

**CITY OF CHELAN
CITY COUNCIL
AGENDA**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL
2. AGENDA CHANGES
3. CITIZEN COMMENTS
Items not on the agenda. Time limited per the Mayor.
4. MINUTES
A. None
5. CONSENT AGENDA
All items under the Consent Agenda are approved with one motion.
 - A. Approve August 12, 2025 Accounts Payable Checks and EFT's & Payroll Checks and EFT's (Councilmember Ericks)
 - B. Finance Director Appointment Confirmation (Mayor McCardle) 4 - 5
[Agenda Bill No. 2025-001B](#)
 - C. 2026 Budget Calendar Acceptance (Finance Director Tupling) 6 - 11
[Agenda Bill No. 2025-055](#)
 - D. Lake Chelan Recreation Inc. Temporary Construction Permits for the Lakeside Trail Project (Public Works Director Youngren) 12 - 21
[Agenda Bill No. 2019-049T](#)
 - E. Washington State Department of Transportation (WSDOT) Project Review Reimbursement Agreement for the Airport Waterline Project (Public Works Director Youngren) 22 - 26
[Agenda Bill No. 2025-029A](#)
 - F. Resolution No. 2025-1464 Delegated Authority Policy (HR/Communications Director Coltman) 27 - 32
[Agenda Bill No. 2025-051B](#)
Suggested Motion: I move to approve the Consent Agenda.
6. SPECIAL PRESENTATIONS
A. None
7. PUBLIC HEARINGS
A. None
8. MOTION CONSIDERATIONS
 - A. Ordinance No. 2025-1640 Amendment No. 1 to the Apple Blossom Center Development Agreement (Community Development Director Ajax) 33 - 74
[Agenda Bill No. 2025-052A](#)
Suggested Motion: I move to adopt Ordinance No. 2025-1640.
 - B. Ordinance No. 2025-1641 Unit Lot Subdivision (Community Development Director Ajax) 75 - 84

[Agenda Bill No. 2025-053A](#)

Suggested Motion: I move to adopt Ordinance No. 2025-1641.

- C. Ardurra Group Inc. Design Additional Services Addendum (ASA) No. 1 85 - 121
for Lift Station No. 1 (Public Works Director Youngren)

[Agenda Bill No. 2024-021F](#)

Suggested Motion: I move to authorize the Mayor to finalize and execute the Ardurra Group Inc. Design Additional Services Addendum (ASA) No. 1 for Lift Station No. 1.

- D. Chelan Valley Housing Trust Memorandum of Understanding for the 122 - 127
Connecting Housing to Infrastructure Program (CHIP) Grant
(HR/Communications Director Coltman)

[Agenda Bill No. 2025-054A](#)

Suggested Motion: I move to authorize the Mayor to finalize and execute the Chelan Valley Housing Trust Memorandum of Understanding for the Connecting Housing to Infrastructure Program (CHIP) Grant.

- E. Cascade Central Construction, LLC Bid Award and Contractor 128 - 148
Agreement for the Lakeside Park Renovation Project (Parks &
Recreation Director Horne)

[Agenda Bill No. 2025-046A](#)

Suggested Motion: I move to award the base bid and add Alternate No. 2 for the Lakeside Park Renovation Project to Cascade Central Construction, LLC and authorize the Mayor to finalize and execute the Contractor Agreement with Cascade Central Construction, LLC.

- F. Buckley Agreement for Lakeside Park Mitigation Supplemental 149 - 169
Environmental Project (Parks & Recreation Director Horne)

[Agenda Bill No. 2025-043](#)

Suggested Motion: I move to authorize the Mayor to finalize and execute the Buckley Agreement for Lakeside Park Mitigation Supplemental Environmental Project.

9. ADMINISTRATIVE REPORTS

- A. The Dock Company, LLC Bid Award and Contractor Agreement for the 170 - 186
Lakeside Park In-Water Work (Parks & Recreation Director Horne)

[Agenda Bill No. 2025-045](#)

Suggested Motion: None.

- B. Big Valley Towing, LLC Professional Service Agreement for Towing 187 - 206
Services (Parks & Recreation Director Horne)

[Agenda Bill No. 2022-025A](#)

Suggested Motion: None.

- C. Kidder Mathews Bid Award and Professionals Services Agreement for 207 - 279
the As-Is Appraisal of Commercial Properties (City Administrator
Farris)

[Agenda Bill No. 2025-057](#)

Suggested Motion: None.

10. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

- A. Tentative Advanced Agenda (City Administrator Farris) 280 - 284

[Tentative Advanced Agenda](#)

- B. Council Committee Reports (Various Councilmembers) 285 - 286

[Chelan Fire and Rescue Liaison Committee Report July 16, 2025 \(Councilmember Higgins\)](#)

- C. Lake Chelan Chamber of Commerce Monthly Financial Report (Finance Director Tupling) 287 - 288

[Lake Chelan Chamber Expense Report July 2025](#)

11. CITY ADMINISTRATOR/DEPARTMENT REPORTS

12. MAYOR AND COUNCIL COMMENTS

13. RECESS - AIRPORT BOARD MEETING

- A. [Lake Chelan Airport Board Agenda Packet](#)

14. EXECUTIVE SESSION

- A. RCW 42.30.110 (1)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. Action may be taken. (City Attorney Batjer)

15. ADJOURNMENT

- A. Final Comments/Motion to Adjourn (Mayor McCardle)

Suggested Motion: I move to adjourn.

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.

Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.

Healthy & Sustainable - A flourishing city that supports an active community.

Accessible & Welcoming - A safe city where everyone can find community.

The next meeting will be a City Council Regular Meeting on August 26, beginning at 5:15 p.m. in Council Chambers, 135 E. Johnson Avenue, Chelan, Washington.

A City Council meeting packet is available for review on the City's Website: City of Chelan under Government - City Council - Agendas & Minutes. The City provides special accommodations, such as hearing devices and wheelchair access for City Council meetings. Anyone needing special assistance, please contact the City Clerk's office at 509-682-8019 at least three business days prior to the meeting.



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title:	Finance Director Appointment Confirmation
Department:	Administration
Staff Contact:	Wade Farris
Guiding Principles:	Visionary & Strategic
Initiatives:	Modernize Resource
Reviewed By:	City Administrator Finance Director

GOVERNING LEGISLATION

CMC 2.08.040 Confirmation of Appointments. All appointments to the positions set out in Section 2.08.010 of the Chelan Municipal Code shall be subject to confirmation by the city council in accordance with RCW 35A.12.090 as presently enacted or hereafter amended. (Ord. 1025 § 4 (part), 1995).

CMC 2.08.090 The finance director serves as chief financial officer and shall plan, organize, direct and control the city finance department. He/She administers the general accounting system, utility billings, purchasing, and investment of funds and may have some responsibilities to assist in city clerk/data processing functions. (Ord. 1025 § 4 (part), 1995).

PREVIOUS ACTION TAKEN

None.

OVERVIEW

The Mayor has appointed Heidi Evans as Finance Director which must be confirmed by City Council.

FINANCIAL IMPLICATIONS

In accordance with the City's salary schedule.

ATTACHMENTS

1. None

SUGGESTED MOTION

Suggested Motion: I move to confirm the Mayor's appointment of Heidi Evans to fill the Finance Director position.



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: 2026 Budget Calendar Acceptance
Department: Finance
Staff Contact: Jackie Tupling
Guiding Principles: Healthy & Sustainable
Initiatives: Establish a Long-Range Economic Strategy
Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title...".

PREVIOUS ACTION TAKEN

None.

OVERVIEW

Each year Finance staff prepares a proposed budget calendar, which includes dates for required public hearings and Council workshops to review the proposed operations & maintenance and capital budgets. The proposed calendar is constructed to meet all legal deadlines for hearings and adoption of the 2026 budget.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

1. 2026 Budget Notice
2. 2026 Budget Process

SUGGESTED MOTION

Suggested Motion: I move to accept the 2026 Budget Calendar, as presented.

PUBLIC NOTICE
CITY OF CHELAN
SCHEDULE OF BUDGET MEETINGS & PUBLIC HEARINGS
FOR THE 2026 CITY BUDGET

NOTICE IS HEREBY GIVEN THE FOLLOWING MEETINGS HAVE BEEN SCHEDULED TO CONSIDER AND THEN ADOPT THE 2026 CITY OF CHELAN BUDGET. Regularly scheduled City Council Workshops to review the proposed preliminary budget will be held on October 7, November 5, and December 2, 2025, beginning at 5:15 p.m. Additional Special Meetings are scheduled for October 16, 2025 and October 23, 2025, beginning at 5:15 p.m. A public hearing to consider the 2026 tax levy and other revenue sources will be held during the Special City Council Meeting beginning at 5:15 p.m., or as soon thereafter as possible, on November 12, 2025. The 2026 Property Tax Levy Ordinance adoption will take place during the Regular City Council Meeting beginning at 5:15 p.m. on November 25, 2025. A public hearing to consider the proposed final budget will be held during the Regular City Council meeting beginning at 5:15 p.m., or as soon thereafter as possible, on November 25, 2025. Adoption of the final budget will take place during the Regular City Council Meeting beginning at 5:15 p.m. on December 09, 2025. The public is encouraged to attend these meetings and to provide testimony during the public hearings. All Regular & Special Meetings, Workshops and Public Hearings will be held at Chelan City Hall, Council Chambers, 135 E. Johnson Avenue, Chelan Washington. Copies of the proposed budget will be available to the public on the City's website or at City Hall beginning November 12, 2025. As much as possible, notice will be provided upon any revisions.

DATED this 13th day of August 2025.

Peri S. Gallucci
City Clerk/Public Records Officer

Published in the Lake Chelan Mirror August 20th and August 27th, 2025.

2026 Budget Process & Timeline

The City of Chelan’s annual budgeting process is structured around six deliberate and collaborative phases. From long-range strategy to final adoption, each phase builds on the last to create a balanced, thoughtful, and responsive municipal budget that serves the needs of our residents, supports city services, and reflects our community priorities.



PHASE 1: Strategy

This phase connects the vision and high-level financial goals for the City. Elected Officials and City Staff review economic trends, strategic plans, and service demands to frame the budget in alignment with Council priorities.

MONTH	DATE	TASK	DESIRED OUTCOME
April	4/1/2022-4/20/2025	Community Satisfaction Survey	Obtain data to support drafting community priorities.
April	4/22/2025	Q1 Financial Review	Presentation of Q1 revenue and expense to Staff & City Council.
April	4/26/2025	City Council Strategic Retreat	Affirm proposed community priorities, discuss potential remedies and seek input from Council on other community needs.
June	6/2/2025-6/3/2025	Senior Staff Retreat	Discuss proposed priorities and explore how recommended remedies could translate to action items and budgeted expenses for the coming fiscal year.
June	6/4/2025	Council June Workshop	Provide synopsis of priorities and initiatives considered for the 2026 budget.
June	6/30/2025	Create Revenue & Expense Guidance	Consider trends in income and expense and create guidance for staff as they plan for department needs as it relates to income and expense.
July	7/22/2025	Q2 Financial Review	Presentation of Q2 revenue and expense to Staff & City Council.
July	7/31/2025	Policy & Cost Center Allocations Review	Review current financial policies and their impact on Budget strategy and planning. Recommend changes as needed.
September	9/23/2025	Q3 Financial Review	Presentation of Q3 revenue and expense to Staff & City Council.

PHASE 2: Training

Before diving into the budget work, staff across departments receive training on updated budget tools, templates, schedules and guidance. This phase ensures consistency, compliance with state and internal policies, and a shared understanding of expectations.

MONTH	DATE	TASK	DESIRED OUTCOME
June	6/30/2025	ClearGov User & Team Configuration	Ensure all users are set-up correctly in ClearGov with accurate account assignments, team affiliations and permissions.
June	6/30/2025	ClearGov Budget Configuration	Ensure all draft budgets and accounts are set-up correctly in ClearGov.
July	7/1/2025	Budget Kick-Off Meeting	Host a city-wide kick-off meeting to walk through the budget structure, budget process, expectations and timelines.
July	7/1/2025-7/31/2025	Department Budget Training	Host department-specific training to ensure appropriate knowledge and competency in ClearGov software.

PHASE 3: Pre-Planning

Departments begin preparing internally by identifying major projects, operational needs, and anticipated resource requirements. Reports on revenue and expense history and trends are reviewed with the Finance Director.

Department Directors will meet with the City Administrator and Mayor to review their early budget intentions for discussion and approval. This early coordination allows time to align budgets with strategic priorities and leadership.

MONTH	DATE	TASK	DESIRED OUTCOME
July	7/1/2025-7/31/2025	Contract & Lease Review	Review all city contracts and leases that are up for renewal and will have an impact on 2026 revenue and expense.
July	7/1/2025-7/31/2025	Departmental Pre-Planning	Departments begin discussion about staff needs, rates & fees, proposed projects and sending priorities for the coming budget year.
July & August	7/15/2025-8/30/2025	Department Pre-Planning Executive Review	Department Directors meet with City Administrator and Mayor to discuss their proposed budget intentions for feedback and buy-in.
Early August	8/1/2025-8/15/2025	Revenue Forecast Meetings	Department Directors meet with Finance Director to review revenue projections and agree upon budgeted 2026 revenues
Late August	8/15/2025-8/31/2025	Seasonal Hiring Forecast Meeting	Parks staff and HR Director meet to discuss and plan for 2026 seasonal staffing needs.
September	9/1/2025-9/15/2025	Ending Fund Balances Projections	Finance Director develops estimated Ending Fund balances in preparation for 2026 Budget.

PHASE 4: Drafting

Departments begin to draft and submit their detailed budget requests in ClearGov during this stage. These drafts include proposed operating expenses, revenue projections, capital needs and budget narratives.

MONTH	DATE	TASK	DESIRED OUTCOME
August-September	8/1/2025-9/12/2025	Draft & Submit 2026 Budget Requests	Departments submit all their operating, enterprise, personnel and capital budget requests into ClearGov.
September	9/12/2025-9/30/2025	Draft & Submit 2026 Rates and Fees	Departments submit all their proposed rates and fees into a shared document.
August-September	8/1/2025-9/12/2025	Draft "Other" Fund Budgets	Finance Director drafts "other" Fund Budgets in ClearGov.
September	9/12/2025	Draft Narratives & Mayor's Letter	Department Directors and Mayor draft department narratives, personnel narrative and transmittal letter in ClearGov.
October	10/7/2025	Calculate Cost of Living Adjustment	Finance calculates COLA and applies to personnel scenarios based on CBA guidance.
October	10/7/2025	Apply Cost of Insurance Increases	Finance adds actual insurance costs and applies to personnel scenarios based on AWC guidance.

PHASE 5: Reviewing

City Administrator, Mayor, Finance staff, and City Council evaluate the draft budget. This phase involves Council workshop presentations, adjustments based on feedback, and finalization of draft budgets.

MONTH	DATE	TASK	DESIRED OUTCOME
September	9/12/2025-9/30/2025	Mayor and City Administrator Review Draft Budgets	Budgets are reviewed in preparation for presentation to Council. First round of feedback from Mayor given.
October	10/7/2025	Council Budget Workshop #1	Presentation of Admin, Community Development, Finance & "Other" funds (lodging, housing, etc.) operating budgets to City Council.
October	10/16/2025	Council Budget Workshop #2	Presentation of Parks and Public Works Operating and Enterprise fund budgets to City Council.
October	10/23/2025	Council Budget Workshop #3	Review of operating budgets. Presentation of Personnel scenarios, Rates & Fees, along with Admin, Community Development and Finance capital requests to City Council.
November	11/5/2025	Council Budget Workshop #4	Presentation of Public Works and Parks Capital
November	11/13/2025	Council Budget Workshop #5	Final review of operating, capital, personnel, rates and fees and other funds to City Council for final feedback. Budget is ready for publication.
December	12/2/2025	Council Budget Workshop #5	Review projected year-end fund balances.

PHASE 6: Adoption

Following public input and Council deliberation, the budget is finalized and formally adopted. This phase solidifies the city's spending plan for the upcoming fiscal year and authorizes implementation.

MONTH	DATE	TASK	DESIRED OUTCOME
November	11/12/25	Levy Public Hearing	Required public hearing at City Council Meeting for increasing the property tax levy.
November	11/25/25	Budget Public Hearing	Required public hearing at City Council Meeting for the 2026 Budget.
November	11/25/25	Adoption of Tax Ordinance & Levy Certification	City Council votes to adopt the tax ordinance and levy certification.
December	12/9/25	Adoption of Final Budget	City Council votes to adopt 2026 Budget
December	12/9/25	Adoption of Rates and Fees	Finance adds actual insurance costs and applies to personnel scenarios based on AWC guidance.

Additional Notes:

1. Proposing we move Community Benefit Grants requests and presentations to January. We set the amount during the budget process and then make the awards in the new year with the first budget amendment.



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Lake Chelan Recreation Inc. Temporary Construction Permits for the Lakeside Trail Project

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Accessible & Welcoming

Initiatives: Modernize Resource

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

This is an ongoing topic, with no prior previous action taken regarding these temporary easements.

OVERVIEW

The Lakeside Trail project is beginning the construction phase. The trail has been designed such that all permanent improvements (trail, buffers, etc.) are within Right-of-Way (ROW). However, due to minor elevation changes, several driveway approaches along the trail require minor slope flattening or contouring. To allow the City's contractor access to said driveways to complete the minor slope flattening/contouring, temporary construction permits at each parcel are needed.

See the attached temporary construction permit for additional details.

FINANCIAL IMPLICATIONS

No financial implications. These are not being recorded.

ATTACHMENTS

1. Lake Chelan Recreation Inc. Temporary Construction Permit for the Lakeside Trail Project - Parcel No. 272214662033
2. Lake Chelan Recreation Inc. Temporary Construction Permit for the Lakeside Trail Project - Parcel No. 272214662036

SUGGESTED MOTION

Suggested Motion: I move to authorize the Mayor to finalize and execute the Lake Chelan Recreation Inc. Temporary Construction Permits for the Lakeside Trail Project.

After recording return document to:

CITY OF CHELAN
PO BOX 1669
CHELAN, WA 98816

Document Title: Permit

Grantor(s): Lake Chelan Recreation Inc.

Grantee(s): CITY OF CHELAN

Abbreviated Legal Description: LAKE PARK BLOCK 2 LOT 16

LOTS 1 THRU 17 LOT B BA#03-02 1.1800 ACRES

**Additional Legal Description is on Page NO. 3 of Document Assessor's Tax Parcel
Number: 272214662033**

PERMIT

CITY OF CHELAN-LAKESIDE TRAIL PROJECT

The Grantor(s), Lake Chelan Recreation Inc., for and in consideration of PROVIDING ACCESS TO PRIVATE PROPERTY, convey(s) to the CITY OF CHELAN and its assigns, Grantee, the right, privilege and permit of ingress and egress over, across, and upon the hereinafter described lands from the date hereof until JUNE 30, 2026 for the purpose of RECONNECTING THE DRIVEWAY INCLUDING MINOR SLOPE FLATTENING OR CONTOURING. Said lands being situated in CHELAN County, State of Washington, and described as follows:

For abbreviated legal description and additional conditions
See Exhibit A attached hereto and made a part hereof

The Grantor shall have the right to terminate this Permit at any time, in its sole and absolute discretion, by providing the Grantee written notice to

City of Chelan Public Works Department
50 Chelan Falls HWY
Chelan, WA 98816

and within 3 business days following receipt of the notice, the Grantee shall remove any

PERMIT

equipment or other items placed on the Grantor's property pursuant to this Permit and shall restore the property to its condition prior to the issuance of this Permit.

It is understood and agreed that delivery of this permit is hereby tendered and that the terms and obligations hereof shall not become binding upon the CITY OF CHELAN unless and until accepted and approved hereon in writing for the CITY OF CHELAN, by its authorized agent.

Dated: July 24, 2025,

Mandy Ramez

Lake Chelan Recreation Inc.

Accepted and Approved

CITY OF CHELAN

By: _____
MAYOR ERIN MCCARDLE

Date: _____

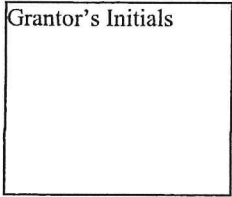
Acknowledgment

EXHIBIT A

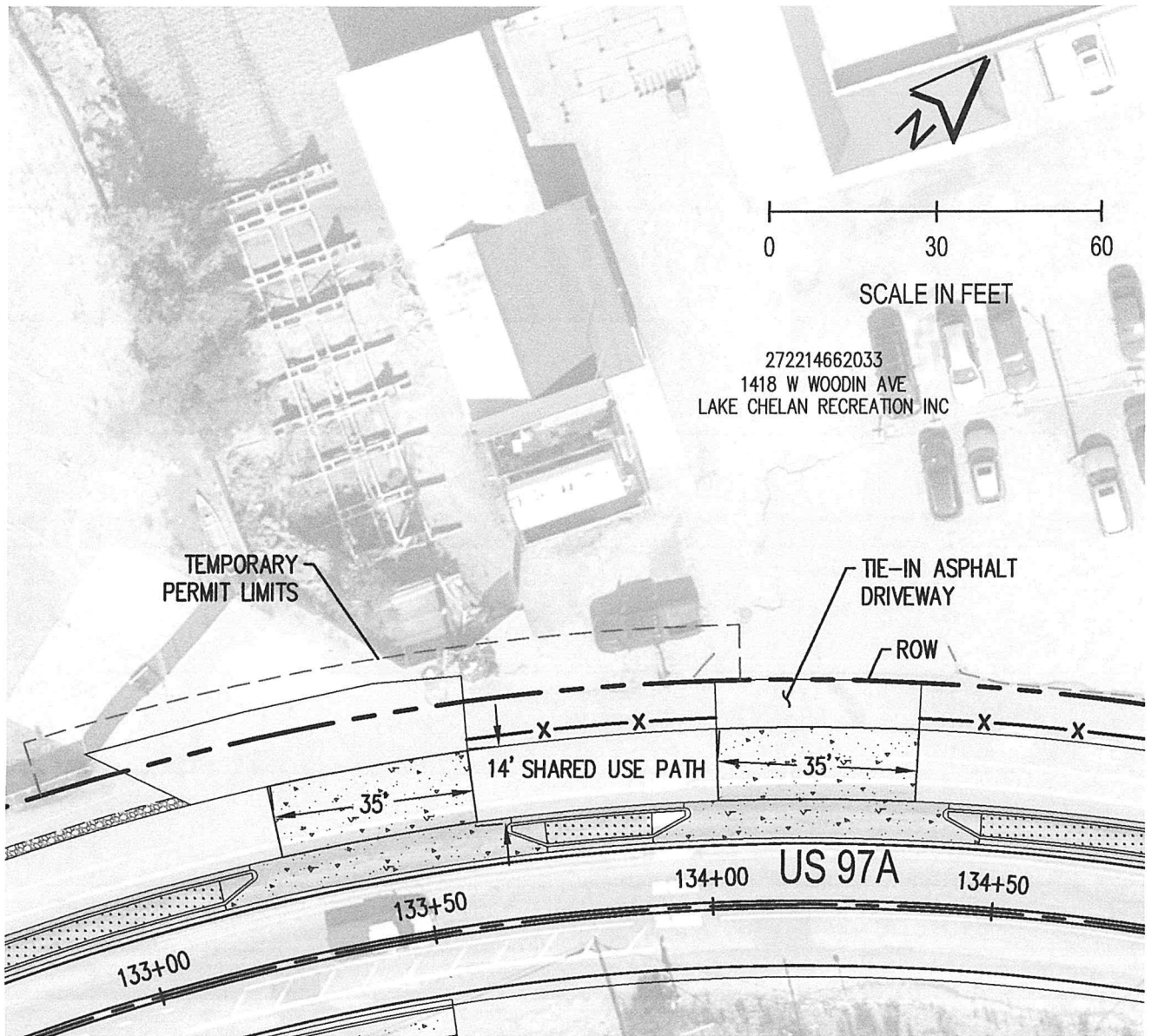
ABBREVIATED LEGAL DESCRIPTION: LAKE PARK BLOCK 2 LOT 16 LOTS 1 THRU 17 LOT
B BA#03-02 1.1800 ACRES

ANY SPECIAL CONDITIONS:

Grantor's Initials



Nov 25, 2024 1:34:57pm - User: catlin.mehall
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25 N WENATCHEE AVE, SUITE 238, WENATCHEE, WA 98801
P: 509.886.3265
SCJALLIANCE.COM

HORIZONTAL SCALE:
SEE SCALE BAR
DATE:
APRIL 2024
JOB No.:
23-000855
DRAWING FILE No.:
Driveway Exhibits.dwg

CITY OF CHELAN
CHELAN LAKESIDE TRAIL PROJECT

PROPERTY EXHIBIT

EXHIBIT No:

DW-7

SHEET No:

7 OF 22

Page 17 of 288

After recording return document to:

CITY OF CHELAN
PO BOX 1669
CHELAN, WA 98816

Document Title: Permit

Grantor(s): Lake Chelan Recreation Inc.

Grantee(s): CITY OF CHELAN

Abbreviated Legal Description: LAKE PARK BLOCK 2 LOT 18 L 18-22 B2 & L 5-10 B4 W OF HW 0.6300 ACRES

Additional Legal Description is on Page NO. 3 of Document

Assessor's Tax Parcel Number: 272214662036

PERMIT

CITY OF CHELAN-LAKESIDE TRAIL PROJECT

The Grantor(s), Lake Chelan Recreation Inc., for and in consideration of *PROVIDING ACCESS TO PRIVATE PROPERTY*, convey(s) to the CITY OF CHELAN and its assigns, Grantee, the right, privilege and permit of ingress and egress over, across, and upon the hereinafter described lands from the date hereof until JUNE 30, 2026 for the purpose of *RECONNECTING THE DRIVEWAY INCLUDING MINOR SLOPE FLATTENING OR CONTOURING*. Said lands being situated in CHELAN County, State of Washington, and described as follows:

For abbreviated legal description and additional conditions
See Exhibit A attached hereto and made a part hereof

The Grantor shall have the right to terminate this Permit at any time, in its sole and absolute discretion, by providing the Grantee written notice to

City of Chelan Public Works Department
50 Chelan Falls HWY
Chelan, WA 98816

and within 3 business days following receipt of the notice, the Grantee shall remove any

PERMIT

equipment or other items placed on the Grantor's property pursuant to this Permit and shall restore the property to its condition prior to the issuance of this Permit.

It is understood and agreed that delivery of this permit is hereby tendered and that the terms and obligations hereof shall not become binding upon the CITY OF CHELAN unless and until accepted and approved hereon in writing for the CITY OF CHELAN, by its authorized agent.

Dated: July 24, 2025

Margie Raines
Lake Chelan Recreation Inc.

Accepted and Approved

CITY OF CHELAN

By: _____
MAYOR ERIN MCCARDLE

Date: _____

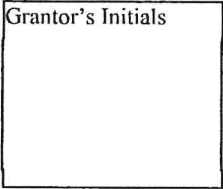
Acknowledgment

EXHIBIT A

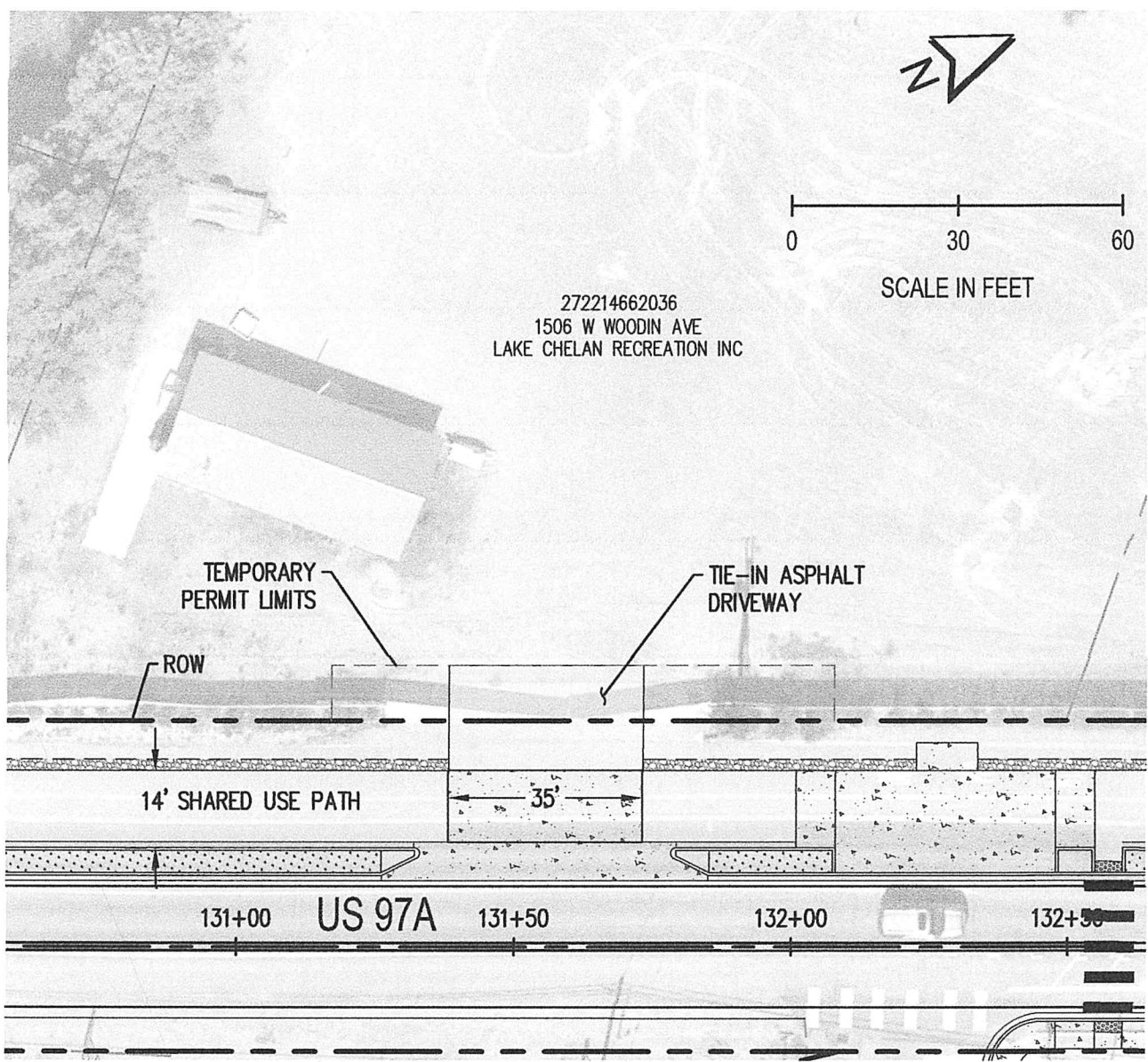
ABBREVIATED LEGAL DESCRIPTION: LAKE PARK BLOCK 2 LOT 18 L 18-22 B2 & L 5-10
B4 W OF HW 0.6300 ACRES

ANY SPECIAL CONDITIONS:

Grantor's Initials



Nov 25, 2024 1:34:48pm - User: cailin.metal
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SCJ ALLIANCE
CONSULTING SERVICES
25 N WENATCHEE AVE, SUITE 238, WENATCHEE, WA 98801
P: 509.886.3265
SCJALLIANCE.COM

HORIZONTAL SCALE:
SEE SCALE BAR
DATE:
APRIL 2024
JOB No.:
23-000855
DRAWING FILE No.:
Driveway Exhibits.dwg

CITY OF CHELAN
CHELAN LAKESIDE TRAIL PROJECT
PROPERTY EXHIBIT

EXHIBIT No.:
DW-6
SHEET No.:
6 OF 22



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Washington State Department of Transportation (WSDOT) Project Review Reimbursement Agreement for the Airport Waterline Project

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Visionary & Strategic

Initiatives: Modernize Resource

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

On April 22, 2025 Council approved the Washington State Department of Commerce Agreement for the Lake Chelan Airport Waterline Project.

OVERVIEW

City staff is working the RH2 Engineering, Inc. to complete a franchise agreement with WSDOT to allow the installation of the watermain within the State Right-of-Way. For WSDOT to conduct their review of the franchise agreement application, a fee is required to compensate WSDOT for staff time and resources. The reimbursement agreement documents the terms of the arrangement and include the following topics:

- General project information
- Payment
- Increase in Costs
- Assignment

- Indemnification
- Amendment
- Termination
- Disputes
- Term of Agreement

See the Project Review Reimbursement Agreement attached for additional information.

FINANCIAL IMPLICATIONS

Adequate funds budgeted within the project budget. The cost of the agreement is \$5,000.

ATTACHMENTS

1. Washington State Department of Transportation (WSDOT) Project Review Reimbursement Agreement for the Airport Waterline Project

SUGGESTED MOTION

Suggested Motion: I move to authorize the Mayor to finalize and execute the Washington State Department of Transportation (WSDOT) Project Review Reimbursement Agreement for the Airport Waterline Project.



Project Review Reimbursable Agreement		Applicant or Local Agency	
Agreement Number J		Billing Address	
Fed ID/SWV/Payee #			
Region		Contact Email	
Contact Name		Contact Phone	
Estimated Costs This estimate is based on the best available information to date and includes WSDOT's Indirect Cost Rate		Surety Amount \$ Not Applicable	
SR	MP	Project Name	
Detailed Description of Work by WSDOT Project Review Inspection Other			

This AGREEMENT is entered into by and between the Washington State Department of Transportation, hereinafter "WSDOT," and the above named "APPLICANT OR LOCAL AGENCY," hereinafter the "ENTITY;" herein after referred to individually as the "Party" and collectively as the "Parties."

Recitals

1. The ENTITY has requested WSDOT to perform the above described work, and WSDOT is authorized and willing to perform the work.
2. The ENTITY is responsible for the costs associated with the work.

NOW THEREFORE, pursuant to the terms, conditions and performances contained herein and/or attached hereto, and by this reference made a part of this Agreement,

It Is Mutually Agreed to As Follows:

1. GENERAL

- 1.1 The WSDOT agrees to perform the above described work requested by the ENTITY, using state labor, equipment and materials.
- 1.2 To secure payment of the potential costs incurred in the review process, WSDOT requests that a Surety Amount in the form of Bond, Assignment of Escrow, Certificate of Deposit, Irrevocable Letter of Credit, Check or Money Order in the amount listed above accompany the endorsed original copy of this Agreement.
- 1.3 All WSDOT reviews, and/or inspections provided by WSDOT are solely for the benefit of WSDOT and not for the ENTITY or any other third party.

2. PAYMENT

- 2.1 The ENTITY, in consideration of the faithful performance of the work by WSDOT, agrees to reimburse WSDOT for the actual direct and related indirect costs associated with the work, including WSDOT's current administrative indirect cost rate.
- 2.2 The ENTITY agrees to make payment for the work by WSDOT within thirty (30) calendar days from the date of a state invoice.
- 2.3 The ENTITY agrees that if it fails to make payment within thirty (30) calendar days of the invoice, the WSDOT may charge interest in accordance with RCW 43.17.240 and may elect to send the outstanding invoice(s) to a WSDOT contracted collection agency resulting in the assessment of additional fees and/or penalties.
- 2.4 Upon payment of all WSDOT invoices by ENTITY, WSDOT will release rights of remaining Surety Amount.

3. INCREASE IN COST

- 3.1 The Parties agree that the estimated cost of the work may be exceeded by up to twenty-five (25) percent. In the event costs exceed the estimated costs by more than twenty-five (25) percent the Parties agree to modify the estimated cost of work by written amendment, signed by both Parties.

4. ASSIGNMENT

- 4.1 This Agreement, and any claim arising under this Agreement, shall not be assignable or delegable by either Party, either in whole or in part.

5. INDEMNIFICATION

- 5.1 The ENTITY shall defend, protect and hold harmless WSDOT, its officers, officials, employees, and/or agents from and against all claims, suits or actions arising from the negligent acts or omissions of ENTITY, its officers, officials, employees, assigns, contractors, sub-contractors, tenants, sub-tenants, licensees, invitees and/or agents while performing under the terms of this Agreement. This defense and indemnity obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of WSDOT, its officers, officials, employees, contractors, sub-contractors and/or agents; provided, however, that if the claims, suits or actions are caused by or result from the concurrent negligence of (a) WSDOT, its officers, officials, agents, contractors, sub-contractors or employees and (b) the ENTITY, its officers, officials, employees, assigns, contractors, sub-contractors, tenants, sub-tenants, licensees, invitees and/or agents, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the ENTITY or its officers, officials, employees, assigns, contractors, sub-contractors, tenants, sub-tenants, licensees, invitees and/or agents. ENTITY specifically assumes potential liability for the actions brought by ENTITY'S employees and solely for the purposes of this indemnification and defense, ENTITY specifically waives any immunity it may be afforded in connection with such claims under the State industrial insurance law, Title 51 RCW. ENTITY recognizes that this waiver was the subject of mutual negotiations.

This indemnification and waiver shall survive the termination of this Agreement.

6. AMENDMENT

- 6.1 This Agreement may be amended by the mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

7. TERMINATION

- 7.1 Either Party may terminate this Agreement, with or without cause, by providing written notice to the other of such termination and specifying the effective date thereof at least thirty (30) calendar days before the effective date of such termination. The ENTITY will reimburse WSDOT for all charges up to the date of termination.

8. DISPUTES

- 8.1 The Parties shall work collaboratively to resolve disputes and issues arising out of, or related to this Agreement. Disagreements shall be resolved promptly and at the lowest level of hierarchy.

- 8.2 In the event that a dispute arises under this Agreement which cannot be resolved by the parties as outlined in Section 8.1, the dispute will be settled in the following manner: Each Party will appoint a member to a dispute board. The members so appointed will jointly appoint a third member to the dispute board who is not employed by or affiliated in any way with either Party. The dispute board will evaluate the facts, contract terms, and applicable statutes and rules and make a determination of the dispute. The determination of the dispute board will be final and binding on the Parties. Any costs associated with appointing the third member will be equally shared between the Parties. Each Party shall be responsible for its own costs, including attorneys fees.
- 8.3 The Parties agree that any legal action to enforce any right or obligation under this Agreement may only be brought in _____ County Superior Court.

9. TERM OF AGREEMENT

- 9.1 The term of the Agreement shall begin upon the date of execution and shall remain in effect until WSDOT has completed the above described work and the ENTITY has made full payment, whichever comes last, unless modified according to Section 6, "AMENDMENT," above.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date last signed by the PARTIES below.

REQUESTING ENTITY	WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
By: _____	By: _____
Printed: _____	Printed: _____
Title: _____	Title: _____
Date: _____	Date: _____



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title:	Resolution No. 2025-1464 Delegated Authority Policy
Department:	Administration
Staff Contact:	Chad Coltman
Guiding Principles:	Visionary & Strategic
Initiatives:	Modernize Resource
Reviewed By:	City Attorney City Administrator Finance Director

GOVERNING LEGISLATION

RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

PREVIOUS ACTION TAKEN

The matrix was previously discussed during the June 4, 2025 Workshop, July 8, 2025 Regular meeting and the August 5, 2025 Workshop.

OVERVIEW

The Council Action Matrix outlines the types of city action required for City Council approval, how many times they are typically reviewed, whether they appear on the consent agenda, and any proposed changes aimed at streamlining operations. Currently, nearly all contracts, including those under \$50,000 annually that are already budgeted, require Council approval. This practice results in routine and low-risk items occupying time on Council agendas, creating administrative delays and reducing overall efficiency.

To improve operational efficiency and allow the City Council to focus on higher-level policy and strategic matters, staff propose the adoption of a Delegated Authority Policy. This policy would authorize the Mayor and City Administrator to approve and sign contracts that are (1) under \$50,000 in annual value and (2)

already approved within the adopted budget. It would also allow for approval of routine change orders as long as the total annual value remains under \$50,000.

This change is intended to reduce the number of routine administrative items requiring Council action, while maintaining appropriate oversight on higher-value or policy-setting decisions. It aligns with best practices in municipal management and supports timely execution of budgeted projects and services.

Attached is the policy needed to support the Council Action Matrix and delegate the authority to the Mayor and her designee to approve small dollar, budgeted contracts.

This delegated authority *does not* include contracts or agreements that establish new City policy, commit the City to significant new resources outside the adopted budget, grants, or any items the City Council deems to require direct Council approval, regardless of monetary value.

Specifically excluded are large value contracts (over \$50,000), policy-setting memorandum of understandings or those involving significant resource commitment, and task authorizations outside of the budget, as outlined in the "Council Action Matrix".

Reporting Requirements: The Mayor must report all contracts and change orders executed under this delegated authority to the City Council. These reports will be included in the City Council Agenda under Informational Items providing sufficient detail for oversight.

This policy will be looked at annually during the budget process and will remain in effect until December 31, 2025, unless extended.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

1. Resolution No. 2025-1464 Delegated Authority Policy

SUGGESTED MOTION

Suggested Motion: I move to adopt Resolution No. 2025-1464.

RESOLUTION NO. 2025-1464

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, ESTABLISHING DELEGATED AUTHORITY FOR CERTAIN TYPES OF CONTRACTS AND CHANGE ORDERS, ESTABLISHING REPORTING REQUIREMENTS, AND SPECIFYING THE EFFECTIVE TERM OF THE DELEGATION.

WHEREAS, the City Council of the City of Chelan recognizes the importance of efficient and streamlined City operations; and

WHEREAS, the City Council and Staff have developed a “Council Action Matrix” to clearly define which items require Council action and the level of review they receive. A copy of the “Council Action Matrix” is attached hereto as Exhibit A; and

WHEREAS, it has been identified that routine and low-risk contractual items, specifically those under \$50,000 annually and already approved within the adopted budget, currently require City Council approval, leading to administrative delays and occupying valuable agenda time; and

WHEREAS, RCW 35A.11.010 grants legislative bodies in optional municipal code cities broad power to make contracts, and the legislative body also has the authority to delegate such authority while establishing appropriate oversight and disclosure conditions; and

WHEREAS, to enhance operational efficiency and enable the City Council to concentrate on higher-level policy and strategic matters, the City Council desires to delegate authority for the approval and signing of certain contracts and routine change orders to the Mayor or, in his or her absence, the City Administrator.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Chelan, Washington, as follows:

Section 1. **Incorporation of Recitals.** The above recitals are incorporated herein by reference.

Section 2. **Purpose, Intent, and Effective Term.** The purpose of this Resolution is to establish a clear policy for the delegation of administrative authority to the Mayor for the approval and execution of specific types of contracts and change orders, thereby improving the overall efficiency of City government. This policy directive will remain in effect until December 31, 2025, unless it is extended prior to that date.

Section 3. **Delegated Authority for Contracts.** Authority is hereby delegated to the Mayor to approve and sign contracts, Memoranda of Understanding (MOUs), and other agreements, subject to the following conditions:

- a) **Small Value Contracts (Under \$50,000 Annual Total):** The Mayor is authorized to approve and sign contracts where the total annual value is less than \$50,000, provided that

the expenditure for such contract is explicitly approved within the adopted annual budget of the City of Chelan. This delegation applies to routine operational contracts for goods, services, and minor public works that are within the scope of services discussed in the budget document or deliberations.

- b) **Routine Change Orders (Total Remains Under \$50,000):** The Mayor is authorized to approve change orders to existing contracts, provided that the new total annual value of the contract, including the change order, does not exceed \$50,000.
- c) **Exclusions:** This delegated authority does not extend to contracts or agreements that establish new City policy, commit the City to significant new resources outside of adopted budget parameters, any grants or are otherwise deemed by the City Council to require direct Council approval, regardless of monetary value. This specifically includes, but is not limited to, large value contracts (those in excess of \$50,000.00), MOUs that are policy-setting or involve significant resource commitment, and task authorizations outside of the budget, as outlined in the Council Action Matrix.

Section 4. **Reporting Requirements.** The Mayor shall report all contracts and change orders executed under this delegated authority to the City Council. Such reports shall be included in the City Administrator's regular report to the Council at the next council meeting following the executed instrument, providing sufficient detail to ensure appropriate oversight.

Section 5. **Absence of the Mayor.** In addition to any other authority expressly delegated herein, in the absence of the Mayor, the City Administrator shall have all of the authority set forth in this Resolution. When relying on this Section 5, the City Administrator shall notify the Council as soon as reasonably possible of the exercise of any delegated authority.

Section 6. **Council Retained Authority.** Except as specifically set forth by the Council in the preceding portion of this Resolution, or unless specifically set forth by the Council in the preceding portion of this Resolution, or unless specifically authorized by other action of the Council, the Council shall retain the following authority:

- a) To approve leases, contracts, purchases, change orders, and other agreements exceeding the delegation set forth above;
- b) To borrow funds;
- c) To establish levy rates;
- d) To establish levels of compensation and adjustments, including benefits, for the Mayor;
- e) To approve check registers, budgets, and amendments thereto (including line-item adjustments);
- f) To determine and establish the direction, goals, and policies of the City, unless specific direction for the determination or implementation has been given to the Mayor or to others;
- g) To change the duties and responsibilities of the Mayor at any time by the specific action of the Board, including amendment or modification to this Resolution; and
- h) To delegate specific authority, whether or not described herein, to a Councilmember or another employee of the City, by motion made and approved at an open public meeting

(e.g. delegating authority to a Councilmember to approve any changes made to an agreement that has been approved by the Board; delegating signature authority to a City employee overseeing a particular project).

Section 7. **Review and Oversight.** The City Council shall periodically review the effectiveness and implementation of this delegated authority to ensure it meets the goals of efficiency while maintaining accountability and proper oversight of City finances and operations.

Section 8. **Authority to Sign Progress Payment Requests.** The City Council hereby authorizes and delegates to the Public Works Director or his/her designee the authority to execute and certify progress payment requests, payment estimates, and related documents required by funding agencies, including but not limited to the Washington State Department of Transportation (WSDOT), for public works projects awarded and approved by the City. This delegated authority is limited to certifying that the work has been completed in accordance with contract documents and to requesting payment consistent with the terms of the applicable funding agreement and City-approved contract. This delegation does not include authority to execute change orders or amendments unless otherwise authorized by the City Council or under separate delegation.

Section 9. **Severability.** If any section, subsection, paragraph, sentence, clause, or phrase of this Resolution is declared unconstitutional or invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.

Section 10. **Effective Date.** This Resolution shall take effect immediately upon its passage and signing.

ADOPTED by the City Council of the City of Chelan and approved by its Mayor this ____ day of ____, 2025.

APPROVED:

By: _____
Erin McCardle, Mayor

AUTHENTICATED:

By: _____
Peri Gallucci, City Clerk

APPROVED AS TO FORM:

By: _____
Quentin Batjer, City Attorney

Council Action Matrix

Action Category	Requires City Council Action	# of "Looks"	Consent (Y/N)	Changes
Contracts, MOUs & Agreements				
Small Value Contracts (under a 50K annual total threshold, approved in budget)	No	n/a	n/a	New to allow Mayor/CA
Large Value Contracts	Yes	3	No	No Change
MOUs - Policy Setting/Resource Commitment	Yes	3	No	No Change
Bid Award & Contract	Yes	1	No	No Change
Change Order (if new total remains under 50K annual total threshold)	No	n/a	n/a	New to allow Mayor/CA
Change Order (over 50K threshold)	Yes	1	No	No Change
Task Authorization (in budget)	Yes	1	No	No Change
Task Authorization (outside budget)	Yes	2	No	No Change
Misc Agreements	Yes	Dependent	Dependent	No Change
Intergovernmental Agreements (IGAs)	Yes	1	No	No Change
Financial Matters & Budget				
Routine Expenditures (within budget)	Yes	1	Yes	No Change
Budget Amendments	Yes	3	Yes	No Change
Budget Calendar Acceptance	Yes	1	Yes	No Change
Budget Preparation & Submission	No (for submission) / Yes (for adoption)	multiple budget meetings	No	No Change
Donation Acceptance	Yes (over 5K)	2	Yes	No Change
Grant Applications & Acceptance (no match)	Yes	1	Yes	No Change
Grant Applications & Acceptance (with match)	Yes	2	Yes	No Change
Personnel Matters				
Hiring & Firing (non-department head)	No	n/a	n/a	No Change
Hiring & Firing (Directors & City Admin.)	Council Confirmation	1	No	No Change
Job Descriptions	Yes	2	Yes	No Change
Personnel Policy Changes	Yes	2	Yes	No Change
Collective Bargaining Agreements	Yes	2	No	No Change
Land Use & Planning				
Planning & Zoning Ordinances	Yes	3	No	No Change
Development Agreement (Full)	Yes	2	No	No Change
Development Agreement (Project Review)	No	n/a	n/a	No Change
Moratorium (emergency)	Yes	1	No	No Change
Retainage Release	Yes	1	Yes	No Change
Road Vacation	Yes	3	No	No Change
Utility Easements Agreement	Yes	1	No	No Change
Utility Extension Agreement	Yes	1	No	No Change
Development Permits (routine)	No	n/a	n/a	No Change
Policy & Legislative Actions				
Ordinances & Resolutions	Yes (Council adoption)	3	Yes	No Change
Council Liason Committee Assignments	Yes	2	Yes	No Change
Proclamations & Ceremonial Documents	No	n/a	n/a	No Change
Policy Initiatives & Strategic Plans	Yes (Council adoption/approval for significant policy)	3	No	No Change



**City of
Chelan**



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Ordinance No. 2025-1640 Amendment No. 1 to the Apple Blossom Center Development Agreement

Department: Community Development

Staff Contact: John Ajax

Guiding Principles: Visionary & Strategic

Initiatives: Diversify Housing Options

Reviewed By: City Attorney
City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

PREVIOUS ACTION TAKEN

A public hearing was held on July 8, 2025 regarding the proposed Amendment No. 1 to the Apple Blossom Center Development Agreement.

OVERVIEW

Apple Blossom Center Holdings has requested a 2025 "Second Amendment" to the Apple Blossom Center Development Agreement (DA) recorded under AFN 2579059. City Council is requested to hold a public hearing to take public testimony before deliberating at a later date.

The amendment would add two new multifamily definitions—micro-units (≤ 450 sq ft) and cottages (per CMC 17.14.050(E))—to provide smaller, cost-efficient housing choices. Each micro-unit or cottage would count as one-half of a standard unit toward the DA's 720-unit cap. A 10% cap per project limits the change to roughly eighty (80) micro-units on the WA Chelan (Weidner) parcel and sixty-four (64) micro-units or cottages on the remaining Apple Blossom Center Holdings

land. This half-unit accounting yields up to one hundred forty four (144) units without increasing gross density or altering necessary infrastructure assumptions. Individual permit applications will still receive full SEPA review, addressing environmental impacts both project-by-project and cumulatively.

For the WA Chelan Apartments, the amendment removes the 3-year spacing rule for large projects and allows their project to vest for up to five (5) years under the 2021 Building Code, enabling phased construction. If WA Chelan includes micro-units, it must deed-restrict five (5) percent of its total units at or below 80% of the area median income for fifty (50) years. These affordable units are not proposed to be included in the 720-unit limit. Other multi-family projects that do not build affordable units may continue to use the existing options: a \$3,400-per-unit fee (inflation-indexed) or a five-percent set-aside.

The amendment also bans future co-living configurations in the Apple Blossom Center - Planned Development District, described in RCW 36.70A.535, which would otherwise be counted as one-quarter of a unit.

Key changes proposed:

New housing types: Adds micro-units (≤ 450 sq ft) and cottages (CMC 17.14.050(E)).

Half-unit density accounting: Each micro-unit or cottage counts as 0.5 toward the 720-unit cap; capped at 10% of each individual project's total.

Targeted phasing: WA Chelan Apartments is exempt from the three (3) year spacing rule; one permit package may vest for up to five (5) years.

~~Affordability trigger: If micro-units are built, 5% of WA Chelan's units are deed-restricted at $\leq 80\%$ AMI for fifty (50) years and excluded from the cap. This proposed change has been removed.~~

Co-living prohibition: Explicitly disallows single-room-occupancy units under RCW 36.70A.535.

SEPA review maintained: Each subsequent project phase remains subject to full SEPA analysis.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

1. Ordinance No. 2025-1640
2. Apple Blossom Center Exhibit A - Redlined

2. Apple Blossom Center Previous Public Comments Received

SUGGESTED MOTION

Suggested Motion: I move to adopt Ordinance No. 2025-1640.

ORDINANCE NO. 2025-1640

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, APPROVING AN AMENDMENT TO THE APPLE BLOSSOM CENTER PLANNED DEVELOPMENT DISTRICT DEVELOPMENT AGREEMENT TO ALLOW MICRO HOUSING AND COTTAGE HOUSING UNITS AS PERMITTED MULTIFAMILY USES; ADOPTING FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Chelan and Apple Blossom Center Holdings, LLC (“ABC Holdings”), WA Chelan Apartments LLC, and their successors, are parties to a Development Agreement dated March 25, 2003, recorded under Chelan County Auditor File No. 2139278, and as amended by subsequent actions including Ordinance 2007-1344 and Ordinance 2023-1602; and

WHEREAS, the City of Chelan Municipal Code (CMC) 17.52.290 provides the framework for modifying Planned Development Districts, distinguishing between major and minor amendments; and

WHEREAS, CMC 17.52.290(B) stipulates that amendments which do not increase project density, floor area, or decrease parking/loading or ingress/egress, among other specified criteria, shall be considered minor; and

WHEREAS, a major amendment is authorized and required to be reviewed and approved as a legislative decision under CMC 17.52.290(C); and

WHEREAS, the proposed Second Amendment to the Development Agreement, as presented by the applicants, does not increase the total number of dwelling units beyond the permitted cap of 720 units, but rather includes two new housing types—micro units and cottages—defined with a half-unit equivalency and capped at 10% of total unit allocations on each respective property; and

WHEREAS, the inclusion of these unit types, defined under Section 11.2 of the Development Agreement, is consistent with applicable density and land use regulations and provides a broadened range of housing options without triggering any major modification thresholds under CMC 17.52.290(B); and

WHEREAS, the City Council finds that this amendment aligns with the goals and policies of the City’s Comprehensive Plan and Housing Action Plan to promote a diversity of housing types, and has been duly reviewed in accordance with applicable city procedures for non-major development agreement amendments; and

WHEREAS, the City Council held a duly noticed public hearing on July 8, 2025, to

consider the proposed Second Amendment to the Development Agreement, during which it received public testimony and written comments from community members including Brian Patterson, Ken G, the Residents Coalition of Chelan County (RC3), and representatives of Weidner Apartment Homes.

NOW, THEREFORE, the City Council of the City of Chelan, Washington, do ordain as follows:

Section 1. Findings of Fact. The City Council adopts and incorporates the recitals above as findings of fact in support of this Ordinance. The Second Amendment to the Development Agreement does not constitute a major amendment as defined under CMC 17.52.290(B) and is hereby deemed a minor amendment.

Section 2. Approval of Second Amendment. The City Council hereby approves and adopts the Second Amendment to the Development Agreement, attached hereto as **Exhibit A**, which includes:

- a) The addition of micro housing units (less than 450 square feet) and cottage housing (as defined in CMC 17.14.050(E)) as permitted multifamily uses.
- b) Specification that such unit types will count as one-half (½) of a multifamily unit toward the 720-unit cap and are limited to no more than 10% of each property's respective allocation.
- c) These provisions are intended to clarify and broaden the allowed uses without exceeding the thresholds of CMC 17.52.290(B).
- d) Restatement that only market-rate and affordable multifamily units are permitted, and short-term rentals are disallowed unless associated with elder care or medical services and subject to CC&R enforcement.
- e) Confirmation that co-living housing, as defined in RCW 36.70A.535(11)(a), is expressly prohibited within the development.
- f) Vesting of the WA Chelan Apartments Project for up to five years under the 2021 Washington State Building Code upon submission of a complete building permit application for all phases.
- g) Clarification that the WA Chelan Apartments Project is exempt from the three-year phasing requirements for large multifamily apartment projects, as previously applied in Section 11.2.1 of the Development Agreement.

The following additional clarifications and modifications are also adopted as part of the Second Amendment to the Development Agreement:

Section 3. Severability. If any term or provision in this Ordinance shall be held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any other term or provision of this Ordinance.

Section 4. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make any necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 5. Effective Date. This Ordinance shall be in full effect thirty (30) days after passage and publication, as provided by law. A summary of this ordinance may be published in lieu of publishing the ordinance in its entirety.

ADOPTED by the City Council of the City of Chelan, Washington, this ____ day of August 2025.

APPROVED:

By: _____
Erin McCardle, Mayor

AUTHENTICATE:

By: _____
Peri Gallucci, Clerk

APPROVED AS TO FORM:

By: _____
Quentin Batjer, City Attorney

FILED WITH THE CITY CLERK: AUGUST 7, 2025

PASSED BY THE CITY COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.: 2025-164

**RECORDING REQUESTED BY
AND AFTER RECORDING RETURN TO:**

Stoel Rives LLP
600 University Street, Suite 3600
Seattle, Washington 98101
Attention: Sabina L. Shapiro

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

Grantors/Grantees: Apple Blossom Center Holdings, LLC, a Washington limited liability company, WA Chelan Apartments LLC, a Washington limited liability company, and City of Chelan, a non-charter optional municipal code city, organized and existing under the State of Washington

Abbreviated Legal Description: Ptn. Sec. 18, T. 27 N., R 23, E.W.M., Chelan County, WA
Complete legal description on Exhibit A.

Assessor's Tax Parcel ID#s: 27-23-18-627-022, 27-23-18-627-027, 27-23-18-627-029, 27-23-18-627-020, 27-23-18-627-007, 27-23-18-627-030, 27-23-18-627-035, 27-23-18-627-009, 27-23-18-627-016, 27-23-18-627-040, 27-23-18-627-045, 27-23-18-627-012, 27-23-18-627-008, 27-23-18-627-015, 27-23-18-627-014, 27-23-18-627-005, 27-23-18-627-013, 27-23-18-627-065, 27-23-18-627-010, 27-23-18-627-025, 27-23-18-627-060, 27-23-18-627-070, 27-23-18-627-050, 27-23-18-627-055, 272318627-100

Reference #s 2139278; 2279413; 2555299; 2579059

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into as of _____, 2025 (the “**Effective Date**”), by and between APPLE BLOSSOM CENTER HOLDINGS, LLC, a Washington limited liability company (“**ABC Holdings**”), WA CHELAN APARTMENTS LLC, a Washington limited liability company (“**WA Chelan Apartments**”) and the City of Chelan, a non-charter optional municipal code city, organized and existing under the State of Washington (“**City**”), who agree as follows:

Recitals

A. The City and ABC Holdings are parties to that certain Development Agreement of Naumes Properties, LLC recorded on March 25, 2003 under Chelan County Auditor’s File No. 2139278 (the “**Original Development Agreement**”), including Major Amendment approved by Ordinance 2007-1344 recorded April 14, 2008 under Chelan County Auditor’s File No. 2279413 (the “**Major Amendment**”), as assigned to ABC Holdings by ABC Holding’s predecessor-in-interest by that certain Assignment of Covenants and Development Agreements dated October 18, 2021 and recorded on October 21, 2021 under Chelan County Auditor’s File No. 2555299 (the “**Assignment of Development Agreement**”), and as amended by that certain Amendment to Development Agreement recorded on March 2, 2023 under Chelan County Auditor’s File No. 2579059 (the “**Amendment to Development Agreement**” and collectively with the Original Development Agreement, the Major Amendment and the Assignment of Development Agreement, the “**Development Agreement**”). All capitalized terms used and not defined in this Amendment shall have the respective meanings assigned to them in the Development Agreement.

B. The Development Agreement applies to certain real property legally described on Exhibit A attached hereto (the “**Property**”).

C. WA Chelan Apartments previously acquired a portion of the Property legally described on Exhibit B-1 attached hereto (the “**WA Chelan Apartments Property**”) and later acquired another portion of the Property legally described on Exhibit B-2 attached hereto. ABC Holdings owns a portion of the Property as legally described on Exhibit C attached hereto (the “**ABC Holdings Property**”).

D. Pursuant to that certain Assignment of Development Rights between ABC Holdings and WA Chelan Apartments recorded on August 13, 2024 under Chelan County Auditor’s File No. 2597797, ABC Holdings assigned to WA Chelan Apartments all of its right, title and interest under the Development Agreement with respect to the development of up to a total of 400 of 720 Multi-family units on the WA Chelan Apartments Property.

E. WA Chelan Apartments contemplates developing a large multifamily apartment project on the WA Chelan Apartments Property (the “**WA Chelan Apartments Project**”) in two or more phases (such phases to be developed and owned by WA Chelan Apartments and/or its

affiliates). ABC Holdings contemplates developing a large multifamily project on the ABC Holdings Property.

Now, therefore the parties agree to amend the Development Agreement as set forth below:

1. Multi-family Units. Section 11.2 of the Development Agreement is hereby revised to expand the definition of Multi-family units to also include (a) Micro Units (defined as Multi-family units less than 450 square feet in area) and (b) cottage housing (as such term is described in Chapter 17.14.0.505(E) of the City's Code of Ordinances), each, a "**Cottage**"). Any Micro Unit or Cottage developed on the Property shall count as one-half (1/2) of a Multi-family unit towards the maximum 720 dwelling units allowed under Section 11.2. Notwithstanding the foregoing, the total number of Micro Units and Cottages developed in the aggregate on each of the WA Chelan Apartments Property and the ABC Holdings Property shall not exceed more than ten percent (10%) of the maximum number of dwelling units allowed to be developed on each property. For example, (a) WA Chelan Apartments may develop up to 80 Micro Units (i.e. 10% x 400 x2) on the WA Chelan Apartments Property, which would result in a maximum number of Multi-family units allowed on the WA Chelan Apartment Property of 440 (360 Multi-family units plus 80 Micro Units) and (b) ABC Holdings may develop up to 64 Cottages (i.e. 10% x 320 x2) on the ABC Holdings Property, which would result in a maximum number of Multi-family units on the ABC Holdings Property of 352 (288 Multi-family units plus 64 Cottages). For purposes of clarity, in no event shall ABC Holdings develop more than 64 Cottages nor shall WA Chelan Apartments develop more than 80 Micro Units.

2. Project Permitting. Section 11.2.1 of the Development Agreement is hereby revised to clarify that the WA Chelan Apartments Project shall not be subject to the three (3) year phasing requirements for permit issuance outlined in Section 11.2.1 for other large multi-family apartment projects. Further, the parties agree that with respect to the WA Chelan Apartments Project:

(a) WA Chelan Apartments shall file a completed building permit application for the entire WA Chelan Apartments Project at one time (the "**Permit Application**");

(b) The City shall issue permits for the entire WA Chelan Apartments Project (regardless of phase) in accordance with the 2021 Washington State Building Code as adopted by the City which may result in an elongated vesting period of up to five (5) years for the WA Chelan Apartments Project commencing at the time of filing of the Permit Application.

~~3. Voluntary Public Benefits. In consideration of the City's agreement to Section 1 above, in the event WA Chelan Apartments elects to develop Micro Units on the WA Chelan Apartments Property, pursuant to Section 13.1 of the Development Agreement, WA Chelan Apartments shall agree to allocate five percent (5%) of the total units of the WA Chelan Apartments Project to tenants whose income is at or below 80 percent (80%) of Chelan County MSA median income ("80% AMI") for a period of fifty (50) years from the time each such~~

~~affordable unit is placed in service. For the avoidance of doubt, such foregoing allocation shall satisfy WA Chelan Apartments' current obligations under Section 13.1 of the Development Agreement with respect to affordable housing. Any Multi-family unit that is allocated to a tenant whose income is at or below 80% AMI shall be excluded from the maximum 720 dwelling units allowed under Section 11.2~~

4.3. No Co-Living Housing. Co-living housing shall not be permitted on the Property. The term "co-living housing" herein shall have the meaning ascribed to that term in RCW 36.70A.535(11)(a), as may be amended from time to time.

5.4. General Provisions.

5.1.4.1. Authority. The City, ABC Holdings and WA Chelan Apartments each represent and warrant it has the respective power and authority, and is duly authorized to execute, deliver, and perform its obligations under this Amendment. This Amendment is entered into by the Parties pursuant to Chapter 19.38 of the CMC. The City Council has approved this Amendment to Development Agreement pursuant to CMC 19.38.050 by the Ordinance No. _____.

5.2.4.2. Binding and Controlling. To the extent that any inconsistencies exist between the provisions of this Amendment, the Development Agreement, and that certain Covenants of Apple Blossom Center recorded on March 25, 2003, under Auditor's File No. 2139277 and any amendments thereto (the "Covenants"), the provisions of the Amendment shall control.

5.3.4.3. Non-Retroactive. It is the intent of this Amendment to broaden and clarify the allowed uses within the Property. Requirements or restrictions set forth in this Amendment shall be effective from the date of this Amendment; and only provisions of the Amendment which are expressly made retroactive shall apply retroactively. Otherwise, all requirements or restrictions set forth in this Amendment shall not apply retroactively and shall not impact existing facilities or permitted buildings that have received its certificate of occupancy.

5.4.4.4. Recording. This Amendment shall be recorded in the office of the Chelan County Auditor and shall run with the lands described herein.

5.5.4.5. No Other Changes. Except as otherwise amended herein, the parties hereby ratify the terms and conditions of the Development Agreement.

[Signatures appear on following pages.]

IN WITNESS WHEREOF, the parties have executed and delivered this Assignment as of the day and year first above written.

ABC HOLDINGS:

APPLE BLOSSOM CENTER HOLDINGS, LLC,
a Washington limited liability company

By: Chelan Asset Management Corporation, its
Manager

By: _____
Name: Andy H. Yeung
Title: Vice President

STATE OF WASHINGTON

COUNTY OF _____

ss.

This record was acknowledged before me on the _____ day of _____, 2025, by Andy H. Yeung as Vice President of Chelan Asset Management Corporation, the Manager of APPLE BLOSSOM CENTER HOLDINGS, LLC, a Washington limited liability company.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

[Signatures continue on following pages]

WA CHELAN APARTMENTS: WA CHELAN APARTMENTS LLC,
a Washington limited liability company

By: Weidner Investment Services, Inc.,
a Washington corporation, its Manager

By: _____

Name: W. Dean Weidner

Title: President

STATE OF WASHINGTON

COUNTY OF _____

ss.

This record was acknowledged before me on the _____ day of _____, 2025, by
W. Dean Weidner as President of Weidner Investment Services, Inc, the Manager of WA
CHELAN APARTMENTS LLC, a Washington limited liability company.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

[Signatures continue on following page]

CITY:

CITY OF CHELAN,
a Non-Charter Option Municipal Code City
Organized and Existing under the State of
Washington

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

This record was acknowledged before me on the _____ day of _____, 2025, by
_____ as _____ of City of Chelan, a non-charter optional municipal
code city, organized and existing under the State of Washington.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

EXHIBIT A
LEGAL DESCRIPTION

A portion of Section 18, Township 27 North, Range 23, E.W.M., Chelan County, Washington, described as follows:

Tracts 1, 2, 3 and 4 of the Plat of Isenhart Orchard Tracts as recorded in Volume 4 of Plats, pages 72 and 73 and the adjacent rights of way of the Chelan Station Road (now known as State Highway SR-150) and the Chelan-Okanogan Road (now known as State Highway SR-97A).

The above-described lands are more particularly described as follows:

The Northeast quarter of the Northeast quarter, the Northwest quarter of the Northeast quarter, the Southeast quarter of the Northeast quarter, the Northeast quarter of the Southeast quarter all in said Section 18. TOGETHER WITH that portion of the Southwest quarter of the Northeast quarter and the Northwest quarter of the Southeast quarter of said Section 18, lying northeasterly of the following described line:

Commencing at a steel rod at the center of said Section 18; thence North $01^{\circ}36'37''$ West along the West line of said Southwest quarter of the Northeast quarter for a distance of 597.28' more or less, to a point on the southwesterly limit of the right of way of State Highway SR-150 as shown on the plans of the Washington State Department of Transportation title "SR-150 Spur, MP 24.27 to MP 25.29 County Road 325 to SR 97" Sheet 3 of 3 dated Jan. 23, 1987, which point is the True Point of Beginning for this line; thence following said right of way on the following courses: South $47^{\circ}14'29''$ East for 1,611.6 feet more or less to the beginning of a curve to the right, the center of which lies South $42^{\circ}45'31''$ West a distance of 310 feet; thence following the arc of said curve for 249.87 feet, through a central angle of $46^{\circ}10'55''$; thence South $01^{\circ}03'34''$ East for 376.9 feet to the beginning of a curve to the left, the center of which lies North $88^{\circ}56'26''$ East a distance of 435 feet; thence following the arc of said curve for 136.71 feet, through a central angle of $18^{\circ}00'48''$ thence South $12^{\circ}11'30''$ East for 55.20 feet, more or less, to a point where said right of way intersects the South boundary of the Northwest quarter of the Southeast quarter of said Section 18 and the terminus of this line.

TOGETHER WITH that portion of the Southeast quarter of the Northwest quarter of said Section 18 bounded as follows: On the Southwest by the northerly line of Chelan County Short Plat #1649, recorded in Book SP-5, page 21, records of the Chelan County Auditor; on the West by the extension of the westerly line of said Chelan County Short Plat #1649; on the North by the northerly line of the right of way of State Highway SR-97A; and on the East by the East line of said Southeast quarter of the Northwest quarter.

Also known as the Apple Blossom Center Binding Site Plan as described in Apple Blossom Center General Site Plan Legal Description and Dedication recorded March 25, 2003 under Chelan County Auditor's File No. 2139276.

EXHIBIT A

EXHIBIT B-1
LEGAL DESCRIPTION OF WA CHELAN APARTMENTS PROPERTY

PARCEL A

LOTS 10 AND 11, APPLE BLOSSOM CENTER, WITHIN CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP 2024-01CH, RECORDED IN BOOK 31 OF SHORT PLATS, PAGE 82.

PARCEL B

LOTS 6, 7 AND 8, APPLE BLOSSOM CENTER, CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP. 2019-01CH, CHELAN COUNTY, WASHINGTON ACCORDING TO THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NO. 2493365.

EXHIBIT B

127880554.6 0069983-00103

EXHIBIT B-2
LEGAL DESCRIPTION OF ADDITIONAL WA CHELAN APARTMENTS PROPERTY

LOT 12, AS DELINEATED ON CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP 2006-01, RECORDED NOVEMBER 8, 2006, UNDER AUDITOR'S NO. 2241938, IN BOOK 21 OF SHORT PLATS, PAGE 3, CHELAN COUNTY, WASHINGTON.

EXHIBIT B

127880554.6 0069983-00103

EXHIBIT C
LEGAL DESCRIPTION OF ABC HOLDINGS PROPERTY

A portion of Section 18, Township 27 North, Range 23, E.W.M., Chelan County, Washington, described as follows:

Tracts 1, 2, 3 and 4 of the Plat of Isenhart Orchard Tracts as recorded in Volume 4 of Plats, pages 72 and 73 and the adjacent rights of way of the Chelan Station Road (now known as State Highway SR-150) and the Chelan-Okanogan Road (now known as State Highway SR-97A).

The above-described lands are more particularly described as follows:

The Northeast quarter of the Northeast quarter, the Northwest quarter of the Northeast quarter, the Southeast quarter of the Northeast quarter, the Northeast quarter of the Southeast quarter all in said Section 18. TOGETHER WITH that portion of the Southwest quarter of the Northeast quarter and the Northwest quarter of the Southeast quarter of said Section 18, lying northeasterly of the following described line:

Commencing at a steel rod at the center of said Section 18; thence North $01^{\circ}36'37''$ West along the West line of said Southwest quarter of the Northeast quarter for a distance of 597.28' more or less, to a point on the southwesterly limit of the right of way of State Highway SR-150 as shown on the plans of the Washington State Department of Transportation title "SR-150 Spur, MP 24.27 to MP 25.29 County Road 325 to SR 97" Sheet 3 of 3 dated Jan. 23, 1987, which point is the True Point of Beginning for this line; thence following said right of way on the following courses: South $47^{\circ}14'29''$ East for 1,611.6 feet more or less to the beginning of a curve to the right, the center of which lies South $42^{\circ}45'31''$ West a distance of 310 feet; thence following the arc of said curve for 249.87 feet, through a central angle of $46^{\circ}10'55''$; thence South $01^{\circ}03'34''$ East for 376.9 feet to the beginning of a curve to the left, the center of which lies North $88^{\circ}56'26''$ East a distance of 435 feet; thence following the arc of said curve for 136.71 feet, through a central angle of $18^{\circ}00'48''$ thence South $12^{\circ}11'30''$ East for 55.20 feet, more or less, to a point where said right of way intersects the South boundary of the Northwest quarter of the Southeast quarter of said Section 18 and the terminus of this line.

TOGETHER WITH that portion of the Southeast quarter of the Northwest quarter of said Section 18 bounded as follows: On the Southwest by the northerly line of Chelan County Short Plat #1649, recorded in Book SP-5, page 21, records of the Chelan County Auditor; on the West by the extension of the westerly line of said Chelan County Short Plat #1649; on the North by the northerly line of the right of way of State Highway SR-97A; and on the East by the East line of said Southeast quarter of the Northwest quarter.

Also known as the Apple Blossom Center Binding Site Plan as described in Apple Blossom Center General Site Plan Legal Description and Dedication recorded March 25, 2003 under Chelan County Auditor's File No. 2139276.

Excluding therefrom:

PARCEL A

EXHIBIT C

127880554.6 0069983-00103

LOTS 10 AND 11, APPLE BLOSSOM CENTER, WITHIN CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP 2024-01CH, RECORDED IN BOOK 31 OF SHORT PLATS, PAGE 82.

PARCEL B

LOTS 6, 7 AND 8, APPLE BLOSSOM CENTER, CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP. 2019-01CH, CHELAN COUNTY, WASHINGTON ACCORDING TO THE PLAT THEREOF RECORDED UNDER AUDITOR'S FILE NO. 2493365.

PARCEL C

LOT 12, AS DELINEATED ON CITY OF CHELAN SPECIFIC BINDING SITE PLAN NO. BSP 2006-01, RECORDED NOVEMBER 8, 2006, UNDER AUDITOR'S NO. 2241938, IN BOOK 21 OF SHORT PLATS, PAGE 3, CHELAN COUNTY, WASHINGTON.

EXHIBIT C


127880554.6 0069983-00103

(No subject)

From +15096792500@tmomail.net <+15096792500@tmomail.net>

Date Sat 7/5/2025 5:07 PM

To John Ajax <jajax@cityofchelan.us>

 1 attachment (104 bytes)

text_0.txt;

CAUTION: External Email

Are you planning on increasing the number of low income apartments with this new revision. If NO why not

T-Mobile

This message was sent to you by a T-Mobile wireless phone.

July 5, 2025

City of Chelan

City Council Members (Brad Chitty, Mark Ericks, Bob Goedde, Jon Higgins, Tim Hollingsworth, Terry Sanders, Shari Dietrich)

Chelan Mayor Erin McCardle

Community Development Director John Ajax

135 E Johnson Avenue

PO Box 1669

Chelan WA, 98816

RE: Public Comments on Proposed Second Amendment to Apple Blossom Center Development Agreement – July 8, 2025, City Council Hearing

Dear City of Chelan Councilpersons, Mayor McCardle, and Director Ajax,

I have reviewed the “Second Amendment” changes proposed for Apple Blossom Center Holdings for the Apple Blossom Center (ABC) Development Agreement (DA) recorded under AFN 2579059. I have a few comments that I would like to share as City Council considers these changes and whether or not they are good for the city of Chelan.

I am aware of a separate comment letter being submitted by Residents Coalition of Chelan County (RC₃) and believe that my comments compliment some of the comments made by RC₃.

Additional Dwelling Units

With the requested addition of micro-units and cottages, there is a stated assumption that each micro-unit or cottage would count as one-half of a standard unit toward the DA’s 720 dwelling unit cap. Although the City Council could proclaim that this is so for certain purposes, this does not naturally follow from the Chelan Municipal Code (CMC) or the way that micro-units (which are not defined this way in the CMC) are counted in other municipalities.

For example, CMC 17.14.050(E) indicates for cottage housing that (underline added for emphasis):

Due to the smaller relative size of cottage units, each cottage shall be counted as one-half a dwelling unit for the purpose of calculating density. For example, a cluster of six cottages would be equivalent to three dwelling units.

Counting cottage units as one-half of a dwelling unit only applies to density calculations, but not toward the overall size of the project or for any other purpose. It is a zoning density issue only.

This is also true for micro-units. The CMC does not provide any special allowances for micro-units. The City could decide to allow a higher density compared to other types of dwelling units in the DA, but each would still count as a whole dwelling unit for all other purposes.

In Bellevue, Washington municipal code, for example, standards for “micro-apartments” include the following (underline added for emphasis):

For the purposes of calculating dwelling units per acre, each micro-apartment shall be considered one-quarter of a dwelling unit.

This clearly states that the consideration of micro-apartments as one-quarter of a dwelling unit is only for the purpose of calculating allowed densities. If the consideration was intended to apply more broadly, the first part of the standard prior to the comma would have been left out.

CMC 19.10.040 defines a “dwelling unit” as follows:

Dwelling unit means a building or portion thereof, providing complete housekeeping facilities for one family.

In accordance with this definition, micro-units and cottages are still full dwelling units and, other than for zoning density calculations, should be treated as such. So, at the requested 10% allowance of micro-units and cottages, this results in an overall increase in the number of dwelling units associated with the ABC project of 72 units, for a total of 792 dwelling units (instead of the current 720).¹

Further, it appears that the proposed amendment to the DA would allow for an additional 36 (or more) dwelling units to be rented to residents at or below 80% of the area median income (AMI) that would not count toward the current 720 dwelling unit cap.² This could increase the total number of dwelling units on the ABC project site to 828 (or more).

This clearly makes it a much bigger project with greater impacts to local traffic and other infrastructure. From what I can tell, the existing traffic assessment for the Apple Blossom Center Planned Development³ assumes 667 dwelling units and is, therefore, not at all representative of a revised project at Apple Blossom Center with 828 dwelling units.

In the case of the ABC DA, the currently-allowed density of dwelling units is 24 per acre. If all units in that acre were, for example, micro-units as requested, then a total density of 48 micro-units per acre would be allowed. But this should not change the total number of dwelling units

¹ It appears that the City is providing for another 5% (36) additional dwelling units (for a combined 108 additional units and 828 units total) if 5% of the overall 720 units meet the requirements for “affordable” housing as defined in the DA, though the wording is not entirely clear.

² The proposed second amendment to the DA specifically notes that the 5% of units in the “80% AMI” category do not count toward the total project cap for the “WA Chelan Apartments” part of the project but is not clear if this also applies to the remainder of the ABC project. Either way, this exemption would cause the maximum number of allowed dwelling units on the ABC project site to be even greater than 792.

³ *Traffic Impact Analysis for Apple Blossom Center*; DN Traffic Consultants, Inc.; February 26, 2021.

(as defined in CMC 19.10.040) allowed for the project. It would instead allow for higher densities of dwelling units in some areas of the project than would otherwise be allowed.

One could easily argue that the existing State Environmental Policy Act (SEPA) review for the ABC project is not valid for the "new" project with up to 828 dwelling units after the requested changes to the DA; for reference, a new project proposing just five dwelling units would trigger SEPA review. So, why would a project modification that adds up to 108 new dwelling units (or more) not be subject to a new SEPA review?

Affordable Housing

Why would the City of Chelan allow an increase in the number of dwelling units associated with the ABC project by allowing micro-units and cottages even when traffic impact analysis of the existing project indicates that two road intersections will exceed acceptable level of service thresholds?

Presumably, one driving force would be to increase the affordability of housing in Chelan under the assumption that the smaller units would have significantly lower rental rates. However, allowing micro-units, as an example, would not appear to significantly increase the affordability of housing.

Wiedner Apartment Homes (Weidner), the entity proposing the changes to the DA, recently built an apartment complex in Leavenworth, Washington (Leavenworth Haus Apartment Homes). This complex included a large number of what would be considered to be micro-unit apartments. When the potential allowance of micro-units for the ABC project was first brought up publicly a couple of months ago, I went online to compare the current rental rates for these micro-units to those for one-bedroom apartments at the same complex.

At that time (May 2025), the Leavenworth Haus Apartment Homes complex was offering one-bedroom apartments with 677 square feet for \$1,726 a month. At the same time, the complex was offering studio apartments with 464 square feet (similar to what is currently proposed as a micro-unit for the ABC project) for \$1,570 a month, a nine percent (9%) discount to the rent for a one-bedroom apartment.

A nine percent discount on rent for a unit thirty-one percent (31%) smaller does not seem like a great bargain and is still likely not affordable to many people. There is no reason to think that rents for similar apartments in Chelan wouldn't be comparable to Leavenworth, another local city housing market highly impacted by tourism and high demand. It seems like allowing micro-units in particular as part of the ABC project will greatly increase the profitability for the developer, but will not significantly increase the affordability of housing for the public.

Parking

The proposed amendment to the DA does not address the parking space requirements that would apply to micro-units. The City's current Development Standards for multi-family dwelling units require 1.5 parking spaces for each one- or two-bedroom unit (which would include studio apartments) and 2 parking spaces for each three-bedroom (or greater) unit.

Weidner is currently requesting that the City reduce the parking space requirements for its current 426 unit multi-family project at the ABC project site to 1.0 spaces per dwelling unit overall. In this request, Weidner notes that current Chelan Development Standards would require about 1.51 parking spaces per dwelling unit overall based on the mix of units being proposed.

As the City works toward determining what the appropriate parking space requirements should be for the Weidner ABC project, I would offer some relevant information from Weidner's project in Leavenworth discussed above (Leavenworth Haus Apartment Homes).

In the permit application materials provided by Weidner for the Leavenworth Haus Apartment Homes project, they indicated that it would consist of 200 units, which would include 66 "efficiency units", 7 studio units, 71 one-bedroom units, and 56 two-bedroom units (i.e., 33% of all units would be "efficiency units", equivalent to micro-units in the current discussion). This is a much higher fraction of micro-units than proposed for the Weidner ABC project (10%).

Even with this much higher fraction of micro-units in the Leavenworth project, Weidner proposed 267 parking spaces, for a ratio of 1.34 parking spaces per dwelling unit overall. Also note that the Leavenworth Haus Apartment Homes project sits on a public transit route, unlike the ABC project, which would potentially justify a slightly lower parking space ratio for the Leavenworth project.

Further, Weidner acknowledged in their application materials for the Leavenworth Haus Apartment Homes project that average occupancies in micro-units would not be that different than for one-bedroom units. Weidner's average occupancy estimates were as follows:

Studio and "Efficiency Units": 1 person per unit

One-bedroom units: 1.25 person per unit

Two-bedroom units: 1.8 persons per unit

Clearly the occupancy estimates for Studios and Efficiency Units were unrealistically low since they could never have less than one person per unit and could, in some cases, have more than one person per unit, making the average greater than one.

Regardless, there is no reason, based on Weidner's own data for the Leavenworth Haus Apartment Homes project, to treat micro-units significantly different from one-bedroom units when looking at occupancy, parking space requirements, or anything related to infrastructure impacts. Allowing an apartment complex with insufficient parking for residents and their guests does not benefit anyone and given that the ABC site is not on a transit line, it is reasonable to assume that most people living there will have their own vehicle.

Closing

The currently-approved 720 multifamily units at the ABC project site already represent a huge increase in the number of dwelling units in Chelan and would likely increase the existing population by 20 percent or more. However, more housing at the lower end of the price range is certainly needed in Chelan and, hopefully, this project will help fill that need to some degree.

I'm not against the development of multifamily units at the ABC project site, but provide the comments above for a few reasons:

- A concern that the impacts on traffic and other elements of local infrastructure are not being adequately evaluated and mitigated for this proposed increase in the number of allowed dwelling units (as would normally be done under the SEPA review process).
- A concern that there is a belief that the allowance of micro-units will significantly improve the affordability of housing in Chelan. While more housing will be helpful, the City shouldn't give up too much to obtain what is mostly market-rate housing.
- A concern that insufficient parking might be provided for this new residential development, causing the public and the City to regret allowing the project in the first place.

Given that rents for micro-units appear to be only slightly below those for one-bedroom apartments, allowing twice as many of them simply increases the size, and profitability, of the project without any discernable public benefit.

Thank you for your time,

A handwritten signature in black ink that reads "Brian Patterson". The signature is written in a cursive, flowing style.

Brian Patterson, Ph.D.
150 Kestrel Ln
Manson, WA 98831
bcpatters@yahoo

Weidner Apartment Homes

- Weidner Apartment Homes has been providing high quality housing for 48 years.
- Weidner has been developing housing in Central WA since 2009 & owns 2,000 homes in the region (including communities actively under construction).

Presenting Today:

- Nick Nowotarski
 - Development Director at Weidner
- Drew Fulton
 - Development Analyst at Weidner



CONCEPT DRAFT - NOT FOR CONSTRUCTION



Chelan Site Landscape | Chelan, WA | 06.11.2025

OVERALL ILLUSTRATIVE SITE PLAN

Legend	Key
① Dog Park - Large and Small Dogs	Tuscan Planting - Building Perimeter
② Central Lawn	Tuscan Planting with Aggregate Walkways
③ Gardens - Aggregate Walkways	Synthetic Dog Lawn
④ Pickleball	Natural Lawn
⑤ Pool and Clubhouse	Enhanced Native Plantings
⑥ Mailboxes	Existing Vegetation to Remain
⑦ Community Areas	
⑧ Entrance Monument	
⑨ Car Ports	
⑩ Garages	
⑪ Trash Enclosure	
⑫ Future City Trail - Option 1	
⑬ Future City Trail - Option 2	



PHASING DIAGRAM



View from Parking lot at Entry



Elevated View Looking North East

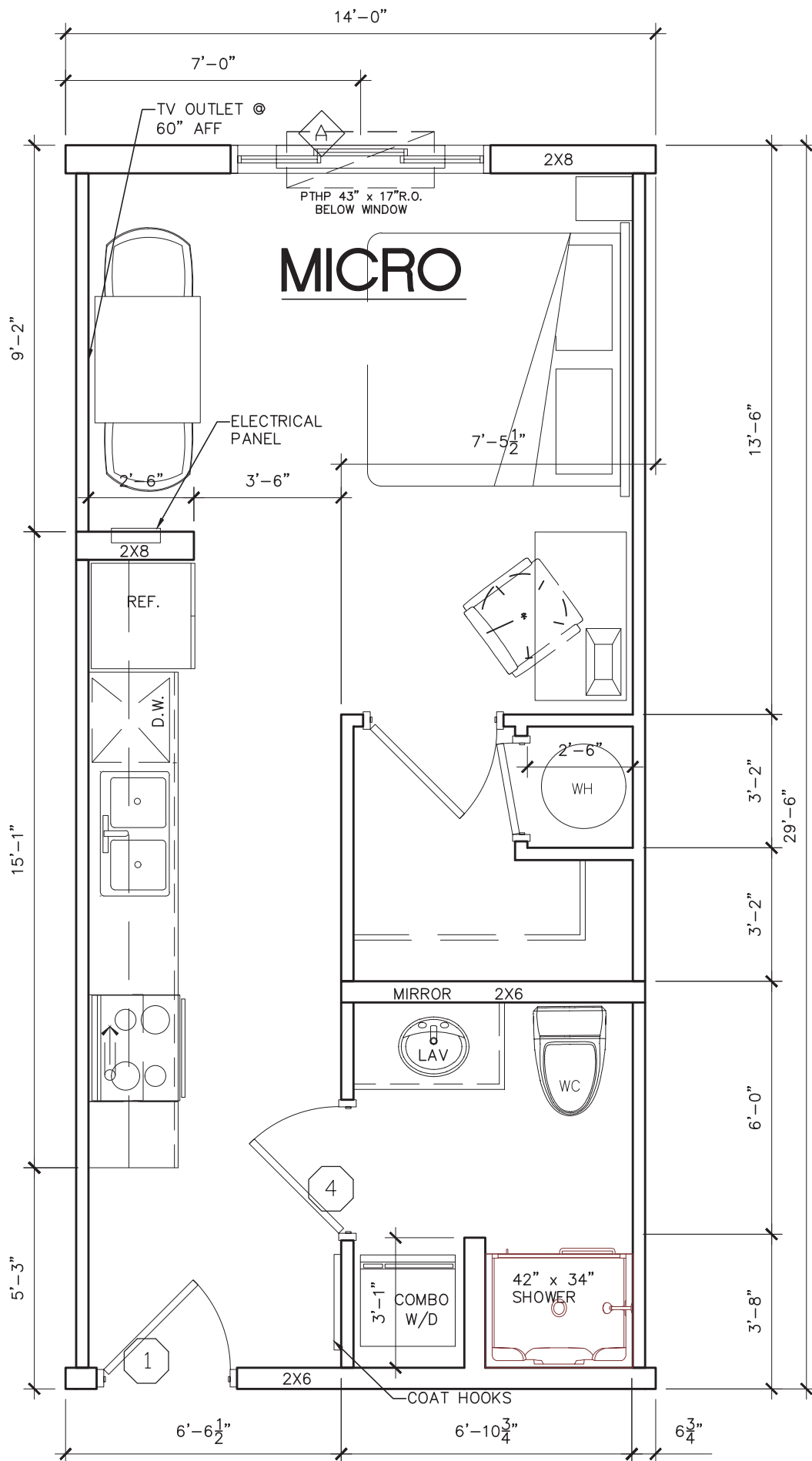


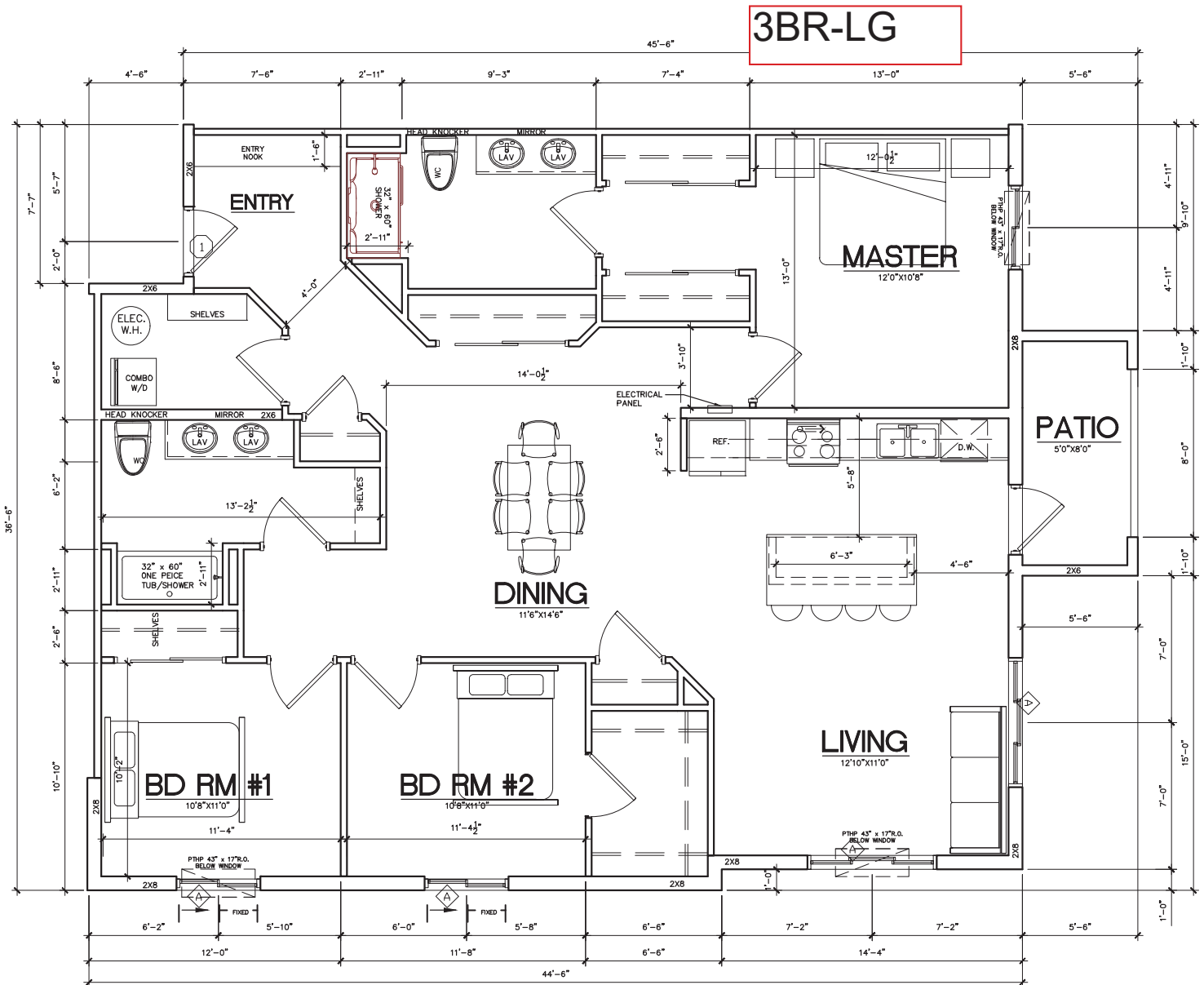
Interior of Restaurant Space looking North



Interior View from Restaurant Space, looking North West









RESIDENTS COALITION of Chelan County

Mayor Erin McCardle
Members of the Chelan City Council
P.O. Box 1669
Chelan, WA 98816
Via Email: jajax@cityofchelan.us
pgallucci@cityofchelan.us

July 4, 2025

Dear Mayor and Honorable Councilmembers:

We write in regard to the most recent proposed Major Amendment to the Apple Blossom Center Planned Development District, which would increase the total number of dwelling units from the 720 currently allowed to potentially 828. We urge you to reject this proposed amendment to add still further dwelling units to this already monolithic apartment complex. Alternatively, if the Hearing Examiner allows the amendment to increase the dwelling units, we urge you to condition its approval on the provision of a meaningful number of affordable housing units beyond those already contemplated by the development agreement.

A Public Hearing Before the Hearing Examiner is Required for this Amendment.

We will first address the Chelan Municipal Code requirement that this proposed amendment be reviewed by the Hearing Examiner, which is beyond reasonable dispute. CMC 17.52.290(C) requires that any “major” amendment to a Planned Development District (PDD) development agreement requires legislative review by the Hearing Examiner before it is considered by the City Council. Under CMC 17.52.290(A), an amendment is “major” if it would increase the number of dwelling units or the density. According to staff, the amendment being proposed potentially would add an additional 108 dwelling units by means of incorporating “micro units” and “cottage units” and counting both as half units for purposes of calculating density.

Significantly, under the existing City Code, micro units are defined in Title 19, but are not counted as half units. (While defined in the Code, we have not located any provision actually authorizing such dwelling units.) Thus, a micro unit is an individual dwelling unit, not half of a unit. CMC 19.10.040 defines a “dwelling unit” as “a building or portion thereof, providing complete housekeeping facilities for one family.” As such, the addition of the micro “dwelling” units being proposed on the Weidner tract increases the total dwelling units by at least 80. Nonetheless, the actual number of additional units is irrelevant, as *any* increases triggers the requirement for legislative review by the Hearing Examiner.

The cottage units proposed on the ABC Holdings tract are not currently allowed under the development agreement, although they are contemplated by the CMC. The Code does count cottage units (where permitted) as half units *but* only “for the purpose of calculating density,” not for any other purpose, such

as calculating the absolute total number of units. As such the cottage units would increase the total number of units by 64.

Given that it is abundantly clear that this proposed amendment, as a “major” amendment, must go to the Hearing Examiner, we are frankly unclear why the public is being invited to comment at this premature juncture. Surely, it is not the intent to deprive the public of its statutorily-mandated right to a public hearing before the decision-maker that is required to rule on this proposed amendment, i.e., the Hearing Examiner.

That said, we intend to oppose the amendment before the Hearing Examiner on at least three separate grounds, any one of which we believe will defeat the proposal: (1) the approval of the Major Amendment and associated amendment to the Development Agreement are not in conformity with the City’s Comprehensive Plan, as amended in 2017; (2) the Amendment(s) do not confer a “public benefit” as required by CMC 17.42.130, but rather entail a significant public *detriment* that vastly outweighs any relatively slight public benefit; and (3) the draft amendment to the development agreement cynically removes even the 5% contribution for affordable housing referenced in the original amendment.

The Approval of the Major Amendment Flies in the Face of the Fundamental Vision and Tenets of the City’s Comprehensive Plan.

Under CMC 17.52.010, a Planned Development District (“PDD”) should, among other things, “implement the policies, spirit, and intent of the Comprehensive Plan.” The overarching vision of the 2017 City Comprehensive Plan for the 20-year horizon is “**Chelan’s small-town feel is retained.**” See 2017 Comprehensive Plan, p. 1-8. This theme is reiterated repeatedly throughout the Comprehensive Plan. For example, the Land Use Element touts its role in “promoting a small-town charm.” Further, the Housing Element states that “Chelan is a community that prides itself on its small-town feel. . . .” In sum, preserving Chelan’s small-town feel and charm is a fundamental theme that pervades every aspect of the Comprehensive Plan. The “policies, spirit, and intent” of the Comprehensive Plan are all informed by, and beholden to, this important vision for our community. In our opinion, therefore, all contemplated development must be measured against this yardstick, in other words, whether the proposal preserves the City’s prized small-town charm?

This mammoth 720-unit apartment complex sited at one of the entrances to the City is already the antithesis of all things both “small town” and “charming.” The proposal to add almost 150 additional units just exacerbates this problem. If the vision for the City as set out in the Comprehensive Plan (with substantial community input) has any meaning *at all*, this development must not be allowed to expand as proposed. While “small-town charm” may mean different things to different people, all can agree on what it *is not*.

Moreover, the development is completely out of step with the Comprehensive Plan projections as to anticipated growth. As you know, the Growth Management Act requires the City and County to plan for *anticipated* growth based on population projections from the Office of Financial Management. Based on those projections, the Comprehensive Plan projects a permanent population of 5,719 for Chelan and its UGA by 2037, representing the addition of approximately 900 residents over the next twelve years. Yet, this *single development* as currently proposed would add housing for an additional 1,656 people (at 2 persons per dwelling unit). This is far, far beyond the growth contemplated by the Comprehensive Plan.

To put a finer point on it, this development is not calculated to meet “anticipated market demands,” as contemplated by CMC 17.52.010, but rather appears poised to *create* demand where none otherwise

would exist. This “build it and they will come” philosophy is completely at odds with the “thoughtful” growth mapped out in the Comprehensive Plan. Thoughtful growth attempts to meet the realistic projections of housing demand, not create demand artificially. It appears this development would do the latter.

To summarize, the City’s Comprehensive Plan is, as the Municipal Code dictates, the bellwether against which this proposed development must be gauged. Yet, a project of this enormity is the very antithesis of all that the Comprehensive Plan purports to hold sacred. An amendment that would merely exacerbate the problem must be rejected.

There is No “Net” Public Benefit, Relative to Public Detriment.

CMC 17.42.130 requires that a Major Amendment to a PDD development agreement must confer a “net public benefit” if it is to be allowed. Here, the fact that the proposal would add additional types of housing, allowing for a greater diversity of available housing stock, does not justify the undeniable *burden* of adding still more dwelling units to an apartment city that already portends a huge explosion in the City’s population (by as much as 50% even before this amendment, by our calculation).

That said, one thing that would hugely ameliorate the burden and could *potentially* represent a net benefit is the allocation of the additional units as affordable housing. The existing development agreement requires that a scant 5% of the units be either deed-restricted as affordable (defined as 80% AMI) or subject to an opt-out payment. This amounts to only 36 of the originally approved 720 units, a number that does not come close to solving the City’s need for affordable housing. Yet, if the additional 108 units were designated affordable (one justification being offered for allowing these smaller dwelling units to count as only half units), that would have a meaningful positive impact on the availability of affordable housing in Chelan.

If the City Council ultimately considers the proposed amendment, we urge that a condition of approval be the provision of additional deed-restricted affordable units. We hope the City of Chelan will not endorse the false notion that was embraced for years in the City of Leavenworth, which held that merely adding density and a variety of housing types will somehow solve the affordable housing crisis. That has decidedly *not* proven true in Leavenworth, and a paid consultant the city recently retained advised the Leavenworth City Council that the only way to ensure a stock of affordable housing is through principles like inclusionary zoning, which either mandates or incentivizes developers to include affordable units as part of new housing developments.

The Proposed Amendment, as Drafted, Cynically Takes Away Even the Affordable Housing for Which the City Originally Negotiated.

The foregoing “net benefit” analysis notwithstanding, there is yet an even more urgent reason the draft amendment must be rejected. Under the original 2022 amendment to the agreement, paragraph 11.2 “Maximum Density” provided that the multi-family units being allowed “shall not exceed a maximum 720 dwelling units... [which is] meant to allow individual projects to exceed 24 units per acres **so long as the resulting total number of multi-family units does not exceed 720 units.**” (Emphasis added.) Despite this clear limitation, the current proposed amendment would increase the total dwelling units from 720 to 828. Under Section 3 of the proposed draft amendment, WA Chelan Apartments agrees to allocate 5% of its total units to tenants with income at or below 80% AMI for a period of 50 years. As was the case when “only” 720 units were proposed, 5% of 828 is only 41, still woefully inadequate to address the City’s lack of adequate affordable housing.

But **even worse still**, the following phrase in the proposed amendment appears to take away even that paltry amount. Under the final sentence of Section 3: “Any Multi-family unit that is allocated to a tenant whose income is at or below 80% AMI shall be excluded from the maximum 720 dwelling units allowed under Section 11.2.” While not a model of drafting clarity, this provision arguably has the effect of eviscerating the 5% allocation altogether, for the simple reason that any units “excluded” mean that the developer(s) can still build 720 market-rate apartments, whether they build 3 affordable units or 3,000. Regardless, those units do not count against the 720 (or 828, whichever the case.)

The “consideration” supposedly being offered by the developer(s) in return for the City’s agreement to allow still more units to be built is, thus, completely illusory. To put a finer point on it, this slight of hand in the drafting of the proposed amendment is beyond cynical and should, in itself, result in the rejection of the proposed amendment without further deliberation. (If the drafting does not reflect the true intent of this provision, we urge that serious consideration be given to the re-draft so that it reflects whatever was actually intended, rather than what the words literally appear to mean.)

Conclusion.

We submit that there are multiple compelling reasons to reject the proposed amendment to the Apple Blossom Center Development Agreement. As an additional observation, we are concerned about the public being called upon to voice an opinion on a matter that clearly is not “ripe” for decision, in particular because a hearing before the Hearing Examiner is required by law before the matter is taken up by the City Council. While we do applaud the City’s desire to seek input earlier than later in the process, we are not convinced that this matter is ready for “prime time” as of this juncture.

Thank you for your consideration of these points and for the work you do on behalf of the City of Chelan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie M. McCoy".

Julie M. McCoy
Board President

Apple Blossom apartments

From Ken G <731kdb@gmail.com>

Date Sun 7/6/2025 10:30 AM

To John Ajax <jajax@cityofchelan.us>

CAUTION: External Email

Good morning, I would like to enter my opinion on the apartment complex project. As someone who lives in the city limits I do not want to see more development happening in Chelan. My experience is, we do not have the road infrastructure to support more people living in the area. Most of the people I have spoken with who live and work in the area seem to agree that continued expansion is not what they would like to see either. Developers and the city need to start listening to what the real locals want and those who have an interest in living long term in Chelan who have made it their forever home. Most of us do not want a busier, growing town.

Thank you,



Outlook


RE: Micro Apartments Memo for Proposed Amendment to DA

From Drew Fulton <drewf@weidner.com>

Date Tue 7/8/2025 11:12 AM

To John Ajax <jajax@cityofchelan.us>

Cc Nick Nowotarski <nickn@weidner.com>

 1 attachment (6 MB)

Chelan City Council Presentation 7.8.25.pdf;

CAUTION: External Email

John,

Please see our short presentation attached.
Looking forward to attending tonight's meeting.

Best,

Drew Fulton | Development Analyst

Weidner Apartment Homes

9757 NE Juanita Drive, Suite 300

Kirkland, WA 98034

D (425) 250-2946 | **C** (509) 396-1855

drewf@weidner.com | weidner.com

What Matters to You, Matters to Us.™



From: Drew Fulton

Sent: Wednesday, July 2, 2025 1:41 PM

To: John Ajax <jajax@cityofchelan.us>

Cc: Nick Nowotarski <nickn@weidner.com>

Subject: RE: Micro Apartments Memo for Proposed Amendment to DA

John,

I apologize, I meant to send the PDF copy. Please see it attached.
Can you please share this version & delete the word version.

Thanks,

Drew Fulton | Development Analyst

Weidner Apartment Homes

9757 NE Juanita Drive, Suite 300

Kirkland, WA 98034

D (425) 250-2946 | **C** (509) 396-1855

drewf@weidner.com | weidner.com

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CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title:	Ordinance No. 2025-1641 Unit Lot Subdivision
Department:	Community Development
Staff Contact:	John Ajax
Guiding Principles:	Visionary & Strategic
Initiatives:	Diversify Housing Options
Reviewed By:	City Administrator Finance Director

GOVERNING LEGISLATION

RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

PREVIOUS ACTION TAKEN

No previous action taken. Council discussed this topic during the May 13, 2025 meeting under Agenda Bill No. 2025-039 and held a public hearing on July 8, 2025.

OVERVIEW

This ordinance is for establishment of a new Chapter 16.18 - Unit Lot Divisions in the Chelan Land Division Code, Title 16 - LAND DIVISIONS. Additional amendments are to Title 19 - ADMINISTRATION OF DEVELOPMENT REGULATIONS for Definitions and Review Classification of Project Permit Applications.

On April 16, 2025, the Planning Commission conducted a public hearing to consider proposed amendments and recommended approval to the City Council.

Notice was published in the Lake Chelan Mirror on June 25, 2025, that the City Council will hold a public hearing on July 8, 2025 to receive public testimony regarding amendments to the Chelan Municipal Code for TA2024-01, Pertaining to Unit Lot Subdivisions.

Background

In 2023, Washington state law changed to require unit lot subdivisions be included in short plat regulations for all cities, towns, and counties. RCW 58.17.060(3), established by Engrossed Second Substitute Senate Bill (ESSSB) 5258, states:

"All cities, towns, and counties shall include in their short plat regulations procedures for unit lot subdivisions allowing division of a parent lot into separately owned unit lots. Portions of the parent lot not subdivided for individual unit lots shall be owned in common by the owners of the individual unit lots, or by a homeowners' association comprised of the owners of the individual unit lots."

A unit lot subdivision is a type of land division where individual "unit lots" are created within a larger "parent lot" to allow for the separate sale and ownership of individual structures. The overall development is considered the "parent lot" and must meet zoning dimensional standards, such as setbacks and lot coverage. Individual unit lots are not required to meet those same dimensional standards separately, since zoning compliance has been reviewed at the parent lot level. Each unit lot is a legal, sellable lot of record with its own tax parcel number. Any portion of the parent lot not included in unit lots—such as driveways, open space, or shared infrastructure—must be owned in common by owners of the unit lots.

A common example of a unit lot subdivision development is a row of townhouses, where each home is owned individually, but shared areas like driveways and open space are commonly owned and maintained.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

1. Ordinance No. 2025-1641
2. Exhibit A
3. Unit Lot Subdivision Previous Public Comment Received

SUGGESTED MOTION

Suggested Motion: I move to adopt Ordinance No. 2025-1641.

ORDINANCE NO. 2025-1641

**AN ORDINANCE OF THE CITY OF CHELAN,
WASHINGTON AMENDING PORTIONS OF THE
MUNICIPAL CODE RELATED TO UNIT LOT
SUBDIVISIONS.**

WHEREAS, the City of Chelan (City) desires to adopt specific standards for the review and approval of unit lot subdivisions; and

WHEREAS, the City is subject to the Subdivision Act, as outlined in chapter 58.17 of the Revised Code of Washington (RCW); and

WHEREAS, in 2023, the state legislature amended portions of the Subdivision Act, to increase the supply and affordability of condominium units and townhouses as an option for homeownership; and

WHEREAS, this new state law amended RCW 58.17.060, requiring all cities, towns, and counties to include in their short plat regulations procedures for dividing a parent lot into separately owned unit lots; and

WHEREAS, the law further specifies that any common areas of the parent lot not divided into individual unit lots must be owned either by the unit lot owners themselves or by a homeowners' association they create; and

WHEREAS, these amendments to the Chelan Municipal Code (CMC) will affect land division provisions in Title 16 and development regulation procedures in Title 19; and

WHEREAS, amendments to the CMC are necessary to ensure the City's regulations comply with chapter 58.17 RCW; and

WHEREAS, these code amendments are consistent with the Growth Management Act, county-wide planning policies, and the City's comprehensive plan; and

WHEREAS, these procedural amendments are exempt from the State Environmental Policy Act pursuant to WAC 197-11-800 because they do not involve substantive changes to how land is used or modified; and

WHEREAS, a workshop regarding proposed code amendments were held with the City Planning Commission at a regular public meeting on February 19, 2025; and

WHEREAS, the Chelan Municipal Code states that amendments to development regulations are legislative decisions , and that the Planning Commission is responsible for holding public hearings on matters related to the comprehensive plan and its implementation, including subdivision regulations; and

WHEREAS, a notice was published in the Lake Chelan Mirror newspaper on April 2, 2025, announcing a public hearing for the Planning Commission on April 16, 2025, to consider the code amendments and provide a recommendation to the City Council; and

WHEREAS, on April 14, 2025, the proposed Chelan Municipal Code amendments were forwarded to the Washington State Department of Commerce. A request for an expedited review was made and was granted on April 28, 2025; and

WHEREAS, the City of Chelan Planning Commission conducted a public hearing on April 16, 2025 to consider the proposed amendments; and

WHEREAS, following deliberation, the Planning Commission voted to recommend approval of the amendments to the City Council; and

WHEREAS, on May 13, 2025, the Chelan City Council discussed proposed amendments during a public workshop; and

WHEREAS, a notice for a City Council public hearing was published in the Lake Chelan Mirror on June 25, 2025, announcing a hearing for July 8, 2025, to gather public testimony on the proposed changes; and

WHEREAS, the City Council conducted a public hearing on July 8, 2025, and received public testimony from Chelan resident Lynette Grandy; and

WHEREAS, the City Council has considered all public input and finds that the amendments strike a balance between the needs of the community and the requirements of state law.

NOW, THEREFORE, the City Council of the City of Chelan, Washington, do ordain as follows:

Section 1. Incorporation of Recitals. The foregoing Recitals are incorporated into this Ordinance.

Section 2. Code Amendments. The city's land division code (Title 16) and the administration of development regulations (Title 19) are amended to include the new provisions set forth in Exhibit A.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Corrections by City Clerk. Upon approval of the City Attorney, the City Clerk is authorized to make necessary technical corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or section/subsection numbering.

Section 5. Effective Date. Upon passage, this ordinance shall be published in the official newspaper of the City and shall take effect and be in full force thirty (30) days after publication.

ADOPTED by the City Council of the City of Chelan, Washington, at a regular meeting thereof this ____ day of _____, 2025.

APPROVED:

By: _____
Erin McCardle, Mayor

APPROVED AS TO FORM:

By: _____
Quentin Batjer, City Attorney

AUTHENTICATED:

By: _____
Peri Gallucci, Clerk

FILED WITH THE CITY CLERK: AUGUST 8, 2025
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.: 2025-1641

DRAFT

DRAFT

Chapter 16.18 – UNIT LOT DIVISIONS

16.18.010: Applicability.

The provisions of this section apply exclusively to the individual unit lot divisions of land developed, or proposed to be developed, with attached multifamily dwellings such as townhomes or multiple detached single-family residences, in which no dwelling units are stacked on another dwelling unit or use, in all Land Use Districts in which residential dwellings are permitted.

16.18.020: Review Classification.

Application processing of a unit lot division shall follow the processing procedures in CMC Title 19 based on the number of proposed lots. For unit lot divisions less than or equal to nine unit lots, the administrative short subdivision procedures shall be followed. For greater than nine unit lots, the subdivision process shall be followed, requiring a public hearing before the Hearing Examiner.

16.18.030: Development Standards.

- A. The overall development of the parent lot, rather than individual unit lots, shall comply with applicable development and design standards of the underlying Land Use District.
- B. Development on individual unit lots within the unit lot division need not conform to the minimum lot area, minimum density, or dimensional requirements.
- C. Portions of the parent lot not subdivided for individual unit lots shall be owned in common by the owners of the individual unit lots, or by a homeowners' association comprised of the owners of the individual unit lots.
- D. Within the parent lot, required parking for a dwelling unit may be provided within common areas owned by the homeowners' association or a different unit lot than the lot with the dwelling unit if the right to use that parking is formalized by an easement recorded with the Chelan County Auditor's Office.
- E. A unit lot division shall make adequate provisions through easements for ingress, egress, emergency services, and utilities access to and from each unit lot created by reserving such common areas or other areas over, under, and across the parent lot as necessary to comply with all applicable development standards. Such easements shall be recorded with the Chelan County Auditor's Office.
- F. Access easements, joint use and maintenance agreements, and covenants, conditions and restrictions (CC&Rs) identifying the rights and responsibilities of property owners and/or any homeowners' association shall be executed for use and maintenance of common garage, parking, and vehicle access areas, landscaping, solid waste collections areas, underground utilities, common open space, shared interior walls, exterior building facades and roofs, any portions of the parent lot not subdivided for individual unit lots, and other similar features, and shall be recorded with the Chelan County Auditor's Office.

16.18.040: Plat Notes.

The following notes shall be placed on the plat recorded with the Chelan County Auditor's Office to state the following:

- A. The title of the plat shall include the phrase "Unit Lot Subdivision."
- B. The individual unit lots are not separate buildable sites. Additional development of the individual unit lots may be limited as a result of the application of development standards to the parent lot.
- C. Approval of the design and layout of the development was granted by the review of the development, as a whole, on the parent lot.
- D. Subsequent platting actions, additions, or modifications to any structure(s) may not create or increase any nonconformity of the parent lot.

19.10.040 – Definitions.

Lot, Unit. A subdivided lot within a development as created from a parent lot and approved through the unit lot division process.

Lot, Parent. A lot which is subdivided into unit lots through the unit lot division process.

Unit Lot Division. A division of a parent lot into two or more unit lots within a development and approved through the unit lot division process.

19.14.010(A.):

Type I	Final decision made by:	Decision-making, procedures or noticing variations	Relevant CMC chapter or section(s)
<u>Final plat, unit lot division</u>	<u>Administrator or City Council</u>	<u>Decision within 30 days, see CMC 19.18.090(A.)(5.)</u> <u>See CMC 16.18.010</u>	<u>Ch 16.18 – UNIT LOT DIVISIONS</u>

Type II	Final decision made by:	Decision-making, procedures or noticing variations	Relevant CMC chapter or section(s)
<u>Unit lot division, nine or fewer lots</u>	<u>Administrator</u>	<u>Decision within 30 days, see CMC 19.18.090(A.)(5.)</u>	<u>Ch 16.18 – UNIT LOT DIVISIONS</u>

Type III	Final decision made by:	Decision-making, procedures or noticing variations	Relevant CMC chapter or section(s)
<u>Unit lot division, ten or more lots</u>	<u>Hearing Examiner</u>	<u>Decision within 90 days, see CMC 19.18.090(A.)(4.)</u> <u>Additional notice methods, see CMC 19.18.080(B.)(4.)</u>	<u>Ch 16.18 – UNIT LOT DIVISIONS</u>

The purpose of this chapter is for providing regulations that promote more attainable home ownership and a way to gain equity in Chelan.

The City of Chelan has an initiative to enhance livability by providing a wide range of housing choices that cater to all income levels and meet the diverse needs of Chelan. There is strain on the existing housing stock to meet the needs of Chelan's year round population. In addition to implementing the spirit and intent of the comprehensive plan and the housing action plan, these regulations can further community goals for providing housing for local workers and families. These regulation can serve the best interests of the citizens and the public, enhance the quality of life, maintain our community character and enhance a strong, sustainable year-round economy.





CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Ardurra Group Inc. Design Additional Services
Addendum (ASA) No. 1 for Lift Station No. 1

Department: Public Works

Staff Contact: Jake Youngren

Guiding Principles: Accessible & Welcoming

Initiatives: Modernize Resource

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

On May 28, 2024 Council approved the Ardurra Group, Inc. Supplemental Engineering Services Task Authorization No. 2-2024 for Design Services for the 2025 Downtown Water and Sewer Pipe Replacement Project and Ardurra Group, Inc. Supplemental Engineering Services Task Authorization No. 1-2024 for Design Services for the Lift Station No. 1 Improvements Project. On March 11, 2025 Council approved the Construction Management Agreement with Ardurra Group Inc. for the 2025 Downtown Water and Sewer Improvements Project. On March 11, 2025 Council approved the 2025 Downtown Water and Sewer Improvements Project to Selland Construction Inc. and authorize the Mayor to finalize and execute the Agreement with Selland Construction Inc. On April 8, 2025 Council approved Ardurra Group Inc. Additional Services Addendum No. 2 for Archeological and Cultural Monitoring Scope of Work for the 2025 Downtown Water and Sewer Improvements Project.

OVERVIEW

City Staff has requested Ardurra Group Inc. to provide an Additional Services

Addendum (ASA) for the Lift Station No. 1 Improvements Project. The design ASA includes the following additional work:

- 1) Coordination with Chelan County PUD regarding the landscape architecture components and park features to be installed as part of the lift station project.
- 2) Geotechnical support to understand and mitigate potential soil contamination as well as soil mechanics.
- 3) Completion of environmental permitting requirements established by the Department of Ecology as part of the funding agreement.
- 4) Inclusion of gravity sewer design elements for a gravity sewer pipeline upgrade along Columbia Street between Johnson Avenue and Lift Station No. 1.

The tasks within the design agreement are as follows:

Task 1: Project Coordination

Administration - Monthly progress reports detailing expenditures per task to date, percent of budget spent and percent complete.

Task 2: Site Design Services

- Topographic Survey - Additional topographic information needed to complete the ADA access into the lake.
- Lift Station Design -
 - Landscape Architectural: Design to include landscape plans and site layouts for the plaza and coordination with a graphic design and educational signage for park signs.
 - Electrical Design: Plaza lighting.
 - Civil Design: Site grading for the plaza, retaining wall design and additional pathway and lake pedestrian ADA access ramp.
- Design Coordination - Assumes eight (8) virtual-meetings and three (3) in-person meetings with Chelan County PUD.
- Gravity Sewer Design - Design of gravity sewer along Columbia Street from Johnson Ave. to Lift Station No. 1.

Task 3: Utility Design

- Sewer utility design - Design of 325' of gravity sewer from Manhole A-8 to CC1.
- Water utility design - Design 185' of new 16" water transmission main.
- Roadway design - Full width roadway replacement design.
- Engineers cost estimate - Compile a list of bid items, estimate unit costs, and calculate a total estimated cost of construction.
- Specifications - Prepare a PDF set of design specifications.
- Review and QC
- Design Coordination - Design efforts include three virtual meetings and two in-person meetings.

Task 4: Environmental Permitting

Completion of the following environmental items: Shoreline Impact Assessment/Habitat Management Plan, State Environmental Policy Act, State Environmental Review Process, Joint Aquatic Resource Permit Application, and Quality Assurance Project Plan.

Task 5: Geotechnical Engineering Report

GeoEngineers will be a subconsultant to Ardurra Group Inc. and prepare a geotechnical engineering report to provide recommendations for the design and construction of the underground lift station and surface improvements.

Task 6: Soil and Groundwater Management Plan

GeoEngineers will prepare a Soil and Groundwater Management Plan, characterization and handling of potentially contaminated media encountered during the project.

Task 7: Base Scope Rate Escalation

Base scope rate escalation includes an 8% rate escalation for the unbilled balance of the base scope fee to account for 1-year project pause.

See the attached agreement for additional details.

FINANCIAL IMPLICATIONS

Adequate funds available. The City of Chelan is partnering with Chelan County PUD in order to improve the lift station site to a main feature of the riverwalk park property. The PUD is drafting an interlocal agreement to document the relationship and their financial contribution. The PUD will be responsible to pay for Task 2 of the ASA. The total ASA amount is \$241,842 and the PUD reimbursement is estimated to be \$85,100.

ATTACHMENTS

1. Ardurra Group Inc. Design Additional Services Addendum (ASA) No. 1 for Lift Station No. 1

SUGGESTED MOTION

Suggested Motion: I move to authorize the Mayor to finalize and execute the Ardurra Group Inc. Design Additional Services Addendum (ASA) No. 1 for Lift Station No. 1.



August 8, 2025

Travis Denham, P.E. / City of Chelan
50 Chelan Falls Hwy.
Chelan, WA 98816

E-MAIL DELIVERY WITH PDF ATTACHMENT

Tdenham@cityofchelan.us

RE: Lift Station CC-1 Upgrades FY24
Additional Services Addendum #01

Dear Travis:

Ardurra Group, Inc. is pleased to provide the enclosed Additional Services Addendum (ASA) for the referenced project. The ASA is pursuant to our agreement dated *May 29, 2024*.

This ASA includes additional services related to the lift station modification, which now encompasses site improvements surrounding the lift station. These modifications include park plaza improvements around the lift station, additional site grading, retaining wall design, expanded pedestrian pathways and lake access, and educational signage for park signs.

In addition, the ASA includes environmental permitting requirements for the CC1 lift station upgrades and SR150 Gravity Sewer replacement project, Geotechnical services required for the proposed site improvement, preparation of a soil and groundwater management plan to address the contaminated soils found on-site, and base scope rate adjustment for the 1-year pause in the original project timeline.

This ASA also incorporates replacement of a gravity sewer main, water main replacement, and roadway reconstruction along Columbia Street from the alleyway north of Woodin Ave to the CC1 lift station. These elements are being added to the CC1 Lift Station Replacement Project to align project limits and facilitate better schedule coordination with the SR150 Gravity Sewer Replacement Project. By consolidating this scope into the CC1 project, construction sequencing and resource management will be optimized across both efforts. The gravity sewer, water line, and roadway scope originally planned under the SR150 Sewer Upgrades Project will now be executed as part of the CC1 Lift Station Replacement Project.

If agreeable, please sign the attached ASA and return the fully executed copy. We will commence the services described in the ASA upon receipt of the fully executed copy. In the interim, please do not hesitate to call with questions.

Sincerely,

Jake Bender, PE
Senior Project Manager



ADDITIONAL SERVICES ADDENDUM

THIS ADDITIONAL SERVICES ADDENDUM is pursuant to the *Agreement* dated May 29, 2024 by and between Ardurra Group, Inc. (Consultant), and the *City of Chelan* (Client) for the Professional Services described below.

PROJECT NAME: Lift Station CC-1 Upgrades FY24

CLIENT: City of Chelan

ARDURRA PROJECT NUMBER: 240217

1. Description of additional services to be provided by Consultant are attached.
2. Estimated Completion Date: Project schedule is adjusted. See attached Scope.
3. The compensation to be paid Ardurra for providing the requested services shall be:

- | | | |
|---------------|----|---|
| <u> </u> | A. | Lump Sum amount of: |
| <u> X </u> | B. | Time and Materials charge of <u>\$242,000</u> |
| <u> </u> | C. | Unit Cost/Time Charges: |

IN WITNESS WHEREOF, this Addendum is accepted on the date first above written subject to the terms and conditions above stated and the provisions set forth in the above-described Agreement.

Ardurra Group, Inc.

CLIENT:

SIGNED: _____
TYPED NAME: _____
TITLE: _____
DATE: _____

SIGNED: _____
TYPED NAME: _____
TITLE: _____
DATE: _____

Return one fully executed copy to Consultant



15 N Chelan Ave
Wenatchee, WA 98801

ASA#1 SCOPE OF WORK

PROJECT NAME:	City of Chelan Lift Station CC-1 Upgrade
CONSULTANT CONTACT:	Jake Bender, P.E. Ardurra Group
CONTRACT AMOUNT:	\$242,000

Based on feedback received from the City of Chelan, the City plans to move forward with the development of a public plaza, following Conceptual Layout No. 1 (attached), around the CC-1 lift station improvements. The purpose of this plaza is to visually screen the lift station infrastructure and create a more inviting public space along the park's edge. To support this expanded vision, the scope of services will be modified to include additional site design, grading design, retaining wall design to manage grade transitions, development of enhanced pedestrian pathways and lake access, and coordination with owner for the design of educational park signage.

The revised scope will also incorporate a geotechnical investigation, and the preparation of a soil and groundwater handling plan due to the recently discovered soil contamination to support construction activities. Environmental permitting efforts will include the development of a combined Shoreline Impact Assessment/Habitat Management Plan (SIA/HMP), completion of a SEPA (State Environmental Policy Act) checklist, preparation of a JARPA (Joint Aquatic Resource Permit Application) in association with the Shoreline Development Permit, development of an Ecology-approved Quality Assurance Project Plan (QAPP), and an asbestos/lead survey for the existing lift station building to be removed.

Due to the client initiated one-year pause in the project timeline, billing rates for the remaining balance on the original base project scope will be adjusted to reflect escalations associated with the extended project duration.

In addition, design services will include replacement of a gravity sewer line, water line replacement, and roadway reconstruction along Columbia Street from the alleyway north of Woodin Ave to the CC1 lift station. These elements are being added to the CC1 Lift Station Replacement Project to align project limits and facilitate better schedule coordination with the SR150 Gravity Sewer Replacement Project. By consolidating this scope into the CC1 project, construction sequencing and resource management will be optimized across both efforts.

Additional Services

1. Project Coordination

- a. Administration: Consultant will provide monthly invoices detailing expenditures per task to date.

2. Site Design Services

- a. Topographic Survey
 - i. Additional survey is needed to complete the ADA access into the lake. Survey will include an area up to 100-feet from the shoreline to accommodate grading design.
 - ii. Survey will also include location and elevation of the recently installed monitoring wells on-site.

- b. Lift Station Plaza Design:
 - i. Landscape Architecture: Design will include landscape plans and site layouts for the plaza and coordination with a graphic design/ educational signage for park signs.
 - ii. Electrical Design: Design will include site electrical for plaza lighting.
 - iii. Civil Design: Design will include additional site grading for the plaza, retaining wall design and additional pathway and lake pedestrian ADA access ramp per Conceptual Layout No. 1 (attached).
- c. Design Coordination
 - i. Design Coordination efforts include coordinating design with Chelan PUD. Assumes eight (8) virtual meetings and three (3) in-person meetings.

3. Utility Design Services

Utility Design services will be provided for gravity sewer line replacement, water line replacement, and roadway reconstruction along Columbia Street from the alley north of Woodin Ave to the CC-1 lift station. The attached utility design limits map shows the area of utility and roadway design included in this ASA. This scope was originally planned under the SR150 Sewer Upgrades Project but will now be executed as part of the CC-1 Lift Station Replacement Project to facilitate construction sequencing and schedule.

- a. Sewer Utility Design: Consultant will perform design for the replacement of approximately 325' of existing gravity sewer main between City Manhole A-8 and lift station CC-1, upsizing the existing 12" main to 15". Design includes demolition of existing roadway, replacement of existing sewer main, reconnection of existing sewer services, and trench repair to top of base course. Roadway replacement design will be included as described in the roadway design section below.
- b. Water Utility Design: Consultant will perform design for approximately 185' of new 16-inch water transmission main from the water valves located in Columbia Street directly west of sewer manhole A-8 to the south side of the Woodin Ave/Columbia Street intersection. The new 16" water main will replace an existing 12" water main located under the sidewalk on the west side of Columbia Street and will be relocated between the Columbia Street curb lines. Design will include reconstruction and reconnection of existing water service lines along the alignment (assumed to be 2 services). Roadway replacement design will be included as described in the roadway design section below.
- c. Roadway Design: Consultant will provide full-width roadway replacement design for Columbia Avenue in the location of the sewer and water improvements as shown on the attached utility design map. The new roadway will be designed to match existing asphalt grades and tie into existing curb lines and driveway elevations along Columbia Avenue, which are to remain. Additionally, the Consultant will design the reconstruction of the Columbia Street/Woodin Avenue intersection as needed to accommodate utility installation. Design will also include hardscape replacement within the alley south of Woodin Ave extending to the CC-1 site, with repairs matching existing grading, hardscape materials, and drainage patterns to maintain continuity and functionality. If the Town would like to modify this area this effort would be done under a separate ASA. A traffic control plan will be developed in accordance with WSDOT requirements, including appropriate signage and staging to ensure safe and efficient traffic management during construction.
- d. Engineers Cost Estimate: Consultant will compile a list of bid items, estimate unit costs, and calculate a total estimated cost of construction. This is meant to be used as a budgetary tool and actual contractor bids may vary from the estimate. Cost estimates will be provided at each review submittal.
- e. Specifications: Consultant will prepare a pdf set of design specifications to be distributed by the City during the bid process. The city will provide template document(s) in Microsoft (MS) Word format. Specifications and design will be based on the latest version of the EJCDC, WSDOT, City of Chelan Development Standards Manual, and Ten State Standards.

- f. Reviews and Quality Control (QC): Consultant will ensure all deliverables are independently reviewed by a senior engineer prior to delivery and will provide conceptual drawings to the City for review and design feedback following intervals outlined in the May 24, 2024 Lift Station CC-1 Upgrades agreement (60%, 90%, Final). This task includes incorporation of feedback for each review cycle.
- g. Design Coordination: Design Coordination efforts include coordinating design with the City of Chelan for Columbia Street roadway, Woodin Avenue/Columbia Street intersection, and the alleyway south of Woodin Avenue to CC-1 improvements. Assumes three (3) virtual meetings and two (2) in-person meetings.
- h. Bid Administration and support: Bidding support will be provided per the May 24, 2024 Lift Station CC-1 Upgrades agreement.
- i. Construction Assistance: Construction is expected to begin in Fall 2026. This scope and estimate does not include construction administration services. An additional construction assistance scope of services will be provided prior to the start of construction.

4. Environmental Permitting

- a. SIA/HMP: Development of a combined Shoreline Impact Assessment/Habitat Management Plan (SIA/HMP) documenting the projects compliance with the City of Chelan's Shoreline Master Program (SMP) and detailing any need mitigation measures to ensure no net loss of shoreline ecological functions.
- b. SEPA: Develop a State Environmental Policy Act (SEPA) checklist for the project. It is understood that the City of Chelan will act as the SEPA lead local agency. The SEPA checklist is planned to cover the CC-1 lift station upgrades project and FY 26 Gravity Sewer Improvements Project.
- c. JARPA: Develop a JARPA form for the project to facilitate obtaining a standard shoreline development permit (SSDP) for the project.
- d. QAPP: Develop a Quality Assurance Project Plan (QAPP) in accordance with Department of Ecology requirements. The primary focus of this QAPP is to detail how baseline data (i.e., desktop analysis and field investigations) will be collected to ensure project objectives for the studies are achieved.
- e. Asbestos/Lead Survey: Provide an asbestos/lead survey for the existing lift station building to be removed in accordance with Ecology requirements.

5. Geotechnical Engineering Report

- a. Geotechnical Soil Investigation: GeoEngineers as a sub-consultant to Ardurra will prepare a geotechnical engineering report to provide geotechnical recommendations for the design and construction of the underground lift station and surface improvements at the site. Recommendations will include site preparation and fill placement, including criteria for clearing, stripping and grubbing; considerations associated with installation of a new wet well and below-grade equipment; guidance for preparation of subgrade soil for Portland cement concrete (PCC) pavement in pedestrian and vehicular areas, retaining walls, and equipment pedestals; and on-site drainage recommendations. The attached proposal from GeoEngineers details the scope of work to be provided. Sub consultant fees will be billed at cost plus 10%.

6. Soil and Groundwater Management Plan

- a. Soil And Groundwater Management Plan: GeoEngineers as a sub-consultant to Ardurra will prepare a SGMP to address identification, characterization and handling of potentially contaminated media encountered during earthwork activities. The SGMP will be included in the project contract documents and referenced in the project plans. The attached proposal from

GeoEngineers details the scope of work to be provided. Sub consultant fees will be billed at cost plus 10%.

7. Base Scope Rate Escalation

- a. Base Scope Rate Escalation: Base scope rate escalation includes an 8% rate escalation for the unbilled balance of the base scope fee to account for 1-year project pause.

Cost of Services

Services will be billed on a Time and Material (T&M) basis. If approved in writing by City, additional services, if required, will be billed on a time and materials basis. A breakdown of estimated fees by categories is included in the attached labor estimate.

Project Schedule

After 30% deliverable July 29, 2024, the City requested Ardurra to hold on design progress as the City coordinated with PUD and City council. Due to this extended delay, Ardurra requests the updated general project schedule outlined below. A more detailed draft project schedule is attached.

Item	Expected Completion
Signed ASA	August 2025
60% Design Submittal	November 30, 2025
90% Design Submittal	March 15, 2026
Final Plans	April 30, 2026
Bidding	May 2026
Construction	Fall 2026-Spring 2027

Assumptions

The following services are specifically excluded from this agreement, but may be added by written authorization of the Client:

- Master Planning and/or Capital Improvement Planning.
- Architectural or structural services.
- Laboratory fees.
- Preparation of stormwater report.
- Preparation of Easements.
- Legal services.
- Agency submittal fees, review fees or permit fees.
- Significant changes to the roadway or alleyway layout or surfacing at Columbia Street, Woodin Ave, and the alleyway south of Woodin Ave to CC-1. Surfacing is assumed will be replaced in-kind.
- Public comment workshops or attendance of public outreach meetings.
- Client inspired changes or unforeseen changes arising due to regulatory decisions.
- Any services, products, or professional responsibility not specifically described above.

Attachments:

- [1] Labor Estimate
- [2] Conceptual Layout #1
- [3] Utility Design Limits Map
- [4] Draft Project Schedule
- [5] Geotechnical Engineering Services Proposal (GeoEngineers)
- [6] Soil and Groundwater Management Plan Services Proposal (GeoEngineers)



ASA#1 Labor Estimate													
Hourly Bill Rates													
	Project Manager	Project Engineer	Design Engineer	Environmental Specialist	Structural Engineer	Landscape Architect	Electrical Engineer	Survey Manager	Survey Technician	Administrative	Expenses	Sub Task Cost	Subtotal Cost
Task and Description	\$ 300	\$ 200	\$ 150	\$ 220	\$ 200	\$ 180	\$ 200	\$ 225	\$ 150	\$ 85			
Task 1-Project Coordination													\$ 6,280
1.a Administration	8	16								8	\$ -	\$ 6,280	
											\$ -	\$ -	
Task 2- Site Design Services													\$ 85,100
2.a Topographic Survey		1	2					2	12		\$ 800	\$ 3,550	
2.b Site Design											\$ -		
Landscape Design	16	24	40			60					\$ -	\$ 26,400	
Electrical Design	2	8	16				30				\$ -	\$ 10,600	
Civil Design	8	24	40		20						\$ -	\$ 17,200	
2.c Design Coordination	16	40	24			40					\$ 3,750	\$ 27,350	
Task 3- Utility Design Services													\$ 71,980
3.a Sewer Utility Design	8	24	32								\$ -	\$ 12,000	
3.b Water Utility Design	8	24	32								\$ -	\$ 12,000	
3.c Roadway Design	10	32	40								\$ -	\$ 15,400	
3.d Engineers Cost Estimate	2	8	8								\$ -	\$ 3,400	
3.e Specifications	4	20	24								\$ -	\$ 8,800	
3.f Reviews and QC	8	16	16								\$ -	\$ 8,000	
3.g Design Coordination	16	16	8							8	\$ 2,500	\$ 12,380	
Task 4-Environmental Permitting													\$ 41,820
3.a SIA/HMP				48							\$ -	\$ 10,560	
3.b SEPA	4	8		24							\$ -	\$ 8,080	
3.c JARPA				24							\$ -	\$ 5,280	
3.d QAPP	4	8		50							\$ -	\$ 13,800	
3.e Asbestos/ Lead Survey	1	4									\$ 3,000	\$ 4,100	
Task 5-Geotechnical Engineering Report ¹													\$ 19,754
4.a Geotechnical Engineering Report											\$ 19,754	\$ 19,754	
Task 6-Soil and Groundwater Management Plan ¹													\$ 8,250
5.a SGMP											\$ 8,250	\$ 8,250	
Task 7-Base Scope Rate Escalation ²													\$ 8,658
6.a Base Scope Rate Escalation											\$ 8,658	\$ 8,658	
Total Estimated Manhours	115	273	282		20	100	30	2	12	16			850
Total Cost													\$ 241,842



- 1 Subconsultant scope includes a 10% markup
- 2 Base scope rate escalation includes a 8% rate escalation for the unbilled balance of the base scope fee to account for 1-year project pause. See calculation below

BASE SCOPE RATE ESCALATION	
Base Scope Fee	\$ 187,540.00
Billed to date	\$ 79,310.90
Balance	\$ 108,229.10
8% Escalation	\$ 8,658.33



ARDURRA

COLLABORATE. INNOVATE. CREATE.

332 N. BROADMORE WAY
HAWAII, IDAHO 83405

NAMPA, IDAHO 83687

[illegible]

BORDER SIZE	22"x34"
DESIGNED	J. SNYDER
DRAWN	S. ACEVEDO
CHECKED	
APPROVED	

CITY OF CHELAN
LIFT STATION CC-1 UPGRADES FY24

LANDSCAPE CONCEPT - SUN TO SLOPES

ATTENTION:
1/2

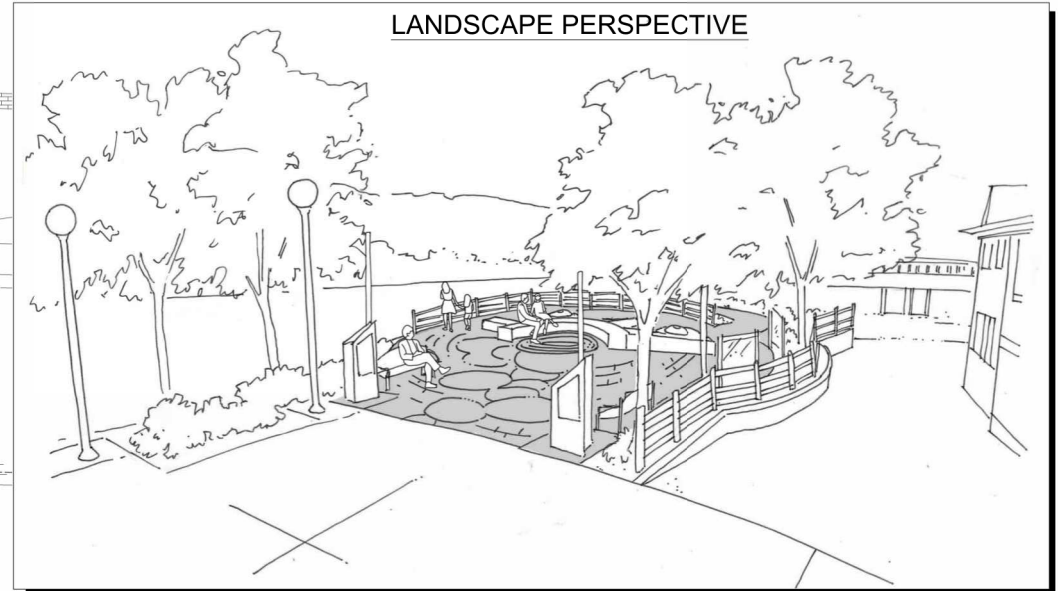
THIS BAR DOES NOT MEASURE
ON 22x34 SHEET or 1/2" ON
17 SHEET, THEN DRAWING IS
NOT TO SCALE

NO:	A-240217
F:	1111 Y 2024

_01

**30% SET
REVIEW SET**

LANDSCAPE PERSPECTIVE



SIGNAGE/ MECHANICAL SCREENING

BENCH

ENHANCED PAVING



BIKE RACKS



DESIGN INSPIRATION



MECHANICAL SCREENING



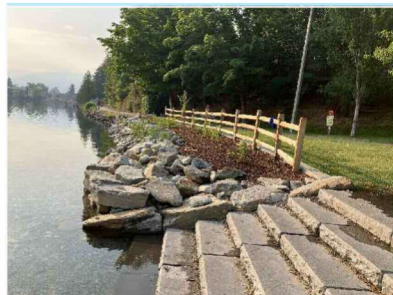
FIRE PIT AREA



MECHANICAL COVER



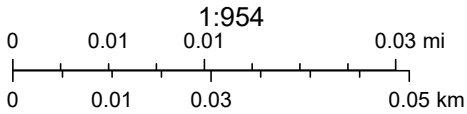
LAKEFRONT IMPROVEMENTS



UTILITY DESIGN LIMITS MAP



8/7/2025, 5:22:42 PM



Roads



CC-1 PROJECT UTILITY DESIGN LIMITS



APPROXIMATE WATER LINE REPLACEMENT



APPROXIMATE SEWER LINE REPLACEMENT

City of Chelan CC-1 Lift Station Improvments Project Schedule

Phase	Task	Duration	Start Date	End Date	2025					2026												2027							
					Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May			
30% Design Complete	Concept layout, site analysis	Completed	—	—																									
Environmental & Permitting	SEPA, SERP, Shoreline permit. QAPP	6.5 months	15-Aug-25	31-Mar-26																									
60% Design + Geotech Investigation	Utility coordination, subsurface exploration, layout refinements	3 months	1-Sep-25	30-Nov-25																									
60% Design Review	Agency review, comments, internal QC	2 weeks	1-Dec-25	15-Dec-25																									
90% Design	Final drawings, specs, QA/QC, Shoreline Permit coordination	3 months	16-Dec-25	15-Mar-26																									
90% Design Review	Final QA/QC, client and stakeholder feedback	2 weeks	16-Mar-26	31-Mar-26																									
Permit Review & Pre-Bid Finalization	Agency review, prep bid documents	1 month	1-Apr-26	30-Apr-26																									
Procurement & Bidding	Advertise project, contractor selection	2 months	1-May-26	30-Jun-26																									
Procurement & Planning	Equipment procurement and planning prior to site mobilization ** Site mobilization September 2027	2 months	1-Jul-26	31-Aug-26																									
Construction Phase 1	Lift station replacement, retaining walls, utilities** Site mobilization September 2027	7 months	1-Sep-26	1-Feb-27																									
Construction Phase 2	Park paths, plaza features, lake access, landscaping	3 months	1-Feb-27	1-May-27																									
Final Closeout & Commissioning	Final inspections, punch list, public opening	1 month	1-May-27	31-May-27																									

August 1, 2025

Ardurra Group, Inc.
1717 South Rustle Street
Spokane, Washington 99224

Attention: Jake Bender, Senior Project Manager

Subject: Proposal
Geotechnical Engineering Services
CC-1 Sewer Lift Station
109 East Wapato Avenue, Chelan, Washington 98816
File No. 28238-001-00

Introduction

GeoEngineers, Inc. (GeoEngineers) is pleased to present this revised proposal to provide geotechnical engineering services for the City of Chelan CC-1 Sewer Lift Station located at 109 East Wapato Avenue in Chelan, Washington (herein referred to as "Site"). These services were requested by Jake Bender of Ardurra Group, Inc. (Ardurra) by email on July 21, 2025.

The Site is located in the northwest portion of the Chelan Riverwalk Park (the Park) near Lake Chelan and consists of the Chelan Public Utilities District (PUD) Pump Station Number (No.) 1 pump house (Pump House), the grassy landscaped area between the Pump House and Lake Chelan, and a paved access road and concrete walking path located on the west side of the Park. GeoEngineers performed soil and groundwater assessments at the Site for the Washington State Department of Ecology (Ecology) between 2021 and 2025 to investigate a past release of diesel fuel from a previously removed underground storage tank (UST). Assessment activities included advancing soil borings to depths of about 18 feet to 25 feet below site grades, collecting soil and grab groundwater samples for environmental testing, installing permanent monitoring wells and conducting groundwater monitoring events (GeoEngineers 2025).

Based on the results of GeoEngineers' assessments, diesel-range petroleum hydrocarbons (DRPH) are present at concentrations greater than the Washington State Model Toxics Control Act (MTCA) Method A cleanup level in groundwater near the existing sewer pump station. Additionally, contaminated soil might be present beneath the Pump House.

We understand that Ardurra is preparing design plans and specifications to replace the existing Pump House with an underground lift station and install surface improvements at the Site. We further understand that conceptual plans include reusing the existing wet well, if possible. Some shallow below-grade vaults could be constructed as part of modifications to the lift station. The purpose of the geotechnical services

described in this proposal is to provide geotechnical recommendations for the design and construction of the underground lift station and surface improvements at the Site. Proposed surface improvements will include Portland cement concrete (PCC) pavement in pedestrian and vehicular areas, retaining walls with heights in the range of about 4 to 5 feet, and equipment pedestals.

While there is existing subsurface information at the site, the previous exploration efforts focused on environmental soil and groundwater sampling. Thus, there is limited geotechnical data available to assist with the design of proposed site improvements. Therefore, we have included conducting supplemental geotechnical explorations as part of our services. Given the available subsurface information and limited access constraints at the project site, we propose conducting explorations using hand-portable equipment to reduce site disturbance.

Scope of Services

GeoEngineers will perform the following scope of services:

- Develop a job hazard analysis (JHA) to address potentially contaminated soil and/or groundwater to guide GeoEngineers personnel during field activities.
- Coordinate underground utility locating using the State of Washington Utility Notification. Per state regulations, GeoEngineers will mobilize to/from the Site to conduct a site reconnaissance and mark the proposed exploration locations prior to initiating the locate request.
- Advance up to four explorations using hand-portable exploration equipment. Field work will be limited to one, 8-hour day on site. We anticipate advancing borings to depths of about 10 to 15 feet below site grade (or refusal or hole collapse if encountered shallower) using hand-augers to characterize subsurface soil conditions and to collect representative grab samples for laboratory testing. We also will advance up to four Dynamic Cone Penetration (DCP) tests depths of about 15 to 20 feet below site grade (or refusal if encountered shallower). DCP tests consist of advancing a graduated steel probe into the ground using a 35-pound manually operated drop hammer. The number of hammer blows required to advance the probe a given depth can be used to estimate soil engineering properties. The explorations will be selected in coordination with Ardurra based on locations of proposed site features, and based on site access constraints such as existing underground utilities. If coring of existing pavement is required to access exploration locations, we will core the pavement using a portable coring machine. Cores will be patched with cold patch asphalt or concrete. Exploration equipment will be decontaminated after each boring or DCP test using alconox or liquinox and rinsed with distilled water. We also will collect bulk samples of near surface (within the upper 1 to 2 feet) soil. At hand-auger and bulk sample locations within grass areas, we will first remove the sod before advancing borings or collecting soil samples, backfill or borings or hand excavations with imported aggregate or bentonite as applicable, and replace the sod upon completion. Soil samples collected from the explorations will be returned to our Spokane laboratory for review and selection for testing.
- Conduct geotechnical laboratory testing of select soil samples. For budget estimating purposes, we anticipate the sample program will include up to four grain-size (sieve) analyses, up to four washes (percent passing the No. 200 sieve), two Atterberg Limits determinations, one laboratory compaction (proctor) and California Bearing Ratio (CBR) test, and two each cation exchange capacity (CEC) and organic matter content tests.

- Provide recommendations for:
 - Site preparation and fill placement, including criteria for clearing, stripping and grubbing; an evaluation of the suitability of on-site soil for use as structural fill; gradation criteria for imported fill, if required; guidance for preparation of subgrade soil, which will support slab-on-grade floors, and criteria for structural fill placement and compaction.
 - Temporary and permanent slope inclinations.
 - Discussion of geotechnical considerations associated with installation of a new wet well and below-grade equipment, including results of previous groundwater level measurements and typical lake levels, and their impact on excavation and design for buoyancy (uplift).
 - Design and construction of concrete pavement to support vehicular and pedestrian traffic including PCC thickness, base course gradation and compaction criteria.
 - Evaluation of the feasibility of on-site disposal of stormwater. Our assessment will be based on conditions encountered during site exploration. Lab data will be used to estimate infiltration rates based on correlations to soil grain-size provided in the Washington State Department of Ecology, Stormwater Management Manual for Eastern Washington (SMMEW). Feasibility of on-site disposal of stormwater also will be dependent on environmental conditions at the site.
- A final written report containing our findings, conclusions and recommendations.

Assumptions

- GeoEngineers will be provided full access to the project Site, to be coordinated by Ardurra and the City of Chelan.
- Our services do not include a private utility locate. We assume all site underground utilities will be marked by the respective utility locators.
- Profiling and disposing investigation-derived waste (IDW) at a permitted facility is not included in this proposal. Grab samples obtained using hand tools will be transported to GeoEngineers' geotechnical laboratory for potential laboratory testing. Disposable personal protective equipment (PPE) such as nitrile gloves will be placed in trash bags and disposed in trash receptacles at the conclusion of the field work. If it is determined that IDW should be drummed and disposed of at a permitted facility, additional fees might be required.
- Environmental samples are not included in this proposal. Subsurface conditions related to potential contamination discussed in previous Site reports, available on Ecology's website, will be used to aid our recommendations, as needed.

Terms, Fee Estimate and Schedule

We are able to begin work after receiving your authorization to proceed. Our services will be completed in accordance with our Standard Terms and Conditions, which are attached as part of this proposal. We will endeavor to keep you apprised of project status and conditions that may significantly affect our scope and estimate.

The estimated fee for our services will be determined on a time and materials basis using the rates contained in our Schedule of Charges, which is also attached as part of this proposal. The total estimated fees for the services described in this proposal based on the assumptions also described above are **\$17,950**, as outlined in the following table. We will not exceed this fee estimate without prior authorization from Ardurra.

ESTIMATED FEE BREAKDOWN

SCOPE ITEM NO.	TASK DESCRIPTION	FEE
1	Develop JHA and Field Work Preparation	\$1,000
2	Site Reconnaissance and Utility Locate	\$1,750
3	Subsurface Exploration	\$6,100
4	Geotechnical Laboratory Testing	\$2,100
5	Engineering Analyses and Report Preparation	\$7,000
Total		\$17,950

There are no intended third-party beneficiaries arising from the services described in this proposal and no party other than the party executing this proposal shall have the right to legally rely on the product of our services without prior written permission of GeoEngineers.

This proposal is valid for a period of 60 days commencing from the first date listed above and subject to renegotiation by GeoEngineers, Inc., after the expiration date.

References

GeoEngineers, Inc. 2025. "Groundwater Assessment, Chelan Sewer Pump Station No. 1, 109 East Wapato Avenue, Chelan, Washington." June 17, 2025. File No. 0504-170-01.

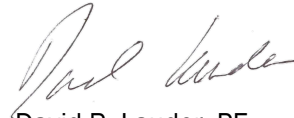
Closing

We appreciate the opportunity to provide you with geotechnical engineering services for the CC-1 Sewer Lift Station project. Please contact Justin D. Orr or Dave R. Lauder at 509.363.3125 if you have any questions regarding this proposal.

Sincerely,
GeoEngineers, Inc.



Justin D. Orr, LG
Project Geologist



David R. Lauder, PE
Associate

JDO:SHL:ljs

Attachments

General Conditions – Standard 2021

Schedule of Charges – Spokane 2025

One electronic copy submitted

The parties hereto have made, executed and agreed to this Agreement as of the day and year first above written. By signature below, Client accepts the scope of services and all terms described herein. In addition, Client's signature shall constitute as authorization to proceed on the date listed below Client's printed/typed name unless such authorization has been otherwise provided in writing.

Ardurra Group, Inc.	
ORGANIZATION	* SIGNATURE
DATE	TYPED OR PRINTED NAME
	*Individual with contracting authority.

Proprietary Notice: The contents of this document are proprietary to GeoEngineers, Inc. and are intended solely for use by our clients and their design teams to evaluate GeoEngineers' capabilities and understanding of project requirements as they relate to performing the services proposed for a specific project. Copies of this document or its contents may not be disclosed to any other parties without the written consent of GeoEngineers.

Disclaimer: Any electronic form, facsimile or hard copy of the original document (email, text, table, and/or figure), if provided, and any attachments are only a copy of the original document. The original document is stored by GeoEngineers, Inc. and will serve as the official document of record.

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General Conditions

DEFINITIONS

The words and phrases listed below have the following meanings when used in this Agreement:

"Agreement" means the complete agreement between Client and GeoEngineers, and consists of all of the following: 1) The Services Agreement or Proposal, including the Scope of Services contained within it; 2) These General Conditions and its attached Schedule of Charges, as applicable; 3) Any documents expressly incorporated by reference into the Services Agreement, Proposal or General Conditions; 4) Any modifications to this Agreement, if mutually agreed to by the parties in writing.

"Client" means the individual(s) or entity that has entered into this Agreement with GeoEngineers.

"GeoEngineers" means GeoEngineers, Inc., a Washington corporation, and any of its employees, officers and directors. GeoEngineers is sometimes referred to as "us," "we" or "our" throughout this Agreement.

"Hazardous Materials" means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever. Hazardous Materials include, but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution.

"Scope of Services" means the sum total of all of our activities and all of the Instruments of Service undertaken or provided pursuant to this Agreement.

"Excluded Services" means those services that we are not providing under this Agreement, which includes any services recommended to Client and which Client chooses not to include in our Scope of Services.

INTEGRATED WRITTEN AGREEMENT

This Agreement represents the entire and integrated agreement between Client and GeoEngineers and supersedes all prior communications, negotiations, representations or agreements, either written or oral between the parties. No agreement or understanding varying or extending this Agreement shall bind either party, other than by a subsequent written agreement, signed by Client and GeoEngineers.

GeoEngineers has made no promise or inducements to Client to enter into this agreement other than what is explicitly provided in the agreement. Client is not relying on any representations made by GeoEngineers outside of those included in this Agreement.

CONFLICTS

Any alteration to these General Conditions or appended terms and conditions by Client shall be void and not included as part of this Agreement unless mutually agreed to in writing by both parties. In the event of conflict between these General Conditions and any terms appended by the Client that are agreed to by the parties, the terms of these General Conditions shall prevail.

STANDARD OF CARE AND WARRANTY DISCLAIMER

GeoEngineers will endeavor to perform its professional services with that degree of care and skill ordinarily exercised under similar conditions by professional consultants practicing in the same discipline at the same time and location. No warranty or guarantee, either express or implied, is made or intended by this Agreement or by any report, opinion, or other Instrument of Service provided pursuant to this Agreement.

CLIENT FURNISHED INFORMATION AND OBLIGATIONS

Client will provide GeoEngineers with the following: a description of the property; the locations of any underground utilities, facilities or structures on or adjacent to the property which could impact our work; and the nature and location of any known or suspected hazardous materials that may exist on the property. Client understands that GeoEngineers is not responsible for damages to underground utilities, facilities or structures known by Client to exist and not specifically or correctly identified to us, and Client agrees to indemnify GeoEngineers for these damages to the extent provided in the INDEMNIFICATION section of these GENERAL CONDITIONS. GeoEngineers is neither responsible nor liable for the creation, existence, or presence of any hazardous materials, including asbestos, present at the work site prior to or during the performance of this Agreement, except any hazardous materials generated solely by us, our agents or subcontractors.

Additionally, the Client shall furnish, at the Client's expense, all information, requirements, reports, data, surveys, and instructions required by this Agreement. GeoEngineers may use such information, requirements, reports, data, surveys and instructions in performing the services and is entitled to rely upon their accuracy and completeness.

PERMITS AND AGENCY ARRANGEMENT

If included in the Scope of Services, GeoEngineers will assist Client in applying for necessary permits and licenses. Client may, upon written acceptance by GeoEngineers, designate GeoEngineers as its agent for the purposes of drafting permit and/or license applications. GeoEngineers' agency authority under this arrangement shall be limited solely to the completion and submission of the permit and/or license applications. GeoEngineers will rely upon data collected by and information provided by Client in preparing the applications. GeoEngineers shall not be responsible for errors or inaccuracies contained in data and information supplied by Client. Client shall assume full responsibility for reviewing, understanding and signing all permit and license applications drafted by GeoEngineers.

GeoEngineers cannot and does not guarantee that permits or approvals will be issued by the governing authorities, and will not be subject to any claims, losses or damages allegedly incurred as a result of Client's failure to obtain the necessary permits and approvals.

Client waives any claim against GeoEngineers relating to errors or inaccuracies in data and information provided by Client and permit-related project delays caused by other parties, including, but not limited to Client, project opponents, and permitting or licensing agencies.

RIGHTS OF ENTRY

Unless otherwise agreed to in writing, Client will provide for right of entry and any authorizations needed for us to enter upon property to perform our Services under this Agreement.

SURFACE AND SUBSURFACE DISTURBANCE

GeoEngineers will take reasonable precautions to minimize surface and subsurface disturbance. However, in the normal course of exploratory work some surface disturbance may occur, the restoration of which is not part of this Agreement unless specifically included in our Scope of Services.

DISCOVERY OF HAZARDOUS MATERIALS

"Unanticipated hazardous materials" are any hazardous materials that may exist at the project site, but which this Agreement does not identify as present and whose existence is not reasonably anticipated. The discovery of unanticipated hazardous materials will constitute a changed condition that will require renegotiation of the Scope of Services or termination of this Agreement.

The discovery of unanticipated hazardous materials may necessitate that we take immediate protective measures. If we discover unanticipated hazardous materials, we will notify Client as soon as practicable. Based on our professional judgment, we may also implement protective measures in the field. Client will pay the cost of any such additional protective measures.

Client is responsible for reporting releases of hazardous substances to appropriate government agencies as required by law.

Client waives any claim against GeoEngineers relating to the discovery of unanticipated hazardous materials and will indemnify GeoEngineers to the extent provided in the INDEMNIFICATION section of these GENERAL CONDITIONS.

OFF-SITE DISPOSAL OF HAZARDOUS MATERIALS

Client acknowledges that GeoEngineers is not and shall not be required to be in any way an 'arranger', 'operator', or 'transporter' of hazardous materials present or near the project site, as these terms are defined in applicable Federal or State Statutes. In addition, Client shall sign all manifests for the disposal of substances affected by regulated contaminants.

However, if the parties mutually agree that GeoEngineers sign such manifests and/or to hire for Client a contractor to transport, treat, or dispose of the hazardous materials, GeoEngineers shall do so only as Client's agent. Client agrees to defend, indemnify, and hold harmless GeoEngineers, its officers, directors, employees and agents from any claim, suit, arbitration, or administrative proceeding, damages, penalties or liability that arise from the executing of such manifests on Client's behalf.

Further, GeoEngineers will, at Client's request, help Client identify appropriate alternatives for off-site treatment, storage, or disposal of such substances, but GeoEngineers shall not make any independent determination about the selection of a treatment, storage, or disposal facility.

UNANTICIPATED AND CHANGED CONDITIONS

Actual subsurface conditions may vary from those encountered at the specific locations where GeoEngineers conducts its surveys or explorations. We can only base our site data, interpretations and recommendations on information reasonably available to us. Practical and reasonable limitations on available data will result in some level of uncertainty, and therefore risk, with respect to the interpretation of environmental, geological and geotechnical conditions even when we have followed the standard of care.

The discovery of unanticipated or changed conditions may require renegotiation of the Scope of Services or termination of services. GeoEngineers reserves the right to solely determine the continued adequacy of this Agreement in light of any discovery of conditions that were not reasonably anticipated or known at the time of this Agreement. If we determine that renegotiation is necessary, GeoEngineers and Client will in good faith enter into renegotiation of this Agreement to permit us to continue to meet Client's needs. If Client and GeoEngineers cannot agree on new terms, we reserve the right to terminate this Agreement and receive payment from Client for all services performed and expenses incurred up to and including the date of termination. Underground utilities that are not properly indicated on plans and specifications provided to GeoEngineers by others or not reasonably located by the utility owner will be considered a changed condition under this clause.

SITE SAFETY

GeoEngineers will maintain a safety program for our employees. GeoEngineers specifically disclaims any authority or responsibility for general job site safety and for the safety of persons who are not employed by us. GeoEngineers is not responsible for the job safety or site safety of the general project and is not responsible for compliance with safety programs and related OSHA and state regulations that apply to other entities or persons. Client is independently responsible for requiring that its construction or remediation contractors take responsibility for general job site safety.

CONSTRUCTION AND REMEDIATION OBSERVATION

The conclusions and recommendations for construction or remediation in our reports are based on limited sampling and the interpretations of variable subsurface conditions. Therefore, our conclusions and recommendations shall be deemed preliminary unless or until we are requested by Client to validate our assumptions and finalize our conclusions and recommendations by reviewing preconstruction design documents and observing actual construction or remediation activities on site. If our Scope of Services does not include preconstruction plan review and construction/remediation observation, then any reliance by Client or any other party on our preliminary assumptions, conclusions or recommendations is at the risk of that party and without liability to GeoEngineers.

Our job site activities do not change any agreement between Client and any other party. Only Client has the right to reject or stop work of its contractors or agents. Our presence on site does not in any way guarantee the completion, quality or performance of the work by any other party retained by Client to provide field or construction/remediation services. We are not responsible for, and do not have control or charge of, the specific means, methods, techniques, sequences or procedures selected by any contractor or agent of Client or any third party to this Agreement.

Further, a duty to provide contract administration or contract management services may not be imputed from GeoEngineers' professional actions or affirmative conduct when on the job site.

SAMPLE RETENTION AND DISPOSAL

We will discard nonhazardous samples 60 days after they are obtained, unless Client makes prior arrangements to store or deliver the samples. Samples containing hazardous materials regulated under federal, state or local environmental laws are the property and responsibility of Client. Client will arrange for lawful disposal, treatment and transportation of contaminated samples at Client's expense, unless Client makes other written agreements regarding their disposal.

IDENTIFICATION OF OTHER CONTAMINANTS

Sampling and Analysis Plans (SAPs) typically specify the contaminants of interest (COIs) on a site and the standard EPA/state agency analytical methods (Standard Methods) to be used by laboratories for determining the estimated concentration of such COIs in soil and water samples. GeoEngineers' instructions notwithstanding, application of Standard Methods by an analytical laboratory may occasionally result in the inadvertent identification of contaminants that are not COIs. If in the course of GeoEngineers' laboratory data validation review non-COI contaminants are identified with COI-equivalent data quality and analytical values at or above regulatory action levels, GeoEngineers will disclose such results to Client with appropriate recommendations, which may include recommendations for reporting to regulatory agencies. Client actions subsequent to any such disclosure shall be at Client's sole risk, and Client shall indemnify and hold harmless GeoEngineers from any claims, liabilities, damages or costs arising from the discovery of regulated non-COIs to the extent provided in the INDEMNIFICATION SECTION in these GENERAL CONDITIONS.

CONFIDENTIAL INFORMATION

Unless otherwise agreed to in writing by the parties, each party expressly undertakes to retain in confidence, and to require its employees and consultants to retain in confidence, all data and/or information of the other party that is not generally known to the public, whether of a technical, business or other nature, that has been identified as being proprietary and/or confidential or that by the nature of the circumstances surrounding the disclosure reasonably ought to be treated as proprietary and confidential ("Confidential Information"). Each party agrees not to use the Confidential Information of the other party except pursuant to this Agreement. The receiving party will not disclose any item of Confidential Information to any person other than its employees, agents or contractors who need to know the same in the performance of their duties except as may be required by law or judicial order. The receiving party will protect and maintain the confidentiality of all Confidential Information of the disclosing party with reasonable care, including but not limited to informing all employees, agents or contractors to whom Confidential Information is disclosed of the confidentiality obligations imposed by this Agreement. Confidential Information does not include any data or information which the receiving party can prove (a) was in the receiving party's lawful possession prior to its disclosure by the disclosing party; (b) is later lawfully obtained by the receiving party from a third party without notice to the receiving party of any obligation of confidentiality or other restrictions with respect to use thereof; (c) is independently developed by the receiving party; (d) is, or later becomes, available to the public through no breach of an obligation of confidentiality by the receiving party; or (e) is approved for disclosure in writing by the disclosing party. Notwithstanding the foregoing, GeoEngineers may use the Client's name and logo in connection with identifying its prior customers and projects. Data and/or information that is disclosed due to a party's computer systems being hacked or through other such improper or illegal cyber conduct, including but not limited to phishing and viruses, shall not be considered a disclosure under this paragraph.

INSTRUMENTS OF SERVICE AND PROPRIETARY METHODOLOGIES

Reports, field data, laboratory data, analyses, calculations, estimates, designs and other documents prepared by GeoEngineers are Instruments of Service and remain our property. We will retain final project records for a period of 20 years from completion of our services.

Neither Client nor any other party may modify or use the Instruments of Service for additions or alterations to this project, or for other projects, or otherwise outside the scope of this Agreement, without our prior written permission. GeoEngineers is not responsible for such modification or reuse (unless such modification or reuse is expressly authorized by GeoEngineers in writing). Client will defend, indemnify, and hold GeoEngineers harmless against any claims, damages, or losses relating to such modification or reuse to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

GeoEngineers grants Client a limited license to utilize its Instruments of Service for the purposes described in the scope of services, and for maintenance of the Project thereafter, subject to any limitations expressed in the Instruments of Service. GeoEngineers may withdraw or terminate that limited license at any time if Client fails to comply with this Agreement, including but not limited to the circumstance in which Client fails to timely pay outstanding invoices. In the event that GeoEngineers withdraws the limited license, Client herein acknowledges that Client is prohibited from using the Instruments of Service for any purpose from that date forward. GeoEngineers will not be responsible nor liable, and Client will hold GeoEngineers harmless for any damages or injury flowing, or allegedly flowing, from Client's inability to utilize the Instruments of Service as a result of the circumstances described herein. Client herein agrees that injunctive or other relief is appropriate if GeoEngineers believes that Client is utilizing the Instruments of Service in a manner contrary to this paragraph or as otherwise described in the preceding paragraphs under this Article titled "Instruments of Service and Proprietary Methodologies." This paragraph shall survive the termination of this Agreement.

GeoEngineers may provide Client with Instruments of Service that include pre-existing content or data which are generated at least in part by or derived from proprietary and/or patented methodologies and systems. GeoEngineers may also apply proprietary and/or patented methodologies and systems in fulfilling the terms of this agreement, and may also make temporarily available to Client a working knowledge of such proprietary and/or patented methodologies and systems during the term of this agreement.

Notwithstanding anything to the contrary, GeoEngineers shall retain ownership over all intellectual property rights including, but not limited to, inventions, patents, copyrights, know how, trade secrets, and trademarks in such Instruments of Service and their associated data and in the proprietary and/or patented methodologies and systems. Subject to full payment by Client to GeoEngineers of all amounts owed hereunder and the terms of any licensing agreement between the parties, GeoEngineers grants to Client a nonexclusive, nontransferable license to use the Instruments of Service. Client shall not distribute, rent, lease, service bureau, sell, sublicense, or otherwise transfer the Instruments of Service or their data or content, unless previously agreed to in writing by GeoEngineers, and shall not decompile, reverse engineer, disassemble, reverse translate, or in any way derive any trade secrets or source code from the Instruments of Service. Unless otherwise specified in writing between the parties, no such Client use of Instruments of Service shall give rise to any right in the Client to use the proprietary and/or patented methodologies and systems referred to herein. During and only during the term of this agreement, GeoEngineers grants to Client a nonexclusive, nontransferable license to employ such proprietary and/or patented methodologies and systems as have been disclosed to Client by GeoEngineers pursuant to fulfilling the terms of this agreement.

Data stored in electronic media format can deteriorate or be modified inadvertently or otherwise. When transferring documents in electronic media format, we make no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by us.

We shall not be responsible for any alterations, modifications or additions made in the electronic data by the Client or any reuse of the electronic data by the Client or any other party for this project or any other project without our consent. Client shall defend, indemnify and hold us harmless against any claims, damages or losses arising out of the reuse of the electronic data without our written consent and arising out of alterations, modifications, or additions to the electronic data made by anyone other than GeoEngineers to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

All documents, including the electronic files that are transferred by us to Client are Instruments of Service of GeoEngineers and created for this project only, and no representation or warranty is made, either express or implied, concerning the files and data.

BILLING AND PAYMENT

We will bill for our services monthly. Payment is due on receipt of the invoice unless otherwise agreed to in writing. Client will notify GeoEngineers within 20 days of receipt of invoice of amounts in dispute. A service charge of 1-1/2% per month shall apply to any undisputed amounts that are more than 30 calendar days past due and amounts in dispute where Client has not notified GeoEngineers within the 20-day period. In addition to any past due amount, Client will pay all of our reasonable expenses necessary for collection of any past due amounts including, but not limited to, attorneys' fees and expenses, filing fees, lien costs and our staff time. Collection efforts for past due amounts by GeoEngineers shall not be subject to the DISPUTES clause of these GENERAL CONDITIONS.

Payment of invoices shall not be subject to any discounts or set-offs by the Client, unless agreed to in writing by GeoEngineers. Payment to GeoEngineers for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party. Payment to GeoEngineers shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the Client of offsetting reimbursement or credit from other parties.

ADJUSTMENT FOR INCREASED COSTS

GeoEngineers reserves the right to invoice Client for additional charges incurred in the event of an unanticipated increase in project-related taxes, fees or similar levies; or if GeoEngineers must modify project-related services, facilities or equipment to comply with new laws or regulations or changes to existing laws or regulations that become effective after execution of this Agreement.

GeoEngineers revises its Schedule of Charges annually. Therefore, we reserve the right to modify our Schedule of Charges applicable to our services if performance of this Agreement extends beyond 12 months, or if changes in the project schedule result in our services extending into the next calendar year.

SCOPE OF SERVICES AND ADDITIONAL SERVICES

Our engagement under this Agreement includes only those services specified in the Scope of Services. GeoEngineers has no duty to provide services beyond those explicitly described in the scope of services or as may be changed (provided that such changes do not materially change the original scope), or added via a signed directive by the Client, as described more fully in the next paragraph. Client understands and agrees that GeoEngineers' scope will not be expanded by, and no duties or responsibilities may be imputed from GeoEngineers' actions or affirmative conduct when on site.

If agreed to in writing by the Client and GeoEngineers, GeoEngineers shall provide the additional services which shall become part of the Scope of Services and subject to the terms of this agreement. Such services shall be paid for by the Client in accordance with GeoEngineers' then prevailing Schedule of Charges unless otherwise agreed to in writing by the parties.

Client agrees it will not hold us liable and expressly waives any claim against GeoEngineers for 1) not performing additional services that Client instructed us not to perform, 2) not performing additional services that were not specifically requested in writing by Client and agreed to by both parties, 3) not performing recommended additional services that Client has not authorized us to perform.

TERMINATION OF SERVICES

Termination for Cause

Either party may terminate this Agreement upon at least seven (7) days written notice, in the event of substantial failure by the other party to perform in accordance with this Agreement through no fault of the terminating party. Such termination is not effective if the failure is cured before expiration of the period specified in the written notice. Upon termination for cause by either party, all invoices for services performed up to the date of termination are immediately due and payable.

Termination for Convenience

Either party may terminate this Agreement for convenience upon seven (7) days written notice to the other. In the event that Client requests early termination of our services for convenience, we reserve the right to complete such analyses and records as are necessary to place our files in order and to complete a report on the services performed to date. Charges for these termination activities are in addition to all charges incurred up to the date of termination. Upon termination for convenience by either party, all invoices for services performed up to the date of termination and termination fees defined herein are immediately due and payable.

SUSPENSION OF SERVICES

If the project or GeoEngineers' services are suspended by the Client for more than thirty (30) calendar days, consecutive or in the aggregate, over the term of this Agreement, GeoEngineers shall be compensated for all services performed and reimbursable expenses incurred prior to the receipt of notice of suspension. In addition, upon resumption of services, the Client shall compensate GeoEngineers for expenses incurred as a result of the suspension and resumption of its services, and GeoEngineers' schedule and fees for the remainder of the project shall be equitably adjusted.

If GeoEngineers' services are suspended for more than ninety (90) days, consecutive or in the aggregate, GeoEngineers may terminate this Agreement subject to the terms in the "Termination for Convenience" clause.

If Client is in breach of the payment terms, states their intention not to pay forthcoming invoices, or otherwise is in material breach of this Agreement, GeoEngineers may suspend performance of services upon five (5) calendar days' notice to Client or terminate this Agreement according to the "Termination for Cause" clause. In the event of suspension, GeoEngineers shall have no liability to the Client, and the Client agrees to make no claim for any delay or damage as a result of such suspension caused by Client's breach of this Agreement. In addition, we may withhold submittal of any work product if Client is in arrears at any time during the performance of services under this Agreement. Upon receipt of payment in full of all outstanding sums due from Client, or curing of such other breach which caused GeoEngineers to suspend services, GeoEngineers shall resume services and submit any withheld work product, and there shall be an equitable adjustment to the remaining project schedule and fees as a result of such suspension. Any suspension by GeoEngineers exceeding 30 calendar days shall, at GeoEngineers' option, make this Agreement subject to renegotiation or termination according to the "Termination for Cause" clause in this Agreement.

In the event Client has paid a retainer to GeoEngineers, GeoEngineers shall be entitled to apply the retainer to cover any sums due from Client up to the date of suspension. Prior to resuming services after such suspension, Client shall remit to GeoEngineers sufficient funds to replenish the retainer to its full prior amount.

DELAYS

The Client agrees that GeoEngineers is not responsible for damages arising directly or indirectly from any delays for causes beyond GeoEngineers' control. Such causes include, but are not limited to, strikes or other labor disputes, epidemics, quarantine restrictions, severe weather disruptions, fires, floods, earthquakes, tidal waves, riots, terrorist acts, freight embargoes, insurrections, wars, or other natural disasters, emergencies, or acts of God; failure of any government agency to act in a timely manner, failure of performance by the Client or the Client's Contractors or other Consultants; or unanticipated discovery of any hazardous materials or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by GeoEngineers to perform its services in an orderly and efficient manner, GeoEngineers shall be entitled to an equitable adjustment in schedule and/or compensation.

INDEMNIFICATION

GeoEngineers will indemnify and hold the Client harmless from and against any claims, liabilities, damages and costs (including reasonable attorney fees and costs of defense) arising out of death or bodily injury to persons or damage to property to the extent proven to be caused by or resulting from the sole negligence of GeoEngineers, its agents or its employees. For any such claims, liabilities, damages or costs caused by or resulting from the concurrent negligence of GeoEngineers and other parties, including the Client, the duty to indemnify shall apply only to the extent of GeoEngineers' proven negligence.

The Client will defend, indemnify and hold GeoEngineers, including its subsidiaries and affiliates, harmless from and against any and all claims (including without limitation, claims by third parties and claims for economic loss), liabilities, damages, fines, penalties and costs (including without limitation reasonable attorney fees and costs of defense) arising out of or in any way related to this project or this Agreement, provided that Client's indemnification obligations shall not apply to the extent of the proven negligence of GeoEngineers, its officers, agents and employees.

Client's indemnification obligation shall include, but is not limited to, all claims against GeoEngineers by an employee or former employee of Client, and Client expressly waives all immunity and limitation of liability under any industrial insurance act, worker's compensation act, disability benefit act, or employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. Client's waiver of immunity by the provisions of this paragraph extends only to claims against GeoEngineers by Client's current or former employees and does not include or extend to any claims by Client's employees or former employees directly against Client.

Client's duty to defend in this paragraph means that Client shall assume the defense of such claim using legal counsel selected or approved by GeoEngineers and GeoEngineers shall be entitled to participate in the strategy and direction of the defense. In the course of defending a claim under this paragraph, Client shall not compromise or settle the claim without GeoEngineers' consent unless: (i) such settlement or compromise only involves monetary relief that is paid in full by Client, (ii) GeoEngineers is not liable for any such settlement or compromise, and (iii) there is no finding or admission that GeoEngineers is or was liable under any legal theory for damages relating to the claim.

By entering into this Agreement, Client acknowledges that this Indemnification provision has been reviewed, understood and is a material part of the Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

LIMITATION OF REMEDIES

GeoEngineers' aggregate liability responsibility to Client, including that of our subsidiaries and affiliates, officers, directors, employees, agents and subconsultants, is limited to \$50,000 or the amount of GeoEngineers' fee under this Agreement, whichever is greater. This limitation of remedy applies to all lawsuits, claims or actions, whether identified as arising in tort, contract or other legal theory, (including without limitation, GeoEngineers' indemnity obligations in the previous paragraph) related to our services under this Agreement and any continuation or extension of our services.

If Client desires a higher limitation, GeoEngineers may agree, at Client's request, to increase the limitation of remedy amount to a greater sum in exchange for a negotiated increase in our fee. Any additional charge for a higher limit is consideration for the greater risk assumed by us and is not a charge for additional professional liability insurance. Any agreement to increase the limitation of remedy amount must be made in writing and signed by both parties in advance of the provision of services under this Agreement.

By entering into this Agreement, Client acknowledges that this Limitation of Remedies Clause has been reviewed, understood and is a material part of this Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

NO PERSONAL LIABILITY

The Client agrees that, to the fullest extent permitted by law, no shareholder, officer, director, or employee of GeoEngineers shall have personal liability under this Agreement, or for any matter in connection with the professional services provided in connection with the Project.

INSURANCE

GeoEngineers maintains Workers' Compensation and Employer's Liability Insurance as required by state law. We also maintain comprehensive general, auto, professional and environmental impairment liability insurance. We will provide copies of certificates evidencing these policies at the request of the Client.

MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

In no event will either party be liable to the other for any special, indirect, incidental or consequential damages of any nature arising out of or related to the performance of this Agreement, whether founded in negligence, strict liability, warranty or breach of contract. In addition, Client expressly waives any and all claims against GeoEngineers for any liquidated damages liability that may be incurred by or assessed against Client.

DISPUTES

Any dispute, controversy or claim arising out of or related to this Agreement or its breach that is not resolved through negotiation between the parties, must be referred to mediation before pursuing any other dispute remedy. Each party shall bear its own costs and attorneys' fees arising out of the mediation and the costs of the mediation shall be divided equally between the attending parties.

If the matter has not been resolved through the mediation process, either or both parties may elect to pursue resolution through litigation. The parties submit to the jurisdiction of the State of Washington and agree that any legal action or proceeding arising out of or relating to this Agreement must be brought in the Superior Court in King County, Washington.

Client expressly agrees that before Client can bring a claim or cause of action against GeoEngineers as provided above, based on professional negligence or breach of the professional standard of care, Client will obtain the written opinion of a licensed or registered professional practicing in the same licensing jurisdiction as the project in dispute. The professional who prepares the written opinion must be licensed or registered in the discipline or technical specialty that is the basis for the dispute. The written opinion of the licensed or registered professional must indicate that, in the professional opinion of the writer, GeoEngineers violated the prevailing standard of care in delivery of its services. Further, the written opinion must describe the basis for that opinion and a conclusion that the alleged failure to comply with the standard of care was the cause of all or part of the alleged damages. The written opinion must be made available to GeoEngineers for review and comment at least 10 days before the claim or cause of action can be submitted to litigation. The parties agree that this clause was mutually negotiated and is an integral part of the consideration for this Agreement.

CHOICE OF LAW

This Agreement is governed by and subject to interpretation pursuant to the laws of the State of Washington.

BIOLOGICAL POLLUTANTS

Our Scope of Services specifically excludes the investigation, detection, prevention or assessment of the presence of Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, molds, fungi, spores, bacteria, and viruses, and/or any of their byproducts.

Our Instruments of Service will not include any interpretations, recommendations, findings or conclusions pertaining to Biological Pollutants. Accordingly, Client agrees that GeoEngineers will have no liability for any claims alleging a failure to investigate, detect, prevent, assess, or make recommendations for preventing, controlling, or abating Biological Pollutants. Furthermore, Client agrees to defend, indemnify, and hold harmless GeoEngineers from all claims by any third party concerning Biological Pollutants to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

CLAIMS ASSISTANCE FOR CLIENT

If a construction contractor or other party files a claim against Client, relating to services performed by GeoEngineers and Client requires additional information or assistance to evaluate or defend against such claims, we will make our personnel available for consultation with Client's staff and for testimony, if necessary. We will make such essential personnel available upon reasonable notice from Client and Client will reimburse GeoEngineers for such consultation or testimony, including travel costs, at the rates that apply for other services under this Agreement. We will provide services in connection with any such claims pursuant to a written supplement, if necessary, extending this Agreement.

TIME BAR TO LEGAL ACTION

The parties agree that all legal actions by either party against the other concerning our services pursuant to this Agreement or for failure to perform in accordance with the applicable standard of care, however denominated, including but not limited to claims sounding in tort or in contract, and arising out of any alleged loss or any alleged error, will become barred two (2) years from the completion of GeoEngineers' services.

NO THIRD PARTY RIGHTS

Nothing in this Agreement or as a consequence of any of the services provided gives any rights or benefits to anyone other than Client and GeoEngineers. All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of Client and GeoEngineers and not for the benefit of any other party. No third party shall have the right to rely on the product of GeoEngineers' services without GeoEngineers' prior written consent and the third party's agreement to be bound to the same terms and conditions as the Client.

In the event Client provides its report to a third party or requests that GeoEngineers provide the report to a third party (such as a lender, other financial institution, or other person or entity), Client agrees to defend and indemnify GeoEngineers for any claims/damages arising out of the provision of the report and asserted by such third party, including any other parties who may obtain the report from the party granted reliance rights. Notwithstanding the foregoing, Client shall not be required to indemnify GeoEngineers for claims/damages to the extent caused by GeoEngineers' proven negligence.

ASSIGNMENT OF CONTRACT OR CLAIMS

Neither the Client nor GeoEngineers may delegate, assign, sublet, or transfer the duties, interests or responsibilities set forth in this Agreement, or any cause of action or claim relating to the services provided under this Agreement, to other entities without the written consent of the other party.

SURVIVAL

These terms and conditions survive the completion of the services under this Agreement and the termination of this Agreement, whether for cause or for convenience.

SEVERABILITY

If any provision of this Agreement is ever held to be unenforceable, all remaining provisions will continue in full force and effect. Client and GeoEngineers agree that they will attempt in good faith to replace any unenforceable provision with one that is valid and enforceable, and which conforms as closely as possible with the original intent of any unenforceable provision.

EQUAL OPPORTUNITY EMPLOYMENT

GeoEngineers is an Equal Opportunity and Affirmative Action Employer. GeoEngineers shall abide by, and shall require that any subcontractors or vendors hired by GeoEngineers abide by, the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a) which are incorporated as part of this Agreement. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

Schedule of Charges - 2025

COMPENSATION

Our compensation will be determined on the basis of time and expenses in accordance with the following schedule unless a lump sum amount is so indicated in the proposal or services agreement. Current rates are:

PROFESSIONAL STAFF		
Staff 1 Scientist	\$	134/hour
Staff 1 Engineer	\$	142/hour
Staff 2 Scientist	\$	148/hour
Staff 2 Engineer	\$	154/hour
Staff 3 Scientist	\$	164/hour
Staff 3 Engineer	\$	170/hour
Project Scientist 1	\$	171/hour
Project Engineer 1	\$	178/hour
Project Scientist 2	\$	183/hour
Project Engineer 2	\$	190/hour
Senior Scientist 1	\$	194/hour
Senior Engineer 1	\$	205/hour
Senior Scientist 2	\$	205/hour
Senior Engineer 2	\$	225/hour
Associate	\$	248/hour
Principal	\$	280/hour
Senior Principal	\$	290/hour
TECHNICAL SUPPORT STAFF		
Administrator 1	\$	90/hour
Administrator 2	\$	100/hour
Administrator 3	\$	106/hour
CAD Technician	\$	116/hour
CAD Designer	\$	132/hour
Senior CAD Designer	\$	158/hour
GIS Analyst	\$	145/hour
Senior GIS Analyst	\$	155/hour
GIS Coordinator	\$	165/hour
*Technician	\$	92/hour
*Senior Technician	\$	103/hour
*Lead Technician	\$	120/hour
Geotechnical Construction Specialist	\$	155/hour
Environmental Database Manager	\$	171/hour
Health and Safety Specialist	\$	126/hour
Health and Safety Manager	\$	169/hour

*Hours in excess of 8 hours in a day or 40 hours in a week will be charged at one and one-half times the hourly rates listed above.

Contracted professional and technical services will be charged at the applicable hourly rates listed above. Staff time spent providing expert services in disputes, mediation, arbitration and litigation will be billed at one and one-half times the above rates. Time spent in either local or inter-city travel, when travel is in the interest of this contract, will be charged in accordance with the foregoing schedule. A surcharge may be applied to night and weekend work. See proposal for details.

Rates for data storage and web-based access will be provided on a project-specific basis.

Associated Project Costs (APC)

Associated Project Costs (APC) equal to six percent (6%) of professional fees will be assessed. This fee allows GeoEngineers to invest in the necessary infrastructure to ensure we provide our clients with the latest technological and data security standards. The investments include maintaining and advancing technical tools and platforms across all aspects of our business, and strengthening our defenses against cyber threats to ensure data remains secure. These costs are not included in our hourly rates or direct expenses.

EQUIPMENT		
Air Quality Monitoring Package, per day	\$	210.00
Asbestos/Lead Paint Sampling Equipment Package, per day	\$	160.00
Environmental Exploration Equipment Package, per day	\$	230.00
Field Exploration Equipment Package (marking paint, stakes, survey flagging, other misc. supplies)	\$	50.00
Geotechnical Exploration Equipment Package, per day	\$	175.00
Groundwater Monitoring & Sampling Equipment (Bladder Pump) Package, per day	\$	460.00
Groundwater Monitoring & Sampling Equipment (Peristaltic Pump) Package, per day	\$	330.00
Surface Water Quality Monitoring Equipment Package, per day	\$	200.00
Operations and Maintenance Equipment Package, per day	\$	300.00
Wenner Soil Resistivity Equipment (Base Kit)	\$	300.00
Wenner Soil Resistivity Equipment (Extension Kit)	\$	250.00
Rock/Slope Fall Protection / Rigging Equipment Package, per day	\$	700.00
SPECIALIZED EQUIPMENT		
4 Gas Detection Meters, per day	\$	150.00
Backpack Water Pump (Fire Suppression)	\$	35.00
Coring Machine	\$	250.00
Crack Gage	\$	30.00
Field Data Acquisition Equipment - iPad or GPS	\$	75.00
Fire Hose (per 50 ft section/day)	\$	25.00
Flow Meter, per day	\$	150.00
Generator	\$	137.00
Grundfos Sampling Pump	\$	55.00
Hand Auger	\$	30.00
Hand Boring - DCP Probe	\$	150.00
Hand Boring - Wildcat	\$	110.00
Hand Boring - Wildcat (TIPS, each)	\$	28.00
Hydro Multi Meter Probe, per day	\$	80.00
Interface Probe, per day	\$	65.00
Measuring Wheel	\$	10.00
Nuclear Density Gauge, \$80/day, or \$40/half-day	\$	80.00/40.00
Peristaltic Pump	\$	25.00
pH Testing Meter	\$	45.00
Photoionization Detector (PID), per day	\$	130.00
Pressure Transducer with Data Logger, per day	\$	155.00
Roto-Hammer and Bits, per day	\$	50.00
Self-Level Laser, per day	\$	100.00
Slope Indicator, per day	\$	160.00
Tape Measures (300'), per day	\$	10.00
Turbidity Monitoring Meter, per day	\$	50.00
Water Level Indicator, per day	\$	50.00
Vehicle usage, per mile, or \$60/half-day, whichever is greater	\$	0.70
Vehicle - 4-Wheel Drive Truck, per day (1 day min.)	\$	100.00

Specialized and miscellaneous field equipment not listed above will be quoted on a project-specific basis.

OTHER SERVICES, SUPPLIES AND SPECIAL TAXES

Charges for services, equipment, supplies and facilities not furnished in accordance with the above schedule, and any unusual items of expense not customarily incurred in our normal operations, are charged at cost plus 15 percent. This includes shipping charges, subsistence, transportation, printing and reproduction, miscellaneous supplies and rentals, surveying services, drilling equipment, construction equipment, watercraft, aircraft, and special insurance which may be required. Taxes required by local jurisdictions for projects in specific geographic areas will be charged to projects at direct cost.

In-House Disposable Field Supplies

Routinely used field supplies stocked in-house by GeoEngineers, at current rates, list available upon request.

Laboratory Schedule of Charges

TYPE OF TEST		UNIT PRICE*
Moisture Content / Oven (ASTM D2216)	\$	32.00
Sample Preparation		
Extrusion - Extrude and log (visual classification) Shelby tube sample, per hour	\$	70.00
Trimming - Trim a soil sample to 2.41-inch dia. for consolidation testing, per hour	\$	70.00
Remolding - Remold a soil sample to desired moisture and density, per hour	\$	70.00
Moisture/Density		
Rings	\$	37.00
Shelby Tubes, waxed chunk	\$	53.00
Tubes (liners), chunk	\$	53.00
Organic Content (ASTM D2974)**	\$	80.00
Particle Size Analysis		
Sieve (ASTM C136) max size < 3/4-inch (includes -200 Wash, Dry Sieve)	\$	120.00
Sieve (ASTM C136) max size > 3/4-inch (includes -200 Wash, Dry Sieve)	\$	125.00
Percent Passing No. 200 (ASTM C117-87/D1140)	\$	65.00
Combined Sieve and Hydrometer (ASTM D422)	\$	235.00
Hydrometer only (ASTM D422)	\$	130.00
Atterberg Limits (ASTM D4318)	\$	135.00
Nonplastic	\$	95.00
Specific Gravity, Fine Material (ASTM D854)	\$	95.00
Specific Gravity, Coarse Material (ASTM C-127)	\$	80.00
Percent of Fracture (ASTM D5821)	\$	55.00
Sand Equivalent (AASHTO T 176, ASTM D-2419)	\$	85.00
Compaction (ASTM D1557/D698, Methods A, B and C, AASHTO T-180)		
4 points	\$	210.00
Direct Shear (ASTM D3080)		
3 points	\$	470.00
R-Value (ASTM D2844, Idaho T-8)	\$	525.00
Consolidation (ASTM D2435)		
With 2 timed load increments	\$	470.00
Permeability		
Constant or falling head in rigid wall permeameter (ASTM D 2434, D 5856)**	\$	370.00
In triaxial cell with back pressure saturation (ASTM D 5084)**	\$	840.00
One-Dimensional Swell (ASTM D4546)		
Method A**	\$	525.00
Method B**	\$	525.00
Method C**	\$	780.00
CBR (3 point) with Proctor (ASTM D1883)	\$	630.00
Rock Point Load Index Test (ASTM D5731)	\$	47.00
Unconfined compressive strength of rock cores (ASTM D7012)	\$	58.00
High Strength Grout Cubes (ASTM C109)	\$	32.00
Compressive Strength of Drilled Concrete Core (ASTM C 42)	\$	58.00

Other tests charged at negotiated rates

*Unit prices reflect a typical standard turnaround time of 5 to 7 business days for most analyses (with the exception of consolidation tests). Expedited test results are subject to 50% to 100% surcharge and are subject to lab availability to meet the expedited schedule.

*Increase unit prices by 20 percent – 50 percent for contaminated samples.

** Conducted in our Redmond Laboratory, additional shipping charges may apply.

All rates are subject to change upon notification.

July 25, 2025

Ardurra Group, Inc.
1717 South Rustle Street
Spokane, Washington 99224

Attention: Jake Bender, Senior Project Manager

Subject: Proposal
Soil Management Plan
CC-1 Sewer Lift Station
109 East Wapato Avenue, Chelan, Washington 98816
File No. 28238-001-01

Introduction

GeoEngineers, Inc. (GeoEngineers) is pleased to present this proposal to prepare a Soil and Groundwater Management Plan (SGMP) for the City of Chelan CC-1 Sewer Lift Station located at 109 East Wapato Avenue in Chelan, Washington (herein referred to as “Site”). These services were requested by Jake Bender of Ardurra Group, Inc. (Ardurra) by email on July 21, 2025.

The Site is located in the northwest portion of the Chelan Riverwalk Park (the Park) near Lake Chelan and consists of the Chelan Public Utilities District (PUD) Pump Station Number (No.) 1 pump house (Pump House), the grassy landscaped area between the Pump House and Lake Chelan, and a paved access road and concrete walking path located on the west side of the Park. GeoEngineers performed soil and groundwater assessments at the Site for the Washington State Department of Ecology (Ecology) between 2021 and 2025 to investigate a past release of diesel fuel from a previously removed underground storage tank (UST). Assessment activities included advancing soil borings, collecting soil and grab groundwater samples, installing permanent monitoring wells and conducting groundwater monitoring events (GeoEngineers 2025).

Based on the results of GeoEngineers’ assessments, diesel-range petroleum hydrocarbons (DRPH) are present at concentrations greater than the Washington State Model Toxics Control Act (MTCA) Method A cleanup level in groundwater near the existing sewer pump station. Additionally, contaminated soil might be present beneath the Pump House.

We understand that Ardurra is preparing design specifications to replace the existing Pump House with an underground lift station and install surface improvements at the Site. We further understand that the SGMP described in this proposal will be used to guide construction activities at the Site with respect to identifying,

characterizing and handling potentially contaminated soil and groundwater during planned construction activities at the Site.

Scope of Services

GeoEngineers will perform the following scope of services:

- Prepare a SGMP to address identification, characterization and handling of potentially contaminated media encountered during earthwork activities. The SGMP might include the following:
 - Health and safety considerations;
 - Protection and/or decommissioning of monitoring wells near the planned construction area;
 - Identification of potentially contaminated soil;
 - Segregating potentially contaminated soil in stockpiles separate from non-contaminated soil;
 - Identification of potentially contaminated groundwater;
 - Handling potentially contaminated groundwater;
 - Best management practices (BMPs) for containing or managing potentially contaminated media;
 - Ecology requirements for sampling potentially contaminated media;
 - Identification of potential contaminants of concern (COCs) and common analytical testing methods for the COCs;
 - Installation of replacement monitoring wells following completion of construction activities; and
 - Plan for disposal of potentially contaminated media based on the laboratory analytical results. The SGMP will identify concentration thresholds (cleanup levels) for potential COCs that will determine disposal requirements.

ASSUMPTIONS

- GeoEngineers will not prepare a site-specific health and safety plan (HASP) as part of the SGMP.
- No more than one round of revisions to the SGMP are requested.
- No more than one electronic copy of each deliverable is provided.
- Environmental monitoring during construction is not included in this proposal; if environmental monitoring during construction is requested, GeoEngineers can perform that task for an additional fee.
- A Site visit is not included in this proposal. If a Site visit is required, GeoEngineers can perform that task for an additional fee.

Terms, Fee Estimate and Schedule

We are able to begin work after receiving your authorization to proceed. Our services will be completed in accordance with our Standard Terms and Conditions, which are attached as part of this proposal. We will endeavor to keep you apprised of project status and conditions that may significantly affect our scope and estimate.

The estimated fee for our services described above, based on the assumptions also described above, is a lump sum of **\$7,500**.

There are no intended third-party beneficiaries arising from the services described in this proposal and no party other than the party executing this proposal shall have the right to legally rely on the product of our services without prior written permission of GeoEngineers.

This proposal is valid for a period of 60 days commencing from the first date listed above and subject to renegotiation by GeoEngineers, Inc., after the expiration date.

References

GeoEngineers, Inc. 2025. "Groundwater Assessment, Chelan Sewer Pump Station No. 1, 109 East Wapato Avenue, Chelan, Washington." June 17, 2025. File No. 0504-170-01.

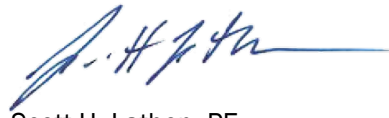
Closing

We appreciate the opportunity to provide you with Soil and Groundwater Management Plan preparation services for the CC-1 Sewer Lift Station project. Please contact Justin D. Orr or Scott H. Lathen at 509.363.3125 if you have any questions regarding this proposal.

Sincerely,
GeoEngineers, Inc.



Justin D. Orr, LG
Geologist



Scott H. Lathen, PE
Associate Environmental Engineer

JDO:SHL:ljs

Attachments

General Conditions – Standard 2021

Schedule of Charges – Spokane 2025

One electronic copy submitted

The parties hereto have made, executed and agreed to this Agreement as of the day and year first above written. By signature below, Client accepts the scope of services and all terms described herein. In addition, Client's signature shall constitute as authorization to proceed on the date listed below Client's printed/typed name unless such authorization has been otherwise provided in writing.

Ardurra Group, Inc.	
ORGANIZATION	* SIGNATURE
DATE	TYPED OR PRINTED NAME
	*Individual with contracting authority.

Proprietary Notice: The contents of this document are proprietary to GeoEngineers, Inc. and are intended solely for use by our clients and their design teams to evaluate GeoEngineers' capabilities and understanding of project requirements as they relate to performing the services proposed for a specific project. Copies of this document or its contents may not be disclosed to any other parties without the written consent of GeoEngineers.

Disclaimer: Any electronic form, facsimile or hard copy of the original document (email, text, table, and/or figure), if provided, and any attachments are only a copy of the original document. The original document is stored by GeoEngineers, Inc. and will serve as the official document of record.

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General Conditions

DEFINITIONS

The words and phrases listed below have the following meanings when used in this Agreement:

"Agreement" means the complete agreement between Client and GeoEngineers, and consists of all of the following: 1) The Services Agreement or Proposal, including the Scope of Services contained within it; 2) These General Conditions and its attached Schedule of Charges, as applicable; 3) Any documents expressly incorporated by reference into the Services Agreement, Proposal or General Conditions; 4) Any modifications to this Agreement, if mutually agreed to by the parties in writing.

"Client" means the individual(s) or entity that has entered into this Agreement with GeoEngineers.

"GeoEngineers" means GeoEngineers, Inc., a Washington corporation, and any of its employees, officers and directors. GeoEngineers is sometimes referred to as "us," "we" or "our" throughout this Agreement.

"Hazardous Materials" means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever. Hazardous Materials include, but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution.

"Scope of Services" means the sum total of all of our activities and all of the Instruments of Service undertaken or provided pursuant to this Agreement.

"Excluded Services" means those services that we are not providing under this Agreement, which includes any services recommended to Client and which Client chooses not to include in our Scope of Services.

INTEGRATED WRITTEN AGREEMENT

This Agreement represents the entire and integrated agreement between Client and GeoEngineers and supersedes all prior communications, negotiations, representations or agreements, either written or oral between the parties. No agreement or understanding varying or extending this Agreement shall bind either party, other than by a subsequent written agreement, signed by Client and GeoEngineers.

GeoEngineers has made no promise or inducements to Client to enter into this agreement other than what is explicitly provided in the agreement. Client is not relying on any representations made by GeoEngineers outside of those contained in this Agreement.

CONFLICTS

Any alteration to these General Conditions or appended terms and conditions by Client shall be void and not included as part of this Agreement unless mutually agreed to in writing by both parties. In the event of conflict between these General Conditions and any terms appended by the Client that are agreed to by the parties, the terms of these General Conditions shall prevail.

STANDARD OF CARE AND WARRANTY DISCLAIMER

GeoEngineers will endeavor to perform its professional services with that degree of care and skill ordinarily exercised under similar conditions by professional consultants practicing in the same discipline at the same time and location. No warranty or guarantee, either express or implied, is made or intended by this Agreement or by any report, opinion, or other Instrument of Service provided pursuant to this Agreement.

CLIENT FURNISHED INFORMATION AND OBLIGATIONS

Client will provide GeoEngineers with the following: a description of the property; the locations of any underground utilities, facilities or structures on or adjacent to the property which could impact our work; and the nature and location of any known or suspected hazardous materials that may exist on the property. Client understands that GeoEngineers is not responsible for damages to underground utilities, facilities or structures known by Client to exist and not specifically or correctly identified to us, and Client agrees to indemnify GeoEngineers for these damages to the extent provided in the INDEMNIFICATION section of these GENERAL CONDITIONS. GeoEngineers is neither responsible nor liable for the creation, existence, or presence of any hazardous materials, including asbestos, present at the work site prior to or during the performance of this Agreement, except any hazardous materials generated solely by us, our agents or subcontractors.

Additionally, the Client shall furnish, at the Client's expense, all information, requirements, reports, data, surveys, and instructions required by this Agreement. GeoEngineers may use such information, requirements, reports, data, surveys and instructions in performing the services and is entitled to rely upon their accuracy and completeness.

PERMITS AND AGENCY ARRANGEMENT

If included in the Scope of Services, GeoEngineers will assist Client in applying for necessary permits and licenses. Client may, upon written acceptance by GeoEngineers, designate GeoEngineers as its agent for the purposes of drafting permit and/or license applications. GeoEngineers' agency authority under this arrangement shall be limited solely to the completion and submission of the permit and/or license applications. GeoEngineers will rely upon data collected by and information provided by Client in preparing the applications. GeoEngineers shall not be responsible for errors or inaccuracies contained in data and information supplied by Client. Client shall assume full responsibility for reviewing, understanding and signing all permit and license applications drafted by GeoEngineers.

GeoEngineers cannot and does not guarantee that permits or approvals will be issued by the governing authorities, and will not be subject to any claims, losses or damages allegedly incurred as a result of Client's failure to obtain the necessary permits and approvals.

Client waives any claim against GeoEngineers relating to errors or inaccuracies in data and information provided by Client and permit-related project delays caused by other parties, including, but not limited to Client, project opponents, and permitting or licensing agencies.

RIGHTS OF ENTRY

Unless otherwise agreed to in writing, Client will provide for right of entry and any authorizations needed for us to enter upon property to perform our Services under this Agreement.

SURFACE AND SUBSURFACE DISTURBANCE

GeoEngineers will take reasonable precautions to minimize surface and subsurface disturbance. However, in the normal course of exploratory work some surface disturbance may occur, the restoration of which is not part of this Agreement unless specifically included in our Scope of Services.

DISCOVERY OF HAZARDOUS MATERIALS

"Unanticipated hazardous materials" are any hazardous materials that may exist at the project site, but which this Agreement does not identify as present and whose existence is not reasonably anticipated. The discovery of unanticipated hazardous materials will constitute a changed condition that will require renegotiation of the Scope of Services or termination of this Agreement.

The discovery of unanticipated hazardous materials may necessitate that we take immediate protective measures. If we discover unanticipated hazardous materials, we will notify Client as soon as practicable. Based on our professional judgment, we may also implement protective measures in the field. Client will pay the cost of any such additional protective measures.

Client is responsible for reporting releases of hazardous substances to appropriate government agencies as required by law.

Client waives any claim against GeoEngineers relating to the discovery of unanticipated hazardous materials and will indemnify GeoEngineers to the extent provided in the INDEMNIFICATION section of these GENERAL CONDITIONS.

OFF-SITE DISPOSAL OF HAZARDOUS MATERIALS

Client acknowledges that GeoEngineers is not and shall not be required to be in any way an 'arranger', 'operator', or 'transporter' of hazardous materials present or near the project site, as these terms are defined in applicable Federal or State Statutes. In addition, Client shall sign all manifests for the disposal of substances affected by regulated contaminants.

However, if the parties mutually agree that GeoEngineers sign such manifests and/or to hire for Client a contractor to transport, treat, or dispose of the hazardous materials, GeoEngineers shall do so only as Client's agent. Client agrees to defend, indemnify, and hold harmless GeoEngineers, its officers, directors, employees and agents from any claim, suit, arbitration, or administrative proceeding, damages, penalties or liability that arise from the executing of such manifests on Client's behalf.

Further, GeoEngineers will, at Client's request, help Client identify appropriate alternatives for off-site treatment, storage, or disposal of such substances, but GeoEngineers shall not make any independent determination about the selection of a treatment, storage, or disposal facility.

UNANTICIPATED AND CHANGED CONDITIONS

Actual subsurface conditions may vary from those encountered at the specific locations where GeoEngineers conducts its surveys or explorations. We can only base our site data, interpretations and recommendations on information reasonably available to us. Practical and reasonable limitations on available data will result in some level of uncertainty, and therefore risk, with respect to the interpretation of environmental, geological and geotechnical conditions even when we have followed the standard of care.

The discovery of unanticipated or changed conditions may require renegotiation of the Scope of Services or termination of services. GeoEngineers reserves the right to solely determine the continued adequacy of this Agreement in light of any discovery of conditions that were not reasonably anticipated or known at the time of this Agreement. If we determine that renegotiation is necessary, GeoEngineers and Client will in good faith enter into renegotiation of this Agreement to permit us to continue to meet Client's needs. If Client and GeoEngineers cannot agree on new terms, we reserve the right to terminate this Agreement and receive payment from Client for all services performed and expenses incurred up to and including the date of termination. Underground utilities that are not properly indicated on plans and specifications provided to GeoEngineers by others or not reasonably located by the utility owner will be considered a changed condition under this clause.

SITE SAFETY

GeoEngineers will maintain a safety program for our employees. GeoEngineers specifically disclaims any authority or responsibility for general job site safety and for the safety of persons who are not employed by us. GeoEngineers is not responsible for the job safety or site safety of the general project and is not responsible for compliance with safety programs and related OSHA and state regulations that apply to other entities or persons. Client is independently responsible for requiring that its construction or remediation contractors take responsibility for general job site safety.

CONSTRUCTION AND REMEDIATION OBSERVATION

The conclusions and recommendations for construction or remediation in our reports are based on limited sampling and the interpretations of variable subsurface conditions. Therefore, our conclusions and recommendations shall be deemed preliminary unless or until we are requested by Client to validate our assumptions and finalize our conclusions and recommendations by reviewing preconstruction design documents and observing actual construction or remediation activities on site. If our Scope of Services does not include preconstruction plan review and construction/remediation observation, then any reliance by Client or any other party on our preliminary assumptions, conclusions or recommendations is at the risk of that party and without liability to GeoEngineers.

Our job site activities do not change any agreement between Client and any other party. Only Client has the right to reject or stop work of its contractors or agents. Our presence on site does not in any way guarantee the completion, quality or performance of the work by any other party retained by Client to provide field or construction/remediation services. We are not responsible for, and do not have control or charge of, the specific means, methods, techniques, sequences or procedures selected by any contractor or agent of Client or any third party to this Agreement.

Further, a duty to provide contract administration or contract management services may not be imputed from GeoEngineers' professional actions or affirmative conduct when on the job site.

SAMPLE RETENTION AND DISPOSAL

We will discard nonhazardous samples 60 days after they are obtained, unless Client makes prior arrangements to store or deliver the samples. Samples containing hazardous materials regulated under federal, state or local environmental laws are the property and responsibility of Client. Client will arrange for lawful disposal, treatment and transportation of contaminated samples at Client's expense, unless Client makes other written agreements regarding their disposal.

IDENTIFICATION OF OTHER CONTAMINANTS

Sampling and Analysis Plans (SAPs) typically specify the contaminants of interest (COIs) on a site and the standard EPA/state agency analytical methods (Standard Methods) to be used by laboratories for determining the estimated concentration of such COIs in soil and water samples. GeoEngineers' instructions notwithstanding, application of Standard Methods by an analytical laboratory may occasionally result in the inadvertent identification of contaminants that are not COIs. If in the course of GeoEngineers' laboratory data validation review non-COI contaminants are identified with COI-equivalent data quality and analytical values at or above regulatory action levels, GeoEngineers will disclose such results to Client with appropriate recommendations, which may include recommendations for reporting to regulatory agencies. Client actions subsequent to any such disclosure shall be at Client's sole risk, and Client shall indemnify and hold harmless GeoEngineers from any claims, liabilities, damages or costs arising from the discovery of regulated non-COIs to the extent provided in the INDEMNIFICATION SECTION in these GENERAL CONDITIONS.

CONFIDENTIAL INFORMATION

Unless otherwise agreed to in writing by the parties, each party expressly undertakes to retain in confidence, and to require its employees and consultants to retain in confidence, all data and/or information of the other party that is not generally known to the public, whether of a technical, business or other nature, that has been identified as being proprietary and/or confidential or that by the nature of the circumstances surrounding the disclosure reasonably ought to be treated as proprietary and confidential ("Confidential Information"). Each party agrees not to use the Confidential Information of the other party except pursuant to this Agreement. The receiving party will not disclose any item of Confidential Information to any person other than its employees, agents or contractors who need to know the same in the performance of their duties except as may be required by law or judicial order. The receiving party will protect and maintain the confidentiality of all Confidential Information of the disclosing party with reasonable care, including but not limited to informing all employees, agents or contractors to whom Confidential Information is disclosed of the confidentiality obligations imposed by this Agreement. Confidential Information does not include any data or information which the receiving party can prove (a) was in the receiving party's lawful possession prior to its disclosure by the disclosing party; (b) is later lawfully obtained by the receiving party from a third party without notice to the receiving party of any obligation of confidentiality or other restrictions with respect to use thereof; (c) is independently developed by the receiving party; (d) is, or later becomes, available to the public through no breach of an obligation of confidentiality by the receiving party; or (e) is approved for disclosure in writing by the disclosing party. Notwithstanding the foregoing, GeoEngineers may use the Client's name and logo in connection with identifying its prior customers and projects. Data and/or information that is disclosed due to a party's computer systems being hacked or through other such improper or illegal cyber conduct, including but not limited to phishing and viruses, shall not be considered a disclosure under this paragraph.

INSTRUMENTS OF SERVICE AND PROPRIETARY METHODOLOGIES

Reports, field data, laboratory data, analyses, calculations, estimates, designs and other documents prepared by GeoEngineers are Instruments of Service and remain our property. We will retain final project records for a period of 20 years from completion of our services.

Neither Client nor any other party may modify or use the Instruments of Service for additions or alterations to this project, or for other projects, or otherwise outside the scope of this Agreement, without our prior written permission. GeoEngineers is not responsible for such modification or reuse (unless such modification or reuse is expressly authorized by GeoEngineers in writing). Client will defend, indemnify, and hold GeoEngineers harmless against any claims, damages, or losses relating to such modification or reuse to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

GeoEngineers grants Client a limited license to utilize its Instruments of Service for the purposes described in the scope of services, and for maintenance of the Project thereafter, subject to any limitations expressed in the Instruments of Service. GeoEngineers may withdraw or terminate that limited license at any time if Client fails to comply with this Agreement, including but not limited to the circumstance in which Client fails to timely pay outstanding invoices. In the event that GeoEngineers withdraws the limited license, Client herein acknowledges that Client is prohibited from using the Instruments of Service for any purpose from that date forward. GeoEngineers will not be responsible nor liable, and Client will hold GeoEngineers harmless for any damages or injury flowing, or allegedly flowing, from Client's inability to utilize the Instruments of Service as a result of the circumstances described herein. Client herein agrees that injunctive or other relief is appropriate if GeoEngineers believes that Client is utilizing the Instruments of Service in a manner contrary to this paragraph or as otherwise described in the preceding paragraphs under this Article titled "Instruments of Service and Proprietary Methodologies." This paragraph shall survive the termination of this Agreement.

GeoEngineers may provide Client with Instruments of Service that include pre-existing content or data which are generated at least in part by or derived from proprietary and/or patented methodologies and systems. GeoEngineers may also apply proprietary and/or patented methodologies and systems in fulfilling the terms of this agreement, and may also make temporarily available to Client a working knowledge of such proprietary and/or patented methodologies and systems during the term of this agreement.

Notwithstanding anything to the contrary, GeoEngineers shall retain ownership over all intellectual property rights including, but not limited to, inventions, patents, copyrights, know how, trade secrets, and trademarks in such Instruments of Service and their associated data and in the proprietary and/or patented methodologies and systems. Subject to full payment by Client to GeoEngineers of all amounts owed hereunder and the terms of any licensing agreement between the parties, GeoEngineers grants to Client a nonexclusive, nontransferable license to use the Instruments of Service. Client shall not distribute, rent, lease, service bureau, sell, sublicense, or otherwise transfer the Instruments of Service or their data or content, unless previously agreed to in writing by GeoEngineers, and shall not decompile, reverse engineer, disassemble, reverse translate, or in any way derive any trade secrets or source code from the Instruments of Service. Unless otherwise specified in writing between the parties, no such Client use of Instruments of Service shall give rise to any right in the Client to use the proprietary and/or patented methodologies and systems referred to herein. During and only during the term of this agreement, GeoEngineers grants to Client a nonexclusive, nontransferable license to employ such proprietary and/or patented methodologies and systems as have been disclosed to Client by GeoEngineers pursuant to fulfilling the terms of this agreement.

Data stored in electronic media format can deteriorate or be modified inadvertently or otherwise. When transferring documents in electronic media format, we make no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by us.

We shall not be responsible for any alterations, modifications or additions made in the electronic data by the Client or any reuse of the electronic data by the Client or any other party for this project or any other project without our consent. Client shall defend, indemnify and hold us harmless against any claims, damages or losses arising out of the reuse of the electronic data without our written consent and arising out of alterations, modifications, or additions to the electronic data made by anyone other than GeoEngineers to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

All documents, including the electronic files that are transferred by us to Client are Instruments of Service of GeoEngineers and created for this project only, and no representation or warranty is made, either express or implied, concerning the files and data.

BILLING AND PAYMENT

We will bill for our services monthly. Payment is due on receipt of the invoice unless otherwise agreed to in writing. Client will notify GeoEngineers within 20 days of receipt of invoice of amounts in dispute. A service charge of 1-1/2% per month shall apply to any undisputed amounts that are more than 30 calendar days past due and amounts in dispute where Client has not notified GeoEngineers within the 20-day period. In addition to any past due amount, Client will pay all of our reasonable expenses necessary for collection of any past due amounts including, but not limited to, attorneys' fees and expenses, filing fees, lien costs and our staff time. Collection efforts for past due amounts by GeoEngineers shall not be subject to the DISPUTES clause of these GENERAL CONDITIONS.

Payment of invoices shall not be subject to any discounts or set-offs by the Client, unless agreed to in writing by GeoEngineers. Payment to GeoEngineers for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party. Payment to GeoEngineers shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the Client of offsetting reimbursement or credit from other parties.

ADJUSTMENT FOR INCREASED COSTS

GeoEngineers reserves the right to invoice Client for additional charges incurred in the event of an unanticipated increase in project-related taxes, fees or similar levies; or if GeoEngineers must modify project-related services, facilities or equipment to comply with new laws or regulations or changes to existing laws or regulations that become effective after execution of this Agreement.

GeoEngineers revises its Schedule of Charges annually. Therefore, we reserve the right to modify our Schedule of Charges applicable to our services if performance of this Agreement extends beyond 12 months, or if changes in the project schedule result in our services extending into the next calendar year.

SCOPE OF SERVICES AND ADDITIONAL SERVICES

Our engagement under this Agreement includes only those services specified in the Scope of Services. GeoEngineers has no duty to provide services beyond those explicitly described in the scope of services or as may be changed (provided that such changes do not materially change the original scope), or added via a signed directive by the Client, as described more fully in the next paragraph. Client understands and agrees that GeoEngineers' scope will not be expanded by, and no duties or responsibilities may be imputed from GeoEngineers' actions or affirmative conduct when on site.

If agreed to in writing by the Client and GeoEngineers, GeoEngineers shall provide the additional services which shall become part of the Scope of Services and subject to the terms of this agreement. Such services shall be paid for by the Client in accordance with GeoEngineers' then prevailing Schedule of Charges unless otherwise agreed to in writing by the parties.

Client agrees it will not hold us liable and expressly waives any claim against GeoEngineers for 1) not performing additional services that Client instructed us not to perform, 2) not performing additional services that were not specifically requested in writing by Client and agreed to by both parties, 3) not performing recommended additional services that Client has not authorized us to perform.

TERMINATION OF SERVICES

Termination for Cause

Either party may terminate this Agreement upon at least seven (7) days written notice, in the event of substantial failure by the other party to perform in accordance with this Agreement through no fault of the terminating party. Such termination is not effective if the failure is cured before expiration of the period specified in the written notice. Upon termination for cause by either party, all invoices for services performed up to the date of termination are immediately due and payable.

Termination for Convenience

Either party may terminate this Agreement for convenience upon seven (7) days written notice to the other. In the event that Client requests early termination of our services for convenience, we reserve the right to complete such analyses and records as are necessary to place our files in order and to complete a report on the services performed to date. Charges for these termination activities are in addition to all charges incurred up to the date of termination. Upon termination for convenience by either party, all invoices for services performed up to the date of termination and termination fees defined herein are immediately due and payable.

SUSPENSION OF SERVICES

If the project or GeoEngineers' services are suspended by the Client for more than thirty (30) calendar days, consecutive or in the aggregate, over the term of this Agreement, GeoEngineers shall be compensated for all services performed and reimbursable expenses incurred prior to the receipt of notice of suspension. In addition, upon resumption of services, the Client shall compensate GeoEngineers for expenses incurred as a result of the suspension and resumption of its services, and GeoEngineers' schedule and fees for the remainder of the project shall be equitably adjusted.

If GeoEngineers' services are suspended for more than ninety (90) days, consecutive or in the aggregate, GeoEngineers may terminate this Agreement subject to the terms in the "Termination for Convenience" clause.

If Client is in breach of the payment terms, states their intention not to pay forthcoming invoices, or otherwise is in material breach of this Agreement, GeoEngineers may suspend performance of services upon five (5) calendar days' notice to Client or terminate this Agreement according to the "Termination for Cause" clause. In the event of suspension, GeoEngineers shall have no liability to the Client, and the Client agrees to make no claim for any delay or damage as a result of such suspension caused by Client's breach of this Agreement. In addition, we may withhold submittal of any work product if Client is in arrears at any time during the performance of services under this Agreement. Upon receipt of payment in full of all outstanding sums due from Client, or curing of such other breach which caused GeoEngineers to suspend services, GeoEngineers shall resume services and submit any withheld work product, and there shall be an equitable adjustment to the remaining project schedule and fees as a result of such suspension. Any suspension by GeoEngineers exceeding 30 calendar days shall, at GeoEngineers' option, make this Agreement subject to renegotiation or termination according to the "Termination for Cause" clause in this Agreement.

In the event Client has paid a retainer to GeoEngineers, GeoEngineers shall be entitled to apply the retainer to cover any sums due from Client up to the date of suspension. Prior to resuming services after such suspension, Client shall remit to GeoEngineers sufficient funds to replenish the retainer to its full prior amount.

DELAYS

The Client agrees that GeoEngineers is not responsible for damages arising directly or indirectly from any delays for causes beyond GeoEngineers' control. Such causes include, but are not limited to, strikes or other labor disputes, epidemics, quarantine restrictions, severe weather disruptions, fires, floods, earthquakes, tidal waves, riots, terrorist acts, freight embargoes, insurrections, wars, or other natural disasters, emergencies, or acts of God; failure of any government agency to act in a timely manner, failure of performance by the Client or the Client's Contractors or other Consultants; or unanticipated discovery of any hazardous materials or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by GeoEngineers to perform its services in an orderly and efficient manner, GeoEngineers shall be entitled to an equitable adjustment in schedule and/or compensation.

INDEMNIFICATION

GeoEngineers will indemnify and hold the Client harmless from and against any claims, liabilities, damages and costs (including reasonable attorney fees and costs of defense) arising out of death or bodily injury to persons or damage to property to the extent proven to be caused by or resulting from the sole negligence of GeoEngineers, its agents or its employees. For any such claims, liabilities, damages or costs caused by or resulting from the concurrent negligence of GeoEngineers and other parties, including the Client, the duty to indemnify shall apply only to the extent of GeoEngineers' proven negligence.

The Client will defend, indemnify and hold GeoEngineers, including its subsidiaries and affiliates, harmless from and against any and all claims (including without limitation, claims by third parties and claims for economic loss), liabilities, damages, fines, penalties and costs (including without limitation reasonable attorney fees and costs of defense) arising out of or in any way related to this project or this Agreement, provided that Client's indemnification obligations shall not apply to the extent of the proven negligence of GeoEngineers, its officers, agents and employees.

Client's indemnification obligation shall include, but is not limited to, all claims against GeoEngineers by an employee or former employee of Client, and Client expressly waives all immunity and limitation of liability under any industrial insurance act, worker's compensation act, disability benefit act, or employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. Client's waiver of immunity by the provisions of this paragraph extends only to claims against GeoEngineers by Client's current or former employees and does not include or extend to any claims by Client's employees or former employees directly against Client.

Client's duty to defend in this paragraph means that Client shall assume the defense of such claim using legal counsel selected or approved by GeoEngineers and GeoEngineers shall be entitled to participate in the strategy and direction of the defense. In the course of defending a claim under this paragraph, Client shall not compromise or settle the claim without GeoEngineers' consent unless: (i) such settlement or compromise only involves monetary relief that is paid in full by Client, (ii) GeoEngineers is not liable for any such settlement or compromise, and (iii) there is no finding or admission that GeoEngineers is or was liable under any legal theory for damages relating to the claim.

By entering into this Agreement, Client acknowledges that this Indemnification provision has been reviewed, understood and is a material part of the Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

LIMITATION OF REMEDIES

GeoEngineers' aggregate liability responsibility to Client, including that of our subsidiaries and affiliates, officers, directors, employees, agents and subconsultants, is limited to \$50,000 or the amount of GeoEngineers' fee under this Agreement, whichever is greater. This limitation of remedy applies to all lawsuits, claims or actions, whether identified as arising in tort, contract or other legal theory, (including without limitation, GeoEngineers' indemnity obligations in the previous paragraph) related to our services under this Agreement and any continuation or extension of our services.

If Client desires a higher limitation, GeoEngineers may agree, at Client's request, to increase the limitation of remedy amount to a greater sum in exchange for a negotiated increase in our fee. Any additional charge for a higher limit is consideration for the greater risk assumed by us and is not a charge for additional professional liability insurance. Any agreement to increase the limitation of remedy amount must be made in writing and signed by both parties in advance of the provision of services under this Agreement.

By entering into this Agreement, Client acknowledges that this Limitation of Remedies Clause has been reviewed, understood and is a material part of this Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

NO PERSONAL LIABILITY

The Client agrees that, to the fullest extent permitted by law, no shareholder, officer, director, or employee of GeoEngineers shall have personal liability under this Agreement, or for any matter in connection with the professional services provided in connection with the Project.

INSURANCE

GeoEngineers maintains Workers' Compensation and Employer's Liability Insurance as required by state law. We also maintain comprehensive general, auto, professional and environmental impairment liability insurance. We will provide copies of certificates evidencing these policies at the request of the Client.

MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

In no event will either party be liable to the other for any special, indirect, incidental or consequential damages of any nature arising out of or related to the performance of this Agreement, whether founded in negligence, strict liability, warranty or breach of contract. In addition, Client expressly waives any and all claims against GeoEngineers for any liquidated damages liability that may be incurred by or assessed against Client.

DISPUTES

Any dispute, controversy or claim arising out of or related to this Agreement or its breach that is not resolved through negotiation between the parties, must be referred to mediation before pursuing any other dispute remedy. Each party shall bear its own costs and attorneys' fees arising out of the mediation and the costs of the mediation shall be divided equally between the attending parties.

If the matter has not been resolved through the mediation process, either or both parties may elect to pursue resolution through litigation. The parties submit to the jurisdiction of the State of Washington and agree that any legal action or proceeding arising out of or relating to this Agreement must be brought in the Superior Court in King County, Washington.

Client expressly agrees that before Client can bring a claim or cause of action against GeoEngineers as provided above, based on professional negligence or breach of the professional standard of care, Client will obtain the written opinion of a licensed or registered professional practicing in the same licensing jurisdiction as the project in dispute. The professional who prepares the written opinion must be licensed or registered in the discipline or technical specialty that is the basis for the dispute. The written opinion of the licensed or registered professional must indicate that, in the professional opinion of the writer, GeoEngineers violated the prevailing standard of care in delivery of its services. Further, the written opinion must describe the basis for that opinion and a conclusion that the alleged failure to comply with the standard of care was the cause of all or part of the alleged damages. The written opinion must be made available to GeoEngineers for review and comment at least 10 days before the claim or cause of action can be submitted to litigation. The parties agree that this clause was mutually negotiated and is an integral part of the consideration for this Agreement.

CHOICE OF LAW

This Agreement is governed by and subject to interpretation pursuant to the laws of the State of Washington.

BIOLOGICAL POLLUTANTS

Our Scope of Services specifically excludes the investigation, detection, prevention or assessment of the presence of Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, molds, fungi, spores, bacteria, and viruses, and/or any of their byproducts.

Our Instruments of Service will not include any interpretations, recommendations, findings or conclusions pertaining to Biological Pollutants. Accordingly, Client agrees that GeoEngineers will have no liability for any claims alleging a failure to investigate, detect, prevent, assess, or make recommendations for preventing, controlling, or abating Biological Pollutants. Furthermore, Client agrees to defend, indemnify, and hold harmless GeoEngineers from all claims by any third party concerning Biological Pollutants to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

CLAIMS ASSISTANCE FOR CLIENT

If a construction contractor or other party files a claim against Client, relating to services performed by GeoEngineers and Client requires additional information or assistance to evaluate or defend against such claims, we will make our personnel available for consultation with Client's staff and for testimony, if necessary. We will make such essential personnel available upon reasonable notice from Client and Client will reimburse GeoEngineers for such consultation or testimony, including travel costs, at the rates that apply for other services under this Agreement. We will provide services in connection with any such claims pursuant to a written supplement, if necessary, extending this Agreement.

TIME BAR TO LEGAL ACTION

The parties agree that all legal actions by either party against the other concerning our services pursuant to this Agreement or for failure to perform in accordance with the applicable standard of care, however denominated, including but not limited to claims sounding in tort or in contract, and arising out of any alleged loss or any alleged error, will become barred two (2) years from the completion of GeoEngineers' services.

NO THIRD PARTY RIGHTS

Nothing in this Agreement or as a consequence of any of the services provided gives any rights or benefits to anyone other than Client and GeoEngineers. All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of Client and GeoEngineers and not for the benefit of any other party. No third party shall have the right to rely on the product of GeoEngineers' services without GeoEngineers' prior written consent and the third party's agreement to be bound to the same terms and conditions as the Client.

In the event Client provides its report to a third party or requests that GeoEngineers provide the report to a third party (such as a lender, other financial institution, or other person or entity), Client agrees to defend and indemnify GeoEngineers for any claims/damages arising out of the provision of the report and asserted by such third party, including any other parties who may obtain the report from the party granted reliance rights. Notwithstanding the foregoing, Client shall not be required to indemnify GeoEngineers for claims/damages to the extent caused by GeoEngineers' proven negligence.

ASSIGNMENT OF CONTRACT OR CLAIMS

Neither the Client nor GeoEngineers may delegate, assign, sublet, or transfer the duties, interests or responsibilities set forth in this Agreement, or any cause of action or claim relating to the services provided under this Agreement, to other entities without the written consent of the other party.

SURVIVAL

These terms and conditions survive the completion of the services under this Agreement and the termination of this Agreement, whether for cause or for convenience.

SEVERABILITY

If any provision of this Agreement is ever held to be unenforceable, all remaining provisions will continue in full force and effect. Client and GeoEngineers agree that they will attempt in good faith to replace any unenforceable provision with one that is valid and enforceable, and which conforms as closely as possible with the original intent of any unenforceable provision.

EQUAL OPPORTUNITY EMPLOYMENT

GeoEngineers is an Equal Opportunity and Affirmative Action Employer. GeoEngineers shall abide by, and shall require that any subcontractors or vendors hired by GeoEngineers abide by, the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a) which are incorporated as part of this Agreement. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

Schedule of Charges - 2025

COMPENSATION

Our compensation will be determined on the basis of time and expenses in accordance with the following schedule unless a lump sum amount is so indicated in the proposal or services agreement. Current rates are:

PROFESSIONAL STAFF		
Staff 1 Scientist	\$	134/hour
Staff 1 Engineer	\$	142/hour
Staff 2 Scientist	\$	148/hour
Staff 2 Engineer	\$	154/hour
Staff 3 Scientist	\$	164/hour
Staff 3 Engineer	\$	170/hour
Project Scientist 1	\$	171/hour
Project Engineer 1	\$	178/hour
Project Scientist 2	\$	183/hour
Project Engineer 2	\$	190/hour
Senior Scientist 1	\$	194/hour
Senior Engineer 1	\$	205/hour
Senior Scientist 2	\$	205/hour
Senior Engineer 2	\$	225/hour
Associate	\$	248/hour
Principal	\$	280/hour
Senior Principal	\$	290/hour
TECHNICAL SUPPORT STAFF		
Administrator 1	\$	90/hour
Administrator 2	\$	100/hour
Administrator 3	\$	106/hour
CAD Technician	\$	116/hour
CAD Designer	\$	132/hour
Senior CAD Designer	\$	158/hour
GIS Analyst	\$	145/hour
Senior GIS Analyst	\$	155/hour
GIS Coordinator	\$	165/hour
*Technician	\$	92/hour
*Senior Technician	\$	103/hour
*Lead Technician	\$	120/hour
Geotechnical Construction Specialist	\$	155/hour
Environmental Database Manager	\$	171/hour
Health and Safety Specialist	\$	126/hour
Health and Safety Manager	\$	169/hour

*Hours in excess of 8 hours in a day or 40 hours in a week will be charged at one and one-half times the hourly rates listed above.

Contracted professional and technical services will be charged at the applicable hourly rates listed above. Staff time spent providing expert services in disputes, mediation, arbitration and litigation will be billed at one and one-half times the above rates. Time spent in either local or inter-city travel, when travel is in the interest of this contract, will be charged in accordance with the foregoing schedule. A surcharge may be applied to night and weekend work. See proposal for details.

Rates for data storage and web-based access will be provided on a project-specific basis.

Associated Project Costs (APC)

Associated Project Costs (APC) equal to six percent (6%) of professional fees will be assessed. This fee allows GeoEngineers to invest in the necessary infrastructure to ensure we provide our clients with the latest technological and data security standards. The investments include maintaining and advancing technical tools and platforms across all aspects of our business, and strengthening our defenses against cyber threats to ensure data remains secure. These costs are not included in our hourly rates or direct expenses.

EQUIPMENT		
Air Quality Monitoring Package, per day	\$	210.00
Asbestos/Lead Paint Sampling Equipment Package, per day	\$	160.00
Environmental Exploration Equipment Package, per day	\$	230.00
Field Exploration Equipment Package (marking paint, stakes, survey flagging, other misc. supplies)	\$	50.00
Geotechnical Exploration Equipment Package, per day	\$	175.00
Groundwater Monitoring & Sampling Equipment (Bladder Pump) Package, per day	\$	460.00
Groundwater Monitoring & Sampling Equipment (Peristaltic Pump) Package, per day	\$	330.00
Surface Water Quality Monitoring Equipment Package, per day	\$	200.00
Operations and Maintenance Equipment Package, per day	\$	300.00
Wenner Soil Resistivity Equipment (Base Kit)	\$	300.00
Wenner Soil Resistivity Equipment (Extension Kit)	\$	250.00
Rock/Slope Fall Protection / Rigging Equipment Package, per day	\$	700.00
SPECIALIZED EQUIPMENT		
4 Gas Detection Meters, per day	\$	150.00
Backpack Water Pump (Fire Suppression)	\$	35.00
Coring Machine	\$	250.00
Crack Gage	\$	30.00
Field Data Acquisition Equipment - iPad or GPS	\$	75.00
Fire Hose (per 50 ft section/day)	\$	25.00
Flow Meter, per day	\$	150.00
Generator	\$	137.00
Grundfos Sampling Pump	\$	55.00
Hand Auger	\$	30.00
Hand Boring - DCP Probe	\$	150.00
Hand Boring - Wildcat	\$	110.00
Hand Boring - Wildcat (TIPS, each)	\$	28.00
Hydro Multi Meter Probe, per day	\$	80.00
Interface Probe, per day	\$	65.00
Measuring Wheel	\$	10.00
Nuclear Density Gauge, \$80/day, or \$40/half-day	\$	80.00/40.00
Peristaltic Pump	\$	25.00
pH Testing Meter	\$	45.00
Photoionization Detector (PID), per day	\$	130.00
Pressure Transducer with Data Logger, per day	\$	155.00
Roto-Hammer and Bits, per day	\$	50.00
Self-Level Laser, per day	\$	100.00
Slope Indicator, per day	\$	160.00
Tape Measures (300'), per day	\$	10.00
Turbidity Monitoring Meter, per day	\$	50.00
Water Level Indicator, per day	\$	50.00
Vehicle usage, per mile, or \$60/half-day, whichever is greater	\$	0.70
Vehicle - 4-Wheel Drive Truck, per day (1 day min.)	\$	100.00

Specialized and miscellaneous field equipment not listed above will be quoted on a project-specific basis.

OTHER SERVICES, SUPPLIES AND SPECIAL TAXES

Charges for services, equipment, supplies and facilities not furnished in accordance with the above schedule, and any unusual items of expense not customarily incurred in our normal operations, are charged at cost plus 15 percent. This includes shipping charges, subsistence, transportation, printing and reproduction, miscellaneous supplies and rentals, surveying services, drilling equipment, construction equipment, watercraft, aircraft, and special insurance which may be required. Taxes required by local jurisdictions for projects in specific geographic areas will be charged to projects at direct cost.

In-House Disposable Field Supplies

Routinely used field supplies stocked in-house by GeoEngineers, at current rates, list available upon request.

Laboratory Schedule of Charges

TYPE OF TEST		UNIT PRICE*
Moisture Content / Oven (ASTM D2216)	\$	32.00
Sample Preparation		
Extrusion - Extrude and log (visual classification) Shelby tube sample, per hour	\$	70.00
Trimming - Trim a soil sample to 2.41-inch dia. for consolidation testing, per hour	\$	70.00
Remolding - Remold a soil sample to desired moisture and density, per hour	\$	70.00
Moisture/Density		
Rings	\$	37.00
Shelby Tubes, waxed chunk	\$	53.00
Tubes (liners), chunk	\$	53.00
Organic Content (ASTM D2974)**	\$	80.00
Particle Size Analysis		
Sieve (ASTM C136) max size < 3/4-inch (includes -200 Wash, Dry Sieve)	\$	120.00
Sieve (ASTM C136) max size > 3/4-inch (includes -200 Wash, Dry Sieve)	\$	125.00
Percent Passing No. 200 (ASTM C117-87/D1140)	\$	65.00
Combined Sieve and Hydrometer (ASTM D422)	\$	235.00
Hydrometer only (ASTM D422)	\$	130.00
Atterberg Limits (ASTM D4318)	\$	135.00
Nonplastic	\$	95.00
Specific Gravity, Fine Material (ASTM D854)	\$	95.00
Specific Gravity, Coarse Material (ASTM C-127)	\$	80.00
Percent of Fracture (ASTM D5821)	\$	55.00
Sand Equivalent (AASHTO T 176, ASTM D-2419)	\$	85.00
Compaction (ASTM D1557/D698, Methods A, B and C, AASHTO T-180)		
4 points	\$	210.00
Direct Shear (ASTM D3080)		
3 points	\$	470.00
R-Value (ASTM D2844, Idaho T-8)	\$	525.00
Consolidation (ASTM D2435)		
With 2 timed load increments	\$	470.00
Permeability		
Constant or falling head in rigid wall permeameter (ASTM D 2434, D 5856)**	\$	370.00
In triaxial cell with back pressure saturation (ASTM D 5084)**	\$	840.00
One-Dimensional Swell (ASTM D4546)		
Method A**	\$	525.00
Method B**	\$	525.00
Method C**	\$	780.00
CBR (3 point) with Proctor (ASTM D1883)	\$	630.00
Rock Point Load Index Test (ASTM D5731)	\$	47.00
Unconfined compressive strength of rock cores (ASTM D7012)	\$	58.00
High Strength Grout Cubes (ASTM C109)	\$	32.00
Compressive Strength of Drilled Concrete Core (ASTM C 42)	\$	58.00

Other tests charged at negotiated rates

*Unit prices reflect a typical standard turnaround time of 5 to 7 business days for most analyses (with the exception of consolidation tests). Expedited test results are subject to 50% to 100% surcharge and are subject to lab availability to meet the expedited schedule.

*Increase unit prices by 20 percent – 50 percent for contaminated samples.

** Conducted in our Redmond Laboratory, additional shipping charges may apply.

All rates are subject to change upon notification.



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Chelan Valley Housing Trust Memorandum of Understanding for the Connecting Housing to Infrastructure Program (CHIP) Grant

Department: Community Development

Staff Contact: Chad Coltman

Guiding Principles: Accessible & Welcoming

Initiatives: Diversify Housing Options

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

This represents a renewed effort toward the CHIP grant. A previous application was submitted in 2023; for more details, refer to agenda bills 2023-048 through 2023-048C. This grant was discussed during the July 22, 2025 regular Council meeting, and August 6 workshop with no agenda bill.

OVERVIEW

This Memorandum of Understanding (MOU) between the City of Chelan and Chelan Valley Housing Trust (CVHT) outlines their general agreement and intentions regarding infrastructure for the Chelan River Heights (CRH) development. CVHT plans to build approximately 60 mixed-income homes for local wage earners at 38 Anderson Road, which will require water, sewer, stormwater, and other infrastructure. The City has an interest in providing attainable housing for its residents.

The core of the MOU is a joint application for the Washington State Department of

Commerce's 2025-2027 Connecting Housing to Infrastructure Program (CHIP) Grant, seeking roughly \$2 million to cover infrastructure costs for the CRH Project. If the grant is awarded, both parties commit to abiding by all its restrictions. Key obligations include commencing construction of affordable housing units within 24 months of the grant award (subject to approvals and financing) , and ensuring that at least 25% of the units serve households at 80% to 120% Area Median Income (AMI) for a minimum of twenty-five (25) years. The focus of the project would be the sewer and water improvements on Anderson road to support the development.

The MOU also addresses practical aspects such as the City's access to CVHT's reports for grant compliance , and establishes a three-year non-disclosure obligation for confidential information shared between the parties, with specific exceptions for legal requirements or disclosures to advisors. It explicitly states that the City is subject to the Public Records Act, meaning documents containing confidential information may require disclosure unless exempt. The MOU can be terminated by either party if good faith efforts or negotiations are not progressing satisfactorily, and it clarifies that no third-party beneficiaries are created.

In addition, the City has set aside \$200,000 in the Sewer Capital Fund to contribute as needed with project design and engineering costs for the Anderson Road sewer line improvements.

FINANCIAL IMPLICATIONS

Funds are adequately budgeted.

ATTACHMENTS

1. Chelan Valley Housing Trust Memorandum of Understanding for the Connecting Housing to Infrastructure Program (CHIP) Grant

SUGGESTED MOTION

Suggested Motion: I move to authorize the Mayor to finalize and execute the Chelan Valley Housing Trust Memorandum of Understanding for the Connecting Housing to Infrastructure Program (CHIP) Grant.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) will serve to document the general agreements and intentions between Chelan Valley Housing Trust (“CVHT”) and the City of Chelan (“City”) regarding the completion of water, sewer, stormwater, and infrastructure along Anderson Road and onsite the Chelan River Heights proposed development in Chelan, Washington and funding available for reimbursement of these costs through the Washington State Department of Commerce 2025-2027 Connecting Housing to Infrastructure Program (“CHIP”) Grant.

RECITALS

- A. CVHT owns real property located alongside 38 Anderson Road in Chelan County, Washington, commonly known as Chelan River Heights.
- B. CVHT intends to develop Chelan River Heights with approximately 60 residential mixed-income homes designed to be attainable for local wage earners (the “CRH Project”).
- C. As part of the development plan, the CRH Project will require completion of water, sewer, stormwater, and other infrastructure to support these new homes.
- D. The City has an interest in providing attainable, mixed-income homes for local wage earners.
- E. The Washington State Department of Commerce offers grant funding known as the “Connecting Housing to Infrastructure Program (“CHIP”) to support development of affordable housing by paying for water, sewer, and stormwater utility improvements and/or waived system development charges for new affordable housing units, and allows cities, counties, or utility districts to apply in partnership with housing developers.
- F. To this end, the Parties intend to apply for the 2025-2027 CHIP Grant for an amount of roughly \$2M for use in paying costs of infrastructure required for the CRH Project (the “Grant”) and, if and when received, to abide by all restrictions and stipulations required by said Grant.
- G. The Parties desire to set out their mutual understanding of their respective obligations and with respect to applying for and obtaining the Grant.

STATEMENTS OF INTENT

1. Incorporation of Terminology and Recitals. The Recitals are incorporated into these Statements of Intent as part of the MOU.
2. Good Faith Efforts to Obtain Grant. Upon execution of this MOU, the Parties shall proceed in good faith to apply for and pursue approval and receipt of the Grant. Upon and subject to approval of the Grant, the Parties shall abide by all obligations and restrictions required by said Grant and the CHIP program, including, but not limited to: (i) subject to receipt of all required approvals and permits and financing for costs of development and construction of the DRH Project, commencing construction of affordable housing units in the CRH Project within 24 months of the date of the Grant award; and, (ii)

ensuring that at least 25% of the total units built in the CRH Project will serve that section of the local population that is at, or below, the 80% to 120% Area Median Income (“AMI”) threshold for a period of no fewer than twenty-five (25) years.

3. Access to Information. In order to qualify and remain compliant with the 2025-2027 CHIP Grant, the City seeks unmitigated access to the following information from CVHT:

3.1. Copies of all reports relating to bond, grant (non-continuing) and levy projects of CVHT, including, but not limited to: progress statements, expenditures of funds, periodic, and annual, special, and final reports.

3.2. *Obligation of Nondisclosure*. For a period of three (3) years from the Effective Date, neither Party (each a “Receiving Party”) shall use for any purpose other than completing their respective obligations under this MOU, or divulge, disclose, produce, publish, or permit access to, Confidential Information provided to Receiving Party by the other Party (the “Disclosing Party”) without the prior written consent of the Disclosing Party .

3.3. *Definition and Scope of Confidential Information*.

3.3.1. As used in this Agreement, the term “Confidential Information” includes, without limitation, this MOU and all information or materials prepared in connection with the work performed under this MOU or any related subsequent agreement, designs, drawings, specifications, techniques, models, data, documentation, diagrams, flow charts, research, development, processes, procedures, know-how, manufacturing, development or marketing techniques and materials, development or marketing timetables, strategies and development plans, customer, supplier, or personnel names and other information related to customers, suppliers, or personnel, pricing policies and financial information, water or utility requirements or rates, and other information of a similar nature, whether or not reduced to writing or other tangible form, and any other trade secrets.

3.3.2. Confidential Information does not include: (i) information known to the Receiving Party prior to obtaining the same from the Disclosing Party; (ii) information in the public domain at the time of disclosure by the Receiving Party; or (iii) information obtained by the Receiving Party from a third party who did not receive same, directly or indirectly, from the Disclosing Party. The Receiving Party shall use the higher of the standard of care that the Receiving Party uses to preserve its own confidential information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information.

3.3.3. Exceptions. The Receiving Party has the right to disclose Confidential Information without the prior written consent of the Disclosing Party in the following instances: (i) as required by any court or other Governmental Authority; (ii) as otherwise required by

law; (iii) as advisable or required in connection with any government or regulatory filings, including, without limitation, filings with any regulating authorities covering the relevant financial markets; (iv) to its attorneys, accountants, financial advisors or other agents, in each case bound by confidentiality obligations; (v) to banks, investors, and other financing sources and their advisors, in each case bound by confidentiality obligations; or (vi) in connection with an actual or prospective merger or acquisition or similar transaction where the party receiving the Confidential Information is bound by the same or similar confidentiality obligations. If a Receiving Party believes that it will be compelled by a court or other Governmental Authority to disclose Confidential Information of the Disclosing Party, it shall give Disclosing Party prompt written notice so that Disclosing Party may determine whether to take steps to oppose such disclosure.

- 3.4. Recognized Application of the Public Records Act. It is expressly understood that the City, a municipal corporation, is subject to the provisions of the Public Records Act, RCW 42.56, *et. seq.*, and any document containing Confidential Information is a “record” requiring disclosure under the Public Records Act, unless specifically exempted from disclosure.
4. Termination. The MOU intends for the Parties to coordinate their efforts or otherwise negotiate successful completion of the 2025-2027 CHIP Grant requirements and receipt of the Grant. If a Party believes these efforts or negotiations are not proceeding to their respective satisfaction, that Party will provide written notice of the termination of the good faith efforts or negotiations, whereupon this MOU shall terminate and neither Party shall have any further rights or obligations hereunder.
5. No Third-Party Beneficiaries. This MOU is not intended to create any third-party beneficiaries or implied obligations for the Parties and may not serve as the basis for reliance by any third party that benefits deriving from any award of the 2025-2027 CHIP Grant that may occur.
6. Miscellaneous.
 - 6.1. Entire Statement. This MOU constitutes the sole memorandum of understanding of the Parties with respect to its subject matter and supersedes any prior written or oral agreements or communications between the Parties. It may not be modified except in a writing signed by the Parties.
 - 6.2. Good Faith. All Provisions of this MOU requiring action by either Party requires such action to be in good faith.
 - 6.3. No Assignment. Neither Party may assign this MOU without the other Party’s prior written consent, which must not be unreasonably withheld. A Party’s entry into contracts with subcontractors is not considered an assignment.

- 6.4. Waiver. If either party fails to require the other to perform any term of this MOU, that failure does not prevent the party from later enforcing that term. If either Party waives the other's breach of a term, that waiver is not treated as waiving a later breach of the term.
- 6.5. Severability. If any part of this MOU is for any reason held to be invalid or unenforceable, the rest of it remains fully enforceable.
- 6.6. Execution by Counterpart. This MOU may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which constitute one and the same instrument. An electronic copy or facsimile transmission of a signed copy of this MOU shall be deemed an original and has the same valid and binding effect.
- 6.7. Effective Date. This MOU shall be effective upon execution by both Parties.

CITY OF CHELAN

CHELAN VALLEY HOUSING TRUST

Erin McCardle, Mayor

Scott Meyers, CVHT Executive Director

Date: _____, 2025

Date: _____, 2025



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Cascade Central Construction, LLC Bid Award and Contractor Agreement for the Lakeside Park Renovation Project

Department: Parks and Recreation

Staff Contact: Paul Horne

Guiding Principles: Visionary & Strategic

Initiatives: Establish a Long-Range Economic Strategy

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 39.10.360 General contractor/construction manager procedure – contract award process. “(2) Contracts for the services of a general contractor/construction manager under this section shall be awarded through a competitive process requiring the public solicitation of proposals for general contractor/construction manager services.”

RCW 35A.11.010 Rights, powers, and privileges. “Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with...”.

PREVIOUS ACTION TAKEN

On June 10, 2025 Staff provided a report that all bids came in significantly over budget and the project would need to be rebid.

OVERVIEW

Background

The Lakeside Park Renovation Project was originally advertised and bid in April 2025. The scope included restroom and playground renovations, new ADA-compliant walkways, beach improvements, and other park enhancements. Bids were opened on May 14, 2025 but both bids received highly exceeded the project's

available budget. A notice was sent to all bidders on June 6, 2025 that all bids were rejected and the project would be rebid.

The Parks Department worked with Berger Associates to revise the project plans and reduce the overall scope and cost. Cost-reduction efforts in the revised bid included reducing finishes within the restroom building, square footage of beach enhancement, square footage of concrete pathways, and some site furnishings.

Discussion

The updated project was publicly advertised on July 1 in the *Wenatchee World* and July 2 in the *Lake Chelan Mirror*. Project documents, including plans, specifications, and addendums, were available to download online through QuestCDN.

A pre-bid meeting was held at Lakeside Park on July 16th. One bid was received and opened at City Hall on July 30th at 11:00 AM by Parks Department staff:

Cascade Central (Received July 30, 10:50 AM):

- Base Bid: \$1,279,299.21
- Add Alternate No. 1 (East Pathway): \$18,600.00 (staff recommends rejecting)
- Add Alternate No. 2 (Step Lighting at Restroom): \$1,800.00 (staff recommends including)

Staff is not recommending inclusion of Ad Alternate 1 based on the ratio of cost to value-add. Staff is recommending the inclusion of Add Alternate #2, step lighting on the exterior of the restroom building. The step lighting will enhance the safety of park users around the restroom building. The reduction in scope for the restroom renovation and site improvements and the rebidding process reduced the cost of the base bid by \$234k. Should Council choose to include Add Alternate 1 the spreadsheet below could be adjusted accordingly.

Budget

Below is a summary of the total bid amount in relation to the 2025 budget. A ~3.7% contingency on the budgeted project cost has been added, which totals ~\$56,894. This contingency is not within the Contractor Agreement and will only be spent if needed.

Item	Amount
Primary Base Bid + Add Alt #2	\$ 1,281,255.81
~3.7% Contingency (of \$1.5M)	\$ 56,894.11
Total	\$ 1,337,993.32
2025 Budgeted	\$ 1,533,412.00
YTD 2025 Expenses	\$ 135,456.44
2025 Remaining	\$ 1,397,955.56

Through the re-bid process and reduction in scope of the bathroom renovation and site improvements we have reduced the project cost significantly from the original bid. Any further reductions in project scope to decrease the costs could lead to noncompliance of the RCO grant requirements. Parks staff have worked intensively with Berger Partnership this summer to appropriately identify areas of cost reduction within the project and rebid it without losing the project outcomes as outlined in the grant.

FINANCIAL IMPLICATIONS

Adequate funding is available

ATTACHMENTS

1. Cascade Central Construction, LLC Bid
2. Berger Partnership Letter of Recommendation

SUGGESTED MOTION

Suggested Motion: I move to award the base bid and add alternate no. 2 for the Lakeside Park Renovation Project to Cascade Central Construction, LLC and authorize the Mayor to finalize and execute the Contractor Agreement with Cascade Central Construction, LLC.

Cascade Central Const.
1285 S. Wenatchee Ave
Wenatchee, WA 98801

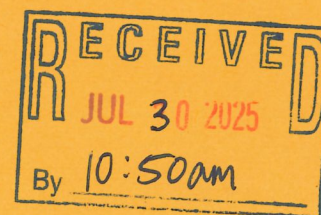
City of Chelan
135 East Johnson Ave
Chelan, WA 98816

Scaled Bid for:

LAKE SIDE PARK

BID DATE / TIME

July 30th 2025
11 AM PST



INFORMATION TO BIDDERS

BIDDING CHECKLIST

Bidders must bid on all items contained in the Proposal. The omission or deletion of any bid item will be considered non-responsive and shall be cause for rejection of the bid.

Please make sure you have accomplished the following:

- ☐ Has bid bond or certified check been enclosed with your bid?
- ☐ Is the amount of the bid guaranty at least 5 percent of the total amount of the bid?
- ☐ Has the Proposal been properly filled out and signed?
- ☐ Have you bid on ALL ITEMS and ALL SCHEDULES?
- ☐ Have you acknowledged receipt of addenda on the Proposal?
- ☐ Have you signed and included the Non-Collusion Declaration?
- ☐ Have you filled out the Qualifications form(s)?
- ☐ Have you signed and included the Certification of Compliance with Wage Payment Statutes?
- ☐ Have you clearly provided the project name on the outside of your sealed envelope?

INFORMATION TO BIDDERS

RECEIPT AND OPENING OF BIDS

The City of Chelan (herein after called the Owner) invites bids on the forms attached hereto. Bids will be received by the Owner at the location and until the time indicated in the advertisement for bids. The envelopes containing the bids must be sealed and shall be clearly marked as follows:

ATTENTION: City Clerk
SEALED BID – DO NOT OPEN
City of Chelan – Lakeside Park

PREPARATION OF THE PROPOSAL

Refer to the General Conditions, for requirements in completing the proposal. **Make sure your bid proposal is complete.**

ADDENDA AND INTERPRETATIONS

Address questions to:

Jason Henry, Berger Partnership
Phone: 206-325-6877
Email: jasonh@bergerpartnership.com cc: Stephanie Smith stephanies@bergerpartnership.com
1927 Post Alley Ste 2
Seattle, WA 98101

Provide requests for interpretations by email or hard copy. Such requests received by BERGER PARTNERSHIP later than 3 working days prior to the bid opening date may not receive a response. For email inquiries, follow-up by the bidder is recommended. BERGER PARTNERSHIP takes no responsibility for emails that are not received for any reason. Interpretations and supplemental instructions will be in the form of written addenda which, if issued, will be posted only on QuestCDN.com. Failure of any bidder to receive any addendum will not relieve the bidder from any obligation of the contract. All addenda issued shall become part of the contract documents. No oral statements by Owner, BERGER PARTNERSHIP, or other representative of Owner shall, in any way, modify the contract documents or be binding on the Owner.

PERMITS AND LICENSES

The Contractor and each of his subcontractors will be required to obtain a City of Chelan Business License prior to starting work on the project.

The Contractor will be required to obtain any permits and licenses required by laws of the state and federal government necessary to perform the work under this contract, unless specifically identified otherwise in the contract documents. All costs related to the acquisition of permits and licenses shall be paid by the Contractor and shall be incidental to the bid items of this contract.

EQUAL EMPLOYMENT OPPORTUNITY

Owner is an Equal Opportunity and Affirmative Action Employer. Owner will comply with all federal and state Equal Employment Opportunity regulations where relevant or applicable, to the end that no person shall on the grounds of race, color, creed, age, sex, or marital status, sensory, mental or physical handicap or national

origin, be excluded from participation in; be deprived of the benefits of; or be otherwise subjected to discrimination.

AWARD OF CONTRACT

Award of the contract is contingent on the qualifications and experience of the bidder. See the *Bidder's Qualification* forms. The right is reserved by Owner to waive any informalities in the bidding, to reject any or all proposals, to accept any proposal, to re-advertise for new proposals, or to otherwise carry out the work.

All information required of the bidder in this contract and included in the Bid Forms section must be provided with the submitted bid at the time of bid opening. Failure to provide the information requested in the qualifications compliant with the specifications may be cause for rejection of the entire bid. Should the Owner notify the bidder that they are considered non-responsive due to this requirement, the bidder will have 3 working days after such notification to provide supplemental information for review showing compliance. Any such supplemental information will not be cause for modifying any portion of the contract, the price, or schedule. If the Owner's subsequent determination is non-compliance, the bidder will have 2 working days to appeal, after which the Owner may award to the next responsive bidder regardless of the content of the appeal.

MATERIALS PROVIDED BY THE OWNER

The Owner will provide the playground equipment and signage kiosk. See Technical specifications 12 93 00 Site Furnishings and 11 68 13 Play Structures for additional information.

BID FORMS

City of Chelan

NON-COLLUSION DECLARATION

State of Washington)
) ss.
County of Chelan)

The undersigned, being duly sworn, deposes and says that the person, firm, association, co-partnership or corporation herein named, has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation and submission of a proposal to City of Chelan for consideration in the award of a contract on the improvement described as follows:

Lakeside Park

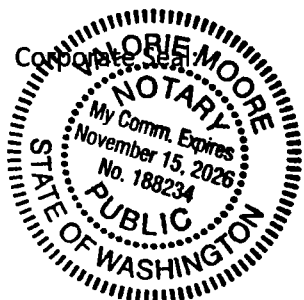
Cascade Central Construction, LLC
(Name of Firm)

By: [Signature]
(Authorized Signature) Adam Brizendine

Title: Member

Sworn to before me this 30 day of July, 2025.

[Signature]
Notary Public



BIDDER'S QUALIFICATION CERTIFICATE

The undersigned hereby certifies and submits the following qualifications (attach additional pages if desired):

1. Name and Address

Cascade Central Construction, LLC

1285 South Wenatchee Ave

Wenatchee, WA 98801

2. State of Washington Registration Number and expiration CASCACC834L2

3. Number of years in contracting business under present firm name 10 years

4. Particular types of construction work performed by your company:

COMMERCIAL, TENETENT IMPROVEMENTS, PUBLIC WORKS, MULTI-FAMILY

MEDICAL, EDUCATION

5. Contractor must show experience as prime contractor for at least two (2) similar projects within the last 5 years. Projects listed must have similar and relevant physical components to those of this project. The Owner has absolute final determination if the Contractor's experience is relevant or similar. List experience below or attach separate sheets.

	Project Name	Year Installed	Owner	Owner Contact Name	Contact Phone Number
1.	Front Street Park Restroom Expansion	2024 - 2025	City of Leavenworth	Andi Zontech -Backstrum	(509) 548-5275 ext: 134
2.	CDHD Restroom Remodel	2024	Chelan Douglas Health District	Erick Alvarez (The DOH Associates)	(509) 662-4781

6. Gross amount of contracts now in hand:

35 Million

7. Bank reference(s):

US Bank - Phil Davis (614) 506-0215

By (Authorized Signature):



Adam Brizendine

Title Member

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, Cascade Central Construction, LLC as Principal, and Travelers Casualty and Surety Company of America as Surety, are hereby held and firmly bound unto City of Chelan as OWNER in the penal sum of Five Percent (5%) of Total Amount Bid dollars for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed, this 16th day of July, 2025.

The conditions of the above obligation is such that whereas the Principal has submitted to City of Chelan a certain BID, attached hereto and hereby made a part hereof to enter into a contract in writing, for the

Lakeside Park

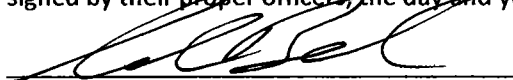
NOW THEREFORE,

If said BID shall be rejected, or

If said BID shall be accepted and the principal shall execute and deliver a contract in the Form of Contract attached hereto (properly completed in accordance with said BID) and shall furnish a BOND for his faithful performance of said contract, and for the payment of all persons performing work or furnishing materials in connection therewith, and shall in all other respects perform the agreement created by the acceptance of said BID, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its BOND shall be in no way impaired or affected by any extensions of the time within which the OWNER may accept such BID; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.



Principal

Travelers Casualty and Surety Company of America

Surety

BY: 

Theresa A. Lamb, Attorney-in-Fact

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of Washington

TRAVELERS

**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and the Companies do hereby make, constitute and appoint **Heather L Allen, Dana Brown, Natalie C Chau, Emma C Doleshel, Jim W Doyle, Chad M Epple, Adam Howard, Grant Ingalls, Jim S Kuich, Theresa A Lamb, Maxwell Martin, Michael A Murphy, Andy D Prill, S M Scott, Steve Wagner, of Bothell, WA,,** their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **16th** day of **February, 2024**.



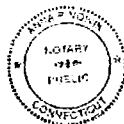
State of Connecticut


City of Hartford ss.

On this the **16th** day of **February, 2024**, before me personally appeared **Bryce Grissom**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2026**



By: 
Bryce Grissom, Senior Vice President


Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is


FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **16th** day of **July**, **2025**




Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**

PROPOSAL

Contractor: Cascade Central Construction, LLC

City: Wenatchee, Washington

Date: July 30th, 2025

The City Council

City of Chelan
135 E. Johnson Ave.
Chelan, WA 98816

Pursuant to and in compliance with your invitation for bids and all other documents relating thereto, the undersigned bidder, having familiarized themselves with the terms of the contract, the local conditions affecting the performance of the contract, the cost of the work at the place where the work is to be done, proposes and agrees to perform, within the time stipulated, the contract, if this project is accepted, including all its component parts and everything required to be performed, and to provide and furnish any and all labor, materials, tools, expendable equipment, an all utility and transportation services necessary to perform the contract, complete, in a workmanlike manner, of all the work covered by the contract in connection with the project, designated as Lakeside Park all as required by and in strict conformance with the Specifications and Contract Plans for the following unit prices.

Note: Unit prices of all items, all extensions, and total amount of bid must be shown.

Acknowledgement of Receipt of Addenda:

No. <u>01</u>	Date <u>July 3rd 2025</u>	Initials <u>CB</u>
No. <u>02</u>	Date <u>July 25th 2025</u>	Initials <u>CB</u>
No. _____	Date _____	Initials _____
No. _____	Date _____	Initials _____
No. _____	Date _____	Initials _____
No. _____	Date _____	Initials _____

BATHROOM RENOVATION - SCHEDULE OF PRICES

Item	Description	Units	Quantity	Unit Price	Total Price
1	02 - Bathroom Demolition	LS	1	= \$ 65,000.00	= \$ 65,000.00
2	03 - Concrete	LS	1	= \$ 45,000.00	= \$ 45,000.00
3	05 - Metals	LS	1	= \$ 22,000.00	= \$ 22,000.00
4	06 - Wood	LS	1	= \$ 38,000.00	= \$ 38,000.00
5	08 - Openings	LS	1	= \$ 47,000.00	= \$ 47,000.00
6	09 - Finishes	LS	1	= \$ 43,000.00	= \$ 43,000.00
8	10 - Specialties Toilet Partitions and Signage	LS	1	= \$ 58,000.00	= \$ 58,000.00
9	11 - Equipment	LS	1	= \$ 100.00	= \$ 100.00
16	22 - Plumbing	LS	1	= \$ 194,000.00	= \$ 194,000.00
17	26 - Electrical	LS	1	= \$ 36,000.00	= \$ 36,000.00
SUBTOTAL (Items 1-12)					\$ 548,100.00
Sales Tax @ 8.7% See General Conditions Section 59 for more information.					\$ 47,684.70
TOTAL RESTROOM RENOVATION BID					\$ 595,784.70

LANDSCAPE IMPROVEMENTS - SCHEDULE OF PRICES

Item	Description	Units	Quantity	Unit Price	Total Price
1	Mobilization, Demobilization, Site Preparation, Tree-Protection, and Clean-up Pay item may be no more than 10% of total bid	LS	1	= \$ 117,300.00	= \$ 117,300.00
2	Selective Demolition of Existing Pavement	LS	1	= \$ 49,418.00	= \$ 49,418.00
3	Site Grading	SF	36,000	= \$ 3.78	= \$ 136,080.00
4	Concrete Pathways	SF	5,050	= \$ 20.86	= \$ 105,343.00
5	Playground and Equipment Installation	LS	1	= \$ 17,800.00	= \$ 17,800.00
6	Concrete Seat Walls	QTY	2	= \$ 6,550.00	= \$ 13,100.00
7	Boulder Placement	QTY	100	= \$ 118.00	= \$ 11,800.00
8	Crushed Rock at Play Area	SF	610	= \$ 3.00	= \$ 1,830.00
9	Picnic Tables at Play Area	QTY	2	= \$ 4,250.00	= \$ 8,500.00
10	Beach Sand	CF	4,770	= \$ 6.61	= \$ 31,529.70
11	Mitigation Planting	SF	3,280	= \$ 5.24	= \$ 17,187.20
12	Site Planting (non-mitigation shrub and tree planting)	SF	1,100	= \$ 15.00	= \$ 16,500.00
13	Site Planting (seeding areas)	SF	13,000	= \$.23	= \$ 2,990.00

Item	Description	Units	Quantity	Unit Price	Total Price
14	Mulch	SF	17,380	2.21	38,409.80
15	Imported Topsoil (Avg 6" depth – ref soil amendment detail)	CF	8,590	4.95	42,520.50
16	Irrigation System Repairs	LS	1	= \$ 18,500.00	= \$ 18,500.00
SUBTOTAL (Items 1-16)					\$ 628,808.20
Sales Tax @ 8.7% See General Conditions Section 59 for more information.					\$ 54,706.31
TOTAL LANDSCAPE IMPROVEMENTS BID					\$ 683,514.51

BASE BID

Item	Description	Total Price
1	Landscape Improvements	= \$ 683,514.51
2	Restroom Renovation	= \$ 595,784.70
SUBTOTAL (Items 1-2)		\$ 1,279,299.21
TOTAL BASE AMOUNT BID		\$ 1,279,299.21

ADDITIVE ALTERNATES

Item	Description	Unit Price	Total Price
1	East Pathway	LS 18,600.00	= \$ 18,600.00
2	Step Lighting at Restroom	LS 1,800.00	= \$ 1,800.00
SUBTOTAL (Items 1-2)			\$ 20,400.00
Sales Tax @ 8.7% See General Conditions Section 59 for more information.			\$ 1,774.80
TOTAL ADD-ALTERNATE AMOUNT BID			\$ 22,174.80

SUB CONTRACTOR LISTING (AS REQUIRED PER RCW 39.30.060)

ELECTRICAL: BECKSTEAD ELECTRIC / WENATCHEE, WA

PLUMBING: PLUMBCO INC. / WENATCHEE, WA

HVAC: CASCADE CENTRAL CONSTRUCTION, LLC / WENATCHEE, WA

PROPOSAL SIGNATURE FORM

The successful bidder shall execute and furnish the attached (no substitution allowed) performance bond within ten (10) calendar days after the date of award of contract unless a written extension is granted by the City of Chelan (Owner).

The Contractor agrees to perform the work required for Substantial Completion by April 15th, 2026 and complete all contract work (Physical Completion) including corrections, finish, cleanup, and administration by April 30, 2026. Failure to meet the contract dates may result in liquidated damages in the amount of **\$500** for each working day beyond the Substantial Completion date.

The proposal, together with the Agreement, Contract Documents, Technical Specifications, Addenda, and Plans, when endorsed by the Owner shall become a contract binding on both parties thereto, whereby the Contractor agrees to perform the complete contract work, as specified, and the Owner agrees to make payment to the Contractor, as specified, for said completed and accepted work.

Dated this 30th day of July, 2025.

Contractor Cascade Central Construction, LLC

Address 1285 South Wenatchee Ave

Wenatchee, WA 98801

Telephone (509) 662-7110 License No. CASCACC834L2

By (signature): 

Printed Name and Title: Adam Brizendine / Member

Attest: (If Corporation) _____

Witness: (If Individual or Partnership) _____

State Contractor's License No. CASCACC834L2

State Industrial Insurance No.: 348,394-03

Employment Security Department No.: 000-713345-00-3

UBI No.: 604-120-639 DUNS No.: 09-414-3558

State Excise Tax Registration No.: A00450226

City of Chelan Business License No.: 604120639

CERTIFICATION OF COMPLIANCE WITH WAGE PAYMENT STATUTES

The bidder hereby certifies that, within the three-year period immediately preceding the bid solicitation date, 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. The bidder also certifies that per RCW 39.04.350(f) they have either (1) received L&I approved public works and prevailing wage training, or (2) have completed three or more public works projects and have a valid business license in Washington for three or more years.

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

Cascade Central Construction, LLC

Bidder's Business Name



Signature of Authorized Official*

Adam Brizendine

Printed Name

Member

Title

July 30th 2025

Date

Wenatchee

City

WA

State

Check One: Sole Proprietorship ☐ Partnership ☐ Joint Venture ☐ Corporation ☒
LLC

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

Washington State

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.*

8.5.25



To: City of Chelan Council Members

Subject: Letter of Recommendation for Cascade Central Construction at Lakeside Park

Dear City Council Members,

We are pleased to submit this letter of recommendation on behalf of Cascade Central Construction in support of their proposal for Lakeside Park renovations. After thorough review and consideration, we strongly endorse their bid based on their qualifications, experience, and commitment to excellence in public service and infrastructure development.

Cascade Central Construction has demonstrated exceptional competence in public work projects and has a proven track record of successful project execution. Their past work in City of Leavenworth at the Front Street Park Restroom Expansion, as well as the Chelan Department of Health District Restroom Remodel, showcases their ability to meet project deadlines, maintain budget constraints, and exceed expectations in quality and efficiency. Their approach aligns with City of Chelan's development goals.

We recommend Cascade Central Construction for your approval and respectfully urge the City Council to consider their proposal favorably. Should you require further details or supporting documentation, we are happy to provide additional information.

Thank you for your time and consideration.

Sincerely,

Berger Partnership PS

A handwritten signature in black ink, appearing to read "Jason Henry".

Jason Henry
Principal, PLA, ASLA

A handwritten signature in black ink, appearing to read "Stephanie Smith".

Stephanie Smith
Project Manager, PLA



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Buckley Agreement for Lakeside Park Mitigation
Supplemental Environmental Project

Department: Parks and Recreation

Staff Contact: Paul Horne

Guiding Principles: Healthy & Sustainable

Initiatives: Strengthen Strategic Partnerships

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

None.

OVERVIEW

Background

William Buckley approached the City with a proposal to provide funding for a mitigation project which would allow him to fulfill an obligation to the Department of Ecology while at the same time contributing to a project that the City is already planning at Lakeside Park.

Discussion

Parks staff worked with the Buckleys', the Department of Ecology, Berger Partnership, and the City's legal counsel to develop a formal agreement supporting a mutually beneficial mitigation project at Lakeside Park. The agreement outlines the Buckleys' \$5,600 contribution toward shoreline planting work that is already included in the City's planned park renovation. This contribution fulfills the Buckleys' mitigation obligations to the Department of Ecology, while

simultaneously advancing environmental goals for the Lakeside Park shoreline.

The agreement ensures that the funds will support native planting and associated monitoring activities as part of a broader mitigation effort already permitted and designed for the site. The scope includes the installation of 1,500 square feet of native plantings within the shoreline buffer, with performance standards and reporting requirements established in accordance with Department of Ecology expectations.

FINANCIAL IMPLICATIONS

The \$5,600 contribution will go towards mitigation plantings and monitoring as part of the Lakeside Park Capital Improvements.

ATTACHMENTS

1. Buckley Agreement for Lakeside Park Mitigation Supplemental Environmental Project

SUGGESTED MOTION

Suggested Motion: I move to authorize the Mayor to finalize and execute the Buckley Agreement for Lakeside Park Mitigation Supplemental Environmental Project.

Agreement for Lakeside Park Mitigation Supplemental Environmental Project

This Agreement (“Agreement”) is made and entered into as of May 28, 2025, by and between the City of Chelan, a municipal corporation of the State of Washington (“City”), and William and Tamara O’Connor, a married couple residing at 3780 US Hwy 97A, Chelan, WA 98816 (“Buckleys”).

Recitals

- A. The Buckleys desire to make a monetary contribution to support a mitigation project to satisfy certain mitigation obligations required by the Washington State Department of Ecology (DOE).
- B. The City is undertaking a renovation project at Lakeside Park that includes shoreline mitigation plantings required by the Army Corps of Engineers.
- C. The Buckleys and the City agree that the Buckleys’ contribution can be used to supplement the City’s existing mitigation project at Lakeside Park, with the approval of DOE and the Army Corps of Engineers.
- D. The DOE has approved the use of the Buckleys’ contribution to satisfy their mitigation obligations through the City’s Lakeside Park mitigation project.
- E. The City has the discretion to accept or decline any proposed donation, whether conditioned or not, per City of Chelan Municipal Code 3.85.030(A).

Agreement

- 1. **Project Title:** City of Chelan Lakeside Park Mitigation Supplemental Environmental Project.
- 2. **Project Location:** Lakeside Park, 2230 Terrace Ave., Chelan, WA 98816, Parcel Number: 272215633060. Legal Description:

JOHNSONS FIRST BLOCK 10 LOT 1-8 & BLK 11 LOTS 1-15 & BLK 7, LOT B BLA
2011-003CH, 12.82 ACRES.
- 3. **Buckleys’ Contribution:** The Buckleys shall contribute a total of \$5,600 to the City for the Project, as a donation, as defined in Chelan Municipal Code 3.85.010. This donation shall consist of:
 - a) \$3,500 for the installation of 1,500 square feet of native plantings.
 - b) \$2,100 for plant survivability and monitoring by City of Chelan staff.
- 4. **Mitigation Description:**
 - a) The mitigation consists of the installation of 1,500 square feet of native plantings within the Lake Chelan shoreline buffer at Lakeside Park. This is a subset of a larger mitigation planting of 3,280 sq ft.

- b) The plantings shall be in accordance with the Lakeside Park Mitigation Planting Performance and Monitoring Plan, attached hereto as Exhibit A.
- c) Planting will be within 50' of the Ordinary High Water Mark of Lake Chelan as defined in the City of Chelan Shoreline Master Program.
- d) Specific species, quantities, and square footage per plant are detailed in the following table:

Species	QTY	SF per plant	Total SF
Trees, <i>Pinus Ponderosa</i>	1	78	78
Trees, <i>Amelanchier Alnifolia</i>	5	78	390
Trees, <i>Betula Occidentalis</i>	1	78	78
Shrubs, <i>Ribes Aureum</i>	57	7	399
Shrubs, <i>Cornus Sericea</i>	28	7	196
Shrubs, <i>Rosa Woodsii</i>	52	7	364
TOTAL			1,505

5. Planting Requirements:

- a) The mitigation plantings shall meet the performance criteria of 90% survivability in Year 1 and 80% survivability in Year 3. This supersedes any stricter standards in sheet L6.2 of Exhibit A.
- b) The City will ensure that the plantings are completed in accordance with the Planting, Performance, and Monitoring Plan (Exhibit A).

6. Reporting:

- a) Within 30 days of the DOE's approval of this Agreement, the Buckleys shall provide proof to DOE that the contribution amount has been paid to the City.
- b) Within 30 days of the completion of the native plantings, the Buckleys shall provide proof to the DOE that the plantings have been completed. The City shall notify the Buckleys upon completion of the plantings.

7. Monitoring and Maintenance:

- a) The City shall be responsible for monitoring the plantings for survivability per the Plant Performance and Monitoring Plan (Exhibit A).
- b) The City will maintain the plantings.

8. **Contingencies:** The Planting, Performance, and Monitoring Plan includes contingencies for issues such as plant failure, which may include replanting and soil amendments.
9. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, understandings, and agreements, whether oral or written, relating to the subject matter hereof.
10. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
11. **Notices:** Any notice required or permitted under this Agreement shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, to the parties at their respective addresses set forth above.

Signatures

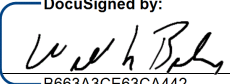
CITY:

BUCKLEYS:

CITY OF CHELAN
PO Box 1669
Chelan, WA 98816

WILLIAM BUCKLEY
3780 US Hwy 97A
Chelan, WA 98816

Erin McCardle, Mayor

DocuSigned by:

B663A3CE63CA442...
Bill Buckley

5/10/2025

Date

Date

Attest/ Authenticated:

Peri Gallucci, City Clerk

Exhibit A: Lakeside Park Mitigation Planting Performance and Monitoring Plan

CITY OF CHELAN SHORELINE PROJECT – LAKE CHELAN
MITIGATION PLANTING AND MONITORING PLAN

MARCH 2025

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1. INTRODUCTION

This Mitigation Planting and Monitoring Plan (Plan) has been prepared to address a settlement agreement between the Buckleys and the Department of Ecology dated 2/9/2025. The agreement requires a contribution for a preparation and implementation of a SEP mitigation planting and monitoring plan adjacent to Lake Chelan for the City of Chelan.

2. DESCRIPTION OF THE PROJECT

2.1 PROPOSED PROJECT

As a condition of the settlement agreement with the Department of Ecology dated 2/9/2025, the Buckley's must contribute funds to implement a SEP project on Lake Chelan. This SEP project shall require a Mitigation Planting and Monitoring Plan prepared by qualified professionals retained by the Buckleys. The City of Chelan shall submit the Monitoring Report to Ecology at the end of year 1, and 3 after installation of the SEP project.

2.1a Project Location:

Address: 2230 Terrace Ave., Chelan, WA 98816

Parcel Number: 272215633060

Legal Description: JOHNSONS FIRST BLOCK 10 LOT 1-8 & BLK 11 LOTS 1-15 & BLK 7, LOT B BLA 2011-003CH, 12.82 ACRES

The Buckley Mitigation will dovetail with a renovation of the City of Chelan's Lakeside Park. This project will provide a new playground, upfit restroom amenities, beach restoration, reconfigured trails, and add a new floating dock. The project will enhance safety and recreation experience and increase ADA access throughout the park.

Proposed mitigation is comprised of native shoreline plantings. A total of 1,500 sq ft of native species will be planted within 50 feet of the OWHM. Plantings include a combination of native trees, and shrubs as detailed in section 3.1.

2.2 EXISTING SITE CONDITIONS

The proposed site renovations include adding ADA compliant pathways, renovating the restroom, replacing the playground, and replacing existing turf at edge of beach area with sand and boulders from deconstructed in-water boulder sills to minimize erosion and assist with maintenance issues. No trees are proposed to be removed with the project.

3. VEGETATION PLANTING AND MONITORING PLAN

The primary goal of the mitigation action is to install native vegetation within the shoreline buffer near the water.

The proposed nearshore revegetation using a variety of native trees and shrubs is planned within the immediate shoreline to provide beneficial habitat. Plantings are proposed in this area to provide maximum ecological benefit while also fitting with park users, shoreline access, and erosive wave forces.

The establishment of this native vegetation community will enhance habitat conditions for a variety of terrestrial wildlife species, including birds and small mammals. The nearshore vegetation will also enhance the aquatic community by providing overhanging vegetation, which will increase allochthonous input of detritus and insects and provide an overall benefit to fish habitat. The planting of native trees, shrubs, and groundcover just above the OHWM would also improve the ecological functions of the shoreline area by enhancing stormwater infiltration capabilities. Specifically, the proposed native plantings will improve stormwater infiltration and treatment by filtering pollutants from stormwater.

3.1 MITIGATION PLANTING PLAN

Planting would occur within an appropriate weather window, when the chance of survival is at its highest. Plants and trees would be gathered from Eastern Washington Native Plant Nurseries to increase the chance of survivorship. The area of planting would be maintained over the life of the action and would be monitored over a three-year time period; with monitoring reports submitted to the Department of Ecology at the end of year 1, and 3 after installation. Benchmarks for survivorship of the planting per CCSMP 4.2.C.4 are 90% in Year 1 and 80% in Years 3. Any dead plants would be replaced with like and in-kind species.

COMMON NAME	SCIENTIFIC NAME	QUANTITY (# plants)
Ponderosa Pine	Pinus Ponderosa	1
Western Serviceberry	Amelanchier Alnifolia	5
Red Birch	Betula Occidentalis	1
Golden Currant	Ribes Aureum	57
Red Osier Dogwood	Cornus Sericea	28
Woods Rose	Rosa Woodsi	52

3.2 AS-BUILT REPORT

Within 30 days following completion of plant installation, City of Chelan will prepare and submit an as-built report to the Department of Ecology. This report will document the installation of the plants and trees. Photographs will be taken at the same photo-points to further document the baseline conditions within the mitigation site.

3.3 BEST MANAGEMENT PRACTICES

To further minimize potential impacts to the lake, best management practices would be employed when working adjacent to sensitive areas. Care will be taken to prevent erosion of the bank during plant installation. Soil disturbance would be kept to the minimum necessary to install the plants. Mulch or weed fabric would be placed around the plants to aid in establishment while maintaining soil stability. Irrigation would be routed to the upland planting areas to ensure survival; however, irrigation would be conducted using methods that minimize water volume to avoid erosion. Vegetation would be installed in the spring or fall to take advantage of rainfall and favorable weather conditions in plant establishment, thus minimizing the need for irrigation while maximizing plant survival.

4. MONITORING AND CONTINGENCY PLAN

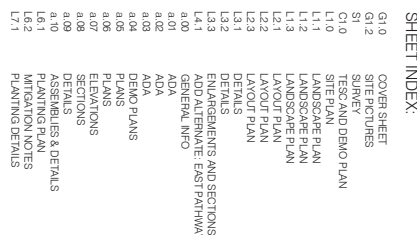
The mitigation planting areas will be monitored for a three-year period to determine survival. Monitoring of plants will occur by a count to determine percent survival. Per CCSMP 4.2.C.4 performance standards are 90% in Year 1 and 80% in Years 3. Any dead plants would be replaced with like and in-kind species.

The monitoring reports assessing the status of the native plantings the City of Chelan installs within the shoreline buffer on Lake Chelan, shall be prepared by City of Chelan staff and submitted to Ecology at the end of years 1, and 3 after installation.

SEP PROJECT – LAKE CHELAN

SHEETS – MITIGATION PLANTING PLAN

LAKE SIDE PARK
CITY OF CHELAN
CHELAN, WASHINGTON



The DOE project is a subset of this 3,820SF as detailed on the next sheet

LAKESIDE LODGE LLC

STRUCTURAL ENGINEER

Financially Confident: 003301100011

Bid Set



Size	Mitigation Area (SF)	Mitigation Action
1	3,000	Plant 7 trees, 220 shrubs and perennials, and install 3,000 sq ft of grass and flowers

Washington Department of Ecology mitigation requirements:

Native plants and trees planted as part of mitigation in the shoreline must be native to the area and must be planted in a way that is sustainable and durable. The project must be able to maintain the native plant community in Year 1 and Year 3.

United States Army Corps of Engineer provided mitigation requirements:

MITIGATION APPROACH

Mitigation Strategy:

Avoidance: The project goal is to improve water safety and enhance water recreation.

Mitigation: To minimize unavoidable cover water cover and water anchor systems the project increases native plant cover within 100 feet of the shoreline.

Mitigation: The project will improve ecological connectivity by planting native plants and trees and installing water anchors and water anchors.

Remove 3 plants: cut at mud line and remove. Replace as indicated in drawing.

GOAL 2 AND PERFORMANCE STANDARDS

The following goals and performance standards will be used to measure project success over the monitoring period.

Goal:

1.1. Establish a diverse assemblage of native plants at an appropriate density.

Performance Standards:

The following standards will be used to judge the success of the plan over time. If performance standards are not at the end of Year 5, the site will then be deemed successful and eligible for release by the Corps.

1. This standard can be met through plant establishment or through

2.1. Active site cover of native trees and shrubs by Year 3.

2.2. Active site cover of native trees and shrubs by Year 3.

3. Volume species may count towards this cover standard.

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LAKE SIDE PARK RENOVATION
CITY OF CHELAN

2230 TERRACE AVE, CHELAN, WA 98816



1927 Post Alley, Ste. 2
Seattle, WA 98101

206 325 6877
bergerpartnership.com

ATTACHMENT 1: MITIGATION MONITORING REPORT

**City of Chelan SEP Project
Mitigation Monitoring Report**

Submit this completed form to Department of Ecology 1, and 3 years after planting activities are completed.

Date Restoration Activities were completed: _____
Project Applicant: _____
Applicants Address: _____
City/State/Zip Code: _____
Applicants Phone Number: _____

You must attach to this form: ____ Photographs of the restoration area taken within the last month.

Conditions of the SEP Project approval require 90% survival of all plants the first year after planting. From years 2-3, 80% survival is required. Individual plants in excess of 20% that do not survive must be replaced with the same species or the applicant can suggest other species (Note: species other than those previously approved in the Plan are subject to Department of Ecology approval prior to installation.

DATE OF INSPECTION	NAME OF SPECIES	NUMBER PLANTED	NUMBER SURVIVING
	Pinus Ponderosa	1	
	Amelanchier Alnifolia	5	
	Betula Occidentalis	1	
	Ribes Aureum	57	
	Cornus Sericea	28	
	Rosa Woodsi	52	

DATE OF REPLANTING	NAME OF SPECIES REPLANTED	NUMBER OF SPECIES REPLANTED

Certificate Of Completion

Envelope Id: 40E5A80C-61FF-4AE9-8152-6A55CC809A10

Status: Completed

Subject: Complete with Docusign: 2025 05 09 Buckley Mitigation Agreement.pdf

Source Envelope:

Document Pages: 15

Signatures: 1

Envelope Originator:

Certificate Pages: 4

Initials: 0

Paul Horne

AutoNav: Enabled

135 E Johnson Ave

Envelopeld Stamping: Enabled

Chelan, WA 98816

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

phorne@cityofchelan.us

IP Address: 63.142.214.127

Record Tracking

Status: Original

Holder: Paul Horne

Location: DocuSign

5/9/2025 2:54:25 PM

phorne@cityofchelan.us

Signer Events

Bill Buckley

wkbuckley@aol.com

Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:

B663A3CE63CA442...

Signature Adoption: Drawn on Device

Using IP Address: 66.172.97.49

Signed using mobile

Timestamp

Sent: 5/9/2025 2:58:10 PM

Viewed: 5/9/2025 4:13:34 PM

Signed: 5/10/2025 10:44:31 AM

Electronic Record and Signature Disclosure:

Accepted: 5/9/2025 4:13:34 PM

ID: 1ac10669-0c47-4618-829d-6519cd27c624

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent

Hashed/Encrypted

5/9/2025 2:58:10 PM

Certified Delivered

Security Checked

5/9/2025 4:13:34 PM

Signing Complete

Security Checked

5/10/2025 10:44:31 AM

Completed

Security Checked

5/10/2025 10:44:31 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Chelan (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Chelan:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: deputycityclerk@cityofchelan.us

To advise City of Chelan of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at deputycityclerk@cityofchelan.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from City of Chelan

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to deputycityclerk@cityofchelan.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Chelan

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to deputycityclerk@cityofchelan.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Chelan as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Chelan during the course of your relationship with City of Chelan.



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: The Dock Company, LLC Bid Award and Contractor Agreement for the Lakeside Park In-Water Work

Department: Parks and Recreation

Staff Contact: Paul Horne

Guiding Principles: Visionary & Strategic

Initiatives: Establish a Long-Range Economic Strategy

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

None.

OVERVIEW

Background

The in-water work at Lakeside Park is part of the broader Lakeside Park Renovation Project, which is funded in part by a Recreation and Conservation Office (RCO) grant. This phase includes installation of a new T-dock and enhancements to the designated swimming area. Due to seasonal timing requirements for completing in-water work, this portion was separated from the main project and bid independently through the MRSC Small Works Roster process.

Discussion

The 2025 budget for the Lakeside Renovation project is \$1,533,412.00. While individual bids for both the restroom/park renovation and in-water work are within budget, all project costs (restroom/park renovation, Architecture/Engineering, Permits, Playground Equipment) exceed the 2025 budgeted amount.

To mitigate the rising costs of material and labor in publicly bid projects both the in-water work and the restroom/park renovation plans were reduced in scope and project costs reduced significantly. However, additional funding still needs to be identified to complete this project and maintain the intent of the RCO grant that is partially funding this project.

Below is a summary of the planned costs associated with the Lakeside Park Renovation Project within the 2025 Budget.

Item	Amount
Restroom/Park Renovation(Cascade Central Bid + Add Alt 2)	\$ 1,291,255.81
Renovation Contingency	\$ 56,894.11
In-Water Bid+ Swim Platform	\$ 231,748.60
Permitting, Equipment, A&E	\$ 83,657.04
Total Project Cost	\$ 1,789,012.00
Buckley Agreement	\$ (5,600.00)
Total Budgeted	\$ 1,397,955.56
Shortfall	\$ (250,000)

Park staff have worked with Finance to identify possible solutions to the shortfall and request to amend the 2025 Capital budget to reallocate budget expenditures from Shoreline Access Development (310-000-100-594-58-41-20) or Road End Parks – Design (310-000-200-594-76-41-13) to the Lakeside Park project (310-000-100-594-76-61-19). There is \$379,115 available between the Shoreline Access and Road End Parks expense lines.

The intent of the Shoreline Access Development funding is the improvement of water access in the community. Much of the Lakeside Park Renovation project is improving water access through ADA accessible pathways to the water, increased beach area, a new T-Dock, swimming platform, and swimming area safety enhancements.

FINANCIAL IMPLICATIONS

There is a shortfall across the whole project. Parks department would like to reallocate funds from the shoreline access and road end parks expense lines. This will require a budget amendment.

ATTACHMENTS

1. The Dock Company, LLC In-Water Work Bid
2. The Dock Company, LLC Contractor Agreement for the Lakeside Park In-Water Work

SUGGESTED MOTION

None.

SCHEDULE OF PRICES

THE DOCK COMPANY 7-25-25

Item	Description	Units	Quantity	Unit Price	Total Price
1	Mobilization, Demobilization, Site Preparation, and Clean-up Pay item may be no more than 10% of total bid	LS	1	NO CHARGE	NO CHARGE
2	Removal and disposal of T-dock, and wood pilings.	LS	1	\$5,900.00	\$5,900.00
3	Removal of top course of boulder sill and boulders under mooring buoys NO	LS	1	\$6,325.00	\$6,325.00
4	Relocation / placement of boulders	LS	1	\$6,325.00	\$6,325.00
5	Swim line salvage and reuse	LS	1	TBD	TBD
6	Buoys at swim line	LS	1	\$21,883.93	\$21,883.93
7	Swim line anchoring	LS	1	\$1,240.00	\$1,240.00
8	T-Dock	LS	1	\$147,785.00	\$147,785.00
9	Steel piles	LS	1	\$11,850.00	\$11,850.00
10	Mooring buoys	LS	1	\$5,000.00	\$5,000.00
SUBTOTAL (Items 1-10)					\$206,308.93
Sales Tax @ 8.7%					
See General Conditions Section 59 for more information.					\$17,948.87
TOTAL AMOUNT BID					\$224,257.80

ADDITIVE ALTERNATES

Item	Description	Unit Price	Total Price
1	Swim Platforms	Each \$6,892.00	= \$6,892.00

CONTRACTOR AGREEMENT

THIS AGREEMENT (The “Agreement”) is made and entered into this day by and between the CITY OF CHELAN, a Washington municipal corporation (the “City”) and THE DOCK COMPANY, LLC (“Contractor”), sometimes collectively referred to as the “Parties”.

City and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE I CONTRACT DOCUMENTS

The term “Contract Documents” may include but is not limited to the following:

- ☐ Information for Bidders
- ☐ Bid
- ☒ Bid Bond
- ☒ Contractor Agreement
- ☒ Performance Bond
- ☒ Payment Bond
- ☐ Notice of Award
- ☐ Notice to Proceed
- ☐ Change Orders
- ☒ Plans prepared by Berger Partnership numbered 1 through 10 and dated July 11, 2025
- ☐ Specifications prepared or issued by _____
- ☐ Any and all modifications and addendums issued thereto

If the item is marked with “X” it is included.

ARTICLE II WORK

2.1 City desires to build the “Project” as described in Exhibit “A” which is attached hereto and incorporated herein by this reference. Contractor agrees to work with City and other contractors who may be involved on the Project on such things as scheduling, work performance and the like, in implementing this Agreement, in order to coordinate a reasonable completion of the Project.

2.2 Except as otherwise provided in writing executed by City, the Contractor shall furnish all labor, materials, skill, and equipment necessary or incidentally required to perform and complete the Project described on attached Exhibit “A,” consistent with Plans and Specifications supplied by the City or as otherwise agreed to by City and Contractor (the “Work”).

ARTICLE III
TIME OF COMMENCEMENT, CONSTRUCTION HOURS AND COMPLETION

3.1 Time is of the essence of this Agreement.

3.2 What Work to be performed by the terms of this Agreement shall be commenced on or before the 2nd day of September, 2025 and shall be substantially completed on or before the ___day of 15th, of May, 2026 (the “Agreement Time”). The date for substantial completion may be extended if agreed to in writing, by the City.

3.3 If the Contractor is delayed at any time in the progress of the Work by strikes, fire, unavoidable casualty or any causes beyond the contractor’s control, the time of completion shall be extended for such reasonable time as is agreed to in writing by the City.

ARTICLE IV
PAYMENT

4.1 The City shall pay the contractor for performance of the Work, the total sum of, Two hundred thirty-one thousand seven hundred forty-eight and 60/100 dollars, (\$231,748.60), (the “Stipulated Sum”), subject to change orders made pursuant to Article VIII.

ARTICLE V
PROGRESS PAYMENTS

5.1 Payments shall be made as set forth below.

5.1.1 Payments to Contractor shall be made on the valuation of Work completed in compliance with the Contract Documents. The Contractor shall, before the first application, submit to the City a schedule of values of the various parts of the Work, made out in such detail as the Contractor and City may agree upon, and supported by such evidence as to its correctness as the City may direct. This schedule, when approved by the City shall be used as a basis for payment, unless it be found to be in error. In applying for payment, the contractor shall submit a statement based upon this schedule.

5.1.2 Applications for monthly progress payments and the Final Payment shall be in writing, shall state the estimated percentage of the Work that has been satisfactorily completed and shall be submitted to the City on or before the 10th day of each month for the Work performed in the preceding month.

5.1.3 From each progress payment, the City shall withhold retainage of five percent (5%).

5.1.4 Unless otherwise provided in the Contract Documents, the City shall pay the

Contractor each progress payment under this Agreement within fifteen (15) working days after City receives and approves the application from Contractor for the preceding months' Work as set forth herein. The amount of each progress payment to the contractor shall be equal to the percentage of completion allowed to the City for the Work applied to the Contract Sum, less the aggregate of previous payments to the Contractor and less the percentage retained as provided in this Agreement.

5.2 To the extent Contractor is provided the materials and supplies by others or is subcontracting to others any portion of the Work, payment to Contractor of any monthly progress payment shall be conditioned on the receipt by City of a Lien Release executed by the materialman or subcontractor for any materials provided to the Project or for any subcontract work performed on behalf of the Contractor.

5.2.1 City may, at City's election, make checks payable to Contractor and a subcontractor or may make direct payment to any subcontractors or materialmen if a Lien Release is not presented with the application, or may elect to withhold payment as set forth above.

5.3 Contractor shall submit invoices on or before the tenth (10th) day of each month for the cost of Work performed in the preceding month. Such invoices shall be in the form of application for monthly progress payments, and the form of application for Final Payment shall be in writing, shall state the Work performed, and shall include records of payroll, petty cash expenditure, receipted invoices or invoice with vouchers attached and any other evidence if required by the City to demonstrate payments made by Contractor on account of the cost of the Work for which payment has not previously been made by City to Contractor, and for which no previous application for payment has been made. Unless otherwise approved in writing by City, no application shall be made for materials which have not been delivered to the site or incorporated in off-site Work necessary for the completion of the on-site Work. City will not unreasonably withhold approval for off-site storage of materials.

5.4 Sales tax shall be paid on the full payment due.

ARTICLE VI FINAL PAYMENT

6.1 Final payment (constituting the unpaid balance, less the retainage), under this Agreement, shall be made by the City to the Contractor when the Work described in this Agreement is fully completed and performed in accordance with the Contract Documents and is satisfactory to the City, and the Contractor has applied for final payment in the manner prescribed in Article V.

6.2 Before issuance of the final payment, the Contractor shall submit evidence satisfactory to the City that all payrolls, bills for materials and equipment, and all known indebtedness connected with the Contractor's Work have been satisfied. In addition, the Contractor shall obtain from all subcontractors and materialmen t, and shall itself execute, a lien

release for the Work performed and the materials supplied pursuant to this Agreement in exchange for the final payment.

6.3 The retained amount under this Agreement shall be paid to the Contractor within forty (40) days after completion of the Project; provided that the Contractor has executed and provided all necessary lien releases for the Work performed and the materials supplied; and provided that all certificates and releases from the Department of Revenue, Employment Security and Labor and Industries are received by the City.

6.4 Payments may be withheld on account of (1) defective Work not remedied, (2) claims filed by third parties, (3) reasonable evidence that the Work cannot be completed for the unpaid balance of the Stipulated Sum, if any, (4) damage to the City or another contractor related to Contractor or the Work, (5) reasonable evidence that the Work will not be completed within the Agreement Time and that the unpaid balance of the Stipulated Sum would not be adequate to cover actual or liquidated damages as provided in Article XIV for the anticipated delay, (6) persistent failure to carry out the Work in accordance with the Contract Documents, or (7) failure to adhere to the terms and conditions of this Agreement.

ARTICLE VII PREVAILING WAGE

7.1 Contractor agrees to abide by the prevailing wage requirements of RCW 39.12, RCW 43.03 and RCW 49.28 as currently enacted or as hereafter amended.

ARTICLE VIII CHANGES IN THE WORK

8.1 The City, without invalidating the Agreement, may order changes in the Work consisting of additions, deletions or modification. The Stipulated Sum and the Agreement Time shall be adjusted according to an agreement for change between the City and Contractor. Such changes in the Work shall be authorized by written Change Order signed by the City. Fair increases or decreases in the Contract Sum include a fifteen percent (15 %) adjustment for Contractor's overhead and profit.

8.2 Contractor shall make any and all changes in the Work without invalidating this Agreement when specifically ordered to do so in writing by the City.

ARTICLE IX INSURANCE

9.1 Insurance Term

The Contractor shall procure and maintain insurance, as required in this Section, without interruption from commencement of the Contractor's work through the term of the contract and for thirty (30) days after the Physical Completion date, unless otherwise indicated herein.

9.2 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 Public Entity's recourse to any remedy available at law or in equity.

9.3 Minimum Scope of Insurance

Contractors required insurance shall be of the types and coverage as stated 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 liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit, using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The Public Entity shall be named as an additional insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the Public Entity 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 at least as broad coverage.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

9.4 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 \$2,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.

9.5 Public Entity Full Availability of Contractor Limits

If the Contractor maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Contractor.

9.6 Other Insurance Provision

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

9.7 Contractor's Insurance for Other Losses

The Contractor shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Contractor's employee owned tools, machinery, equipment, or motor vehicles owned or rented by the Contractor, or the Contractor's agents, suppliers, contractors or subcontractors as well as to any temporary structures, scaffolding and protective fences.

9.8 Waiver of Subrogation

The Contractor and the Public Entity waive all rights against each other, any of their Subcontractors, Sub-subcontractors, agents and employees, each of the other, for damages caused by fire or other perils to the extent covered by Builders Risk insurance or other property insurance obtained pursuant to the Insurance Requirements Section of this Contract or other property insurance applicable to the work. The policies shall provide such waivers by endorsement or otherwise.

9.9 Acceptability of Insurers

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

9.10 Verification of Coverage

Contractor shall furnish the Public Entity with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the Contractor before commencement of the work. Upon request by the Public Entity, the Contractor shall furnish certified copies of all required insurance policies, including endorsements, required in this contract and evidence of all subcontractors' coverage.

9.11 Subcontractors

The Contractor shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Contractor shall ensure that the Public Entity is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement at least as broad as ISO Additional Insured endorsement CG 20 38 04 13.

9.12 Notice of Cancellation

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

9.13 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 Public Entity 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 Public Entity on demand, or at the sole discretion of the Public Entity, offset against funds due the Contractor from the Public Entity.

ARTICLE X INDEMNIFICATION (CONTRACTOR/CITY)

10.1 Contractor shall defend, indemnify and hold the City, its officers, officials, employees, contractors 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 Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

10.2 However, should a court of competent jurisdiction determine that this Agreement 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 Agreement.

10.3 No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

ARTICLE XI WARRANTIES, GUARANTEES/WORKING CONDITIONS

11.1 Contractor shall, and by this agreement hereby does, assign all manufacturer warranties and guarantees related to the Work to City. Unless otherwise provided in the Contract Documents or the manufacturer warranty, all labor and materials furnished by the Contractor are **guaranteed** against all defects in materials and workmanship for a period of one (1) year from the date of acceptance of the completion of the Work. All warranties and guarantees shall inure to the benefit of City.

11.2 Contractor shall take all necessary and proper safety precautions in connection with the Work performed pursuant to this Agreement so as to avoid all injury to persons and all damage to property. The Contractor shall maintain lights, barriers, supports and guards as shall be necessary and proper to effect this end. The Contractor shall comply with all federal, state and local laws, statutes, regulations and ordinances which govern labor, employment and occupational safety and health of the contractor's employees and other persons on or about the premises. Failure on the part of the Contractor and/or Contractor's employees to practice safe working procedures may result in the Contractor's immediate suspension and Work may not resume until safe working conditions are established. Repeated failures may result in termination of the Agreement for Breach.

11.3 Contractor shall supervise and direct the performance of work competently and efficiently, devoting such attention thereto and applying such skill and expertise as may be necessary to perform the work in accordance with this Agreement. Contractor shall be solely responsible for the means, methods, techniques, sequences and procedures of construction. Contractor shall provide competent and suitably qualified personnel to perform the work as set out above and shall at all times maintain good discipline and order at the work site.

11.4 Contractor shall furnish and assume full responsibility for all materials, equipment, labor, transportation, equipment and machinery, tools, appliances, fuel, power, utilities, and any and all other facilities and incidentals necessarily covered by this Contract.

11.5 Contractor shall clean-up and remove all rubbish and debris from the Work area on a daily basis and upon the completion of the Work. In the event of a dispute over this responsibility for clean-up, the decision of the City allocating responsibility shall be final. The Contractor shall pay without reimbursement for the cost of all clean-up and removal of rubbish and debris left upon the premises contrary to this paragraph. Should and Contractor fail to clean-up and remove all its rubbish and debris as per this paragraph, then the City may have this done and charge all expenses thereof to the Contractor.

11.6 Contractor shall employ no person in connection with the performance of this Agreement who may be objectionable to the City and the Contractor shall remove any such

person upon written notice from the City.

11.7 Contractor shall cooperate with the City and other Contractors and subcontractors whose work might interfere with the Contractor's Work, and shall participate in the preparation of coordinated plans and drawings in areas of congestion, specifically noting and advising the City of any such interference.

11.8 Contractor shall cooperate with the City in scheduling and performing Contractor's Work to avoid conflict or interference with the work of others.

11.9 Contractor shall promptly submit shop drawings and samples as required by the Contract Documents in order to perform the Work efficiently, expeditiously and in a manner that will not cause delay in the progress of the Work of the City of other Contractors.

ARTICLE XII CONTRACTOR'S RESPONSIBILITIES

12.1 Contractor shall make all claims promptly to the City for additional work, extensions of time, and damage for delays or otherwise, in accordance with the Contract Documents.

12.2 Contractor shall not assign this Agreement without the written consent of the City or subcontract the whole of this Agreement without the written consent of the City, or further subcontract portions of the Agreement without written consent of the City. The Contractor shall not assign any amounts due or to become due under this Agreement without written notice to the City.

12.3 Contractor warrants that all materials and equipment furnished and incorporated by it in the Project shall be new unless otherwise specified, and that all Work under this Agreement shall be of good quality, free from faults and defects and in conformance with the Contract Documents. All Work not conforming to these standards may be considered defective. The warranty provided in the Paragraph shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents.

12.4 Contractor agrees that the City's equipment will be available to the Contractor only at the City's discretion and on mutually satisfactory terms.

12.5 Contractor shall furnish periodic progress reports, including a work schedule, on the Work as mutually agreed, including information on the status of materials and equipment under this Agreement which may be in the course of preparation or manufacture.

12.6 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Work under this Agreement. The Contractor shall secure and pay for all permits, fees and licenses necessary for the execution of the Work.

12.7 Contractor agrees that all Work shall be done subject to the final approval of the City.

12.8 Contractor shall promptly correct Work rejected by the City for failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed, and shall correct any Work found to be not in accordance with the requirements of the Contract Documents within a period of one year from the date of Substantial Completion of the Agreement or by terms of an applicable special warranty required by the Contract Documents.

12.9 Nothing contained in this Agreement shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the time period of one year as described in the preceding paragraph relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

12.10 If the Contractor defaults or persistently fails or neglects to carry out the Work in accordance with the Contract Documents or fails to perform a provision of the Agreement, the City, after three (3) days' written notice to the Contractor and without prejudice to any other remedy the City may have, may make good such deficiencies and may deduct the cost thereof, including compensation for consultant's services and expenses, including but not limited to, architects and engineers made necessary thereby, from the payment then or thereafter due the Contractor. Alternatively, at the City's option, the City may terminate the Agreement and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever method the City may deem expedient. If the unpaid balance of the Stipulated Sum, if any, exceeds costs of finishing the Work, including compensation for consultant's services and expenses made necessary thereby, such excess shall be paid to the Contractor, but if such costs exceed such unpaid balance, the Contractor shall pay the difference to the City, provided that in no event shall such payment cause the Stipulated Sum to be exceeded.

12.11 Contractor shall supply the names and addresses of all its employees, materialmen and subcontractors performing work or providing material to the Project pursuant to this Agreement.

12.12 Contractor shall not discriminate in any manner related to the performance of the Work on the basis of race, religion, sex, age, national origin or any other protected class or category.

ARTICLE XIII DEFAULT/DELAY/LIQUIDATED DAMAGES

13.1 If the Contractor neglects to prosecute the Work diligently and properly or fails to perform any provisions of this Agreement, the City, after five (5) working days' written notice to the Contractor to cure the deficiencies stated therein, may, without prejudice to any other remedy the City may have:

13.1.1 Cure such deficiencies and deduct the costs thereof from the payments then or thereafter due the Contractor, or

13.1.2 Terminate this Agreement and seek liquidated damages.

13.2 In the event this Agreement is terminated, and in addition to any other remedy the City may have, the Contractor shall pay the City liquidated damages in the amount of Five Hundred Dollars (\$ 500) per working day until a replacement Contractor can resume the Work contemplated by this Agreement.

13.3 In the event the Contractor is unable to complete the Work within the Agreement time, in addition to any other remedy the City may have, the Contractor shall pay the City liquidated damages in the amount of Five Hundred Dollars (\$ 500) per working day from the completion date set forth in Article III until the Work is fully completed and performed and is satisfactory to the City.

13.4 The Contractor recognizes and acknowledges that time is of the essence of the completion of the Work, and that delays in completing the work prior to the date of Substantial Completion inconveniences the public and interferes with and delays commerce. The date of substantial completion is important as the Project must be completed prior to the Memorial Day weekend, where substantial use of the Project will occur. The Contractor further recognizes that delays in the completion of the Work also costs taxpayers undue sums of money, adding time needed for administration, engineering, inspection and supervision. Finally, the Contractor agrees that it is impractical to calculate the actual cost of delays, and the per diem amount in Sections 13.2 and 13.3 represents a reasonable estimate of the damages to the City if the Work is not completed on the date of Substantial completion, and that such amount does not constitute a penalty in order to secure performance.

ARTICLE XIV ARBITRATION

14.1 In the event the Parties cannot agree on a matter arising from this Agreement, they shall consult together and attempt to resolve the dispute. In the event they cannot agree upon a resolution of the dispute, they shall submit the dispute to an Arbitrator pursuant to RCW 7.04. The Arbitrator shall be an attorney licensed to practice law in the State of Washington having at least 15 years' experience in contract dispute resolution and principally practicing in Chelan, Douglas or Okanogan Counties. If the parties cannot agree on an arbitrator, the Arbitrator shall be appointed by a judge of the Chelan County Superior Court. The Parties may agree to attempt to have the Arbitrator first attempt to mediate the dispute before proceeding to

an arbitration. All decisions of the Arbitrator shall be final and binding on the Parties. The Parties shall equally bear the cost of the Mediator. All decisions of the Mediator as arbitrator shall be enforceable in a federal or state court in the eastern district of Washington.

ARTICLE XV GENERAL PROVISIONS

15.1 City's Representative. Except as otherwise directed or designated by City, in writing, the City Administrator or his/her designee, shall be the City's representative for the Project. The administrator shall have authority to act on behalf of the City, except as otherwise provided in this Agreement, or as otherwise provided in writing, for all matters relative to the Project and this Agreement.

15.2 Entire Agreement. This Agreement constitutes the entire agreement between the City and Contractor. There are no understandings or agreements between the City and the Contractor other than those set forth in this Agreement and in the Contract Documents referred to herein. No other statement, representation or promise has been made to induce either party to enter into this Agreement, This Agreement may not be modified, except with written agreement executed by the parties.

15.3 Independent Contractor. The Contractor and the City agree that the Contractor is an independent Contractor with respect to the Work provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the Parties hereto. Neither Contractor nor any employee of Contractor shall be entitled to any benefits afforded City employees by virtue of the Work provided under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or for contributing to the State Industrial Insurance program, or otherwise assuming the duties of an employer with respect to the Contractor, or any employees of Contractor.

15.4 Site Visitation. Execution of the Agreement by the Contractor is a representation that the Contractor has visited the site and become familiar with the local conditions under which the Work is to be performed.

15.5 Governing Law and Venue. This Agreement shall be governed exclusively by the laws of the State of Washington. Any court of competent jurisdiction in Chelan County, Washington, shall be the only proper venue for any and all suits brought to enforce the provisions of this Agreement.

15.6 Attorney's Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of the Agreement, the successful or substantially prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in that action, arbitration or proceeding, in addition to any other relief to which it or he/she may be entitled.

15.7 **Waive of Breach.** The waiver by either party of the breach of any provision of this Agreement by the other party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other party.

15.8 **Notice.** Any notices shall be effective if personally served upon the other party or if mailed by registered or certified mail, return receipt request, to the following addresses:

City:

City of Chelan
PO Box 1669
Chelan, WA 98816

Contractor:

The Dock Company, LLC
609 E. Woodin Ave
Chelan, WA 98816

15.9 **Registration and Bond.** The Contractor represents that the Contractor is bonded in compliance with Washington State law and is licensed with the State of Washington, as evidenced by the following:

License Number: _____

THE CONTRACTOR HEREBY ACKNOWLEDGES, GUARANTEES, AND REPRESENTS THAT AFTER AN OPPORTUNITY TO CONSULT WITH HIS/HER ATTORNEY HE/SHE HAS CAREFULLY READ THIS AGREEMENT, FULLY UNDERSTANDS THE TERMS THEREOF, AND FINDS IT TO BE A COMPLETE, WRITTEN STATEMENT OF THE TERMS AND CONDITIONS OF THE AGREEMENT.

CITY

CONTRACTOR

By: _____

By: _____

Dated: _____

Dated: _____



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Big Valley Towing, LLC Professional Service Agreement for Towing Services

Department: Parks and Recreation

Staff Contact: Paul Horne

Guiding Principles: Accessible & Welcoming

Initiatives: Enhance Youth and Family Well-being

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.010 Rights, powers, and privileges. "Each city governed under this optional municipal code...and, by and through its legislative body, such municipality may contract and be contracted with..."

PREVIOUS ACTION TAKEN

On May 10, 2022 Council approved the Professional Services Agreement with Big Valley Towing LLC.

OVERVIEW

Background:

In 2021, the City of Chelan Parks Department issued a Request for Proposals (RFP) for towing services. The proposal required operators to be licensed through the Washington State Department of Licensing, be available 24/7, and provide ancillary services such as jump starts and lockouts. Big Valley Towing LLC, located in Chelan Falls, was the sole respondent and was awarded the towing services agreement by City Council on [May 10, 2022](#) covering City parks and facilities such as Lakeside Park, Lakeshore Marina, Don Morse Park, and Lakeshore RV Park.

Discussion:

The previous agreement with Big Valley Towing covered the period from 2022 through April 2025. While towing needs in our parks are infrequent, Big Valley

Towing has been responsive, professional, and easy to work with when their services have been required. Their proximity to Chelan ensures convenient access for vehicle owners needing to retrieve impounded vehicles. The Parks Department would like to enter into a new agreement with Big Valley Towing under the same general terms. As before, the company will be required to update their towing rates annually, aligning them with those approved for use by the Washington State Patrol. Although the City does not receive revenue from towed vehicles, maintaining low towing costs remains a priority for our patrons.

FINANCIAL IMPLICATIONS

No money is exchanged for this contract. Towed vehicle owners work with the tow company to release their vehicles from impoundment.

ATTACHMENTS

1. Big Valley LLC Towing Services Professional Services Agreement for Towing Services

SUGGESTED MOTION

Suggested Motion: None.

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, is made in duplicate by and between the CITY OF CHELAN, a Washington municipal corporation (the "CITY") and BIG VALLEY TOWING, LLC, a towing company (the "SERVICE PROVIDER").

WHEREAS, pursuant to CMC 10.38 (the "City Towing Regulations"), set out in ***Exhibit "A"***, the CITY has established regulations for the towing, impoundment and redemption of unauthorized vehicles (the "Project"), be performed within the City by a "Qualified Towing Services Operator" on a rotation or contractual basis;

WHEREAS, the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise to perform the services and/or tasks set forth in this Agreement for the Project.

NOW, THEREFORE, the parties agree as follows:

1. Scope of Services. The SERVICE PROVIDER shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof (the "Services") as detailed in ***Exhibit "B"***. All Services shall be provided according to the care and skill ordinarily used by members of the SERVICE PROVIDER'S profession practicing under the same or similar circumstances at the same time and in the same locality as the Services being performed.

2. Term. This Agreement is effective upon execution by the Mayor. The SERVICE PROVIDER shall begin and complete the provision of the Services, unless sooner terminated according to this Agreement, as follows:

Commencement Date:	August 12, 2025
Completion Date:	December 31, 2028

3. Compensation and Method of Payment.

3.1 Compensation. The SERVICE PROVIDER shall charge only the registered/legal vehicle owner for all fees and charges for the performance of SERVICES at the same fee rates as the Washington State Patrol pays Chelan County for the same SERVICES. Fee rates set out in ***Exhibit "B"***. All fees and rates shall automatically adjust with revision of the fee rates for the Washington State Patrol, registered vehicle. The SERVICE PROVIDER shall provide the CITY with the updated rates annually at the time of adjustment.

4. Information. The SERVICE PROVIDER shall furnish to the CITY within a reasonable time such statements, records, reports, data, and information as the CITY may request pertaining to the Services and the Project.

5. Independent Contractor Relationship.

- 5.1 The parties intend that an independent contractor relationship will be created by this Agreement. The CITY is interested primarily in the results to be achieved by the Services. The implementation of Services will lie solely with the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of the Services.
- 5.2 In the performance of the Services the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the Services, however, the results of the Services be approved by the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory performances of the Services. Notwithstanding, the CITY may at its sole discretion require the SERVICE PROVIDER to remove an employee(s), agent(s) or subcontractor(s) from providing Services or otherwise being involved with the Project.

6. Hold Harmless/Indemnification.

- 6.1 Service Provider 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 Service Provider in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.
- 6.2 However, should a court of competent jurisdiction determine that this Agreement 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 Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Service Provider'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 Agreement.
- 6.3 No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

7. Insurance. The SERVICE PROVIDER 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 Services by the SERVICE PROVIDER, its agents, representatives, or employees.

- 7.1 Minimum Scope of Insurance The SERVICE PROVIDER shall obtain insurance of the types and coverage described below:

- a. 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.
- b. 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 Public Entity shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the public entity using an addition insured endorsement at least as broad as ISO endorsement form CG 20 26.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

- 7.2 Minimum Amounts of Insurance The SERVICE PROVIDER shall maintain the following insurance limits:

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

- 7.3 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

- a. The SERVICE PROVIDER'S insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the SERVICE PROVIDER'S insurance and shall not contribute with it.

- b. The SERVICE PROVIDER'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.
- 7.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
- 7.5 Verification of Coverage. SERVICE PROVIDER 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 the insurance requirements of the SERVICE PROVIDER before commencement of the Services.
- 8. Ownership of Property.
 - 8.1 City's Property. All property furnished by the CITY for the use of the SERVICE PROVIDER shall remain the property of the CITY.
 - 8.2 Instruments of Service. All documents, including drawings and specifications, prepared by the SERVICE PROVIDER pursuant to this Agreement are the instruments of service with respect to the Services and shall be owned by the City upon payment of the SERVICE PROVIDER fee by the City. The SERVICE PROVIDER shall provide the City with reproducible copies of all documents, drawings, specifications, and other work products constituting the instruments of service. The instruments of service are not intended nor represented by the SERVICE PROVIDER to be suitable for reuse by the City or others on extensions of the services provided for the Services, or any other project. Any reuse without written verification or adaptation by the City will be at the City's sole risk and without liability or legal exposure to the SERVICE PROVIDER, and the City shall indemnify and hold the SERVICE PROVIDER harmless from all claims, damages; losses, and expenses including attorney's fees arising out of or resulting therefrom.
- 9. Compliance with Laws.
 - 9.1 The SERVICE PROVIDER, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.
 - 9.2 The SERVICE PROVIDER specifically agrees to pay any applicable business and occupation (B&O) taxes that may be due on account of this Agreement.
- 10. Nondiscrimination. Because The CITY is an equal opportunity employer:

10.1 Nondiscrimination in Employment. In the performance of this Agreement, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained dog guide or service animal by a person with a disability; provided that the prohibition against discrimination in employment because of disability, or the use of a trained dog guide or service animal by a person with a disability, shall not apply if the particular disability prevents the proper performance of the particular worker involved. The SERVICE PROVIDER shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The SERVICE PROVIDER shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

10.2 Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability.

10.3 Assignment. If any assignment or subcontracting has been authorized by the CITY, the assignment or subcontract shall include appropriate safeguards against discrimination.

11. Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

11.1 By signing the agreement below, the SERVICE PROVIDER certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local)

transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 11.1(b) of this certification; and
- d. Have not within a three (3) year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.

11.2. Where the SERVICE PROVIDER is unable to certify to any of the statements in this certification, such SERVICE PROVIDER shall attach an explanation to this proposal.

12. Assignment/subcontracting.

- 12.1 The SERVICE PROVIDER shall not assign its performance of the Services or any portion of this Agreement without the City's prior written consent of not less than thirty (30) days. The CITY reserves the right to reject without cause any such assignment.
- 12.2 Any assignment shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.
- 12.3 Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the CITY.

13. Maintenance and Inspection of Records.

- 13.1 The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.
- 13.2 The SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this Agreement, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access

and right to examine any of said materials at all reasonable times during said period.

14. Termination.

14.1 Termination for Convenience. The CITY may terminate this Agreement, in whole or in part, at any time, by giving thirty (30) days' written notice to the SERVICE PROVIDER. Upon such termination for convenience, the CITY shall pay the SERVICE PROVIDER for all Services provided under this Agreement through the date of termination.

14.2 Termination for Cause. If the SERVICE PROVIDER fails to perform in the manner called for in this Agreement, or if the SERVICE PROVIDER fails to comply with any other provisions of the Agreement and fails to correct such failure or noncompliance within five (5) days' written notice thereof, the CITY may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the SERVICE PROVIDER setting forth the manner in which the SERVICE PROVIDER is in default and the date of the termination. The SERVICE PROVIDER will only be paid for Services performed in accordance with this Agreement through the date of termination.

15. Notice. Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

16. Attorneys Fees and Costs. In any dispute arising from the terms or performance of this Agreement, whether a lawsuit is commenced, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding, including an appeal.

17. Jurisdiction and Venue.

17.1 This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and shall be governed by laws of the State of Washington, both as to interpretation and performance.

17.2 Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in any of the courts of competent jurisdiction in Chelan County, Washington.

18. Severability. If any portion of this Agreement is held to be invalid or unenforceable for any reason, such holding shall not affect the validity or enforceability of the remaining portions of this Agreement.

19. Entire Agreement. This Agreement, including the Exhibits attached, is the complete and exclusion expression of the agreement between them and shall bind their successors and

assigns. Any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any provision of this Agreement shall constitute a material breach of contract and be cause for termination. The parties recognize time is of the essence in the performance of this Agreement. The forgiveness or waiver of the nonperformance of any provision of this Agreement does not constitute a waiver of any subsequent nonperformance by a party.

CITY:

CITY OF CHELAN
PO Box 1669
Chelan, WA 98816

Erin McCardle, Mayor

Date

Attest:

Peri Gallucci, City Clerk

SERVICE PROVIDER:

Big Valley Towing, LLC
105 Beebe Bridge Rd
Chelan, WA 98816

Signed by:


Loren Stocker

8/4/2025

Date

Title 10 - VEHICLES, WATERCRAFT AND TRAFFIC
Chapter 10.38 TOWING, IMPOUNDMENT AND REDEMPTION OF VEHICLES

Chapter 10.38 TOWING, IMPOUNDMENT AND REDEMPTION OF VEHICLES

10.38.005 Purpose.

The purpose of this chapter is to provide a single location in the Chelan Municipal Code for regulations associated with dealing with unauthorized, abandoned and junk vehicles through the use of tow truck operators who are best qualified to serve the interests of persons within the city limits on an impartial basis, and to provide for regulations relating to impound and storage facilities for tow truck businesses whether qualified for referral of city business or not. This chapter supplements the regulation of tow truck operators by the Washington State Department of Licensing and the Washington State Patrol pursuant to chapter 46.55 RCW. Any inconsistencies between state regulations and this chapter shall be resolved in favor of the state regulations.

(Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.010 Definitions.

Generally, the definitions adopted in the state towing and impoundment regulations are adopted as part of this chapter. In addition, and to provide emphasis, terms in this chapter shall have the following definitions:

Junk vehicle has the same meaning as set out in the state towing and impoundment regulations, to wit: A vehicle certified under RCW 46.55.230 or the city's officer authorized to enforce the city's building and zoning codes as meeting at least three of the following requirements:

- A. Is three years old or older;
- B. Is extensively damaged, such damage including but not limited to any of the following: A broken window or windshield, or missing wheels, tires, motor, or transmission;
- C. Is apparently inoperable;
- D. Has an approximate fair market value equal only to the approximate value of the scrap in it.

Qualified towing operator means a towing operator who applies to the city to provide towing services and maintains the standards set out in this chapter.

State towing and impoundment regulations means chapter 46.55 RCW, as it may hereafter be modified or amended.

Towing operator means any person who engages in the impounding, transporting, or storage of unauthorized vehicles or the disposal of abandoned vehicles.

Towing services means the transporting upon the public streets and highways of the city of vehicles, together with personal effects and cargo, by a tow truck operated by a qualified towing operator.

Unauthorized vehicle means a vehicle subject to the impoundment provisions in section 10.36.612, and the same meaning set out in the state towing and impoundment regulations, to wit: A vehicle left unattended in one of the following public or private locations:

- 1. *Public locations.*
 - a. Those situations defined in RCW 46.55.113;
 - b. On a highway and tagged as described in RCW 46.55.085 for a period of at least 24 hours;

- c. In a publicly owned or controlled parking facility, properly posted under RCW 46.55.070;
- 2. *Private locations.*
 - a. On residential property;
 - b. On private, nonresidential property properly posted under RCW 46.55.070;
 - c. On private, nonresidential property, and not posted, after 24 hours.

(Ord. 1470 § 14, 2014; Ord. 1445 § 3 (Exh. B) (part), 2012; Ord. 1146 § 2, 1999)

10.38.020 Junk vehicles on public property.

The provisions of RCW 46.55.230 providing for the determination, abatement and removal of junk vehicles on public property are adopted.

(Ord. 1445 § 3 (Exh. B) (part), 2012; Ord. 1146 § 2, 1999. Formerly 10.38.005)

10.38.030 Junk vehicles on private property—Public nuisance.

- A. *Declaration of public nuisance.* The existence of junk vehicles is declared to be a public nuisance. Pursuant to the authority of RCW 46.55.240, the city may abate junk vehicles on private property according to the procedures set out in chapter 8.26, subject to the specific requirements set out in the following subsections.
- B. *Exemptions.* This chapter shall not apply to:
 - 1. A vehicle or part thereof that is completely enclosed within a building in a lawful manner, where it is not visible from the street or other public or private property; or
 - 2. A vehicle or part thereof that is stored or parked in a lawful manner on private property in connection with the business of a licensed dismantler or licensed vehicle dealer and is fenced according to RCW 46.80.130, as the same exists now or may be hereafter amended.
- C. *Notice.* Before abatement and removal of a junk vehicle from private property, the city shall provide a notice in substantially the same form and content as set forth below by certified mail, with a five-day return receipt requested, to the owner of the land as shown on the last county equalized assessment roll and to the last registered and legal owner of record of the vehicle, unless the vehicle is in such condition that identification numbers are not available to determine ownership:

Notice of Abatement and Removal of Junk Vehicle(s)

To: The Registered owner of the vehicle(s) described as follows:

Make Model VIN Number

And to: The property owner of record of that real property located at _____ Chelan, Washington.

YOU ARE HEREBY NOTIFIED that the above-described vehicle(s) must be removed within twenty (20) days from the date of mailing of this notice or the vehicle(s) described above shall be abated and removed by the City and the cost of such abatement and removal shall be collected from the last registered owner of the vehicle(s) or from the owner of the property, unless the owner of the property requests a hearing as explained in this notice and it is determined at said hearing that the vehicle(s) was/were placed on the property without the consent of the owner of the property and the property owner has not subsequently acquiesced in its presence.

You may request a hearing within twenty (20) days of the date of mailing this notice before the Chelan District Court by delivering a written request for a hearing to the Chelan District Court Clerk. You will be notified of the date, time and place of said hearing.

The City has the authority to abate and remove junk vehicles at your expense pursuant to chapter 46.55 RCW, and chapter 10.38 of the Chelan Municipal Code.

- D. *Appearance by landowner.* The owner of the property on which the vehicle or part thereof is located may appear in person at the hearing requested or may present a written statement for consideration at the hearing, and deny responsibility for the presence of the vehicle or part thereof on the property, providing reasons for the denial. If it is determined at the hearing that the vehicle or part thereof was placed on the property without the consent of the property owner, and that the property owner has not subsequently acquiesced in its presence, then the Chelan municipal court shall not assess costs of administration or removal of the vehicle or part thereof against the property upon which the vehicle or part thereof is located or otherwise attempt to collect such costs from the property owner.
- E. *Removal and disposal.* Twenty days after the notice of abatement and removal of junk vehicles has been mailed, or after a hearing, if such is requested, at which the city's determination of nuisance has been affirmed, the Chelan County sheriff shall cause such vehicle to be removed and wrecked in a manner consistent with state towing and impoundment regulations, with notice of said removal sent to the Washington State Patrol and the department of licensing that the vehicle has been wrecked. The city may operate such a disposal site where the city council determines that commercial channels of disposition are not available or are inadequate and it may make final disposition of such vehicles or parts, or may transfer such vehicle or parts to another governmental body provided such disposal shall be only as scrap.

(Ord. 1445 § 3 (Exh. B) (part), 2012; Ord. 1287 § 6, 2004; Ord. 1146 § 2, 1999. Formerly 10.38.040—10.38.060)

10.38.040 Violation—Penalty.

Any person who shall abandon a junk vehicle or part thereof on private or public property within the city limits shall be deemed guilty of a misdemeanor subject to penalty as set forth in chapter 1.24 as now exists or as may be hereafter amended.

(Ord. 1445 § 3 (Exh. B) (part), 2012; Ord. 1146 § 2, 1999. Formerly 10.38.070)

10.38.050 Towing and impoundment of unauthorized vehicles.

The provisions of the state towing and impoundment regulations, specifically including provisions relating to the towing, impoundment and redemption of unauthorized vehicles at RCW 46.55.070 through 46.55.140, have been adopted by the city pursuant to section 10.01.010, wherein the city adopted the Washington Model Traffic Ordinance, chapter 308-330 WAC, which has adopted the portions of the state towing and impoundment regulations relating to the towing, impoundment and redemption of unauthorized vehicles.

(Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.060 Towing services to be provided by qualified towing operators.

Towing services required by the city, including the Chelan County sheriff, shall be accomplished through the use of qualified towing operators, on a rotational or contractual basis, such that requests for towing services shall be made from a list of qualified towing operators. The Chelan County sheriff shall not call or cause to be called any towing operator that is not a qualified towing operator, unless all qualified towing operators are unavailable.

(Ord. 1542 § 1, 2018; Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.070 Qualification to act as a qualified towing operator.

The city, including the Chelan County sheriff, shall review the qualifications and operations of those persons desiring to be a qualified towing operator, based on a review of an application therefor to the Chelan County sheriff's office that provides the following information, plus any other information deemed appropriate by the city or the Chelan County sheriff's office:

- A. Legal name of the towing operator;
- B. Business address and street address of the towing operator;
- C. Telephone number through which the towing operator will receive calls for towing services;
- D. The legal form of the towing operator, and if the towing operator is not an individual, the names and addresses of all persons having an ownership interest in the towing operator;
- E. The location, size and security features of the storage yard on which towed vehicles will be stored;
- F. The location to which the public must come to claim stored vehicles;
- G. A statement of willingness to provide towing service on a continuous 24[-hour]-a-day basis each day of the year;
- H. A list of the towing equipment, including its size and capacity;
- I. A list of the insurance policies maintained by the towing operator;
- J. A statement that the towing operator will accept responsibility for any and all personal property and for theft in towed and stored vehicles, along with a description of the place he would use to adequately protect the property left in towed or stored vehicles.

(Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.080 Standards for qualified towing operators.

Qualified towing operators shall provide towing services according to the following standards:

- A. Towing operators shall hold current and valid permits from the State of Washington as may be required for the operation both of the towing business and the automobile storage yard.
- B. Every person operating a vehicle in the provision of towing services shall be properly licensed as an operator for the particular type of motor vehicle equipment, including any specialized licensing provisions such as commercial truck driver's license.
- C. Employees shall be skilled and competent to operate their equipment and maintain their storage yard, and that the motor vehicle and towing equipment is at all times in safe and proper working condition.
- D. Towing operators shall provide a tow vehicle of sufficient size and weight for the towing services.
- E. All tow trucks shall be equipped with warning lights required under state law and have working two-way communications radio equipment on the same frequency as a base station located at the point where calls are received.
- F. The towing operator shall provide continuous 24-hour-per-day prompt service each day of the year and there shall be an attendant on duty at all times for the purpose of receiving calls and receiving and releasing stored vehicles.

(Supp. No. 6)

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- G. The towing operator shall provide a limited coverage secure storage area, storage yard security (fence), and property protection.
 - H. The towing operator shall maintain general public liability insurance with limits of not less than \$300,000.00 and shall at all times keep on file with the city a certificate of insurance showing that such insurance is in force.
 - I. The towing operator shall not release any vehicle directly impounded by the city without authorization by the city, including the Chelan County sheriff.
 - J. The towing operator's storage yard shall be located within a 50-mile radius of the city limits of Chelan.
 - K. The towing operator shall execute an agreement to defend and save harmless the city, its officers and employees from any and all claims (real or imaginary) which may be filed by any person against the city for personal injury or property damage or loss growing out of the impound, towing and/or storage activities of the towing operator, its officers, agents or employees, except as to any act or omission of a city officer or employee.

(Ord. 1542 § 2, 2018; Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.090 Determination of qualified towing operator does not grant vested right.

A determination by the city that a towing operator qualifies as a qualified towing operator shall not be construed as granting a vested right in any of the privileges so conferred. The city may terminate a person's determination as a qualified towing operator at any time.

(Ord. 1445 § 3 (Exh. B) (part), 2012)

10.38.100 Authority to make regulations.

The Chelan County sheriff is authorized to establish in writing and cause the enforcement of additional reasonable rules and regulations consistent with this chapter for towing operators as is deemed reasonable from time to time and appropriate for the safety, well-being and protection of citizens of the city.

(Ord. 1445 § 3 (Exh. B) (part), 2012)

Exhibit "B"

BIG VALLEY TOWING, LLC

Private Property Impound Contract

Date _____

Name of Business/Property City of Chelan

Mayor, Erin McCardle / 509-682-8018

Print (Owner/Lessor/Manager) / Phone Number

Print (Owner/Lessor/Manager) / Phone Number

City Park Properties including but not limited to Don Morse Park, Lakeside Park, Lakeshore Marina, & Lakeshore RV Park _____ hereby

(Service Address)

requests Big Valley Towing to impound vehicles at the above listed property.

***Terms of Contract**

- Impoundment will be billed accordingly to our RTTO Official Fees.
- RTTO Official Fees are updated on October 16th every year.
- Charges are the responsibility of the registered/legal owner prior to the release of the vehicle.
- This contract approves Big Valley Towing to use special equipment and/or extra man.
- Signs must be clearly visible to all who park in accordance with **RCW 46.55.063**
- The hours of authorization to impound are 24 hours a day.
- A person empowered to authorize impounds must be present for each time a vehicle is being removed and must sign an **Authorization to Impound** form.

If you would like to learn about how we are governed you may look at RCW 46.55 & WAC Title 204.

If our services are needed, please call 509-682-1600 at any time and we will dispatch a driver immediately.

Print (Owner/Lessor/Manager)

Signature (Owner/Lessor/Manager)

Print (Big Valley Towing)

Signature (Big Valley Towing)

BIG VALLEY TOWING, LLC

Private Property Impound Contract Extended

Date _____
I Mayor Erin McCardle with the City of Chelan

(Owner/Lessor/Manager) (Name of Business/Property)
hereby authorize the list of people below to represent myself for the purpose of dispatching a driver from Big Valley Towing to perform the impoundment of a vehicle.

Mayor, Erin McCardle	/	509-682-8018
Print (Authorized Representative)		Phone Number
City Administrator, Wade Farris	/	509-682-8014
Print (Authorized Representative)		Phone Number
City Clerk, Peri Gallucci	/	509-682-8019
Print (Authorized Representative)		Phone Number
Parks Director, Paul Horne	/	509-682-8015
Print (Authorized Representative)		Phone Number
Parks Assistant Director, Audrey Cooper	/	509-682-8039
Print (Authorized Representative)		Phone Number
Recreation Supervisor, James Hayter	/	506-682-8022
Print (Authorized Representative)		Phone Number
Maintenance Supervisor, Wade Simmons	/	506-670-2559
Print (Authorized Representative)		Phone Number
Office Lead, Libby Hagen		509-682-8021
Print (Owner/Lessor/Manager)	Signature (Owner/Lessor/Manager)	
Print (Big Valley Towing)	Signature (Big Valley Towing)	



WASHINGTON STATE DEPARTMENT OF
LICENSING

Registered Tow Truck Operator Official Fees

Tow truck operators can use this form to record the rates they charge for services. Send this completed form to:
Transportation Services, PO Box 9039, Olympia WA 98507 or fax to (360) 570-4954

- Towing hourly rates established by the Washington State Patrol (WSP) for Class A, Class D, or Class E tow trucks may not exceed 135 percent of the rate established for class A tow trucks.
- Daily storage rates may not exceed 135 percent of the rate established by the WSP.
- The after-hours release fee may not exceed 100 percent of the rate established by the WSP.

Operator number 13245	Firm name BIG VALLEY TOWING, LLC	(Area code) Phone number (509) 682-1600	Date 09/11/2024
Street address (Address, City, State, ZIP code) 105 BEEBE BRIDGE RD, CHELAN, WA 98816			

Operators on WSP rotation should complete block marked WSP.

WSP Accident/Incident		RTTO hourly rate 8 a.m.-5 p.m.			RTTO hourly rate 5 p.m.-8 a.m. Saturday/Sunday/Holiday		
Class	Hourly rate	Class	Gen tow/accident	Impound	Class	Gen tow/accident	Impound
A/E	\$297.00	A/E	\$400.95	\$400.95	A/E	\$400.95	\$400.95
B/E		B/E			B/E		
C		C			C		
D		D			D		
S		S			S		

WSP after hours
release fee \$149.00

Approved extra man
fee (per hour) \$149.00

Approved after hours
release fee \$149.00

Tow truck definitions

Class A— Trucks that are capable of towing and recovery passenger cars, pickup trucks, small trailers, or equivalent vehicles.
 Class B— Trucks that are capable of towing and/or recovery medium size trucks, trailers, motor homes, or equivalent vehicles.
 Class C— Trucks that are capable of towing and/or recovery large trucks, trailers, buses, motor homes, or similar vehicles.
 Class D— Trucks that are equipped for and primarily used as "wheel lift" trucks.
 Class E— Trucks designed and intended to transport vehicles entirely on truck bed.
 Class S— Tow or recovery trucks that cannot meet the requirements of Class A, B, C, D or E and are not eligible for waiver per WAC 204-91A-070(4).

Rate definitions

- (1) Accident/General towing hourly rate—First hour charge plus additional charge calculated to nearest 1/4 hour.
- (2) Impounded hourly rate—First hour charge plus additional charge to nearest 1/4 hour.
- (3) Storage rate—Charged to nearest 1/2 day from the time vehicle arrives at storage area.

Storage (per day)—Operators on WSP rotation **must** charge single rate regardless of whether vehicle is stored inside or outside.

Type of vehicle	WSP rate	Private rate	
		Inside	Outside
Cars or other vehicles under 10,000 pounds	\$75.00		\$101.25
Motorcycles and other motor driven cycles	\$75.00		\$101.25
Trucks, buses, and motor homes over 10,000 pounds shall be charged equivalent to the number of car spaces taken	\$75.00		\$101.25

No other rates or charges may be made other than those prescribed on this form.

Other required services which may be subcontracted by the tow operator are not subject to these rates.

I agree to charge fees only as listed on this rate sheet.

X

Operator signature



Authorization to Impound/Tow and Vehicle Inventory

License number	State	VIN (Vehicle Identification Number)	Make	Model	Year
----------------	-------	-------------------------------------	------	-------	------

I hereby authorize

Towing firm _____

to impound or tow this vehicle from _____

Location

this date of _____ at (time) _____ ☐ a.m. ☐ p.m. because it is an unauthorized vehicle within the meaning of RCW 46.55.010(14).

A person or agency authorizing this impound, if the impound is found in violation of chapter 46.55 RCW, may be held liable for the costs incurred by the vehicle owner.

Print name _____ Title _____
Name of authorizing individual

Signature **X** _____ WDL # _____
Signature of authorizing individual Washington driver license number

Mailing address _____

Date of impound _____ Time of impound _____ ☐ a.m. ☐ p.m.

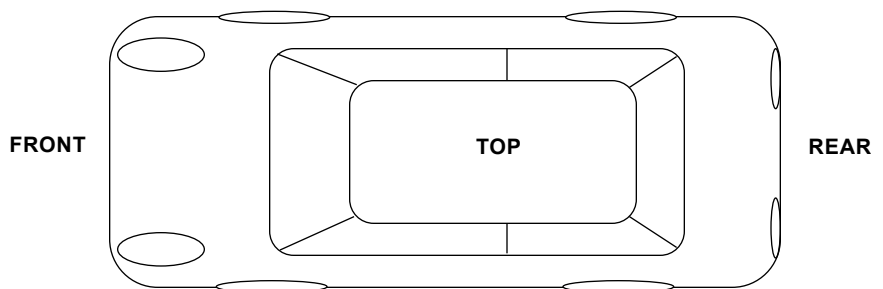
Individual/agency authorizing this impound: ☐ Private property owner* ☐ Private property custodian*
☐ Law enforcement ☐ Other public official

*This vehicle is of scrap value and I agree to pay the above named towing firm \$_____ to impound this vehicle.

Signature of tow driver **X** _____ Unit number _____

Body condition: Shade damaged areas and check applicable items

1. ☐ Fenders
2. ☐ Hood and grill
3. ☐ Windshield/Glass
4. ☐ Lights/Lenses
5. ☐ Top
6. ☐ Sides
7. ☐ Trunk
8. ☐ Bumpers
9. ☐ Doors
10. ☐ Tires/Rims
11. ☐ Other _____



Vehicle inventory: Check Yes or No as applicable

- | | Yes | No |
|------------------------|--------------------------|--------------------------|
| 1. Trunk locked | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Glovebox locked | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Spare tire | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Car stereo | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Speakers | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Keys | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Tapes/Compact discs | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. CB radio | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Car phone | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Jack | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Tire chains | <input type="checkbox"/> | <input type="checkbox"/> |

Additional items:



Right of Redemption and Opportunity for a Hearing Notice

You must use this form and include any required attachments if you want to redeem an impounded vehicle, access an impounded vehicle, or request a hearing about the vehicle.

When completed, file this form with the district/municipal court in the county where the vehicle was impounded.

As the person or business seeking to redeem an impounded vehicle, you are hereby notified that you have certain statutory rights and obligations as set forth in RCW 46.55.

- **You have the right to request a hearing** in district/municipal court to contest the validity of the impound and/or the towing and storage fees. Your request for a hearing must be received by the district/municipal court within 10 days of this date. Attached is a hearing request form.
- If you choose to request a hearing, all funds paid to redeem your vehicle will be held in a trust account pending the disposition of that hearing.
- **You have the right to receive a copy of the towing and storage receipt.** Attached is a copy of that receipt.
- **You have the right to know the name of the person or agency authorizing the impound.** This information is attached.
- **If you are unable to redeem your vehicle and want to ensure your belongings are not sold with the vehicle**, you must remove them from the vehicle within 20 days of impoundment. If you do not have a place to store your belongings the tow company will store them for 30 days from the date you sign the Personal Belongings Storage Request form. You must complete a Personal Belongings Storage Request **in person** at the tow facility during regular business hours. You are responsible to remove your belongings from the vehicle. Personal belongings that are not redeemed within 30 days of signature will be disposed on the 31st day.

Vehicle information

License number	State	Vehicle Identification Number (VIN)	Make	Model	Year
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Person or business seeking to redeem the vehicle

Name		(Area code) Phone number	
Street address			
City		State	ZIP code
Acknowledgment <i>As the person, vehicle insurer or a vendor working on behalf of the vehicle insurer seeking to redeem an impounded vehicle, I acknowledge receipt of this written notice of rights in redeeming the vehicle. I understand that I have the right to request a hearing in district/municipal court and have received a form to make such a request. I have received a copy of the towing and storage receipt, the name of the person or agency authorizing the impound, and I acknowledge that this Right of Redemption and Opportunity for a Hearing form will serve as a receipt for the vehicle.</i>			
<input type="checkbox"/> a.m. <input type="checkbox"/> p.m.		<input checked="" type="checkbox"/> Signature	
Date and time			

Person or business seeking access to the vehicle or vehicle information

If you are seeking to retrieve personal belongings from the vehicle, view the vehicle to determine the extent of damage, or request any information in regards to the vehicle, please complete this section.

Purpose <input type="checkbox"/> Retrieve personal belongings <input type="checkbox"/> View the vehicle <input type="checkbox"/> Request information on the vehicle			
Name		(Area code) Phone number	
Street address			
City		State	ZIP code
<input type="checkbox"/> a.m. <input type="checkbox"/> p.m.		<input checked="" type="checkbox"/> Signature	
Date and time			



CITY OF CHELAN

CITY COUNCIL

12 Aug 2025

Subject/Title: Kidder Mathews Bid Award and Professionals Services Agreement for the As-Is Appraisal of Commercial Properties

Department: Administration

Staff Contact: Wade Farris

Guiding Principles: Visionary & Strategic

Initiatives: Manage Growth

Reviewed By: City Administrator
Finance Director

GOVERNING LEGISLATION

RCW 35A.11.020 Powers vested in legislative bodies of noncharter and charter code cities. "...The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title..."

PREVIOUS ACTION TAKEN

None.

OVERVIEW

On June 18, 2025 the City posted a Request for Proposals (RFP) for "As-Is" Appraisals for Commercial Properties due July 9, 2025. Zero bids were received. On July 23, 2025 the City posted a second RFP for "As-Is" Appraisals for Commercial Properties due August 6, 2025.

Four firms submitted proposals for the As-Is Appraisal of Commercial Properties:

- Pacific Appraisals - \$20,000
- Property Sciences \$16,000
- Rudd Appraisals - \$15,000
- Kidder Mathews - \$14,000

Each firm was evaluated based on the following criteria: experience and qualifications, understanding of the scope and methodology, proposed timeline,

cost effectiveness, references, and past performance. Kidder Mathews submitted the most comprehensive proposal. They provided examples of past appraisals, offered the lowest bid at \$14,000 (inclusive of all expenses and with no retainer required), and proposed a completion timeline of five weeks.

FINANCIAL IMPLICATIONS

Adequate funds budget. \$14,000 inclusive of all expenses.

ATTACHMENTS

1. Kidder Mathews Professional Services Agreement
2. Kidder Mathews Valuation Advisory Services
3. Kidder Mathews Sample Market Rate Study
4. Kidder Mathews Sample Restricted Appraisal Report

SUGGESTED MOTION

Suggested Motion: None.

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, is made in duplicate by and between the CITY OF CHELAN, a Washington municipal corporation (the "CITY") and Kidder Mathews, (the "SERVICE PROVIDER").

WHEREAS, the CITY desires to complete the As-Is Appraisals for Commercial Properties (the "Project") which requires specialized skills and other supportive capabilities which the CITY is not able to provide; and

WHEREAS, the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise to perform the services and/or tasks set forth in this Agreement for the Project.

NOW, THEREFORE, the parties agree as follows:

1. Scope of Services. The SERVICE PROVIDER shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof (the "Services") as detailed in ***Exhibit "A"***. All Services shall be provided according to the care and skill ordinarily used by members of the SERVICE PROVIDER'S profession practicing under the same or similar circumstances at the same time and in the same locality as the Services being performed.
2. Term. This Agreement is effective upon execution by the Mayor. The SERVICE PROVIDER shall begin and complete the provision of the Services, unless sooner terminated according to this Agreement, as follows:

Commencement Date:	August 27, 2025
Completion Date:	December 31, 2025

3. Compensation and Method of Payment.
 - 3.1 Compensation. The City shall pay the SERVICE PROVIDER according to the rates shown in ***Exhibit "B"***.
 - 3.2 Billing and Payment. No payment shall be made for any Service rendered by the SERVICE PROVIDER except for Services and identified in this Agreement. The SERVICE PROVIDER will transmit invoices to the City no more often than once each month, for the Services and expenses provided pursuant to this Agreement. All invoices shall list the actual time (days and/or hours) and dates during which the Services were performed and the compensation shall be determined using the rates set out in ***Exhibit "B"***, and shall include a report generally describing the progress of the Services and the Project. Payment for the amount stated on the invoice shall be due thirty (30) days from the receipt of the invoice by the City, and amounts not paid when due shall accrue interest at the rate of one percent (1%) per month.

4. Information. The SERVICE PROVIDER shall furnish to the CITY within a reasonable time such statements, records, reports, data, and information as the CITY may request pertaining to the Services and the Project.
5. Independent Contractor Relationship.
 - 5.1 The parties intend that an independent contractor relationship will be created by this Agreement. The CITY is interested primarily in the results to be achieved by the Services. The implementation of Services will lie solely with the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of the Services.
 - 5.2 In the performance of the Services the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the Services, however, the results of the Services be approved by the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory performances of the Services. Notwithstanding, the CITY may at its sole discretion require the SERVICE PROVIDER to remove an employee(s), agent(s) or subcontractor(s) from providing Services or otherwise being involved with the Project.
6. Hold Harmless/Indemnification.
 - 6.1 Service Provider 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 Service Provider in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.
 - 6.2 However, should a court of competent jurisdiction determine that this Agreement 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 Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Service Provider'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 Agreement.

6.3 No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

7. Insurance. The SERVICE PROVIDER 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 Services by the SERVICE PROVIDER, its agents, representatives, or employees.

7.1 Minimum Scope of Insurance The SERVICE PROVIDER shall obtain insurance of the types and coverage described below:

- a. 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.
- b. 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 Public Entity shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the public entity using an addition insured endorsement at least as broad as ISO endorsement form CG 20 26.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- d. Professional Liability insurance appropriate to the Consultant's profession.

7.2 Minimum Amounts of Insurance The SERVICE PROVIDER shall maintain the following insurance limits:

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

7.3 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

- a. The SERVICE PROVIDER'S insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the SERVICE PROVIDER'S insurance and shall not contribute with it.
- b. The SERVICE PROVIDER'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.

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

7.5 Verification of Coverage. SERVICE PROVIDER 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 the insurance requirements of the SERVICE PROVIDER before commencement of the Services.

8. Ownership of Property.

8.1 City's Property. All property furnished by the CITY for the use of the SERVICE PROVIDER shall remain the property of the CITY.

8.2 Instruments of Service. All documents, including drawings and specifications, prepared by the SERVICE PROVIDER pursuant to this Agreement are the instruments of service with respect to the Services and shall be owned by the City upon payment of the SERVICE PROVIDER fee by the City. The SERVICE PROVIDER shall provide the City with reproducible copies of all documents, drawings, specifications, and other work products constituting the instruments of service. The instruments of service are not intended nor represented by the SERVICE PROVIDER to be suitable for reuse by the City or others on extensions of the services provided for the Services, or any other project. Any reuse without written verification or adaptation by the City will be at the City's sole risk and without liability or legal exposure to the SERVICE PROVIDER, and the City shall indemnify and hold the SERVICE PROVIDER harmless from all claims, damages; losses, and expenses including attorney's fees arising out of or resulting therefrom.

9. Compliance with Laws.

9.1 The SERVICE PROVIDER, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including

regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

- 9.2 The SERVICE PROVIDER specifically agrees to pay any applicable business and occupation (B&O) taxes that may be due on account of this Agreement.

10. Nondiscrimination. Because The CITY is an equal opportunity employer:

10.1 Nondiscrimination in Employment. In the performance of this Agreement, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained dog guide or service animal by a person with a disability; provided that the prohibition against discrimination in employment because of disability, or the use of a trained dog guide or service animal by a person with a disability, shall not apply if the particular disability prevents the proper performance of the particular worker involved. The SERVICE PROVIDER shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The SERVICE PROVIDER shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

10.2 Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability.

10.3 Assignment. If any assignment or subcontracting has been authorized by the CITY, the assignment or subcontract shall include appropriate safeguards against discrimination.

11. Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

11.1 By signing the agreement below, the SERVICE PROVIDER certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 11.1(b) of this certification; and
 - d. Have not within a three (3) year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- 11.2. Where the SERVICE PROVIDER is unable to certify to any of the statements in this certification, such SERVICE PROVIDER shall attach an explanation to this proposal.

12. Assignment/subcontracting.

- 12.1 The SERVICE PROVIDER shall not assign its performance of the Services or any portion of this Agreement without the City's prior written consent of not less than thirty (30) days. The CITY reserves the right to reject without cause any such assignment.
- 12.2 Any assignment shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.
- 12.3 Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the CITY.

13. Maintenance and Inspection of Records.

- 13.1 The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid

pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

- 13.2 The SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this Agreement, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

14. Termination.

- 14.1 Termination for Convenience. The CITY may terminate this Agreement, in whole or in part, at any time, by giving thirty (30) days' written notice to the SERVICE PROVIDER. Upon such termination for convenience, the CITY shall pay the SERVICE PROVIDER for all Services provided under this Agreement through the date of termination.

- 14.2 Termination for Cause. If the SERVICE PROVIDER fails to perform in the manner called for in this Agreement, or if the SERVICE PROVIDER fails to comply with any other provisions of the Agreement and fails to correct such failure or noncompliance within five (5) days' written notice thereof, the CITY may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the SERVICE PROVIDER setting forth the manner in which the SERVICE PROVIDER is in default and the date of the termination. The SERVICE PROVIDER will only be paid for Services performed in accordance with this Agreement through the date of termination.

15. Notice. Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

16. Attorneys Fees and Costs. In any dispute arising from the terms or performance of this Agreement, whether a lawsuit is commenced, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding, including an appeal.

17. Jurisdiction and Venue.

- 17.1 This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and shall be governed by laws of the State of Washington, both as to interpretation and performance.

- 17.2 Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in any of the courts of competent jurisdiction in Chelan County, Washington.
18. Severability. If any portion of this Agreement is held to be invalid or unenforceable for any reason, such holding shall not affect the validity or enforceability of the remaining portions of this Agreement.
19. Entire Agreement. This Agreement, including the Exhibits attached, is the complete and exclusion expression of the agreement between them and shall bind their successors and assigns. Any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any provision of this Agreement shall constitute a material breach of contract and be cause for termination. The parties recognize time is of the essence in the performance of this Agreement. The forgiveness or waiver of the nonperformance of any provision of this Agreement does not constitute a waiver of any subsequent nonperformance by a party.

CITY:

SERVICE PROVIDER:

CITY OF CHELAN
PO Box 1669
Chelan, WA 98816

Erin McCardle, Mayor

Date

Attest:

Peri Gallucci, City Clerk

EXHIBIT A



July 31, 2025

Ricardo Castro
City of Chelan Facilities Specialist
135 E. Johnson Ave
Chelan, Washington, 98816

RE: Request For Proposal - As-Is Appraisals for Commercial Properties

Mr. Castro,

Thank you for the opportunity to bid on this assignment. I have reviewed the facilities within the RFP issued July 23, 2025, and have developed a preliminary scope of work, a cost estimate, and delivery timing for this project. A fee schedule, list of relevant experience, qualifications, license, W-9, and certificate of liability insurance are attached to this letter.

Cost Estimate - \$14,000, inclusive of all expenses.

Timeline – 5 weeks from signed engagement to complete all four reports.

Retainer – No retainer is required.

RFP Requirements – We have read and agree to the scope of work and project requirements of the RFP.

Scope Of Work – Four appraisal reports, one for each of the facilities listed in the table on the following page. All properties will be inspected by the appraiser. A regional rent survey of municipal airport properties will be conducted. A local rent survey of commercial properties will be conducted.

Appraisal Methodology – A market rent analysis will be completed for the Lake Chelan Airport Property (A), and opinions of ground rent for the hangar properties will be provided. Restricted appraisal reports will be provided for Lake View Drive-In, Chelan Library, and 1000 E Johnson Ave (Listed as Properties B, C, and D in the RFP). Each restricted appraisal report will include opinions of the As-Is Market Value and market rent. Two opinions of market rent will be provided for the Chelan Library property, one for the church and one for the library.

Key Personnel – Justin Weeks, MAI is a Certified General Real Estate Appraiser that is licensed in Washington State. He grew up on the Eastside of Seattle, and has provided appraisal services throughout Eastern Washinton. There will be no other appraisers working on the assignment. Please reference the relevant experience list attached to this letter.

We will prepare the appraisals using processes and standards in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The appraisals



will be transmitted in a restricted report format. Only necessary discussions of data reasoning and analysis will be presented. Supporting documentation concerning the data reasoning and analysis will be retained in our files. It is our understanding this will be sufficient for your needs. In addition, our services will comply with and be subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

Please let me know if you agree to these terms and I can prepare an engagement letter.

Sincerely,

A handwritten signature in black ink that reads 'Justin M. Mathews'.

Kidder Mathews
Valuation Advisory Services

EXHIBIT B

**Cost Estimate**

	PROPERTY NAME	PARCEL NUMBER	REPORT TYPE	SCOPE OF WORK	FEE
A	Lake Chelan Airport	272304410100	Market Rent Study	Provide opinions of market ground rent for hangars	\$4,250
B	Lake View Drive In	272213525413	Restricted Appraisal Report	As-Is Market Value w/ opinion of market rent (1)	\$3,000
C	Chelan Library	272213512296	Restricted Appraisal Report	As-Is Market Value w/ opinions of market rent (2)	\$4,250
D	100 E Johnson Ave	272213525187	Restricted Appraisal Report	As-Is Market Value w/ opinion of market rent (1)	\$2,500
					\$14,000

VALUATION ADVISORY SERVICES

WE ARE *THE EDGE* IN YOUR MARKET

Kidder Mathews provides comprehensive valuation, advisory and consulting services for a wide variety of property types in the Western U.S. in addition to having the expertise throughout North America and internationally.

Our group is recognized as being experts in complex property valuation matters and regularly performs assignments involving property, portfolio, partnership, fee simple, leased fee and leasehold interests along with market rent determinations.

The advisory and consulting practice provides market research and analysis, market and financial feasibility studies, investment counseling, counseling for development, acquisition, sale, leasing and financing along with expert witness testimony and litigation support for all types of real estate.

Our team has more valuation professionals with the MAI designation awarded by the Appraisal Institute than any other fully independent commercial real

estate firm in the Western U.S. Six hold the prestigious Counselor of Real Estate (CRE) designation. Members of the group are also active with the Royal Institute of Chartered Surveyors and hold the FRICS and MRICS designations.

Valuation Advisory Services specializes in all property types including investment-grade real estate, office, retail, industrial, apartments, condominiums, hotels and resorts, mixed-use properties, low income tax credit properties, health care, golf courses, marinas, athletic clubs, parking garages, service stations, truck stops, agricultural land, mining properties, restaurants, branch banks, high value single-family residences and estates, residential subdivisions and undeveloped vacant land.

2,400+

AVERAGE ANNUAL ASSIGNMENTS

39/24

TOTAL NO. APPRAISERS/MAI'S

COMPREHENSIVE SERVICES

- Arbitration & Mediation
- Eminent Domain
- Estate & Gift Valuations
- Mortgage Lending Valuations
- Rural, Natural Resource, & Environmental Valuations
- Tax & Financial Reporting
- Cost Segregation
- Litigation Services
- Data Center Services
- Partial Interest & Discount Valuation Services
- Consulting
- Tax Appeal Appraisals
- Machinery & Equipment Appraisals

SELECT CLIENTS

REPRESENTATIVE ASSIGNMENTS



La Paloma

SPECIAL PURPOSE | TUSCON, AZ



Western Wealth

22-PROPERTY PORTFOLIO
COST SEGREGATION | TEMPE, AZ



Mandarin Oriental Beverly Hills

HOTEL | BEVERLY HILLS, CA



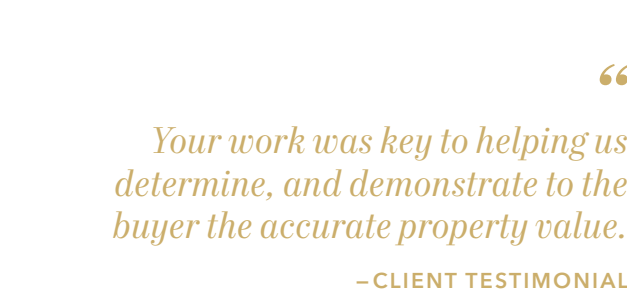
South Center Square

RETAIL | S SEATTLE, WA



Howard Hughes Portfolio

19-PROPERTY PORTFOLIO
OFFICE | LAS VEGAS, NV



Pictsweet

6-PROPERTY PORTFOLIO
INDUSTRIAL | TN



45 Lansing Apartments

MULTIFAMILY | SAN FRANCISCO, CA



Alameda Marina

RECREATIONAL/HOSPITALITY | ALAMEDA, CA

UNSURPASSED VALUATION EXPERTISE & CLIENT SERVICE

Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with over 900 professionals in 19 offices across Washington, Oregon, California, Idaho, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

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510+ NO. OF BROKERS *\$9B* AVERAGE ANNUAL TRANSACTION VOLUME

ASSET SERVICES

58M SF MANAGEMENT PORTFOLIO *850+* ASSETS UNDER MANAGED

VALUATION ADVISORY

2,400 AVERAGE ANNUAL ASSIGNMENTS *39/24* TOTAL NO. OF APPRAISERS/MAI'S

*Valuation
Advisory Services*

RANDY CLEMSON
Executive Vice President
randy.clemson@kidder.com

877.454.3337 | KIDDER.COM





MARKET RENT STUDY

SAMPLE - PROFESSIONAL OFFICE BUILDING
Unincorporated Thurston County, Washington

As of June 6, 2024



Prepared for

Sample Client

Prepared By

Justin M. Weeks, MAI
Senior Vice President

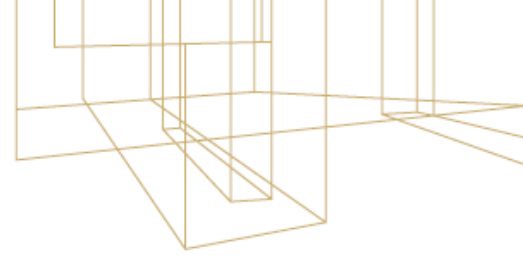
KM Job No: SAMPLE

Kidder Mathews
Valuation Advisory Services

101 SW Main Street, Suite 1200
Portland, OR 97204
(503) 221-9900
justin.weeks@kidder.com

**Kidder
Mathews**

KIDDER.COM



July 31, 2025

Sample Client
Olympia, Washington

RE: Market Rent Study
Professional Office Building
Sample
Olympia, Washington

Kidder Mathews File No: SAMPLE

To Whom It May Concern:

In fulfillment of our agreement as outlined in the Contract for Professional Services, Kidder Mathews is pleased to transmit this Market Rent Study for the above noted property. The reader is advised that this appraisal is limited in scope to the extent that the client has requested the appraiser to only provide an opinion of market rent for the subject property as of June 6, 2024, the effective date. In view of the scope limitations, this appraisal report contains minimal detail beyond the intended focus of the analysis.

The subject property is a 6,463 SF net rentable area (NRA) office building that was constructed in 1976 and is situated on an approximately 34,970 SF site within unincorporated Thurston County. The property owner is [REDACTED]. The subject is located in a developed commercial and industrial area surrounding Martin Way East, a primary east-west arterial connecting downtown Olympia and the eastern portion of the county.

The subject is a brick building that is demised as a reception area, 24 private offices, a conference room, copy room, kitchen, and two single-user restrooms. The buildout is representative of professional office space. There are two paved driveways and a surface parking lot that is shared with the adjacent [REDACTED] (outside of scope). There are 30 surface parking spaces within the boundaries of the dedicated site area. The subject property is occupied by the [REDACTED], a service organization for 20 treaty Indian tribes in Western Washington. The subject is more fully described, legally and physically, within the enclosed Appraisal Report.

Based on my investigation and analyses, I have developed the following opinion subject to the assumptions and limiting conditions, extraordinary assumptions, and definitions. Data, information, and calculations leading to the value opinion are incorporated in the report following this letter. The appraisal report, in its entirety, is an integral portion of this letter and is inseparable thereto.

MARKET RENT CONCLUSION				
PROPERTY	LEASE STRUCTURE	AREA (SF NRA)	CONCLUDED RENT	TOTAL YEAR 1 RENT
Professional Office Building	Full Service	6,463	[REDACTED] / SF NRA	[REDACTED]

Re: Sample, Olympia, Washington
Page ii

Considering the subject's location, utility and economics, as well as the adjusted range provided by the comparable rental data, the annual market rent for the subject is estimated at \$[REDACTED]/SF full service gross. The cumulative year one rent is \$[REDACTED]. The market rent conclusion for the subject does not include the following:

- Real estate taxes
- Building management (dedicated on-site maintenance/engineering personnel)
- Depreciation
- Principal and interest

This report is for the sole use and benefit of, and may be relied upon by, the client. The report specifically cannot be relied upon by any other any party beyond the intended user. This report may not be distributed or relied upon by any other persons or entities without written permission of Kidder Mathews.

This appraisal has been completed in accordance with the Uniform Standards of Professional Appraisal Practices and Conduct ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation. Additionally, this appraisal was prepared in conformance with the Stark Law and Anti-Kickback Law. The appraiser has no relationship with the client and no compensation or special instructions were made to the appraiser, beyond those set forth in the scope of this report and the Contract for Professional Services.

This appraisal report specifically addresses the intended use and user. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-client or unintended users does not extend reliance and Kidder Mathews will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

EXTRAORDINARY ASSUMPTIONS


No Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

No changes of any item of the appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized changes. This letter of transmittal and the pages that follow constitute our report, including the data and analyses utilized in forming an opinion of market rent. Should you have any questions concerning this report, please call me.

Respectfully Submitted,

A handwritten signature in blue ink that reads 'Justin M. Weeks'.

Justin M. Weeks, MAI
Senior Vice President
Certified General Real Estate Appraiser
Washington License No. 23007851
Expiration Date 10/24/2024



CERTIFICATION OF THE APPRAISAL

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 our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Washington.
8. 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.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Justin Weeks has made a personal inspection of the property that is the subject of this report.
11. Justin Weeks has extensive experience in the appraisal/review of similar property types.
12. No one provided significant real property appraisal assistance to the person signing this report.
13. Justin Weeks has not provided any real estate related 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.

Justin M. Weeks, MAI
Certified General Real Estate Appraiser
Washington License No. 23007851
Expiration Date 10/24/2024



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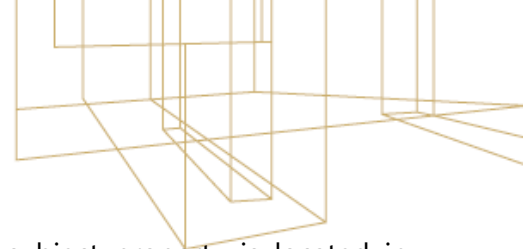
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Summary of Salient Facts

PROPERTY IDENTIFICATION		
Name	Professional Office Building	
Property	Office - Low-Rise Office	
Address	-	
City, State Zip	Olympia, Washington	
County	Thurston County	
SITE DESCRIPTION		
Assessor Parcel Number	XXXXXX	
Land Area	Square Feet	Acres
Dedicated Site Area	34,970	0.80
Total	34,970	0.80
Zoning	Mixed Use High Density Corridor (MHDC)	
Zoning Authority	Thurston County	
Flood Zone	Zone X (Unshaded)	
IMPROVEMENT DESCRIPTION		
Tenancy	Single-Tenant Owner-Occupied	
Net Rentable Area (NRA)	6,463	
Gross Building Area (GBA)	6,463	
Ground Floor SF	6,463	
Total Buildings	1	
Floors	1	
Year Built	1976	
Building Class	C	
Land To Building Ratio	5.41 : 1	
Site Coverage Ratio	18.5%	
Parking Stalls	30 - Surface spaces	
Parking Ratio	4.6 / 1,000 SF NRA	
Office Build Out	100%	
REPORT DATES		
Effective Date	6/6/2024	
Date of Inspection	6/6/2024	
Date of Report	7/31/2025	

MARKET RENT CONCLUSION				
PROPERTY	LEASE STRUCTURE	AREA (SF NRA)	CONCLUDED RENT	TOTAL YEAR 1 RENT
Professional Office Building	Full Service	6,463	/ SF NRA	



LOCATION MAP

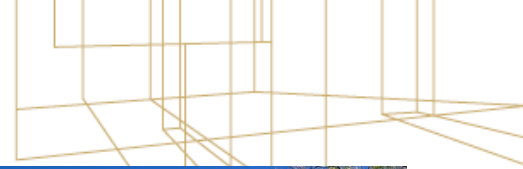
The address for the Professional Office Building building is Sample. The subject property is located in unincorporated Thurston County, Washington.



AERIAL PHOTOGRAPH

An aerial photograph of the subject is below.

SAMPLE



Exterior



Exterior



Exterior



Exterior



Private office



Private office



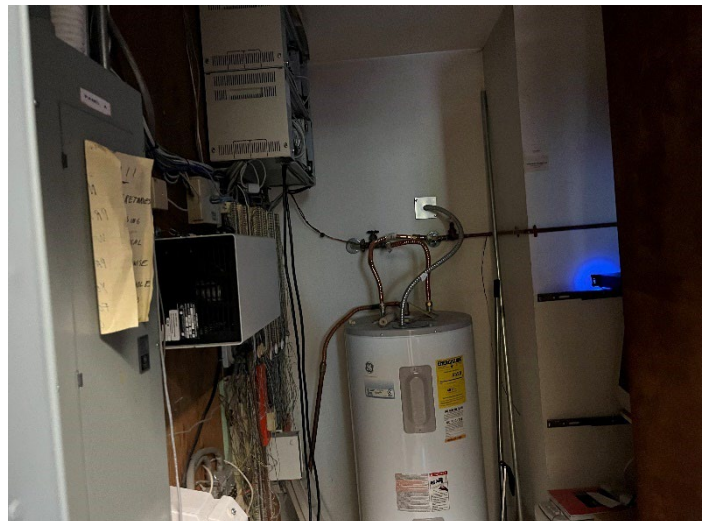
Conference room



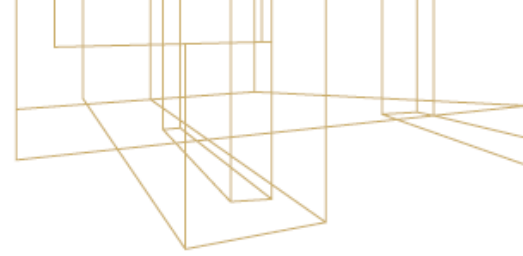
Copy room



Restroom



Utility closet



Introduction

SUBJECT IDENTIFICATION

The subject is a 6,463 SF NRA office building that was constructed in 1976. The subject property is located in unincorporated Thurston County, Washington.

LEGAL DESCRIPTION

No legal description was provided. I have relied upon the subject's address for identification purposes.

EFFECTIVE DATE OF THE APPRAISAL & DATE OF THE REPORT

The effective date of the appraisal is June 6, 2024. The property was inspected on June 6, 2024. The date of the report is July 31, 2025.

PURPOSE

The purpose of this appraisal is to provide an opinion of the subject's market rent as of the effective date.

INTENDED USE

The intended use of this appraisal is to determine the market rent for the subject property. No duty is conveyed by Kidder Mathews for any other use of this appraisal without prior written permission.

INTENDED USER

The intended user of this report is [REDACTED]. No duty is conveyed by Kidder Mathews to any other user without prior written permission.

PROPERTY INTERESTS APPRAISED

This appraisal's value conclusion reflects the subject's market rent.

DEFINITION OF MARKET RENT

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).¹

¹ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022



SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use and intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

Extent to Which the Property is Identified

The appraiser reviewed the subject's address in identifying the property. The appraiser inspected the interior and exterior of the subject on June 6, 2024.

Type and Extent of the Data Researched

In completing this assignment, an analysis of the physical and economic characteristics of the subject has been conducted, as well as an analysis of the supply and demand attributes. Characteristics associated with office projects in the subject's market were also considered. This investigation involved the collection and analysis of comparable rental property in the competitive area.

Type and Extent of Analysis Applied

In this appraisal, we analyzed the data gathered using appropriate and accepted appraisal methodology to arrive at a probable market rental estimate.

Special Appraisal Instructions

None.

PERSONAL PROPERTY & BUSINESS INTANGIBLE

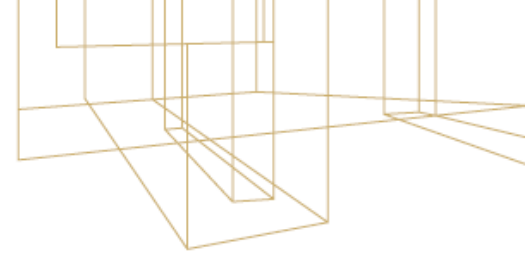
There is no personal property (FF&E) included in this valuation.

EXPOSURE TIME

Exposure time is influenced by price. That is, a prudent buyer/renter could be enticed to acquire the property in less time if the price/rent were less. Hence, the time span cited below coincides with the opinion of market rent formed herein. USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value.

Exposure Time

With consideration to the subject's location, size, utility, and market conditions as of the effective date, the property would likely require an exposure time of 12 months or less.



LOCAL MARKET AREA

Location

Sample

Demographics

The following information reflects the demographics within a 1, 3 and 5 mile radius of the subject property.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILE	5 MILE	DESCRIPTION	1 MILE	3 MILE	5 MILE
POPULATION TOTAL				HOUSEHOLDS			
2010 Census	6,893	54,922	117,167	2010 Census	2,653	21,937	47,013
2020 Census	7,627	64,553	137,458	2020 Census	2,915	25,090	54,041
2023 Estimate	8,134	68,102	143,590	2023 Estimate	3,126	26,729	56,806
2028 Projection	8,750	72,522	150,293	2028 Projection	3,409	28,615	59,753
Δ 2010-2020	10.65%	17.54%	17.32%	Δ 2010-2020	9.88%	14.37%	14.95%
Δ 2020-2023	6.65%	5.50%	4.46%	Δ 2020-2023	7.24%	6.53%	5.12%
Δ 2023-2028	7.57%	6.49%	4.67%	Δ 2023-2028	9.05%	7.06%	5.19%
Total Daytime Population	9,473	68,647	131,884	HOUSEHOLDS BY INCOME (2023 ESTIMATE)			
HOUSING UNITS				<\$15,000	8.0%	7.2%	6.3%
Total (2023 Estimate)	3,443	28,155	59,383	\$15,000 - \$24,999	4.8%	5.6%	5.0%
Owner Occupied	50.9%	55.9%	63.1%	\$25,000 - \$34,999	5.2%	6.3%	5.3%
Renter Occupied	39.9%	39.1%	32.6%	\$35,000 - \$49,999	14.1%	12.7%	10.6%
Vacant Housing Units	9.2%	5.1%	4.3%	\$50,000 - \$74,999	18.2%	17.1%	16.8%
Total (2028 Projection)	3,729	29,991	62,201	\$75,000 - \$99,999	21.4%	17.0%	16.8%
Owner Occupied	49.7%	55.5%	63.5%	\$100,000 - \$149,999	18.7%	19.1%	20.8%
Renter Occupied	41.7%	39.9%	32.6%	\$150,000 - \$199,999	4.5%	9.1%	10.9%
Vacant Housing Units	8.6%	4.6%	3.9%	\$200,000+	5.0%	5.9%	7.5%
AVERAGE HOUSEHOLD INCOME				AVERAGE HOUSEHOLD SIZE			
2023 Estimate	\$89,662	\$96,272	\$105,434	2023 Estimate	2.49	2.49	2.49
2028 Projection	\$104,071	\$112,712	\$122,988	2028 Projection	2.47	2.48	2.48
Δ 2023-2028	16.07%	17.08%	16.65%	Δ 2023-2028	(0.80%)	(0.40%)	(0.40%)
MEDIAN HOUSEHOLD INCOME				MEDIAN HOME VALUE			
2023 Estimate	\$74,255	\$76,151	\$82,170	2023 Estimate	\$343,934	\$383,889	\$415,072
2028 Projection	\$80,878	\$85,771	\$94,773	2028 Projection	\$411,435	\$464,784	\$485,581
Δ 2023-2028	8.92%	12.63%	15.34%	Δ 2023-2028	19.63%	21.07%	16.99%
PER CAPITA INCOME				AVERAGE HOME VALUE			
2023 Estimate	\$33,724	\$37,868	\$41,664	2023 Estimate	\$336,252	\$406,887	\$444,320
2028 Projection	\$39,646	\$44,565	\$48,838	2028 Projection	\$448,759	\$533,432	\$569,354
Δ 2023-2028	17.56%	17.69%	17.22%	Δ 2023-2028	33.46%	31.10%	28.14%

Source: Sites To Do Business Online

SITE DESCRIPTION

The 34,970 SF of site area dedicated to the Professional Office Building consists of a portion of Thurston County tax parcel XXXXX. Site improvements consist of two asphalt paved driveways and a surface parking lot. Landscaping includes mowed lawns, shrubs, and mature trees.



IMPROVEMENT DESCRIPTION

The following chart shows a summary of the improvements.

Property Type	Office - Low-Rise Office
Tenancy	Single-Tenant
Net Rentable Area (NRA)	6,463
Gross Building Area (GBA)	6,463
Ground Floor SF	6,463
Total Buildings	1
Floors	1
Year Built	1976
Overall Building Quality	Average
Overall Building Condition	Average
Building Class	C
Land to Building Ratio	5.41 : 1
Site Coverage Ratio	18.48% (Based On Total Overall Site Area)
Total Parking Spaces	30 - Surface spaces
Parking Ratio	4.6 / 1,000 SF NRA
Warehouse SF	0
Office SF	6,463
Office Build Out	100%

COMPONENT DESCRIPTION

Foundation	Concrete slab.
Exterior Walls/Framing	Brick. Portions of the northern exterior wall have painted wood siding.
Roof	Flat roof with built-up assemblies.
Heating & AC (HVAC)	Heating and cooling is provided by roof mounted package units.
Insulation	Assumed to be standard and to code for both walls and ceilings.
Lighting	Flush mounted fluorescent and recessed lighting.
Electrical	Assumed adequate and to code.
Interior Walls	Mix of exposed brick and painted gypsum wallboard.
Doors and Windows	Exterior doors and windows are insulated glass in anodized aluminum frames. Interior doors are solid core wood.
Ceilings	2 x 4 acoustical tiles.
Plumbing	Assumed to be adequate to support the two single-user restrooms and kitchen.



Floor Covering	Wall to wall carpet, ceramic tile, and laminate tile.
Fire Protection	None.
Signage	Monument sign with exposure to Martin Way East and attached building signage.
Deferred Maintenance	There were no signs of deferred maintenance at the time of inspection.
Hazardous Materials	A Phase I report was not provided. This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) unseen asbestos and mold. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

Zoning

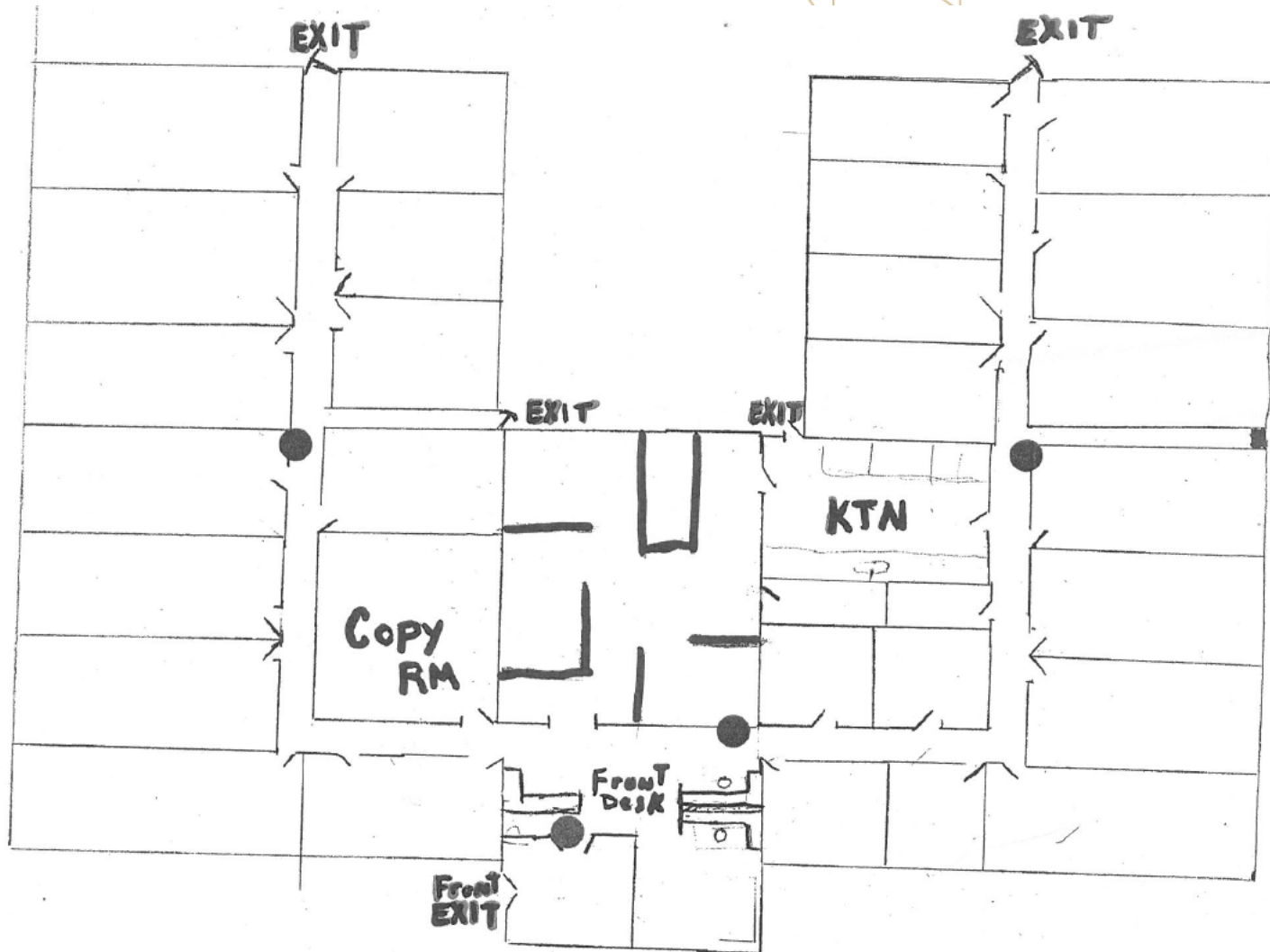
The subject property is encumbered by the Thurston County zoning code. The zoning designation is Mixed Use High Density Corridor (MHDC).

ZONING	
Designation	Mixed Use High Density Corridor (MHDC)
Zoning Authority	Thurston County
Permitted Uses	Permitted uses include retail, financial institutions, medical office, hotels, service (business, personal and repair), child care, and public administration.
Current Use	Low-Rise Office
Maximum Permitted Site Coverage	35%
Min Permitted Yard Setbacks	
Front (Feet)	15
Rear (Feet)	15
Side (Feet)	10
Max Permitted Density (Units/Acre)	24
Source: Thurston County Planning & Zoning Department	

The subject property is improved with a professional office building, a use that is not permitted outright by the underlying zoning designation. The current use predates the current zoning code, and the subject property represents a legal non-conforming use. Note that following relating to non-conforming uses within Thurston County:

- Non-conforming non-residential uses may be expanded up to 15%.
- A non-conforming use of a structure that has been vacant for 3 years shall not be returned to the non-conforming use.
- A non-conforming structure that is damaged or destroyed may be restored to the same extent if the building permit application is submitted within 12 months.

FLOORPLAN



MARKET ANALYSIS

In this section, market conditions which influence the subject property are analyzed.

Office Market Analysis

An overview of Office supply and demand conditions for the Olympia market and Lacey & Outlying Thurston County submarket are presented. Key supply and demand statistics for the most recent quarter, last year and historical averages over the past 5 years are summarized in the tables below.

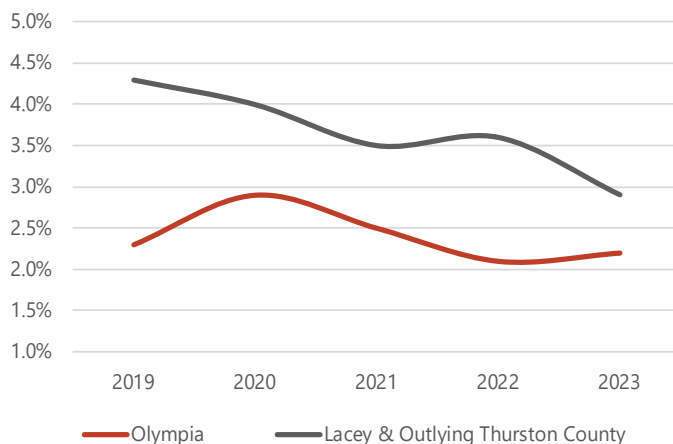
OFFICE MARKET AND SUBMARKET DATA SUMMARY (5 YEARS)					
INVENTORY SUPPLY (SF)				VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q1	2024	12,099,636	2,601,595	2.4%	2.8%
Q4	2023	12,099,636	2,601,595	2.2%	2.4%
Q3	2023	12,116,496	2,618,455	2.4%	3.3%
Q2	2023	12,116,496	2,618,455	2.2%	2.8%
	2023	12,116,496	2,618,455	2.2%	2.9%
	2022	12,132,654	2,634,613	2.1%	3.6%
	2021	12,120,276	2,622,235	2.5%	3.5%
	2020	12,120,276	2,622,235	2.9%	4.0%
	2019	12,091,215	2,630,027	2.3%	4.3%

RENT \$/SF				NET ABSORPTION (SF)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q1	2024	\$22.56	\$25.68	(25,202)	(9,430)
Q4	2023	\$22.32	\$25.68	1,922	5,297
Q3	2023	\$22.20	\$23.04	(26,600)	(11,869)
Q2	2023	\$22.20	\$23.40	99	2,132
	2023	\$22.32	\$23.40	(42,151)	(719)
	2022	\$23.04	\$20.88	57,018	9,283
	2021	\$21.60	\$20.04	41,784	12,730
	2020	\$19.80	\$19.56	(38,279)	(134)
	2019	\$19.80	\$17.04	136,604	54,392

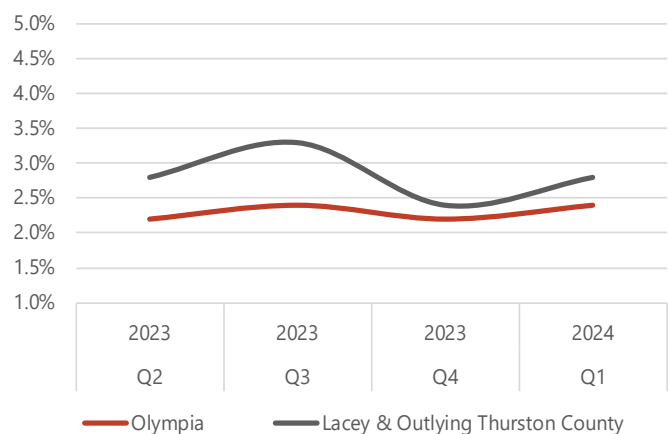
Source: CoStar Property®

The following tables provide visual illustration of the long term and short term Office vacancy for the Olympia market and Lacey & Outlying Thurston County submarket.

LONG TERM VACANCY

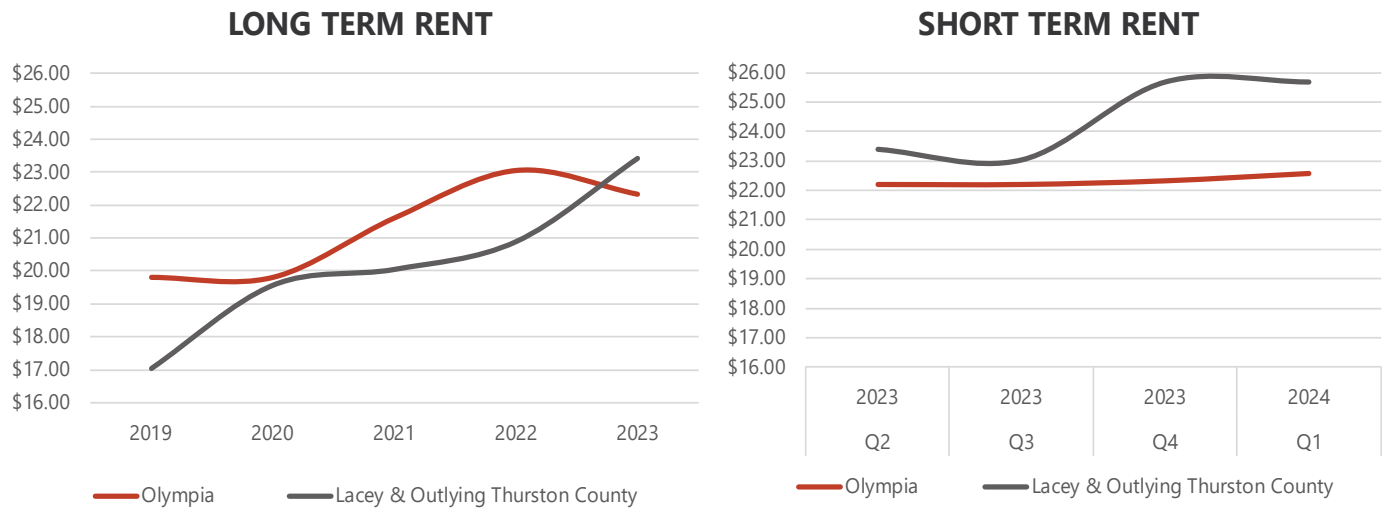


SHORT TERM VACANCY





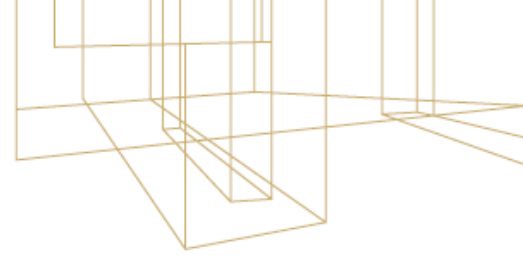
Office rental rate trends for the Olympia market and Lacey & Outlying Thurston County submarket are included in the following tables (full service gross basis).



The following tables provides the recently delivered and under construction Office supply for the Olympia market and Lacey & Outlying Thurston County submarket:

DELIVERIES (SF)					
QTR	YEAR	MARKET	% OF TOTAL	SUBMARKET	% OF TOTAL
Q1	2024	0	0.0%	0	0.0%
Q4	2023	0	0.0%	0	0.0%
Q3	2023	0	0.0%	0	0.0%
Q2	2023	0	0.0%	0	0.0%
	2023	0	0.0%	0	0.0%
	2022	12,378	0.1%	12,378	0.5%
	2021	0	0.0%	0	0.0%
	2020	36,853	0.3%	0	0.0%
	2019	4,600	0.0%	4,600	0.2%

UNDER CONSTRUCTION (SF)					
QTR	YEAR	MARKET	BUILDINGS	SUBMARKET	BUILDINGS
Q1	2024	0	0	0	0
Q1	2023	0	0	0	0
Q1	2022	12,378	1	12,378	1
Q1	2021	12,378	1	12,378	1
Q1	2020	36,853	2	0	0



Market Rent Analysis

The market rent analysis is presented in this section.

LEASE TYPE

The market rent analysis is based on a full service gross expense structure where the landlord pays for all operating expenses including real estate taxes, property insurance, repairs and maintenance, janitorial, landscaping, utilities, management fees, administrative charges, and reserves for replacement.

UNIT OF COMPARISON

The analysis is conducted on a dollar per square foot annually, reflecting market behavior.

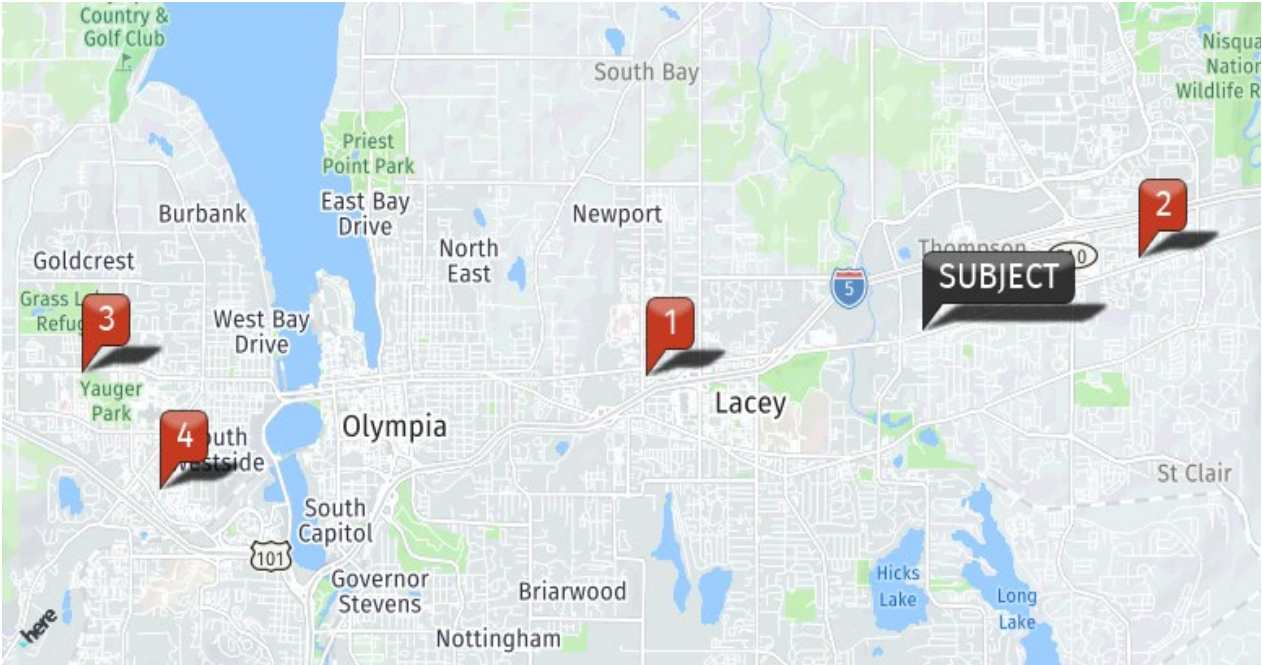
QUANTITATIVE ADJUSTMENT PROCESS

The comparables have been evaluated for concessions such as free rent, tenant improvements in excess of the typical market, atypical rent escalations, and atypical lease terms. Adjustment was made for these concessions based on their impact over the original term period. Quantitative percentage adjustments were made for location and physical features such as size, age, condition, exposure and parking ratio. It is stressed that the adjustments are subjective in nature and are meant to illustrate the logic in deriving an opinion of market rent for the subject.

PRESENTATION

The following presentation summarizes the comparables most similar to the subject property. The location summary table, map, photographs, Office Lease Comparison Table, and an analysis of the rent comparables are presented on the following pages.

RENT COMPARABLE SUMMARY							
	START DATE	TENANT	LOCATION	YR. BLT	LEASE SF	LEASE STRUCTURE	\$/SF
1	7/1/2024	PEER Washington	3009 Pacific Avenue SE, Olympia, WA	2001	3,174	Full Service	\$24.00
2	5/1/2024	Northwest Ambulance	412 Lilly Road SE, Olympia, WA	1980 / 2019	4,040	Triple Net	\$24.78
3	11/1/2023	Pediatric Therapy	8830 Tallon Lane NE, Lacey, WA	2001	4,326	Full Service	\$23.00
4	6/15/2023	Catholic Community Services	402 Yauger Way SW, Olympia, WA	1997	10,402	Triple Net	\$18.00



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	3009 Pacific Avenue SE, Olympia, WA, 98501	3.2
COMPARABLE 2	2	412 Lilly Road SE, Olympia, WA, 98506	2.4
COMPARABLE 3	3	8830 Tallon Lane NE, Lacey, WA, 98516	2.0
COMPARABLE 4	4	402 Yauger Way SW, Olympia, WA, 98502	7.3



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4

OFFICE LEASE COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4
Name	Professional Office Building	Office Building	Flex Building	Hawks Rest Business Park	Professional Office Building
Address	Sample	3009 Pacific Avenue SE	412 Lilly Road SE	8830 Tallon Lane NE	402 Yauger Way SW
City	Olympia	Olympia	Olympia	Lacey	Olympia
State	WA	WA	WA	WA	WA
Zip	98516	98501	98506	98516	98502
County	Thurston	Thurston	Thurston	Thurston	Thurston
Submarket	Lacey & Outlying Thurston County	Eastside	Eastside	Lacey	Westside

LEASE INFORMATION

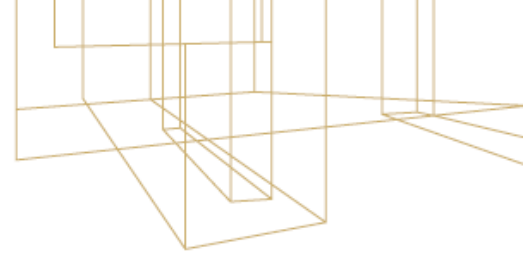
Rent (\$/SF/Yr.)		\$24.00		\$24.78		\$23.00		\$18.00
Tenant		PEER Washington		Northwest Ambulance		Pediatric Therapy		Catholic Community Services
Start Date	6/6/2024	7/1/2024		5/1/2024		11/1/2023		6/15/2023
Space Type	Office	Office		Office		Office		Office
Lease Type	New	New		New		New		New
Lease Str.	Full Service	Full Service		Triple Net	\$6.50	Full Service		Triple Net
Size (SF)	6,463	3,174		4,040		4,326		10,402
Term (Yrs.)		10.0		5.3		6.1		5.6
Avg. Escalation	CPI	3.0%	\$0.56	3.0%	\$0.25	3.0%	\$0.29	3.0%
Free Rent		None		3 Mos.		1 Mos.		6 Mos.
TI's (\$/SF)		\$5.00		None		\$10.00		\$50.00
Total Lease Adjustments		\$0.56	\$0	\$6.75	\$0	\$0.29	\$0	(\$0.32)
Adjusted Rent (\$/SF/Yr.)		\$24.56		\$31.53		\$23.29		\$17.68

BUILDING INFORMATION

NRA (SF)	6,463	3,174	-5%	4,040	-10%	4,326	-5%	10,402	10%
Year Built/Ren	1976	2001		1980 / 2019		2001		1997	
Location	Average	Average		Average		Average		Good	-10%
Access	Average	Average		Average		Average		Average	
Exposure	Average	Average		Average		Average		Average	
Quality	Average	Above Average	-5%	Good	-10%	Average		Average	
Condition	Average	Above Average	-5%	Good	-15%	Above Average	-5%	Average	
Parking Ratio	4.6	2.3	5%	1.7	5%	4.7		3.9	
Utility	Office	Office		Office & Showroom	5%	Office		60% Undemised	15%
Total Building Adjustments		(\$2.46)	-10%	(\$7.88)	-25%	(\$2.33)	-10%	\$2.65	15%
Adjusted Rent (\$/SF/Yr.)		\$22.10		\$23.65		\$20.96		\$20.33	

CONFIRMATION INFORMATION

Company	Compass	Kidder Mathews	Kidder Mathews	Kidder Mathews
Name	Joe Bills	Evan Parker	Amy Harding	Amy Harding
Affiliation	Procuring Broker	Procuring Broker	Procuring Broker	Procuring Broker



SUMMARY OF OFFICE LEASE COMPARABLES

Lease 1 (\$22.10/SF Adjusted) – - New lease of a 3,174 SF suite within a larger multi-tenant office building in Olympia, WA. The tenant was PEER Washington. The suite was built-out as professional office. The lease includes 3.0% annual increases and a full service gross expense structure. There was a tenant improvement allowance of \$5.00/SF and no free rent.

Lease 2 (\$23.65/SF Adjusted) – - New lease of a 4,040 SF flex building in Olympia's eastside. The tenant was Northwest Ambulance. The building has frontage on Lilly Road and is demised as 2,120 SF of office space and 1,920 SF of showroom. There is also a secure storage yard (4,900 SF) within the site interior. The lease includes 3.0% increases and a triple net expense structure. The tenant received 3 months free rent and there was no tenant improvement allowance.

Lease 3 (\$20.96/SF Adjusted) – - New lease of a 4,326 SF suite within the Hawks Rest Business Park. The tenant was Leaps and Bounds Pediatric Therapy. The suite was built-out as professional office. The lease includes 3.0% annual increases and a full service gross expense structure. The tenant received 1 month free rent and a \$10.00/SF tenant improvement allowance.

Lease 4 (\$20.33/SF Adjusted) – - New lease of freestanding 10,402 SF professional office building with frontage on Harison Avenue NW in Olympia, WA. The space was previously occupied by the GSA (Social Security Administration) and approximately 60% of the space was un-demised office area. The tenant was Catholic Community Services, who occupy the property as a behavioral health facility. The lease included a 67-month term, 3.0% annual increases, and a triple net expense structure. The tenant received 6 months free rent and there was a tenant improvement allowance of \$50/SF.

DISCUSSION OF ADJUSTMENTS

The comparables have been evaluated for concessions in excess of the market standard, atypical rent escalations, and atypical lease terms. Adjustment was made for these concessions based on their impact over the original term period.

Start Date

There has been general stability in office asking rents within the region between the oldest lease commencement date and the date of value. As indicated in the preceding market analysis section, the average asking rent for office space in Thurston County was \$22.56/SF (full service basis) as of Q1 2024, down slightly from the 2022 average of \$23.04/SF. With consideration to rental rate trends and current market conditions, no adjustments are applied for rent growth between the lease commencement of the comparables and the effective date.

Lease Structure

The market rent analysis is based on a full service gross expense structure. Comparables 2 and 4 include a triple net expense structure and upward adjustments are applied. These adjustments for lease structure consider the office expense comparables and typical operating expense charges within the market.

With consideration to the status of the tribe as a sovereign government, the adjustment for lease structure does not include real estate tax charges.



EXPENSE COMPARABLES - OFFICE								
COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW	HIGH	AVG
EFFECTIVE GROSS REVENUE	\$18.58	\$21.93	\$24.90	\$33.07	\$31.22	\$18.58	\$33.07	\$25.94
OPERATING EXPENSES	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	LOW	HIGH	AVG
Real Estate Taxes	-	-	-	-	-	-	-	-
Property Insurance	\$0.14	\$0.38	\$0.55	\$0.31	\$0.21	\$0.14	\$0.55	\$0.32
Repairs & Maintenance	\$0.71	\$2.56	\$2.18	\$0.74	\$1.00	\$0.71	\$2.56	\$1.44
Cleaning & Janitorial	\$1.34	\$0.55	\$2.11	\$0.38	\$0.37	\$0.37	\$2.11	\$0.95
Landscaping/Security	\$0.22	\$2.25	\$1.21	\$0.77	\$0.32	\$0.22	\$2.25	\$0.95
Utilities	\$1.91	\$2.05	\$1.91	\$2.80	\$3.08	\$1.91	\$3.08	\$2.35
Management Fees	\$0.28	\$0.00	\$1.02	\$1.56	\$1.40	\$0.00	\$1.56	\$0.85
Administrative Fees	\$0.03	\$0.21	\$0.02	\$0.00	\$0.00	\$0.00	\$0.21	\$0.05
Reserves	-	-	-	-	-	\$0.00	\$0.00	-
TOTAL OPERATING EXPENSES	\$4.63	\$8.00	\$9.00	\$6.56	\$6.38	\$4.63	\$9.00	\$6.91

Escalations

The purpose of this appraisal is to provide an opinion of market rent as of the effective date with no predetermined cost escalations. Annual increases will be based on the current CPI for each renewal year.

The comparables include varying annual escalations and are adjusted to compare to a typical CPI-based escalation type. The escalation adjustment considers Consumer Price Index for All Urban Consumers (CPI-U, all items in U.S. city average) data, and quantitative support is provided in the addenda.

HISTORIC CONSUMER PRICE INDEX

DATE	CPI-U	% CHANGE
March 2004	187.400	-
March 2005	193.300	3.1%
March 2006	199.800	3.4%
March 2007	205.352	2.8%
March 2008	213.528	4.0%
March 2009	212.709	-0.4%
March 2010	217.631	2.3%
March 2011	223.467	2.7%
March 2012	229.392	2.7%
March 2013	232.773	1.5%
March 2014	236.293	1.5%
March 2015	236.119	-0.1%
March 2016	238.132	0.9%
March 2017	243.801	2.4%
March 2018	249.554	2.4%
March 2019	254.202	1.9%
March 2020	258.115	1.5%
March 2021	264.877	2.6%
March 2022	287.504	8.5%
March 2023	301.836	5.0%
March 2024	312.332	3.5%
Average Annual Increase in CPI-U		2.6%



Free Rent

Comparables 2, 3 and 4 included free rent concessions of between 1 and 6 months, which are within the market standard, and no adjustments are applied for atypical concessions.

Tenant Improvement Allowance

The tenants of Comparables 1 and 3 received tenant improvement allowances of between \$5.00 and \$10.00/SF, which is within the market standard, and no adjustment is warranted. The tenant of Comparable 1 accepted the suite in as-is condition and no adjustment is necessary for the lack of a tenant improvement allowance. The tenant of Comparable 4 received a tenant improvement allowance of \$50.00/SF that was amortized over the lease term, which is above the market standard of between \$5.00 to \$20.00/SF for competing Class B office product. The downward adjustment applied to Comparable 4 considers the 67-month lease term, and the difference between the actual tenant improvement allowance (\$50.00/SF) and market (\$20.00/SF).

Suite Size

Comparables 1, 2 and 3 are smaller than the subject in size and downward adjustments are applied. Comparable 4 is larger than the subject in size and an upward adjustment is applied. The size adjustment considers economies of scale, and the reduced tenant pool actively seeking professional office suites larger than 5,000 SF within the competing market area.

Location

Comparable 4 is located in a superior commercial area within West Olympia and a downward adjustment is applied.

Quality and Condition

Comparable 1 was constructed in 2001 and has been well maintained and slight downward adjustments are applied for quality and condition. Comparable 2 was fully renovated in 2019 and downward adjustments are applied for quality and condition. A slight downward adjustment is applied to Comparable 3 for its superior condition.

Parking Ratio

Upward adjustments are applied to account for the inferior parking ratios of Comparables 1 and 2.

Utility

Comparable 2 is demised as 2,120 SF of office and 1,920 SF of showroom, and a slight upward adjustment is applied for utility to account for the increased demising of the subject property. Comparable 4 was previously occupied by the GSA (Social Security Administration) and approximately 60% of the space was un-demised office area, and an upward adjustment is also applied for utility.

MARKET RENT CONCLUSION

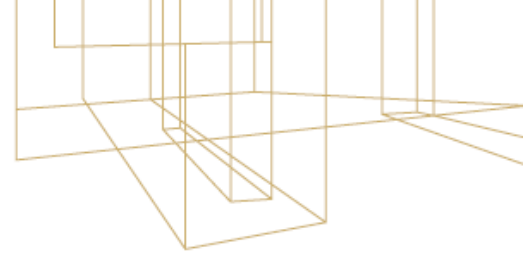
The Office lease comparables indicate an unadjusted range from \$18.00/SF to \$24.78/SF. Rents are analyzed on a full service gross basis. After adjustment the comparables range between \$20.33/SF to \$23.65/SF, and average \$21.76/SF (full service).

With consideration to the size, professional office utility, quality and condition of the Professional Office Building, I have concluded to a market rent near the adjusted average at \$[REDACTED]/SF. The following table summarizes the various indicators of market rent and my conclusion.



OFFICE MARKET RENT CONCLUSION						
	LEASE RATE	ADJUSTMENT			FINAL	NET ADJ
		LEASE ¹	ADJUSTED	BUILDING		
1	\$24.00	2%	\$24.56	(10%)	\$22.10	(8%)
2	\$24.78	27%	\$31.53	(25%)	\$23.65	(5%)
3	\$23.00	1%	\$23.29	(10%)	\$20.96	(9%)
4	\$18.00	(2%)	\$17.68	15%	\$20.33	13%
HIGH	\$24.78	27%	\$31.53	15%	\$23.65	13%
AVG	\$22.45	7%	\$24.26	(8%)	\$21.76	(2%)
MED	\$23.50	2%	\$23.92	(10%)	\$21.53	(6%)
LOW	\$18.00	(2%)	\$17.68	(25%)	\$20.33	(9%)
CONCLUSION						
Office		6,463 SF NRA		Full Service		

¹Total Additive Adjustment



Conclusion of Market Rent

In this section of the report, the appraiser brings together all of the data gathered during the appraisal process, culminating with the opinion of the most probable market rent. One approach was developed to provide an opinion of market rent and no reconciliation is required. The market rent conclusion is as follows:

MARKET RENT CONCLUSIONS	
VALUATION SCENARIO	MARKET RENT
Lease Structure	Full Service
Effective Date	June 6, 2024
Rent Comparables	\$20.33 to \$23.65
MARKET RENT CONCLUSION (\$/SF NRA)	



Contingent and Limiting Conditions

- The certification of the appraisers appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraisers in the report.
- The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be marketable. The property is appraised as though under responsible ownership.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property.
- The appraisers are not required to give testimony or appear in court because of having made this appraisal with reference to the property in question unless arrangements have been made therefore.
- The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
- The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraisers assume no responsibility for such conditions or for engineering which might be required to discover the factors.
- Information, estimates, and opinions furnished to the appraisers and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers can be assumed by the appraisers.
- Disclosure of the contents of this appraisal is governed by the by-laws and regulations of the professional appraisal organizations with which the appraisers are affiliated.
- Neither all nor any part of the contents of this report or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which the appraisers are connected) shall be used for any purposes by anyone but the client or his assigns without the previous written consent of the appraisers, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraisers.
- On all appraisals involving proposed construction, the appraisal report and value conclusions are contingent upon completion of the proposed improvements, if any, in accordance with the plans and specifications.
- Unless otherwise stated in this report, the existence of hazardous material, including but not limited to, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals which may or may not be present on the property, were not called to the attention of, nor were they observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances as listed above, or substances such as asbestos, urea-formaldehyde foam insulation, chemical or toxic waste, or other potentially hazardous materials may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property, or on or in adjoining properties that would cause a loss in value to the property being appraised. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required discovering them.

- The values as concluded herein are entirely contingent upon the subject property not being within or subject to a federally designated potential Endangered Species area as defined by the U.S. Fish and Wildlife Service which as a result might otherwise limit, restrict, and/or prevent development of the subject to its highest and best use.
- The property is appraised free and clear of any or all liens or encumbrances
- unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- All engineering information, if any, is assumed to be correct.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change as a result of variations in the market.
- The construction and condition of the improvements mentioned in the body of this report are based on observations. No engineering study has been provided which would assist in the discovery of any latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study was made.
- Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee or the Appraisal Institute without the previous written consent of the appraisers.

SUPPORT FOR LEASE ESCALATION ADJUSTMENTS

3.0% ANNUAL INCREASES		
Comp. 1 NRA	3,174	
Increases	3.0%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$24.00	\$76,176
2	\$24.72	\$78,461
3	\$25.46	\$80,815
4	\$26.23	\$83,240
5	\$27.01	\$85,737
6	\$27.82	\$88,309
7	\$28.66	\$90,958
8	\$29.52	\$93,687
9	\$30.40	\$96,497
10	\$31.31	\$99,392
Total Rent	-	\$873,272

2.5% ANNUAL INCREASES		
Comp. 1 NRA	3,174	
Increases	2.5%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$24.56	\$77,947
2	\$25.17	\$79,896
3	\$25.80	\$81,893
4	\$26.45	\$83,941
5	\$27.11	\$86,039
6	\$27.79	\$88,190
7	\$28.48	\$90,395
8	\$29.19	\$92,655
9	\$29.92	\$94,971
10	\$30.67	\$97,345
Total Rent	-	\$873,272

3.0% ANNUAL INCREASES		
Comp. 2 NRA	4,040	
Increases	3.0%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$24.78	\$100,111
2	\$25.52	\$103,115
3	\$26.29	\$106,208
4	\$27.08	\$109,394
5	\$27.89	\$112,676
Total Rent	-	\$531,504

2.5% ANNUAL INCREASES		
Comp. 2 NRA	4,040	
Increases	2.5%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$25.03	\$101,117
2	\$25.65	\$103,645
3	\$26.30	\$106,236
4	\$26.95	\$108,892
5	\$27.63	\$111,614
Total Rent	-	\$531,504

3.0% ANNUAL INCREASES		
Comp. 3 NRA	4,326	
Increases	3.0%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$23.00	\$99,498
2	\$23.69	\$102,483
3	\$24.40	\$105,557
4	\$25.13	\$108,724
5	\$25.89	\$111,986
6	\$26.66	\$115,345
Total Rent	-	\$643,594

2.5% ANNUAL INCREASES		
Comp. 3 NRA	4,326	
Increases	2.5%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$23.29	\$100,755
2	\$23.87	\$103,273
3	\$24.47	\$105,855
4	\$25.08	\$108,502
5	\$25.71	\$111,214
6	\$26.35	\$113,995
Total Rent	-	\$643,594

3.0% ANNUAL INCREASE		
Comp. 4 NRA	10,402	
Increases	3.0%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$18.00	\$187,236
2	\$18.54	\$192,853
3	\$19.10	\$198,639
4	\$19.67	\$204,598
5	\$20.26	\$210,736
Total Rent	-	\$994,061

2.5% ANNUAL INCREASES		
Comp. 4 NRA	10,402	
Increases	2.5%	
YEAR	UNIT VALUE	ANNUAL BASE RENT
1	\$18.18	\$189,117
2	\$18.64	\$193,845
3	\$19.10	\$198,691
4	\$19.58	\$203,658
5	\$20.07	\$208,750
Total Rent	-	\$994,061

VALUATION ADVISORY OFFICE LOCATIONS

SEATTLE

601 Union St, Suite 4720
Seattle, WA 98101
T 206.205.0201
Contact Peter Shorett

BELLEVUE

500 108th Ave NE, Suite 2400
Bellevue, WA 98004
T 425.454.7040
Contact Chris Berger

TACOMA

1201 Pacific Ave, Suite 1400
Tacoma, WA 98402
T 253.722.1400
Contact Stan Sidor

PORTLAND

101 SW Main St, Suite 1200
Portland, OR 97204
T 503.221.9900
Contact Aaron Taylor

SACRAMENTO

701 University Ave., Suite 220
Sacramento, CA 95825
T 916.758.3206
Contact Craig Owyang

SAN FRANCISCO

101 Mission St, Suite 1800
San Francisco, CA 94105
T 415.229.8888
Contact Tom Fernwood or
Brett Reynolds

REDWOOD SHORES

201 Redwood Shores Pkwy, Suite 125
Redwood City, CA 94065
T 650.769.3511
Contact Jeffrey Enright

SAN JOSE

10 Almaden Blvd, Suite 550
San Jose, CA 95113
T 408.588.2309
Contact Neil Lefmann

IRVINE

5 Park Plaza, Suite 1700
Irvine, CA 92614
T 949.557.5047
Contact Matthew VanEck

LOS ANGELES

601 S Figueroa St, Suite 2700
Los Angeles, CA 90071
T 213.225.7217
Contact Robert Dietrich

SAN DIEGO

12230 El Camino Real, 4th Floor
San Diego, CA 92130
T 858.369.3080
Contact Kevin Thene

PHOENIX

2525 E Camelback Rd, Suite 210
Phoenix, AZ 85016
T 602.513.5158
Contact Randall Clemson





RESTRICTED APPRAISAL REPORT

SAMPLE - PROFESSIONAL OFFICE BUILDING

Unincorporated Washington County (Portland), OR 97229

As of July 4, 2024 (retrospective date)



Sample Client

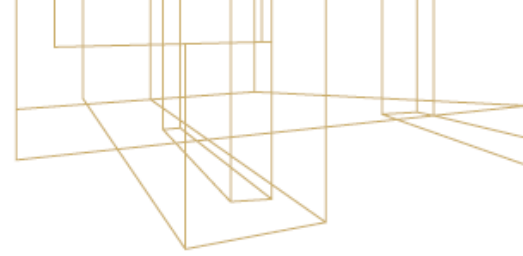
Prepared By

Justin M. Weeks, MAI
KM Job SAMPLE

Kidder Mathews
Valuation Advisory Services
101 SW Main Street, Suite 1200
Portland, OR 97204
(503) 221-9900
kidder.com

**Kidder
Mathews**

KIDDER.COM



July 31, 2025

Sample Client
Portland, Oregon

RE: **Sample - Professional Office Building**
Portland, Oregon

To Whom It May Concern:

This report transmits the conclusion of an appraisal requested by you concerning the property located at Sample, in Unincorporated Washington County (Portland), Oregon. At your request, this appraisal is presented in a Restricted Appraisal Report format as defined by USPAP Standards Rule 2-2(b). This format provides a summary description of the appraisal process, subject and market data and valuation analyses. **The use of this report is restricted to the client and the named intended user(s) and these named parties are advised that the report may not contain supporting rationale for all of the opinions and conclusions set forth in the report.**

The purpose of this appraisal is to develop an opinion of the Retrospective Value (Leased Fee Interest). The following table conveys the final opinion of value that is developed in this appraisal:

MARKET VALUE CONCLUSION			
VALUATION SCENARIO	INTEREST APPRAISED	EFFECTIVE DATE	VALUE
Retrospective Value	Leased Fee Interest	July 4, 2024	

The subject is an Office (Low-Rise Office) property totaling 3,225 SF of net rentable area (NRA) and located in the Cedar Mill area of Unincorporated Washington County. The property has a Portland mailing address and is within the sphere of influence of the City of Beaverton. The subject consists of a single 13,939 SF tax parcel that is zoned Transit Oriented Retail Commercial District. The corner block site has direct frontage on NW Cornell Road, a primary arterial with traffic counts of 11,000+ vehicles per day.

The one-story office building was constructed in 1960 and renovated in 2016. The building is demised as a reception area, two multi-user offices, twelve private offices, a coffee bar, and two single-user restrooms. Interior buildouts are representative of Class B office space, and the property appears to have received an adequate level of maintenance over the years. The subject site is partially improved with an asphalt paved surface parking lot with 19 striped parking spaces. Additional gravel surfaced parking is available within the site interior.

The subject property is encumbered by a term lease agreement to [REDACTED], a local tax, accounting, and payroll service provider that has occupied the property since 2001. The lease was extended on September 1, 2021, and expires September 1, 2031. Contract rent of \$5,000 per month (\$18.60/SF NRA) is flat over the remaining lease term and there is one 10-year option at market rent. The lease includes a modified gross expense structure, and the tenant is responsible for the direct payment of all utility charges and landscaping.

Re: Sample, Portland, Oregon
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This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP).

EXTRAORDINARY ASSUMPTIONS

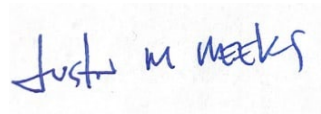
A copy of the lease agreement dated 6/19/2001 was requested by the appraiser but was not provided. Terms of the lease as of the retrospective date were sourced from a notice of the tenant's intent to exercise a lease extension dated 5/27/2011, and an undated addendum to the lease agreement that were provided for the client, both of which are included in the addenda. There may be issues readily identifiable only by a review of the lease agreement dated 6/19/2001 that would have a material impact on the value estimate. This appraisal is subject to the extraordinary assumption that no material issues exist.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

Respectfully Submitted,

KIDDER MATHEWS



Justin M. Weeks, MAI
Senior Vice President
Certified General Real Estate Appraiser
Oregon License No. C001568
Expiration Date 10/31/2024
503.721.2733
justin.weeks@kidder.com



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 of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. The signer of this report has 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. Justin M. Weeks, MAI has performed no services, specifically 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.
5. The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. The 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.
8. The reported analysis, 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 Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
9. Justin M. Weeks, MAI inspected the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the appraiser signing the certification.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Justin M. Weeks, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

Justin M. Weeks, MAI
Certified General Real Estate Appraiser
Oregon License No. C001568
Expiration Date 10/31/2024

Limiting Conditions

1. Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
2. This analysis assumes that the information provided for this appraisal accurately reflect the current condition of the subject property.
3. This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
4. The appraiser 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.
5. The statements of value and all conclusions shall apply as of the dates shown herein.
6. There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
7. Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the company with which the appraiser is connected.
8. 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. Unless approval is provided by the author no portion of the report stands alone.
9. I assume no responsibility for matters legal in character, nor do I render any 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.
10. The appraisal has provided exhibits to assist the client(s)/intended user(s) to understand from a graphical standpoint some of the salient issues which impact the subject property. We have made no survey of the property and if further verification is required, a survey by a registered surveyor is advised.
11. The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
12. The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
13. The liability of Kidder Mathews, its principals, agents, and employees is limited to the client. 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.
14. The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials 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 degree of fault. Kidder Mathews and its principals, agents, employees, shall not be liable for any costs, expenses, 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.
15. The appraiser assumes no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). Kidder Mathews, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance.
16. This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; 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 magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
17. Unless otherwise noted herein, a detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection of the subject property and surrounding properties, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.



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Summary of Appraisal

PROPERTY IDENTIFICATION		
Name	Professional Office Building	
Property	Office - Low-Rise Office	
Address	Sample	
City, State Zip	Portland, Oregon	
County	Washington County	
Area	Unincorporated area of Washington County	
MSA	Portland-Vancouver-Salem, OR-WA CBSA	
Market / Submarket	Portland / North Beaverton	
Census Tract	41-067-031507	
SITE DESCRIPTION		
Number of Parcels	1	
Assessor Parcel Number	XXXXX	
Land Area	Square Feet	Acres
Usable	13,939	0.32
Total	13,939	0.32
Zoning	Transit Oriented Retail Commercial District (TO:RC)	
Shape	Generally Rectangular	
Topography	Level at street grade	
Flood Zone	Zone X (Unshaded)	
IMPROVEMENT DESCRIPTION		
Tenancy	Single-Tenant Occupied By A Third Party Tenant	
Net Rentable Area (NRA)	3,225	
Gross Building Area (GBA)	3,225	
Ground Floor SF	3,225	
Total Buildings	1	
Floors	1	
Year Built	1960 (Renovated 2016)	
Actual Age	64 Years	
Land To Building Ratio	4.32 : 1	
Site Coverage Ratio	23.1%	
Parking	5.9 / 1,000 SF NRA	
HIGHEST & BEST USE		
Proposed Construction	No	
As Vacant	Development of a maximally productive use, most likely an exposure related commercial use or a multifamily residential project	
As Improved	Continued use as a professional office facility	
EXPOSURE TIME		
Exposure Time	12 Months or Less	



INVESTMENT INDICATORS

Current Occupancy	100%	
Stabilized Occupancy / Stabilized Vacancy & Credit Loss	95.0%	5.0%
Expense Structure	Modified Gross	
Number of Commercial Tenants in Occupancy	1	
Remaining Lease Term	7.2 Years	
Total Contract Rent	\$60,000	\$18.60/SF
Annual Rent Increases	0%	
Expense Ratio (Expenses/EGR)	26.68%	
Direct Capitalization NOI	\$41,791	\$12.96PSF
Capitalization Rate (OAR) Conclusion		

VALUE CONCLUSION

VALUATION SCENARIOS	RETROSPECTIVE VALUE
Interest	Leased Fee Interest
Exposure Time	12 Months or Less
Effective Date	July 4, 2024
Site Value	Not Presented
Cost Approach	Not Presented
Sales Comparison Approach	
Income Capitalization Approach	
FINAL VALUE CONCLUSION	



Subject facing northeast from NW Cornell Road.



Facing northwest from NW Joy Avenue.



Facing southwest from site interior.



Facing southeast from site interior.



Reception area.



Multi-user office.



Private office.



Private office.



Restroom.



Restroom.



NW Cornell Road facing southeast



NW Joy Avenue facing northeast

Identification of Assignment

PROPERTY IDENTIFICATION

The subject is an Office (Low-Rise Office) property totaling 3,225 SF NRA and located on a 13,939 SF site at Sample, in the Cedar Mill area of Unincorporated Washington County. The assessor parcel number is XXXXX. An aerial photograph of the subject site is below.

LEGAL DESCRIPTION

A copy of the subject's legal description was not provided.

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, site zoning, easements, encumbrances, site access and site exposure.
- ▶ The appraiser inspected the subject property.
- ▶ The appraisal includes a concise market analysis that included market trends. Conclusions were drawn regarding the subject property's competitive position, prevailing economic conditions and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant and As Improved.
- ▶ In selecting applicable approaches to value, the appraiser considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed Sales Comparison and Income (Direct Capitalization) Approaches. The values presented represent the Retrospective Value (Leased Fee Interest).
- ▶ Reporting of this appraisal is in a Restricted Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- ▶ We understand the Competency Rule of USPAP and the author of this report meet the standards. This is a Restricted Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of USPAP. As such, the presentation assumes that the reader has prior knowledge of the subject property and it presents no detailed discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. This report is prepared solely for the client. It is not intended to be used by third parties.
- ▶ The author of this report is aware of the Competency Rule of USPAP and meets the standards.

CLIENT IDENTIFICATION

The client for this assignment is Sample.



INTENDED USE & INTENDED USERS

The intended use of the appraisal is for estate tax filing. The intended user of the appraisal is Sample.

PURPOSE

The purpose of this appraisal is to develop an opinion of the Retrospective Value (Leased Fee Interest).

PERSONAL PROPERTY & BUSINESS INTANGIBLE

There is no personal property (FF&E) included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

Sample.

Three-Year Sales History

The subject property has not sold in the past 3 years.

Subject Sale Status

The subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

DEFINITION OF MARKET VALUE

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, knowledgeably, and assuming that 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 buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee interest.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.²

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C -Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022



VALUE SCENARIOS

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."³

ASSISTANCE PROVIDED

No one provided real property appraisal assistance to the individual signing this report.

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022



SITE IMPROVEMENTS

The subject site is improved with an asphalt paved surface parking lot with 19 parking spaces. There is also a gravel surface parking area and landscaping.

Number of Parcels	1	
Assessor Parcel	XXXXX	
Land Area	Square Feet	Acres
Total Land Area	13,939	0.32
Excess/Surplus Land	No	
Corner	Yes	
Site Topography	Level At street grade	
Site Shape	Generally Rectangular	
Site Grade	At street grade	
Site Access	Average	
Site Exposure	Above Average	
Utilities	All available to site	

BUILDING IMPROVEMENTS

The subject is improved with a 3,225 SF NRA office building was constructed in 1960 and renovated in 2016. The building is demised as a reception area, two multi-user offices, twelve private offices, a coffee bar, and two single-user restrooms. Interior buildouts are representative of Class B office space, and the property appears to have received an adequate level of maintenance over the years.

Property Type	Office - Low-Rise Office
Tenancy	Single-Tenant Occupied By A Third Party Tenant
Net Rentable Area (NRA)	3,225
Gross Building Area (GBA)	3,225
Total Buildings	1
Floors	1
Year Built	1960; Renovated: 2016
Age/Life Analysis	
Actual Age	64
Overall Building Quality	Average
Overall Building Condition	Average
Land to Building Ratio	4.32 : 1
Site Coverage Ratio	23.14% (Based On Total Overall Site Area)
Floor Area Ratio (FAR)	0.23
Total Parking Spaces	19 - Surface spaces
Parking Ratio	5.9 / 1,000 SF NRA



TAXES & ASSESSMENT

Sample

ZONING

The subject is located in the Transit Oriented Retail Commercial District zoning area.

ZONING	
Designation	Transit Oriented Retail Commercial District (TO:RC)
Zoning Authority	Washington County
Permitted Uses	Retail, office (professional, medical, and service) hotels, gas stations, vehicle rental facilities, day care, and apartments (multi-family residential). Note that all of the stated uses are permitted via a Type II procedure and are subject to additional development standards, guidelines, and design review oversight.
Current Use	Professional Office
Current Use Legally Permitted	Yes
Conforming Use	Based on my review of the zoning code, the subject property appears to represent a legal conforming use.
Zoning Change	Not Likely
Max Permitted Height	60 feet
Max Permitted Floor Area Ratio (FAR)	0.25 to 0.35
Parking Spaces Required	7
Parking Requirement Spaces/Unit	2 spaces per 1,000 SF
Parking Spaces Provided	19
Min Permitted Site Area (SF)	None
Permitted Yard Setbacks	10 foot front maximum
Source: Unincorporated area of Washington County Planning & Zoning Department	

The current use for the subject property as professional office is permitted outright. A zoning change for the subject does not appear likely. Based on the foregoing, it appears that the subject's improvements are a legally conforming use.

OFFICE MARKET ANALYSIS - CoSTAR

An overview of Office supply and demand conditions for the Portland market and North Beaverton submarket are presented. Key supply and demand statistics for the most recent quarter, last year and historical averages over the past 5 years are summarized in the tables below.



OFFICE MARKET AND SUBMARKET DATA SUMMARY (5 YEARS)					
INVENTORY SUPPLY (SF)				VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q2	2024	152,908,704	3,380,097	11.4%	6.1%
Q1	2024	152,902,450	3,380,097	11.2%	5.5%
Q4	2023	152,906,427	3,380,097	10.7%	5.7%
Q3	2023	152,914,275	3,380,097	10.5%	6.5%
	2023	152,508,702	3,380,097	10.7%	5.1%
	2022	152,498,328	3,380,097	9.4%	4.8%
	2021	151,926,350	3,380,097	8.9%	14.5%
	2020	150,269,206	3,380,097	8.1%	8.1%
	2019	148,916,188	3,380,097	6.0%	2.9%
RENT \$/SF			NET ABSORPTION (SF)		
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q2	2024	\$2.14	\$2.51	(294,312)	(19,231)
Q1	2024	\$2.16	\$2.48	(689,207)	5,610
Q4	2023	\$2.18	\$2.44	(381,701)	25,345
Q3	2023	\$2.18	\$2.50	(603,239)	(4,749)
	2023	\$2.18	\$2.21	(1,588,107)	(30,285)
	2022	\$2.18	\$2.21	(264,284)	326,976
	2021	\$2.14	\$2.17	182,976	(216,734)
	2020	\$2.03	\$2.05	(1,778,292)	(176,151)
	2019	\$2.03	\$2.03	335,824	(6,938)

Source: CoStar Property®

HIGHEST & BEST USE

As Vacant

Development of a maximally productive use, most likely an exposure related commercial use or a multifamily residential project.

As Improved

Continued use as a professional office facility.

VALUATION METHODS

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal develops the Sales Comparison and Income (Direct Capitalization) Approaches. The value presented represents the Retrospective Value (Leased Fee Interest).

Note that the valuation scenarios presented herein were selected based on a defined scope and specific intended use of this appraisal. For this reason, the analysis may not include some traditional approaches to value that are applicable for the subject's property type. The preceding valuation scope is sufficient to extrapolate a credible opinion of market value based on the subject property features and availability of market data.

Sales Comparison Approach

An indication of the subject's Retrospective Value via the Sales Comparison Approach is developed within this section. This valuation technique best represents the decision-making process of an owner-user.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per SF NRA.

ADJUSTMENTS

Adjustments to the comparable sales were considered and made when warranted for property rights, financing terms, conditions of sale, expenditures after sale and market conditions.

1. **Property Rights** - All of the sales comparables were leased simple sales reflecting the property rights appraised herein per the agreed upon scope of work.
2. **Financing** - The sales all reflected typical cash equivalent, lender-financed transactions and no adjustments were required for financing terms.
3. **Sale Conditions** - None of the comparables required a condition of sale adjustment, as all were confirmed to be arm's length transactions.
4. **Expenditures After Sale** - Expenses that the buyer incurs after purchase (deferred maintenance, HVAC repairs, etc.). No adjustments are required
5. **Market Conditions (Time)** - Based on the analysis performed, which includes market research and interpretation of value trends, no adjustment is applied for changing market conditions between the oldest comparable sale date up through the retrospective date.

PRESENTATION

The subject and comparable property attributes are presented on the following Improved Sales Comparison Table. This is followed by the value conclusion using the Sales Comparison Approach.



IMPROVED SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5
Name	Professional Office	Multi-Tenant	Multi-Tenant	Multi-Tenant	Multi-Tenant	Single-Tenant
Building	Office	Office	Office	Office	Office	Office
Address	Sample	12416 NW 36th	4304 SE 182nd	18805	1017 Molalla	745 SW Hilary
		Avenue	Avenue	Willamette Dr	Avenue	Street
City	Portland	Vancouver	Gresham	West Linn	Oregon City	McMinnville
State	OR	WA	OR	OR	OR	OR
Zip	97229	98685	97030	97068	97045	97128
County	Washington	Clark	Multnomah	Clackamas	Clackamas	Yamhill

SALE INFORMATION

Transaction Price	\$675,000	\$1,250,000	\$1,379,561	\$920,000	\$620,000
Transaction Price \$/SF NRA	\$276	\$316	\$198	\$192	\$174
Property Rights ¹	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Financing ²	Cash Equiv.	Cash Equiv.	Loan from bank	Cash Equiv.	Cash Equiv.
Sale Conditions ³	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Expenditures After Sale ⁴	\$0	\$0	\$0	\$0	\$0
Market Conditions ⁵	5/21/2024	1/16/2024	12/30/2022	8/3/2022	6/15/2022
Sale Status	Recorded	Recorded	Recorded	Recorded	Recorded
Recording Number	6183300	2024-002358	2023-000304	2022-043616	202208452
Marketing Status	Open Market	Open Market	Open Market	Open Market	Open Market
Marketing Period (Days)	97 Days	392 Days	-	135 Days	140 Days
Total Transactional Adjustments	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%
Adjusted \$/SF (NRA)	\$276	\$316	\$198	\$192	\$174

INCOME INFORMATION

NOI/SF NRA	\$12.96	\$9.29	\$21.80 (20%)	\$9.55	\$10.85		\$12.89
Occupancy	100%	100%	100%	95%	75%	10%	100%
Capitalization Rate		3.37%	6.90%	4.82%	5.66%		7.39%
Proforma Capitalization Rate		7.25%	-	10.24%	7.43%		-

PHYSICAL INFORMATION

GBA (SF)	3,225	2,448	6,415 (10%)	6,960	4,800	3,555
NRA (SF)	3,225	2,448	3,956	6,960 10%	4,800	3,555
Year Built/Ren	1960 / 2016	1974 / 2011	1957	1977	1979	1943
Location	Average	Above Average (10%)	Below Average 10%	Average	Below Average 5%	Below Average 5%
Access	Average	Average	Average	Average	Average	Average
Exposure	Above Average	Average 5%	Above Average	Above Average	Average 5%	Below Average 10%
Quality	Average	Above Average (5%)	Above Average (5%)	Average	Average	Average
Condition	Average	Above Average (10%)	Average	Average	Average	Average
Parking Ratio	5.9	2.9	1.8	4.2	4.2	15.8
Site Coverage	23.1%	12.2%	15.9%	11.1% (10%)	15.7%	13.6%
Total Physical Adjustments		(\$55) (20%)	(\$79) (25%)	\$0 0%	\$38 20%	\$26 15%
Adjusted \$/SF (NRA)		\$221	\$237	\$198	\$230	\$200

CONFIRMATION INFORMATION

Company	Keller Williams	Norris & Stevens	Capacity Commercial	Windermere	Keller Williams
Name	Listing Flyer	Offering Memorandum	Offering Memorandum	Listing Flyer	Lyndon Hansen
Affiliation	Seller's Broker	Seller's Broker	Seller's Broker	Seller's Broker	Seller's Agent



SALES COMPARISON APPROACH CONCLUSION

The comparables range between \$198/SF to \$237/SF NRA after adjustment. With consideration to the subject's location, building size, tenancy, quality, and condition, a value indication within the [REDACTED] of the adjusted range at \$[REDACTED]/SF NRA is concluded for the subject property. The following table summarizes the analysis of the comparables, reports the reconciled price per SF value conclusion, and presents the concluded retrospective value of the subject property by the Sales Comparison Approach.

IMPROVED SALES COMPARISON APPROACH CONCLUSION (NRA)							
TRANSACTION	PRICE	ADJUSTMENT				NET	GROSS
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ	ADJ
1	\$276	0%	\$276	(20%)	\$221	(20%)	30%
2	\$316	0%	\$316	(25%)	\$237	(25%)	45%
3	\$198	0%	\$198	0%	\$198	0%	20%
4	\$192	0%	\$192	20%	\$230	20%	20%
5	\$174	0%	\$174	15%	\$200	15%	15%
HIGH	\$316	0%	\$316	20%	\$237	20%	45%
AVG	\$231	0%	\$231	(2%)	\$217	(2%)	26%
MED	\$198	0%	\$198	0%	\$221	0%	20%
LOW	\$174	0%	\$174	(25%)	\$198	(25%)	15%
SUBJECT SF (NRA)		\$/SF CONCLUSION			VALUE		
3,225		x		=			
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)							

¹Cumulative ²Additive



Income Approach

The Direct Capitalization method of the Income Approach is used in this analysis. This valuation technique best represents the decision-making process of an investor.

SUBJECT LEASE

The following table summarizes the subjects in place contract rent.

SINGLE-TENANT LEASE							
Tenant Name				Landlord			
Square Feet Leased		3,225		Lease Structure		Modified Gross	
Occupancy		100%		Lease Status		Signed	
Lease Term Begin		September 1, 2021		Lease Term End		September 1, 2031	
Lease Term		10.0 Years		Renewal Options		One 10-year option	
Monthly Rent Total		\$5,000		Annual Rent Total		\$60,000	
Monthly Rent \$/SF		\$1.55		Annual Rent \$/SF		\$18.60	
Average Escalations		0%					
Reimbursements \$/SF/YR		\$0					
Concessions (Free Rent Months)		None					
Purchase Options		None					
RENT SCHEDULE							
TERM / OPTION		DATE	ANNUAL	MONTHLY	\$/SF/MO	\$/SF/YR	AVG ESC/YR.
Years 1-10		9/1/2021	\$60,000	\$5,000	\$1.55	\$18.60	-
OPTION SCHEDULE							
10	Years	9/1/2031	TBD - Market				

The lease includes a modified gross expense structure, and the tenant is responsible for the direct payment of all utility charges and landscaping. There are no tenant reimbursements.

OFFICE MARKET RENT ANALYSIS

This section examines comparable properties within the marketplace to estimate market rent for the subject. With consideration to the subject's size and utility, recent leases of office properties within the area surrounding NW Cornell Road are analyzed to develop our opinion of market rent for the subject.



OFFICE LEASE COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5
Name	Professional Office Building	Professional Office Building	Office Building	Professional Office Building	Professional Office	Professional Office Building
Address	Sample	12700 NW Cornell Road	12840 NW Cornell Road	13370 NW Westlawn Terrace	12985 NW Cornell Road	12847 NW Cornell Road
City	Portland	Portland	Portland	Portland	Portland	Portland
State	OR	OR	OR	OR	OR	OR
Zip	97229	97229	97229	97229	97229	97229
County	Washington	Washington	Washington	Washington	Washington	Washington

LEASE INFORMATION

Rent (\$/SF/Yr.)	\$18.60	\$18.00	\$18.55	\$16.67	\$24.00	\$22.50
Tenant	[REDACTED]	Timmco Insurance Agent	House Cleaning Company	Appliance Guys	Rent Portland Homes	Allstate - Reggie Reginald
Start Date	9/1/2021	7/1/2024	5/1/2024	1/1/2024	1/1/2023	-
Lease Type	Renewal	Renewal	New	Renewal	Renewal	Extension
Lease Str.	Modified Gross	Modified Gross	Modified Gross	Full Service (\$2.00)	Modified Gross	Modified Gross
Size (SF)	3,225	2,500	550	1,080	3,500	800
Term (Yrs.)	10.0	3.0	1.0	1.0	5.0	0.08
Avg. Escalation	Flat Rent	Rent Reduction	Flat Rent	Flat Rent	Undisclosed	N/A - MTM
Free Rent	None	None	None	None	6 Mos.	None
TI's (\$/SF)	\$0	None	None	None	None	None
Total Lease Adjustments		\$0.00 0%	\$0.00 0%	(\$2.00) (12%)	\$0.00 0%	\$0.00 0%
Adjusted Rent (\$/SF/Yr.)		\$18.00	\$18.55	\$14.67	\$24.00	\$22.50

BUILDING INFORMATION

NRA (SF)	3,225	2,500	550 (10%)	1,080 (5%)	3,500	800 (10%)
Year Built/Ren	1960 / 2016	1977	1976	1979	1951 / 2003	1978
Location	Average	Average	Average	Average	Average	Average
Access	Average	Average	Average	Average	Average	Average
Exposure	Above Average	Above Average	Below Average 10%	Below Average 10%	Above Average	Average 5%
Quality	Average	Average	Below Average 5%	Average	Above Average (5%)	Average
Condition	Average	Average	Average	Average	Above Average (5%)	Average
Parking Ratio	5.9	2.3 10%	3.1	1.4 20%	3.0	4.2
Site Coverage	23.1%	23.5%	23.6%	14.1%	16.0%	25.2%
Total Building Adjustments		\$1.80 10%	\$0.93 5%	\$3.67 25%	(\$2.40) (10%)	(\$1.13) (5%)
Adjusted Rent (\$/SF/Yr.)		\$19.80	\$19.48	\$18.34	\$21.60	\$21.38

CONFIRMATION INFORMATION

Company	Timmco Insurance	Irrigation Management	Appliance Guys	Rent Portland Homes	Bales Findley, LLC
Name	Undisclosed	Scott	Office Manager	Darla Andrew	Ryan Egge
Affiliation	Tenant	Owner Representative	Tenant Representative	Tenant	Owner



CONCLUSION OF MARKET RENT

Based on general bracketing, the comparable leases support an adjusted market rent range from \$18.34/SF to \$21.60/SF, with a market rent of \$20.00/SF concluded for the subject property as of the retrospective date.

The following table summarizes the various indicators of market rent, the market rent analysis and the conclusions for the subject property.

OFFICE MARKET RENT CONCLUSION							
	LEASE RATE	LEASE ¹	ADJUSTMENT ADJUSTED	BUILDING ¹	FINAL	NET ADJ	GROSS ADJ
1	\$18.00	0%	\$18.00	10%	\$19.80	10%	10%
2	\$18.55	0%	\$18.55	5%	\$19.48	5%	25%
3	\$16.67	(12%)	\$14.67	25%	\$18.34	10%	47%
4	\$24.00	0%	\$24.00	(10%)	\$21.60	(10%)	10%
5	\$22.50	0%	\$22.50	(5%)	\$21.38	(5%)	15%
HIGH	\$24.00	0%	\$24.00	25%	\$21.60	10%	47%
AVG	\$19.94	(2%)	\$19.54	5%	\$20.12	2%	21%
MED	\$18.55	0%	\$18.55	5%	\$19.80	5%	15%
LOW	\$16.67	(12%)	\$14.67	(10%)	\$18.34	(10%)	10%
CONTRACT RENT						CONCLUSION	
Office		\$18.60			Modified Gross		\$20.00

¹Total Additive Adjustment

TOTAL RENTAL REVENUE

The subject's contract rent is 93% of market. With consideration to the remaining lease term, contract rent is applied in this analysis. Rent upside has been considered within the capitalization rate conclusion. The total rental revenue is summarized in the following table.

OCCUPIED SPACE							
TENANT	NRA (SF)	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/SF (YR.)	\$/YEAR
Pacific Northwest Tax Service, Inc.	3,225	Single-Tenant	\$18.60	\$20.00	93%	\$18.60	\$60,000
OCCUPIED SUBTOTALS	3,225	-	\$18.60	\$20.00	93%	\$18.60	\$60,000
TOTAL	3,225	-	\$18.60	\$20.00	93%	\$18.60	\$60,000

REIMBURSEMENT REVENUE

Under the terms of the modified gross expense structure, the tenant is responsible for the direct payment of all utility and landscaping charges, and reimbursement revenue is not considered in this analysis.

VACANCY AND CREDIT LOSS

Based on current and perceived long-term market conditions and the subject's current and anticipated tenancy over a typical holding period, a vacancy and credit loss of factor 5.0% is concluded.

ALL VACANCY LOSS	%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Rental Revenue	5.0%	5.3%	(\$0.93)	(\$3,000)
TOTAL VACANCY & CREDIT LOSS	5.0%	5.3%	(\$0.93)	(\$3,000)



HISTORIC OPERATING INFORMATION

Historic operating information for the subject property, as well as the appraiser's projection are included below.

OPERATING HISTORY												
YEAR	2022			2023			2024			PROJECTION		
RENTAL REVENUE	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR
Potential Base Rent	\$72,400	\$22.45	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%
TOTAL RENTAL REVENUE	\$72,400	\$22.45	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%
REIMBURSEMENT REVENUE	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR
POTENTIAL GROSS REVENUE	\$72,400	\$22.45	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%
ALL VACANCY LOSS	TOTAL	\$/SF	%PGR	TOTAL	\$/SF	%PGR	TOTAL	\$/SF	%PGR	TOTAL	\$/SF	%PGR
Rental Revenue	\$0	-	0%	\$0	-	0%	\$0	-	0%	(\$3,000)	(\$0.93)	(5%)
EFFECTIVE GROSS REVENUE	\$72,400	\$22.45	100%	\$60,000	\$18.60	100%	\$60,000	\$18.60	100%	\$57,000	\$17.67	95%
OPERATING EXPENSES	TOTAL	\$/SF	%EGR	TOTAL	\$/SF	%EGR	TOTAL	\$/SF	%EGR	TOTAL	\$/SF	%EGR
Real Estate Taxes	(\$6,703)	(\$2.08)	(9%)	(\$6,953)	(\$2.16)	(12%)	(\$7,186)	(\$2.23)	(12%)	(\$7,409)	(\$2.30)	(13%)
Property Insurance	(\$1,056)	(\$0.33)	(1%)	(\$1,128)	(\$0.35)	(2%)	(\$1,144)	(\$0.35)	(2%)	(\$1,129)	(\$0.35)	(2%)
Repairs & Maintenance	(\$8,187)	(\$2.54)	(11%)	(\$5,177)	(\$1.61)	(9%)	(\$657)	(\$0.20)	(1%)	(\$4,031)	(\$1.25)	(7%)
Management Fees	\$0	-	-	\$0	-	-	\$0	-	-	(\$1,995)	(\$0.62)	(4%)
Reserves	\$0	-	-	\$0	-	-	\$0	-	-	(\$645)	(\$0.20)	(1%)
TOTAL OPERATING EXPENSES	(\$15,946)	(\$4.94)	(22%)	(\$13,258)	(\$4.11)	(22%)	(\$8,987)	(\$2.79)	(15%)	(\$15,209)	(\$4.72)	(27%)
NET OPERATING INCOME	\$56,454	\$17.51	78%	\$46,742	\$14.49	78%	\$51,013	\$15.82	85%	\$41,791	\$12.96	73%

EXPENSE CONCLUSIONS

The individual expense conclusions for the subject are summarized below.

EXPENSE CONCLUSIONS			
OPERATING EXPENSES	%EGR	\$/SF NRA	TOTAL
Real Estate Taxes	13.0%	\$2.30	\$7,409
Property Insurance	2.0%	\$0.35	\$1,129
Repairs & Maintenance	7.1%	\$1.25	\$4,031
Management Fees	3.5%	\$0.62	\$1,995
Reserves	1.1%	\$0.20	\$645
TOTAL OPERATING EXPENSES	26.7%	\$4.72	\$15,209

CAPITALIZATION RATE

In this section, a capitalization rate for the subject is developed based upon market extraction.

Market Extraction

The following capitalization table restates the information for the sales previously presented in the Sales Comparison Approach and provides supplemental sales data.



MARKET EXTRACTION METHOD								
	SALE COMP 1	SALE COMP 2	SALE COMP 3	SALE COMP 4	SALE COMP 5	SUPPLEMENTAL COMP 6	SUPPLEMENTAL COMP 7	SUPPLEMENTAL COMP 8
Name	Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Single-Tenant Office	Single-Tenant Medical Office	Multi-Tenant Office	Single-Tenant Medical Office
Address	12416 NW 36th Avenue	4304 SE 182nd Avenue	18805 Willamette Dr	1017 Molalla Avenue	745 SW Hilary Street	704 NE Evans Street	8600 SW Salish Lane	10215 SW Hall Boulevard
City	Vancouver	Gresham	West Linn	Oregon City	McMinnville	McMinnville	Wilsonville	Portland
State	WA	OR	OR	OR	OR	OR	OR	OR
NRA (SF)	2,448	3,956	6,960	4,800	3,555	4,230	10,066	9,342
Year Built/Ren	1974 / 2011	1957	1977	1979	1943	1975	1980	2004
Sale Date	5/21/2024	1/16/2024	12/30/2022	8/3/2022	6/15/2022	6/18/2024	8/9/2024	11/30/2023
Sale Price	\$675,000	\$1,250,000	\$1,379,561	\$920,000	\$620,000	\$615,000	\$2,350,000	\$2,650,000
Price/SF	\$276	\$316	\$198	\$192	\$174	\$145	\$233	\$284
NOI/SF NRA	\$9.29	\$21.80	\$9.55	\$10.85	\$12.89	\$10.16	\$15.66	\$17.73
Occupancy	100%	100%	95%	75%	100%	100%	100%	100%
Capitalization Rate	3.37%	6.90%	4.82%	5.66%	7.39%	6.99%	6.71%	6.25%
Proforma Capitalization Rate	7.25%	-	10.24%	7.43%	-	-	-	-
HIGH	7.39%							
AVERAGE	6.01%							
LOW	3.37%							

Impact of Lack of Rent Increases on a Capitalization Rate

All of the data within the preceding Market Extraction Method table benefit from occupancy by tenants with either contract rent increases or month to month agreements with rent upside. The lease that encumbers the subject property does not have any contract rent increases over the remaining term (lease expires in September 2031), which would be viewed as a negative by the potential buyer pool as inflation will erode the achievable net operating income of the property over the remaining lease term. This has been considered within the capitalization rate selection, as the subject's expense growth will outpace rent growth over the remaining 7.2 Years of lease term.

To provide an indication of how the lack of contract rent increases would be viewed by the potential tenant pool, I have considered differences in the internal rate of return (IRR) for two investment scenarios for a fictional property (3,000 SF NRA, rent at \$20.00/SF modified gross, 25% operating expense ratio, purchased for \$750,000, and sold for \$900,000). To compare differences in the IRR, the purchase price in Year 1 and the reversion in Year 8 are equal in both scenarios. Note that these two investment scenarios are for a fictional property and are presented for comparison purposes only. They do not represent a valuation of the subject property.

- Scenario 1 (9.08% IRR) - A 7-year holding period with no rent growth and 3.0% annual growth in operating expenses.
- Scenario 2 (9.89% IRR) - A 7-year holding period with 3.0% annual growth for both rent and expenses.

As indicated, the Scenario 1 IRR (no rent growth) is 81 basis points lower than the Scenario 2 IRR (3.0% annual rent growth). The lower rate of return for the subject property over the remaining lease term is inferior to alternative assets that were available for sale in the competing market area as of the retrospective date, and a capitalization rate above the average provided by the comparable data is appropriate for the subject property.

CAPITALIZATION RATE CONCLUSION

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion. Primary emphasis was placed on the Market Extraction Method, with support from the balance of the data. Upside associated with the below market contract rent



and tenant's long term occupancy history places downward pressure on the capitalization rate. This is more than offset by current capital market conditions and the lack of contract rent increases over the remaining lease term, which place upward pressure on the capitalization rate.

With consideration to these factors, I have concluded to a capitalization rate toward the upper end of the range provided by the market extraction method.

CAPITALIZATION RATE CONCLUSION				
COMPONENT	RANGE			AVERAGE
Market Extraction	3.37%	to	7.39%	6.01%
Market Participant Interview - Dave Hill, Kidder Mathews	6.00%	to	7.00%	6.50%
CONCLUDED CAPITALIZATION RATE				7.00%

DIRECT CAPITALIZATION CONCLUSION – RETROSPECTIVE

The table below summarizes the Direct Capitalization Method (As-Is) and its value conclusion.

DIRECT CAPITALIZATION							
OCCUPIED SPACE							
TENANT	NRA (SF)	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/SF (YR.)	\$/YEAR
Pacific Northwest Tax Service, Inc.	3,225	Single-Tenant	\$18.60	\$20.00	93%	\$18.60	\$60,000
OCCUPIED SUBTOTALS	3,225	-	\$18.60	\$20.00	93%	\$18.60	\$60,000
TOTAL	3,225	-	\$18.60	\$20.00	93%	\$18.60	\$60,000
GROSS RENTAL REVENUE							
RENTAL REVENUE			%PRR	%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Potential Base Rent			100%	100%	105%	\$18.60	\$60,000
TOTAL RENTAL REVENUE						\$18.60	\$60,000
POTENTIAL GROSS REVENUE						\$18.60	\$60,000
ALL VACANCY LOSS				%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Rental Revenue				5.0%	5.3%	(\$0.93)	(\$3,000)
TOTAL VACANCY & CREDIT LOSS				5.0%	5.3%	(\$0.93)	(\$3,000)
EFFECTIVE GROSS REVENUE						\$17.67	\$57,000
OPERATING EXPENSES				%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Real Estate Taxes				12.3%	13.0%	(\$2.30)	(\$7,409)
Property Insurance				1.9%	2.0%	(\$0.35)	(\$1,129)
Repairs & Maintenance				6.7%	7.1%	(\$1.25)	(\$4,031)
Management Fees				3.3%	3.5%	(\$0.62)	(\$1,995)
Reserves				1.1%	1.1%	(\$0.20)	(\$645)
TOTAL OPERATING EXPENSES				25.3%	26.7%	(\$4.72)	(\$15,209)
NET OPERATING INCOME						\$12.96	\$41,791
Capitalization Rate							
Capitalized Value							
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)							



Reconciliation Of Value Conclusions

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Direct Capitalization) Approaches. The values presented represent the Retrospective Value (Leased Fee Interest).

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The price per square foot method has been presented in the **Sales Comparison Approach**. There have been an acceptable number of recent sales of properties similar to the subject in the market area which increases the validity of this approach. The most likely buyer for the subject is an investor, and secondary emphasis is placed on this approach within the reconciled value conclusion.

The **Income Approach** to value is the best and most accurate measure of the value of income-producing properties. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. Sufficient market data was available to reliably estimate gross income, vacancy, expenses and capitalization rates for the subject. The most likely buyer is an investor, suggesting this approach deserves primary emphasis.

After considering all factors relevant to the valuation of the subject property, primary emphasis is placed on the Income Approach, with supplemental support provided by the Sales Comparison Approach.

RECONCILIATION OF VALUES	
VALUATION SCENARIOS	RETROSPECTIVE VALUE
Interest	Leased Fee Interest
Date	July 4, 2024
SALES COMPARISON APPROACH	
SALES COMPARISON APPROACH	
Indicated Value	
\$/SF NRA	
INCOME CAPITALIZATION APPROACH	
DIRECT CAPITALIZATION	
NOI	\$41,791
NOI \$/SF NRA	\$12.96
Capitalization Rate (OAR)	
Indicated Value	
\$/SF NRA	
FINAL VALUE CONCLUSION	
FINAL VALUE CONCLUSION	
\$/SF NRA	

VALUATION ADVISORY OFFICE LOCATIONS

SEATTLE

601 Union St, Suite 4720
Seattle, WA 98101
T 206.205.0201
Contact Peter Shorett

BELLEVUE

500 108th Ave NE, Suite 2400
Bellevue, WA 98004
T 425.454.7040
Contact Chris Berger

TACOMA

1201 Pacific Ave, Suite 1400
Tacoma, WA 98402
T 253.722.1400
Contact Stan Sidor

PORTLAND

101 SW Main St, Suite 1200
Portland, OR 97204
T 503.221.9900
Contact Aaron Taylor

SACRAMENTO

701 University Ave., Suite 220
Sacramento, CA 95825
T 916.758.3206
Contact Craig Owyang

SAN FRANCISCO

101 Mission St, Suite 1800
San Francisco, CA 94105
T 415.229.8888
Contact Tom Fernwood or
Brett Reynolds

REDWOOD SHORES

201 Redwood Shores Pkwy, Suite 125
Redwood City, CA 94065
T 650.769.3511
Contact Jeffrey Enright

SAN JOSE

10 Almaden Blvd, Suite 550
San Jose, CA 95113
T 408.588.2309
Contact Neil Lefmann

IRVINE

5 Park Plaza, Suite 1700
Irvine, CA 92614
T 949.557.5047
Contact Matthew VanEck

LOS ANGELES

601 S Figueroa St, Suite 2700
Los Angeles, CA 90071
T 213.225.7217
Contact Robert Dietrich

SAN DIEGO

12230 El Camino Real, 4th Floor
San Diego, CA 92130
T 858.369.3080
Contact Kevin Thene

PHOENIX

2525 E Camelback Rd, Suite 210
Phoenix, AZ 85016
T 602.513.5158
Contact Randall Clemson



DRAFT

TENTATIVE ADVANCED AGENDA WORKSHEET

For Planning Discussion Purposes Only

as of August 4, 2025

Please note this is a work in progress; items are tentative and subject to change.

August 26, 2025 City Council Meeting

1. Minutes
2. Consent Agenda
 - a. Appointment to the Parks and Recreation Advisory Board (Mayor)
3. Special Presentations
 - a.
4. Public Hearings
 - a.
5. Motion Considerations
 - a. [Company Name] Transportation Element of the Comprehensive Plan Update (Youngren)
 - b. Lake Chelan Airport Joint Operating Agreement (Farris)
 - c. Budget Amendment No. 2 (Tuplin)
6. Administrative Reports
 - a. Culton Consulting Services Agreement (Farris)
 - b. Ordinance No. 2025-16XX Prohibited Acts and Area Restrictions (Horne)
7. Informational Items
 - a. Tentative Advanced Agenda
 - b. Council Committee Reports (Various Councilmembers)

August 26, 2025 Airport Board Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Motion Considerations
 - a.

September 2, 2025 Council Workshop

1. MMEC Facility Update (Coltman)
2. Capital Facility Planning (Ajax)
3. Public Works Project Status Update (Youngren)
4. Resolution No. 2025-14XX Employee Handbook (Coltman)
5. Budget Amendment No. 2 (Tupling)

September 9, 2025 Council Meeting

1. Minutes
2. Consent Agenda
 - a. Ordinance No. 2025-16XX Prohibited Acts and Area Restrictions
3. Special Presentations
 - a.

4. Public Hearings
 - a.
5. Motion Considerations
 - a. Chelan Valley Housing Trust Grant Application for the Connecting Housing to Infrastructure Program (CHIP)
6. Administrative Reports
 - a. Resolution No. 2025-14XX Employee Handbook (Coltman)
 - b. Ordinance No. 2025-16XX Business License Model Threshold (Batjer)
 - c. Budget Amendment No. 2 (Tupling)
7. Informational Items
 - a. Tentative Advanced Agenda
 - b. Council Committee Reports (Various Councilmembers)

September 9, 2025 Airport Board Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Motion Considerations
 - a.

September 23, 2025 Council Meeting

1. Minutes
2. Consent Agenda
 - a. Budget Amendment No. 2 (Tupling)
3. Special Presentations
 - a.
4. Public Hearings
 - a.
5. Motion Considerations
 - a. Lake Chelan Airport Agreement (Farris)
 - b. Ordinance No. 2025-16XX Business License Model Threshold (Batjer)
6. Administrative Reports
 - a.
7. Informational Items
 - a. Tentative Advanced Agenda
 - b. Council Committee Reports (Various Councilmembers)

September 23, 2025 Airport Board Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Motion Considerations
 - a.

October 7, 2025 City Council Workshop

1. 2026 Budget Workshop
 - a. Presentation of Admin, Community Development, Finance & “Other” funds (lodging, housing, etc.) operating budgets to City Council.

October 14, 2025 Council Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Special Presentations
 - a.
4. Public Hearings
 - a.
5. Motion Considerations
 - a. Lake Chelan Airport Agreement (Farris)
6. Administrative Reports
 - a.
7. Informational Items
 - a. Tentative Advanced Agenda
 - b. Council Committee Reports (Various Councilmembers)

October 14, 2025 Airport Board Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Motion Considerations
 - a.

October 16, 2025 Special Meeting

1. 2026 Budget Workshop
 - a. Presentation of Parks and Public Works Operating and Enterprise fund budgets to City Council.

October 23, 2025 Special Meeting

1. 2026 Budget Workshop
 - a. Review of operating budgets. Presentation of Personnel scenarios, Rates & Fees, along with Admin, Community Development and Finance capital requests to City Council.

October 28, 2025 Council Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Special Presentations
 - a.
4. Public Hearings
 - a.
5. Motion Considerations
 - a. Lake Chelan Airport Agreement (Farris)
6. Administrative Reports
 - a.
7. Informational Items
 - a. Tentative Advanced Agenda
 - b. Council Committee Reports (Various Councilmembers)

October 28, 2025 Airport Board Meeting

1. Minutes
2. Consent Agenda
 - a.
3. Motion Considerations
 - a.

Upcoming Topics:

- Public Works Project Status Update – November Workshop (Youngren)
- Affordable Housing GFC/Connection Fees Discount Policy (Farris)
- Staff Proclamations

2026 Budget Calendar Date:

11/5/2025 Workshop	Budget Workshop No. 4	Presentation of Public Works and Parks Capital
11/13/2025 Special Mtg	Budget Workshop No. 5	Final review of operating, capital, personnel, rates and fees and other funds to City Council for final feedback. Budget is ready for publication.
12/2/2025 Workshop	Budget Workshop No. 6	Review projected year-end fund balances.
11/12/2025 Special Mtg	Levy Public Hearing	Required public hearing at City Council Meeting for increasing the property tax levy.
11/25/2025 Regular Mtg	Budget Public Hearing	Required public hearing at City Council Meeting for the 2026 Budget.

11/25/2025 Regular Mtg	Adoption of Tax Ordinance & Levy Certification	City Council votes to adopt the tax ordinance and levy certification.
12/9/2025 Regular Mtg	Adoption of Final Budget	City Council votes to adopt 2026 Budget
12/9/2025 Regular Mtg	Adoption of Rates and Fees	Finance adds actual insurance costs and applies to personnel scenarios based on AWC guidance.

Liaison Committee Report

Name of Meeting: *

Chelan Fire and Rescue

Date of Meeting: *

2025-07-16

Key Meeting Notes: *

Meeting notes should consist of key agenda items that had significant discussion. Each item can be briefly summarized in 2 - 4 sentences.

Commissioners report. Russ spoke about the TIF discussion and has more concerns.

Boat 72 has been in operation delivering supplies to Lucerne.

Chief report. 84 calls for June. 63% ems calls. No fire loss for June. Apple acres was the biggest fire for June. State mobilization to the Hope fire in Kettle Falls. Rivercom still working on the Slide Ride repeater. Talks on hiring a 2nd mechanic for the district.

SOG discussion on guidelines. Standard operating guidelines separate from policy

power point by Hillary. Increasing wildfire resilience in Chelan County. HB1168 will continue to be defunded. HB1498 sunsets unless passed into bill.

Upload applicable meeting documents here if available:

Max upload is 25MB per file

07-16-2025 Commissioner's Agenda (2).docx

92.74KB

Submitted By**Signature *****Signature Date ***

2025-07-18



AGENDA
Chelan Fire and Rescue
Wednesday, July 16, 2025, at 3:00 P.M.
232 East Wapato Ave, Chelan, WA 98816



The CFR Board of Commissioners will conduct the meeting in person at the fire station; you are welcome to join via Zoom. The public is welcome to join by following this link: <https://us02web.zoom.us/j/87284665516> Meeting ID: 872 8466 5516 or dial +1 253 215 8782

Proposed Chelan Fire and Rescue agenda pending Board approval.

Hillary Franz and District 5 will be attending at 4 P.M.

Flag Salute

Roll Call:

Regular Meeting Call to Order:

Approval of Agenda:

Public Comment:

Consent Agenda:

- Revenue and Expenditure Report: June 2025
- Payroll: 05-23-2025 to 06-23-2025 Paid 07-03-2024 Benefits: \$130,372.97, Salaries/Wages (Net) \$140,853.30 Total \$271,037.22.
- General Account Vouchers: 06-06-2025 Transaction #718- #727 for \$2,489.07; 06-13-2025 Transaction #731-#751 for \$28,887.00; 06-21-2025 Transaction #771- #785 for \$6,625.07; 06-27-2024 Transaction #802-#810 for \$11,876.88.
- Capital Purchase: 06-07-2025 Transaction # 728-729 for \$6,564.13, 06-28-2025 Transaction # 811-812 For \$10,889.49
- Minutes: Regular Meeting from June 11, 2025

Commissioners Report and Updates (Board of Commissioners)

Fire Chief Report:

- 2025 Budget & Financial Report – June 2025
- June– Emergency Response Report / Community Risk Reduction / Station & Apparatus Update

Assistant Fire Chief Report (Asst. Chief Sherman)

- Volunteer Recruitment / Training
- Operations

Firefighters Association Report

Unfinished Business:

- TIF
- SOG 170 Payroll Submission and Processing
- SOG Discussion (Board and Admin): Format and review

New Business:

- 100-Year plan
- Security Cameras

Special Events:

- KOZI – Community Connection Thursday, July 17, @ 8:25 a.m. – Chief Asher and Commissioner Donnell
- Farmers Market- Thursdays 3-6

Board for Volunteer Firefighters:

Public Comment:

Commissioner's Closing Comments:

- The next scheduled Regular Commissioner meeting is August 20, 2025

Executive Session:

- Executive Session will be held

Adjournment:

BARS	Description	2025 Budget	July-25	July-25	YTD Totals
			1st Council	2nd Council	
103-000-000-557-35-41-10	Wages	\$242,000	\$7,994.48	\$8,306.36	\$111,461.24
103-000-000-557-35-41-20	Benefits	\$22,000	\$0.00	\$799.29	\$799.29
103-000-000-557-35-41-30	Supplies & Materials	\$2,000	\$134.40	\$331.97	\$2,142.37
103-000-000-557-35-41-40	Advertisement (Marketing)	\$398,000	\$10,050.49	\$13,745.00	\$200,968.84
103-000-000-557-35-41-41	Visitor Center (Building Rent)	\$10,000		\$2,767.54	\$12,957.54
103-000-000-557-35-41-42	Legal and Professional Fees	\$10,000	\$593.75	\$1,372.00	\$14,587.15
103-000-000-557-35-41-43	Permits	\$1,000	\$0.00	\$162.92	\$162.92
103-000-000-557-35-41-45	Insurance	\$10,000	\$0.00	\$11,615.65	\$11,615.65
103-000-000-557-35-41-44	Utilities	\$5,000	\$0.00	\$644.92	\$5,119.08
		\$700,000	\$18,773.12	\$39,745.65	\$359,814.08

Description	Expenses 1/1/25 - 7/31/25	2025 3% Lodging Tax Budget	2025 Total Lake Chelan Chamber Budget (Proposed)	City Funding as % of Total	2024 Total Lake Chelan Chamber Budget	City Funding as % of Total	2023 Total Lake Chelan Chamber Budget	City Funding as % of Total	2022 Total Lake Chelan Chamber Budget	City Funding as % of Total	2021 Total Lake Chelan Chamber Budget	City Funding as % of Total
Wages	\$111,461	\$242,000	\$357,000	68%	\$330,000	73%	\$306,000	79%	\$326,778	74%	\$258,074	94%
Benefits	\$799	\$22,000	\$49,000	45%	\$45,000	49%	\$35,000	63%	\$32,000	69%	\$22,000	100%
Supplies & Materials	\$2,142	\$2,000	\$22,000	9%	\$22,500	9%	\$17,907	11%	\$28,948	7%	\$18,511	11%
Visitor Center (Buidling Rent)	\$12,958	\$10,000	\$110,000	9%	\$110,000	9%	\$96,000	10%	\$95,865	10%	\$79,230	13%
Advertisement (Marketing)	\$200,969	\$398,000	\$478,000	83%	\$423,000	94%	\$394,678	101%	\$628,755	63%	\$419,848	95%
Events		\$0	\$500,000	0%	\$610,000	0%	\$585,262	0%	\$603,066	0%	\$250,453	0%
Community Event Grants		\$0	\$20,000	0%	\$19,909	0%	\$40,565	0%	\$46,687	0%	\$171,760	0%
Donations		\$0	\$10,000	0%	\$10,000	0%	\$3,630	0%	\$10,404	0%	\$12,642	0%
Bank Fees		\$0	\$4,000	0%	\$4,300	0%	\$1,720	0%	\$2,746	0%	\$2,311	0%
Legal and Professional Fees	\$14,587	\$10,000	\$55,000	18%	\$56,000	18%	\$31,392	32%	\$55,487	18%	\$45,204	22%
Interest on Line of Credit		\$0	\$4,000	0%	\$3,000	0%	\$0	0%	\$0	0%	\$757	0%
Storage Rentals		\$0	\$6,500	0%	\$6,500	0%	\$6,500	0%	\$6,500	0%	\$5,000	0%
Property Taxes		\$0	\$5,800	0%	\$4,350	0%	\$2,473	0%	\$5,710	0%	\$5,952	0%
Permits	\$163	\$1,000	\$1,000	100%	\$1,000	100%	\$250	100%	\$300	100%	\$10	100%
Travel (Meetings and conferences)		\$0	\$12,000	0%	\$11,000	0%	\$9,672	0%	\$25,864	0%	\$6,859	0%
Insurance	\$11,616	\$10,000	\$30,000	33%	\$27,109	37%	\$22,947	44%	\$19,984	50%	\$16,867	59%
Repairs & Maintenance		\$0	\$11,000	0%	\$6,657	0%	\$17,930	0%	\$7,559	0%	\$2,338	0%
Misc-Dues/Subscriptions/Registrations		\$0	\$18,000	0%	\$17,218	0%	\$8,020	0%	\$72,000	0%	\$14,892	0%
Utilities	\$5,119	\$5,000	\$22,000	23%	\$22,000	23%	\$15,813	32%	\$21,302	23%	\$19,491	26%
Total	\$359,814	\$700,000	\$1,715,300	41%	\$1,729,543	40%	\$1,595,759	44%	\$1,989,955	35%	\$1,352,199	52%