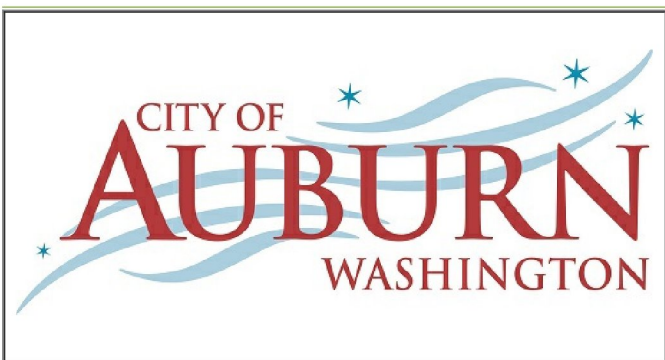


	City Council Meeting January 3, 2022 - 7:00 PM City Hall Council Chambers and Virtual AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
---	---

I. **CALL TO ORDER**

II. **PUBLIC PARTICIPATION**

1. **Public Participation**

The Auburn City Council Meeting scheduled for Monday, January 3, 2022 at 7:00 p.m. will be held in person and virtually.

Virtual Participation Link:

To attend the meeting virtually please click one of the below links, enter the meeting ID into the Zoom app, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

Zoom: <https://us06web.zoom.us/j/87446011595>

The public can also view the meeting on YouTube:

<https://www.youtube.com/user/watchauburn/live/?nomobile=1>

To join the meeting by phone, please use the below call-in information:

253 215 8782

877 853 5257 (Toll Free)

Webinar ID: 874 4601 1595

A. **Pledge of Allegiance**

B. **Roll Call**

III. **ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS**

A. **Proclamation - Financial Literacy Week (Auburn Mountainview High School)**

Mayor Backus to proclaim January 3-7, 2022 as "Financial Literacy Week" in the City of Auburn

IV. **AGENDA MODIFICATIONS**

V. **NEW BUSINESS**

A. Special Focus Area Chair Selection

A. **Audience Participation**

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Participants can submit written comments via mail, fax or email. All written comments must be received prior to 5:00 p.m. on the day of the scheduled meeting and must be 350 words or less.

Please mail comments to:

City of Auburn

Attn: Shawn Campbell, City Clerk

25 W Main St

Auburn, WA 98001

Please fax comments to:

Attn: Shawn Campbell, City Clerk

Fax number: 253-804-3116

Email comments to:

publiccomment@auburnwa.gov

B. **Correspondence - (There is no correspondence for Council review.)**

VI. **COUNCIL AD HOC COMMITTEE REPORTS**

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baggett)

VII. **CONSENT AGENDA**

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the December 13, 2021 Study Session

B. Minutes of the December 20, 2021 Regular Council Meeting

C. Claims Vouchers (Thomas)

Claim voucher list dated January 3, 2022 which includes voucher numbers 466234 through 466342 in the amount of \$1,407,118.31 and one wire transfer in the amount of \$5,346.44

D. Payroll Vouchers (Finance)

Payroll check numbers 539286 through 539292 in the amount of \$597,716.41, electronic deposit transmissions in the amount of \$2,115,679.48, for a grand total of \$2,713,395.89 for the period covering December 16, 2021 to December 31, 2021

(RECOMMENDED ACTION: Move to approve the Consent Agenda.)

VIII. UNFINISHED BUSINESS

IX. RESOLUTIONS

A. Resolution No. 5640 (Gaub)

A Resolution ratifying the Mayor's Water Emergency Declaration 2021-04 ending the previously declared water shortage emergency stages in the Hidden Valley/Braunwood Neighborhood

(RECOMMENDED ACTION: Move to adopt Resolution No. 5640.)

B. Resolution No. 5641 (Gaub)

A Resolution authorizing the Mayor to accept an initial offer of financial aid to the Auburn Airport from the Community Aviation Revitalization Board and execute an agreement

(RECOMMENDED ACTION: Move to adopt Resolution No. 5641.)

X. MAYOR AND COUNCILMEMBER REPORTS

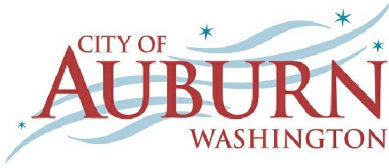
At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

B. **From the Mayor**

XI. ADJOURNMENT

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



AGENDA BILL APPROVAL FORM

Agenda Subject:

Special Focus Area Chair Selection

Date:

December 28, 2021

Department:

City Council

Attachments:

[Special Focus Areas](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

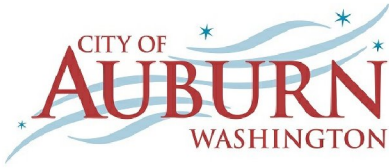
Meeting Date: January 3, 2022

Staff:

Item Number: NB.A

SPECIAL FOCUS AREAS

COMMUNITY WELLNESS	FINANCE TECHNOLOGY & ECONOMIC DEVELOPMENT	PUBLIC WORKS & COMMUNITY DEVELOPMENT	MUNICIPAL SERVICES
PUBLIC HEALTH AND WELLNESS COMMUNITY & NEIGHBORHOOD SERVICES HOMELESSNESS & HOMELESSNESS PREVENTION HOUSING QUALITY, AFFORDABILITY & ATTAINABILITY HUMAN & SOCIAL SERVICES DOMESTIC VIOLENCE SERVICES COMMUNITY EQUITY	EQUIPMENT RENTAL FACILITIES INNOVATION & TECHNOLOGY CITY REAL PROPERTY BUSINESS DEVELOPMENT SISTER CITIES INTERNATIONAL	UTILITIES TRANSPORTATION SUSTAINABILITY ENVIRONMENTAL PROTECTION CULTURAL ARTS & PUBLIC ARTS PLANNING & ZONING PERMITS & DEVELOPMENT RIGHT OF WAY MANAGEMENT AIRPORT AIRPORT BUSINESS	POLICE SCORE JAIL DISTRICT COURT PARKS & RECREATION ANIMAL CONTROL SOLID WASTE EMERGENCY PLANNING MULTIMEDIA CEMETERY
Councilmember , Chair Councilmember , Vice Chair	Councilmember , Chair Councilmember , Vice Chair	Councilmember , Chair Councilmember Vice Chair	Councilmember , Chair Councilmember , Vice Chair
Board Liaison	Board Liaison	Board Liaison	Board Liaison
Director of Community Development Jeff Tate	Director of Finance Jamie Thomas	Director of Public Works Ingrid Gaud	Director of Human Resources and Risk Management Candis Martinson
2022 MEETING DATES February 14, 2022 April 11, 2022 June 13, 2022 August 8, 2022 October 10, 2022 December 12, 2022	2022 MEETING DATES February 28, 2022 April 25, 2022 June 27, 2022 August 22, 2022 October 24, 2022 December 26 2022	2022 MEETING DATES January 10, 2022 March 14, 2022 May 9, 2022 July 11, 2022 September 12, 2022 November 14, 2022	2022 MEETING DATES January 24, 2022 March 28, 2022 May 23, 2022 July 25, 2022 September 26, 2022 November 28, 2022



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the December 13, 2021 Study Session

Department:

City Council

Attachments:

[12-13-2021 Minutes](#)

Date:

December 22, 2021

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

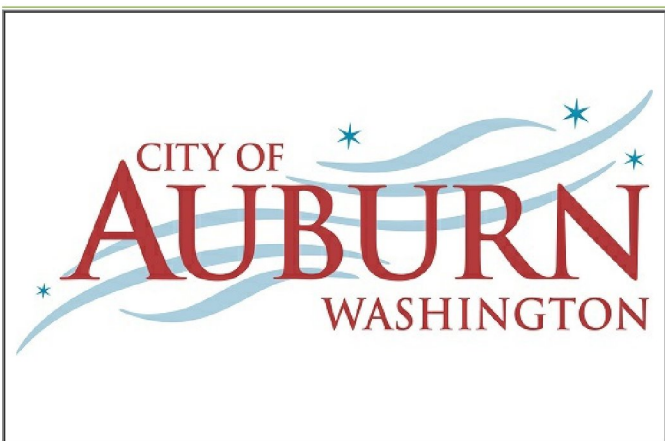
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: January 3, 2022

Staff:

Item Number: CA.A

	City Council Study Session Finance, Technology and Economic Development Special Focus Area December 13, 2021 - 5:30 PM City Hall Council Chambers and Virtual MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
---	---

I. CALL TO ORDER

Deputy Mayor DaCorsi called the meeting to order at 5:30 p.m.

II. PUBLIC PARTICIPATION

A. Public Participation

The City Council Meeting was held in person and virtually.

B. Roll Call

Councilmembers virtually present: Deputy Mayor Claude DaCorsi, Bob Baggett, Larry Brown, James Jeyaraj, Robyn Mulenga, Chris Stearns and Yolanda Trout-Manuel.

Mayor Nancy Backus, Director of Innovation and Technology David Travis, Chief of Police Mark Caillier, Innovation and Technical Support Specialist Danika Olson and Deputy City Clerk Teresa Mattingly were in Chambers.

The following department directors and staff members attended the meeting virtually: City Attorney Kendra Comeau, Director of Public Works Ingrid Gaub, Director of Finance Jamie Thomas, Director of Human Resources & Risk Management Candis Martinson, Senior Transportation Planner Cecile Malik, Right-of-Way Specialist Amber Olds and Storm Drainage Engineer Tim Carlaw.

III. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

There were no announcements, reports or presentations.

A. Agenda Modifications

Resolution No. 5637 was removed from the agenda.

IV. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Ordinance No. 6839 (Gaub)(5 Minutes)

An Ordinance vacating right-of-way of a portion of West Main Street, East of Lund Road SW

Director Gaub introduced Specialist Olds who provided Council with a brief overview of Ralph Pozzi's application to the City for vacation of the right-of-way of a portion of West Main Street, east of Lund Road SW. She discussed staff recommendations and the next steps.

Council discussed the applicant and how the cost to vacation right-of-ways is determined.

B. Neighborhood Traffic Calming Program Overview (Gaub)(20 Minutes)

Director Gaub introduced Senior Planner Malik who provided Council with an update on the Neighborhood Traffic Calming Program. She discussed the purpose of the program, program objectives, traffic calming treatments in Auburn, localized neighborhood speeding issues, the budget and the next steps.

Council discussed traffic calming measures that neighborhoods could pursue at their own costs, residents feedback, vertical height of speed cushions, potential travel speeds, the costs associated with removing speed cushions, the cost of radar feedback signs and community outreach.

V. FINANCE, TECHNOLOGY AND ECONOMIC DEVELOPMENT DISCUSSION ITEMS

A. Ordinance No. 6845 (Thomas)(20 Minutes)

An Ordinance amending Sections 3.53.100 and 3.53.110 regarding City Business and Occupation (B&O) tax exemptions and deductions allowed to nonprofit health care organizations in the City

Councilmember Baggett presided over this section of the meeting.

Director Thomas provided Council with a brief overview of the Business and Occupation Tax and discussed the proposed amendments to the Business and Occupation Tax codes related to non-profit health care organizations (HCO's) that would be effective January 1, 2022.

Council discussed other cities that have issues with how hospitals are taxed and the purpose of the code amendments.

B. 3rd Quarter 2021 Financial Report Update (Thomas)(15 Minutes)

Director Thomas reviewed the 3rd Quarter 2021 Financial Report with Council.

Council discussed the increase of water revenues versus water sold.

VI. OTHER DISCUSSION ITEMS

There were no other discussion items.

VII. NEW BUSINESS

There was no new business.

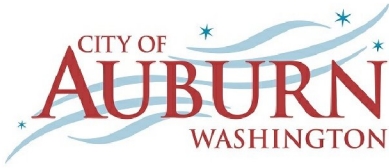
VIII. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 6:48 p.m.

APPROVED this 3rd day of January, 2022.

CLAUDE DACORSI, DEPUTY MAYOR Teresa Mattingly, Deputy City Clerk

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.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the December 20, 2021 Regular Council Meeting

Department:

City Council

Attachments:

[December 20, 2021 Minutes](#)

Date:

December 22, 2021

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

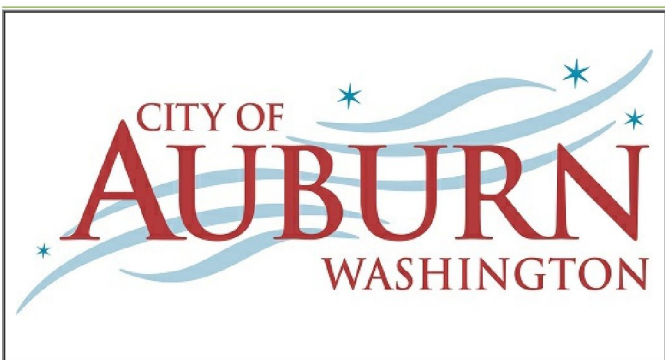
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: January 3, 2022

Staff:

Item Number: CA.B

	City Council Meeting December 20, 2021 - 7:00 PM City Hall Council Chambers and Virtual MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
---	--

I. **CALL TO ORDER**

II. **PUBLIC PARTICIPATION**

1. **Public Participation**

The City Council Meeting was held in person and virtually.

A. **Pledge of Allegiance**

Mayor Nancy Backus called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street and led those in attendance in the Pledge of Allegiance.

B. **Roll Call**

Councilmembers present: Deputy Mayor Claude DaCorsi, Bob Baggett, Larry Brown, James Jeyaraj, Robyn Mulenga, Chris Stearns and Yolanda Trout-Manuel.

Mayor Nancy Backus, Director of Public Works Ingrid Gaub, Director of Finance Jamie Thomas, Director of Human Resources & Risk Management Candis Martinson, Director of Innovation and Technology David Travis, Innovation and Technical Support Specialist Danika Olson, Chief of Police Mark Caillier and City Clerk Shawn Campbell were in Chambers.

The following department directors and staff members attended the meeting virtually: City Attorney Kendra Comeau and Real Estate Manager Josh Arndt.

III. **ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS**

A. **Proclamation - 2021 Tree Stewards**

Mayor Backus to declare the Auburn Parks Department the City's "2021 Tree Stewards" for preserving and caring for the Scarlet Oak tree located at Veterans Memorial Park and the Weeping Willow located at Fenster Park.

Mayor Backus read and declared the Auburn Parks Department the City's "2021 Tree Stewards" for preserving and caring for the Scarlet Oak tree

located at Veterans Memorial Park and the Weeping Willow tree located at Fenster Park.

Urban Tree Board Chair Bryce Landrud thanked the Mayor and Council for their support.

IV. **APPOINTMENTS**

A. Reappointments to Boards & Commissions

City Council to reappoint the following boards and commission members. All appointees will serve a new three-year term expiring December 31, 2024

Airport Advisory Board

Wayne Osborne
Joseph Nessel

Auburn Tourism Board

Kacie Bray
Lacey Katz

BIA Rate Payer Committee

Ronnie Roberts
Darren Jones
John Rottle

Cemetery Board

Arnie Galli

Human Services Committee

Susan Miller
Shawn Parkhurst Paton

Parks & Recreation Board

Katie Helton
Wayne Osborne

Planning Commission

Dimitri Moutzouris
Phillip Stephens

Urban Tree Board

Tanya Galat

Deputy Mayor DaCorsi moved and Councilmember Trout-Manuel seconded to reappointment board and commission members to a three year term to expire on December 31, 2024.

MOTION CARRIED UNANIMOUSLY. 7-0

V. AGENDA MODIFICATIONS

Resolution No. 5638 was removed from the agenda.

VI. NEW BUSINESS

There was no new business.

VII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Public Hearings

1. Public Hearing In Person or Virtual Participation

2. Public Hearing for Right-of-Way Vacation No. VAC21-0002

A Public Hearing to Consider Right-of-Way Vacation No. VAC21-0002

Mayor Backus opened the public hearing at 7:09 p.m. No written comments were received and no one came forward to speak, she closed the hearing.

B. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

No Public comments were received and no one came forward to speak.

C. Correspondence

There was no correspondence for Council to review.

VIII. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baggett)

Councilmember Baggett, Chair of the Finance ad hoc committee, reported he and Councilmember Jeyaraj have reviewed the claims and payroll vouchers described on the agenda this evening and recommended their approval.

IX. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the December 6, 2021 Regular Council Meeting

B. Claim Vouchers (Thomas)

Claim voucher list dated December 20, 2021 which includes voucher numbers 466057 through 466233 in the amount of \$5,703,001.97 and six wire transfers in the amount of \$550,941.96

C. Payroll Vouchers (Thomas)

Payroll check numbers 539280 through 539285 in the amount of \$74,621.18, electronic deposit transmissions in the amount of \$2,340,917.57, for a grand total of \$2,415,538.75 for the period covering December 1, 2021 to December 15, 2021

Deputy Mayor DaCorsi moved and Councilmember Baggett seconded to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY. 7-0

X. UNFINISHED BUSINESS

There was no unfinished business.

XI. ORDINANCES

A. Ordinance No. 6839 (Gaub)

An Ordinance vacating right-of-way of a portion of West Main Street, east of Lund Road SW

Councilmember Stearns moved and Councilmember Brown seconded to adopt Ordinance No. 6839.

MOTION CARRIED UNANIMOUSLY. 7-0

B. Ordinance No. 6845 (Thomas)

An Ordinance amending Sections 3.53.100 and 3.53.110 regarding City Business and Occupation (B&O) Tax exemptions and deductions allowed to nonprofit Health Care Organizations in the City

Councilmember Baggett moved and Councilmember Jeyaraj seconded to adopt Ordinance No. 6845.

MOTION CARRIED UNANIMOUSLY. 7-0

XII. RESOLUTIONS

A. Resolution No. 5635 (Gaub)

A Resolution approving an update to its Neighborhood Traffic Calming Program

Councilmember Stearns moved and Councilmember Mulenga seconded to adopt Resolution No. 5635.

MOTION CARRIED UNANIMOUSLY. 7-0

B. Resolution No. 5636 (Gaub)

A Resolution authorizing the Mayor to execute an agreement with the other jurisdictions of the South County Area Transportation Board

Councilmember Stearns moved and Councilmember Jeyaraj seconded to adopt Resolution No. 5636.

MOTION CARRIED UNANIMOUSLY. 7-0

C. Resolution No. 5637 (Comeau)

A Resolution authorizing the Mayor to execute an Easement Agreement in favor of MSRE Apartment, LLC for access and fire service over, across, through and under City owned property – parcel number 733140-0135

Councilmember Jeyaraj moved and Councilmember Brown seconded to adopt Resolution No. 5637.

MOTION CARRIED UNANIMOUSLY. 7-0

XIII. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. From the Council

Councilmember Stearns reported he attended the King County Behavior Health Forum.

Councilmember Brown recognized the City employees for their great work over the past two years.

B. From the Mayor

Mayor Backus stated it was good to have Council back in Chambers. She thanked the Facilities Department and all City Staff for their work over the past two years. She thanked the community for the grace afforded to the City staff and elected officials. She also thanked Deputy Mayor DaCorsi for his dedication to the City of Auburn.

XIV. ADJOURNMENT

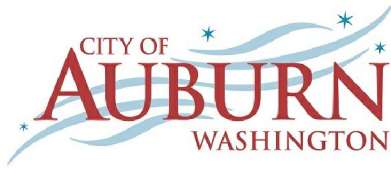
There being no further business to come before the Council, the meeting was adjourned at 7:25 p.m.

APPROVED this 3rd day of January, 2022.

NANCY BACKUS, MAYOR

Shawn Campbell, City Clerk

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.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Claims Vouchers (Thomas)

Date:

December 22, 2021

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Approve Claim Vouchers.

Background for Motion:**Background Summary:**

Claim voucher list dated January 3, 2022 which includes voucher numbers 466234 through 466342 in the amount of \$1,407,118.31 and one wire transfer in the amount of \$5,346.44.

Reviewed by Council Committees:

Councilmember: Baggett

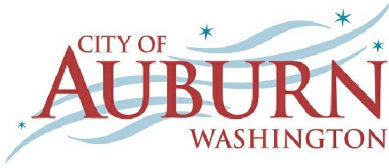
Staff:

Thomas

Meeting Date: January 3, 2022

Item Number:

CA.C



AGENDA BILL APPROVAL FORM

Agenda Subject:

Payroll Vouchers (Finance)

Date:

December 22, 2021

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Approve Payroll Vouchers.

Background for Motion:**Background Summary:**

Payroll check numbers 539286 through 539292 in the amount of \$597,716.41, electronic deposit transmissions in the amount of \$2,115,679.48, for a grand total of \$2,713,395.89 for the period covering December 16, 2021 to December 31, 2021.

Reviewed by Council Committees:

Councilmember: Baggett

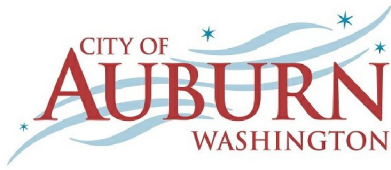
Staff:

Thomas

Meeting Date: January 3, 2022

Item Number:

CA.D



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5640 (Gaub)

Department:

Public Works

Attachments:

[Resolution No. 5640](#)

[Declaration 2021-04](#)

Date:

December 23, 2021

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

City Council to adopt Resolution No. 5640.

Background for Motion:

The resolution ratifies the Mayor's declaration to end the water shortage emergency related to the Hidden Valley/Braunwood Neighborhood as water conservation efforts by the 12 water customers have been successful.

Background Summary:

Resolution No. 5640 ratifies Emergency Declaration 2021-04 that declares the end of the water shortage emergency previously issued in Mayor Declarations 2021-02 and 2021-03 related to the Hidden Valley/Braunwood neighborhood. Since the original declarations in August of 2021, staff have completed a successful education and outreach with the affected customers that has resulted in sufficient water conservation efforts by the 12 impacted customers to mitigate the emergency situation.

Reviewed by Council Committees:

Councilmember: Stearns

Staff: Gaub

Meeting Date: January 3, 2022

Item Number: RES.A

RESOLUTION NO. 5640

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF AUBURN, WASHINGTON, RATIFYING THE
MAYOR'S WATER EMERGENCY DECLARATION 2021-
04 ENDING PREVIOUSLY DECLARED WATER
SHORTAGE EMERGENCY STAGES IN THE HIDDEN
VALLEY/BRAUNWOOD NEIGHBORHOOD

WHEREAS, the City's water supply is divided into two separate water systems: one currently serving 12 residential customers in the Hidden Valley/Braunwood neighborhood (HVB), and one serving the remainder of the City. The HVB system is an isolated water system that is not connected to the remainder of the City's water supply; and

WHEREAS, to address drought conditions and high water use in HVB, the Mayor issued Declarations 2021-02 and 2021-03, declaring ACC 13.14 Stage I and Stage II water shortage emergencies in HVB on August 9 and August 23;

WHEREAS, the Council ratified each of the Mayor's declarations through its passage of Resolutions 5611 and 5612;

WHEREAS, following these water emergency declarations, the City's Public Works Department conducted successful education and outreach with the affected customers that resulted in sufficient water conservation efforts by the customers that mitigated the HVB water emergency. After continued review and monitoring of the water supply and consumption in HVB, the Public Works Department concluded that the water emergency in HVB has temporarily subsided and that necessary water conservation efforts by the customers in HVB are continuing at this time;

WHEREAS, in response to the efforts from Public Works, the Mayor issued Declaration 2021-04, declaring an end to the previously declared Stage I and Stage II water emergencies in HVB and authorizing Public Works to resume normal water usage monitoring in HVB, effective December 30, 2021. A copy of Declaration 2021-04 is attached to this Resolution; and

WHEREAS, the Council intends to ratify the Mayor's Declaration 2021-04;

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

Section 1. The City Council ratifies the Mayor's determination in Declaration 2021-04 that the Stage I and Stage II water shortage emergencies in HVB previously declared in Mayor Declarations 2021-02 and 2021-03 are no longer in effect. The Public Works Department is authorized to reduce water conservation and education efforts in HVB and to resume normal water usage monitoring.

Section 2. This Resolution shall take effect and be in full force upon passage and signatures.

Dated and Signed this _____ day of _____, 2022.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney

WATER EMERGENCY DECLARATION 2021-04

**A DECLARATION ENDING PREVIOUSLY
DECLARED WATER SHORTAGE EMERGENCY
STAGES IN THE HIDDEN VALLEY/BRAUNWOOD
NEIGHBORHOOD**

WHEREAS, on August 9, 2021, I, Nancy Backus, Mayor of the City of Auburn, issued Declaration 2021-02, declaring a Stage I water emergency affecting the Hidden Valley/Braunwood (HVB) neighborhood for the reasons set forth in that declaration and pursuant to RCW 35.21.210 and ACC 13.14; and

WHEREAS, the HVB water emergency continued despite my Stage I declaration, resulting in my issuing Declaration 2021-03, declaring a Stage II water emergency in HVB on August 23, 2021;

WHEREAS, following these water emergency declarations, the City's Public Works Department conducted successful water conservation efforts that mitigated the HVB water emergency;

WHEREAS, after continued review and monitoring of the water supply and consumption in HVB, Public Works has concluded that the water emergency in HVB has temporarily subsided and that necessary water conservation efforts by the customers in HVB are continuing at this time;

NOW THEREFORE I, Nancy Backus, Mayor of the City of Auburn, declare as follows:

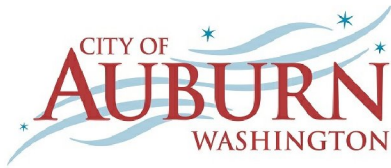
Section 1. Pursuant to ACC 13.14.030.G, the Stage I and II water shortage emergencies in the HVB neighborhood that I previously declared on August 9 and 23, 2021 are no longer in effect. The City's Public Works Department is authorized to reduce its water conservation education efforts in HVB that I ordered in those previous declarations and resume normal water usage monitoring.

Section 2. Nothing in this declaration affects the City's ability to declare a future water shortage emergency in HVB, or to order or implement appropriate corresponding water use restrictions in HVB, should circumstances warrant.

Declaration Effective Date: December 30, 2021

CITY OF AUBURN


NANCY BACKUS, MAYOR



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5641 (Gaub)

Date:

December 23, 2021

Department:

Public Works

Attachments:

[Resolution No. 5641](#)

[CARB Program Acceptance Letter](#)

[CARB Program Initial Offer of Financial Aid](#)

[CARB Loan Agreement](#)

[Estimated Loan Repayment Schedule](#)

Budget Impact:**Administrative Recommendation:**

City Council to adopt Resolution No. 5641.

Background for Motion:

This resolution allows the Mayor to accept the initial loan offer and execute the loan agreement to complete the enclosure of existing open hangars for betterment of the airport.

Background Summary:

Resolution No. 5641 authorizes the City to accept a \$750,000.00 low interest loan to upgrade existing airport owned hangars.

The current wait time for enclosed hangar space on the airport is estimated at 15 years. In order to address a portion of this demand and increase revenue at the airport the airport plans to install interior walls and exterior doors on at least one row of existing open hangars. In addition to this work the airport plans to remove and replace an additional row of hangar doors which are beyond their useful life. This loan along with \$250,000.00 from the airport fund will fund the project. The city is currently anticipating an additional \$500,000.00 from the Federal Aviation Administration through the infrastructure bill.

WSDOT administers the CARB loan program. Loans up to \$750,000.00 are available to airports for projects which increase revenue and support general aviation.

Resolution No. 5641 authorizes the Mayor to accept a Community Aviation Revitalization Board (CARB) loan agreement in the amount of \$750,000.00 with the Washington State Department of Transportation. This project is included in the City's adopted facility plan.

Reviewed by Council Committees:

Councilmember: Stearns

Staff:

Gaub

Meeting Date: January 3, 2022

Item Number:

RES.B

RESOLUTION NO. 5641

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO ACCEPT AN INITIAL OFFER OF FINANCIAL AID TO THE AUBURN AIRPORT FROM THE COMMUNITY AVIATION REVITALIZATION BOARD AND EXECUTE AN AGREEMENT

WHEREAS, RCW 47.68.460 establishes the Washington State Department of Transportation (DOT) Community Aviation Revitalization Board (CARB) loan program. The program's purpose is to furnish DOT financial loans to public use airports for airport improvements that support general aviation activities. Loans through the CARB program are offered to qualified airports at favorable interest rates;

WHEREAS, the City of Auburn Airport provides aircraft hangars for airport users and tenants. Airport management intends to add and/or to replace doors for several hangars to better serve the storage and security needs of airport users and tenants, and to enhance the value of airport property;

WHEREAS, the proposed project is estimated to cost approximately \$1,500,000;

WHEREAS, the Airport budget has allocated \$250,000 towards the completion of this project and has identified \$500,000 in Federal Aviation Administration grant funding through the recently passed Infrastructure Bill;

WHEREAS, in October of 2021, the City applied for a CARB program loan to finance the project. By letter dated December 3, 2021, the CARB

program accepted the City's application and has extended an initial offer to award the airport a 10 year \$750,000.00 CARB loan for the project at 2% interest;

WHEREAS, the following documents are attached to this Resolution:

- The CARB program's December 3 application acceptance letter;
- The CARB program's Initial Offer of Financial Aid reflecting the loan's fundamental terms;
- The CARB loan agreement form; and
- An estimated loan repayment schedule;

WHEREAS, given the favorable interest rate and terms of the CARB program's initial offer, and the need to finance the airport's hangar door replacement project for the benefit of airport users and tenants, acceptance of the CARB Program's offer of financial aid to fund this airport project is in the City's best interest.

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

Section 1. The Mayor is authorized on behalf of the City and Auburn Municipal Airport to sign the Community Aviation Revitalization Board's Initial Offer of Financial Aid and to execute the necessary loan agreement documentation in substantial conformance with the documents attached to this Resolution.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions 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 _____, 2021.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney



7702 Terminal Street SW • Tumwater, WA 98501-7264 • (360) 705-7839

December 3, 2021

Ingrid Gaub
Director of Public Works
City of Auburn
25 W Main Street
Auburn, WA 98001

RE: CARB Initial Offer of Financial Aid

Dear Ingrid Gaub,

Congratulations! The Community Aviation Revitalization Board (CARB) has selected your project and is offering a low-interest loan in the amount of \$750,000 for your T-Hangar Door Replacement Project at the Auburn Municipal Airport.

The next steps will be to develop and sign the loan agreement so that eligible project expenditures may be reimbursed. Please note that no project costs incurred prior to the Initial Offer of Financial Aid date will be reimbursed by CARB. After contract execution, a signed copy will be forwarded for the City of Auburn's records. The execution date of the final contract will be based on the signature of the CARB Chairperson or designee.

An estimated repayment schedule is attached to confirm your desired repayment term and grace period up to 20 years. Also attached is a copy of the loan assurances that apply to state-funded projects and related acknowledgements that will become part of your loan agreement. Our intent is to have your loan agreement ready for signature in February 2022.

I will be your primary contact during this contracting process. If you have any questions, please don't hesitate to contact me at (360) 705-7839 / (360) 628-1767 or chenaud@wsdot.wa.gov.

Sincerely,

David Chenaud

Aviation Loan Program Manager

Attachments:

- Initial Offer of Financial Aid (IOFA)
- Loan Assurances
- Repayment Resolution/Ordinance (sample)
- Estimated loan repayment schedule

CARB Pre-Contract Requirements

Initial Offer of Financial Aid

If you wish to accept CARB's offer, please confirm the Statewide Vendor Number (SWV) listed is valid for loan disbursements and **sign and return the attached Initial Offer of Financial Aid by January 15, 2022**. A copy of the executed Initial Offer will be included as an exhibit in your loan agreement and provided for your records.

If the terms and conditions of this offer are not acceptable, you may request in writing that CARB reconsider, amend or modify its offer.

Pre-Contract Requirements

Please complete the conditions below and submit the appropriate documentation to CARB.

If all conditions are not completed by **January 15, 2022**, you have the option to request an extension from the Board. If the Board does not approve an extension of the initial offer, the offer will expire.

1. Signed copy of the Initial Offer of Financial Aid (IOFA)
2. Repayment Resolution or Ordinance
3. Signed copy of the Loan Assurances
4. Confirm the length of loan and any grace period (deferred principal and interest) requested up to 3 years (Estimated loan repayment schedule enclosed)

Washington State
Community Aviation Revitalization Board

Initial Offer of Financial Aid

City of Auburn

SWV Number: SW000206900

Offer Date: December 3, 2021

The Community Aviation Revitalization Board (CARB) is authorized by SB 5031 and SHB 1080, Section 4004, Session Laws of 2021 for direct loans to airport sponsors of public use airports in the State of Washington for the purposes of improvements that primarily support general aviation activities. This Initial Offer of Financial aid is contingent upon the availability of CARB funds. CARB hereby offers to make funds available to the **City of Auburn**, hereafter referred to as the "Recipient," to aid in financing the cost of, or improvements to, airport facilities consisting of the **T-Hangar Door Replacement Project** as described in the application (hereafter collectively referred to as the "Project").

This offer consists of:

- General Obligation loan of \$750,000
- Interest rate: 2.0 percent (%) per annum on the outstanding principal balance
- Term: 20 years maximum, including up to 3 years of deferred principal and interest

This offer is subject to completion of pre-contract conditions, as described in Attachment A.

A final contract shall be developed by CARB prior to disbursement of funds. No project costs incurred prior to this offer date will be reimbursed by CARB. In the event a final contract is not executed, no CARB funds will be disbursed.

If accepted, this Initial Offer of Financial Aid must be signed and returned to CARB by **January 15, 2022**.

ACCEPTANCE

FOR CARB

David Fleckenstein
Director, WSDOT – Aviation
Board Member, CARB

Date:_____

FOR THE RECIPIENT

Signature*

Name:_____

Title:_____

Date:_____

* Authorized to accept offer on behalf of RECIPIENT

Community Aviation Revitalization Loan Agreement

Washington State Department of Transportation - Aviation Division 7702 Terminal Street SW Tumwater, WA 98501-7264 WSDOT Contact: David Chenaar 360-705-7839	RECIPIENT: City of Auburn 25 West Main Street Auburn, WA 98001 FED TIN: Contact Person: Ingrid Gaub 253-804-3113
Loan Agreement Number: GCB 3652	Project Title: T-Hangar Door Replacement
Loan Amount: \$750,000.00	Project Location: Auburn Municipal Airport
Interest Rate / Loan Term / Deferral Period: 2.0% / 10 years / No deferral period	SWV Number: SW000206900
Term of Agreement: From 12/03/2022 to 3/31/2053	Scope of Project: As set forth in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET

This LOAN AGREEMENT, hereinafter referred to as AGREEMENT, is between the STATE OF WASHINGTON DEPARTMENT OF TRANSPORTATION hereinafter referred to as the "STATE", and The City of Auburn, hereinafter referred to as the "RECIPIENT," collectively referred to as the "PARTIES" and individually the "PARTY."

WHEREAS, the Legislature finds that providing additional funding mechanisms for public use general aviation airports to implement infrastructure rehabilitation, upgrades, and revenue-generating projects is in the best interest of the State;

WHEREAS, the Legislature declares that a revolving loan program is fundamental for smaller airport preservation and future vitality;

WHEREAS, pursuant to Senate Bill 5031, Laws of 2021, ch. 175, and Substitute House Bill 1080, Laws of 2021, ch. 332, § 4004, which provide for direct loans to airport sponsors of public use airports in the State for the purpose of improvements that primarily support general aviation activities;

WHEREAS, pursuant to RCW 47.68.090 WSDOT, Aviation Division is authorized to develop and administer a loan program to any municipality, tribe, or private person(s) acting in the acquisition, construction, or improvement of an airport owned or controlled by the aforementioned entities, and held available for the general use of the public;

WHEREAS, the RECIPIENT has submitted an eligible project along with plans and specifications for such project, and such project has been selected and approved by the Community Aviation Revitalization Board (CARB) for funding, and such plans and specifications are hereby incorporated and made a part of this AGREEMENT; and

WHEREAS, the RECIPIENT is the local entity for administering the PROJECT monies.

NOW, THEREFORE, pursuant to and for the purpose of carrying out the provisions of Laws of 2021, ch. 175, and Laws of 2021, ch. 332 § 4004, , and in consideration of the (a) RECIPIENT's adoption and ratification of the representations and assurances contained in said project application, and its acceptance of this offer as identified in the Initial Offer of Financial Assistance (IOFA) and attached as Exhibit B, and (b) the benefits to

accrue to the State of Washington and the public from the accomplishment of the project and the operation and maintenance of the airport as herein provided, the State hereby agrees to loan monies for allowable costs incurred in accomplishing the PROJECT.

Section 1 Definitions

- A. "Agreement End Date" is the calendar date when all provisions of this AGREEMENT have been satisfied by the RECIPIENT and is shown in the AGREEMENT header table titled Term of Agreement.
- B. "Authorized Representative" is the local entity with the authority to enter into this AGREEMENT and be responsible for administering the Project monies.
- C. "Board" refers to the Community Aviation Revitalization Board and its officers and members.
- D. "Contractor" refers to all contractors and subcontractors who perform work described in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET at any tier.
- E. "Deferral Period" is the time a RECIPIENT may elect to delay repaying the loan up to three (3) years from the Project End Date. Interest will accrue during any deferred period elected.
- F. "Loan Amount" is the maximum amount of money to be lent to the RECIPIENT under this Agreement.
- G. "Loan Principal" is the amount due on any debt before interest.
- H. "Interest" is the cost of borrowing funds calculated as a percentage of the Loan Principal.
- I. "Interest Rate" is the proportion of the amount loaned which the STATE charges as Interest to the RECIPIENT expressed as an annual percentage (i.e. per annum). Interest on Loan Principal will be calculated on a simple interest basis.
- J. "Loan Term" is the time period the RECIPIENT has to repay the monies loaned under this AGREEMENT.
- K. "PROJECT" means the project described in the Scope of Work defined in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET, and all other work to be performed by the RECIPIENT using the monies loaned under this Agreement.
- L. "Project End Date" is the calendar date the PROJECT construction or acquisition is completed and ready for use.
- M. "PROJECT SCHEDULE" is the anticipated time to complete the PROJECT, including major milestones for preliminary engineering, right of way/acquisition, and construction activities, as appropriate for the Scope of Work.
- N. "RECIPIENT" is the local entity or private party responsible for performing the PROJECT and administering the PROJECT monies, also known as the Airport Sponsor.
- O. "Simple Interest" is determined by multiplying the interest rate by the principal by the number of days that elapse between payments.
- P. "WSDOT" is the Washington State Department of Transportation.

Section 2 Scope of Work

The general Scope of Work is defined in the table at the beginning of this Agreement under the field "Scope of Project," which describes a PROJECT that the STATE has determined will improve the STATE's aviation transportation system and benefit the STATE and local economy. Complete details are included in EXHIBIT A,

SCOPE OF WORK, PROJECT SCHEDULE, & BUDGET, which is attached hereto and by this reference made a part of this AGREEMENT.

Section 3 Term of Agreement

This AGREEMENT shall become effective upon the date listed in the table at the beginning of this Agreement under the field titled, "Term of Agreement". The AGREEMENT shall continue in full force and effect for one and one-half (1 1/2) times the loan term, defined in the table at the beginning of this Agreement under the field titled "Interest Rate / Loan Term / Deferral Period", except that the term of this AGREEMENT shall not exceed 30 years from the Project End Date.

Section 4 Eligible Project Costs

The STATE agrees to loan the RECIPIENT monies to accomplish the PROJECT detailed in EXHIBIT A, including all milestones described in the proposed PROJECT SCHEDULE, for each item of work to be performed. The PROJECT SCHEDULE shall be arranged in such a manner as to form a basis for comparison with progress billings for work performed. In the event of a change in the method or time for performance of any work, the RECIPIENT shall update the PROJECT SCHEDULE, subject to STATE approval, to reflect the changed circumstances.

Subject to the stipulations set forth in Section 2, Scope of Work, the STATE agrees to loan the RECIPIENT up to a maximum amount listed in the table at the beginning of this Agreement, in the field titled "Loan Amount," for the actual direct costs expensed by the RECIPIENT in the course of completing the tasks described in the Scope of Work under this AGREEMENT.

It is understood that the actual PROJECT costs under this AGREEMENT are based on preliminary estimates and that if unforeseen circumstances cause the PROJECT costs to exceed the PROJECT estimate, the RECIPIENT shall complete the PROJECT and assume the entire cost overrun without any increase of the STATE's maximum loan commitment made herein.

Any costs expensed by the RECIPIENT prior to the execution of this AGREEMENT will be borne by the RECIPIENT and will not be eligible for reimbursement from the STATE.

The loan monies are intended to pay for construction-related expenses. The expenses must be necessary to complete the Project, reasonable in the amount, and fall under one of the following categories within the approved SCOPE OF WORK:

- a) Design, architectural, and engineering work;
- b) Building permit/fees;
- c) Archeological/historical, and environmental reviews;
- d) Construction labor (from external sources) and materials*;
- e) Demolition/site preparation;
- f) Capitalized equipment;
- g) Construction Management (From external sources)**; and
- h) Real property when purchased specifically for the project, and directly associated costs***.

* **Construction labor** does not include work typically performed by employees of the RECIPIENT, unless the employee is hired specifically to perform construction labor for the awarded project or there is a documented economical advantage to the Project.

** **Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible cost. Construction management does not include work typically performed by off-site consultants or consultant organizations, grant/loan writers, project managers, or employees of the RECIPIENT, unless the employee is hired solely and specifically to perform on-site construction management.

*****Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer fees, easements of record, and legal expenses.

Ineligible Costs include, but are not limited to: Internal administrative activities, project management (from any source), fundraising activities, feasibility studies, computers or office equipment, rolling stock (such as vehicles), lease payments (including long-term), moving of equipment, furniture, etc., between facilities, and salary and benefits for the employees of the RECIPIENT.

The RECIPIENT shall provide the STATE with documentation confirming any local matching share amounts that may have been secured and used for the PROJECT.

If the STATE, at its sole discretion, determines that the PROJECT is not progressing in a satisfactory manner, the STATE may refuse to loan STATE monies for reimbursement to the RECIPIENT for parts or all of the work performed to date.

Section 5 Payments

The STATE shall loan monies for eligible PROJECT costs expensed and paid related to work performed during the invoice period. The RECIPIENT may submit invoices at any time, but not more frequently than once per calendar month. The STATE will reimburse the RECIPIENT for properly billed and supported amounts within thirty (30) calendar days of receipt of a progress billing.

The RECIPIENT will be reimbursed on a loan basis for actual net PROJECT costs for allowable expenses incurred in completing the PROJECT described in "EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET" less any pre-payment discounts, rebates, late penalties and /or refunds. When requesting reimbursement for costs incurred, the RECIPIENT shall submit a signed and completed Invoice Voucher (DOT Form 134-139 EF) supplied by the STATE, identifying the PROJECT activity performed and supported by appropriate invoices, receipts, reports and financial summaries. Reimbursement for overhead costs will not be allowed unless specified in this AGREEMENT. Payment by the STATE shall not relieve the RECIPIENT of any obligation to make good any defective work or material upon or after PROJECT completion.

At the time the final PROJECT invoice is submitted, the RECIPIENT shall provide the STATE with a written statement confirming the RECIPIENT has completed the PROJECT and is in compliance with the terms of the AGREEMENT.

Per chapter 43.88 RCW, any invoices for work performed during a given fiscal year (beginning July 1 and ending on June 30 of the following year) must be submitted to the STATE no later than July 10th (or the soonest business day after July 10th) of the calendar year in which the fiscal year ends. If the RECIPIENT is unable to provide an invoice for such work by this date, an estimate of all remaining payable costs owed by the STATE for work performed by the RECIPIENT prior to July 1 must be submitted to the STATE no later than July 19th of the same year in order for the STATE to accrue the amount necessary for payment. The RECIPIENT will thereafter submit any remaining invoices to the STATE for such work as soon as possible. Failure to comply with these requirements may result in delayed payment. The STATE shall not be required to pay to the RECIPIENT late payment fees, interest, or incidental costs expensed by the RECIPIENT or any other costs related to a delayed payment if the RECIPIENT fails to comply with the invoice requirements of this Section.

Reimbursement for travel, subsistence, and lodging expenses will not be eligible under this AGREEMENT unless specifically pre-approved in writing by the STATE. If pre-approved, the RECIPIENT shall comply with the rules and regulations regarding travel costs in accordance with the Washington State Administrative and Accounting Manual (SAAM), Chapter 10 "Travel and revisions thereto, accessible online at: <https://ofm.wa.gov/sites/default/files/public/legacy/policy/10.htm>, <https://ofm.wa.gov/sites/default/files/public/legacy/policy/10.htm> and by this reference incorporated herein. If online access is not available, contact the Washington State Department of Transportation headquarters office in Olympia to obtain copies of the "Travel Rules and Procedures" and any updates.

It is agreed that any money loaned by the STATE, pursuant to any RECIPIENT payment request, will not constitute agreement as to the appropriateness of any item, and that required adjustments, if any, will be made at the time of STATE's final payment. In the event that the STATE and/or its representatives conducts an audit, and that audit indicates an overpayment of moneys loaned against costs expensed by the RECIPIENT, the RECIPIENT agrees to pay the overpayment to the STATE within thirty (30) calendar days after being billed

therefor. Amounts paid for any overpayment pursuant to this section will be in addition to the RECIPIENT's repayment obligation under Section 6 of this AGREEMENT.

Section 6

Loan Repayments by the Recipient

The RECIPIENT shall repay the STATE in accordance with the **EXHIBIT C, LOAN REPAYMENT SCHEDULE**, attached hereto, and by this reference is made part of this AGREEMENT.

The loan shall be repaid annually by the RECIPIENT and shall commence one (1) year after the month in which the PROJECT is completed unless the RECIPIENT opts for a deferral period indicated in the table at the beginning of this Agreement, under the field titled "Interest Rate / Loan Term / Deferral Period".

Interest will begin accruing on the date identified with the warrant or Electronic Funds Transfer (EFT) associated with the payment request. Interest will be charged at the per annum rate shown in the table at the beginning of this AGREEMENT, under the field titled "Interest Rate / Loan Term / Deferral Period". Interest will accrue during the entire Loan Term and Deferral Period shown in the table at the beginning of this AGREEMENT, under the field titled "Interest Rate / Loan Term / Deferral Period," until the total loan amount and interest has been repaid. Partial years will be prorated proportionately based on the percentage of calendar days in the year subject to interest accrual. If a Deferral Period has been elected, interest will be compounded annually and will be added to the loan amount used to calculate the EXHIBIT C, LOAN REPAYMENT SCHEDULE. All repayments will be applied first to accrued interest with any remaining balance being applied to principal.

RECIPIENTS may opt to pay off the loan early with no prepayment penalty. The STATE shall calculate the payoff amount at the request of the RECIPIENT. The payoff amount provided shall be valid for thirty (30) days after written notification of the RECIPIENT by the STATE. The date of notification shall be determined by the date of the electronic transmission sent to the RECIPIENT.

The STATE will supply an invoice that includes the payment address, payment amount, payment due date, and the calculated existing balance of the loan based on the interest rate, loan term, and deferral period indicated in the table at the beginning of this Agreement, under the field titled "Interest Rate / Loan Term / Deferral Period". Failure to make payment by the payment due date indicated on the invoice will incur a late fee to mitigate the additional interest accrued due to the delayed payment. The amount of the late fee will be shown on the invoice.

Payments in excess of the invoiced amount will be credited against the loan principal. Excess payments will not reduce the invoice amounts reflected in EXHIBIT C, LOAN REPAYMENT SCHEDULE but may shorten the term of the loan by reducing or eliminating the number of payments required to fully repay the loan. Any excess or additional payments will not preclude the requirement to make the regularly scheduled payments until the outstanding loan amount is fully repaid.

RECIPIENTS that are delinquent on a payment or late payments for more than thirty (30) days will be considered in default and the AGREEMENT may be terminated at the sole discretion of the STATE as described in Section 16, Termination for Fault.

Section 7

Employment and Inspection of Work

The RECIPIENT shall employ or retain all persons or contractors necessary to perform the PROJECT work and agrees to be responsible for the management, control, operation, construction, maintenance, and repairs that are essential to this PROJECT. The STATE may place an Engineer, Project Manager, and/or other inspection personnel on the work site during the term of this AGREEMENT to monitor progress of the PROJECT and/or to monitor adherence to the required provisions of this AGREEMENT. The RECIPIENT shall make the site accessible to STATE inspection personnel. This may include providing transportation to remote, inaccessible work sites, at the expense of the RECIPIENT.

The STATE will inspect progress at the work site, as it deems appropriate. In the event that the RECIPIENT subcontracts to obtain material, equipment, and/or any work necessary to complete any PROJECT related runway work, the RECIPIENT will be responsible for certifying that all runway work is in compliance with State or Federal Aviation Administration runway pavement standards, whichever is applicable. Upon completion of

the PROJECT, a joint inspection shall be made by the authorized representatives of each of the PARTIES to determine that the work has been completed within the terms of this AGREEMENT.

Section 8 Labor Provisions

Prevailing Wage Law. The RECIPIENT certifies that all contractors and subcontractors performing work on the Project shall comply with all state and federal prevailing wage requirements, including but not limited to Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this AGREEMENT, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The RECIPIENT shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW and shall make such records available for the STATE's review upon request.

Overtime Requirements. No contractor or subcontractor contracting for any part of the PROJECT work which may require or involve employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek. Contractors will comply with Title 49 RCW, Labor Regulations.

Prohibition against Payment of Bonus or Commission. The monies provided under this AGREEMENT shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such monies or any other approval or concurrence under this AGREEMENT, provided, however, that reasonable fees for bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Section 9 Recapture of Loaned Monies

At the STATE's sole option, the RECIPIENT shall immediately repay the full amount of any loans paid to the RECIPIENT up to that date, if any of the following events occur:

1. Failure to complete the PROJECT tasks specified in EXHIBIT A;
2. Sale, conveyance or transfer of the RECIPIENT property underlying the PROJECT airport improvements within the loan re-payment period;
3. Any sale, conveyance, transfer, or removal of all or any of the PROJECT capital improvements or equipment purchased with the monies loaned under this AGREEMENT within the loan re-payment period;
4. Any transfer, conveyance, or sale of all or any of the PROJECT capital improvements or equipment purchased with monies loaned under this AGREEMENT to any person or entity, public or private, that at any time subsequent to that transfer, conveyance, or sale removes the PROJECT airport improvements or equipment purchased with loaned monies from this AGREEMENT, or significant portions thereof, from operation within the loan re-payment period; and
5. Any abandonment or other liquidation by the RECIPIENT or its successor of the PROJECT capital improvements or equipment purchased with monies loaned under this AGREEMENT for any reason whatsoever within the loan re-payment period.

Any payment by the RECIPIENT to the STATE pursuant to this Section shall be payable in U.S. Dollars (USD) and shall be sent via certified mail to the STATE contact person identified in the Notices Section of this AGREEMENT not more than thirty (30) calendar days from receipt of written notice from the STATE that repayment is required.

Section 10 Use and Maintenance of Project Capital Improvements and Other Equipment Purchased with Monies from This Agreement

The RECIPIENT agrees that PROJECT property, equipment, and supplies shall be used solely for the PROJECT activity for the duration of its useful life. Should the RECIPIENT unreasonably delay or fail to use

PROJECT property, equipment, or supplies during its useful life, the RECIPIENT understands that the STATE may require the return of any unpaid amount of STATE assistance expended on that property, equipment, or supplies.

The RECIPIENT will give timely notice and must receive prior written approval from the STATE for any proposal to use PROJECT property, equipment or supplies in a manner substantially different than set forth in this AGREEMENT.

The RECIPIENT shall make all necessary repairs and reasonably maintain the capital improvements and equipment purchased with the monies from this AGREEMENT so long as the STATE retains rights as specified in Section 11 of this Agreement, Contingent Interests. All costs incurred in connection with the use and operation of the PROJECT, including but not limited to services, materials, and repairs, shall be at the RECIPIENT's expense.

Section 11 Contingent Interests

The RECIPIENT agrees that the STATE shall retain a Contingent Interest in the PROJECT's capital improvements and the equipment purchased with monies loaned under this AGREEMENT as described in Exhibit A, which binds the RECIPIENT, and its successors and assigns, to continue and maintain the PROJECT for the use of the general public.

The STATE shall maintain its contingent interest for the duration of this AGREEMENT, as specified in Section 2 of this AGREEMENT. During this time the RECIPIENT may not (a) use any property or equipment purchased with monies from this AGREEMENT as collateral, (b) remove runway or other improvements necessary to the operation of the airport, (c) perform any of the activities listed in Section 9, or (d) use the PROJECT capital improvements or equipment in any manner subordinating the STATE's Contingent Interests, without obtaining prior written permission from the STATE.

The requirement that the PROJECT capital improvements and equipment be maintained for public use shall also be required of all subsequent purchasers, persons, or entities acquiring all, or a material portion of, the property upon which the PROJECT is constructed. The RECIPIENT shall be obligated to include in any contract of sale or other dispositional agreement for all, or any portion of, the PROJECT provisions sufficient to perpetuate the STATE's Contingent Interest to the PROJECT capital improvements and equipment upon the consummation of any such conveyance. The RECIPIENT further agrees that, as a precondition to the RECIPIENT's execution of any agreement to transfer ownership of all, or a material or equipment portion of, the property upon which the PROJECT is constructed to a subsequent purchaser, assignee, or recipient, the entire outstanding balance of the loaned monies will become immediately due and payable by the RECIPIENT.

The RECIPIENT shall execute and deliver to the STATE all agreements, instruments and documents that the STATE requests as necessary to perfect and maintain the STATE's contingent interests as set forth in this section, in a form and substance acceptable to the STATE, as a condition precedent to the RECIPIENT's right to seek loan monies under this AGREEMENT. The RECIPIENT shall make appropriate entries upon its financial statements and its books and records disclosing the STATE's contingent interests under this section.

Section 12 Loss or Damage to Project Property, Facility and Equipment

The RECIPIENT, at its own expense, shall cover any loss, theft, damage, or destruction of the PROJECT property, facility, and/or equipment. The RECIPIENT agrees that any loss, theft, damage, or destruction of the PROJECT equipment does not relieve the RECIPIENT of any obligations to repay STATE loan monies. If the RECIPIENT does not replace or repair any PROJECT equipment that has been lost, stolen, damaged, or destroyed within sixty (60) calendar days of such, the RECIPIENT shall then be automatically in default and will be obligated to reimburse the STATE for the full amount of loan monies already paid to the RECIPIENT.

Section 13 Accounting Records

Project Accounts. The RECIPIENT agrees to establish and maintain for the Project either a separate set of accounts or separate accounts, within the framework of an established accounting system that can be identified

with the Project. The RECIPIENT agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible and available to the STATE upon request, and, to the extent feasible, kept separate from documents not pertaining to the Project.

Documentation of Project Costs and Program Income. The RECIPIENT agrees to support all allowable costs charged to the Project, including any approved services contributed by the RECIPIENT or others, with properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The RECIPIENT also agrees to maintain accurate records of all program income derived from implementing the Project.

Section 14 Maintenance of Records and Audit Requirements

During the progress of the work, and for a period of not less than six (6) years from the date of final repayment to the STATE by the RECIPIENT, records and accounts of the RECIPIENT are to be kept available for inspection and audit by representatives of the STATE.

Copies of the records shall be furnished to the STATE upon request and shall be maintained in accordance with accepted job cost accounting procedures as established in 48 CFR § 31. All costs must be supported by actual invoices and canceled checks. The RECIPIENT agrees to comply with the audit requirements contained herein, and to impose the same requirement on any consultant, contractor, or subcontractor who may perform work funded by this AGREEMENT.

The records to be maintained by the RECIPIENT shall include, but are not limited to, the following:

- a) Records that identify the sources and applications of monies for this AGREEMENT and contain information pertaining to outlays;
- b) Supporting source documents;
- c) All documentation underlying the preparation of the financial reports;
- d) Any other records which are required following notification of an amendment to State of Washington or federal regulations which takes effect during the period in which costs are allowable; and
- e) Any other records necessary to disclose fully the amount and disposition of the monies loaned to the RECIPIENT under this AGREEMENT and charged to the PROJECT, supported by documents evidencing in detail the nature and propriety of the charges, the total cost of each undertaking for which the assistance was loaned or used, the amount of the costs of the undertaking supplied by other sources, and other books, records, and documents needed for a full and complete verification of the RECIPIENT's responsibilities and all payments and charges under this AGREEMENT. In the event that any litigation, claim or audit is initiated prior to the expiration of said six-year period, the records shall be retained until such litigation, claim, or audit involving the records is complete.

Section 15 Representations, Warranties, and Covenants

The following representations and warranties by the PARTIES hereto shall be considered conditions precedent to the effectiveness of this AGREEMENT.

The RECIPIENT represents and warrants the following:

- a) That the monies the RECIPIENT will derive through this AGREEMENT will be used solely for the PROJECT as defined in this AGREEMENT;
- b) That it has the full power and authority to enter into this AGREEMENT, and to carry out the obligations, which it has hereby undertaken;
- c) That all public, corporate and other proceedings required to be taken by or on the part of the RECIPIENT to authorize its entrance into this AGREEMENT, have been or will be duly taken;
- d) That execution of this AGREEMENT and the performance of the improvement hereunder will not violate any statute, rule, regulation, order, writ, injunction or decree of any Court, administrative agency or government body;

- e) It is the intent of the STATE to reimburse the RECIPIENT for its actual PROJECT costs up to the maximum loan amount. It is understood that if unforeseen circumstances cause the PROJECT cost to exceed the PROJECT estimate, the RECIPIENT shall complete the PROJECT and assume the entire cost overrun;
- f) That the RECIPIENT has not employed or retained any company or person to solicit or secure this AGREEMENT, and that it has not paid or agreed to pay any company or person, any fee, commission percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this AGREEMENT. For breach or violation of this warranty, the STATE shall have the right to terminate this AGREEMENT without liability;
- g) That the RECIPIENT shall not engage on a full, part-time, or other basis, during the period of the AGREEMENT, any professional or technical personnel, to work on this AGREEMENT, who are, or have been, at any time during the period of the AGREEMENT, in the employ of the STATE without the prior written consent of the employer of such person; and
- h) That the RECIPIENT shall not extend any loan, gratuity, or gift of money in any form whatsoever to any employee, agent, or officer of the STATE, nor will the RECIPIENT rent or purchase any equipment or materials from any employee or officer of the STATE.

Section 16 Termination for Fault

Should either the STATE or the RECIPIENT substantially fail to perform their obligations under this AGREEMENT, and continue in such default for a period of sixty (60) calendar days, the PARTY not in default shall have the right at its option, after first giving thirty (30) calendar days written notice thereof by certified mail to the PARTY in default, and notwithstanding any waiver by the PARTY giving notice of any breach thereof, to terminate this AGREEMENT. The termination of this AGREEMENT shall not impair any other rights of the terminating PARTY under this AGREEMENT or any rights of action against the defaulting PARTY for the recovery of damages. For purposes of this provision, a substantial failure to perform on the part of the RECIPIENT shall be deemed to include, but shall not be limited to, any action of the RECIPIENT that jeopardizes its ability to perform pursuant to this AGREEMENT.

Section 17 Termination for Convenience

The STATE may terminate this AGREEMENT in whole, or in part, upon thirty (30) calendar days' written notice whenever:

- a) The requisite loan funding becomes unavailable through failure of appropriation or otherwise; and/or
- b) The STATE determines that such termination is in the best interests of the STATE.

If the STATE exercises its rights under this Section, then the STATE shall reimburse the RECIPIENT for any expenses and costs eligible hereunder prior to receipt of such notice of termination.

Section 18 Assignment and Succession

Neither the STATE nor the RECIPIENT may assign or in any manner transfer either in whole or in part this AGREEMENT or any right or privilege granted to it hereunder, nor permit any person or persons, company or companies to share in any such rights or privileges without the prior written consent of the other PARTY hereto, except as otherwise herein provided. Nothing in this AGREEMENT shall be construed to permit any third party or any other person, corporation, or association, directly or indirectly, to possess any right or privilege herein.

Section 19 Force Majeure

It is further understood and agreed that neither the RECIPIENT nor the STATE, as the applicable case may be, shall be required to keep this AGREEMENT in effect during any period(s) it is prevented from doing so by governmental action, war, strikes, riots, terrorism, or civil commotion, or if the airport facilities or any portion thereof is made unserviceable by Acts of God including, but not limited to, floods, high water, or other damage by the elements.

Section 20

Notices

Any notice, request, consent, demand, report, statement or submission which is required or permitted to be given pursuant to this AGREEMENT shall be in writing and shall be delivered personally to the respective PARTY set forth below, or if mailed, sent by certified United States mail, postage prepaid and return receipt required, to the respective PARTIES at the addresses set forth below, or to such other addresses as the PARTIES may from time to time advise by written notice to the other PARTY. The date of personal delivery or of execution of the return receipt in the case of delivery by certified U.S. mail, of any such notice, demand, request, or submission shall be presumed to be the date of delivery.

NOTICES IN THE CASE OF THE RECIPIENT

Ingrid Gaub
Public Works Director
City of Auburn
25 West Main Street
Auburn, WA 98001

Should the above Registered Agent become unavailable, the RECIPIENT consents to allowing the legal notices to be sent to the Secretary of State of the State of Washington.

NOTICES IN THE CASE OF THE STATE:

David Fleckenstein, Director
WSDOT Aviation Division
7702 Terminal Street SW
Tumwater, WA 98501-7264

Section 21

Interpretation

This AGREEMENT shall be construed liberally so as to secure to each PARTY hereto all of the rights, privileges, and benefits herein provided or manifestly intended. This AGREEMENT, and each and every provision hereof, is for the exclusive benefit of the PARTIES hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right of a third party to recover by way of damages or otherwise against the PARTIES hereto.

If any covenant or provision, or part thereof, of this AGREEMENT shall be adjudged void, such adjudication shall not affect the validity or obligation of performance of any other covenant or provision, or part thereof, which in itself is valid, if such remainder conforms to the terms and requirements of applicable law and the intent of this AGREEMENT. No controversy concerning any covenant or provision shall delay the performance of any other provisions except as herein allowed.

All remedies provided in the AGREEMENT are distinct and cumulative to any other right or remedy under this document or afforded by law or equity, and may be exercised independently, concurrently, or successively therewith.

Any forbearance of the PARTIES in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of, or preclude the exercise of that or any other right or remedy hereunder.

Each PARTY hereby agrees to immediately notify the other PARTY of any change in conditions or any other event which may significantly affect the TERM of this AGREEMENT or the PARTY's ability to perform the PROJECT in accordance with the provisions of this AGREEMENT.

Section 22

Subcontracting

It is understood that the RECIPIENT may choose to subcontract all or portions of the work. The RECIPIENT must obtain the STATE's advanced written approval of all subcontractors it shall employ on the PROJECT.

No contract between the RECIPIENT and its contractors and/or their subcontractors, and/or material suppliers shall create any obligation or liability of the STATE with regard to this AGREEMENT without the STATE's specific written consent to such obligation or liability notwithstanding any concurrence with, or approval of, the award, solicitation, execution, or performance of any contract or subcontract. The RECIPIENT hereby agrees to include the provisions of this AGREEMENT in all contracts entered into by the RECIPIENT for the employment of any individuals, procurement of any materials, or the performance of any work to be accomplished under this AGREEMENT.

Section 23

Compliance with State Design Standards

The RECIPIENT agrees the Project design must comply with all Washington State building codes, Chapter 19.27 RCW and Energy-related building standards, Chapter 19.27A RCW, and Provisions in building for aged and handicapped persons, Chapter 70.92 RCW, and any revisions thereto. Projects that wish to use design standards that differ from state standards must submit a request to WSDOT's Aviation Division and obtain documented approval before design work commences.

RECIPIENTS operating NPIAS airports receiving federal funding, shall comply with FAA design and construction advisory circulars available on the FAA website <https://www.faa.gov/airports>, and any revision thereto.

Section 24

Laws to be Observed

General Compliance. The RECIPIENT shall comply with all applicable State, federal, and local laws, rules, regulations, and orders pertaining to the PROJECT, including but not limited to EXHIBIT D, AIRPORT LOAN PROGRAM ASSURANCES, which is attached hereto and by this reference made a part of this AGREEMENT. If any action or inaction by the RECIPIENT results in a fine, penalty, cost, or charge being imposed or assessed on or against the RECIPIENT and/or the STATE, the RECIPIENT shall assume and bear any such fine, penalty, cost, or charges. In the event the STATE, for any reason, is required to pay the same, the RECIPIENT, upon demand, shall promptly reimburse, indemnify, and hold harmless the STATE for or on account of such fine, penalty, cost or charge and shall also pay all expenses and attorney's fees incurred in defending any action that may be brought against the STATE on account thereof. The RECIPIENT shall, in the event of any such action and upon notice thereof from the STATE, defend any such action(s) free of cost, charge and expense to the STATE.

Permits and Compliance with land use and environmental laws. The RECIPIENT shall be responsible for obtaining all necessary permits from federal, state, and local agencies of government and compliance with land use and environmental regulations pertaining to the performance of work under this AGREEMENT.

Compliance with Labor Laws. During the term of the AGREEMENT, the RECIPIENT and its contractors, subcontractors, and lessees shall comply with all applicable STATE and FEDERAL workmen's compensation, employer's liability and safety and other similar laws applicable to the RECIPIENT, including but not limited to the Washington Industrial Safety and Health Act, RCW 49.17, the Industrial Insurance Act, RCW Title 51, and the Occupational Safety and Health Act of 1970, 29 U.S.C. ch. 15.

Equal Employment Opportunity. In connection with the execution of this AGREEMENT, the RECIPIENT or its Contractor shall not discriminate against any employee or applicant for employment because of race, creed, marital status, age, color, sex or national origin, or disability, except for a bona fide occupational qualification. The RECIPIENT agrees to comply with all applicable state and federal laws against discrimination, including but not limited to Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, the Washington Law Against Discrimination, RCW 49.60, and for recipients of FAA funds authorized by 49 U.S.C. 47101 *et seq.*, 49 C.F.R. Part 26.

Section 25

Ethics

Relationships with Employees and Officers of WSDOT. The RECIPIENT, and any contractor or subcontractor on the PROJECT, shall not extend any loan, gratuity, gift, compensation, or reward in any form whatsoever to any employee or officer of the STATE, nor shall the RECIPIENT or any contractors or

subcontractors on the PROJECT participate in any kind of business transaction with any employee or officer of the STATE, including but not limited to renting or purchasing any Project equipment and materials from any employee or officer of the STATE.

Employment of Former WSDOT Employees. The RECIPIENT, and any contractor or subcontractor on the PROJECT, hereby warrants that it shall not engage on a full, part-time, or other basis during the period of this AGREEMENT, any professional or technical personnel who are, or have been, at any time during the period of this AGREEMENT, in the employ of the STATE, without the prior written consent of the person's employing agency.

Section 26

Environmental Protections and Archeological Preservation

The CONTRACTOR agrees to comply with all applicable requirements of chapter 43.21C RCW "State Environmental Policy Act" (SEPA). The CONTRACTOR also agrees to comply with all applicable requirements of Executive Order 05-05, Archeological and Cultural Resources, for all capital construction projects or land acquisitions for the purpose of a capital construction project, not undergoing Section 106 review under the National Historic Preservation Act of 1966 (Section 106).

Section 27

Independent Contractor

The RECIPIENT shall be deemed an independent contractor for all purposes and the employees of the RECIPIENT or any of its contractors, subcontractors, lessees and the employees thereof, shall not in any manner be deemed the employees or agents of the STATE.

Section 28

Safety and Liabilities

Safety. The RECIPIENT shall do all things necessary and proper for the safe operation of the PROJECT and shall comply with all regulations prescribed by law or any public authority with respect thereto for the safety of the public or otherwise.

Personal Liability of Public Officers. No officer or employee of the STATE or RECIPIENT shall be personally liable for any act, or failure to act, in connection with this AGREEMENT, to the extent they are acting in the scope of their employment or role as an agent of the STATE or RECIPIENT.

Responsibility for Damage. The STATE, Transportation Commission, Secretary of Transportation, CARB members and all officers and employees of the STATE including, but not limited to, those of the Department of Transportation shall not be responsible in any manner for: any loss or damage to the work or any part thereof; for any loss of material or damage to any of the materials or other things used or employed in the performance of the work; for any injury to or death of any persons, either workers or the public, or for damage to the public for any cause due to the intentional acts or negligence of the RECIPIENT or its workers, or anyone employed by it.

Indemnification. The RECIPIENT shall indemnify and hold the STATE and all its officers and employees harmless from, and shall process and defend at its own expense, all claims, demands, or suits at law or equity arising out of this AGREEMENT caused by the performance or failure to perform by the RECIPIENT, its agents, employees and/or its subcontractors of any and all duties prescribed by, or incidental to its performance under, this AGREEMENT; provided that nothing herein shall require the RECIPIENT to indemnify or hold the STATE harmless against claims, demands, or suits based solely upon the negligent conduct of the STATE, its officers or employees; and provided further that if the claims, demands or suit are caused by or result from the concurrent negligence of (a) the RECIPIENT's agents or employees and (b) the STATE's agents or employees, and involves those actions covered by RCW 4.24.115, this indemnity provision with respect to claims or suits based upon such negligence shall be valid and enforceable only to the extent of the RECIPIENT's negligence or the negligence of the RECIPIENT's agents or employees. This indemnification and waiver shall survive the termination of this AGREEMENT for all claims, demands, or suits at law or equity arising out of this Agreement during its term.

The RECIPIENT agrees that its obligations under this Section extend to any claim, demand and/or cause of

action brought by, or on behalf of, any of its employees or agents while performing construction and/or maintenance for the PROJECT. For this purpose, the RECIPIENT, by mutual negotiation, hereby waives with respect to the STATE only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance Act, chapter 51.12 RCW.

Section 29 No Waiver of State's Rights

The STATE shall not be precluded or stopped by any measurement, estimate, or certificate made either before or after the completion and acceptance of the work and payment therefore from showing the true amount and character of the work performed and materials furnished, or from showing that any such measurement, estimate, or certificate is untrue or incorrectly made, or that the work or materials do not conform in fact to the AGREEMENT. Neither the granting of an extension of time, nor acceptance of and/or payment for, the whole or any part of the work by the STATE shall bar the STATE from seeking recovery of damages or any money wrongfully or erroneously paid to the RECIPIENT. A waiver of any breach of contract shall not be held to be a waiver of any other or subsequent breach.

Section 30 Disputes Resolution

In the event that a dispute arises under this AGREEMENT which cannot be resolved between the PARTIES, either PARTY may request a dispute hearing with the CARB Chair, who may designate a neutral person to decide the dispute. The request for a dispute hearing must:

- 1) Be in writing;
- 2) State the disputed issues;
- 3) State the relative positions of the PARTIES;
- 4) State the RECIPIENT's name, address, and AGREEMENT number; and
- 5) Be mailed to the CARB Chair and the other PARTY's (respondent's) AGREEMENT representative within five (5) working days after the PARTIES agree they cannot resolve the dispute. The respondent shall send a written answer to the requestor's statement to both the CARB Chair or designee and the requestor within five (5) working days.

The CARB Chair or designee shall review the written statements and reply in writing to both PARTIES within ten (10) working days. The CARB Chair or designee may extend this period if necessary by notifying the PARTIES.

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding between the PARTIES, except as required by law or court order. Both PARTIES agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal. Nothing in this AGREEMENT shall be construed to limit the PARTIES' choice of a mutually acceptable alternative dispute resolution method in addition to the dispute hearing procedure outlined above.

Section 31 Venue

In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in Thurston County. The PARTIES also agree that each PARTY shall be responsible for its own attorney's fees and other legal costs, except as required by law.

Section 32 Complete Agreement

This document and referenced attachments contain all of the covenants, stipulations and provisions agreed upon by the PARTIES. No agents, or representative of either PARTY has authority to make, and the PARTIES shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the PARTIES as an amendment to this AGREEMENT prior to beginning or continuing any work to be covered by the amendment.

Section 33
Execution of Acceptance

The PARTIES adopt all statements, representations, warranties, covenants, and EXHIBITS to this AGREEMENT.

Section 34
Amendment

Either PARTY may request changes in these provisions. Such changes that are mutually agreed upon shall be incorporated as written amendments to this AGREEMENT. No variation or alteration of the terms of this AGREEMENT shall be valid unless made in writing and signed by authorized representatives of the PARTIES hereto prior to beginning or continuing any work to be covered by the amendment.

Section 35
Counterparts

This AGREEMENT may be executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

STATE OF WASHINGTON Department of Transportation

By: _____ Date: _____
David Fleckenstein, Director
WSDOT Aviation Division

By: _____ Date: _____
Authorized Representative
Title: _____
Print Name: _____
Print Title: _____

Approved as to Form on behalf of WSDOT:

By: Albert Wang Date: 12/14/2021
Assistant Attorney General
State of Washington

Any modification, change or revision to this AGREEMENT requires the further approval as to form by the Office of the Attorney General.

EXHIBIT A
SCOPE OF WORK,
PROJECT SCHEDULE &
BUDGET

Project Title: T-Hangar Door Replacements

Project Description: Replace 15 doors on the existing T-hangars and install 34 doors and walls to the existing open T-hangars to enclose them at the Auburn Municipal Airport.

Planning & Engineering (P/E)	\$ 0
Land Acquisition & ROW	\$ 0
Construction	\$ 750,000.00
Project Total	\$ 750,000.00

PROJECT SCHEDULE

ITEM	DATE
1. Plans & Specifications Complete	5/31/2022
2. Bid Advertising	6/01/2022
3. Bid Opening	6/30/2022
4. Award of Contract	7/15/2022
5. Start Construction	7/16/2022
6. Construction Complete	3/30/2023
7. Final Inspection	3/31/2023

EXHIBIT B

Project Number: 2021-014

Washington State
Community Aviation Revitalization Board

Initial Offer of Financial Aid

City of Auburn

Federal Tax Number: SW000206900

Offer Date: December 3, 2021

The Community Aviation Revitalization Board (CARB) is authorized by SB 5031 and SHB 1080, Section 4004, Session Laws of 2021 for direct loans to airport sponsors of public use airports in the State of Washington for the purposes of improvements that primarily support general aviation activities. This Initial Offer of Financial aid is contingent upon the availability of CARB funds. CARB hereby offers to make funds available to the **City of Auburn**, hereafter referred to as the "RECIPIENT," to aid in financing the cost of, or improvements to, airport facilities consisting of the **T-Hangar Door Replacement Project** as described in the application (hereafter collectively referred to as the "Project").

This offer consists of:

- General Obligation loan of \$750,000
- Interest rate: 2.0 percent (%) per annum on the outstanding principal balance
- Term: 20 years maximum, including up to 3 years of deferred principal and interest

This offer is subject to completion of pre-contract conditions, as described in Attachment A.

A final contract shall be developed by CARB prior to disbursement of funds. No project costs incurred prior to this offer date will be reimbursed by CARB. In the event a final contract is not executed, no CARB funds will be disbursed.

If accepted, this Initial Offer of Financial Aid must be signed and returned to CARB by **January 15, 2022**.

ACCEPTANCE

FOR CARB

David Fleckenstein
Director, WSDOT – Aviation
Board Member, CARB

Date: _____

FOR THE RECIPIENT

Signature*

Name: _____

Title: _____

Date: _____

* Authorized to accept offer on behalf of RECIPIENT

EXHIBIT C, ESTIMATED LOAN REPAYMENT SCHEDULE - CITY OF AUBURN

ENTER VALUES

Loan amount	\$750,000.00
Annual interest rate	2.00%
Loan period in years	10
Number of payments per year	1
Start date of loan	4/1/2023

Optional extra payments	\$0.00
-------------------------	--------

LOAN SUMMARY

Scheduled payment	\$83,494.90
Scheduled number of payments	10
Actual number of payments	20
Total early payments	\$0.00
Total interest	\$84,948.96

LENDER NAME	CARB / WSDOT - Aviation Division
-------------	----------------------------------

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	4/1/2023	\$750,000.00	\$83,494.90	\$0.00	\$83,494.90	\$68,494.90	\$15,000.00	\$681,505.10	\$15,000.00
2	4/1/2024	\$681,505.10	\$83,494.90	\$0.00	\$83,494.90	\$69,864.79	\$13,630.10	\$611,640.31	\$28,630.10
3	4/1/2025	\$611,640.31	\$83,494.90	\$0.00	\$83,494.90	\$71,262.09	\$12,232.81	\$540,378.22	\$40,862.91
4	4/1/2026	\$540,378.22	\$83,494.90	\$0.00	\$83,494.90	\$72,687.33	\$10,807.56	\$467,690.89	\$51,670.47
5	4/1/2027	\$467,690.89	\$83,494.90	\$0.00	\$83,494.90	\$74,141.08	\$9,353.82	\$393,549.81	\$61,024.29
6	4/1/2028	\$393,549.81	\$83,494.90	\$0.00	\$83,494.90	\$75,623.90	\$7,871.00	\$317,925.91	\$68,895.29
7	4/1/2029	\$317,925.91	\$83,494.90	\$0.00	\$83,494.90	\$77,136.38	\$6,358.52	\$240,789.53	\$75,253.80
8	4/1/2030	\$240,789.53	\$83,494.90	\$0.00	\$83,494.90	\$78,679.11	\$4,815.79	\$162,110.43	\$80,069.60
9	4/1/2031	\$162,110.43	\$83,494.90	\$0.00	\$83,494.90	\$80,252.69	\$3,242.21	\$81,857.74	\$83,311.80
10	4/1/2032	\$81,857.74	\$83,494.90	\$0.00	\$83,494.90	\$81,857.74	\$1,637.15	\$0.00	\$84,948.96
					\$834,948.96	\$750,000.00	\$84,948.96		