021	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023
Seattle Close-In	1.3%	2.5%	2.9%	3.4%	3.6%	4.5%	6.3%	6.8%	7.1%	7.3%
Southend	3.5%	4.2%	5.7%	6.2%	4.6%	5.2%	5.3%	5.9%	5.3%	7.2%
Eastside	3.1%	2.9%	2.9%	3.4%	3.4%	2.4%	3.7%	2.9%	3.0%	3.1%
Northend	3.6%	2.8%	3.6%	4.8%	3.7%	3.5%	3.9%	6.6%	3.8%	4.9%
Pierce County	2.3%	4.0%	6.3%	7.2%	4.9%	2.6%	3.8%	4.2%	4.7%	6.2%
Thurston County	3.4%	3.3%	3.9%	2.8%	4.1%	2.7%	2.4%	2.3%	2.8%	2.0%
Total	2.8%	3.5%	4.8%	5.4%	4.3%	3.8%	4.5%	5.3%	4.8%	6.0%

Source: KM & CoStar

Regional Industrial Absorption

Sub-Market	2017	2018	2019	2020	2021	2022	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Seattle Close-In	348,904	(152,471)	(310,622)	(1,232,574)	(500,063)	174,208	(500,063)	240,582	(285,334)	(353,073)	(205,493)	(214,680)
Southend	(3,499)	1,485,673	(1,180,425)	(86,475)	2,276,585	2,238,831	2,276,585	2,678,546	184,239	(229,402)	(1,194,056)	149,495
Eastside	(838,729)	65,431	7,309	179,627	144,133	118,310	144,133	106,828	(315,495)	(53,513)	19,468	(13,604)
Northend	607,567	621,339	311,381	661,783	878,829	248,874	878,829	1,612,645	191,072	(101,274)	3,327,628	(181,795)
Pierce County	4,336,755	1,704,213	1,070,246	2,516,829	4,872,128	800,964	4,872,128	5,680,107	(568,882)	324,467	419,383	(801,919)
Thurston County	685,333	1,354,700	306,357	1,522,122	3,409,152	183,902	3,409,152	306,509	538,313	(77,765)	976,385	(12,488)
Total	5,136,331	5,078,885	204,246	3,561,312	11,080,764	3,765,089	11,080,764	10,625,217	(256,087)	(490,560)	3,343,315	(1,074,991)

Source: KM & CoStar

Submarket Review

Seattle Close-In Review

Brokers report little activity in Q4, with vacancy increasing to 7.3%, up 20 basis points from Q3 and 283 basis points over YE 2022. Total inventory decreased by 78,271 sq ft and absorption was (-214,680) sq ft for the quarter, with 2023 totaling -1,058,580 sq ft.

Seattle Metro Logistics, Trammel Crow's two story, 702,429 sq ft distribution facility on Terminal 106 south of S Spokane St. on East Marginal Wy. S is anticipated to deliver in Q2 2024. This project will have standard truck courts on two levels, two-way capabilities on the access ramps with market preferred 30' clear height and ESFR sprinklers.

Sale volume was \$9.88 million in five closed transactions, averaging \$221/sq ft. Only one sale exceeded \$3,000,000, 1421 S Dearborn St that



traded in an owner user transaction. There are 23 listings for sale, averaging \$300/sq ft with an average size of 33,241 sq ft and an average cap rate of 6.0% (leased assets only).

Average asking rental rates on a blended basis (office/warehouse combined) increased slightly, from \$1.38/sq ft to \$1.41/sq ft.

There remains available yard space on the sublease market. During Covid, yard area was saw strong demand that pushed yard rates to \$0.40 to \$0.65/sq ft depending on location and condition. Currently, subleases are available at 50% to 75% of the face rate with little activity.

Southend County Review

The Southend inventory grew by 2.95 million sq ft in 2023, with (-1.09) million sq ft absorbed. Vacancy has climbed 191 basis points, at 7.2% at YE 2023. Inventory now totals 120.8 million sq ft.

2.77 million sq ft in 45 signed leases are expected to occupy over the next nine months that should reduce vacancy but there are four projects expected to deliver 1.44 million with no preleasing.

Seven sale transactions totaling \$30.0 million, averaging \$218/sq ft were recorded in Q4 2023. with an average 5.64% cap. Hui Intertrading purchased a 27,525 sq ft manufacturing building in Kent in an owner user transaction for \$7.6 million, or \$276/sq ft.

Average asking rents (blended) were \$1.04/sq ft in Q4, a 2% increase over Q3, exceeding the high of 2021 of \$1.03/sq ft.

Shell rates have remained flat with new construction in the upper \$1.25 to \$1.35/sq ft, typically 30' to 36' clear heights with office add-on now \$1.50/sq ft. Even older, well-located product with inferior truck courts and clear heights achieve \$1.15/sq ft on the shell.

Land pricing has come down from highs in the \$60 to \$70/sq ft from 2022, with the latest site on 84th Ave. S trading in December for \$37/sq ft. This site had a general commercial zoning but did allow a modicum of industrial uses.

Eastside Review

The Eastside has stabilized somewhat, losing only 8,238 sq ft of product in 2023 in the transitioning Bel-Red corridor. This is with the addition of two buildings totaling 71,211 sq ft. Vacancy is 3.1%, up 12 basis points in Q4 with (-13,604) sq ft absorbed.

Two buildings are under construction. Alpentel Logistics will add 115,575



sq ft in North Bend in Q2 2024 and Cedar Grove Phase II, Building C will add 6,144 sq ft in Q2 as well. There is no reported preleasing.

Leasing activity shows 11 tenants took occupancy in Q4, leasing 59,909 sq ft. Looking forward over the next nine months, only three leases have been signed totaling a paltry 3,872 sq ft. The submarket is well occupied but demand is low.

Rental rates have softened slightly, from \$1.94/sq ft in Q2 to \$1.75/sq ft in Q4. Warehouse lease rates with high-bay warehouse manufacturing space range between \$1.25 to \$1.80/sq ft/mo. With office rates are between \$1.75/sq ft to \$2.50/sq ft.

Evergreen Ford purchased a 7,500 sq ft grade served building in Issaquah for \$4,000,000, or \$533/sq ft. This owner user sale is located two blocks from I-90 for the quasi-retail use.

Northend Review

The Northend has added 731,961 sq ft in Q4 and for the year, 8.83 million sq ft. With the addition, absorption was weak at (-181,795) sq ft but the 2023 total was 3.24 million sq ft. Vacancy increased from 3.8% in Q3 to 4.9% in Q4. There are ten projects under construction that will add 975,176 sq ft and are currently 34.6% preleased. These are anticipated to deliver by the end of Q2 2024.

28 leases commenced in Q4, totaling 171,008 sq ft. Looking forward, nine leases totaling 195,455 sq ft are scheduled to commence between January and September 2024. Brokers report activity in the 5,000 to 10,000 sq ft spaces but those over 20,000 sq ft have few inquiries.

The blended rate declined 8.5% from Q1 2023 at \$1.29, to \$1.18/sq ft. This is 2.5% below Q2 and Q3 but it brokers report that the decrease has leveled off. This is warehouse rates ranging \$0.90-\$1.35/sq ft/mo. depending on age and location. Office rents are \$1.80-\$2.00/sq ft for second generation space and \$2.00-\$2.50/sq ft for first generation.

Q4 2023 saw four sales, totaling \$8,625,000 with one a redevelopment lay for DR Horton. The balance were owner user transactions of smaller, lower quality properties.

Land remains available in Marysville / Arlington and there 29 proposed projects totaling 4.4 million sq ft. Land prices peaked in the range \$18 to \$30/sq ft range for finished sites and \$6 to \$15/sq ft for raw sites but since the cost of capital has increased substantially, there have been no trades to mark any price reduction.



Pierce County Review

Vacancy continues climbing, reaching 6.2% at YE 2023. This is a 140.9% increase over YE 2022 of 2.6%. Absorption was (-801,919) sq ft for Q4, and (-626,951) for all of 2023. Absorption was positive in Q2 and Q3 2023, 324,467 sq ft and 419,383 sq ft respectively. This had offset the negative absorption of Q1 (-568,882) sq ft. There was 3.44 million sq ft added to the inventory.

Seven projects are under construction, totaling 1.7 million sq ft with 24.9% preleased. Delivery of this product is anticipated by Q2 2024.

28 leases commenced in Q4, totaling 454,596 sq ft. In the upcoming nine months, there are 18 leases totaling 2.86 million sq ft. Five of these leases are 300,000 or larger. Tenants include Boeing and General Electric.

There were five Pierce County sales, totaling \$27.3 million, with average price at \$128/sq ft, and cap rates averaging 4.7%. The largest transaction was the JM Eagle purchase of the PW Pipe Building in the Port of Tacoma (owner user) for \$16,000,000, or \$177/sq ft.

Shell rates range \$0.90-\$1.30/sq ft/mo., NNN, plus add-on office rates of \$1.00-\$1.60/sq ft/mo. The average blended rate dropped from \$1.03/sq ft in Q1 to \$0.80/sq ft in Q4. This level is in the range of the averages in YE 2020 and 2021.

Land values remained suppressed, about 25% to 50% below the highs of two years ago, depending on location and access. Entitled sites are available for \$35/sq ft with raw sites as low as \$6.00/sq ft.

Thurston County Review

Vacancy in Thurston County is the lowest in the region, at 2.0% with an inventory of 22.2 million sq ft. This is 75 basis points below the YE 2022 and the lowest since YE 2016. This submarket added 3.19 million sq ft in 2023 and is now larger than the Eastside submarket. Absorption for Q4 was (-12,488) sq ft but for 2023, totaled 1.42 million sq ft.

Construction has slowed with five projects totaling 145,950 sq ft underway, 63.2% preleased. In Q1 2024, 55,250 sq ft is anticipated to be delivered and the space is fully leased. The remaining projects are below 30,000 sq ft with 35,000 sq ft preleased. The pipeline remains full, with ten proposed projects totaling 3.7 million sq ft with Parsons South Sound Logistics being 1,371,040 sq ft in one, possibly two buildings and Tumwater Corporate Park proposing two buildings over 470,000 sq ft.

Four leases commenced in Q4, with one at 12,000 sq ft and the balance



below 4,900 sq ft. There is one lease to commence in the next nine months, a 4,500 sq ft lease in Lacey.

Average blended rents have increased from \$0.72/sq ft in Q1 to \$0.82/sq ft, rising \$0.07/sq ft in the past quarter. Shell rents range between \$0.45-\$0.65/sq ft on larger spaces and office add-on rates were \$0.90-\$1.25/sq ft. Smaller spaces are \$0.50 - \$0.70/sq ft on the shell with office add on at \$0.95-\$1.25/sq ft.

There were three sale transactions in Q4, totaling \$5.7 million. The average was \$119/sq ft for the older, metal framed buildings. Land remains available with raw sites ranging from \$2.40 to \$6.50/sq ft. Challenges to development include the typical wetland issue plus the protected species, the Pocket Gopher that inhabits much of the developable land.

Significant Transactions-Q4 2023

Sales have slowed but below are several notable transactions:

- Terreno Realty purchased a sub-30,000 sq ft Factoria area warehouse (13045 SE 32nd St., Bellevue) from a local investor for \$417/sq ft.
- The Alamo Group, Inc. sold the 27,525 sq ft building in Kent to Hui Intertrading for \$276/sq ft, \$7,600,000 as an owner user transaction.
- CapRock Partners purchased the Reserve at Woodinville for \$34.2 million from ARES Management in the region's largest transaction. The 159,869 sq ft traded for \$214/sq ft with a cap rate near 4.5%.

Notable leases include:

- Boeing – Frederickson One, Bldg. 7, Spanaway – 312,225 sq ft.
- Boeing – Frederickson One, Bldg. 4, Spanaway – 533,393 sq ft
- General Electric – FRED310, Bldg. G, Puyallup – 435,791 sq ft.
- Boeing – CenterPoint Seattle, Seattle – 414,528 sq ft
- CMI – Pacific Coast Corporate Park, Fife – 402,342 sq ft
- Thyssen Krupp – Park 277, Bldg. E, Auburn – 322,465 sq ft



Investment Market Sales volume in Q4 was \$133.2 million, a 22.6% decline from the activity in Q3. 2023 totals \$650.4 million, a 57.6% decrease from 2022 of \$1.53 billion, itself a 15% drop from the record set in 2021 of \$1.8 billion sold. The average cap rate decreased to 5.1%, from 6.1% in Q3, a drop 16.4%. The following table includes all sales for the quarter.

REGIONAL INDUSTRIAL SALES

Year	Sales	Total SF	Total \$ Volume	Avg Size SF	\$/SF	Avg Cap Rate
Q4 2023	36	703,458	\$133,157,289	20,099	\$192.16	5.11%
Q3 2023	37	679,410	\$172,025,809	18,873	\$232.40	6.07%
Q2 2023	50	1,534,658	\$130,562,326	30,693	\$173.89	5.66%
Q1 2023	44	1,019,503	\$214,673,076	23,709	\$214.32	4.96%
2022	225	6,448,523	\$1,534,000,738	29,179	\$250.83	4.94%
2021	299	8,640,317	\$1,831,960,045	29,389	\$200.73	5.56%
2020	219	5,286,394	\$1,013,193,960	24,819	\$176.22	5.37%
2019	221	6,589,523	\$1,218,685,821	30,649	\$180.77	5.83%
2018	226	6,499,267	\$1,042,331,755	29,951	\$156.33	5.81%
2017	189	4,678,354	\$891,516,631	26,317	\$180.28	6.52%
2016	230	5,735,852	\$793,402,844	26,191	\$119.98	6.42%
2015	216	6,175,386	\$814,320,245	30,877	\$120.79	6.94%
2014	233	6,262,154	\$710,667,750	28,081	\$101.07	7.05%
2013	199	6,167,342	\$668,754,889	33,158	\$98.70	6.47%
2012	215	6,358,927	\$628,498,617	31,954	\$90.34	7.03%
2011	120	4,640,654	\$399,925,664	40,354	\$84.12	8.07%

Source: CoStar

Regional Conclusion The region's industrial market remains stable, even given the increase in vacancy and the rising interest rates over the past 18 months. Net absorption for Q4 was negative, but the year ended with 1.52 million sq ft absorbed, buoyed by the strong Q3 absorption driven by the Pierce County market. Construction activity remains high at 7.83 million sq ft under way and 41.9% preleased. Construction costs have flattened over the past six months but remain high. Inflation has moderated but energy prices remain high, impacting logistics and the region's retailing giant, Amazon. Developers have been mostly successful increasing rents to offset these higher costs, but as tenants are squeezed from the combination of higher borrowing costs and inflation, there is less optimism that the rents will continue to cover construction costs. With these headwinds, the regional demand for industrial space has softened. On the investment side, things continue to slow as sellers have yet to adjust to rising capitalization rates as a result of the increasing cost of capital. Given these challenges, the outlook for the near to mid-term remains stable.



**SeaTac/Burien
Industrial Submarket**

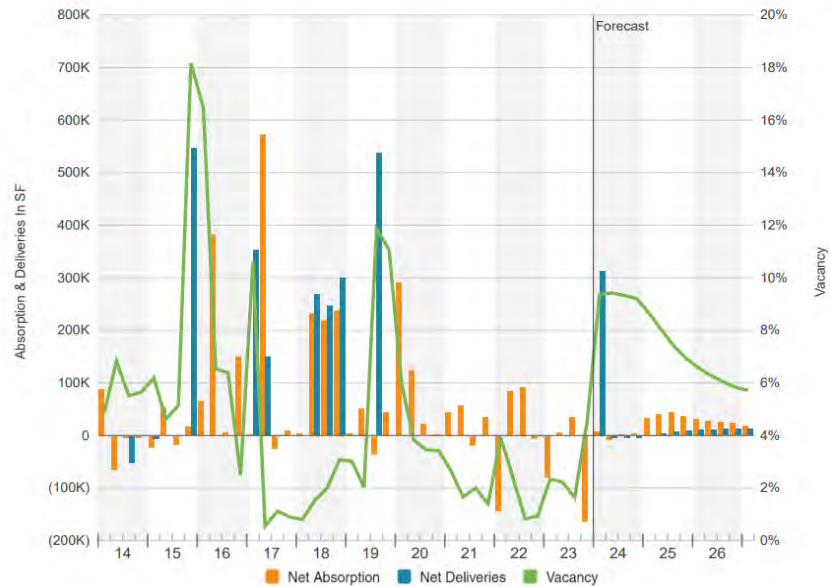
The subject falls within the SeaTac/Burien industrial submarket as tracked by CoStar. This submarket is characterized by its central location near SeaTac Airport, midway between the Port of Tacoma and Port of Seattle. CoStar surveys 144 existing buildings totaling about 5.7 million sq ft.

Since the end of the last recession, more than 2.0 million sq ft of new supply has been delivered mainly at Des Moines Creek Business Park. Just west of the subject, at Des Moines Creek Business Park West, the Port of Seattle has proposed a 402,380 sq ft industrial building to be developed by Panattoni. The proposal utilizes the subject parcel as an access road to the project.

IAC Properties delivered its 457,000 sq ft IAC Commerce Center SeaTac in the second quarter of 2019 without a tenant in place. This contributed to a spike in vacancies in the submarket but the project is now fully leased to Amazon and Alaska Airlines.

Bridge Point SeaTac 300 is under construction on S 200th St. This two-building project will deliver 315,990 sq ft later in 2024. Leasing activity has not been announced.

Net Absorption, Net Deliveries & Vacancy





The current vacancy rate is 4.48% which is near the ten-year average but well above last year's vacancy rate of 2.33%. Market vacancy has typically hovered at historic lows below 3.0% in recent years, subject to some spikes as large new projects delivered to the market.

Rental rates have experienced significant growth in the past decade with average annual rent growth of 7.7%. Much of this rent growth was realized between mid-2021 and mid-2023 with annual growth as high as 11.1%. The current average asking rent is \$1.43/sq ft/month which is 7.7% above last year.

Overall, the SeaTac/Burien submarket remains stable. Limited new construction and a desirable close-in location bode well for the submarket.



Neighborhood Description

Introduction

The subject is in the city of Des Moines in southwest King County. The city is about 13 miles south of Seattle, 00 miles north of Tacoma, and 1.5 miles southeast of Seattle Tacoma International Airport. The city is located on the shores of the Puget Sound and includes six miles of shoreline and an active marina. The strategic placement between the region's two strongest ports has led to this being one of the more convenient bedroom communities in the region. Residents have relatively short commutes to the Seattle and Tacoma CBDs and easy access to the industrial Kent Valley.

Neighborhood Character

The immediate neighborhood consists primarily of retail, professional services, residential and industrial uses. Commercial uses are located along primary arterials particularly SR 99 known alternatively as International Boulevard and Pacific Highway S. Single family uses are located off the major arterials.

The older downtown core of Des Moines is located to the west along the Puget Sound. It comprises older storefronts and retail strips that include a mix of retail uses including restaurants, flower shops, hair and nail salons, an older single screen movie theater, and clothing shops. There is a mix of older office spaces and newer office buildings and fuel service stations located along this street as well. Most tenants are local businesses often owned by city residents.

The subject is adjacent to significant new industrial development known as Des Moines Creek Business Park and constructed by Panattoni on land owned by the Port of Seattle. This 89-acre business park has about 2 million square feet with distribution warehouse uses and offices for the FAA. This project greatly increased the stock of newer industrial buildings in the immediate area.

To the west of the subject are primarily single family residential neighborhoods.

Highline Community College

Highline Community College was founded in 1961 as the first community college in King County. The main campus is 80 acres. As of 2022, there were approximately 14,100 students including credit and non-credit students. The college employs 724 people.



**Access &
Infrastructure**

Excellent transportation access is provided to this area by I-5, Pacific Hwy. S (Hwy. 99), Kent-Des Moines Rd (SR-516), Marine View Dr. S (SR-509), SeaTac International Airport, express bus routes, and Link light rail service. SR 99 serves as a primary arterial on the eastern border of the city on which many retail services are located. Significant east-west arterials near the subject include S. 200th St, S 216th St, and S. 240th St.

Sound Transit's Angel Lake light rail station is at the north edge of the neighborhood at the intersection of S 200th St. and Pacific Hwy. S. This is the most southern stop of the existing line and provides access north to the Seattle CBD. Currently there are 19 stops in service, ending at Northgate. By late 2024, the Lynnwood Extension will add 8.5 miles of track with four stations in Mountlake Terrace, Shoreline, and Lynnwood. Heading east from Seattle, the 14-mile East Link Extension is expected to open in phases between 2024 and 2025 with service to Bellevue and Redmond. The Link will eventually extend north to Everett in 2041 and south to Federal Way and Tacoma. The Federal Way Extension will add three stops south of the existing Angel Lake station. Construction is underway with this segment expected to open in 2026. The Tacoma Extension is still in planning.

The neighborhood is well-served by major transportation routes and good linkages. Overall, access to and through the neighborhood is considered good.

Demographics

The typical use of circular area definitions is appropriate for the subject. The table on the following page summarizes the demographics within a one-, three-, and five-mile radius from the subject, as well as the city, county, and state.

In terms of household incomes, the data illustrates a middle-class neighborhood with incomes below the city and county averages. Home ownership rates are lower than the broader region. Median ages are lower and average household sizes are larger. Going forward, population growth rates are expected to decrease across the board with the one-mile radius having the highest projection at 1.0%.



Summary of Demographics

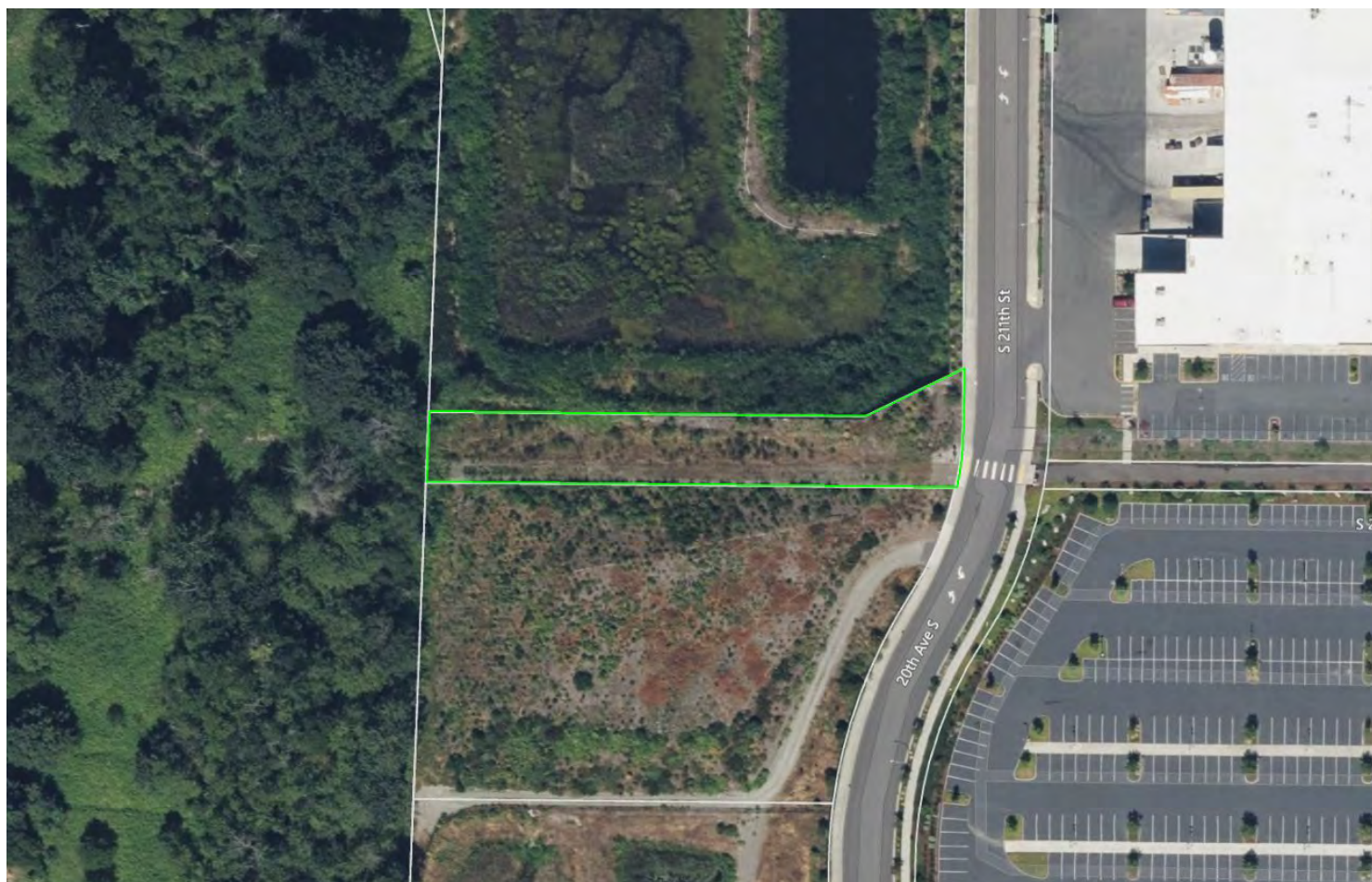
Demographics	Radius From Subject			City	County	State
	1-Mile	3-Mile	5-Mile			
2010 Population by Census	13,952	70,804	170,528	29,717	1,931,269	6,724,540
2023 Total Population	16,556	82,510	200,436	33,496	2,344,852	7,962,223
2028 Population Projection	17,417	84,202	204,026	34,023	2,414,039	8,196,106
Average Annual Growth Rate ('10-'23)	1.3%	1.2%	1.3%	0.9%	1.5%	1.3%
Projected Annual Growth Rate ('23-'28)	1.0%	0.4%	0.4%	0.3%	0.6%	0.6%
Current Estimates 2023						
Number of Households	5,557	30,686	74,639	12,657	951,594	3,089,990
Number of Housing Units	6,138	32,415	78,675	13,409	1,004,653	3,317,580
% Owner Occupied	33.8%	51.8%	47.7%	56.0%	53.2%	59.7%
% Tenant Occupied	56.8%	42.9%	47.2%	38.4%	41.5%	33.4%
% Vacant	9.5%	5.3%	5.1%	5.6%	5.3%	6.9%
Average Household Size	2.74	2.62	2.64	2.59	2.42	2.53
Median Age	35.8	38.5	37.5	40.4	38.9	39.3
Median Household Income	\$63,361	\$79,276	\$78,633	\$80,330	\$116,050	\$89,067
Per Capita Income	\$33,714	\$41,468	\$41,348	\$42,720	\$67,884	\$49,813

Summary

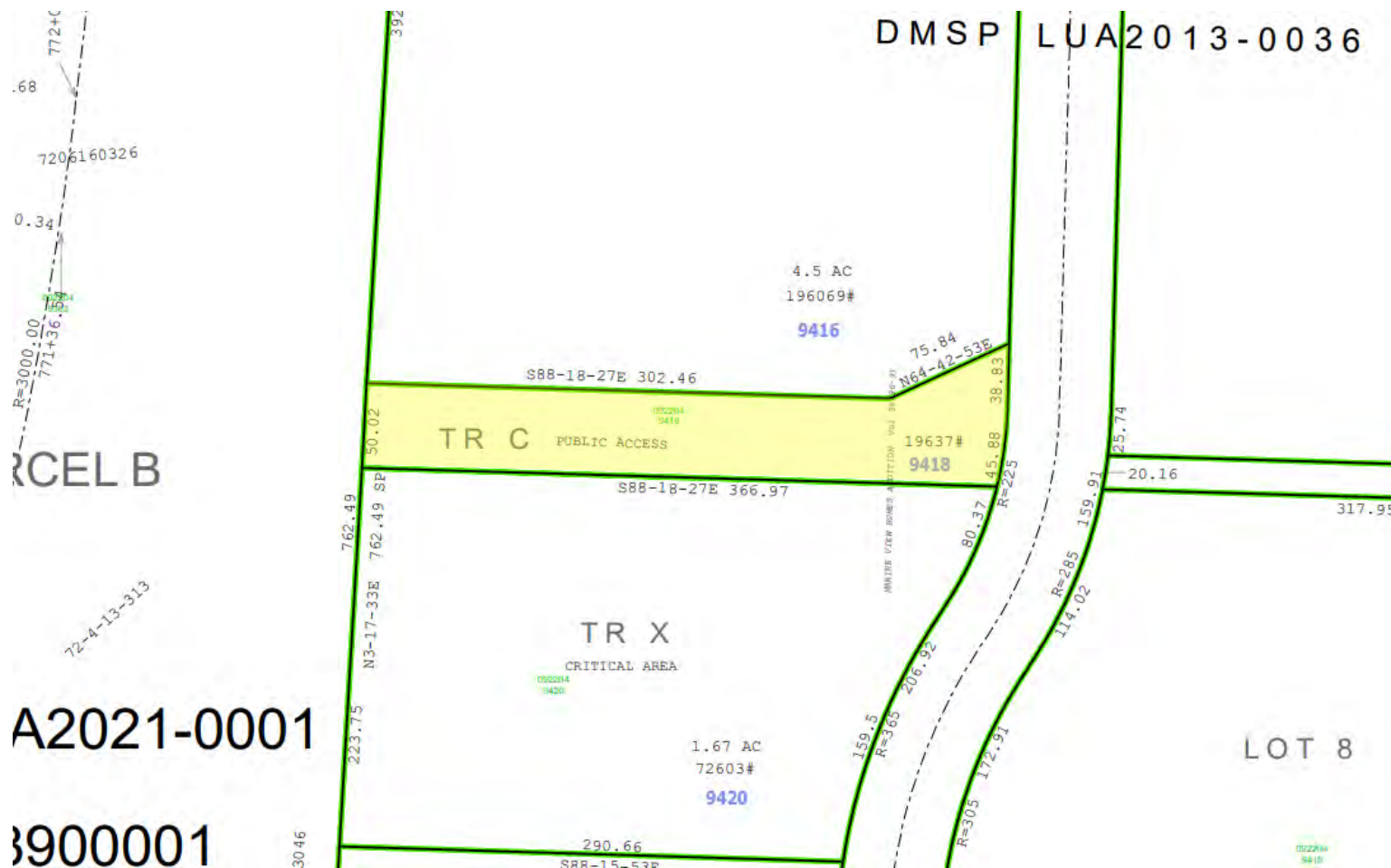
The immediate neighborhood is a mature built-up area with primarily industrial and single family residential uses. Commercial uses are located along primary arterials particularly SR 99. Single family uses are located off arterials mostly to the west of the subject . Demographics are somewhat below average but the neighborhood is well-located with I-5, SR-516, SR-509, the Link light rail, and the nearby Seattle-Tacoma International Airport providing excellent regional access. Overall, the long-term outlook for the neighborhood is good with its proximity to employment centers.



Property Description



Aerial Photograph (North is Up, Boundaries are Approximate)



Quarter Section Map



Tract C
KM Job A24-0192



AREA A
883,153 SF
(20.27 ACRES)

AREA B
440,846 SF
(10.12 ACRES)

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DIX MOINES CREEK WEST
S 216th STREET & 20th AVE S
DIX MOINES, WASHINGTON
Drawn by: [blank] No. [blank] Date: 04/16/2022

EXHIBIT SITE PLAN

Proj. No: 202005112.000 Issued By: [blank]

EX-01

Proposed Site Plan

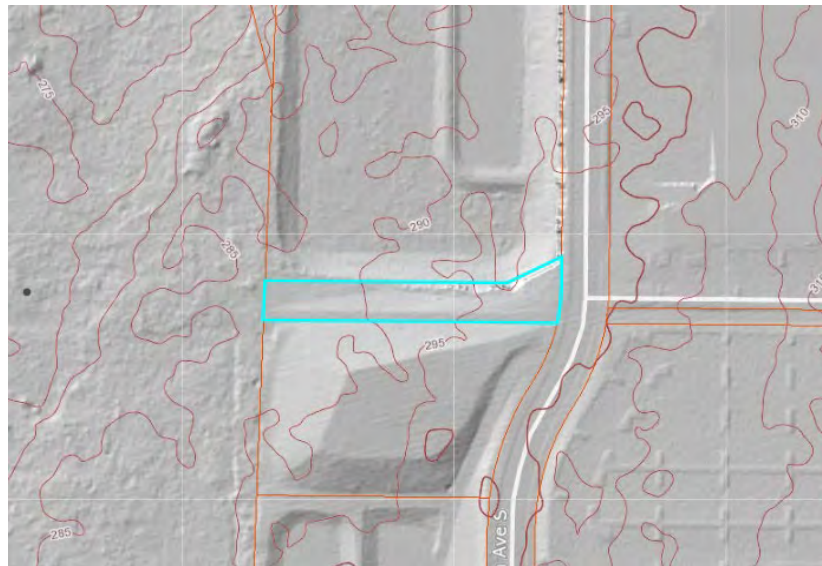
Kidder Mathews
Valuation Advisory Services

Property Description
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Site Description

Street Address	XX 20th Ave S Des Moines, WA 98198
Site Dimensions	The subject tax parcel is 0.45 acres or 19,637 sq ft according to county records and the 2016 short plat. As mapped on the previous pages, the subject is long and narrow in shape. It measures about 367 ft in length. Width ranges from about 50 ft to 85 ft.
Streets, Access & Exposure	Access to the subject is by 20 th Ave S, a two lane paved road with a center turn lane, sidewalks, and street lights. At the subject is a crosswalk with push button activated flashing lights. 20 th Ave S connects with S 216 th St just south of the subject. SR-99 (Pacific Hwy S) is about ½ mile east via S 216 th St. Access to I-5 is via the S. 200 th St or SR 516 interchanges each about two miles away. Overall, the subject's access and exposure are average for this location.
Earthquake Zone	The International Building Code (IBC) is the building code in Washington State. The IBC uses a parameter called the Seismic Design Category rather than seismic zones used in previous building codes. The Seismic Design Category is a function of three parameters: ground motion, soil type and building occupancy. The typical Seismic Design Category in the Puget Sound is category "D" or greater, but because these parameters interact, this category can vary. The higher the category (A is lowest, F is highest), the more stringent the structural requirements. As the appraisers do not possess the expertise in seismic, structural & geotechnical engineering, further analysis is required to determine the subject's degree of risk.
Utilities	All typical utilities are available to the property and are of sufficient capacity to support the highest and best use of the site.
Topography and Soil Conditions	The subject has moderately sloping topography. Along the southern boundary is a graded gravel road with a downward slope to the west. North of the gravel road, the subject slopes downwards towards the retaining wall along the northern parcel boundary.



King County Elevation Contour Map with Hillshade

According to the USDA web soil map, shown below, the west end of the subject is comprised of Urban land (Ur). The east end of the subject is comprised of Arents, Alderwood material, 6 to 15 percent slopes (AmC).

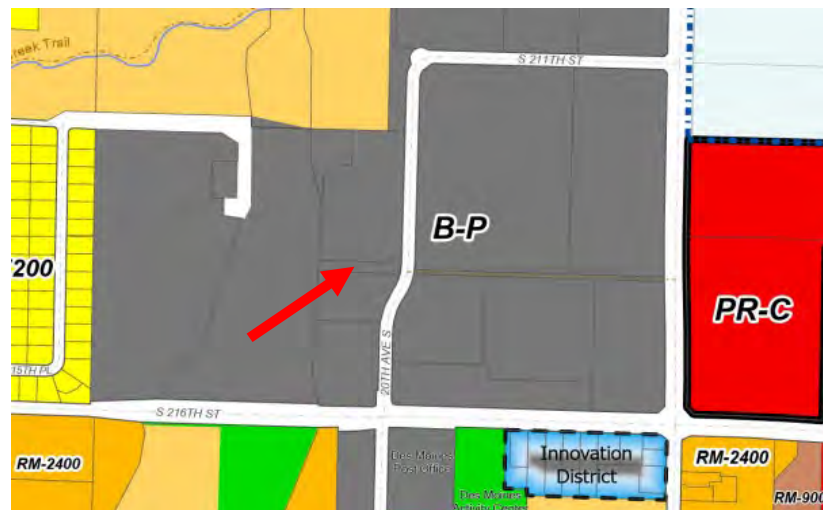


USDA Soil Map



Flood Zone According to the Flood Insurance Rate Map No. 53033C0966G, effective August 19, 2020, the subject site is in Zone X, an area outside the 100-year floodplain. This map is currently in effect.

Zoning The subject is zoned Business Park, B-P, by the City of Des Moines. Adjacent parcels carry the same zoning designation.



City of Des Moines Zoning Map

- 1) *The primary purpose and objective of the Business Park (B-P) Zone is to provide areas of the City for development of compatible business, professional office, light industrial, research and development, service uses, wholesale trade, and limited retail uses. Such uses shall be developed within master planned sites in park-like settings pursuant to development standards.*
- 2) *It is also the purpose of this zone to ensure compatibility between business parks and adjacent uses in terms of height, bulk, scale, and design; to mitigate potential adverse environmental impacts and nuisance effects on-site and off-site through careful planning, the use of buffering and screening, and the imposition of environmental performance standards and appropriate off-site mitigation requirements; to provide for the planned economic development of the City; to ensure that business park development is coordinated with the provision of adequate infrastructure by private applicants and the City, such as roads, drainage, and other utility systems; to require that business park developments pay their fair share of the costs of needed services and facilities; and to ensure that development*



occurs consistent with the goals and policies of the City of Des Moines Comprehensive Plan.

- 3) *Further, it is the purpose of this zone to establish standards to ensure that development occurs in a manner that is compatible with the Des Moines Creek Park, Des Moines Creek Trail, Steven J. Underwood Memorial Park, City of Des Moines Activity Center and adjacent residential-designated properties.*

Development in this zone requires a master plan. Allowable uses include a variety of commercial uses including retailing, office, warehouse, and light manufacturing uses. Residential use is not permitted. Development standards include a minimum lot size of 2 acres, maximum coverage ratio of 75% and maximum building height limit of 75 feet. Minimum setbacks are 20 ft along arterials and collectors, 20 ft from adjacent residential properties, 15 feet from non-arterial and non-collector streets, and 10 feet from properties other than residential properties.

The subject vacant land is a legally conforming use.

Assessment & Taxation

The subject property is government-owned and exempt from property taxes except for minor special assessments which are unknown.

Easements, Encroachments, Covenants & Restrictions

We were provided with a title report prepared by First American Title Insurance Company and dated July 27, 2023. The title report includes the subject and two nearby tax parcels, 092204-9303 and 092204-9042 that are adjacent to the west of the subject but are not included in the scope of this report.

The title report includes typical easements for roads and utilities. There are interlocal agreements between the city and county relating to the ownership, funding, operation, and maintenance of Des Moines Creek Park. Other items on title include a sewer connection and rehabilitation agreement, a water district resolution, and a lot line adjustment. Many of these special exceptions appear to encumber the two tax parcels that are not included in the scope of this report. Exceptions that affect the subject include the relinquishment of rights related to construction of the state highway, short plats, and development agreements. There are easements for sanitary sewer impacting the east end of the subject site. The First Development Agreement was made between the City of Des Moines and the Port of Seattle in 2005. The Second Development Agreement was made in 2012 and amended in 2015. The development agreement relates to the Des Moines Creek Business Park, an 89-acre property that includes the subject parcel. The agreement set forth various standards relating to development of the business park.



It is an assumption of this report that no easement, covenant, encroachment, or restriction negatively impacts the use or marketability of the site.

**Hazardous
Conditions
Disclaimer**

We were not provided with any environmental site assessments. As appraisers, we have no expertise in the detection or identification of hazardous waste, or in determining its impact on real property. We did review the Department of Ecology website to determine if there was contamination reported on this and adjoining property. A cleanup site was identified adjacent to the west of subject. The cleanup site is called Des Moines Creek West and is in the Voluntary Cleanup Program. This property falls within the Asarco Tacoma Smelter Plume, as do many properties in the region. Arsenic and lead have been confirmed in the soil, with arsenic being above cleanup levels and lead being below cleanup levels. In April 2023, the Department of Ecology determined that “no further remedial action will *likely* be necessary at the Property to clean up contamination associated with the Asarco Site.”

For the purpose of this appraisal, it is assumed that the subject is free of contamination of any kind. This assumption should not be construed as a guarantee that such conditions do not exist. The reader is referred to Item 2 of the Limiting Conditions document at the beginning of this report.

Conclusion

The subject site has moderately sloping topography and average access and exposure. Along the northern parcel boundary is a retaining wall and north of the subject is a large retention pond. South and west of the subject is vacant land. Most site characteristics are like other properties in the immediate vicinity. However, the subject’s narrow shape will severely limit its utility as a standalone development site. Assemblage with adjacent parcels is most likely.



Highest and Best Use



Highest and Best Use

“Highest and Best Use” is defined by the Appraisal Institute as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Source: The Dictionary of Real Estate Appraisal, Seventh Edition. Chicago: Appraisal Institute, 2022.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

As Vacant

In arriving at our opinion of the highest and best use of the subject site as vacant and unimproved, we considered the subject’s location, the types of real estate in this vicinity, and the current levels of demand for various property types in this neighborhood.

The local building code and the development standards of the B-P zone restrict development of the subject site. Permitted uses include a variety of retail, office, warehouse, and light manufacturing uses. Development standards include a minimum lot size of 2 acres, maximum coverage ratio of 75% and maximum building height limit of 75 feet. Minimum setbacks are 20 ft along arterials and collectors, 20 ft from adjacent residential properties, 15 feet from non-arterial and non-collector streets, and 10 feet from properties other than residential properties. Development in the B-P zone requires a master plan. The subject falls within the Des Moines Creek Business Park Development Agreement. Adjacent parcels carry the same zoning designation and fall within the development agreement. These parcels are improved with mostly industrial uses as well as offices for the FAA.

The subject parcel is of irregular narrow shape with moderately sloping topography. The site is comprised of vacant land with a gravel access road. Vegetation includes grasses and shrubs. Access is by the 20th Ave S. Physically, the most likely use of the site is to enlarge adjacent parcels. Adjacent to the north is a large retention pond. Other adjacent parcels to the west and south are vacant land of irregular but functional shape with adequate access and exposure. All typical utilities are available. The physical characteristics of the subject are like other properties in the vicinity, but its size and shape will limit its utility as a standalone



development site. The Port of Seattle's proposal for the site, as an example, is for use as an access road serving a proposed 402,380 sq ft industrial project to the west. A proposed site plan was presented in the Site Description. This is a reasonable example of the highest and best use of the subject as vacant.

The subject is in the SeaTac/Burien industrial submarket that benefits from proximity to SeaTac Airport midway between the Port of Seattle and the Port of Tacoma. The submarket has a historically low vacancy rate and strong annual rent growth. The current vacancy rate of 4.48% is near the ten-year average but is well above last year's rate of 2.33%. The current average rental rate of \$1.43/sq ft/month which is 7.7% above last year. There is limited new construction underway. Overall, the submarket is stable.

The highest and best use of the subject as vacant is for assemblage with neighboring parcels for industrial development.



Sales Comparison Approach



Sales Comparison Approach

Introduction

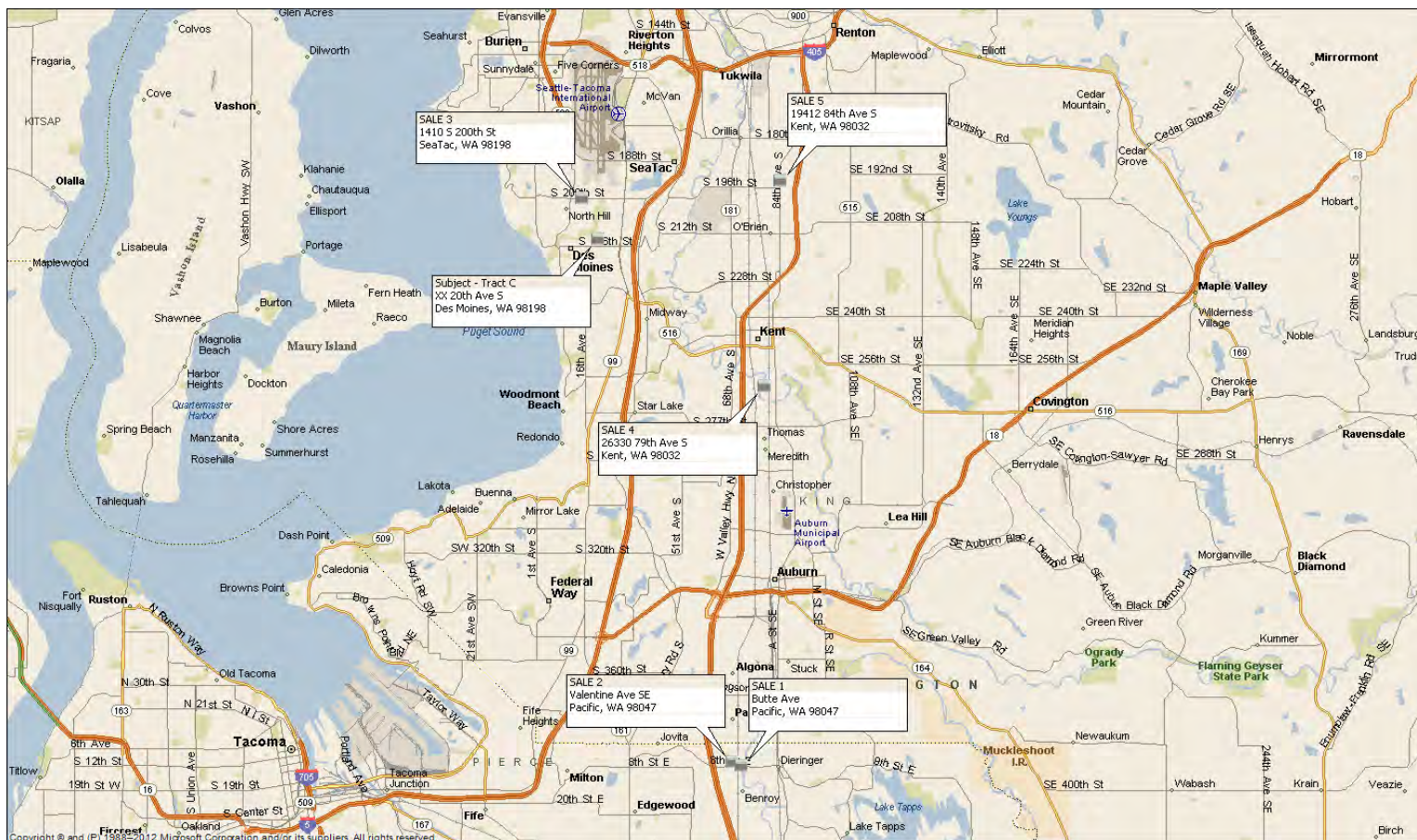
The Sales Comparison Approach is based on the premise that the market value of a property is directly related to the prices of comparable, competitive properties. This approach suggests that the value of a property in the market is set by the availability of substitute properties of similar utility and desirability. Externalities such as the neighborhood and the economy can affect property value positively or negatively. The Sales Comparison Approach is particularly applicable when enough data of recent market transactions exists to indicate value patterns.

The analysis begins by researching appropriate markets to obtain sales, listings, and pending sales information on comparable properties. Relevant measures, or units of comparison, are then made between the sale comparables and subject and adjusted for using market-derived data. The result of this process is used to derive an opinion of market value for the subject property.

Comparative Analysis

The subject land totals 0.45 acres. Zoning is B-P by the City of Des Moines. The subject has an irregular narrow shape and is not a likely standalone development site. The highest and best use, as vacant, is for assemblage with adjacent sites to support industrial development. This appraisal utilizes the Across the Fence value which estimates sale price based on the unit prices of sales of land like that adjoining the subject. The underlying assumption of this method is that land in the corridor is equal to the value of adjoining lands. Adjacent parcels range in size from 1.67 acres to 14.80 acres and carry the same B-P zoning designation as the subject. Parcels to the south and west are vacant land of irregular but functional shape. The parcel to the north is improved with a retention pond.

Our search for comparable sales focused on properties with a similar highest and best use as these adjacent properties. After analyzing several sales, we have selected five applicable sales. There have been few recent sales in the subject submarket so our search was expanded to include other submarkets nearby. The comparables are analyzed on price per sq ft. The following pages include a location map, a table summarizing the pertinent details of each sale, and an aerial photograph of each sale.



Sales Comparison Map



SUMMARY OF LAND SALE COMPARISONS

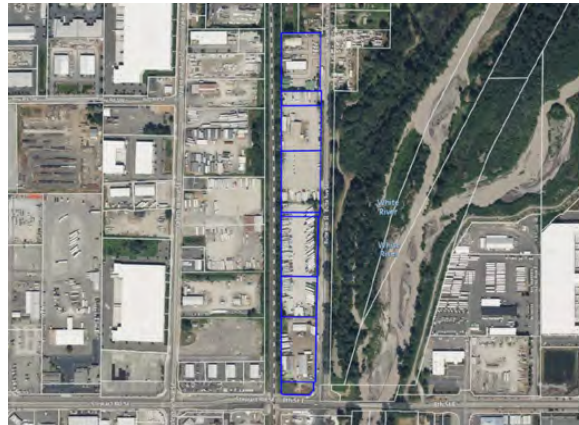
No.	Address Parcel Number	Zoning	Sq Ft Acres	Sale Date	Analysis		Buyer Seller	Comments and Confirmation
					Price	\$/Sq Ft		
1	Zenith Outdoor Storage 1000-1025-1096 Butte Ave. SE Pacific, WA 449540-0391, 8 others	LI/MIC Pacific	502,247 11.53	Oct-22	\$21,250,000	\$42.31	1096 Butte Ave. V1 SE LLC Butte Avenue Proprs. LLC	Strip of land along west side of Butte Ave. SE, northerly of Stewart Rd. SE, including NWC of intersection. Attempting to lease 3.5 acres with no building for trailer parking (\$0.31/sq ft) and another 1.0 acres with 6,400 sq ft metal shop (\$0.35/sq ft). <i>Jack Crane, Andover, 206.258.3159</i>
2	CT Clean Pacific 1075 Valentine Ave. SE Pacific, WA 449540-0280	LI/MIC Pacific	146,797 3.37	Feb-22	\$5,350,000	\$36.44	CT Realty Investors Fritz Gunter Est.	Redevelopment of former gravel truck parking lot that had an old SFR and garage. Improvements demolished after sale and replaced with a CNG fueling facility tenant. Vehicles using the station will include muni, fleet, and Amazon. <i>Watson Chase, buyer, 949.500.7339</i>
3	Maywood Redevelopment 1410 S 200th St SeaTac, WA Multiple APNs	I SeaTac	720,443 16.54	Sep-21	\$23,500,000	\$32.62	Bridge Point SeaTac 300, LLC Multiple Sellers	Assemblage of 28 parcels over four years, including a former school, SFRs, and some vacant lots. Buyer plans industrial development and proposed two parcels rezoned to industrial from UL-7,200, and several sections of ROW to be vacated. <i>Arie Salomon, NAI-PSP, 425.586.5636</i>
4	Kent Assemblage 26330 79th Ave. S Kent, WA 346280-0090, -0095, -0100	I2 Kent	195,901 125,017 83,430 404,348 9.28	Jul-21 Aug-21 Nov-21	\$9,500,000 \$6,150,000 \$4,130,000 \$19,780,000	\$48.49 \$49.19 \$49.50 \$48.92	LIFT II 79th Ave 26220 LLC LIFT II 79th Ave 26330 LLC LIFT II 261st 7915 LLC Kemp Investments LLC et al	Assemblage of three adjacent parcels, two improved, from three separate sellers for redevelopment. Buyer LLCs are all controlled by Lift Partners. <i>Internal Files</i>
5	Tech Aerospace 19412 84th Ave S Kent, WA 062205-9003, -9109, -9110, -9111, -9112	I2 Kent	216,166 4.96	Jan-21	\$8,484,000	\$39.25	PB05, LLC Utica Realty Kent, LLC	Five tax parcels acquired for longer-term covered land play by owner-user. <i>Thad Mallory, Newmark, 425.362.1410</i>
	Tract C XX 20th Ave S Des Moines, WA 98198	B-P Des Moines	19,637 0.45	Appraisal (Rounded)	\$687,295 \$690,000	\$35.00		Adjacent parcels are 1.67 acres, 4.50 acres, and 14.80 acres and carry the same zoning designation as the subject.



Sales Comparison Photographs

Sale 1

Zenith Outdoor Storage
1000-1025-1096 Butte Ave. SE
Pacific, WA



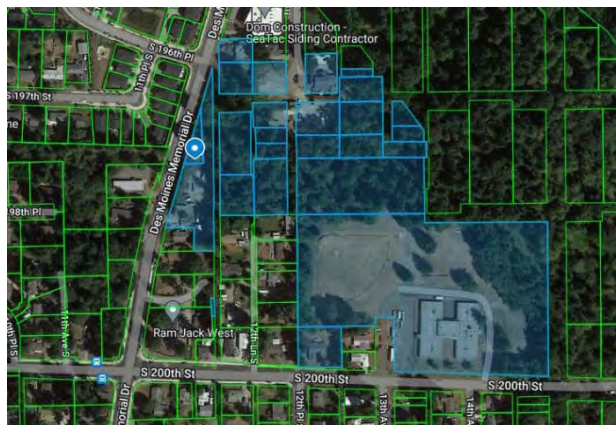
Sale 2

CT Clean Pacific
1075 Valentine Ave. SE
Pacific, WA



Sale 3

Maywood Redevelopment
1410 S 200th St
SeaTac, WA





Sales Comparison Photographs

Sale 4

Kent Assemblage
26330 79th Ave. S
Kent, WA



Sale 5

Tech Aerospace
19412 84th Ave S
Kent, WA





SALE 1 Sale 1 is the October 2022 sale of a property located on the west side of Butte Ave. SE, northerly of Stewart Rd. SE in Pacific. This 11.53-acre site is comprised of nine tax parcels forming a long, narrow site measuring over 2,220 ft from north to south and about 220 ft to 240 ft from east to west. Zoning is Light Industrial by the City of Pacific within the Manufacturing Industrial Center (MIC) Overlay. The buyer is attempting to lease the various parcels as trailer storage, as several parcels consist of wareyards. The property sold for \$21,250,000 or \$42.31/sq ft.

This property has a large size but a narrow shape. An upward adjustment is made for shape. We also adjust upwards for sale date and location. A downward adjustment is made for site condition (wareyard storage).

SALE 2 Sale 2 is the February 2022 purchase of a 3.37-acre site on Valentine Ave in Pacific, just north of Stewart Rd SE. Zoning is Light Industrial by within the MIC Overlay. The property was used as a gravel storage and truck parking yard and was acquired by CT Realty for redevelopment. It was improved with an old single-family residence and garage that were given no value and were demolished after sale. The buyer redeveloped the site with a Compressed Natural Gas (CNG) fueling facility tenant. The sale price of \$5,350,000 reflects \$36.44/sq ft.

Upward adjustments are made for sale date and location. Downward adjustments are made for topography and site condition.

SALE 3 Sale 3 is an assemblage of 28 properties that total approximately 17 acres. The assemblage is located north of the subject in SeaTac and includes a former school, single-family residences, and some vacant lots. The assemblage took over four years with the last piece closing in September 2021. The assemblage price was \$23,500,000 or \$32.62/sq ft. Bridge Industrial will develop two industrial buildings totaling over 300,000 sq ft. Two parcels were proposed to be rezoned to industrial from UL-7,200 and several portions of right-of-way were to be vacated.

A downward adjustment is made for assemblage motivation. On that note, the negotiating between the buyer and multiple sellers went on over several years as market conditions were improving. A market conditions adjustment at the closing date of this most recent sale would understate the appreciation. Going back four years, a more significant market conditions adjustment is made.



SALE 4 Sale 4 is an assemblage in the south part of Kent. The 9.3-acre site was assembled from three unrelated sellers between July and November 2021. The combined price was \$19,780,000 or \$48.92/sq ft. The site is 100% usable. The location is west of Central Ave. S., which extends north and becomes 84th Ave. S. There is little exposure at this location and the south access road is narrow with a low trestle that limits some truck traffic. This site has some minor building improvements of no value but the buyer, Lift Partners, planned redevelopment.

Upward adjustments are made for sale date and access/exposure. Downward adjustments are made for assemblage motivation, location, and topography.

SALE 5 Sale 5 is the January 2021 purchase of five adjacent parcels improved with low coverage and low quality industrial buildings. It was brought to market as a covered land play and was purchased by an owner user for a longer term redevelopment play. The site has frontage along East Valley Highway and is zoned M2. The parcels total 4.96 acres. The sale price of \$8,484,000 indicates \$39.25/sq ft.

An upward adjustment is made for sale date. Downward adjustments are made for location, topography, and site condition.

ADJUSTMENTS TO COMPARABLE DATA Pertinent market factors, along with property characteristics, were taken into consideration in the analysis, and all improved sales were adjusted to account for the differences between the comparables and the improved portions of the subject. In the following table, we adjust the indicated comparable sales prices as previously described to value the subject.

Adjustments for sale date are made using an annual rate of 2.0%. Real Capital Analytics (RCA) tracks the Commercial Property Price Index (CPPI) for industrial properties nationwide. As of December 2023, the one year CPPI is 0.5% and the three-year CPPI is 30.1%.

PricewaterhouseCoopers (PwC) surveys the National Warehouse Market. Average capitalization rates are 80 basis points above last year and 38 basis points above three years ago. For the Pacific Region Warehouse Market, average capitalization rates are up 108 basis points over the year and 112 basis points over three years.



LAND SALES COMPARISON ADJUSTMENT GRID

Name No.	\$/sf	Sale Conditions	Sale Date	Current Indicators	Location	Size	Shape/ Topography	Site Condition	Access/ Exposure	Zoning	Final Indicators
Zenith Outdoor Storage 1	\$42.31	0.0%	2.7%	2.7%	5.0%	0.0%	5.0%	-2.5%	0.0%	0.0%	10.2%
		\$0.00	\$1.13	\$43.44	\$2.17	\$0.00	\$2.17	(\$1.09)	\$0.00	\$0.00	\$46.70
CT Clean Pacific 2	\$36.44	0.0%	4.0%	4.0%	5.0%	0.0%	-5.0%	-2.5%	0.0%	0.0%	1.5%
		\$0.00	\$1.45	\$37.90	\$1.89	\$0.00	(\$1.89)	(\$0.95)	\$0.00	\$0.00	\$36.95
Maywood Redevelopment 3	\$32.62	-10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		(\$3.26)	\$3.26	\$32.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32.62
Kent Assemblage 4	\$48.92	-10.0%	5.1%	-4.9%	-10.0%	0.0%	-5.0%	0.0%	2.5%	0.0%	-17.4%
		(\$4.89)	\$2.51	\$46.54	(\$4.65)	\$0.00	(\$2.33)	\$0.00	\$1.16	\$0.00	\$40.72
Tech Aerospace 5	\$39.25	0.0%	6.3%	6.3%	-10.0%	0.0%	-5.0%	-5.0%	0.0%	0.0%	-13.7%
		\$0.00	\$2.46	\$41.71	(\$4.17)	\$0.00	(\$2.09)	(\$2.09)	\$0.00	\$0.00	\$33.37

Minimum \$32.62
Maximum \$48.92
Average \$39.91
Median \$39.25

Minimum \$32.62
Maximum \$46.70
Average \$38.07
Median \$36.95
Conclusion \$35.00

Sales Comparison Value Conclusion

After adjustments, the comparables range from \$32.62/sq ft to \$46.70/sq ft. The average indicator is \$38.07/sq ft and the median is \$36.95/sq ft. The comparables include industrial land ranging in size from 3.37 acres to 16.54 acres and located in SeaTac, Kent, and Pacific. At the high end of the adjusted range is Sale 4, an assemblage in Kent by Lift Partners in Kent. At the low end of the range are Sales 2 and 5. Sale 2 is a gravel yard in Pacific acquired by CT Realty for redevelopment as a CNG fueling facility. Sale 5 is a long term covered land play in Kent acquired by an owner-user. Significant emphasis is placed on the overall average and median indicators. Typical properties adjacent to the subject range from 1.67 acres to 14.80 acres but are mostly larger than 3-4 acres. All carry the same B-P zoning as the subject and have flat or moderately sloping topography. Given the size, location, and other physical characteristics of the parcels near the subject, a unit value near the lower end of the adjusted range will be appropriate. Overall, the market value of the subject is estimated at \$35.00/sq ft or \$690,000, rounded, as of February 25, 2024, subject to the limiting conditions and assumptions contained herein.

Exposure Time

The definition of "exposure time" is as follows:

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a



sale at market value on the effective date of the appraisal.

Source: USPAP 2024 Edition. Washington, DC: The Appraisal Foundation, Appraisal Standards Board, 2024.

Based on local demand for this property type, the estimated exposure time is three to six months.

Marketing Time

The definition of “marketing time” is as follows:

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal.

Source: The Dictionary of Real Estate Appraisal, Seventh Edition. Chicago: Appraisal Institute, 2022.

The estimated marketing time for the subject is three to six months.



ADDENDUM



Appraisers' Experience Data



DAVID M. CHUDZIK, Ph.D., MAI, CRE

**Senior Vice President
Valuation Advisory Services**

Since joining Kidder Mathews' Valuation Advisory Services in October of 2004, David has provided valuation and consultation services for a wide variety of commercial property types including office, industrial, retail, multifamily, hospitality, marina, and development properties. His experience includes complex properties like biotechnology research facilities, data centers, sawmills, shipyards, and other specialized property types. He has performed biotechnology valuation and market analysis on a national basis and authored the National Biotechnology Real Estate Market Analysis for GVA Worldwide. Assignments have included valuation of leasehold interests, air rights, condemnation compensation, conservation easements as well as market rent studies.

David's professional experience includes venture capital investing with emphasis in the life sciences industry. He has also worked as a development analyst and project manager at Seattle area real estate development companies. His development experience includes multifamily residential, commercial office, and marina developments.

David brings unique qualifications to real estate valuation and consulting making him well qualified in the analysis of some of the most complex and sophisticated real estate.

EDUCATION

PH.D. in Biochemistry from University of Washington

MBA in Management from University of Washington

BS in Biochemistry from University of Washington

BA in Spanish from University of Washington

PROFESSIONAL LICENSES

Washington Certified General Real Estate Appraiser (No. 1102099)

Oregon Certified General Real Estate Appraiser (No. C001182)

California Certified General Real Estate Appraiser (No. 3004403)

Idaho Certified General Real Estate Appraiser (No. CGA-4877)

Alaska Certified General Real Estate Appraiser (No. 196369)

Illinois Certified General Real Estate Appraiser (No. 553002870)

Virginia Certified General Real Estate Appraiser (No. 4001017780)

Massachusetts Certified General Real Estate Appraiser (No. 1000213)

Utah Certified Certified General Appraiser (No. 11521104-CG00)

Washington Real Estate Broker (No. 127896)

**Kidder
Mathews**

SELECT CLIENT LIST

Allstate Life Insurance Co.

Alexandria Real Estate Equities

Archdiocese of Seattle

Bank of America

BECU

Bloch Properties

Citibank

City of Seattle

City of Renton

Davis Wright Tremaine

East West Bank

First Sound Bank

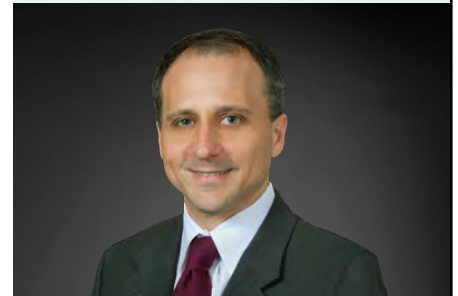
First Mutual Bank

GE Capital

H5 Capital

Heritage Bank

Jefferson County



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PROFESSIONAL AFFILIATIONS

MEMBER of Appraisal Institute (MAI)

MEMBER of Counselors of Real Estate (CRE)

ADDITIONAL CLIENTS

JPMorgan Chase Bank	Portland State University
KeyBank	Puget Sound Bank
King County	Puget Western
Low Income Housing Institute	San Juan County Land Bank
Memorial Medical Center	Schnitzer West
Merrill Lynch	Seattle BioMed
Morgan Stanley	Seattle Monorail Project
Morton McGoldrick, PS	Server Farm Realty
Moss Adams	Stockbridge Capital Group
National Real Estate Advisors	Todd Shipyards
Nexus Properties	Unico Properties
Northwest Diabetes Reaseach Center	Union Bank
Northwest Kidney Center	University of Washington
Novartis	US Bancorp
Olympus Real Estate Partners	Vulcan Real Estate
Overlake Medical Center	Washington Federal
Perkins Coie	Washington Trust Bank
Port of Port Townsend	Wells Fargo

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**Kidder
Mathews**



STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION
THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



CERTIFIED GENERAL REAL ESTATE APPRAISER

DAVID MATTHEW CHUDZIK
7047 51ST AVE NE
SEATTLE WA 98115-6131

1102099

License Number

03/17/2011

Issue Date

11/02/2024

Expiration Date

Teresa Berntsen
Teresa Berntsen, Director



JANE MANKE

**Associate
Valuation Advisory Services**

Jane Manke joined Valuation Advisory Services in January 2018 as an associate appraiser after interning for the brokerage division of Kidder Mathews.

Jane has appraised a variety of office, industrial, hospitality, marina, medical office, multifamily, retail, land, and development properties across the Pacific Northwest. She has also appraised special purpose properties including churches, schools, wineries, and hangars as well as easements and rights-of-way. Finally, her valuation experience extends to various data centers across the U.S.

STATE CERTIFICATION

Jane is a registered real estate appraiser trainee in Washington State (License No. 1002120).

EDUCATION

BABA in Finance and Operations & Supply Chain Management, University of Washington

APPRAISAL COURSEWORK

Uniform Standards of Professional Appraisal Practice (USPAP)

Basic Appraisal Principals

Basic Appraisal Procedures

Supervisor-Trainee Course for Washington

General Appraiser Market Analysis and Highest and Best Use

Statistics, Modeling, and Finance

General Appraiser Site Valuation and Cost Approach

General Appraiser Sales Comparison Approach

General Appraiser Income Approach

General Appraiser Report Writing and Case Studies

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**Kidder
Mathews**



STATE OF WASHINGTON

DEPARTMENT OF LICENSING - BUSINESS AND PROFESSIONS DIVISION
THIS CERTIFIES THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



STATE REGISTERED REAL ESTATE APPRAISER TRAINEE

JANE G MANKE

1002120
License Number

01/26/2018
Issue Date

11/06/2025
Expiration Date


Marcus J Glasper, Director

REVIEW TRACT C PROPERTY IN DES MOINES

Ownership	City of Des Moines
Type of Property	Industrial Development
Client	City of Des Moines
Intended use	Internal planning purposes/site acquisition.
Property Street Address	Tract C xx20th Avenue South
City/State /Location	Des Moines, WA. 98198
Appraiser and Firm Name	Kidder Matthews Valuation Advisory Services
Is appraiser appropriately state certified or licensed?	Yes
Effective Date of Value	February 25 2024
Date of Appraisal review	March 6, 2024
Appraisal Format	(x) Appraisal Report () Form Appraisal Report () Restricted
Property Interest Appraised	(x) Fee Simple () Leased Fee () Leasehold
Value Conclusion Date of Value Conclusion	As Is (x) At Completion () Stabilized ()
Review Determination	(x) Accepted () Rejected:

INTRODUCTION AND BACKGROUND		Yes	No	N/A
1	Is the report addressed to the Client?	x		
2	Overall, has the appraiser conformed to the scope of work, including extraordinary assumptions and has the appraiser provided a valuation that is not misleading, but produces credible results?	x		
3	Has the appraisal appropriately considered and analyzed any recent (within the past three years) transactions or listing of the property?	x		
4	Is there an adequate identification of the property including legal description?	x		
SITE AND IMPROVEMENT DESCRIPTION		Yes	No	N/A
5	Is there an adequate description of the site and improvements including any proposed additions/renovations?	x		
6	Does the Highest and Best Use Analysis support the current use, particularly with respect to financial feasibility? Moreover, if a construction loan, does the Highest and Best Use support the proposed improvements, especially with respect to financial feasibility?	x		
7	Does the appraiser provide an adequate description of market trends or an industry overview by identifying supply/demand?.	x		
8	Are zoning requirements and trends discussed in the report?	x		
9	Are the property taxes and property assessments disclosed?	x		
10	Easements, encumbrances deed restrictions or other title reports issues identified and analyzed?	x		

REVIEW TRACT C PROPERTY IN DES MOINES

11	Does the appraisal include adequate exhibits of the subject site?	x		
12	Adequacy of the improvements descriptions including remaining economic life?	x		
13	Are easement and encroachment items discussed in the report?	x		
14	Are environmental hazards identified and addressed or standard disclaimer included?	x		
15	Allocation of the useable versus non-useable land area?	x		
COST APPROACH		Yes	No	N/A
16	Does the report include a Cost Approach or explain its exclusion from the appraisal?	x		
17	Are land sales identified within the immediate market area and if not has the appraiser provided sufficient explanation to support the comparables?	x		
18	Are the comparables consistent with the size, utility (use), zoning, topography, and availability of the utilities when compared to the subject?	x		
19	Did the appraiser provide adjustment grids or sufficient narrative explanation to support the unadjusted and adjusted prices?	x		
20	Does the report reference Marshall Valuation Service or other cost estimating service?			x
21	Entrepreneurial profit analyzed and adequately documented?			x
22	Is the value estimated by the Cost Approach reasonable? If not, is there adequate discussion?			x
23	Are proper deductions for all items of depreciation and obsolescence included?			x
SALES COMPARISON APPROACH		Yes	No	N/A
24	Are the land sales derived from the immediate market and if not, has the appraiser provided sufficient explanation to support the use of sales outside the subjects area? As summarized above there was an explanation as to why local sales in the immediate or surrounding areas were excluded in the valuation of the subject property.	x		
25	Are comparable land sales current and do they correlate to the subject's highest and best use conclusion?	x		
26	Land sales current and comparable?	x		

REVIEW TRACT C PROPERTY IN DES MOINES

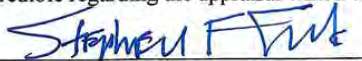
27	Photographs, location maps of sales included? Adequate information provided?	x		
28	Comparable sales analyzed on an adjustment grid with adequate support and discussion for the adjustments?	x		
29	Does the report present a reconciliation of comparable land sales?	x		
30	Did the appraiser provide any narrative or adjustment grids or to explain, justify, and support the concluded unit of measurement and were adjustments considered appropriate and not excessive?	x		
31	Summary of the Sales Comparison Approach?	x		
INCOME APPROACH		Yes	No	N/A
32	Does the report contain an Income Approach or explain its exclusion?			x
33	Are the rental properties comparable?			x
34	Photographs and location map of comparable rents included?			x
35	Comparable rents analyzed on an adjustment grid with adequate support and discussion for the adjustments made?			x
36	Projected rental income supported?			x
37	Vacancy and collection loss supported?			x
38	Market support for the capitalization rate?			x
39	Is a discounted cash flow analysis required?			x
40	If an income approach is used, has the appraiser provided sufficient data supporting the gross profit, operating expenses, capitalization rate and concluded value?			x
BUSINESS VALUATION		Yes	No	N/A
41	Does the report contain an Business Valuation or explain its exclusion?			x
42	In the business valuation section has the appraiser provided sufficient data supporting the concluded value of the business component?			x

REVIEW TRACT C PROPERTY IN DES MOINES

FINAL VALUE RECONCILIATION		Yes	No	N/A
43	Are the appraiser's mathematical calculations accurate and internally consistent throughout the report?	X		
44	Has the appraiser properly identified and employed extraordinary assumptions and/or hypothetical conditions? The appraisal address extraordinary and hypothetical conditions in the appraisal. However the appraisal report indicates that neither of these conditions we considered to be pertinent in valuing the subject.	x		
44	Has the appraiser critically analyzed all approaches employed by stating the strengths and weaknesses of each and does the reconciliation provide a convincing argument to the value conclusion(s) reached?	x		

OVERALL COMMENTS:

The review appraiser would conclude that the valuation conclusion for the +/-/-19,637 sf parcel of land is credible regarding the appraisal which was prepared by Kidder Matthews Valuation Advisory Services.



Stephen F. Swank
Appraiser/Consultant

ADDENDA

CERTIFICATION

I certify that to the best of my knowledge and belief:

1. The Statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have made a personal inspection of the property that is the subject of this report.
9. No one provided significant assistance other than the persons signing this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relations to review by its duly authorized representatives
11. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment
12. Stephen Swank has completed the continuing education requirements for the State of Washington Licensing Program.



Stephen F. Swank, Appraiser
WA License #1100296

Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions

Extraordinary Assumptions

None

Hypothetical Assumptions

None

General Assumptions

This analysis assumes the improvements will be constructed in a professional and workmanlike manner according to the plans included in this report.

The value arrived at was not determined based on a requested minimum valuation, a specific valuation or on approval of the loan

The analysis assumes that the legal description accurately represents the subject property. If further verification is required, further research is advised.

Without prior written approval from the authors, the use of this report is limited to decision-making concerning the potential financing of the property. All other uses are expressly prohibited. Reliance on this report by anyone other than the client for a purpose not set forth above is prohibited. The authors' responsibility is limited to the client.

We assume no responsibility for matters legal in character, nor do we render opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restrictive violations existing in the subject property.

The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless noted.

This report shall be used for its intended purpose only, and by the parties to whom it is addressed. Possession of the report does not include the right of publication.

The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.

The statements of value and all conclusions shall apply as of the dates shown herein.

Assumptions and Limiting Conditions (Continued)

The appraisers have no present or contemplated future interest in the property that is not specifically disclosed in this report.

Neither all, nor any part, of the content of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.

This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the author.

The distribution of the total valuation of this report between land and improvements applies only under the existing programs of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

The valuation stated herein assumes professional management and operation of the property throughout the lifetime of the improvements including an adequate maintenance and repair program.

The liability of Austin Appraisal and employees is limited to the client only and only up to the amount of the fee actually received for the assignment. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements, or cost, regardless of outcome; the client will hold Austin Appraisal completely harmless.

The Appraiser is not qualified to detect the presence of toxic or hazardous substances or material which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the presence of such materials. Therefore, irrespective of any degree of fault, Austin Appraisal and its principals, agents, and employees, shall not be liable for costs, expenses, damages, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids, or gasses, waste materials or other irritants, contaminants, or pollutants.

The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*, which prescribes specific building standards which may be applied differently to different buildings, depending on such factors as building age, historical significance, amenability to improvement, and cost of renovation. Austin Appraisal, its principals, agents, and employees, shall not be liable for any cost, expenses, assessments, penalties, or diminution in value resulting from non-compliance. Except as otherwise noted herein, this appraisal assumes that the subject complies with all ADA standards appropriate to the subject improvements; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the necessary renovation costs, time period needed for renovation, and penalties for non-compliance (if any) were known today, appropriate deductions would be made to the value conclusion(s) reported herein.

QUALIFICATIONS OF STEPHEN F. SWANK

EDUCATION:

Bachelor of Arts Degree in Public Administration with minor in City Planning from Western Washington University — Bellingham, Washington — 1977

APPRAISAL COURSES AND EDUCATION:

Real Estate Appraisal Principles	Land Valuation, Depreciation and the
Basic Valuation Procedures	the Cost Approach
Standards of Professional Practice	Appraising Office Buildings and Retail
Capitalization Theory, Part A	Properties
Capitalization Theory, Part B	Appraising Shopping Centers and
Site Inspection for Appraisers	Movie Theaters
Alternative Residential Reporting Forms	Appraising Hotels/Motels and
Small Residential Income Appraising	Apartment Buildings
Appraisal Report Writing	Highest & Best Use Analysis
Income Appraisal Theory & Techniques	Site Inspection for Appraisers

PROFESSIONAL:

Certified Real Estate Appraiser
General License No. 1100296, Expiration Date: 10/06/2023

EMPLOYMENT:

- President of Austin Appraisal, Inc. since April of 1996.
- Employed by the appraisal firm of Neal R. Cook & Associates as an Associate Appraiser — 1989-1996.
- Associate Appraiser with Consillium Inc. — 1985-1989.
- City Planner — 1977-1985.

EXPERIENCE:

Thirty-six years as a commercial appraiser. Experienced in market value appraisals, feasibility and land use studies, and marketing studies on commercial, industrial, multi-family, residential subdivisions and vacant land.

Self-Contained Appraisal Reports, Summary Appraisal Reports and Restricted Use Appraisal Reports have been prepared on apartments, condominiums, office buildings, retail centers, industrial parks, medical office buildings, office warehouse structures, condominium conversions, mini-storage facilities, single-family residential subdivisions, new construction, open space and vacant land. 71-B form appraisals have been completed for apartments as well as single-family appraisal form reports.

Projects have been completed in King, Pierce, Snohomish, Kitsap, Whatcom, Lewis, Mason and Thurston Counties and throughout the State of Washington. Appraisals have been completed nationally in 20 states.



State of Washington
 DEPARTMENT OF LICENSING
 BUSINESS AND PROFESSIONS DIVISION
 APPRAISER PROGRAM
 PO Box 9021
 Olympia, WA 98507-9021

STEPHEN F SWANK
 27045 10TH AVE S
 DES MOINES WA 98198-9315

✂

✂

STATE OF WASHINGTON
 DEPARTMENT OF LICENSING - BUSINESS AND PROFESSIONS DIVISION
 THIS CERTIFIES THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

STEPHEN F SWANK

1100296	04/21/1994	10/06/2025
License Number	Issue Date	Expiration Date

Marcus J Glasper
 Marcus J Glasper, Director

(R/4/23)

Recording Requested By And
When Recorded Return to:

Port of Seattle
Economic Development Division
[What team title do we put here?]
P.O. Box 1209
Seattle, WA 98111

PEDESTRIAN AND BICYCLE TRAIL EASEMENT

Grantor: Port of Seattle
Grantee: City of Des Moines
Legal Description (abbreviated): _____, Additional legal(s) on Page _____.
Assessor's Tax Parcel ID# _____.
Reference Nos. Of Documents Released or Assigned: _____.
Project [Area]: _____.
Parcel [#]: _____.

This easement ("**Trail Easement**") is made this ____ day of _____, 2024, between **The Port of Seattle**, a Washington municipal corporation ("**Grantor**"), and **The City of Des Moines**, a Washington municipal corporation, ("**Grantee**").

WITNESSETH, that Grantor, in consideration of mutual benefit and covenants contained in a prior Development Agreement between Grantor and Grantee, dated, _____ and subsequently amended on _____ does by this instrument grant a permanent Trail Easement to Grantee as set forth herein.

AGREEMENT

1. Grant of Easement.

NOW THEREFORE, Grantor, having received the consideration described in the recitals, the sufficiency of which is hereby acknowledged, does hereby convey unto Grantee, its successors and assigns, a perpetual non-exclusive Trail Easement for public pedestrian, bicycle, and other non-motorized uses over, along and across the property in the area legally described in Exhibit 1 and depicted in Exhibit 2 attached hereto and incorporated herein (the "**Trail Easement Area**"). The grant and conveyance of this Trail Easement is without any representation or warranty as to the condition of the Trail Easement Area or its suitability for any purpose. Accordingly, Grantee accepts the Trail Easement Area in its present condition, As-Is, Where-Is with all patent and latent defects. The granting of this Easement conveys a limited right to the public to enter the Easement Area only for the purpose specified herein.

2. Permitted Uses.

{00369611.DOC;1}
4895-7783-3144, v. 1

This grant of easement includes the Grantee's right to use the Trail Easement for improvement, construction, alteration, maintenance and operation of such trail as is now, or may be hereafter constructed, including the placement of interpretive and informational signs, which shall be subject to Grantor's approval which shall not be unreasonably withheld. Grantee shall have the right to make all necessary slopes upon the trail and for cuts and fills on each side of the said trail, which shall be subject to Grantor's approval which shall not be unreasonably withheld. Grantee shall be solely responsible for any and all costs associated with the repair and maintenance of the trail after it is initially constructed. Grantor has entered into a ground lease dated August 23, 2022, with a commercial developer as the tenant (the "Ground Lease"). The Ground Lease tenant intends to construct a commercial building or buildings on Grantor's property adjacent to the Trail Easement Area (the "Project"). The Ground Lease obligates Grantor's tenant, at its sole cost and expense, to initially construct the trail suitable for Grantee's needs which are agreed to be a 10' wide asphalt hiking trail with 2' gravel shoulders on either side (14' total) as a multi-use trail per FHWA/WSDOT ADA Multi-Use requirements, Chapter 1515 of the WSDOT Design Manual. The trail is to be located within the Trail Easement Area. In the event that both the Project and the trail construction are not constructed to completion within two (2) years of the date the Grantee issues all approvals and permits to the Ground Lease tenant for its Project, Grantor and Grantee shall work together to find a mutually acceptable alternate trail construction plan, location and timeline which will not impede the future development of Grantor's property adjacent to the Trail Easement Area.

This grant of Trail Easement includes both the Grantee's and the public's right to use the Trail Easement Area. Notwithstanding the foregoing, the public's right to use the Trail Easement Area shall not become effective until the Project, or another comparable development of Grantor's adjacent property, is complete and the trail has been constructed.

Grantee shall own any and all improvements located in the Trail Easement Area made by Grantee in connection with this Trail Easement.

3. Prohibited Uses.

The following uses and practices are inconsistent with the purposes of this Trail Easement and shall be prohibited upon or within the Trail Easement Area:

- (a) Use of the Trail Easement Area by motorized vehicles (other than during construction or maintenance of the trail).
- (b) Use of the Trail Easement Area between sunset and sunrise, including any sleeping or camping activities.
- (c) Constructing or placing building, residence, mobile homes, enclosures, wells, septic systems, sewer lines, or any structures, except as otherwise provided herein.

- (d) Dumping any materials, or releasing any liquids or gasses on or in the Property.
- (e) Disturbing the surface of the Trail Easement Area including but not limited to excavating, filling, removing soils or sub-soils, or changing the topography of the land in any manner, except as provided herein.
- (f) Removing, cutting, uprooting or otherwise destroying trees and other vegetation or animals, living or dead, except as otherwise provided herein.

4. Grantor's Reserved Rights.

Grantor reserves unto itself, its tenants and sub-tenants, and its successors and assigns the right to use the Trail Easement Area and improve, construct, alter, maintain and use conduits and other facilities over, under, through, along and across the Trail Easement Area for access and utility purposes as are determined by Grantor to be necessary for development of the underlying property or properties adjacent to the Trail Easement Area, provided, that such improvement, construction, alteration, maintenance and use does not substantially interfere with Grantee's or the public's use of the Trail Easement Area for trail purposes. Grantor also reserves unto itself, its tenants and sub-tenants and its successors and assigns the right to access the Trail Easement Area in order to maintain the natural areas in the vicinity of the Trail Easement Area. Grantor, its tenants and subtenants and its successors and assigns shall be solely responsible for any and all costs associated with the exercise of its reserved rights.

5. Grantee's Maintenance and Repair Responsibilities.

Grantee shall be responsible, at its sole expense for maintaining the trail in a safe operable condition, and otherwise ensuring public health and safety in the Trail Easement Area. Without limitation, this responsibility shall include: but not limited to: regular removal of trash and debris; landscaping and vegetation management as-needed; and maintenance and repair of the trail surface and any areas within the Trail Easement Area which are necessary to maintain the trail in a safe and operable condition.

6. Subordination to Agreements with United States/Airport Use. This Trail Easement is subject and subordinate to all current and future agreements entered into between Grantor and the Federal Aviation Administration, or any other federal agency, which agreements related to the operation and/or maintenance of Seatac Airport, including agreements that are required as a condition to Grantor receiving federal funds to improve or further develop Seatac Airport in accordance with the Federal Aviation Act of 1958 (Pub. L. No. 85-726, 72 Stat. 731) and 49 U.S.C. §§ 47101-47144. Without limiting the foregoing, Grantee additionally shall not allow any use, activity, condition or structure to occur within the Trail Easement Area which interfere with the landing or taking off of aircraft at Seatac Airport, or otherwise interfere with the operation of Seatac Airport.

7. Compliance with All Laws. Grantee shall be responsible for ensuring that all activities within the Trail Easement Area comply with all laws, regulations, orders, covenants and restrictions. Other than the initial construction of the trail by Grantor's tenant, and without limitation, this obligation shall require Grantee to obtain all other necessary permits and authorizations necessary to construct, maintain and repair, and operate the trail, at its sole cost and expense.

8. Environmental Liability and Costs of Handling Hazardous Substances.

- (a) Definition of Hazardous Substances. "Hazardous Substances" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Environmental Laws. "Environmental Laws" shall mean and refer to any and all laws, statutes, regulations, ordinances, codes, orders or other requirements of any federal, state, county, city, or other local jurisdiction, relating to the protection of human health and the environment.
- (b) Hazardous Substances Indemnity. Grantee shall indemnify, defend, and hold harmless Grantor, Grantor's elected officials, Grantor's tenant or any of its subtenant's, agents, officers, and employees from and against any and all suits, liability, loss, damage, expense, actions or claims arising from or related to the migration or release of Hazardous Substances, pre-existing or otherwise, relating to Grantee's exercise of rights and privileges pursuant to this Trail Easement.
- (c) Waiver and Release. Grantee waives and releases Grantor from any and all liability, loss, damage, expense, actions, claims or suits arising from or related to the pre-existence of any Hazardous Substances, if any, under or on, or within the Trail Easement Area, or the surrounding property owned by Grantor.
- (d) Hazardous Materials Management. During any construction, maintenance or repair by Grantee pursuant to this Trail Easement, Grantee shall be responsible for, at its sole cost and expense, all testing, profiling, and proper disposal of any Hazardous Materials generated or encountered, which Grantee determines must be removed from the Trail Easement Area. Grantee shall provide Grantor with copies of all disposal records documenting the management of such Hazardous Materials.

6. Indemnity.

To the extent permitted by law, each party shall protect, defend, indemnify and save harmless the other party, and its successors and assigns, officers, members, officials, employees, representatives and agents, (collectively, the "Related Parties"), from any and all costs, expenses, claims, actions, suits, liability, loss, judgments, reasonable attorneys' fees and/or awards of damages arising out of or in any way resulting from the indemnifying party's or its Related Parties', negligent acts, errors or omissions related to the Trail Easement Area or any improvements therein. If such costs, expenses, claims, actions, suits, liability, loss, judgments, attorneys' fees and/or awards of damages are caused by, or result from, the concurrent negligence of the parties, or their respective Related Parties, this Section shall be valid and enforceable only to the extent of the negligence of each party and its respective Related Parties. In addition, Grantee hereby

agrees to release, hold harmless, indemnify, and defend Grantor, Grantor's tenant or any of its subtenant's, and their successors and assigns, officers, members, employees, representatives, and agents from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, suits, claims, demands, judgments or administrative actions, including, without limitation, reasonable attorney's and consultant's fees, arising from or in any way connected with injury to or death of any person, or physical damage to any property related to Grantee's or the Public's use of the Trail Easement Area, including but not limited to any use of property adjoining the Trail Easement Area by users of the Trail Easement. The foregoing indemnities are specifically and expressly intended to constitute a waiver of the indemnifying party's immunity under Washington's Industrial Insurance Act, RCW Title 51, with respect to the indemnified party only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the indemnifying party. The parties acknowledge that this Section 6 was specifically negotiated and agreed to by them and that Grantor would not have agreed to grant this Easement to Grantee but for the inclusion of this Section 6. Notwithstanding the foregoing, neither Grantee nor Grantor waives, or intends to waive, any immunity or other protections it may enjoy under R.C.W. 4.24.210 or any successor statute which confers immunity or protections from liability for parties in possession of land who make said land available for recreational purposes.

7. Miscellaneous.

(a) Captions. The captions and paragraph headings contained in this Trail Easement are for convenience of reference only and in no way define, describe, extend or define the scope or intent of this Trail Easement, nor the intent of any of the provisions hereof.

(b) Governing Law. This Trail Easement shall be governed by and construed and enforced in accordance with the laws of the State of Washington. The parties agree that venue of any legal action brought to enforce this Trail Easement shall be in King County, Washington.

(c) Recitals Incorporated; Definitions. Each recital and definition set forth above is incorporated into this Trail Easement as though fully set forth herein.

(d) Attorney's Fees and Costs. If either party shall bring an action to enforce the terms of this Trail Easement, in any such action the prevailing party shall be entitled to an award of its reasonable attorneys' fees and reasonable costs. Said costs and attorneys' fees shall include, without limitation, costs and attorneys' fees incurred in any appeal or in any proceedings under any present or future federal bankruptcy, forfeiture or state receivership or similar law.

(e) Severability. All provisions of this Trail Easement are severable and the invalidity or unenforceability of any provision shall not affect or impair the validity or enforceability of the remaining provisions.

(f) Binding Effect; Successors and Assigns. The term of this Trail Easement shall be perpetual. The rights and obligations of the parties shall be deemed to run with the land and the easement shall inure to the benefit of and be binding upon Grantor's and Grantee's respective successors and assigns (subject to the terms hereof). This Trail Easement may be amended or modified only by written instrument, executed and acknowledged by the parties hereto or their successors or assigns, recorded with the King County Recorder's Office.

(g) Entire Agreement. This Easement contains the entire agreement of the parties and supersedes any prior written or oral agreements with respect to the matters described herein.

(h) Liens and Encumbrances. Grantee shall, at its sole cost and expense, keep the Trail Easement Area free and clear of any liens or other encumbrances arising out of Grantee's activities under this Trail Easement.

(h) Exhibits Incorporated. The exhibits attached hereto are incorporated herein by this reference as if fully set forth.

IN WITNESS WHEREOF, the said Grantor and Grantee have signed this _____ day of _____, ____.

GRANTOR

GRANTEE

BY: _____

BY: _____

TITLE:

TITLE:

DATE: _____

DATE: _____

Approved as to Form:

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR _____

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE or HE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at _____

City and State

NOTARAY BLOCK FOR _____

My appointment expires _____

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____, and who executed the foregoing instrument and acknowledged to me that SHE/HE was authorized to execute said instrument on behalf of _____ for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at _____

City and State

My appointment expires _____

EXHIBIT 1

**LEGAL DESCRIPTION FOR PEDESTRAIN AND BICYCLE, TRAIL
EASEMENT AREA**

[Insert legal description of this parcel]

EXHIBIT 2
Depiction of Trail Easement Area

{00369611.DOC;1}
4895-7783-3144, v. 1



August 26, 2024

Mr. Tim George
Interim City Manager
City of Des Moines
21630 11th Avenue S, Suite C
Des Moines, WA 98198-6398

RE: Sale of "Tract C" to Port of Seattle for Des Moines Creek West Development

Dear Mr. George,

The Port of Seattle supports the sale of the Tract C to the Port currently under consideration by the Des Moines City Council at an upcoming City Council meeting. Sale of this parcel adjacent to the Des Moines Creek West site, under development by Panattoni Development Company, will allow this small property to be added to our current ground lease with Panattoni and allow them to build an entrance from 20th Avenue South into the Des Moines Creek West development which will be safer for pedestrians on the adjacent new trail. The Port of Seattle Commission approved acquisition of the Tract C parcel at our July 9, 2024 Commission meeting. We urge the City Council to approve the sale of Tract C and allow developer Panattoni to move forward on their efforts to get the Des Moines Creek West development fully permitted and under construction early next year.

If approved by your City Council, this transaction will be the last significant action taken between our two organizations to realize our collective vision for the Des Moines Creek Business Park: to bring new economic activity, jobs, and environmental reclamation to the City of Des Moines on long vacant parcels owned by the Port of Seattle. This is the culmination of well over a decade of shared vision and common commitments detailed in formal agreements, shared infrastructure investments and long partnership between the Port and Des Moines in planning for the Des Moines Creek Business Park.

In sum, working collectively with our development partners of Trammel Crow, IAC and Panattoni, we have collaborated to bring about nearly 118.4 acres of development activity to land that sat vacant for decades. The business park development helps support the Port's economic development mission, helps the City of Des Moines meet its Comprehensive Plan employment goals, and contributes to your city's tax base. We have seen our development partners build 6 buildings -- including the new state of the art FAA office building -- that house over 2000 jobs, build new stormwater facilities, build new roadway frontage, remediate dozens of acres, construct new pathways and, with the completed Panattoni Des Moines Creek West project, the addition of a new trail extension and nearly 10 acres of forested woodlands and wetlands to be permanently protected forest land under a restrictive covenant. Countless hours of collective effort by leaders and citizens alike have brought us to the point we are today. With this last action, we can successfully complete our collective vision started so many years ago.

Thank you and the entire Des Moines planning and permitting team for the work and due diligence on this complex site. We remain committed to our ongoing efforts to improve the quality of life for the citizens of Des Moines.

Sincerely,

Mian A. Rice

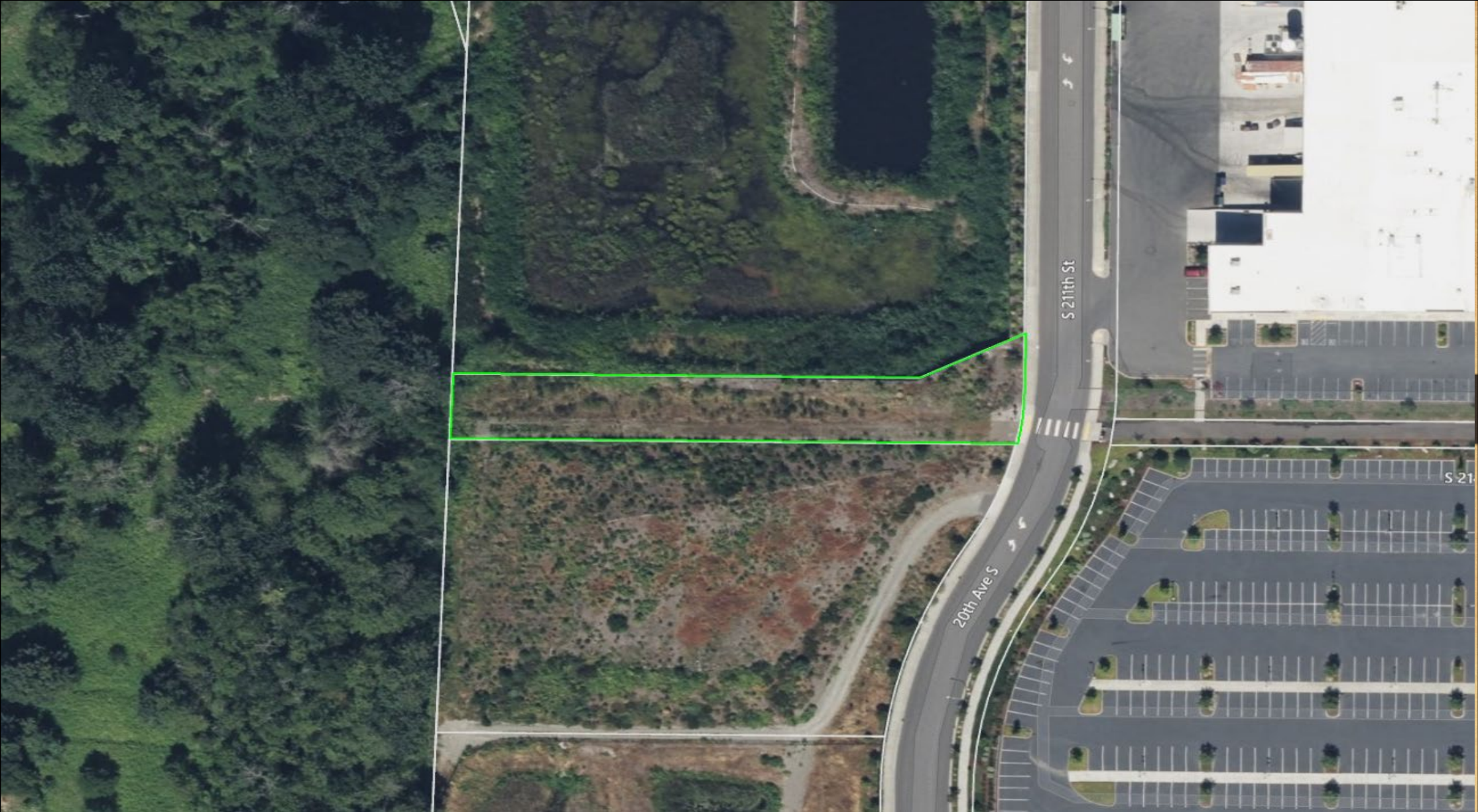
Mian Rice on behalf of Kyra Lise
Interim Managing Director for Economic Development
Port of Seattle

Public Hearing for Des Moines Creek Business Park
West:
Surplus and sale of Tract C and approval of Trail
Easement

Presentation by Interim City Manager George
September 12, 2024

Tract C – DM Creek Business Park West Access Parcel

- Tract C: Dedicated to the City from the Port of Seattle at no cost in 2014 as part of an Interlocal Agreement for development of Des Moines Creek Business Park (eastern portion).
- Tract C: Approximately 20,000 square feet, envisioned to be the future public access to Des Moines Creek Business Park West.

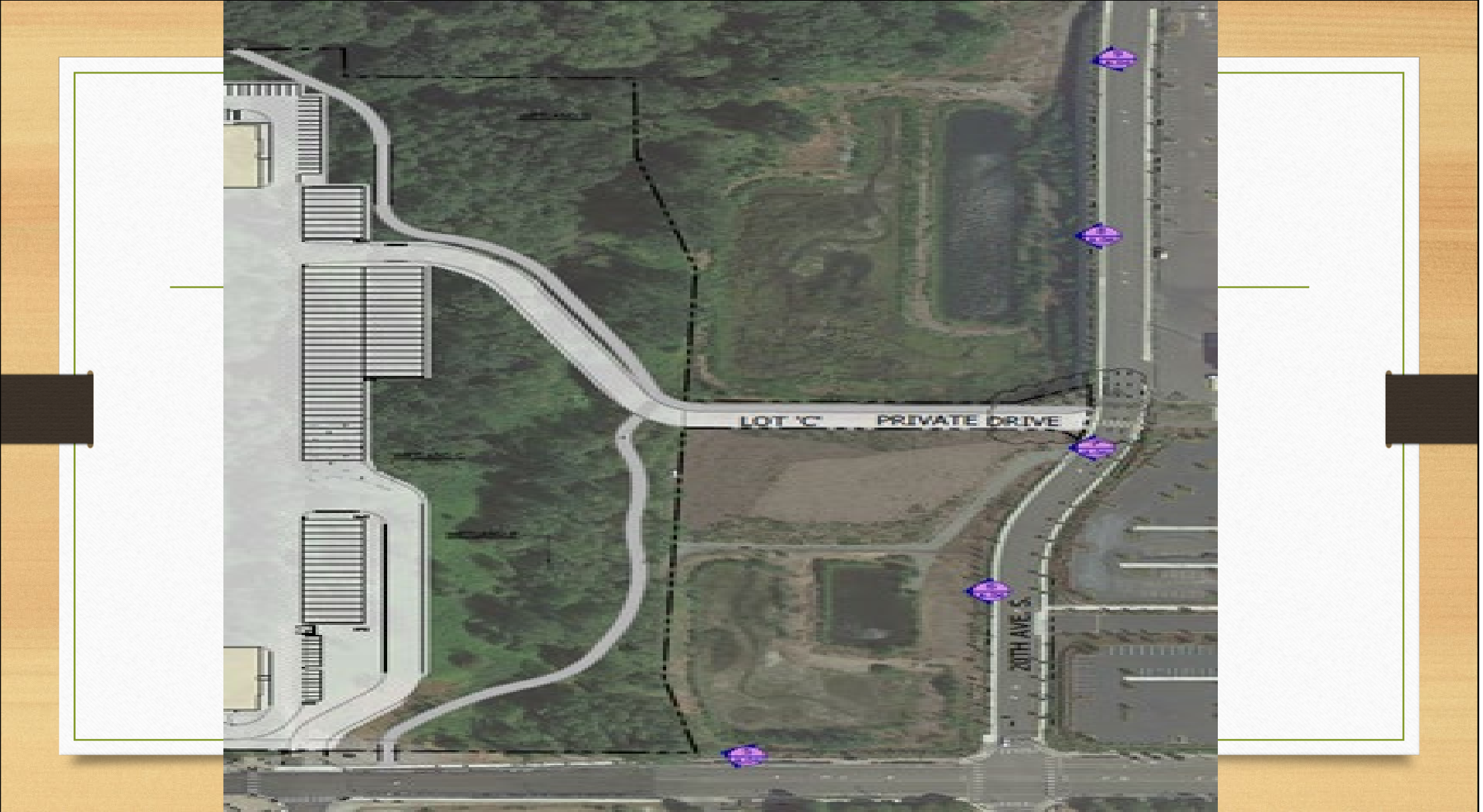


RCW 39.33.020

- State law authorizes governments to transfer property to other government entities subject to notice requirements and payment of fair market value.
 - Notice – hearing notice posted online, Seattle Times, City posting places between 10 and 25 days prior to hearing.
 - Contained property description and proposed use.
 - Fair Market Value determined through appraisal = \$690,000
 - Appraisal was reviewed by City retained appraiser. Confirmed value.

Motion 1 – To be considered after public hearing.

- Motion 1
- “I move to enact Draft Ordinance 24-030 declaring surplus to City needs Tract C located within the Des Moines Creek Business Park West, and authorize the City Manager to execute the documents necessary for the sale of the property to the Port of Seattle for fair market value.”



[Redacted text block]

[Redacted text block]

Substantive Issues with Business Park Development

- Substantive issues related to the DM Creek Business Park West development will be considered at a later date.
 - SEPA Appeal filed in August. Appeal hearing is set before the City's Hearing Examiner on October 18, 2024.
 - Public Hearing to consider Master Plan Approval as well as Variance request also set for October 18, 2024 in front of the City Hearing Examiner.
 - Opportunity for public comment at that date regarding the proposed development.

Conclusion of staff presentation

- This concludes the staff presentation.

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: City Manager Employment Agreement

FOR AGENDA OF: September 12, 2024

DEPT. OF ORIGIN: Human Resources

ATTACHMENTS:

DATE SUBMITTED: September 11, 2024

- 1. Employment Contract – To be provided September 12, 2024

CLEARANCES:

- City Clerk _____
- Communications _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance *MH 2/1*
- Human Resources _____
- Legal /s/ MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is for the City Council to formalize the hiring of Katherine Caffrey as Des Moines City Manager through the execution of an employment agreement.

Suggested Motion

Motion:

“I move to formalize the appointment of Katherine Caffrey as the Des Moines City Manager under the terms of the attached Employment Agreement, and to authorize the Mayor to sign such Agreement on behalf of the City, substantially in the form as submitted.”

Background

At the City Council meeting on September 5, 2024, the Council voted to select Katherine Caffrey to fill the City Manager position, contingent upon successful negotiation of an employment agreement facilitated by Adrienne Johnson-Newton, Assistant City Manager, and Dave Tuan of Strategic Government Resources (SGR). Ms. Caffrey was selected following a comprehensive recruitment process that officially began on May 30, 2024.

Ms. Caffrey is a seasoned local government management professional with twenty (20) years of experience overseeing an array of municipal departments and leading community initiatives. Her recent role as Principal & Founder of NAVIS Consulting involved advising public sector clients on placemaking, public-private partnerships, and strategic redevelopment. Ms. Caffrey also served as Deputy City Manager and Assistant City Manager for a combined nine (9) years, as well as Director of Community Affairs in Cedar Park, Texas. Notable achievements include leading the Bell District project, which revitalized underutilized real estate, created a vibrant "downtown" area with a new park, City library, and private developments, and significantly strengthened the community's tax base. She holds a Master of Public Administration from the University of Kansas and is a member of the International City/County Management Association.

Discussion

Negotiations on a final employment agreement are currently underway, and the final draft of the agreement will be included into this agenda packet when it is completed to allow for City Council consideration and approval.

Alternatives

Alternatively, the City Council may choose not to authorize the Mayor to sign the employment agreement if the terms agreed upon with Ms. Caffrey are not finalized to their satisfaction.

Financial Impact

The financial impact includes a hiring range of \$218,577 to \$253,024, in addition to the standard benefits package offered to non-represented employees. Further financial implications will be discussed by the Council once there is agreement on the terms of the employment agreement.

Recommendation

It is recommended that the City Council authorize the Mayor to sign the employment agreement with Katherine Caffrey, pending the finalization of terms and conditions.

Employment Agreement
Between the City of Des Moines and Katherine Caffrey
For Employment as City Manager

This Employment Agreement (“Agreement”) is made and entered into by and between the City of Des Moines, Washington, a municipal corporation, hereinafter called “Employer” or “City Council,” and Katherine Caffrey, hereinafter called “Employee” or “City Manager.” Collectively, the Employer and Employee shall be called “parties.”

Section 1. Employment, Powers and Duties, and Term.

(A) The City Council hereby employs Katherine Caffrey as City Manager of the City of Des Moines, to perform the functions and duties set forth in the Des Moines Municipal Code (DMMC), RCW 35A.13.080, and such other legally permissible and proper duties and functions as the City Council shall, from time to time, direct or assign. The City Council acknowledges the business principles and legal provisions under the Council-Manager form of government, and agrees to direct its concerns and requests for action to the City Manager. The City Manager recognizes that the City Council is the policy making body and agrees to respond promptly and equally to all members of the City Council regarding their concerns.

(B) The City Manager shall focus their professional time, ability, and attention to the City’s business during the term of this Agreement. The City Manager shall not spend time performing non-Employer connected business activities that are competitive or in conflict with their duties as the City Manager. In those cases where outside activities, for example, consulting, teaching, or other business opportunities are not in conflict with their duties and are not competitive to the interests of the City, the City Manager will request the express prior written consent of the City Council. The City Council has the sole authority to approve or deny a request under this Section.

(C) Before entering upon the duties of their office, the City Manager shall take an oath for the faithful performance of their duties and shall execute and file with the City Clerk a bond in favor of the City in the amount required by law. The premium on such bond shall be paid by the City.

(D) This Agreement and appointment shall become effective November 1, 2024 and shall be for an indefinite term subject to RCW 35A.13.130 and Section 7 of this Agreement. The City Manager is an “at-will” employee serving at the pleasure of the Employer, acting through the City Council, and subject to summary dismissal without any right of notice or hearing. Except as provided in Section 7 below, the City may terminate the employment of the City Manager at any time, with or without cause, upon compliance with RCW 35A.13.130 and the provisions set forth in Section 7 of this Agreement.

(E) If City Manager determines to terminate this Agreement, they shall be required to give a minimum of sixty days’ advance written notice to the City Council

prior to the effective date of their termination, unless a shorter period is acceptable to the City Council, and the City Manager shall not be eligible for severance compensation in the event of their voluntary resignation.

Section 2. Compensation.

(A) Employee shall receive an initial annual base salary \$245,000 of Range M-49 on the 2024 City Manager pay plan. The Employee shall be eligible for merit increases in salary, subject to the approval of the City Council and contingent upon satisfactory performance as determined by the City Council during their annual performance review in accordance with the process prescribed in Section 5. Performance Evaluation.

(B) Beginning January 1, 2027, City Manager shall receive consideration for general pay increases as otherwise provided to non-represented City employees, effective January 1 of each year subject to budget constraints. Upon execution of this agreement, the City Manager shall accept equivalent wage and benefit concessions, such as furloughs, as any that are implemented for non-represented employees. Cost of living adjustments and any such concessions will be administratively applied without the necessity of modifying this agreement.

Section 3. Employment Benefits.

(A) Except as otherwise provided in this Agreement, the City Manager is granted employment benefits in accordance with the Personnel Manual of the City, as presently constituted or as may be subsequently amended.

(B) The City shall provide medical, dental, and vision coverage with the same premium share percentage paid by Employee as non-represented employees as well as the applicable health reimbursement plan based on the Employee's health coverage election. The City will provide the same fringe benefits provided to non-represented employees, such as basic term life insurance, long term disability insurance, and survivor life benefit insurance coverage provided to non-represented employees.

(C) In recognition of the Employee's public service, the Employee shall accrue an amount of vacation leave at the rate of ten (10) hours per month, which is commensurate to six (6) years of service on the City's vacation accrual schedule. Employee shall be eligible for an increase in the vacation accrual rate in accordance to the vacation accrual schedule in Personnel Manual.

(D) Upon hire the Employee shall receive a front-load vacation leave balance of eighty (80) hours.

- a. If the Employee leaves the City for any reason prior to twelve (12) months of service at the City, the City is to be reimbursed the value of eighty (80)

vacation hours (or forfeit an equivalent number of unused hours). No minimum waiting period is necessary to use these eighty (80) vacation hours.

- b. Employee may cash in up to eighty (80) hours of vacation annually: forty (40) hours of vacation of each December to be paid on the second payday in December and forty (40) hours of vacation each June to be paid on the second payday in June.

(E) The parties recognize that the City Manager must devote a great deal of time outside normal office hours on business for the City. The parties recognize that City Manager is exempt from the provisions relating to overtime payment and compensatory time under the Fair Labor Standards Act, and is therefore not entitled to formal accumulation of compensation time for hours worked in excess of the normal work day or work week. However, based on the recognition that the City Manager is required to attend meetings and perform duties outside normal working hours, an additional thirty-two (32) hours of executive leave time shall be added to their executive leave balance per calendar year. Effective January 1, 2025, the employee shall accrue (1.333) hours of executive leave per pay period for a maximum of thirty-two (32) hours per calendar year.

(F) In lieu of participation in the Social Security System, Employee and Employer will make contributions to Social Security replacement retirement accounts, as provided to eligible non-represented employees pursuant to Sections 401(a) of the Internal Revenue Code. Effective November 1, 2027, the Employee shall also be eligible for Employer contributions, as provided to eligible non-represented employees, pursuant to Section 457 of the Internal Revenue Code.

(G) The Employer will make the following flat dollar amount contributions to the Employee's 457(b) Deferred Compensation Plan (457(b) Plan) pursuant to Sections 457 of the Internal Revenue Code:

Upon hire-Twelve thousand (\$12,000) dollars
November 1, 2025-Nine thousand (\$9,000) dollars
November 1, 2026-Six thousand (\$6,000) dollars

(H) Employee shall be covered by the State of Washington PERS 2 or PERS 3 retirement system depending on their election. Employer shall contribute the Employer's share and Employee shall contribute the Employee's share of contributions to PERS 2 or 3 as established in state law. The parties acknowledge that the amount of the Employer contribution is subject to adjustment by the state legislature in the future and agree that said contribution shall be adjusted (either increased or decreased) accordingly.

(I) Recognizing the travel and telecommunications costs Employee will be incurring using their own vehicle and cellular phone in the performance of their duties, they will be paid a transportation and telecommunications allowance totaling six hundred

(\$600.00) per month, to be paid in two (\$300.00) increments on their bi-monthly paycheck, subject to lawfully required withholdings.

(J) The City Council fully supports Employee's professional development and Employer shall pay the fee for Employee's membership in the International City/county Management Association and the Washington City/County Management Association, and reasonable registration and expenses for other ongoing professional training, classes, licensing requirements or professional development conferences as provided in the City budget and consistent with City Policy.

Section 4. Residence and Relocation and Temporary Housing Assistance.

(A) Employee may reside outside of the corporate city limits during the duration of this agreement.

(B) The City shall provide the Employee with a one-time lump sum payment for moving and temporary housing expenses in the amount of thirty-eight thousand (\$38,000) to cover reasonable and necessary expenses as a result of their relocation to Washington state. Any employee tax liability on all City provided benefits for Employee' relocation shall be paid by Employee. If employment is less than two (2) years due to Employee voluntarily resigning without a request from the Employer, or Employee is terminated with cause, then these expenses shall be prorated on a per year basis and repaid to the City by Employee upon departure from City employment.

Section 5. Performance Evaluation.

(A) The City Council shall review and evaluate the performance of the Employee quarterly for the first year of employment. After the first year, performance evaluations will occur at least twice (2x) annually, unless otherwise mutually agreed by the City Council and the Employee. Said review and evaluation shall be in accordance with job performance criteria developed by the City Council, and in accordance with Des Moines Municipal Code 2.04.050.

(B) The City Council shall define goals and performance objectives, which they determine necessary for the proper operation of the City, and in the attainment of the Council's policy objectives, and shall further establish a relative priority among those various objectives. The City Council will provide written performance evaluations to the Employee, which will provide an adequate opportunity for the Employee to discuss the evaluation with the City Council.

(C) The Employees anniversary date for the purpose of the annual performance evaluation shall be November 1.

Section 6. Indemnification.

As a condition of Employee's employment, Employer agrees that it shall defend, hold harmless and indemnify Employee against any tort, professional or personal liability claim, demand, or legal action of any kind or nature, whether groundless or otherwise, arising directly or indirectly out of an alleged act or omission occurring in the performance of Employee's duties. This indemnification and hold harmless shall continue after Employee's cessation of employment but only insofar as it relates back to claims, demands, suits, judgements and professional, personal and community liability arising either directly or indirectly out of their employment. The terms of this provision assume and are conditioned upon the Employee acting in a lawful manner and within the scope of their authority as City Manager and fully cooperating in the defense of any such claims and suits.

Section 7. Termination and Severance.

- (A) In the event that the Employee is terminated or requested by the Employer to resign for the convenience of the City of Des Moines, the Employer shall provide a minimum of thirty (30) days' notice. Employer shall additionally compensate Employee for all earned vacation balances in effect on the date of termination or resignation of the Employee, with no further vacation or sick leave accrual. The Employer shall be authorized to perform any deductions required by law.
- (B) Any termination action taken by the Employer shall be subject to the notice period required by RCW 35A.13.130 and RCW 35A.13.140, or successor statutes. The Employer, in its sole discretion, may substitute advance notice of termination in addition to that required by statute for any or all of the months' severance compensations listed below. Additionally, the Employer and Employee may, by mutual consent, arrange for a time-certain effective date of such termination, subject to the aforementioned notice period required by state law.
 - a. In the event the Employee is terminated without cause or requested by the Employer to resign for the convenience of the City of Des Moines, prior to twelve (12) months of satisfactory performance, the Employer shall provide severance compensation in the amount of four (4) months of salary, cash equivalent of vested benefits and deferred compensation, based upon the salary and benefits in effect at the time of notice of termination or resignation, and the Employer shall also provide the total cash value of the health care benefits in effect at the time of termination equal to the amount of severance compensation months.

- b. In the event the Employee is terminated or requested by the Employer to resign for the convenience of the City of Des Moines, after twelve (12) months of satisfactory performance, the Employer shall provide severance compensation in the amount of six (6) months of salary, cash equivalent of vested benefits and deferred compensation, based upon the salary and benefits in effect at the time of notice of termination or resignation, and the Employer shall also provide the total cash value of the health care benefits in effect at the time of termination equal to the amount of severance compensation months.
- (C) Severance compensation will increase by one (1) month per year of satisfactory service, to a maximum of twelve (12) months' of salary, cash equivalent of vested benefits and deferred compensation, based upon the salary and benefits in effect at the time of notice of termination or resignation, and the Employer shall also provide the total cash value of the health care benefits in effect at the time of termination equal to the amount of severance compensation months.
- (D) Failure of the Employer to correct a material breach of this Agreement after notice and a reasonable opportunity to comply will be considered a constructive discharge without cause and Employee will be entitled to severance compensation specified in this section.
- (E) In the event the City Manager is terminated for "cause," then Employer's only obligation to the City Manager is to pay all compensation and benefits accrued but unpaid at the date of termination. For the purposes of this Agreement "cause" for termination shall include, but not be limited to, the commission of any one of the offenses calling for immediate discharge under Section 8(A)(1) of the Personnel Manual as presently constituted or as may be subsequently amended (including any change in section numbering).

Section 8. General Provisions.

- (A) In addition to the rights and benefits detailed herein, the City Manager shall receive all benefits accruing to the department directors of the City of Des Moines, except where they are in conflict with the specific provisions of this Agreement.
- (B) The text herein shall constitute the entire agreement between the parties.
- (C) This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the parties.

(D) This Agreement shall become effective upon execution by Employee and adoption and approval by the City Council of the City of Des Moines.

(E) Any amendment, alteration, extension, or modification of this Agreement shall be in writing, signed by the parties hereto, approved in the affirmative vote of the City Council with the written consent of City Manager.

(F) If any provisions, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, and to signify agreement to the terms and conditions of this Agreement, the parties have affixed their signatures on the dates indicated.

Dated this ___ day of _____, 2024.

Dated this ___ day of _____, 2024.

CITY OF DES MOINES

EMPLOYEE

Traci Buxton, Mayor
(At the direction of the City Council of the
City of Des Moines taken at an open public
meeting on September 12, 2024.)

Katherine Caffrey, City Manager

Approved as to form:

Attest:

Matthew Hutchins, Acting City Attorney

Taria Keane, City Clerk

CITY MANAGER - EMPLOYMENT AGREEMENT MOTION

- “I move to formalize the appointment of Katherine Caffrey as the Des Moines City Manager under the terms of the attached Employment Agreement, and to authorize the Mayor to sign such Agreement on behalf of the City, substantially in the form as submitted.”

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: 2025 Business Licenses Fee Schedule

FOR AGENDA OF: September 12, 2024

ATTACHMENTS:

- 1. Draft Resolution No. 24-067
- 2. Current Business License Fee Table
- 3. Business License Fee Comparison

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: September 4, 2024

CLEARANCES:

- City Clerk _____
- Communications _____
- Community Development /s/ DH
- Courts _____
- Emergency Management _____
- Finance *MH 28*
- Human Resources _____
- Legal /s/ MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this Agenda Item is for the City Council to consider Draft Resolution No. 24-067 (Attachment 1) which proposes to increase two business license fees for 2025.

Suggested Motion

Motion: "I move to adopt Draft Resolution No. 24-067 updating the business license fee schedule."

Background

The City of Des Moines requires a business license for local businesses and businesses from outside the City who are conducting business within the City. Business licenses provide critical information allowing the City to track business activity occurring in the City, to be able to identify the registered owners of a business, and to allow for tracking of B&O tax and sales tax attributable to businesses assuring the City receives appropriate revenue from business activity. Business licenses can also help provide an understanding of the economic activity occurring in the City based on the number and types of businesses engaged in specific activities, for example the number of restaurants or construction companies, etc. The current business license fee table is provided as Attachment 2.

Discussion

As the City faces difficult financial challenges, staff have reviewed the City’s fee schedules to ensure that amounts charged for services are up-to-date and appropriate. A comparison was done of the City’s business license fees to those of neighboring cities in south King County (Attachment 3). After this comparison, it was determined that increased fees for business licenses could have a positive impact on the City’s revenue while still maintaining the City’s position of maintaining business license fees that are relatively low in the region.

Staff seeks to raise the fees for Commercial Business Licenses for In-City and Out-of-City business licenses from \$75 and \$100 to \$100 and \$140, respectively. A breakdown of each license type based on returns in 2023 is below:

License Type	# of License	Percentage
In City Commercial	590	17%
Out of City Commercial	2447	69%
Adult Family Home	51	1%
Family Daycare	10	0%
Home Occupation	28	1%
Non-Profit	29	1%
Null	9	0%
Rental Property - Multi Units	127	4%
Rental Property - Single Unit	254	7%
Solicitor	2	0%
Vendor-Mobile	19	1%
Vendor-Stationary	3	0%
<u>Total</u>	<u>3569</u>	<u>100%</u>

Financial Impact

The recommended increase in fees is estimated to generate an additional \$112,000 for the General Fund.

Recommendation

Staff recommends the City Council enact Draft Resolution No. 24-067.

CITY ATTORNEY'S FIRST DRAFT, 9/4/2024

DRAFT RESOLUTION NO. 24-067

A RESOLUTION OF THE CITY OF DES MOINES, WASHINGTON, updating business license registration fees under Title 5 DMMC, and superseding Resolution No. 1414.

WHEREAS, the City Council finds that the essential purposes of establishing business licenses are to regulate businesses in the City of Des Moines, provide business license enforcement, and provide funds for appropriate municipal expenditures to improve the business climate in the City of Des Moines, and

WHEREAS, the Des Moines City Council establishes fees for business licenses by resolution pursuant to DMMC 5.04.030(1), and

WHEREAS, the City Council finds that based on general inflationary considerations, including the costs of administering the business license ordinance, business license fees need to be increased, and

WHEREAS, business license fees shall be assessed on a license year basis and it is the intent of this resolution to increase business license fees beginning with the license year 2025; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The findings expressed in the recitals to this Resolution are hereby affirmed by the City Council, supporting the acts taken herein.

Sec. 2. Effective with the license year 2025, except for businesses engaged in the rental of real property, the commercial business license registration fees under Chapter 5.04 DMMC for businesses located inside the City of Des Moines shall be \$100.00 per year.

Sec. 3. Effective with the license year 2025, the commercial business license registration fees under Chapter 5.04 DMMC for businesses engaging in business within the City of Des Moines but not physically located in the City shall be \$140.00 per year.

Resolution No. ____
Page 2 of 2

Sec. 4. Any portions of Resolution No. 1414 that are inconsistent with the terms and intent of this Resolution are hereby superseded.

PASSED BY the City Council of the City of Des Moines, Washington this ____ day of _____, 2024 and signed in authentication thereof this ____ day of _____, 2024.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

**CITY OF DES MOINES -
BUSINESS LICENSE FEE SCHEDULE**



	Type	Fees	Notes
1.	General Business License:		
	a. Commercial License, business physically located inside the City of Des Moines	\$75	
	b. Commercial License, business not physically located inside the City of Des Moines	\$100	
	c. Home Occupation	\$75	
	d. Family Daycare	\$75	
	e. Adult Family Home	\$75	
	f. Rental of Real Property:		
	1 to 10 units	\$100	
	11 to 30 units	\$200	
	31 to 99 units	\$350	
	100 or more units	\$500	
	g. Mobile Vendor	\$100	
	h. Stationary Vendor	\$100	
	Solicitor	\$100 - one to five / \$20 for each after 5	
2.	Special License Endorsements: <i>requires commercial business license also</i>		
	a. Special Occasion Cabaret (Operation less than 30 days in any 12 month period)	\$5 per day	Only valid for specific days listed on application
	b. Solicitor	\$100 - one to five / \$20 for each after 5	
	c. Adult Entertainment Premises	\$750 application fee	
	d. Adult Entertainment Premises Manager	\$200 per manager application fee	
	e. Adult Entertainer	\$200 per entertainer application fee	
	f. Panoram Premises	\$100 application fee	
	g. Panoram Device	\$50 per device application fee	
	h. Panoram Operator's License	\$725 per operator application fee	
	i. Cabaret (per entertainer) - Requires an Unclassified Use permit in all zones except Pacific Ridge	\$150 – one \$325 – more than one \$40 – for 3 months - one \$85 – for 3 months - more than one	
	j. Cabaret Admission Charge Tax	\$.25 per ticket	
	k. Secondhand Dealer	\$100	
	l. Pawn Broker/Pawn Shop - Requires Secondhand Dealer endorsement also	\$300	
	m. Cardroom	\$250 per table	
	n. Massage Parlor	\$500 \$85 – Masseuse License	



Notes:

- 1) General Business License fee based on when the business started; the “Full” year applies if the business started before July 1st and the “Half” year fee applies if the business started after July 1st.
- 2) Renewal Penalties – Licenses renewed one month past the due date will be charged \$25; licenses renewed two months past the due date will be charged \$50; and licenses renewed three months past the due date will be charged \$100.
- 3) Massage businesses that gain customers through medical practitioner's referrals apply for a regular commercial business license or home occupation.

Michael Matthias, City Manager

Date

Effective for July 1, 2020 per Council Resolution 1414

Business License Fees

Area fees for general Business Licenses

Des Moines	
In-City	\$ 75.00
Out-of-City	\$ 100.00
Burien (general business license)	
39 or fewer employees	\$ 180.00
40 or more employees	\$ 350.00
SeaTac	
Based on employee count	
0 - 10	\$ 100
11 - 50	\$ 250
51 - 100	\$ 1,500
101 - 500	\$ 4,750
over 501	\$ 9,500
Tukwila	
	\$56 per p/t employee
	\$112 per f/t employee
Non-resident	\$ 100
Renton	
Before 7/1	\$ 150
After 7/1	\$ 75
Kent	
Based on employee count	
0 - 24	\$ 282
25-49	\$ 382
50-99	\$ 582
100 and over	\$ 782
Non-resident	\$ 101
Auburn	
General	\$ 103.00
Marijuana-related	\$ 515.00
Federal Way	
Based on employee count	
0 - 10	\$ 81
11-25	\$ 126
26-50	\$ 251
51 - 100	\$ 1,501
101 - 500	\$ 4,501
501 or more	\$ 9,501

BUSINESS LICENSE FEES

- Commercial License
 - In-City Business \$75.00
 - Out-of-City Business \$100.00
- In 2023
 - 590 In-City Licenses Issued
 - 2,447 Out-of-City Licenses Issued
- 86% of Business Licenses



BUSINESS LICENSE FEES

City	Minimum Fee
Des Moines	\$75
Federal Way	\$81
SeaTac	\$100
Auburn	\$103
Renton	\$150
Burien	\$180
Kent	\$282

BUSINESS LICENSE FEES

Commercial License Fee	Current	Proposed
In-City	\$75	\$100
Out-Of-City	\$100	\$140

BUSINESS LICENSE FEES

License	2023 Licenses Issued	Current Fee	2023 Revenue	Proposed Fee	Estimated Revenue
In-City	590	\$75	\$44,250	\$100	\$59,000
Out-of-City	2,447	\$100	\$244,700	\$140	\$342,580
Total Revenue			\$288,950		\$401,580



BUSINESS LICENSE FEES

Motion: “I move to adopt Draft Resolution No. 24-067 updating the business license fee schedule.”

CITY COUNCIL REGULAR MEETING

Speaker Sign-Up Sheet

September 12, 2024



NAME (PLEASE PRINT)	ADDRESS	TOPIC	PHONE/E-MAIL ADDRESS
✓ Bill Wescott	Des Moines	Mad Max Stop Suggester	Adrian@dr
✓ Ashley Alier	Kent	Landmark	ashleyalier@gmail.com
✓ Teria Perdue	Ravensdale	Childhood Cancer	teria-dma@outlook.com
Ch			
✓ Lloyd Lytle Jr.	Des Moines	Masonic Home	lloydelytle@gmail.com
✓ George Pettibone	"	"	gepettibone@comcast.net
David			
✓ David Jones	Des Moines	Safety/Driving	206 491 5478 dwsjones@gmail.com