

City Council Study Session

April 27, 2015 - 5:30 PM

Auburn City Hall

AGENDA

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I. CALL TO ORDER

A. Roll Call

II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Resolution No. 5144 (10 Minute Presentation/10 Minute Discussion)* (Coleman)

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute Addendum Number V to the fixed-base lease at the Auburn Airport initially between Sky Services, Inc., currently Auburn Flight Services and the City of Auburn

B. SCORE Report (15 Minute Presentation/5 Minute Discussion)* (Coleman)

C. 2015 Comprehensive Storm Drainage Plan Overview (15 Minute Presentation/15 Minute Discussion)* (Snyder)

IV. OTHER DISCUSSION ITEMS

V. 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:

Resolution No. 5144

Date:

April 22, 2015

Department:

Finance

Attachments:

[Resolution No. 5144](#)

[Addendum V](#)

[Exhibit A](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

Auburn Flight Services is seeking an addendum to its Fixed-Base Lease at the Auburn Airport executed on February 27, 1978 (copy attached).

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

Coleman

Meeting Date: April 27, 2015

Item Number: DI.A

RESOLUTION NO. 5 1 4 4

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE ADDENDUM NUMBER V TO THE FIXED-BASED LEASE AT THE AUBURN AIRPORT INITIALLY BETWEEN SKY SERVICES, INC., CURRENTLY AUBURN FLIGHT SERVICES AND THE CITY OF AUBURN

WHEREAS, the City entered into a Fixed-Based Lease at the Auburn Airport for aviation related use of property at the City's Airport and,

WHEREAS, the provisions of that Fixed-Based Lease provide for certain terms, including options and a mechanism for amendment thereof; and,

WHEREAS, the City and the current Lessee are in agreement that there are certain amendments to this lease that would be appropriate, including amending the Lease to provide for assignment to Sparrow Tang DBA Cascade Helicopter Services, with conditions, and amending the Lease to provide for an extension of up to fifty years.

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

Section 1. That the Mayor is hereby authorized to execute Addendum No. V to the fixed-based lease at the Auburn Airport, initially between Sky Services, Inc., currently between Auburn Flight Services and the City of Auburn relating to the lease of property at the Auburn Airport, in substantial conformity with the addendum marked as Addendum No. V and Incorporated herein by this reference.

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

Section 3. That this Resolution shall take effect and be in full force upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2015.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:

Daniel B. Heid, City Attorney

ADDENDUM NO. V

**ADDENDUM TO THE FIXED-BASED LEASE AT THE AUBURN AIRPORT
INITIALLY BETWEEN SKY SERVICES, INC., CURRENTLY AUBURN
FLIGHT SERVICES AND THE CITY OF AUBURN RELATING TO THE
LEASE OF PROPERTY AT THE AUBURN AIRPORT**

THIS ADDENDUM is made and entered into this ____ day of _____, 20____, by and between Auburn Flight Services, as successor of Sky Services, Inc., (hereinafter referred to as "Lessee") and the CITY OF AUBURN, a municipal corporation of the State of Washington (hereinafter referred to as the "CITY"), as an addendum to the Fixed-Based Lease at the Auburn Airport between the parties, a copy of which is attached hereto, marked as Exhibit "A," incorporated herein by this reference, executed on the 27th day of February, 1978.

W I T N E S S E T H:

WHEREAS, the City entered into a Fixed-Based Lease at the Auburn Airport for aviation related use of property at the City's Airport and,

WHEREAS, the provisions of that Fixed-Based Lease provide for certain terms, including options and a mechanism for amendment thereof; and,

WHEREAS, the City and the current Lessee are in agreement that there are certain amendments to this lease that would be appropriate.

NOW THEREFORE in consideration of their mutual covenants, conditions and promises, the PARTIES HERETO HEREBY AGREE as follows:

ITEM ONE REVISION TO SECTION 18 OF THE LEASE: That Section 18 of the Lease is amended to read as follows:

18. Assignment.

Lessee shall not assign this lease or sublease any part of the premises without the prior written approval of Lessor. Such approval shall not be unreasonably withheld and shall be acted upon expeditiously by Lessor.

It is provided, however, that the Lessee does have the City's approval to assign the lease to Sparrow Tang DBA Cascade Helicopter Services on the condition that the assignment shall be fully executed not later than the 1st day of August, 2015, and on the condition that satisfactory evidence of the executed assignment agreement between the Lessee and its Successor is provided to the City not later than the 1st day of August, 2015.

ITEM TWO REVISION TO SECTION 31 OF THE LEASE: That Section 31 of the *Interlocal* Agreement is amended to read as follows:

31. Option to Renew.

(a) If this lease shall be in force and effect on the date of expiration of the original term, and the Lessee on that date shall have fully complied with the terms and conditions of this lease, Lessee may elect to renew for an additional ~~thirty years (30)~~ fifty (50) years beginning with the expiration of the original terms. To exercise this option, the Lessee shall give the Lessor at least one year's (1) advance notice in writing.

(b) In the event Lessee shall exercise its option to extend the initial lease term as hereinabove provided, all terms and conditions of this lease shall apply during the extended term, except the rental to be paid therein, which rental shall be agreed upon by the parties at the time of the exercise of said lease extension. In the event the parties are unable to agree upon the amount of the rental to be paid for the extension of the lease term, the same shall be fixed by an arbitration committee consisting of three persons, one to be selected by the Lessor, one to be selected by the Lessee, and the third to be selected by the two persons selected by the Lessor and Lessee. The decision of a majority of said arbitrators shall be binding upon Lessor and Lessee as the amount of the rental for said lease term extension; provided, however, that the rental rate shall be subject to readjustment at the expiration of each five-year period of the extended lease term in the manner provided in Section Six of this agreement. The arbitrators shall be appointed not less than six months of the commencement of the lease term extension and shall submit their rental termination findings to the parties hereto not less than three months prior to the commencement of the extension of the lease term.

ITEM THREE REMAINING TERMS UNCHANGED: That all other provisions of the Fixed-Based Lease at the Auburn Airport between the parties, executed on the 27th day of February, 1978, and prior amendments thereto, shall remain unchanged, and in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

Auburn Flight Services

CITY OF AUBURN

By: _____
Its: _____

By: _____
Nancy Backus, Mayor

Attest:

By: _____
Its: _____

Approved as to form:

Attorney for Auburn Flight Services

Attest:

By: _____
Danielle E. Daskam, City Clerk

Approved as to form:

Daniel B. Heid, City Attorney

EXHIBIT "A"

FIXED-BASE LEASE AT AUBURN AIRPORT

THIS LEASE AND AGREEMENT made and entered into this 27th day of February 1978, by and between the CITY OF AUBURN, acting through the Auburn City Council, its governing board, acting on behalf of the City and with authority to act on behalf of the City to enter into this lease and agreement (hereafter referred to as "Auburn") and SKY SERVICES, INC., a corporation, hereinafter referred to as "Lessee";

W I T N E S S E T H :

1. Recitals.

(a) Auburn owns and operates the Auburn Airport located in King County, Washington, hereinafter called the Airport.

(b) The Lessee desires to lease certain premises, facilities, rights, services and privileges on the Airport for the purpose of conducting a fixed-base operation there, and Auburn is willing to lease the same to the lessee upon the terms and conditions hereafter stated in this agreement.

(c) As a condition precedent to this lease, Lessee shall construct a building in accordance with the plans and specifications attached hereto as Exhibit "B".

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Auburn and Lessee agree as follows:

2. Description of Premises.

Auburn hereby leases to Lessee the following described property located on the Auburn Airport, King County, Washington, more particularly described in the legal description attached hereto as Exhibit "A" which is incorporated into this lease by reference as if fully set forth herein.

3. Use of the Premises.

The Lessee will use the premises for conducting a fixed-base aircraft operation, maintenance and repair and for no other purpose.

The fixed-base operation may include any or all of the following uses:

(a) The maintenance, construction, repair and salvage of

aircraft engines, air frames, avionics and accessories, together with all ancillary services required thereunder;

(b) Sale of new and used aircraft (both retail and wholesale);

(c) Sale of aircraft parts and accessories (retail and wholesale);

(d) Sale of new and used radios and all other electronic equipment including aircraft instruments;

(e) Sale of navigational and airmen's supplies and accessories;

(f) Flight operations, including flight training, demonstration of aircraft for sale, charter and air taxi;

(g) Towing of disabled aircraft;

(h) Financing, leasing and insuring of aircraft;

(i) Loading and unloading of aircraft in any lawful business;

(j) The installation of a vending equipment and/or coffee bar with the purpose of serving Lessee's employees and customers;

(k) Rent-a-car service upon payment to Lessor of additional rental or fees based upon a rate equal to those paid by other car rental agencies operating on similarly situated airports within the State of Washington.

The Lessee agrees to furnish these services on a fair, equal and not unjustly discriminatory basis to all users thereof.

4. Term of Lease.

The initial term of this lease shall be for a period of forty (40) years, commencing on the 1st day of June, 1978 and terminating on the 31st day of May, 2018.

5. Rentals, Fees and Charges.

Subject to renegotiation, additions or credits as hereinafter provided, the Lessee agrees to pay Auburn for the use of the premises, facilities, rights, licenses, services and privileges granted herein, the following rentals, fees and charges all payable in monthly installments in advance, on or before the 20th of each month.

(a) (No rental to be due Lessor by Lessee for the first six months of the lease term.)

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- (b) \$421.40 for the second six months of the lease term;
- (c) \$561.88 for the second year of the lease term;
- (d) \$632.10 for the third year of the lease term;
- (e) \$702.35 for the remainder of the lease term, subject to any rental rate adjustments which may be made at the expiration of each five-year period of the lease term, as provided in Paragraph Six of this Agreement.

6. Rental Rate and Rate Adjustment.

The rental rate set forth in Paragraph Five is subject to adjustment at the end of each five-year period of the lease term. For any such adjustment of rental, the rental rate shall be determined in the following manner:

- (a) Six months before each five-year renegotiation date of the lease term, the Lessee and Lessor shall determine the appraised value of the property of the leased land herein. The rental thereafter shall be at the rate of ten percent (10%) per annum of the appraised value of said land. The appraised shall be only on the land and shall exclude the building improvements.

If agreement is not reached within ninety (90) days before the renegotiation date, the parties shall mutually agree on an arbitrator to fix the forthcoming rental; and if the parties are unable to agree upon an arbitrator, they shall apply to the Superior Court for King County and request the presiding Judge of that Court to appoint an arbitrator to fix the rental.

(a) Within fifteen (15) days after the arbitrator has been selected, both the Lessor and Lessee will submit to the arbitrator their proposals for the renegotiated rent taking due account of the factors set forth for adjusting the rent. The arbitrator will analyze said proposals and conduct such investigation, interviews and discussions with or without the parties as he feels necessary.

(b) At a time not to exceed fifteen (15) days after the submission of the written proposals of the Lessor and Lessee, the respective parties may have representatives appear and argue such matters regarding the renegotiation as the parties deem fit. Within five (5) days after such time the arbitrator shall make a final written determination of the forthcoming rental rate which shall be final and binding on all parties.

(c) Lessor and Lessee shall equally share the costs of the arbitrator's fees.

7. Rates, Rentals and Other Charges.

Lessee shall furnish the Lessor with a complete schedule of all prices charged by the Lessee for each service or unit charged to the general public. Lessee agrees to charge fair, reasonable and not unjustly discriminatory prices for each unit or service.

8. Use of Public Airport Facilities.

Lessee is granted the nonexclusive use of all public airport facilities including but not limited to taxiways, runways, aprons, navigational aids and facilities relating thereto for the purposes of landings, take-offs and taxiing of Lessee and Lessee's tenants and customers aircraft. All such use shall be in accordance with the laws of the United States of America, the State of Washington, and the rules and regulations promulgated by their authority with reference to aviation and air navigation, and in accordance with all reasonable and applicable rules, regulations and ordinances of the Lessor now in force or here-

after prescribed or promulgated by ordinance or by law.

(a) Lessor agrees during the term of this lease to operate and maintain the airport and its public airport facilities as a public airport consistent with an pursuant to sponsor's assurances given by Lessor to the United States Government under the Federal Airport Act.

9. Maintenance and Repairs.

(a) Exterior and Interior Repairs: Lessee shall keep the foundations, adjacent sidewalks, exterior walls, roof and downspouts in good order and repair. In addition, Lessee shall make structural repairs including (but not limited to) repairs to interior walls, floors, wiring, plumbing, heating plant, air conditioning equipment and flues and chimneys. If Lessee shall refuse or neglect to commence or complete repairs to the exterior or interior of the buildings constructed by it on the leased premises, either promptly or adequately, Lessor may, but shall not be required to, commence or complete the repairs and Lessee shall pay the costs thereof to Lessor on demand.

(b) Maintenance: The Lessee shall keep the interior of the demised premises in good repair, at his own expense, subject to approval of Lessor. Lessee may make interior alterations and additions at its own cost, subject to approval of the Lessor. The Lessee shall replace all window glass and plate glass with the glass of same or similar quality whenever said glass is broken or destroyed.

(c) Ownership of Repairs and Improvements: Lessee shall make such interior and exterior repairs, alterations or additions at his own cost and expense and such improvements shall, when made, be deemed to have attached to the freehold, but the Lessee shall retain such property rights herein as may be attributable to the remaining terms of this lease. Signs, electrical equipment, store fixtures and other removable trade fixtures shall not be deemed structural alterations, additions, improvements or interior

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repairs. At the expiration of the term hereof, the Lessee, if not in default, may remove such signs, equipment and trade fixtures which constitute its property, provided that upon such removal, the Lessee will not permit any damage to the premises

10. Cleanliness and Waste.

Lessee shall keep the demised premises and the walks thereto belonging at all times in a neat, clean and sanitary condition free from snow, ice, waste or debris and shall neither commit nor permit any waste thereon.

11. Personal Property Taxes.

Lessee shall pay promptly when due all taxes assessed and levied against its fixture, furnishings, equipment and stock in trade during the term hereof unless such assessment and levy are being protested according to law.

12. Property Insurance and Waiver of Subrogation.

Neither the Lessor nor the Lessee shall be liable to the other for loss arising out of damage or destruction of the leased premises or the contents thereof when such loss is caused by any of the perils included in the standard form of fire and extended coverage insurance, and sprinkler leakage insurance coverage, if the premises are sprinkled. Such absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Lessor or Lessee or their respective agents, servants or employees. It is the intention and agreement of the Lessor and the Lessee that the rentals reserved by this lease have been provided in contemplation that Lessee shall carry the foregoing insurance protection at its own expense and Lessee shall look to its insurance carrier for reimbursement of any such loss and further that the insurance carrier or carriers involved shall not subrogate against either party to this agreement.

13. Public Liability Insurance.

The Lessee agrees to procure and maintain in force for the term of this lease public liability and property damage insurance with a minimum coverage of One Million Dollars (\$1,000,000.00)

combined single limit, each occurrence. The policy shall also provide that the same shall not be cancelled until a ten-day written notice of cancellation has been served upon the Lessor. Lessor shall be named as an additional insured on such policy, and Lessee will furnish written evidence of this coverage to Lessor. The limits of liability insurance coverage herein shall be reviewed, negotiated and modified during each five-year (5) renegotiation period of the lease and if no agreement is reached on said limits, arbitration as set forth herein shall be used to settle the issue.

14. Hold Harmless.

Lessee shall indemnify and save harmless the Lessor, its officers, agents and employees from and against all claims, demands, loss or liability which Lessor, its officers, agents and employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons, or damage to property arising out of or connected with any negligence or lack of care of the Lessee, its officers, agents or employees in use of the demised premises including the Auburn Airport and its facilities.

15. Reservations to Lessor.

Upon acceptance of the leased premises by Lessee, the acceptance shall be subject to any and all existing easements or other encumbrances; and Lessor shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipe lines, manholes, connections; water, oil and gas pipe lines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith over, in, upon, through, across and along the leased premises or any part thereof as will not interfere with Lessee's operations hereunder and to enter thereupon for any and all such purposes. Lessor also reserves the right to grant franchises, easements, rights of way and permits in, over and upon, along or across any and all portions of the leased premises as Lessor may elect to do so, pro-

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vided, however, that no right of the Lessor provided for in this Paragraph shall be so exercised as to interfere unreasonably with Lessee's operations hereunder or impair the security of any secured creditor of Lessee.

Lessor agrees that any right as set forth in this clause shall not be exercised unless the prior written notice of sixty days (60) is given to Lessee; however, if such right must be exercised by reason of emergency, then Lessor will give Lessee such notice in writing as is reasonable under the existing circumstances.

Lessor agrees that it will cause the surface of the demised premises to be restored to its additional condition upon the completion of any construction. Lessee further agrees that should the granting of these rights temporarily interfere with the use of any or all of the demised premises, the rental shall be reduced in a proportion to the amount said interference bears to the total use of the demised premises.

16. Water Facilities.

Lessor shall provide to the property site adequate water facilities. Any requirement for streets, curbs, sidewalks and sewers will be furnished by the Lessor. Lessee shall be responsible for the installation and maintenance of its own septic tank facilities.

17. Duties of the Lessee.

(a) Lessee shall be solely responsible for all costs or charges for utilities furnished to or required by Lessee during the term of this agreement.

(b) Lessee agrees at its own expense to cause the premises and improvements to be maintained in a presentable condition consistent with good business practices. This shall include, although not be limited to, the obligation of the Lessee to maintain the premises in a clean, neat and orderly condition and to do such interior repainting as is necessary to keep the premises in a clean, neat and attractive condition.

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(c) Lessee agrees to furnish good, prompt and efficient service adequate to meet all reasonable demands for its services at the airport. The Lessee shall reveal upon the request of Auburn its general schedule of rates, fees and rentals or other charges for services it may render under this lease. Lessor shall have the right to inspect Lessee's books and records for the purposes of verifying such charges.

(d) Lessee shall not erect, install or operate or cause or permit to be erected, installed or operated upon the premises herein any sign or other advertising device without first having obtained Auburn's consent thereto to the size, construction, location and general appearance. Auburn shall not unreasonably withhold permission to the Lessee to erect any sign, provided said sign is in keeping with the nature of the business and conforms to the standards of good business and commercial practice.

(e) In the conduct of its business at Auburn Airport the Lessee, its employees, agents and servants shall obey all applicable rules, regulations and ordinances and laws that may from time to time be promulgated by the Lessor or any federal, state or local government or agency thereof.

(f) Lessee shall exercise due and reasonable caution to prevent fire and accidents on the premises. Should Lessee fail to remove or abate a fire hazard after direction to do so, the Lessor may remove the hazard and charge the costs of removal thereof to the Lessee.

18. Assignment.

Lessee shall not assign this lease or sublease any part of the premises without the prior written approval of Lessor. Such approval shall not be unreasonably withheld and shall be acted upon

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expeditiously by Lessor.

19. Right of Entry and Inspection of the Premises.

Auburn reserves the right at any reasonable time to enter upon said premises through its designated agents or employees for the purpose of inspecting the leased premises.

20. Rules and Regulations.

Auburn has the right to adopt and enforce reasonable rules and regulations with respect to the use of the airport and its appurtenances, provided that such rules and regulations shall not be inconsistent with safety and with rules and regulations and ordinances of the Federal Aviation Administration with aircraft operations at the airport.

21. Lessor's Right of Cancellation.

In addition to other remedies available to the Lessor, this agreement shall be subject to cancellation by the Lessor should any one or more of the following events occur:

(a) If the Lessee should file a voluntary petition in bankruptcy or proceedings in bankruptcy shall be instituted against it, and it is thereafter adjudicated a bankrupt pursuant to such proceedings, or if a Court shall take jurisdiction of the Lessee and its assets pursuant to proceedings brought under the provision for reorganization under the Bankruptcy Act, or if a receiver for Lessee's assets is appointed, or if Lessee shall be divested of its rights, powers and privileges under this contract by other operation of law.

(b) If the Lessee shall abandon or discontinue for thirty (30) consecutive days the conduct and operation of said fixed base operation.

(c) If Lessee fails to pay when due the whole or any part of the amount agreed upon herein for rent and charges and such default continues for ten days (10) after Lessor

has demanded payment in writing.

(d) If Lessee shall fail to perform, keep or observe any of the covenants and conditions contained in this contract to be performed, kept and observed by it, provided that upon the happening of any contingency recited in this subparagraph, the Lessee shall be given written notice to correct or cure such default, failure to perform or breach, and if, within thirty days (30) from the date of such notice, the default, breach or complaint shall have not been corrected in a manner satisfactory to the Lessor then, and in such event, the Lessor shall have the right, at once, to declare this contract terminated.

22. Lessee's Right of Cancellation.

In addition to any other remedies available to the Lessee, this agreement shall be subject to cancellation by the Lessee should any one or more of the following events occur:

(a) The permanent abandonment of the airport as an air terminal.

(b) The issuance of any Court of competent jurisdiction of an injunction which in any way prevents or restricts the use of the airport and the injunction or restriction remains in force for at least thirty (30) days.

(c) The breach by the Lessor of any of the covenants, terms or conditions of this agreement to be kept, performed and observed by the Lessor and the failure to remedy such breach for a period of sixty days (60) after written notice from the Lessee of the existence of the breach.

(d) The assumption by the Federal Government or any other governmental agency of the control of the airport or

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any portion thereof in a manner which would preclude the Lessee from operating under the terms of this lease or which would substantially restrict its operation under the terms of this lease. If such an event should occur, an adjustment shall be paid to Lessee to fairly compensate Lessee for its investment costs incurred in the construction of its building. If the parties hereto cannot agree upon a fair compensation, the matter shall be arbitrated with the arbitration method being established as set forth in Paragraph 32 hereinbelow.

(e) If the Lessor should develop, change or alter the development of the airport in such manner that would substantially preclude, prevent or hinder the Lessee from operation under the terms of this lease. If the lease should be terminated either under this section or the previous section, permitting termination by the Lessor in the event of governmental restriction, or substantial interference, and thereafter the site should become available, or a similar site should become available, the Lessee shall have the right to lease the site on the same terms and conditions as contained in this lease, or, if the same site is unavailable in its previous condition, alternatively on the same terms and conditions as offered to any prospective Lessee. This right shall be effective only if the Lessee has faithfully performed all of the terms and conditions of this lease and if land and premises are available at the Auburn Airport for development.

23. Holding Over.

In the event Lessee shall hold over after the first term herein created, then such holding over shall be a tenancy from month to month only and governed by the same conditions and covenants as

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contained in this lease.

24. Notices.

All notices given or to be given by either party to the other shall be given in writing and shall be addressed to the party at the addresses hereafter set forth or such other address as the parties may by written notice hereafter designated. Notices and payments to Lessor and notices to Lessee shall be addressed as follows:

Lessor

City of Auburn
20 "A" Street Northwest
Auburn, Washington 98002

Lessee

Sky Services, Inc.
400-23rd Northeast
Auburn, Washington 98002

25. Amendments to be in Writing.

This lease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing signed by both parties.

26. Successors in Interest.

The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, administrators, executors and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

27. Waiver. The acceptance of rental, landing fees or any other payment by the Lessor for any period or periods after a default by the Lessee shall not be deemed a waiver of such default unless the Lessor shall so advise the Lessee in writing. No waiver by the Lessor of any default hereunder shall be construed to be a waiver of any subsequent default by either party. After any default shall have been cured by either party, it shall not thereafter be used by the other party as the grounds for the commencement of any legal action under the provisions of this agreement.

28. Destruction of the Premises.

In the event there is any destruction of the premises either

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whole or partial due to fire, earthquake, acts of enemy, the elements, casualties, latent or patent defects in the construction of the premises or any other similar matter beyond the reasonable control of the parties so that the Lessee cannot fully enjoy the premises, improvements and equipment thereon, and Lessee shall notify the Lessor to that effect, the rental payable hereunder shall be equitably abated from the date of such notification until such time as the Lessee shall repair and restore said premises, improvements and equipment to a suitable condition. Lessee shall make restoration of the leased premises within 150 days of its damage or destruction.

29. Defaults.

If, after default under the terms of this lease by either party, the non-defaulting party employs an attorney to enforce any right or claim under this agreement, the prevailing party shall be entitled, in addition to any other damages, to recover a reasonable attorney fee and a reasonable accountant fee if such accountant is necessary for the determination of any sums or damages due under the provisions of this lease.

30. Ownership Reversion.

Subject to Paragraph 18, and subject to the right of Lessee's building finance institution to assume the Lessee's rights and obligations herein in the event of Lessee's default to said finance institution. At any time this lease shall terminate, the building, alterations and additions shall become the sole property of Lessor and the freehold interest of said structure shall be vested, in fee simple, in the Lessor.

31. Option to Renew.

(a) If this lease shall be in force and effect on the date of expiration of the original term, and the Lessee on that date shall have fully complied with the terms and conditions of this lease, Lessee may elect to renew for an additional thirty years (30) beginning with the expiration of the original term. To exercise

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839-2660

this option, the Lessee shall give the Lessor at least one year's (1) advance notice in writing.

(b) In the event Lessee shall exercise its option to extend the initial lease term as hereinabove provided, all terms and conditions of this lease shall apply during the extended term, except the rental to be paid therein, which rental shall be agreed upon by the parties at the time of the exercise of said lease extension. In the event the parties are unable to agree upon the amount of the rental to be paid for the extension of the lease term, the same shall be fixed by an arbitration committee consisting of three persons, one to be selected by the Lessor, one to be selected by the Lessee, and the third to be selected by the two persons selected by the Lessor and Lessee. The decision of a majority of said arbitrators shall be binding upon Lessor and Lessee as the amount of the rental for said lease term extension; provided, however, that the rental rate shall be subject to readjustment at the expiration of each five-year period of the extended lease term in the manner provided in Section Six of this agreement. The arbitrators shall be appointed not less than six months of the commencement of the lease term extension and shall submit their rental termination findings to the parties hereto not less than three months prior to the commencement of the extension of the lease term.

32. Additional Obligations Assumed by Lessee.

(a) Lessee agrees to operate the premises leased for the use and benefit of the public and

(i) To furnish said services on a fair, equal and not unjustly discriminatory basis to all user thereof, and

SCHNEIDER, SMYTHE, SALLEY & VAN SICLEN
ATTORNEYS AT LAW
29 FIRST STREET NORTHEAST
AUBURN, WASHINGTON 98002
TELEPHONE 833-1600
833-2460

(ii) To charge for, reasonable, and not unjustly discriminatory prices for each unit or service; provided, that the Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(b) The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) That the Lessee shall use the premises in compliance with all other requirements imposed by her pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Sub-Title A, Office of the Secretary, Part 21 Non-Discrimination and Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

(c) In the event of breach of any of the preceding non-discrimination covenants, Lessor shall have the right to terminate the license, Lease, Permit granted herein, and to re-enter and repossess said land and the facilities thereon, and pull the same as if said lease had never been made or issued.

DATED this 27th day of February, 1978.

CITY OF AUBURN, WASHINGTON

Stanley P. Kersey
Mayor

SKY SERVICES, INC.

William C. Blackwood
Its President

(Executed by Sky Services this 1st
day of June, 1978.)

33. Additional obligation of the Lessor.

The Airport shall pay related costs to provide culvert and fill
for the drainage ditch along the northern edge of the property.

DATED and SIGNED this 16th day of May, 1978.

CITY OF AUBURN

Stanley P. Kersey
MAYOR

ATTEST:

Coralie A. McConnekey
City Clerk

APPROVED AS TO FORM:

J. B. Gierke
City Attorney

The Lessee, SKY SERVICES, INC., acknowledges and approves the addition of paragraph 33 to that certain Fixed-Base Lease at Auburn Airport Agreement at the Auburn Airport, as authorized by Auburn City Resolution No. 866, dated February 21, 1978.

DATED this 1ST day of JUNE, 1978.

SKY SERVICES, INC.

William C. Blackmont
President

Additional obligation of Lessor
City of Auburn - Sky Services, Inc.
Page 17

ATTEST:

Terry L. Moller
City Clerk

APPROVED AS TO FORM:

J. B. Banta
City Attorney

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this 27th day of February, 1978, before me personally appeared Stanley P. Kersey and Terry L. Moller, to me known to be the Mayor and City Clerk of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Marion Auburn
NOTARY PUBLIC in and for the State
of Washington, residing at Auburn
Enumclaw

STATE OF WASHINGTON)
COUNTY OF KING } ss

On this 23 day of June, 1978, before me personally appeared William C Blackwood, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed for said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

William E. Elliott
Notary Public in and for the State of
Washington, residing at Bellevue

RESOLUTION NO. 8 6 6

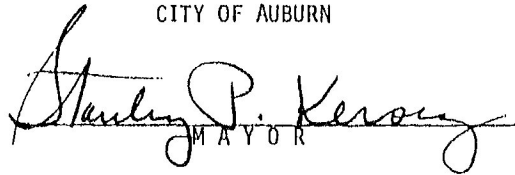
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING
THE MAYOR AND CITY CLERK OF THE CITY OF AUBURN, TO EXECUTE A
LEASE AND AGREEMENT BETWEEN THE CITY OF AUBURN AND SKY
SERVICES, INC.

THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AT A REGULAR MEETING
DULY ASSEMBLED, HEREWITH RESOLVES:

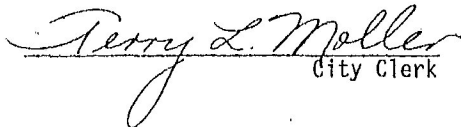
THAT the Mayor and City Clerk of the City of Auburn, are hereby authorized
to execute a Lease and Agreement between the City of Auburn and Sky Services,
Inc., for certain property located at the Auburn Municipal Airport. That a
copy of said Lease is attached hereto, denominated as Exhibit "A-1" and made
a part hereof as though set forth in full herein.

DATED and SIGNED this 21st day of February, 1978.

CITY OF AUBURN


MAYOR

ATTEST:


City Clerk

Resolution No. 866
2-21-78

RESOLUTION NO. 893

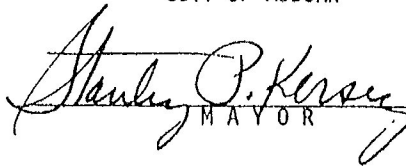
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK OF THE CITY OF AUBURN, TO EXECUTE AN ADDENDUM TO THAT AGREEMENT AUTHORIZED BY AUBURN CITY RESOLUTION NO. 866 (DATED FEBRUARY 21, 1978) WITH SKY SERVICES, INC.

THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AT A REGULAR MEETING DULY ASSEMBLED, HERewith RESOLVES:

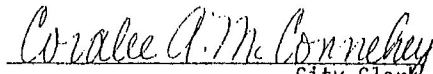
THAT the Mayor and City Clerk of the City of Auburn, Washington, are hereby authorized to execute an addendum to that agreement authorized by Auburn City Resolution No. 866 (dated February 21, 1978) with Sky Services, Inc. That a copy of said addendum is attached hereto, denominated as Exhibit "A" and made a part hereof as though set forth in full herein.

DATED and SIGNED this 15th day of May, 1978.

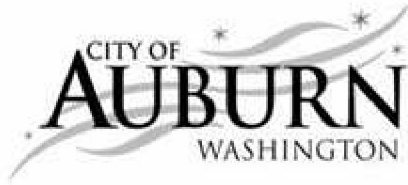
CITY OF AUBURN


MAYOR

ATTEST:


City Clerk

Resolution No. 893
5-10-78



AGENDA BILL APPROVAL FORM

Agenda Subject:

SCORE Report

Date:

April 16, 2015

Department:

Finance

Attachments:

[Memo](#)
[SCORE Trends](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

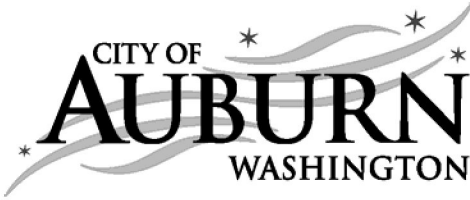
To review/discuss operation costs, debt service costs for the first three years of operations at SCORE Jail and review Average Daily Population (ADP) trends, as well as 2015-2016 budget estimates.

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

Coleman

Meeting Date: April 27, 2015

Item Number: DI.A



Interoffice Memorandum

To: City Council
From: Shelley Coleman, Finance Director
CC: Nancy Backus, Mayor
Date: April 22, 2015
Re: SCORE Jail 2016 Budget Percentage

The purpose of this memo/discussion is two fold. One is to share Auburn's percentage share of the 2016 operations budget as the Average Daily Population (ADP) count for the upcoming budget year, 2016, has been completed as of March 31. Secondly we will review ADP trends, operation costs and debt service costs for the first three years of operations and the 2015 – 2016 Budget estimates.

SCORE Jail completed its third full year of operations in December 2014. As each year ends we find the jail populations per member city gravitating towards new norms. When the City entered into the interlocal agreement (ILA) with six other south sound cities, it had the second largest ADP count at 100, just behind Renton at 117 and well ahead of Federal Way at 60. Auburn has moved from the second largest user to the third largest behind Federal Way and Renton.

The jail population, or ADP, determines what each city will pay for the operation of SCORE. ADP counts are tracked every month. The months of April through March will set the count, and percentage of facility use, for the subsequent year. For example, April 1, 2014 through March 31, 2015 sets the ADP for the 2016 budget year. Below is a chart showing the changes in jail use among the member cities over the first three years of operations.

Average Daily Population % 2012-2015						ADP For 2016	2012-2016 Increase Decrease
City	2012	2013	2014	2015	2016		
Auburn	29%	33.98%	27.36%	23.81%	23.03%	69	-5.97%
Burien	4%	3.06%	3.26%	4.24%	4.12%	12	0.12%
Des Moines	5%	1.95%	2.28%	2.98%	2.72%	8	-2.28%
Federal Way	17%	25.07%	27.04%	27.83%	30.70%	91	13.70%
Renton	34%	25.35%	26.38%	26.93%	26.95%	80	-7.05%
Sea Tac	3%	4.18%	6.19%	6.19%	4.97%	15	1.97%
Tukwila	8%	6.41%	7.49%	8.02%	7.51%	22	-0.49%

Auburn's share of the 2016 operating budget will be 23.03% and is commensurate with the 2015 usage of 23.81%.

The 2012-2016 Increase/**Decrease** column is comparing the 2012 ADP percentage to the 2016 percentage. Comparing the decrease in percentage from the 2013 high of 33.98%, we see almost an 11% decrease.

Below is a chart showing Auburn's share of the operations and the debt for each year. When SCORE was formed each member city was allocated a percentage of the debt service which was based upon the 2007 ADP. The debt obligation for Auburn was established at 29%. This same percentage was used for each member's share of the operation cost for the first full year of operations in 2012. Operating costs are based upon use and will vary from year to year and will be based upon the percentage of use from April 1 through March 31 of the preceding year.

Auburn's Annual Payments				
Year	ADP Percentage	Service Charge	Debt Service	Total
2012	29.00%	\$ 3,841,834	\$ 874,966	\$ 4,716,800
2013	33.98%	5,112,446	1,565,523	6,677,969
2014	27.36%	3,897,898	1,606,639	5,504,537
2015	23.81%	3,658,863	-	3,658,863
2016	23.03%	3,970,000	-	3,970,000

SCORE has contracted with over 30 other cities or agencies for jail services. Contract revenue was almost \$10 million in 2014 and is expected to be \$12 million in 2015. The 2015 SCORE budget allocates the contract revenues to offset member city operating costs and will pay the annual debt service on the facility.

It is anticipated these revenues coupled with the SCORE 2015 ending fund balance will be sufficient to continue making the debt payment into 2016. As long as the

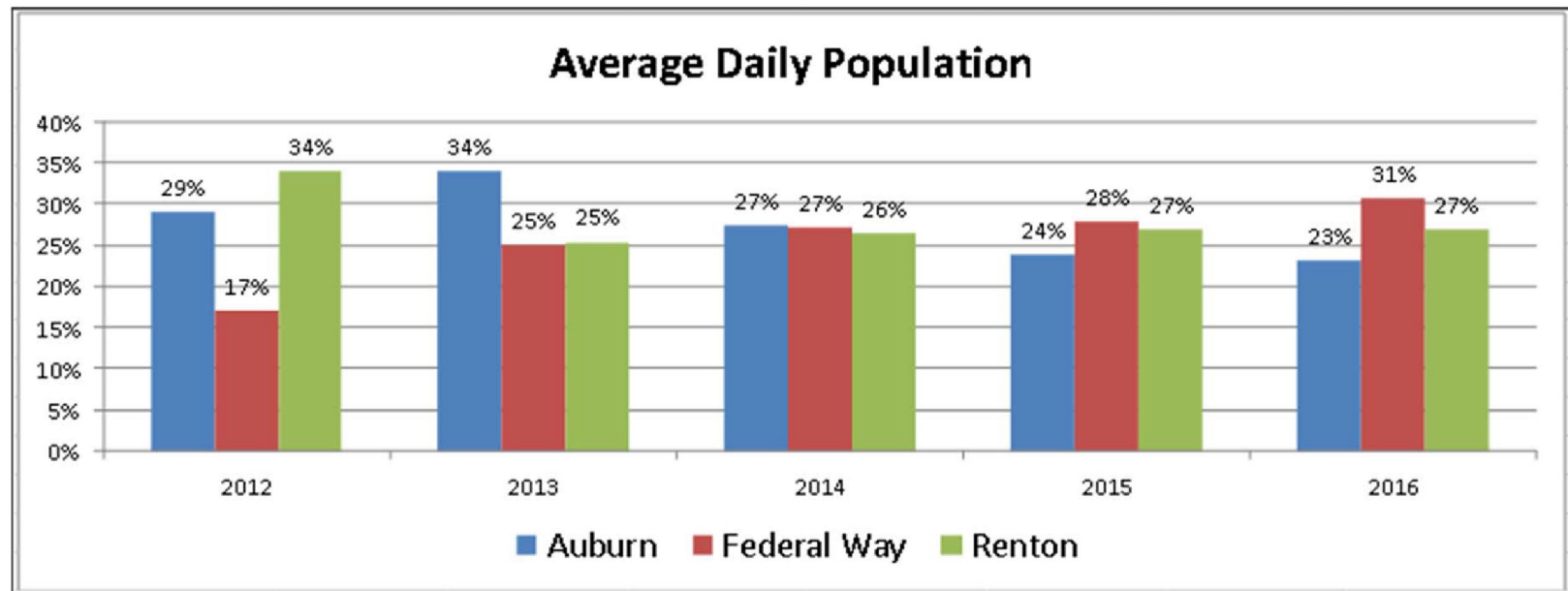
member cities do not have a need for the beds, and there are others eager to contract for these beds, there should be sufficient contract revenue to continue making the debt payments on behalf of the SCORE member cities into the foreseeable future.

SCORE Trends

Average Daily Population Trends

Average Daily Population % 2012-2015						ADP For 2016	2012-2016 Increase Decrease
City	2012	2013	2014	2015	2016		
Auburn	29%	33.98%	27.36%	23.81%	23.03%	69	-5.97%
Burien	4%	3.06%	3.26%	4.24%	4.12%	12	0.12%
Des Moines	5%	1.95%	2.28%	2.98%	2.72%	8	-2.28%
Federal Way	17%	25.07%	27.04%	27.83%	30.70%	91	13.70%
Renton	34%	25.35%	26.38%	26.93%	26.95%	80	-7.05%
Sea Tac	3%	4.18%	6.19%	6.19%	4.97%	15	1.97%
Tukwila	8%	6.41%	7.49%	8.02%	7.51%	22	-0.49%

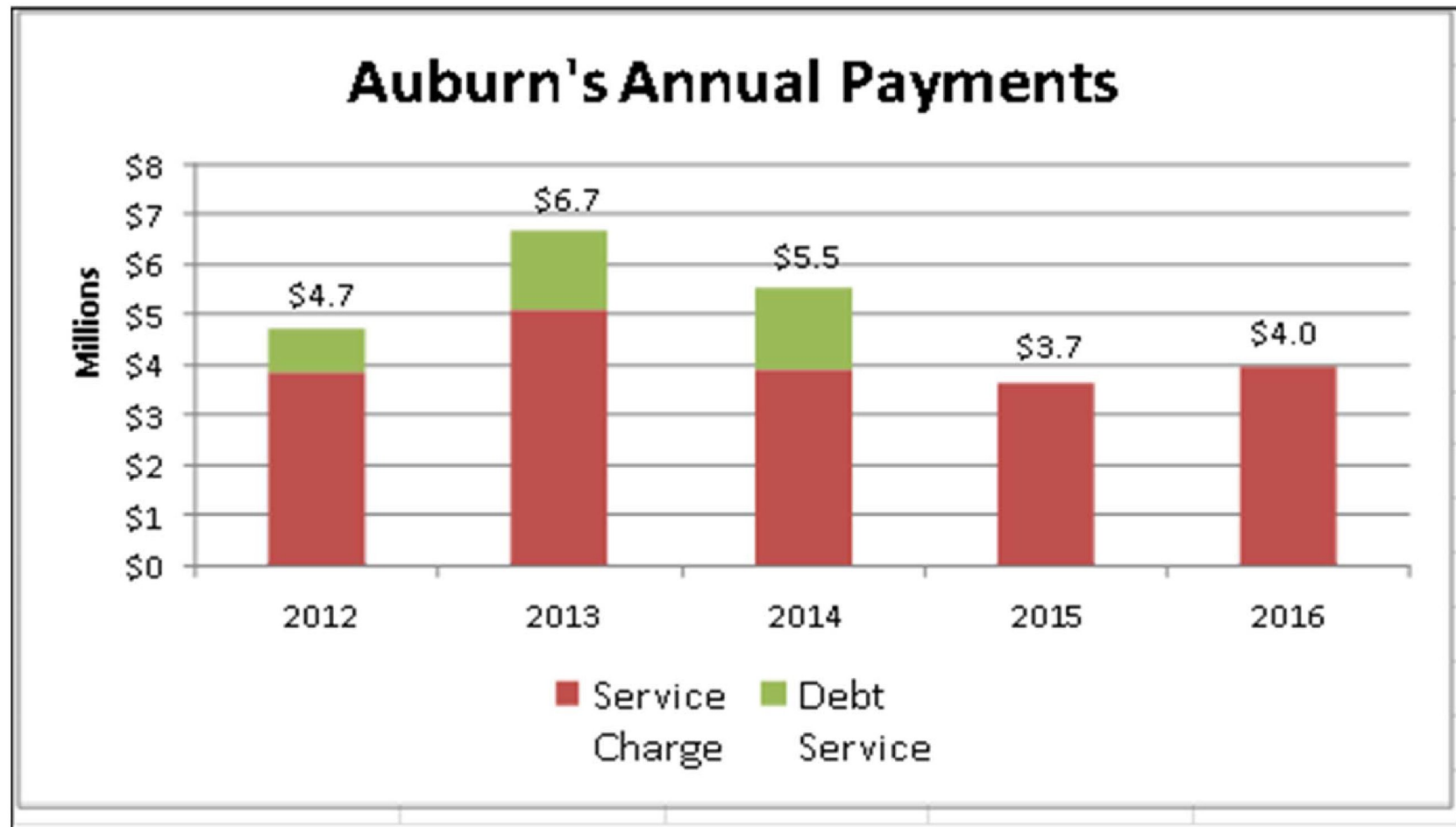
Average Daily Population Trend



Annual SCORE Payments

Auburn's Annual Payments				
Year	ADP Percentage	Service Charge	Debt Service	Total
2012	29.00%	\$ 3,841,834	\$ 874,966	\$ 4,716,800
2013	33.98%	5,112,446	1,565,523	6,677,969
2014	27.36%	3,897,898	1,606,639	5,504,537
2015	23.81%	3,658,863	-	3,658,863
2016	23.03%	3,970,000	-	3,970,000

Annual SCORE Payment Trend





AGENDA BILL APPROVAL FORM

Agenda Subject:

2015 Comprehensive Storm Drainage Plan Overview

Date:

April 20, 2015

Department:

CD & PW

Attachments:

[Comprehensive Storm Plan Presentation](#)

Budget Impact:

\$0

Administrative Recommendation:

For discussion only.

Background Summary:

The City is in the process of updating the 2015 Comprehensive Storm Drainage Plan in parallel with the City's overall Comprehensive Plan. This plan is an update of the existing Comprehensive Stormwater Drainage Plan adopted in 2009. Its purpose is to guide the City with respect to future activities and improvements for the Storm Utility. The final plan will consist of the Executive Summary, Chapters 1-11, and Appendices A-C.

The purpose of this first discussion is to present a brief PowerPoint overview that highlights the accomplishments of the Storm Utility since the 2009 Plan and identifies projects and programs needed over the next 6-year period to resolve storm drainage issues and to comply with the requirements of the City's National Pollutant Discharge Elimination System (NPDES) Phase II permit. Once Councilmembers have had an opportunity to review the plan, staff will return at a later date for further discussion, questions, and comments.

Staff will also be presenting the plan to the Planning Commission in May. An electronic version of the Draft Comprehensive Storm Drainage Plan can be found on the City's website at:

<http://weblink.auburnwa.gov/External/ElectronicFile.aspx?docid=262461&dbid=0>

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

Snyder

Meeting Date: April 27, 2015

Item Number: DI.B

City of Auburn

Comprehensive Storm Drainage Plan

April 2015



2009 Storm Drainage Plan Accomplishments

- 17 Projects Identified in CIP

- 10 projects completed

- 2 projects under construction

- 1 project phase 1 completed, phase 2 will be constructed in 2015

- 1 project eliminated as more detailed analysis indicated not enough benefit

- 1 project phase 1 will be constructed in 2015/2016, phase 2 and 3 carried over to 2015 Drainage Plan

- 1 project carried over to the 2015 Drainage Plan

- 1 project will be monitored for future consideration

- 3 Programs

- Storm Drainage Infrastructure Repair & Replacement
 - Arterial Preservation Utility Improvements
 - Save Our Streets Utility Improvements

Changes from 2009 to 2015

- Implementing the last of the 2009 Drainage Plan projects to address major flooding problem areas, particularly in the Central Core area
- New NPDES Permit
 - Low impact development (LID) is preferred method
 - Required to evaluate City codes, standards and policies to incorporate LID principals
 - Increased stormwater inspection requirements
 - Pay to participate in Ecology WQ monitoring program
- New Ecology *Stormwater Management Manual for Western Washington*

2015 Drainage Plan

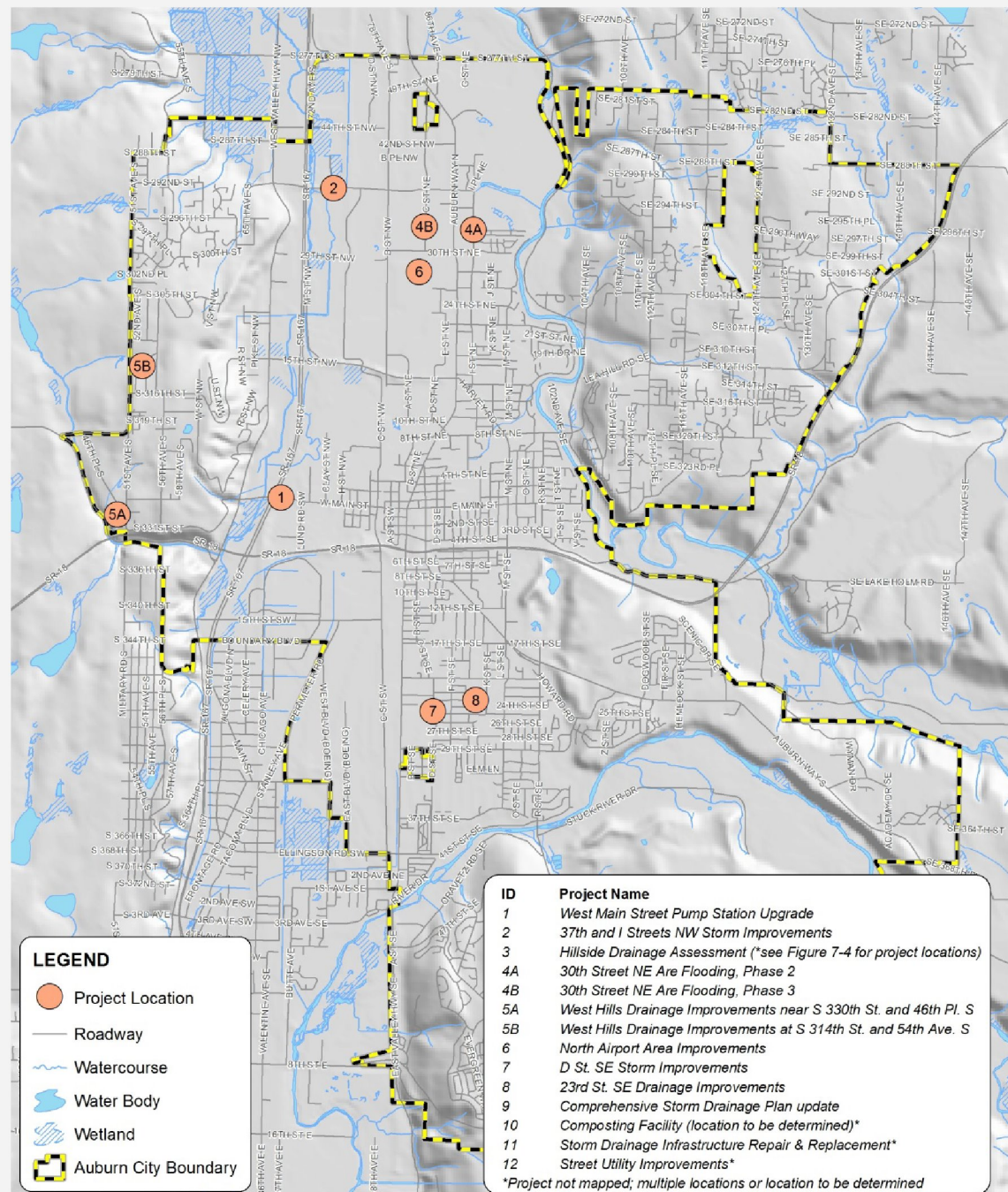
Capital Improvements

- 11 Projects Proposed
 - 8 conveyance and 1 pump station improvement; 2 projects will be phased
 - Hillside drainage assessment
 - Comprehensive Storm Drainage Plan update in 6 years
 - Composting Facility to efficiently manage and process accumulated vegetation and materials from storage pond and ditch restoration
- 2 Programs
 - Storm Drainage Infrastructure Repair & Replacement
 - Streets Utility Improvement support

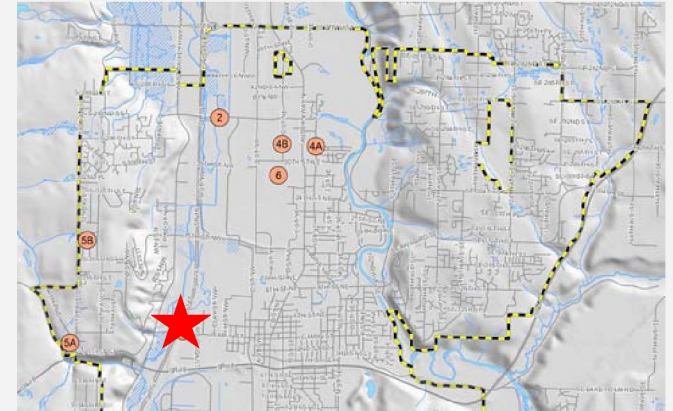
Capital Improvement Project Locations

Prioritization

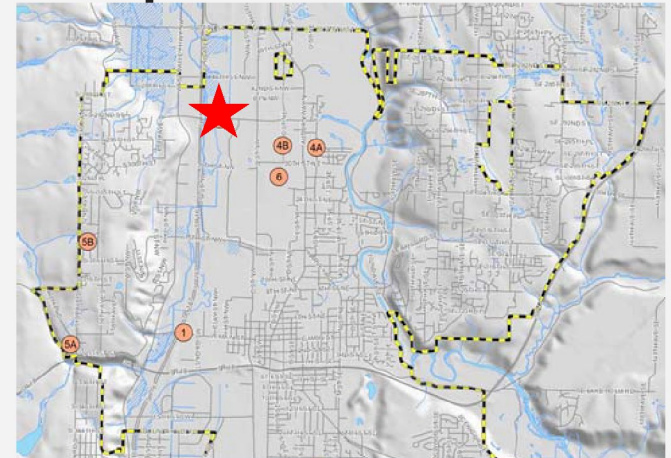
1. Significant risk and failure to meet level of service
2. Some risk and level of service could be improved
3. Opportunity to resolve drainage issues when combined with other projects



1 - West Main Street Pump Station Upgrade

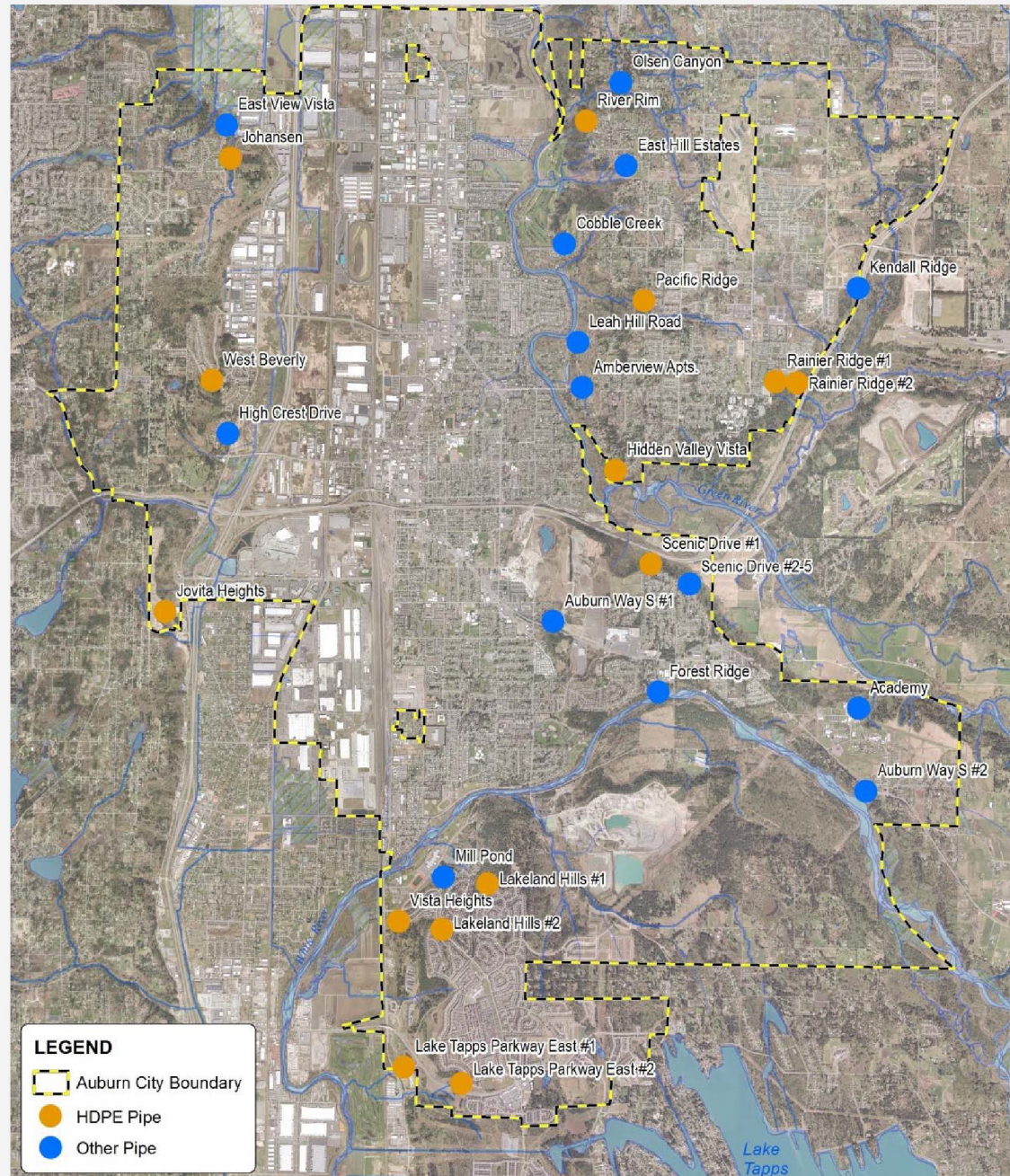


2 - 37th and I Streets NW Storm Improvements

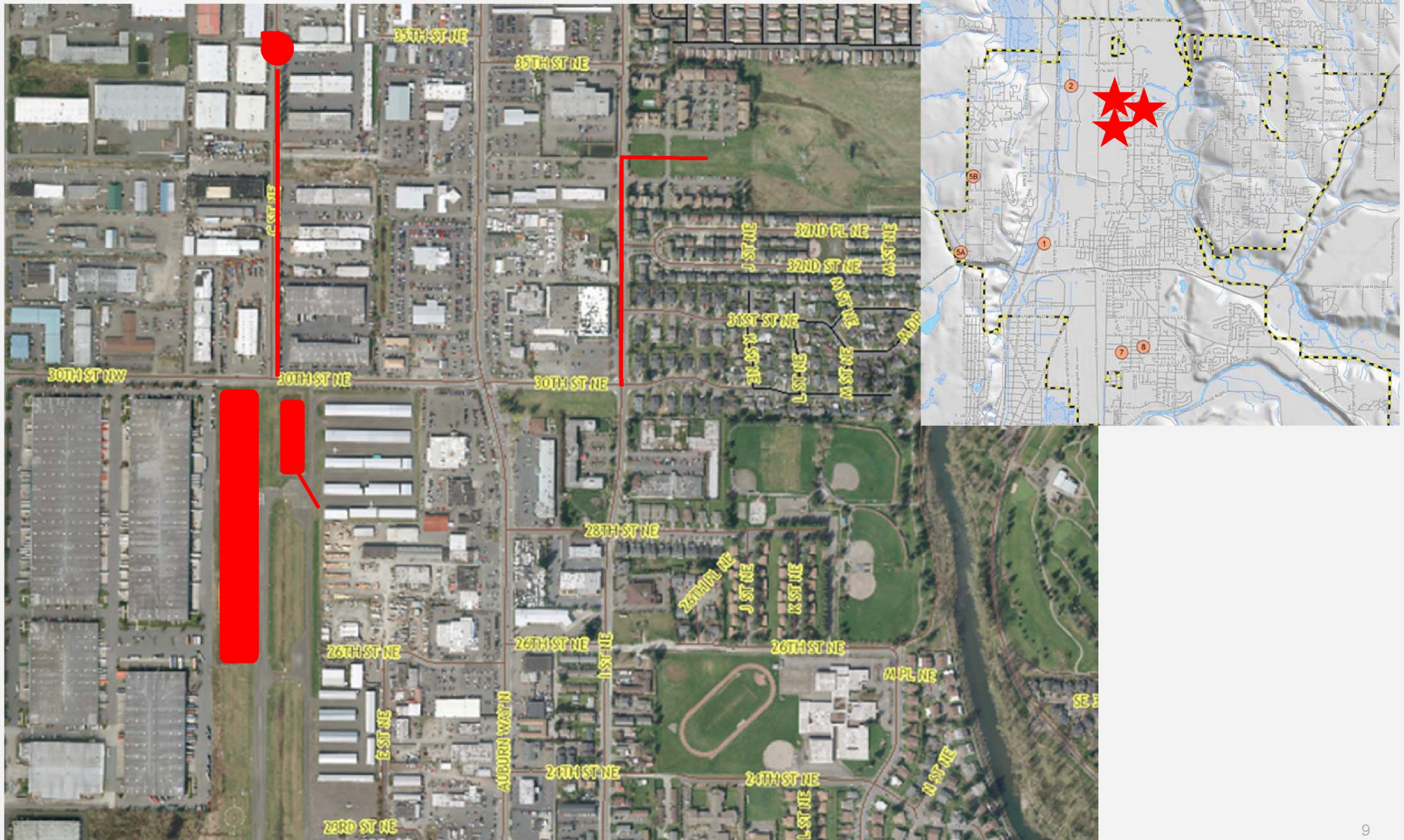


3 - Hillside Drainage Assessment

28 Total Locations
14 High Density
Polypropylene
14 Other materials



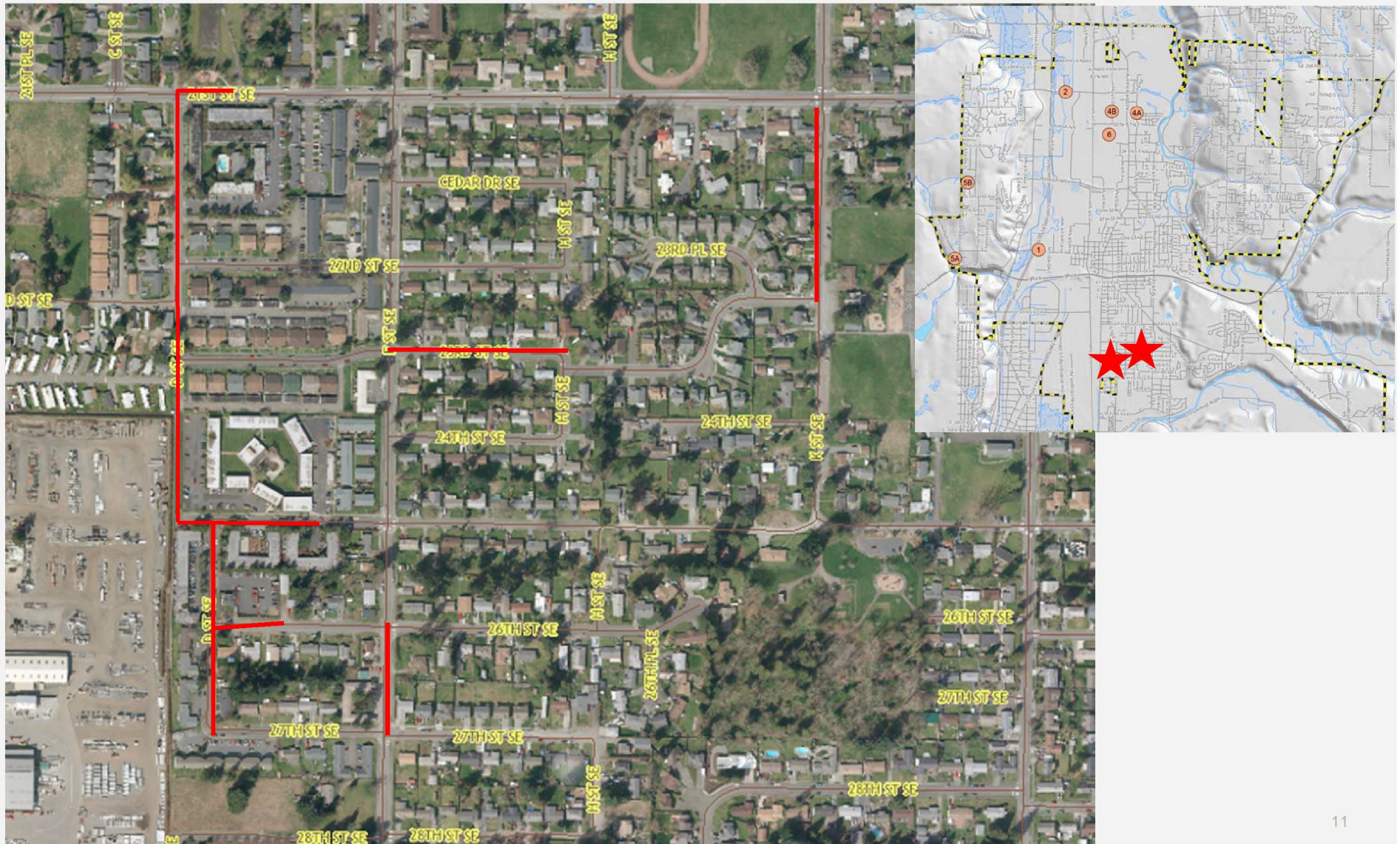
4A/B - 30th Street NE Area Flooding, Phases 2 and 3 6 – North Airport Area Improvements



5A/B - West Hills Drainage Improvements

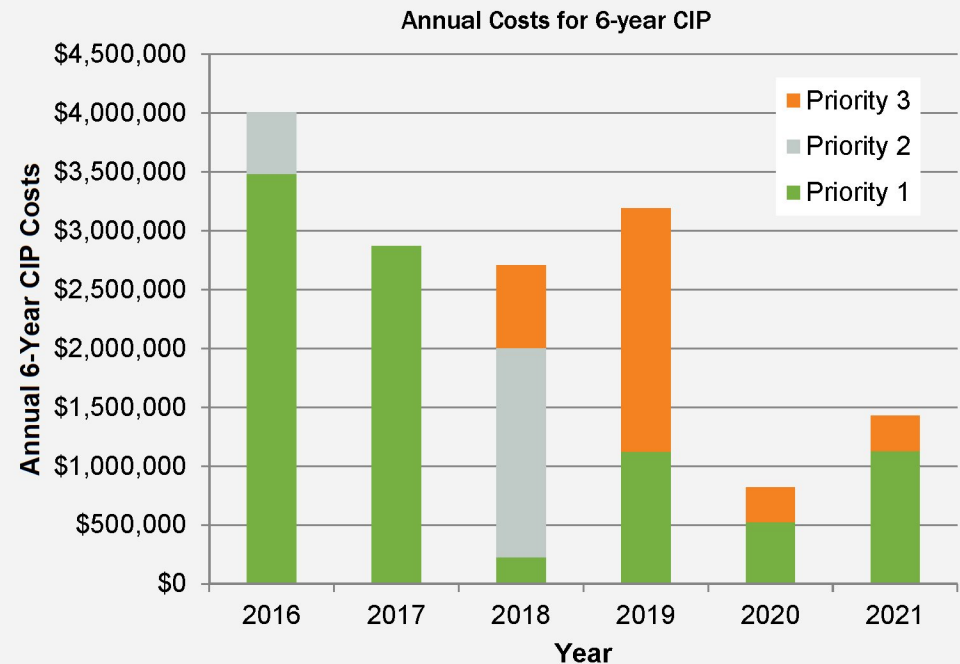


7 – D Street Storm Improvements 8 – 23rd Street SE Drainage Improvements



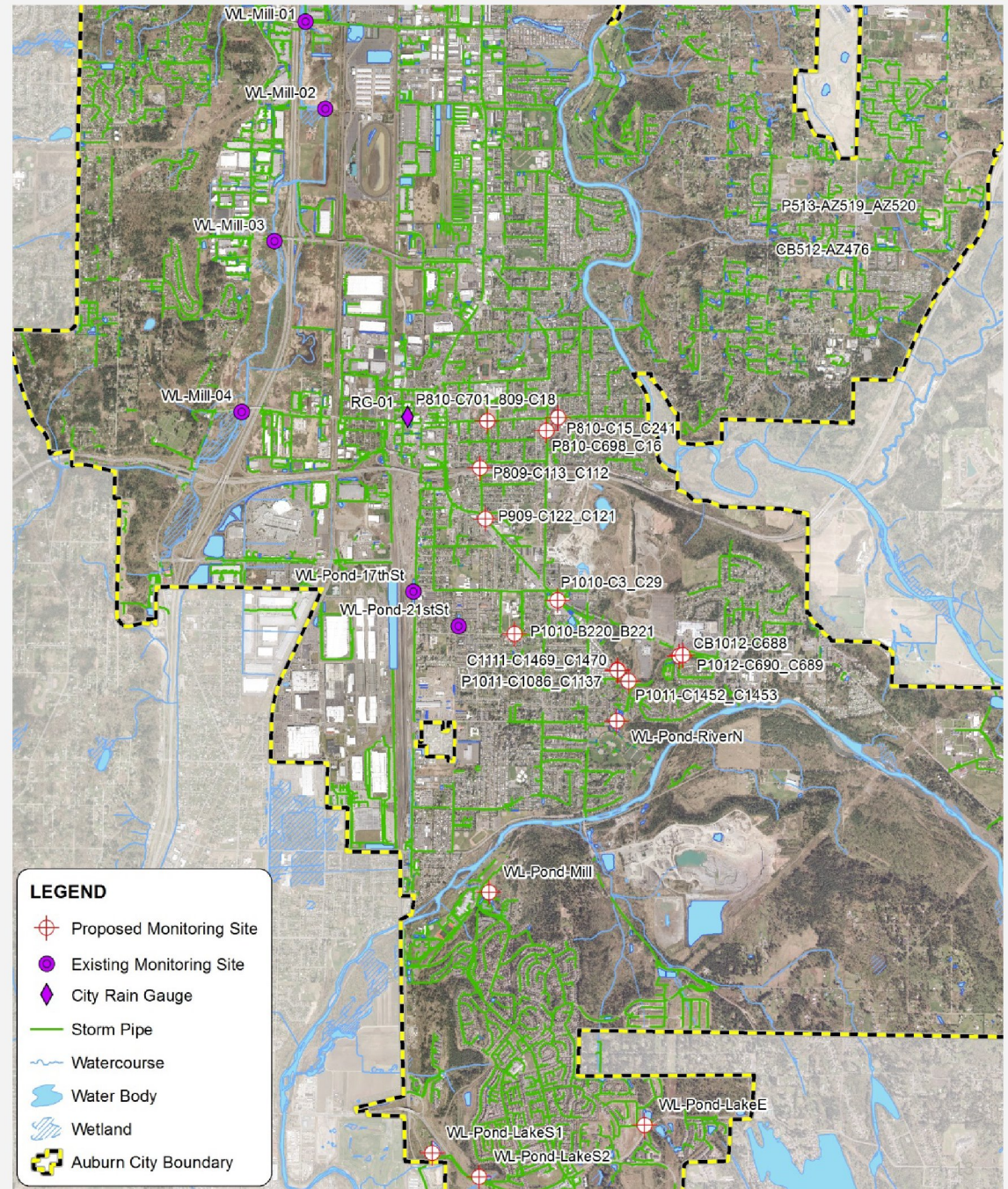
Anticipated Capital Expenses

- No increase in Storm SDC except for inflation (CCI)
- Consistent rate increase (~ 2.6%, inflation) recommended starting in 2018 or 2019



Other Plan Recommendations

- Monitoring
 - Continue monitoring at current locations
 - Monitor for potential future projects



Other Plan Recommendations

- Continue the storm system inventory program
- Increase the frequency of ditch maintenance
- Improve City's ability to maintain stormwater ponds
- Continue to perform system inspections and condition assessment
- Easement review and acquisition program
 - City access to maintain facilities
 - Mainly in annexation areas



Future Staffing and Equipment Needs

- **Staffing**
 - **Engineering Services (1 FTE - 2017)**
 - Low Impact Development (LID) facility inspection and reporting
 - Evaluate program effectiveness and update public education and outreach
 - **Maintenance & Operations (3 FTE - 2017)**
 - More frequent ditch maintenance and restoration
 - Stormwater pond restoration (all City ponds)
 - Asset tracking and reporting
 - LID facility inspection and maintenance
- **Equipment**
 - Closed-circuit television inspection equipment update
 - Excavator for ditch and stormwater pond maintenance

Questions?