



City Council Study Session
December 12, 2016 - 5:30 PM
Auburn City Hall Annex - 1 East Main
Street
AGENDA

[Watch the meeting LIVE!](#)

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Meeting videos are not available until 72
hours after the meeting has concluded.

I. CALL TO ORDER

A. Roll Call

II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. King County Boundary Review Board Process (20 Minute Presentation)
(Snyder)

Presentation by Lenora Blauman, King County Boundary Review Board

B. Council Discussion on Retreat Goals - Affordable Housing (15 Minute Presentation)*

Presented by Sean Martin External Affairs for Rental Housing Association of Washington

C. City Council Organization Committee/Study Session

D. Engineering Design Standards (5 Minute Presentation) (Snyder)

E. Accessory Dwelling Units - Overview of Regulations and Fees (10 Minute Presentation)* (Snyder)

F. Auburn Municipal Airport Strategic Business Plan (15 Minute Presentation)* (Snyder)

G. Airport Management Services Contract (10 Minute Presentation)* (Snyder)

IV. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

**Denotes attachments included in the agenda packet.*



AGENDA BILL APPROVAL FORM

Agenda Subject:

King County Boundary Review Board Process (20 Minute Presentation)

Date:

December 6, 2016

Department:

Community Development & Public Works

Attachments:

No Attachments Available

Budget Impact:

\$0

Administrative Recommendation:**Background Summary:**

Lenora Blauman, Executive Secretary, King County Boundary Review Board, will present to the City Council about the Board. Please note that Ms. Blauman will provide handouts to the Council at the December 12, 2016 study session. The following are excerpts from the King County Boundary Review Board website.

Chapter 36.93 RCW establishes the Washington State Boundary Review Board for King County. As prescribed by RCW 36.93, the Board provides a single, integrated service. To wit, the Boundary Review Board provides independent, quasi-judicial review of proposals for creation of or changes to boundaries by cities and by special purpose districts (e.g., fire districts, and water/sewer districts) within King County. Through this review process, the Board ensures logical growth in the communities of King County.

Thus, the Board offers a unique (and often sole) opportunity for citizens to participate in review of creation of or changes to boundaries of cities and special purpose districts before a neutral hearing body. RCW 36.93 establishes detailed requirements for agency structure and function, including, but not limited to, application standards, review protocols, review criteria, review processes, review timelines, staffing, legal counsel, and administrative responsibilities.

The Boundary Review Board reviews proposals for boundary changes by cities, fire districts, and water/sewer districts within King County, including city or district annexations, new city incorporations, and district mergers.

In the case of new city incorporations, the Boundary Review Board oversees preparation of an impartial consultant study to assess the financial feasibility of the proposed new city. Following completion of the study, the Board holds a public hearing, establishes final boundaries, and makes a recommendation to the voters, who make the final decision in an election on the incorporation.

For all other proposed actions, including annexations, the Boundary Review Board notifies all potentially interested jurisdictions of the action, but holds a hearing only if the action is contested. The request for a hearing and Board review must come from an affected jurisdiction or from residents or property owners by petition. Following the hearing in contested cases, the Board may approve, deny, or modify the boundaries of the proposed annexation, merger or other boundary action.

Reviewed by Council Committees:

Councilmember:

Staff: Snyder

Meeting Date: December 12, 2016

Item Number: DI.A



AGENDA BILL APPROVAL FORM

Agenda Subject:

Council Discussion on Retreat Goals - Affordable Housing
(15 Minute Presentation)

Date:

December 7, 2016

Department:

Administration

Attachments:

[KC Housing](#)

Budget Impact:

\$0

Administrative Recommendation:**Background Summary:****Reviewed by Council Committees:****Councilmember:****Staff:**

Meeting Date: December 12, 2016

Item Number: DI.B

Tenant Protections Issues

Section 8 | Source of Income | Move-In Fee Caps
| Just Cause Eviction | Notice of Rent Increase

Section 8 vouchers

Expanding protected class protections to renters based on their use of Section 8 vouchers:

- Voucher holders screened to same criteria as all others; decision not based on voucher
- **RHAWA concerns:**
 - Inspections issue
 - Setting/increasing rents can be problematic
- **RHAWA alternatives:**
 - Landlord Liaison Project
 - Landlord mitigation fund
 - Streamlining of Section 8 rental process

Source of Income

Seattle and Vancouver have enacted source of income protections:

- Social Security benefits, supplemental security income, unemployment benefits, other retirement programs, child support, any federal, state, local government, private or nonprofit-administered benefit program.
- Tenant income qualifications based only on rent co-pay
- Short-term vouchers included in protections (Seattle)
- **RHAWA concerns:**
 - Increased evictions
 - Increased screening criteria to mitigate risk

Move-In Fee Caps

Seattle proposal which would:

- Cap move-in fees at no more than one month's rent (security deposit and non-refundable fees combined)
- 6-month payment required at request of tenant
- **RHAWA concerns:**
 - Greatly impacts small owners
 - Tenant-performance dis-incentivized
 - Legal concerns
- **RHAWA alternatives:**
 - Funding of deposit loans and damages mitigation funds

Just Cause Eviction

Seattle ordinance which dictates how/when month-to-month tenancies may be terminated

- Courts have upheld JCE does apply to term leases
- **RHAWA concerns:**
 - Drags out termination process; impacts other renters
 - Costly to landlord
 - Less flexibility for tenants

Notice of rent increase

Seattle and Vancouver ordinances require additional notification of rent increase for increases of 10% or more (60 & 45 days, respectively):

- **RHAWA concerns:**
 - State landlord-tenant act governs, and requires only 30 days notice
 - Legal concerns: Rent control issue

Questions?

Sean Martin, RHAWA External Affairs Director

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www.rhawa.org



AGENDA BILL APPROVAL FORM

Agenda Subject:

Engineering Design Standards (5 Minute Presentation)

Date:

December 6, 2016

Department:

CD & PW

Attachments:

No Attachments Available

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

The Ad Hoc Committee on Access Tracts has concluded its meetings and will discuss the recommendations for changes to the design standards for access tracts to the full City Council for concurrence as required by ACC 12.04.010, Adoption of Engineering Construction Standards and Engineering Design Standards.

This is part of the implementation of Low Impact Development to meet our NPDES Phase 2 permit requirements.

The Ad Hoc Committees general recommendations are as follows:

- 1) Require one form of residential access tract standard that Serves 2 to 6 Residential Units (both new and existing) with consistent standards for all tracts and remove the variety in the current standards. More detail will be discussed at the Council Study Session on December 12th.
- 2) For the purpose of access tracts, consider Accessory Dwelling Units (ADU) as equivalent to 0.5 Residential Units
- 3) When considering Deviations from the Standards the City Engineer will also consider the effect on buildable lands within the City.

Reviewed by Council Committees:**Councilmember:****Staff:**

Snyder

Meeting Date: December 12, 2016

Item Number: DI.D



AGENDA BILL APPROVAL FORM

Agenda Subject:

Accessory Dwelling Units - Overview of Regulations and Fees (10 Minute Presentation)

Date:

December 6, 2016

Department:

Community Development & [Assessory Dwelling Unit Memorandum](#)
Public Works

Attachments:**Budget Impact:**

\$0

Administrative Recommendation:**Background Summary:**

Please see the attached memorandum.

Reviewed by Council Committees:**Councilmember:****Staff:**

Snyder

Meeting Date: December 12, 2016

Item Number: DI.E



Memorandum

To: City Council Members

From: Jeff Tate, Assistant Director of Community Development

CC: Mayor Nancy Backus
Kevin Snyder, AICP, Director of Community Development and Public Works

Date: December 6, 2016

Re: Accessory Dwelling Units in Auburn – Briefing Memo

OVERVIEW

Councilmember Wagner has requested a briefing on the rules, regulations, procedures, and costs associated with creation of Accessory Dwelling Units (ADU's). The purpose of this summary is to provide the requested overview as well as to identify challenges and barriers associated with establishing and implementing ADU's in Auburn.

DISCUSSION

ADU's are increasingly allowed throughout the United States in urban areas as a way of allowing residential infill and to offer opportunities to homeowners to establish a small scale apartment type unit on their property. ADU's may have their origin for the purpose of housing a family member, but increasingly are used for income property. An ADU is allowed in areas that are generally limited to one dwelling unit per lot. Additionally, the Washington State Growth Management Act encourages the use of ADU's to meet housing infill objectives. ADU's are generally defined by the establishment of a second kitchen that serves a separate housekeeping unit that is separated from the primary residence. ADU's come in the form of separate structures that are detached from the primary residence, or they can be internal to the primary residence (e.g. attached). ADU's that are internal to the primary residence generally have a separate exterior door so that the occupant of the ADU maintains independence from the occupants of the primary residence.

While it is common for municipalities to allow ADU's within single family residential zoning designations, there are generally standards that are established in order to ensure that the ADU is, in fact, an accessory use to the primary use, and to ensure that the intent and character of the underlying zoning designation remains intact. In Auburn, currently adopted zoning regulations establish limitations that include:

- Size limits (ADU $\geq$ 300 square feet but $\leq$ 950 square feet or 50% of the existing house, whichever is less);
- The homeowner of the primary residence must live on the property (to ensure that these types of properties do not turn into neglected rental properties or de-facto townhomes);
- Prohibition on selling the ADU as a separate house;

- Interior garage conversions must also include replacing the garage door with exterior materials that match the rest of the house;
- An additional on-site parking space must be provided; and,
- Recording of a restriction on the title of the property that informs future owners of the limitations associated with the ADU.

It is also important to note that all 7 residential zones list ADU's as a permitted use. The lower density residential zones of RC, R-1, R-5 and R-7 allow ADU's as stand-alone detached structures and internal to an existing single family residence. The high density zones of R-10, R-16 and R-20 only allow ADU's internal to the existing single family residence because the lot sizes in those zoning designations are very small (between 2,200 square feet and 4,356 square feet) and can therefore not accommodate the primary residence, the on-site parking, meet setback requirements of the zone, and meet lot coverage limits of the zone while also allowing a 950 square foot detached ADU.

In addition to the zoning regulations there are a number of other development requirements that are considered when a property owner seeks to establish an ADU. Those regulations include building codes, utility codes, right of way improvements, grading requirements, electrical permitting, and King County Metro sewer requirements. In addition to the development regulation requirements, there are fees associated with reviews, approvals, and inspections. A detailed breakdown of plan review, permitting, utility connections and impact fees is provided in the next section of this report.

FEES

The City of Auburn Fee Schedule has been adopted by City Council most recently under Resolution No. 5181. The fee schedule establishes permit, plan review, utility connection, and impact fees that apply to ADU's. Table 1 identifies the fees that would apply to an ADU that is created internal to an existing residence. Table 2 identifies the fees that would apply to an external, detached ADU. Both scenarios assume the maximum 950 square foot ADU.

Table 1 (for \$35,000 value)

Table 2 (for \$90,000 value)

Minimum Costs		Minimum Costs	
Building Plan Review	\$444.60	Building Plan Review	\$859.95
Building Permit	\$684.00	Building Permit	\$1,323.00
Plumbing Permit	@\$80.00	Plumbing Permit	@\$80.00
Mechanical Permit	@\$50.00	Mechanical Permit	@\$50.00
Water Permit	\$0	Water Permit	\$0
Water SDC	\$0 (if not creating a new connection)	Water SDC	\$0 (if not creating a new connection)
Storm Permit	\$0	Storm Permit	\$210.00
Storm SDC	\$0	Storm SDC	\$0
Sewer Permit	\$0.00 - \$188.00	Sewer Permit	\$78.00 - \$188.00
Sewer SDC	\$0 (if not creating a new connection)	Sewer SDC	\$0 (if not creating a new connection)
Traffic Impact Fee	\$2,233.61	Traffic Impact Fee	\$2,233.61
School Impact Fee	@\$2,600.00	School Impact Fee	@\$2,600.00
School Admin Fee	\$52.00	School Admin Fee	\$52.00
Fire Impact Fee	\$290.13	Fire Impact Fee	\$290.13
Park Impact Fee	\$3,500.00	Park Impact Fee	\$3,500.00
Minimum SubTotal	\$10,122.34	Minimum SubTotal	\$11,386.69
Other Potential Costs		Other Potential Costs	
Sewer SDC	\$1,451.40 (if creating a new connection)	Sewer SDC	\$2,419.00 (if creating a new connection)
King County Metro	\$60/month for 15 years (\$10,800)	King County Metro	\$60/month for 15 years (\$11,000)
Water SDC	\$10,179.00 (if a new meter is required)	Water SDC	\$10,179.00 (if a new meter is required)
State Electrical	@\$50.00	State Electrical	@\$50.00
Civil Review	@\$700.00	Civil Review	@\$700.00
Floodplain	\$259.00	Floodplain	\$259.00
Minimum plus Potential Total	\$33,761.74	Minimum plus Potential Total	\$35,993.69

CHALLENGES AND BARRIERS RELATED TO ADU'S:

A review of City of Auburn permit record reveals that the City has issued 13 ADU permits over the last 10 years. The range of construction cost for these projects is from \$5,000 to \$140,821 with an overall average construction cost of \$45,003.92. The disparate range in construction cost is likely due to the fact that ADU's established within an existing single family residence are substantially less expensive than

constructing a detached structure. While the number of ADU's permitted over this timeframe is relatively small, it is staff's experience that there has been significant interest in ADU's, however, some customers likely opt not to proceed forward once they understand the cost associated with creating an ADU. Based on customer feedback, it is staff's impression that the customer learns that the fees and requirements associated with establishing an ADU adds significant cost to their construction budget and opt not to proceed forward. Tables 1 and 2 above provide a summary of all the fees that are likely to apply when constructing an ADU. Impact fees and utility SDC's tend to be the most expensive fees. Below is a summary of issues and questions that are fielded by staff when customers make inquiries about ADU's.

- Why should impact fees be assessed?

Impact fees add up to approximately \$8,600 depending upon which school district the ADU is located. Impact fees include School (ACC 19.02), Transportation (ACC 19.04), Fire (ACC 19.06), and Parks (ACC 19.08). Each of these chapters requires payment of an impact fee for the creation of a new "dwelling unit". An ADU is defined as a type of dwelling unit and is therefore subject to payment. Of note is that each of these chapters of city code contain a list of activities that are exempt from payment of impact fees. ADU's are not listed as an exempt activity. In order to consider the appropriateness of listing an ADU as exempt from impact fees, it would be appropriate for the City to determine whether that exemption truly eliminates the fee or if the City itself must incur the fee by transfer from the general fund to the school, parks, traffic or fire impact fee funds. This is because the intent of the impact fee is to address impacts from new development, therefore, if the development creates an impact an exemption cannot outright waive the fee.

- Why should the sewer utility system development charge be assessed?

The City sewer utility system development charge (SDC) is assessed because an ADU is a type of "dwelling unit" and the code requires that all new dwelling units are subject to this fee. The SDC can be anywhere from \$0 for an ADU with no new connection to the public sewer main, to approximately \$1,451 for an attached ADU with a new sewer connection, to \$2,419 for a detached ADU with a new sewer connection to the public sewer main. The reason there is a difference between a detached ADU and an attached ADU is because the detached unit is classified as a standalone separate dwelling unit that is charged the full rate while the attached unit is classified as .6 of a dwelling unit within the fee schedule. While the city fee is of relative insignificance, of greater concern to customers has been the fact that it may also trigger a King County Metro capacity charge of about \$11,000 that is to be paid in monthly installments over the course of 15 years or in one up front lump sum payment at a reduced rate of about \$8,800. Per King County, the capacity charge is triggered if the ADU or detached ADU requires a new connection to the sewer main instead of sharing the existing house's connection. It is worth noting that even if the City did not require payment of the sewer SDC, King County may still require payment of the Metro capacity charge. City of Auburn water system development charges are not triggered for ADU's, as long as the ADU shares the same water meter as the existing house. In the event that the ADU does not share the same meter and a separate meter must be installed, the water SDC would be \$6,519.00 and the cost to install the meter would be \$3,660.00. City of Auburn storm SDC's are not triggered because these SDC's are flat fees that are based on the assumption that the fees represent an average for single family development (e.g. some residential properties have more impervious surface, some have less, but they average out fairly even throughout the city at 2,800 square feet).

- Why do I need to design and construct frontage improvement?

Another challenge for some property owners has been the cost of installing frontage improvements (e.g. curb, gutter, sidewalk, street light, landscaping) that don't already exist or that do not meet current city standards. The threshold that triggers frontage improvements is when the proposed ADU has a construction valuation that exceeds 50% of the value of the existing structural improvement value (as established by the King or Pierce County Assessor's Office). As an example, if the existing structural valuation of the primary residence is \$300,000 and the proposed ADU is valued at \$155,000, frontage improvements would be required. In this case, the ADU almost certainly becomes cost prohibitive due to the cost of installing these improvements.

Applicants do have the ability to request a deferral per the City Code and there is criteria that is used in assessing whether a defer may be granted or not.

- Access tracts

Another challenge is the City's current access tract standards which have been discussed at a recent Study Session and though a specific Ad Hoc Committee of the Council to develop a revision to the standards to lessen the potential improvements required for new residential unit.

- Zoning standards

Zoning standards that have frustrated some customers have included (1) the standard that limits the size of the ADU to 950 square feet, (2) the requirement that an additional on-site parking stall be established, (3) the challenges associated with after-the-fact permitting of ADU's that already exist but were never legitimized through a permit process, and (4) the general surprise that there are more requirements associated with ADU development than simply obtaining a building permit.

NEXT STEPS

Staff is providing this information in order to best inform City Council as to the existing regulations, procedures and costs associated with ADU development. Additionally, staff has tried to capture a summary of our experience interacting with customers who are seeking to establish an ADU.

Staff has not initiated an effort to propose policy, code or fee amendments under cover of this memo and is instead seeking direction from City Council to better understand whether the current approach is appropriately achieving intended objectives, or if actions are necessary in order to reduce the perception of barriers to establishing an ADU.

ACCESSORY DWELLING UNIT DEVELOPMENT REGULATIONS

The following excerpts from Auburn City Code are provided for assisting City Council with descriptions provided above. Full sections are provided so that context is clear. Items highlighted in red are what staff to believe most pertinent.

ZONING REGULATIONS (ACC TITLE 18)

18.04.018 Accessory dwelling unit.

An “accessory dwelling unit” is a self-contained residential unit that is accessory to a single-family home. An accessory dwelling unit has its own bathroom, kitchen facilities, living and sleeping areas, though it can share other features with the single-family home including the yard, parking, storage or laundry facilities. An accessory dwelling unit excludes accessory residential uses as defined in ACC 18.04.023.

18.31.120 Accessory dwelling units.

Accessory dwelling units are permitted outright in all residential zones that permit single-family homes, and may be developed with new or existing single-family homes. The development standards of the underlying zone and the following siting and performance standards shall apply to all accessory dwelling units as defined by ACC 18.04.018.

A. The home or accessory dwelling unit must be the principal place of residence for the homeowner.

B. Only one accessory dwelling unit may be permitted per single-family residence.

C. An accessory dwelling unit shall not be larger than 50 percent of the square footage of the single-family home with garage space not being included in the calculation. In no case shall the accessory dwelling unit be more than 950 square feet, nor less than 300 square feet, nor have more than two bedrooms.

D. Exterior Appearance/Modifications.

1. Any alterations shall not change the appearance from that of a single-family residence, as determined by the planning director.

2. Only one exterior entrance is allowed to the accessory dwelling unit and it can be located no closer than 10 feet to an adjoining property line.

3. Any exterior stairs shall be placed in the rear or side setback and no closer than 10 feet to an adjoining property line.

4. Where garage space is converted to living space, the garage door shall be replaced with materials that match the exterior of the house. If a detached garage is converted, its appearance must still be that of a detached garage and the detached garage must be able to be used for parking of at least one vehicle.

E. Parking Requirements.

1. The parking required for the existing single-family home must meet all requirements of the zoning code including amount, size and setback requirements in order for an accessory dwelling unit to be allowed.

2. One additional parking space, beyond those required for the single-family home, is required for an accessory dwelling unit. The additional parking space must also meet all requirements of the zoning code.

3. Newly created parking shall make use of existing curb cuts, when possible.

F. An accessory dwelling unit may not be sold as a separate piece of property, or as a condominium unit, unless allowed by the existing zoning on the property.

G. Any homeowner seeking to establish an accessory dwelling unit shall apply for approval in accordance with the following procedures:

1. The homeowner shall apply for an accessory dwelling unit permit with the city. A complete application shall include a properly completed application form, floor and structural plans, and fees.
2. Before issuance of the certificate of occupancy for an accessory dwelling unit, the homeowner must provide a copy of a statement recorded with the county in which the subject property is located. The statement must read:

An application for a permit for an accessory dwelling unit has been submitted to the city of Auburn by the owner of this property. Future owners are advised that the owner of the property must comply with all requirements of the Auburn Zoning Code, as amended, if the accessory dwelling unit is to be occupied or rented.

H. If an accessory dwelling unit is to be removed, appropriate permits and inspections must first be received from the city. If a homeowner wants to remove the statement as required by subsection (G)(2) of this section from the property's title, then the city shall issue an appropriate release upon evidence that the accessory dwelling unit has been removed. The release shall be recorded by the homeowner with the county records and elections office and a copy of the recorded release shall be provided to the city.

WATER, SEWERS AND PUBLIC UTILITY REGULATIONS

Storm Utility:

13.48.230 Connections.

A. Required Connections. All non-single-family residential building permits shall be subject to a mandatory connection to a public storm drainage system where the development has the potential to negatively impact public or private property or receiving waters as determined by the city or whenever an existing public system is available adjacent to the site or where the public system is required to be constructed adjacent to the property as a condition of development.

B. Existing Connections. Properties that apply for a building permit to make an addition, alteration or repairs that have 2,000 square feet or more of new or new plus replaced impervious surfaces or land disturbing activity of 7,000 square feet or more must comply with the applicable Minimum Requirements for Redevelopment as given in Volume I of the SWMM. All redevelopment shall be required to comply with Minimum Requirement No. 2 (Construction Storm Water Pollution Prevention). All redevelopment that exceeds these thresholds shall be required to comply with additional Minimum Requirements as given in Volume I of the SWMM.

REQUIRED PUBLIC IMPROVEMENT REGULATIONS (CHAPTER 12.64A ACC)

12.64A.020 Applicability of chapter.

It shall be a condition of any building, grading and/or special permit meeting one or more of the following criteria that the applicant shall construct or otherwise provide public right-of-way improvements as set forth in ACC 12.64A.030.

A. Four residential dwelling units or less, and the estimated value of the proposed structural improvements exceed 50 percent of the King or Pierce County assessor's value of the existing structure(s) on the subject property; or

B. Commercial development, industrial development, or residential development with more than four dwelling units, and the estimated value of the proposed structural improvements exceeds 25

percent of the King or Pierce County assessor's value of the existing structure(s) on the subject property; or

C. New or additional residential, commercial, or industrial units will be created; or

D. Five or more new parking stalls on the subject property will be created; or

E. A new access point to a public street will be created.

IMPACT FEES

School Impact Fees (ACC 19.02):

19.02.080 Exemptions.

The following development activities are exempt from the requirements of this chapter:

A. Reconstruction, remodeling or construction of housing projects for the elderly, including nursing homes, retirement centers, assisted living facilities or other types of housing projects for persons age 55 and over, which have recorded covenants or recorded declaration of restrictions precluding school-aged children as residents of those projects. This exemption does not include individual single-family homes on platted lots unless the subject plat has such recorded covenants. Where such covenants have not already been recorded, but the exemption is sought, the city may require the recording of a covenant or recorded declaration of restriction precluding use of the property for other than the exempt purpose. If property using this exemption is subsequently used for a nonexempt purpose, then the school impact fees then in effect shall be paid.

B. Rebuilding of legally established dwelling unit(s) destroyed or damaged by fire, flood, explosion, act of nature or other accident or catastrophe; provided, that such rebuilding takes place within a period of one year after destruction and that no additional dwelling units are created.

C. Alteration, expansion, reconstruction, remodeling, or rebuilding of existing single-family or multifamily dwelling units; provided, that no additional dwelling units are created.

D. Condominium projects in which existing dwelling units are converted into condominium ownership and where no new dwelling units are created.

E. Any development activity that is exempt from the payment of an impact fee pursuant to RCW [82.02.100](#).

F. Any development activity for which school impacts have been mitigated pursuant to a condition of a plat, PUD or similar approval to pay fees, dedicate land or construct or improve school facilities, unless the condition of the plat or PUD approval provides otherwise. The condition of the plat, PUD or similar approval must also predate the effective date of fee imposition by the city or its predecessor in interest as provided herein and/or was actually imposed by the city or its predecessor in interest, specifically as a mitigation for impacts addressed in this chapter. Proof must also be submitted to the city that the required mitigation has been tendered for the development activity which would otherwise be subject to this chapter.

G. Any development activity for which school impacts have been mitigated pursuant to a voluntary agreement entered into with the district to pay fees, dedicate land or construct or improve school facilities, unless the terms of the voluntary agreement provide otherwise. The agreement and development application must also predate the effective date of fee imposition by the city or its predecessor in interest as provided herein. Proof must also be submitted to the city, prior to issuance of the development activity permit, that the required mitigation has been tendered for the development activity which would otherwise be subject to this chapter.

H. The replacement of a mobile home with another mobile home within an existing mobile home park.

Traffic Impact Fees (ACC 19.04):

19.04.070 Exemptions.

A. The following shall be exempted from the payment of transportation impact fees:

1. Replacement of a structure with a new structure of the same PM peak hour trip generation and use at the same site or lot when such replacement occurs within 12 months of the demolition or destruction of the prior structure.
2. Alterations, expansion, enlargement, remodeling, rehabilitation or conversion of an existing dwelling unit where no additional dwelling units are created and the use is not changed.
3. Alterations of an existing nonresidential structure that does not expand the usable space.
4. Miscellaneous improvements, including but not limited to fences, walls, swimming pools, and signs.
5. A change in use where the increase in PM peak hour trip generation is less than the threshold stated in ACC [19.04.040\(B\)](#).
6. Demolition, or moving of a structure out of the city.
7. Any building permit application that has been submitted to the department before 5:00 p.m. the business day before the first effective date of the transportation impact fee rate schedule and subsequently determined to be a complete application by the city.
8. All development activity within the “downtown plan area” as defined in ACC [19.04.020\(I\)](#); provided, that this exemption shall sunset on June 30, 2007, unless otherwise extended by the city council.
9. All development activity within the “downtown catalyst area” as defined in ACC [19.04.020\(FF\)](#); provided, that this exemption shall sunset on December 31, 2016, unless otherwise extended by the city council.
10. Fifty percent of all development activity within the “downtown catalyst accessory area” as defined in ACC [19.04.020\(GG\)](#), to the effect that the exemption provided hereby shall be for 50 percent of the applicable transportation impact fees; provided, that this exemption shall sunset on December 31, 2008, unless otherwise extended by the city council.
11. All development activity within the “emergency public interest area” as defined in ACC [19.04.020\(HH\)](#); provided, that this exemption shall sunset on December 31, 2008, unless otherwise extended by the city council.

Fire Impact Fees (ACC 19.06)

19.06.070 Exemptions.

A. The following shall be exempted from the payment of fire protection impact fees:

1. Replacement of a structure with a new structure of the same size and use at the same site or lot when such replacement occurs within 12 months of the demolition or destruction of the prior structure.
2. Alterations or expansion or enlargement or remodeling or rehabilitation or conversion of an existing dwelling unit where no additional units are created and the use is not changed.
3. Alterations of an existing nonresidential structure that does not expand the useable space and that does not involve a change in use.
4. Miscellaneous improvements, including but not limited to fences, walls, swimming pools, and signs.
5. Demolition or moving of a structure.

6. Any building permit application that has been submitted to the department before 5:00 p.m. the business day before the first effective date of the fire protection impact fee rate schedule and subsequently determined to be a complete application by the city.

7. All development activity within the "downtown plan area" as defined in ACC [19.06.020\(I\)](#); provided, that this exemption shall sunset on December 31, 2006, unless otherwise extended by the city council. In order to comply with RCW [8.02.060\(2\)](#), impact fees for development activity in the downtown plan area shall be paid for with public funds other than from impact fee accounts during the exemption period set forth herein.

Park Impact Fees (ACC 19.08)

19.08.060 Exemptions.

A. The following shall be exempted from the payment of parks and recreation impact fees:

1. Replacement of a structure with a new structure of the same use at the same site or lot when such replacement occurs within 12 months of the demolition or destruction of the prior structure.

2. Alterations or expansion or enlargement or remodeling or rehabilitation or conversion of an existing dwelling unit where no additional units are created and the use is not changed.

3. Miscellaneous improvements, including but not limited to fences, walls, swimming pools, and signs.

4. A change in use where the increase in housing capacity is less than the threshold stated in ACC [19.08.030\(B\)](#).

5. Demolition or moving of a structure.

6. Any building permit application that has been submitted to the department before 5:00 p.m. the business day before the first effective date of the park impact fee rate schedule and subsequently determined to be a complete application by the city.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Auburn Municipal Airport Strategic Business Plan (15 Minute Presentation)

Date:

December 6, 2016

Department:

Community Development & Public Works

Attachments:

[Draft Airport Strategic Business Plan](#)

Budget Impact:

\$0

Administrative Recommendation:**Background Summary:**

In Spring 2016, the Airport Advisory Board completed a Strength, Weaknesses, Opportunities and Threats (SWOT) analysis to assess opportunities that the Airport is positioned now or in the future to exploit and to manage and/or eliminate threats that could limit current or future successes. The Board reviewed and identified strengths and weaknesses that were primarily internally oriented and opportunities and threats that were externally oriented. From this SWOT analysis, the Board identified the need for a Strategic Business Plan to help guide the Board, City Council, City Administration and City staff in strategic decision-making for current and future development and operations of the Airport. The Board and City staff worked on the development of the draft Strategic Business Plan during the Summer and Fall of 2016.

The Strategic Business Plan is intended to be a "living document". While working within a four (4) planning horizon, it is anticipated and expected that all parties will have the opportunity to utilize, assess and modify the Plan as needed to ensure that it is providing valuable guidance on policies, strategies, actions and expenditures relating to the growth and operation of the Airport. To help in maximizing the Plan's contributions, the Airport Advisory Board should evaluate the Plan at the beginning of each year to determine what, if any, modifications are needed as well as to provide the City Council with any recommendations relating to changes in policy or financial operations. As needed, the Board may recommend modifications to the City Council for the Strategic Business Plan to ensure that the Plan remains timely and relevant and recognizes completed actions and needed new activities. A substantive planning effort to update the Plan should begin in the third year of the Plan to allow for adequate opportunity to engage key external stakeholders, complete needed investigations and analyses, coordinate with City Administration, City Council and

appropriate City Departments and prepare, review and finalize the Plan update. This substantive effort should be completed by no later than the mid-part of the fourth (4) year.

Within the Plan there are several Key Result Areas (KRAs). The KRAs are the broad-based goals and are re-evaluated annually and incorporated within the four-year Strategic Business Plan for the community. Each KRA has a mission statement that describes the intent of each area. Additionally, each KRA has various goals which describe in greater detail the elements of each KRA, including the responsible party, a narrative description, and estimated start and completion dates. The KRAs are organized by subject matter and the goals are not specified in a priority matter. It is expected that the Board and staff will utilize the goals specified in each of the KRAs for the development and implementation of annual work plans.

The development of the Key Result Areas has been based in part of the application of the SMART model [1] for goal setting as described below:

Specific - simple, straightforward, compelling (without specificity, a goal can never truly be reached).

Measurable - tangible, able to be tracked (an effective goal requires a statement of the tangible evidence that the goal has been reached).

Attainable - possible, yet challenging enough to be motivating. If a goal requires an organization to reach beyond its true self, the goal will become burdensome and ultimately detrimental to the process. However, the goal should be challenging enough to cause the airport's policymakers, management, and staff to "rise up" to achieve it.

Relevant - important to stakeholders and connected to the organization's values. Goals that are explicitly connected to values are motivational and, generally, easier to achieve as a result.

Time Bound - includes a beginning and ending point. Identifying start and end dates provides the "race-track" needed to keep the organization on course with a clear finish line to pursue.

On November 16, 2016, the Airport Advisory Board unanimously voted to recommend to the City Council the adoption of the Airport Strategic Business Plan via Resolution. At the Council's December 12, 2016 study session, representatives from the Airport Advisory Board and City staff will brief the Council on the Draft Airport Strategic Business Plan. Following this briefing and dependent on Council feedback, City

Council action on an adopting Resolution may occur at the City Council's December 19, 2016 regular meeting.

[1] Source: Airport Cooperative Research Program (ACRP), ACRP Report 77, Guidebook for Developing General Aviation Business Plan, 2012

Reviewed by Council Committees:

Councilmember:

Staff: Snyder

Meeting Date: December 12, 2016

Item Number: DI.F



Airport Advisory Board
Recommendation –11/16/16

2017-2020 STRATEGIC BUSINESS PLAN



Auburn Municipal Airport

City of Auburn, Washington

Adopted via Resolution No. TBD

AUBURN MUNICIPAL AIRPORT

AUBURN, WASHINGTON



ACKNOWLEDGMENTS

Mayor:

Nancy Backus

City Council:

Bob Baggett

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DRAFT

EXECUTIVE SUMMARY

The Auburn Municipal Airport (S50) is a municipal airport owned and operated by the City of Auburn, Washington. Beginning in 1974 and continuing to the present, the Auburn Airport Advisory Board has provided advisory support to the Auburn City Council and the Mayor or Chief Administrative Officer for the City on Airport planning and operations. In Spring 2015, the City of Auburn completed an update of the Airport Master Plan that was previously updated in 2002. The 2002 Airport Master Plan provided the primary airport planning guidance for the Airport for over ten years. The recent Master Plan update was completed in cooperation with the Federal Aviation Administration to address the Airport's needs over a twenty (20) year planning period and provide specific guidance in making the improvements necessary to maintain a safe and efficient airport that is economically, environmentally, and socially sustainable.

The purpose of the Airport Master Plan is to define the current, short-term and long-term needs of the Airport through a comprehensive evaluation of facilities, conditions and FAA airport planning and design standards. The study will also address elements of local planning (land use, transportation, environmental, economic development, etc.) that have the potential of affecting the planning, development and operation of the airport.

In Spring 2016, the Airport Advisory Board completed a Strength, Weaknesses, Opportunities and Threats (SWOT) analysis to assess opportunities that the Airport is positioned now or in the future to exploit and to manage and/or eliminate threats that could limit current or future successes. The Board reviewed and identified strengths and weaknesses that were primarily internally oriented and opportunities and threats that were externally oriented. From this SWOT analysis, the Board identified the need for a Strategic Business Plan to help guide the Board, City Council, City Administration and City staff in strategic decision-making for current and future development and operations of the Airport.

The Auburn Municipal Airport is operated as an Enterprise Fund within the City of Auburn's governmental financial model. An enterprise fund is a type of proprietary fund in which the direct beneficiaries pay for all costs of the fund through fees and where a periodic determination of revenues and expenses is desired by management. The Strategic Business Plan covers a four (4) year period that aligns with the City of Auburn's biennial budget cycle. This alignment is purposeful and is intended to allow City Council, the Airport Advisory Board and City Administration and staff to address needed actions and desired expenditures within the framework of the adopted budget for the Airport Enterprise Fund.

The Strategic Business Plan is intended to be a "living document". While working within a four (4) planning horizon, it is anticipated and expected that all parties will have the opportunity to utilize, assess and modify the Plan as needed to ensure that it is providing valuable guidance on policies, strategies, actions and expenditures relating to the growth and operation of the Airport. To help in maximizing the Plan's contributions, the Airport Advisory Board should evaluate the Plan at the beginning of each year to determine what, if any, modifications are needed as well as to provide the City Council with any recommendations relating to changes in policy or financial operations. As needed, the Board may recommend modifications to the City Council for the Strategic Business Plan to ensure that the Plan remains timely and relevant and recognizes completed actions and needed new activities. A substantive planning effort to update the Plan should begin in the third year of the Plan to allow for adequate opportunity to engage key external stakeholders,

complete needed investigations and analyses, coordinate with City Administration, City Council and appropriate City Departments and prepare, review and finalize the Plan update. This substantive effort should be completed by no later than the mid-part of the fourth (4) year.

Within the Plan there are several Key Result Areas (KRAs). The KRAs are the broad-based goals and are re-evaluated annually and incorporated within the four-year Strategic Business Plan for the community. Each KRA has a mission statement that describes the intent of each area. Additionally, each KRA has various goals which describe in greater detail the elements of each KRA, including the responsible party, a narrative description, and estimated start and completion dates. The KRAs are organized by subject matter and the goals are not specified in a priority matter. It is expected that the Board and staff will utilize the goals specified in each of the KRAs for the development and implementation of annual work plans.

The development of the Key Result Areas has been based in part of the application of the SMART model¹ for goal setting as described below:

Specific—simple, straightforward, compelling (without specificity, a goal can never truly be reached).

Measurable—tangible, able to be tracked (an effective goal requires a statement of the tangible evidence that the goal has been reached).

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Time Bound—includes a beginning and ending point. Identifying start and end dates provides the "race-track" needed to keep the organization on course with a clear finish line to pursue.

¹ Source: Airport Cooperative Research Program (ACRP), ACRP Report 77, *Guidebook for Developing General Aviation Business Plan*, 2012

GUIDING PLAN PRINCIPLES

The development and implementation of the Auburn Municipal Airport Strategic Business Plan is guided by the following City of Auburn principles pertaining to the governance and operation of the City of Auburn:

CITY VISION STATEMENT

Your Premier Community with Vibrant Opportunities

CITY MISSION STATEMENT

To provide a service-oriented government that meets the needs of our residents, citizens and business community.

CITY CORE VALUES

- ✍ Innovative
- ✍ Respectful
- ✍ Dedicated
- ✍ Hard-Working
- ✍ Ethical; Fair
- ✍ Environmentally Sensitive
- ✍ Trustworthy
- ✍ Financially Responsible
- ✍ Charitable
- ✍ Safe
- ✍ Transparent
- ✍ Engaged
- ✍ Responsive
- ✍ Supportive of the Arts
- ✍ Supportive of Life-Long Learning
- ✍ Embrace Diversity (Pluralistic)

OVERVIEW OF AUBURN MUNICIPAL AIRPORT

The City of Auburn is an incorporated city of approximately 77,000 persons located in southwest King County and a small area of northeastern Pierce County, approximately 26 miles south of Seattle and 13 miles northeast of Tacoma. Auburn is bordered by the cities of Kent, Federal Way, Pacific, Sumner and Algonia, and unincorporated King and Pierce Counties. The Muckleshoot Indian Reservation is located near the southeastern corner of the Auburn city limits. Within the Puget Sound region, King County is bordered by Snohomish County (north) and Pierce County (south). Kitsap, Kittitas, and Chelan counties also border King County to the west and east.

The City of Auburn was incorporated in 1891. The City is organized as a non-charter code city retaining the council-mayor plan of government under which the city is presently operating, as provided in RCW 35A.02.030 of the Optional Municipal Code for the State of Washington. The Mayor is the Chief Administrative Officer for the City. There are currently seven (7) major Departments of the City comprised of Administrative Services, Community Development and Public Works, Finance, Innovation and Technology, Human Resources/Risk Management, Legal, Parks, Arts and Recreation and Police.

The Community Development and Public Works Department is responsible for the administration of the Auburn Municipal Airport. The Auburn Municipal Airport is located on 110 acres in North Auburn, about 1-mile north of downtown Auburn, east of Highway 167 and U.S. Interstate 5, and north of Highway 18. Surface access to the airport is provided by local surface streets and Highway 167 and 18, which connect to U.S. Interstate 5 (I-5) and 405 (I-405). The Auburn Municipal Airport is bordered by major arterial roadways on its south and north ends (15th Street N.E. and 30th Street N.E.). Access to the developed east side of the airport is provided via D Street and E Street N.E., which connect to Auburn Way North via 22nd and 26th Street N.E. and to 15th Street N.E. The north hangar area is accessed directly from 30th Street N.E.

The Auburn Municipal Airport has been directly operated by the City as an Enterprise Fund since its inception in 1970. With the exception of a small bond issue for hangar construction, the Airport is debt free and fully financed from self-generated revenues and grants. Auburn Municipal Airport currently has several commercial tenants providing aircraft maintenance or other services. Auburn's current contracted airport management company provides on-site airport management and aircraft fueling.

According to recent airport management records, Auburn Municipal Airport currently has 274 based aircraft (February 2013) with 96,036 total annual operations. The Airport's current fleet mix includes single-engine piston aircraft, multi-engine piston aircraft, and helicopters.

Auburn Municipal Airport is categorized as an FAA Airport Reference Code (ARC) B-I (Small) with a future A-II reserve. The Airport has one runway (Runway 16/34) that is oriented in a north/south direction (160-340 degree magnetic heading). Runway 16/34 is 3,400 feet long and 75 feet wide with an asphalt surface. The published weight bearing capacity is 12,500 pounds for aircraft equipped with a single wheel landing gear configuration. The 2012 pavement inspection gave the runway a Pavement Condition Index (PCI) rating of 81 and 76 (based on two sections of runway pavement). The runway was most recently slurry sealed in 2014. The runway is equipped with

medium intensity runway lights (MIRL), runway end identifier lights (REIL), and visual approach slope indicator (VASI) lights. The runway has basic (visual) markings on both ends, consistent with current visual and non-precision instrument (circling) approach capabilities.

All existing landside development (hangars, aircraft parking, etc.) is located on the east side of the airport. An undeveloped area (approximately 23 acres) is located near the southwest corner of the airport. Please refer to Table 1 below for additional runway data.

Table 1: Runway Data

Length	3,400'
Width	75'
Pavement Strength	12,500 lbs. Single wheel axle
Surface	Asphalt
Approach Surface	20:01
Navigation Aids	VASIs and REILs – both ends
Runway Markings	Basic
Runway Lights	MIRLs
Taxiway Lights	MITL
SUPER - UNICOM	122.8
Elevation	57' MSL
Latitude	47° 19' 41.36 N
Longitude	122° 13' 35.43 W
Instrument Navigation Aids	None
Left Traffic Pattern	Runway 34

Right Traffic Pattern	Runway 16
Traffic Pattern Altitude	1000' MSL

In late 2015, the City began work on a capital project that would extend Runway 16/34 to a total length of 4,118 feet. This capital project will extend the Runway 16 end by 477 feet long and Runway 34 end by 241 feet long. This extension will improve aircraft safety and the ability to accommodate the current and forecast fleet of multiengine piston aircraft for both takeoff and accelerate-stop distances. The City anticipates the project environmental assessment to be completed in 2016 followed by project design in 2017 and project construction in 2018.

The Airport has one full-length east parallel taxiway (Taxiway A), which is 25 feet wide and equipped with medium intensity taxiway lights (MITL). There are five 90-degree runway exit taxiways (Taxiways C, D, E, F and G) that vary from 30 feet to 42 feet wide with a runway-taxiway separation of 240 feet. The taxiway system provides access to all existing landside development on the east side of the airport. The 2012 pavement inspection rated the parallel taxiway with a PCI of 100. The runway exit taxiways have current PCI ratings of 100, 60, and 61.

Auburn Municipal Airport is located in an area of Class G airspace that begins at the ground surface and extends to 700 feet MSL. Between 700 feet and 3,000 feet above Auburn Municipal is Class E airspace. At 3,000 feet MSL the second layer of Seattle Tacoma International Airport (SEATAC) Class B airspace begins and extends upward to 10,000 feet MSL. The Airport is located within the 30-nautical mile veil of Mode C transponder airspace that surrounds Seattle-Tacoma International Airport. The Mode C airspace extends from the surface upward to 10,000 feet MSL.

There are no ground based navigational aids located on the airport. However, numerous ground based navigation aids are located within 30 nautical miles (nm) of the airport. The nearest facilities include the Seattle VORTAC4 located 8 miles northwest of the airport and the Renton non-directional beacon (NDB), located 10 nautical miles north.

Auburn Municipal Airport does not have an automated weather observation system located on the airport. The nearest weather observations are located at SEATAC (8 miles northwest), Renton Municipal Airport (10 miles north), Pierce County Airport – Thun Field (14 miles south), and Tacoma Narrows Airport (15 miles west). The RNAV GPS-A instrument approach for Auburn utilizes the SEATAC altimeter setting. The SEATAC Automatic Terminal Information Service (ATIS) provides altimeter setting, wind data, temperature, dew point, density altitude, visibility, precipitation and cloud/ceiling data.

Auburn Municipal Airport is located in a low-lying valley floor, 63 feet above mean sea level (MSL). Nearby Seattle-Tacoma International Airport (8.1 miles northwest) sits on an elevated plain at 433 feet MSL. Moderate mountainous terrain along the east side of the Green River Valley begins about 15 miles from the airport and extends into the Cascade Range. Maximum elevation figures (MEF) depicted on the Seattle VFR Terminal Area Chart (TAC) indicates the highest terrain elevations are found within 25 miles at 6,500 feet MSL, to the south and east (north of Mt. Rainier).

Areas to the immediate south, north and west have low-lying terrain surrounding Puget Sound ranging from 2,400 to 4,500 feet MSL.

Auburn Municipal Airport does not have an air traffic control tower and is classified as a non-towered airport. At non-towered airports, pilots are responsible for proper communication and aircraft operation, including maintaining adequate separation from other aircraft in flight or on the runway-taxiway system. The airport has common traffic advisory frequency (CTAF)/Unicom for communications on the ground and in the vicinity of the airport.

The published airfield elevation is 63 feet above mean sea level (MSL). The traffic patterns for both runway ends are located on the west side of the runway and pilots are advised to avoid noise sensitive areas east of the airport and hospital facilities located 1-mile south of the runway. The traffic pattern for Runway 34 is standard left traffic (left hand turns within the pattern), while Runway 16 has a right traffic pattern (right turns within the pattern). Wind conditions typically dictate which runway end is in use and the direction of flight in the traffic pattern. The traffic pattern altitude for fixed wing aircraft is 1,000 feet above ground level (1,063 feet MSL); the traffic pattern altitude for helicopters is 500 feet above ground level (563 feet MSL).

Auburn Municipal Airport accommodates a wide variety of aeronautical activity, including small single and multi-engine aircraft, civilian helicopters, and occasional business class turbine aircraft. The current runway length of 3,400 feet is the primary determinant in fixed-wing aircraft usage, particularly limiting multi-engine turboprop and business jet aircraft. Auburn Municipal Airport is classified as a Reliever airport in the National Plan of Integrated Airport Systems (NPIAS) defined by the Federal Aviation Administration (FAA). Reliever airports are intended to provide additional general aviation capacity to nearby commercial service airports. Four of the five Reliever airports in Washington are located in the Puget Sound region (Auburn, Renton, Paine Field, and Harvey Field); Felts Field in Spokane is also designated a Reliever airport by FAA.

The City of Auburn initiated the required environmental assessment with the Federal Aviation Administration (FAA) for the extension of the airport runway in late 2015 with design anticipated in 2017 and construction in 2018. As currently planned, the City will extend Runway 16/34 to a total length of 4,118 feet and will extend the Runway 16 end by 477 feet and extend the Runway 34 end by 241 feet. These extensions will improve aircraft safety and the ability to accommodate the current and forecast fleet of multi-engine piston aircraft for both takeoff and accelerate-stop distances.

As described in the 2015 Airport Master Plan Update, the airport's current mix of based aircraft is projected to become more diverse during the current planning period reflecting growth in turbine aircraft (turboprop, very light jet, business jet), helicopters, and light sport aircraft. Auburn Municipal Airport accommodates limited Airplane Design Group II (ADG II) activity and this activity is expected to grow during the current planning period. It is recognized that runway length limits the type of ADG II aircraft that can be accommodated at the airport on a regular basis.

The existing and future design aircraft identified in the updated aviation activity forecasts (2015 Airport Master Plan) is a multi-engine piston aircraft. The majority of these aircraft are included in Aircraft Approach Category B and Airplane Design Group I (ADG I). In addition to the typical range of general aviation activity, the potential exists for Auburn Municipal Airport to accommodate small cargo aircraft, including a variety of ADG I and II turboprops. Several of these aircraft fall into the FAA defined category of "small airplanes with 10 or more seats." The FAA runway length model

indicates that 4,060 feet is required to accommodate small airplanes with ten (10) or more seats at the Auburn Municipal Airport.

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KEY RESULT AREAS

KRA 1: Airport Capital Improvement Program

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable infrastructure improvements that maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund balancing new construction with the ability to effectively maintain and operate current assets in a cost effective and safe manner.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
1	Annual Capital Improvement Program Review	Airport Advisory Board	The City is required by the Federal Aviation Administration (FAA) and the Washington State Department of Transportation-Aviation Division (WSDOT-Aviation) to annually submit an updated Capital Improvement Program (CIP). The CIP forms the basis for potential state and federal funding for airport capital improvements. In coordination with City staff, the Board will annually review and advise on the required update to the Capital Improvement Program required prior to its submittal	Annually	Annually
2	Airport Portion of City Six-Year Capital Facilities Plan	Airport Advisory Board	Based on input from the Board drawing from the currently approved Master Plan and identified needs through other documentation, City staff will prepare updates to the Airport Element of the City's Six-Year Capital Facilities Plan for consideration and action by the City Council as part of the biennial budget process	Year 2 of Biennial Budget	Year 2 of Biennial Budget

KRA 1: Airport Capital Improvement Program (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable infrastructure improvements that maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund balancing new construction with the ability to effectively maintain and operate current assets in a cost effective and safe manner.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
3	Conduct a comprehensive structural assessment of Airport buildings and structures	Community Development & Public Works Director/City Engineer	Engage with a qualified professional to conduct a structural assessment to confirm structural integrity and any structural deficiency issues for all public buildings and structures at the City. Report should specify potential costs and needed timeframe to address structural issues, if any. Review with Board to determine next steps for potential planning and budgeting	2 nd Quarter 2019	4 th Quarter 2019
4	Conduct a comprehensive assessment of airport fencing and gates	Community Development & Public Works Director/City Engineer	Engage with a qualified professional to conduct an assessment of the overall condition and integrity of perimeter airport security fencing and access control gates. Report should specify a replacement program in terms of priority need and timeframe for needed action as well as estimated costs for repairs and/or replacement. Review with Board to determine next steps for potential planning and budgeting	2 nd Quarter 2019	4 th Quarter 2019

KRA 1: Airport Capital Improvement Program (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable infrastructure improvements that maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund balancing new construction with the ability to effectively maintain and operate current assets in a cost effective and safe manner.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
5	Develop and implement a Jet-A-Fuel temporary pilot program	Community Development & Public Works Director/City Engineer	Based on interest from the Board and other interested parties, the currently adopted Capital Facilities Plan had proposed the permanent installation of Jet-A-Fuel fuel service. However, because of 1) uncertain market need and response to warrant investment; and 2) higher than anticipated costs, permanent installation cannot be achieved in the near-term. Funding for the temporary pilot program has been included in the proposed 2017-2022 City Capital Facilities Plan	1 st Quarter 2017	2 nd Quarter 2017
6	Wildlife Hazard Management Plan Implementation	Community Development & Public Works Director/City Engineer	Per the 2015 Wildlife Hazard Management Plan, obtain a scope of work and budget, modify Capital Facilities Plan, obtain required permits and approvals and conduct recommended tree removal activities	2 nd Quarter 2017	4 th Quarter 2018

KRA 2: Airport Operations

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
1	Airport Vision/Mission/Values	Airport Advisory Board	Develop Airport specific vision statement, mission statement and values	1 st quarter 2017	2 nd quarter 2017
2	Annual Tenant Survey	Airport Management	Prepare, transmit and analyze with the Board an annual tenant survey. The questions will be developed in consultation with the Board and tenant feedback will be shared with the Board for potential immediate action, if appropriate or incorporation into the Strategic Business Plan	Annually	Annually

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
3	Long-Term Rate Study	Airport Management	Rates charged to tenants and users of the airport are the primary funding source for the airport, excluding grants for capital development. To assure that the Airport Enterprise Fund remains self-sustaining into the future, current and future rate structures must be evaluated balancing market competitiveness with short-term and long-term airport operation needs	2 nd Quarter 2017	4 th Quarter 2017
4	Updated Airport Documents and Forms	Airport Management	Conduct an update of all airport related documents and forms to ensure that they are legally compliant, easy to use and are available for fill in and download on all appropriate websites	1 st Quarter 2017	3 rd Quarter 2017

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
5	Board Composition Review	Airport Advisory Board	Conduct a review of the current composition and focuses of the Airport Advisory Board to determine potential for recommended code changes. Areas of interest could include but are not limited to current number of authorized board members and specific Board focuses	Annually	Annually
6	Annual Board Work Plan	Airport Advisory Board	Prepare for each calendar year a focused work plan for the Board to utilize in agenda setting, coordination with City staff and development of policy and fiduciary recommendations to City Council	Annually	Annually
7	Annual Airport Management Work Plan	Community Development & Public Works Director/City Engineer/Airport Management	Prepare for each calendar year a focused work plan for airport management plan subject to approval by City management to utilize in workload focus and resource prioritization	Annually	Annually

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
8	Long-Term Airport Management strategy	Community Development & Public Works Director	Evaluate with Board, City Council, City Administration and appropriate stakeholders a long-term airport management strategy	1 st quarter 2017	4 th quarter 2017
9	Airport Marketing Plan	Community Development & Public Works Director	Prepare a comprehensive marketing plan that will act as a communication and implementation tool that can be used to achieve the goals established for the Airport. The Plan will utilize the Five Ps (Product, Price, Placement, Promotion, and People) that focus on the points of view of the Airport's target audiences	3 rd Quarter 2017	2 nd Quarter 2018
10	Wildlife Hazard Management Plan Implementation	Community Development & Public Works Director/City Engineer	Implement management strategies specified in 2015 Wildlife Hazard Management Plan	On-going	On-going

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
11	Airport Multi-Tenant Sign	Community Development & Public Works Director	Design, construction and installation of an internally illuminated multi-tenant sign to replace the existing airport sign on E Street	2 nd quarter 2019	4 th quarter 2019
12	Airport Wayfinding Signage	Community Development & Public Works Director	Design, fabrication and installation of new and additional airport way-finding signs on key City transportation corridors	2 nd quarter 2017	3 rd quarter 2017
13	Aviation Day	Community Development & Public Works Director/Airport Management	Develop a plan for establishment of a free 1-day Aviation Day that is open to the public and will provide up-close viewing of aircraft, aviation exhibits, Kids Zone, food trucks, and more. Pursue sponsors to cover 100 percent of event cost	Annually (first event in 2018)	Annually (first event in 2018)

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
14	Fair Market Value Appraisal – Land Lease Rates	Real Property – Mayor's Office	Complete a fair market value appraisal conducted by a qualified and MAI designated professional appraiser of appropriate land lease rates	2 nd quarter 2019	4 th quarter of 2019
15	Annual Lease Rates Survey & Analysis	Real Property – Mayor's Office/Airport Management	Conduct comparison survey and valuation analysis for rates for Open T and Closed Hangars, Tie-Downs	Annually	Annually
16	Airport Municipal Broadband Service	Innovation & Technology	Extend City's Municipal Broadband service to the Airport. Currently, the City's high speed fiber optic network has been extended to the Airport. Building off of this network, wireless broad band services will be installed at the Airport for use by tenants, guests and visitors to provide a valuable user experience	3 rd quarter 2017	4 th quarter 2017

KRA 2: Airport Operations (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for sustainable airport business operations through optimal and cost effective airport management, focused work efforts for the Board and airport management and development and implementation of airport marketing and branding plans.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
17	Enhanced Phone System	Innovation & Technology Department	Implement a more robust phone system for features like call tree, integration with Outlook. This could be accomplished by extending the City's IP Phone system to the Airport thereby implementing unified communications including 4 digit dialing and voice mail	1 st quarter 2018	3 rd quarter 2018
18	Unmanned Aerial Vehicle (UAV) Training Area	Innovation & Technology Department/Airport Management	Investigate the potential establishment of a UAV training area at the Airport for use by City staff for required UAV flight training subject to FAA approval	4 th quarter 2017	2 nd quarter 2018

KRA 3: Airport Economic Development

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for on-going and enhanced sustainable economic development at the Auburn Municipal Airport through: a) a comprehensive understanding of the Airport's market niche and growth opportunities; b) implementing short-term and long-term strategic airport economic development actions; c) positioning of existing development sites to maximize future return on investment potential; and d) gaining understanding of opportunities and limitations for future on-airport growth. These efforts will maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
1	Competitive Market Assessment Study	Community Development & Public Works Director	Engage with a qualified professional with experience in airport market analysis to assess the Airport's current and future subregional and regional market positions and identify strategies for maintaining and enhancing these positions ²	2 st quarter 2017	4 rd quarter 2017
2	Recommendations - City's 10-Year Economic Development Strategic Plan	Community Development & Public Works Director	Working with the Board and City Administration, evaluate and implement recommendations of the City's 10-Year Economic Development Strategic Plan	On-going	On-going

² This Goal anticipates the hiring of a qualified professional to conduct the specified work that is anticipated to cost between \$30,000 to \$50,000 depending on the to be determined scope of work. The hiring of this qualified professional is not identified in the 2017-2018 Biennial Budget. As such, Council authorization through a future budget amendment may be needed to address this specific funding need.

KRA 3: Airport Economic Development (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for on-going and enhanced sustainable economic development at the Auburn Municipal Airport through: a) a comprehensive understanding of the Airport's market niche and growth opportunities; b) implementing short-term and long-term strategic airport economic development actions; c) positioning of existing development sites to maximize future return on investment potential; and d) gaining understanding of opportunities and limitations for future on-airport growth. These efforts will maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
3	Airport Zoning Regulations Update	Community Development & Public Works Director	Coordinate with City's Community Development Service Area to assess and potentially implement new zoning regulations amendments to current City of Auburn zoning standards for the Airport and surrounding properties to address operational needs or requirements and support current and future economic development efforts	1 st quarter 2018	1 st quarter 2019
4	Airport West Side Environmental Analysis	Community Development & Public Works Director	Conduct a comprehensive environmental analysis of the west side development area of the Airport to confirm the location and extent of wetlands and other environmental resources, potential mitigation strategies and anticipated mitigation costs	2 nd quarter 2019	1 st quarter 2020

KRA 3: Airport Economic Development (Continued)

With input from the Airport Advisory Board, City Council and community stakeholders, Auburn will plan for on-going and enhanced sustainable economic development at the Auburn Municipal Airport through: a) a comprehensive understanding of the Airport's market niche and growth opportunities; b) implementing short-term and long-term strategic airport economic development actions; c) positioning of existing development sites to maximize future return on investment potential; and d) gaining understanding of opportunities and limitations for future on-airport growth. These efforts will maintain and enhance airport operations, strengthen the airport's economic vitality and ensure fiscal stewardship of the Airport Enterprise Fund.

Goal #	Key Result Area/Goals (Not in Priority Order)	Lead	Narrative Description	Start Date	Completion Date
5	Current Development Sites Marketing	Community Development & Public Works Director/City Real Estate Analyst/Airport Management	Market and lease the two on-airport development sites approved in the approved Airport Master Plan to prospective tenants and developers ³	1 st quarter 2017	4 th quarter 2017
6	Airport Growth Areas	Community Development & Public Works Director/City Real Estate Analyst/	Pursue opportunities for physical growth of the Airport consistent with the approved Airport Master Plan including but not limited to acquisition of first rights of refusal on potential future acquisition properties ⁴	1 st quarter 2017	4 th quarter 2017

³ Please note that the timeframes shown for this Goal are aspirational. The ability to achieve them in the timeframes stated are influenced by market factors beyond the City's direct control. As such, this Goal may not be achieved in the specified timeframe, however, the City will pursue all reasonable and appropriate actions to do so.

⁴ Please note that the timeframes shown for this Goal are aspirational. The ability to achieve them in the timeframes stated are influenced by market factors beyond the City's direct control. As such, this Goal may not be achieved in the specified timeframe, however, the City will pursue all reasonable and appropriate actions to do so.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Airport Management Services Contract (10 Minute Presentation)

Date:

December 8, 2016

Department:

Planning and Development

Attachments:

[Res 5262](#)

[Exhibit A](#)

[Scope of Service](#)

[Fees](#)

Budget Impact:

\$0

Administrative Recommendation:**Background Summary:**

The City of Auburn and Aviation Management Group, LLC entered into an agreement on November 18, 2013, for the day to day operation and management of the Auburn Municipal Airport. The City Council approved Resolution No. 5166 authorizing an addendum to said Agreement on October 5, 2015 for the expressed purpose of extending the termination date of the Agreement from December 31, 2015 to December 31, 2016. The current Airport Management Services Agreement inclusive of the amendment executed on October 5, 2015 is set to expire on December 31, 2016. The Community Development and Public Works Department currently has operational oversight of the Auburn Municipal Airport. The Department believes it is in the public interest to continue a contractual relationship with Aviation Management Group, LLC for an additional two (2) years starting on January 1, 2017 and ending on December 31, 2018, unless otherwise extended by separate City Council action. City staff have prepared a new draft Agreement with associated exhibits because of the need to modify and update the previous scope of services between the parties to better meet the operational and management needs of the Airport Facilities and to adjust the compensation based on the Consumer Price Index (CPI) for 2017 and 2018. The recently approved 2017-2018 Biennial Budget includes funding for this Agreement.

Reviewed by Council Committees:**Councilmember:****Staff:**

Snyder

Meeting Date: December 12, 2016

Item Number: DI.G

RESOLUTION NO. 5 2 6 2

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR SERVICES WITH AVIATION MANAGEMENT GROUP, LLC FOR THE DAY TO DAY OPERATION AND MANAGEMENT OF THE AUBURN MUNICIPAL AIRPORT

WHEREAS, the City of Auburn and Aviation Management Group, LLC entered into an agreement on November 18, 2013, for the day to day operation and management of the Auburn Municipal Airport; and

WHEREAS, the City Council for the City of Auburn approved Resolution No. 5166 authorizing an addendum to said Agreement on October 5, 2015 for the expressed purpose of extending the termination date of the Agreement from December 31, 2015 to December 31, 2016; and

WHEREAS, the Agreement inclusive of the amendment executed on October 5, 2015 is set to expire on December 31, 2016; and

WHEREAS, the parties wish to enter into a new services agreement for a two (2) year term starting on January 1, 2017 and ending on December 31, 2018, unless otherwise extended by separate City Council action; and

WHEREAS, the City intends as part of this Agreement modify and update the previous scope of services between the parties to better meet the operational and management needs of the Airport Facilities; and

WHEREAS, with the execution of a new services agreement and modification and update of the scope of services, it is also appropriate to adjust the compensation based on the Consumer Price Index (CPI) for 2017 and 2018.

Resolution No. 5262
December 12, 2016
Page 1

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, KING COUNTY, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. The Mayor is authorized to execute a two (2) year Agreement for Services in substantial conformity with Exhibit "A" attached herein between the City of Auburn and Aviation Management Group, LLC, for the day to day operation and management of the Auburn Municipal Airport.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. This Resolution shall be in full force and effect upon passage and signatures hereon.

SIGNED and DATED this _____ day of _____, 2016

Nancy Backus, Mayor

Resolution No. 5262
December 12, 2016
Page 2

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:

Daniel B. Heid, City Attorney

Resolution No. 5262
December 12, 2016
Page 3

**CITY OF AUBURN
AGREEMENT FOR SERVICES
AG-S-095**

THIS AGREEMENT made and entered into on this ____ day of _____, 2016, by and between the **City of Auburn**, a municipal corporation of the State of Washington, hereinafter referred to as "City" and **Aviation Management Group, LLC** at 2143 E St. NE, Suite 1, Auburn, WA 98002, hereinafter referred to as the "Provider."

W I T N E S S E T H :

WHEREAS, the City is in need of the services of individuals, employees or firms for the operation of the Auburn Municipal Airport (Airport); and,

WHEREAS, the City desires to retain the Provider to provide said services in connection with the City's work, including certain physical and financial responsibilities of the operation, management and maintenance on a day to day basis of the Airport; and,

WHEREAS, the City has satisfied itself Provider is qualified and able to provide services in connection with the City's needs for the above-described work, and is willing and agreeable to provide such services upon the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the mutual covenants, and benefits contained herein, and subject to the following terms, conditions, covenants and provisions, the parties hereto agree as follows:

1. Scope of Services

The Provider agrees to perform in a good and professional manner the tasks described on Exhibit "I" which is attached hereto and by this reference made a part of this Agreement. The tasks described on Exhibit "I" shall be individually referred to as a "task," and collectively referred to as the "services." The Provider shall perform the services as an independent contractor and shall not be deemed, by virtue of this Agreement and the performance thereof, to have entered into any partnership, joint venture, employment or other relationship with the City.

2. Additional Services

In the event additional services with respect to related work are required beyond those specified in the Scope of Work, and not included in the compensation listed in this Agreement, a contract amendment shall be set forth in writing and shall be executed by the respective parties prior to the Provider's performance of the

services there under, except as may be provided to the contrary in Section 3 of this Agreement. Upon proper completion and execution of an Amendment (agreement for additional services), such Amendment shall be incorporated into this Agreement and shall have the same force and effect as if the terms of such Amendment were a part of this Agreement as originally executed. The performance of services pursuant to an Amendment shall be subject to the terms and conditions of this Agreement except where the Amendment provides to the contrary, in which case the terms and conditions of any such Amendment shall control. In all other respects, any Amendment shall supplement and be construed in accordance with the terms and conditions of this Agreement.

3. Performance of Additional Services Prior to Execution of an Amendment

The parties hereby agree that situations may arise in which services other than those described on Exhibit "I" are desired by the City and the time period for the completion of such services makes the execution of Amendment impractical prior to the commencement of the Provider's performance of the requested services. The Provider hereby agrees that it shall perform such services upon the written request of an authorized representative of the City pending execution of an Amendment, at a rate of compensation to be agreed to in connection therewith. The invoice procedure for any such additional services shall be as described in Section 9 of this Agreement.

4. Provider's Representations

The Provider hereby represents and warrants that the Provider has all necessary licenses and certifications to perform the services provided for herein, and is qualified to perform such services.

5. City's Responsibilities

The City shall do the following in a timely manner so as not to delay the services of the Provider:

- a. Designate in writing a person to act as the City's representative with respect to the services. The City's designee shall have complete authority to transmit instructions, receive information, interpret and define the City's policies and decisions with respect to the services.
- b. Furnish the Provider with all information, criteria, objectives, schedules and standards for the project and the services provided for herein.
- c. Arrange for access to the property or facilities as required for the Provider to perform the services provided for herein.
- d. Examine and evaluate all studies, reports, memoranda, plans, sketches, and other documents prepared by the Provider and render decisions regarding such documents in a timely manner to prevent delay of the services.
- e. Provide certain equipment and facilities in connection herewith, as follows:
 - (1) Allow access to Airport Facilities
 - (2) Allow use of all or a portion of the Airport Office building.
 - (3) Fueling Facility, permanent and/or temporary

f. Provide Major Capital Improvements, Major Repairs and Equipment Replacement Expenses that are not a result from negligence on the part of the Provider shall be the responsibility of the City. For the purpose of this agreement these shall be defined as follows:

(1) Major Capital Improvements include but are not limited to improvements or upgrades to the existing utility systems, city equipment, runway, taxiways, city owned pavements, city owned hangers and buildings except as otherwise provided under a lease or rental agreement, tie down areas, signage, gates and fencing.

(2) Major Repairs include repairs to any city-owned facilities or equipment that exceed \$2,000.00 to complete.

(3) Major Equipment Replacements include replacement at the end of equipment service life for City owned equipment unless provided for elsewhere in this agreement.

6. Acceptable Standards

The Provider shall be responsible to provide, in connection with the services contemplated in this Agreement, work products and services of a quality and professional standard acceptable to the City. When appropriate and required by the City, the Provider shall be responsible for the provision of prevailing wages for direct or subcontracted services.

Compensation

As compensation for the Provider's performance of the services provided for herein, the City shall pay the Provider the fees and costs specified on Exhibit "II" which is attached hereto and by this reference made a part of this Agreement (or as specified in an Amendment). The Provider shall submit to the City an invoice or statement of time spent on tasks included in the scope of work provided herein, and the City upon acceptance of the invoice or statement shall process the invoice or statement in the next billing/claim cycle following receipt of the invoice or statement, and shall remit payment to the Provider thereafter in the normal course, subject to any conditions or provisions in this Agreement or Amendment. The Agreement number must appear on all invoices or statements submitted. The not-to-exceed amount for this agreement is \$357,970.00 for 2017 and \$368,709.10 for 2018.

8. Time for Performance and Term of Agreement

The Provider shall not begin any work under this Agreement until authorized in writing by the City. The Provider shall perform the services provided for herein in accordance with Exhibit "A" attached hereto and incorporated herein by this reference, unless otherwise agreed to in writing by the parties. The Term of this Agreement shall be for two (2) years commencing on the first day of January, 2017, and terminating on the 31st day of December, 2018, unless otherwise agreed to in writing by the parties.

9. Ownership and Use of Documents

All documents, reports, memoranda, diagrams, sketches, plans, surveys, design calculations, working drawings and any other materials created or otherwise prepared by the Provider as part of his performance of this Agreement (the "Work Products") shall be owned by and become the property of the City, and may be used by the City for any purpose beneficial to the City.

Provider shall maintain on site all records required for the operations of the Airport and shall be accessible to the City at all times. Upon termination or expiration of this agreement, all records shall be surrendered to the City. Records from previous years of service shall be kept for a minimum of 6 years and destroyed only after consultation with and approval by the City.

10. Records Inspection and Audit

All compensation payments shall be subject to the adjustments for any amounts found upon audit or otherwise to have been improperly invoiced, and all records and books of accounts pertaining to any work performed under this Agreement shall be subject to inspection and audit by the City for a period of up to three (3) years from the final payment for work performed under this Agreement.

11. Continuation of Performance

In the event that any dispute or conflict arises between the parties while this Contract is in effect, the Provider agrees that, notwithstanding such dispute or conflict, the Provider shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities.

12. Administration of Agreement

This Agreement shall be administered by Jamelle Garcia, Managing Member, Aviation Management Group, LLC, on behalf of the Provider, and by the Mayor of the City, or designee, on behalf of the City. Any written notices required by the terms of this Agreement shall be served on or mailed to the following addresses:

City of Auburn:

Kevin Snyder, AICP
Community Development & Public Works
Director
25 West Main Street
Auburn, WA 98001
253-931-3091
ksnyder@auburnwa.gov

Aviation Management Group, LLC:

Jamelle Garcia
Managing Member
2143 E. Street, NE, Suite 1
Auburn, WA 98002
253-333-6821
jamelle@S50wa.com

13. Notices

All notices or communications permitted or required to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified mail, return receipt requested, and addressed, if to a party of this Agreement, to the address for the party set forth above.

Either party may change his, her or its address by giving notice in writing, stating his, her or its new address, to the other party, pursuant to the procedure set forth above.

14. Insurance

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

Provider's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Provider to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

The Service Provider shall obtain insurance of the types described below:

- a. Airport Liability Insurance which includes coverage for premises liability, products/completed operations, independent contractors, stop gap liability, personal and advertising injury, hanger-keepers liability, pollution liability, liability assumed under contract and a breach of warranty clause. Provider shall maintain airport Liability Insurance with limits no less than \$10,000,000.00 per occurrence, \$10,000,000.00 general aggregate and \$10,000,000.00 products-completed operations aggregate limit. The City shall be named as an additional insured on the Airport Liability Insurance Policy.
- b. Automobile Liability insurance, covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability

coverage. Provider shall maintain automobile insurance with minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

- c. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, and a \$2,000,000 products-completed operations aggregate limit.
- d. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

- a. The Provider's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Provider's insurance and shall not contribute with it.
- b. The Provider's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after 30 days prior written notice by certified mail, return receipt requested, has been given to the City.

Insurance is to be placed with an authorized insurer in Washington State. The insurer must have a current A.M. Best rating of not less than A:VII.

Provider shall furnish the City with certificates of insurance and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Provider before commencement of the work. The City reserves the right to require that complete, certified copies of all required insurance policies be submitted to the City at any time. The City will pay no progress payments under Section 7 until the Provider has fully complied with this section.

15. Indemnification/Hold Harmless

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

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 Provider and the City, its officers, officials, employees, and volunteers, the Provider's liability hereunder shall be only to the extent of the Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the 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.

16. Assignment

Neither party to this Agreement shall assign any right or obligation hereunder in whole or in part, without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of any interest under this Agreement shall be deemed to release the assignor from any liability or obligation under this Agreement, or to cause any such liability or obligation to be reduced to a secondary liability or obligation.

17. Nondiscrimination

The Provider may not discriminate regarding any services or activities to which this Agreement may apply directly or through contractual, hiring, or other arrangements on the grounds of race, color, creed, religion, national origin, sex, sexual orientation, age, or where there is the presence of any sensory, mental or physical handicap.

18. Services in Potential Competition with Provider

The Provider shall provide services to clients, customers and tenants of the Airport with fairness and without regard to whether a client, customer or tenant is engaged in a business that competes or potentially competes with a business of the Provider, or with a business in which any principal, partner or participant of the Provider is also a principal, partner or participant. Towards that end, the Provider shall notify ALL clients, customers and tenants and prospective clients, customers and tenants of the Airport of this requirement, and shall also notify them that if they feel that the Provider has not treated them in a fair manner, they may seek relief from the Mayor or the Mayor's designee of the City in terms of the services, use of premises or other activity related to the Airport. Decisions by the Mayor or designee in such cases shall be binding on the parties, provided that any party

aggrieved by such decision may appeal the decision to the City of Auburn Hearing Examiner, according to the procedures of the City of Auburn therefor.

No direct or indirect relationships, business or otherwise with private hanger owners or tenants during the term of the Agreement. If any exist, any and all relationships shall be terminated with in thirty (30) calendar days of execution of this Agreement.

19. Amendment, Modification or Waiver

No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or such party's or parties' duly authorized representative(s) and specifying with particularity the nature and extent of such amendment, modification or waiver. Any waiver by any party of any default of the other party shall not affect or impair any right arising from any subsequent default.

20. Remedies not Limited

Nothing herein shall limit the remedies or rights of the parties hereto under and pursuant to this Agreement.

21. Termination and Suspension

a. Either party may terminate this Agreement upon written notice to the other party if the other party fails substantially to perform in accordance with the terms of this Agreement through no fault of the party terminating the Agreement.

It is provided, however, that the terminating party shall give the other party notice of the specific area(s) of performance that has/have not been performed and shall further give seven (7) business days for such performance to be fully performed in accordance with the terms of this Agreement prior to termination. If such failure to perform is corrected within said seven (7) business day's period, then the Agreement shall not be subject to termination under this sub-paragraph.

b. The City may terminate this Agreement upon not less than one hundred twenty (120) days written notice to the Provider if the services provided for herein are no longer needed from the Provider.

c. If this Agreement is terminated through no fault of the Provider, the Provider shall be compensated for services performed prior to termination in accordance with the rate of compensation provided in Exhibit "B" hereof.

22. Parties in Interest

This Agreement shall be binding upon, and the benefits and obligations provided for herein shall inure to and bind, the parties hereto and their respective successors and assigns, provided that this section shall not be deemed to permit

any transfer or assignment otherwise prohibited by this Agreement. This Agreement is for the exclusive benefit of the parties hereto and it does not create a contractual relationship with or exist for the benefit of any third party, including contractors, sub-contractors and their sureties.

23. Costs to Prevailing Party

In the event of such litigation or other legal action, to enforce any rights, responsibilities or obligations under this Agreement, the prevailing parties shall be entitled to receive its reasonable costs and attorney's fees.

24. Applicable Law

This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Washington and venue for any action hereunder shall be in of the county in Washington State in which the property or project is located, and if not site specific, then in King County, Washington; provided, however, that it is agreed and understood that any applicable statute of limitation shall commence no later than the substantial completion by the Provider of the services.

25. Captions, Headings and Titles

All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement or act as a limitation of the scope of the particular paragraph or sections to which they apply. As used herein, where appropriate, the singular shall include the plural and vice versa and masculine, feminine and neuter expressions shall be interchangeable. Interpretation or construction of this Agreement shall not be affected by any determination as to who is the drafter of this Agreement, this Agreement having been drafted by mutual agreement of the parties.

26. Severable Provisions

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

27. Entire Agreement

This Agreement contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter.

28. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be one and the same Agreement and shall become effective when one or more

counterparts have been signed by each of the parties and delivered to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective the day and year first set forth above.

CITY OF AUBURN

AVIATION MANAGEMENT GROUP, LLC

Nancy Backus, Mayor

Signature

Name: _____

Attest:

Title: _____

Danielle Daskam City Clerk

Signature

Name: _____

Approved as to form:

Title: _____

Daniel B. Heid, City Attorney

Federal Tax ID No: _____

EXHIBIT I

SCOPE OF SERVICES

The PROVIDER shall provide the following services in the administration of the Auburn Municipal Airport (AIRPORT) on behalf and at the direction of the City of Auburn (CITY):

- A. PROVIDER shall assist in the administration and enforcement of the lease agreements, contracts, documents, and instruments relating to the AIRPORT or its operation to which CITY is a party. Such administration and enforcement assistance shall be consistent with the terms of the Agreement for Services and be done in a manner that PROVIDER, in consultation with the CITY, shall deem necessary or desirable for the efficient operation, maintenance, and management of the AIRPORT.
- B. CITY specifically authorizes PROVIDER to request and demand all rent and other such charges and to initiate collection activities when PROVIDER shall deem necessary or appropriate, on behalf of, and in the name of, CITY to collect such rent and other charges. All such rent and other charges described below shall be collected by PROVIDER on behalf of CITY, and accounted for as provided in the Agreement for Services. However, commencement of legal proceedings is subject to final approval of CITY and may, at the CITY's discretion, be handled by the CITY.
- C. PROVIDER may propose to the CITY capital improvement or property development work as a result of its concept development and planning functions or related work as set forth in the Agreement for Services.
- D. PROVIDER will manage and operate the AIRPORT for the use and benefit of CITY and the general public, in accordance with the requirements of the Agreement for Services, and on fair and reasonable terms without unjust discrimination, seven (7) days a week, twenty four (24) hours a day, in a safe and efficient manner and maintain it in a clean, orderly, safe, and operational condition in conformity with applicable Federal, State and local laws, rules and regulations.
- E. Without limiting the foregoing services to be provided by PROVIDER services shall include any of the following as directed by the CITY: operation, management, concession, and janitorial service as needed in any CITY-owned AIRPORT building or activity; advertising; compliance with applicable security requirements of the FAA or other jurisdictional agency, subject to Paragraph Z of this Scope of Services; airport and grounds maintenance, ramp operations, airfield signage. and navigation, and general aviation facilities maintenance: operation and management; public relations, and marketing. PROVIDER shall not cause or permit any activity or action at the AIRPORT or on property in the vicinity of the AIRPORT which would interfere with its use of the AIRPORT for AIRPORT purposes.
- F. PROVIDER shall provide fueling services at the AIRPORT. In connection therewith, PROVIDER shall be responsible for purchasing the fuel wholesale, CITY and PROVIDER shall be jointly entitled to set the retail price of the fuel and each shall be entitled to retain fifty percent (50%) of the net proceeds from such fuel sales. Net proceeds is defined for these purposes as the

remainder of funds after all normal and applicable expenses have been deducted from revenue produced from fuel sales. Normal and applicable expenses do not include major repairs (as defined in Section 5 of the Agreement for Services) or improvements to the fueling facility. PROVIDER shall submit monthly an accounting of the fuel revenue and applicable expenses to the CITY and shall remit quarterly to the CITY the CITY'S share of the net proceeds from fuel sales.

- G. PROVIDER will develop and submit recommended schedules of rates, fees, and charges (exclusive of the retail price for fuel) annually for approval by CITY, provided that the schedule of rates, fees, and charges will not alter the rental rates in existing leases or agreements except as provided therein. PROVIDER will also collect and reconcile all rental and/or lease payments and fees due, using uniform procedures to provide accountability, control and security of funds.
- H. PROVIDER shall assist CITY, with respect to CITY's dealings with all applicable Federal and State authorities, provided, however, that CITY shall remain solely responsible to the Federal Aviation Administration ("FAA") for the compliance with CITY's obligations under the law and under Federal Grant Agreements unless such compliance is the responsibility of PROVIDER under the Agreement for Services. PROVIDER is aware of and agrees to honor and respect the existing grant agreements between the CITY and FAA, including related FAA assurances.
- I. No exclusive right for the use of the AIRPORT by any persons providing, or intending to provide, aeronautical services to the public shall be permitted within the meaning of Section 308 of the Federal Aviation Act of 1958.
- J. Security: PROVIDER agrees to provide AIRPORT security during non-business office hours, three hundred and sixty-five (365) days per year. The PROVIDER will bill each hangar door on the AAIRPORT the rate as set in the City of Auburn Master Fee Schedule. The PROVIDER shall submit an invoice to the CITY no more frequently than once per month for Security Services. The invoice shall include such back up documentation of the actual costs paid by the PROVIDER as determined necessary by the CITY.
- K. Hours of Operation (business hours): PROVIDER shall operate the AIRPORT for public access twenty-four (24) hours daily. At least one PROVIDER staff person shall be available at the AIRPORT Monday through Friday 8:00a.m. to 5:00p.m. (exclusive of state and federal holidays) to assist the public. During non-business hours, PROVIDER shall maintain a method of contacting the on-duty staff person for assistance, via email or cellular telephone. PROVIDER will maintain and post a list, easily accessible to those needing fuel or other services, of Fixed Based Operations (FBO) able to provide fueling and ramp services on short notice outside of normal business hours.
- L. Operating Policies and Procedures: PROVIDER shall provide and maintain a staff training program and complete library of AIRPORT operating policies and procedures at the offices of the PROVIDER at the AIRPORT.
- M. Collection of Fees and Rentals: PROVIDER shall provide for routine invoicing and collection of all fees, rentals, and property lease charges due the AIRPORT including:
 - 1. Property leases;
 - 2. Hangar rents;
 - 3. Transient and permanent tie-down fees;

4. Business office rent;
5. All other AIRPORT revenues

PROVIDER shall prepare and deposit daily cash receipts received on behalf of the CITY and forward deposit slips to the City of Auburn Finance Department with carbon copy to the City of Auburn Community Development and Public Works Department. The PROVIDER shall also prepare and submit to the to the City of Auburn Finance Department with carbon copy to the City of Auburn Community Development and Public Works Department a standard accounting report of all collections, on a monthly basis, no later than the fifth calendar day after the end of the month in which the collections are made.

- N. Emergency Preparedness: PROVIDER will have available persons trained in the manner required by applicable FAA regulations to respond to emergencies, such as fires, aircraft incidents, or disasters.
- O. Financial Reports: PROVIDER shall maintain monthly records of all financial transactions relating to operation of the AIRPORT. The format and content of the monthly financial report shall be subject to the approval of the CITY's Finance Director with carbon copies to the Community Development and Public Works Director and Assistant Director of Engineering Services/City Engineer.
- P. Support of AIRPORT Interest Groups: PROVIDER's management shall act as the representative of the CITY through participation in meetings and activities of present and future AIRPORT user or interest groups. Reports on such meetings and events shall be provided to the CITY.
- Q. Emergency Expenditures: PROVIDER shall be authorized to make emergency expenditures not to exceed \$5,000.00 in situations where immediate action is deemed necessary to protect the safety of the general public or protect physical assets of AIRPORT.
 1. Report: Subsequent to authorizing emergency expenditures, PROVIDER shall provide a written report to the CITY within five (5) calendar days. The emergency action shall be reviewed by the CITY within fifteen (15) calendar days.
 2. Reimbursement: Upon review and approval by the CITY of the emergency expenditure, the CITY shall process the request for reimbursement to PROVIDER.
- R. CITY Reimbursement: If PROVIDER fails to perform any operational or financial obligation necessary to continued operation of the AIRPORT, CITY reserves the right to perform such obligation of PROVIDER as may be necessary to assure continued operation of the AIRPORT and to seek reimbursement from PROVIDER and/or withhold monies from any payments due to the PROVIDER.
- S. Maintenance/Utilities:
 1. Preventative Maintenance /Minor Repairs:
 - a. PROVIDER agrees to develop and carry out at its sole expense a continuing program of preventative maintenance and minor repair activities providing general upkeep against normal wear and tear such that the AIRPORT facilities are at all times in a serviceable condition for use in the way and manner they were designed to be used. Preventative maintenance and minor repair activities do not include major repairs as defined in Section 5 of the Agreement for Services. All maintenance procedures

and programs shall be consistent with requirements of Federal, State and CITY agencies.

- b. In furtherance of that responsibility, PROVIDER will:
- i. Regularly inspect the AIRPORT for needed maintenance and repairs; and
 - ii. Perform scheduled preventative maintenance including preventative maintenance of the paved surfaces, hangar and other structure preventative maintenance, signage maintenance, mowing of grass, fencing maintenance and weather related maintenance; and
 - iii. Remove, to the greatest extent legally and practically possible, obstructions and restrictions as identified in FAA regulations; and
 - iv. Operate and maintain all AIRPORT owned systems necessary and appropriate for operation of the AIRPORT inclusive of airport striping, lighting and markings necessary for runway operation.
2. Restorative Maintenance - Major Repairs: Subject to expenditures approved, budgeted and authorized by the Mayor of CITY or his/her designee, PROVIDER agrees to perform restorative maintenance and major repairs. PROVIDER also agrees to perform unanticipated major repairs. Unanticipated major repairs include, without limitation, the cost of major repair or replacement of fuel pumps and associated equipment such as fuel dispensing equipment, the fuel tanks and pedestal due to premature failure, and the office building adjacent to the fuel facility. All such work is subject to reimbursement by CITY as work compensated under the procedures of Section 2 of the Agreement for Services. CITY agrees to provide such reimbursement within forty-five (45) calendar days of presentation by PROVIDER of its invoices including all back up documentation as deemed necessary by the CITY.
3. Temporary Closure: Nothing contained herein shall be construed to require that the AIRPORT be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. CITY shall remove snow and ice from the runways and taxiways as they accumulate and the PROVIDER will remove snow and ice within the capacity of the PROVIDER'S equipment.
4. Federal Facilities: AIRPORT aids operated and maintained by the FAA shall be specifically excluded from any maintenance requirements under the Agreement for Services.
5. Emergency Support Services: PROVIDER and the CITY shall each maintain authorized representatives on call at all reasonable times to act on behalf of their respective Parties for unusual, difficult, or emergency maintenance situations at the AIRPORT.
6. AIRPORT Utilities and Other Charges: PROVIDER agrees, at its sole expense, to pay all charges for the AIRPORT's electrical, water, sewer (if any), security personnel (if any), fire system monitoring, annual fire extinguisher inspection, fire system annual inspection and portable sanitation units that is not attributable to a specific tenant or leased property. PROVIDER is not responsible for the payment or collection of any storm water charges; but it is the responsibility of the CITY Utilities for billing and collection and the AIRPORT's enterprise fund for the payment of storm water fees.

T. Industrial Storm Water Permit Compliance.

The PROVIDER shall assist the CITY in maintaining compliance with the City's Industrial General Stormwater Permit (Permit) for the Airport. This includes but is not limited to:

- i. Perform monthly storm system and site inspections and complete monthly inspection reports.
- ii. Perform annual Stormwater Pollution Prevention Plan (SWPPP) and Permit training of tenants, airport staff, and users as required by the Permit and maintain required training records. This includes training of new staff at the time of hire.
- iii. Perform ongoing monitoring of pollutant sources and illicit discharges, including maintenance and implementation of specific Best Maintenance Practices (BMPs) as required for source control of pollutants associated with airport operations.
- iv. Perform corrective actions to control spills and pollutant sources as required by the Permit, including spill logs and communication with the City and other required agencies as appropriate for the situation.
- v. PROVIDER will assist the City with periodic updates of the Stormwater Pollution Prevention Plan (SWPPP) as needed and required by the City's NPDES Phase 2 Permit.
- vi. Perform quarterly discharge monitoring sampling for visual oil sheen during periods of consistent attainment as defined by the Permit and maintain required sampling reports. Assist as required with discharge monitoring sampling in periods outside of consistent attainment.

U. Environmental Protection.

1. With assistance from the PROVIDER, CITY shall develop and maintain policies with assistance from PROVIDER, to assure that the AIRPORT and AIRPORT tenants maintain compliance with Environmental Protection Agency (EPA) standards and City of Auburn codes and/or other federal and state regulations or treatment of waste oils, fuel, solvents, etc. which may be used in aircraft, or related to aircraft manufacturing, servicing, or repair.
2. Leases and other contracts and agreement and informational documents developed by CITY and approved by CITY, PROVIDER will advise AIRPORT tenants of their obligation to comply with all environmental laws, including, but not limited to, Environmental Protection Agency (EPA) standards and City of Auburn codes and/or other federal and state regulations for treatment of waste oils, fuel, solvents, and other hazardous or toxic materials which may be used in aircraft or in the course of aircraft manufacturing, servicing or repair, storm water runoff, wetlands, and other laws and requirements of the United States, the State of Washington, or CITY. Violations of those laws will be prosecuted by the responsible government agencies against the tenants directly.

V. Planning, Development, and Audit:

1. Planning and Development: CITY shall, with the assistance of PROVIDER and with the Airport Advisory Board, provide for planning and development of the AIRPORT and the surrounding AIRPORT lands in cooperation with CITY staff. PROVIDER shall assist as

requested by the CITY in the development of new facilities and services in accordance with the currently approved Airport Master Plan.

2. Airport Layout Plan (ALP): PROVIDER shall submit periodic input concerning the ALP to CITY. CITY agrees to update the ALP database and provide revised copies of the ALP as requested by PROVIDER or required by governing agencies.
 3. Five-Year Capital Plan: PROVIDER shall assist the CITY with the development of and updates to the currently adopted five-year AIRPORT Capital Improvement Plan. The Plan shall support requests for the continuing development of the AIRPORT with Federal and State funding. The CITY shall be responsible for updating the Washington State Department of Transportation-Aviation Division (WSDOT-Aviation) and FAA on changes to the AIRPORT's Capital Plan.
 4. Quality Review: It is agreed that PROVIDER will allow a review by an independent firm of the quality of management of the AIRPORT. This review may be conducted annually or at any time considered appropriate. CITY may select a firm to perform the review. CITY will also bear the cost of the review. PROVIDER shall make all records relating to the Agreement for Services available for review and audit during normal business hours by the CITY and/or independent auditor.
- W. PROVIDER shall assist the CITY in the preparation of a Biennial Budget as requested hat shall include the following:
1. Revenues: A detailed projection of revenues relating to AIRPORT fees and services collected by the PROVIDER for each calendar year shall be developed. The projection shall be submitted by PROVIDER on or about August 1 of the initial year of the Biennial Budget for review and concurrence. For the second year of the Biennial Budget, this plan shall be submitted by April 1 for the two (2) following years.
 2. Expenses: For Operational costs not identified in Exhibit B of the Agreement for Services, PROVIDER shall provide a detailed projection of operational needs anticipated for each calendar year.
 3. Capital Improvements: PROVIDER shall provide comments on the City's Capital Facilities Plan as requested by CITY.
- X. Performance Standards: PROVIDER must perform reasonably, safely, legally, and in a manner consistent with the Agreement for Services. PROVIDER shall also be responsible to provide, in connection with the services contemplated in the Agreement for Services, work product and services of a quality and professional standard acceptable to the CITY. PROVIDER shall not conduct operations in or on the AIRPORT in a manner which in the reasonable judgment of CITY-
1. Interferes with the reasonable use by others of the AIRPORT.
 2. Hinders police, fire department or other emergency personnel in the discharge of their duties at the AIRPORT.
 3. Would constitute a hazardous condition at the AIRPORT.
 4. Would involve any illegal purpose.
 5. Is not materially in accordance with the Agreement for Services.
- Y. PROVIDER'S Duty to repair: PROVIDER shall repair any and all damage to the property of CITY located at the AIRPORT caused by PROVIDER, its agents or employees.

- Z. Compliance With Heightened Security Requirements: PROVIDER shall, if required by additional regulatory requirements for AIRPORT security of the FAA, Homeland Security or any other jurisdictional agency, make changes to the security procedures and/or equipment used to provide AIRPORT security, provided that CITY agrees to pay as work compensated under the procedures of Section 2 of the Agreement of Services the reasonable out of pocket cost incurred by PROVIDER, subject to prior approval of the CITY, to comply with changed requirements imposed after the effective date for capital improvements such as additional or higher fencing, surveillance or monitoring equipment or other capital investments which are mandated by law. CITY shall have the right to inspect estimates of cost to comply before expenditures are made and suggest alternatives, but PROVIDER shall be reimbursed its reasonably necessary cost to comply with new security mandates within forty-five (45) calendar days of presenting invoices with all back up documentation deemed necessary by the CITY for such cost, following the inspection described above.
- AA. Exclusion for Litigation Support: The Scope of Services does not include services of PROVIDER for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken where defended by CITY in connection with this Agreement in an action to which PROVIDER is not a party. All such services required or requested of PROVIDER by the CITY, will be work compensated under Section 2 of the Agreement.
- BB. Wildlife Depredation: PROVIDER shall, if required to maintain and protect the public health and safety resulting from and relating to airport operations, engage in a program of wildlife control measures, to include wildlife depredation, so long as said activities are conducted in compliance with the provisions of a Wildlife Hazard Management Plan acceptable by the Federal Aviation Administration. PROVIDER shall for any shooting activities comply with the terms of a current Migratory Bird Depredation Permit for any bird species protected by the Migratory Bird Treaty Act (16 U.S.C. 703-712. Shooting activities shall also comply with the Auburn Code 9.34.030 and all other applicable federal, state and local laws, and shall be conducted so as to minimize the risk of injury to persons or to real or personal property.

EXHIBIT B

Fees for Airport Management Services

Aviation Management Group, LLC

Calendar Years 2017 and 2018

Fees	2017	2018
Management Fee	\$342,970.00 Annually \$28,580.83 Monthly	\$353,259.10 Annually \$29,438.26 Monthly
Security Fee	\$15,000.00 Annually \$1,250.00 Monthly	\$15,450.00 Annually \$1,287.50 Monthly