



# Meeting Agenda

## City Council

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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**Tuesday, April 14, 2015**

**8:00 PM**

**Council Chambers**

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### Special Council Meeting

**1. ROLL CALL**

**1.A ANNOUNCEMENTS**

**1.B APPROVAL OF AGENDA**

**2. PUBLIC COMMUNICATION - For Consent Calendar Items**

*(Sign Up Sheets are Provided in the Foyer)*

### COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

**3. CONSENT CALENDAR**

*(Items of a Routine Nature)*

**3.A [15-0376](#) Approval of April 7, 2015 City Council Meeting Minutes**

**Attachments:** [Minutes](#)

**3.B [15-0338](#) Approval of Interlocal Agreement Between the Cities of Olympia, Lacey and Yelm for Implementing Deschutes Water Rights Mitigation Strategy-Phase IV**

**Attachments:** [Interlocal Agreement - Phase IV](#)

**3.C [15-0350](#) Approval of Intergovernmental Agreement for Law Enforcement Management Systems (LERMS) System Administrator**

**Attachments:** [LERMS Interlocal](#)

**3.D [15-0373](#) Approval of a Real Estate Purchase and Sale Agreement with the Low Income Housing Institute, Inc. (LIHI) for Property Located at 318 State Ave.**

**Attachments:** [Purchase and Sale Agreement](#)

### 3. SECOND READINGS

**3.E [15-0310](#) Approval of Amendment to Ordinance 6947 (Operating Budget)**

**Attachments:** [Ordinance](#)

- 3.F [15-0311](#) Approval of Amendment to Ordinance 6946 (Capital Budget)

Attachments: [Ordinance](#)

- 3.G [15-0320](#) Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis Related Uses Not Addressed by I-502

Attachments: [Moratorium Extension Ordinance](#)

### 3. FIRST READINGS

- 3.H [15-0352](#) Approval of Appropriations Ordinance in the Amount of \$65,476 for Law Enforcement Records Management System (LERMS) Administrator

Attachments: [Appropriation Ordinance](#)

### 4. CONTINUED PUBLIC COMMUNICATION - For Issues Other Than Consent Calendar Items

*During this portion of the meeting, citizens may address the Council regarding only items related to City business, except on agenda items for which the City Council either held a Public Hearing in the last 45 days, or will hold a Public Hearing within 45 days. Individual testimony is limited to three minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the Council will refrain from commenting on individual testimony until all public comment has been taken.*

### COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

### 5. REPORTS AND REFERRALS

#### 5.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

#### 5.B CITY MANAGER'S REPORT AND REFERRALS

### 6. EXECUTIVE SESSION

*Pursuant to RCW 42.30.110 (1)(b) - Real Estate Matter*

### 7. ADJOURNMENT

*The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please contact the Council's Secretary at 360.753-8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.*



City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8447

## City Council

### Approval of April 7, 2015 City Council Meeting Minutes

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.A  
**File Number:** 15-0376

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**Type:** minutes   **Version:** 1   **Status:** Consent Calendar

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**Title**

Approval of April 7, 2015 City Council Meeting Minutes



# Meeting Minutes - Draft

## City Council

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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**Tuesday, April 7, 2015**

**7:00 PM**

**Council Chambers**

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**1. ROLL CALL**

**Present:** 7 - Mayor Stephen H. Buxbaum, Mayor Pro Tem Nathaniel Jones, Councilmember Jim Cooper, Councilmember Julie Hankins, Councilmember Steve Langer, Councilmember Jeannine Roe and Councilmember Cheryl Selby

**1.A ANNOUNCEMENTS**

Mayor Buxbaum reminded everyone to participate in the water pledge.

**1.B APPROVAL OF AGENDA**

The agenda was approved.

**2. SPECIAL RECOGNITION**

**2.A [15-0340](#) Special Recognition - Action Plan "Launch Party" April 18**

Senior Planner Stacey Ray introduced this item and shared information about the event.

**The recognition was received.**

**3. PUBLIC COMMUNICATION**

James O. Wright, Jr. spoke.

**4. CONSENT CALENDAR**

Question re Item D - how is compensation calculated. City gets one half of appraised value.

**4.A [15-0357](#) Approval of March 31, 2015 Special Study Session Minutes**

**The minutes were adopted.**

**4.B [15-0356](#) Approval of March 31, 2015 City Council Meeting Minutes**

**The minutes were adopted.**

- 4.C [15-0038](#) Approval of Interlocal Agreement with Department of Enterprise Services for Street Sweeping Services

**The contract was adopted. Mayor Pro Tem Jones abstained from voting on Item 4C.**

- 4.D [15-0231](#) Approval of Resolution Setting Public Hearing Date for Right-of-Way Vacation of a Portion of the Alley at 600 Franklin Street SE

**The resolution was adopted.**

- 4.E [15-0232](#) Approval of Memorandum of Understanding Regarding Interim Reallocation of Reclaimed Water Supply From City of Olympia to City of Tumwater

**The contract was adopted. Mayor Pro Tem Jones abstained from voting on Item 4E.**

- 4.F [15-0302](#) Approval of Agreement with Port of Olympia to Access City Stormwater System

**The contract was adopted.**

- 4.G [15-0328](#) Approval of Multi-family Housing Limited Property Tax Exemption Agreement for 123 4th Avenue East

**The contract was adopted.**

#### **4. SECOND READINGS**

- 4.H [15-0318](#) Approval of an Ordinance Amending Advisory Committee and Commission Membership

**The ordinance was adopted on second reading.**

#### **4. FIRST READINGS**

- 4.I [15-0310](#) Approval of Amendment to Ordinance 6947 (Operating Budget)

**The ordinance was approved on first reading and moved to second reading.**

- 4.J [15-0311](#) Approval of Amendment to Ordinance 6946 (Capital Budget)

**The ordinance was approved on first reading and moved to second reading.**

#### **Approval of the Consent Agenda**

**Councilmember Hankins moved, seconded by Councilmember Langer, to adopt the Consent Calendar. The motion carried by the following vote:**

**Aye:** 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

## 5. PUBLIC HEARING

- 5.A [15-0320](#) Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis Related Uses Not Addressed by I-502

Code Enforcement Officer Chris Grabowski provided a brief background on the moratorium and why this extension is requested.

The public hearing was opened. No one spoke. The public hearing was closed.

**Mayor Pro Tem Jones moved, seconded by Councilmember Cooper, to approve on first reading and forward to second reading an ordinance extending the moratorium on medical marijuana collective gardens and other cannabis related uses not addressed by I-502 for an additional six months. The motion carried by the following vote:**

**Aye:** 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

## 6. OTHER BUSINESS

- 6.A [15-0234](#) Briefing on US 101 / West Olympia Access Project

Transportation Engineering and Planning Manager Randy Wesselman provided the purpose and background of the project.

Mr. Perry Shea of SCJ Alliance spoke on the concept variations for the freeway ramps.

Transportation Division Director Mark Russell provided information on next steps. He stated the IJR process should be completed in the spring of 2016. Design work will then begin and there will be several phases to complete before construction begins, which will be many years down the road.

Councilmembers asked clarifying questions.

**The report was received.**

## 7. CONTINUED PUBLIC COMMUNICATION

## 8. REPORTS AND REFERRALS

**8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS**

Councilmembers reported on committees and events they attended.

Councilmember Cooper requested a Study Session be set in May to look at recommendations from the Finance Committee on building a sustainable budget. Council agreed to a 5:30 p.m. Special Study Session on May 5.

At the request of Councilmember Roe, staff will research information about maintenance and operating costs for the State Capital Historical Museum.

**8.B CITY MANAGER'S REPORT AND REFERRALS**

City Manager Steve Hall announced two upcoming events:

1. Green Business Awards
2. 30th Annual Business Recognition Awards

**9. ADJOURNMENT**

The meeting adjourned at 8:42 p.m.



## City Council

### Approval of Interlocal Agreement Between the Cities of Olympia, Lacey and Yelm for Implementing Deschutes Water Rights Mitigation Strategy- Phase IV

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.B  
**File Number:** 15-0338

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**Type:** decision **Version:** 1 **Status:** Consent Calendar

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#### **Title**

Approval of Interlocal Agreement Between the Cities of Olympia, Lacey and Yelm for Implementing Deschutes Water Rights Mitigation Strategy- Phase IV

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee

##### **City Manager Recommendation:**

Move to approve the Interlocal Agreement Between the Cities of Olympia, Lacey and Yelm for Implementation of the Deschutes Water Rights Mitigation Strategy- Phase IV and authorize the Mayor to sign the agreement.

#### **Report**

##### **Issue:**

Whether to approve an Interlocal Agreement to continue water rights mitigation in the Deschutes basin with the Cities of Lacey and Yelm.

##### **Staff Contact:**

Laura Keehan, Senior Planner, Public Works/Water Resources, 360.753.8321

##### **Presenter(s):**

None

#### **Background and Analysis:**

For several years, the Cities of Olympia, Lacey, and Yelm worked together to develop collaborative mitigation strategies for the Deschutes River Basin associated with our applications for new water rights. Each City has its own mitigation plan, approved by the Washington State Department of Ecology. These plans include strategies for acquiring additional water rights, purchasing land, and restoring habitat.



Over the past eight years the cities worked to complete required mitigation under three previous interlocal agreements (Phases I - III). This interlocal agreement initiates Phase IV work at the Deschutes River Farm, purchased by the three cities in May 2011. Authorized mitigation work under the Phase IV agreement includes:

- Project and property management
- Vegetation maintenance
- Engineering design
- Permitting

This interlocal agreement authorizes the three cities to spend \$165,800. All costs will be shared equally by the three cities. Olympia's one-third share will not exceed \$55,267.

Construction of the restoration projects will be done under a separate interlocal agreement. This agreement will be brought to Council in approximately two years, after design and permitting work authorized by this agreement is complete.

The Lacey and Yelm City Councils are also considering approval of this interlocal agreement during their meetings this month.

**Neighborhood/Community Interests (if known):**

The three cities continue to communicate with the Squaxin Island Tribe on ideas for possible future restoration projects at the Deschutes River Farm.

**Options:**

- Approve the interlocal agreement with the cities of Lacey and Yelm to implement required water rights mitigation actions. This will ensure compliance with Olympia's required water rights mitigation.
- Decline or modify the interlocal agreement. This will jeopardize Olympia's ability to complete the water rights mitigation actions required by the Department of Ecology.

**Financial Impact:**

Olympia's share, \$55,267 (one-third of the total cost), will be paid from the Drinking Water Utility Capital Fund.

*When recorded return to:*  
City of Olympia  
PO Box 1967  
Olympia, WA 98507-1967

**INTERLOCAL AGREEMENT BETWEEN  
THE CITIES OF OLYMPIA, LACEY AND YELM  
FOR IMPLEMENTING DESCHUTES WATER RIGHTS  
MITIGATION STRATEGY – PHASE IV**

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**Whereas**, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

**Whereas**, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

**Whereas**, the Cities of Olympia and Lacey have received approval for water rights from the Department of Ecology and Yelm's application is approved, pending an appeal; and

**Whereas**, in order to secure approvals of those water rights, the Cities have cooperatively developed a mitigation strategy for the Deschutes River that has been accepted by the Washington Department of Ecology; and

**Whereas**, the mitigation strategy includes restoration of 200 acres of farmland jointly purchased by the cities in the Deschutes River watershed. Restoration projects will take place over several years and include: riparian planting along 1 mile of river frontage, stream channel and wetland restoration, and ongoing land management responsibilities; and

**Whereas**, by Interlocal Agreement effective November 14, 2007, the Cities completed Phase I of a water rights acquisition strategy by identifying potential water rights for acquisition; and

**Whereas**, by amended Interlocal Agreement effective January 19, 2010, the Cities completed Phase II of a water rights acquisition strategy for mitigation purposes by jointly acquiring water rights and property in the Deschutes River basin and developing a habitat restoration assessment for that property; and

**Whereas**, through Interlocal Agreement effective August 23, 2012, the Cities completed Phase III of the Deschutes Mitigation Strategy by retiring water rights; fencing the Deschutes River property; developing a 60% design, project schedule and costs for habitat restoration projects identified in the cities' mitigation plans; and contracting for the services of a project manager to coordinate and lead this effort; and

**Whereas**, the cities will continue implementation of the Deschutes Mitigation Strategy in Phase IV by completing the design and bid specifications for the habitat enhancement projects that were designed to 60% under Phase III, applying for and obtaining necessary project permits, and hiring consultants to help support this effort and to oversee ongoing property management. Authorization for construction of designed restoration projects will be accomplished through a separate agreement after design work is completed; and

**Whereas**, the cities may be doing other restoration work on the Deschutes River Farm property not related to this Interlocal Agreement, but through a Memorandum of Understanding (MOU) with the Squaxin Island Tribe signed November 29, 2011. In this MOU the cities have agreed to form the Budd/Deschutes Watershed Environmental Stewardship Coalition and provide additional funding for habitat restoration activities; and

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Cities of Lacey, Olympia and Yelm (Cities) agree as follows:

**I. Purpose/Objective**

The Cities have each developed mitigation plans to offset potential surface water impacts to the Deschutes River from groundwater withdrawals from the McAllister and Yelm sub-basins of the Nisqually River watershed and the Hawks Prairie area of WRIA 13. Within each of these plans, the cities submitted a joint mitigation plan for the Deschutes River Basin to the Washington Department of Ecology (WDOE). The WDOE has issued the Cities of Olympia (CS2-SWC8030, CS2-01105, CS2-SWP10191) and Lacey (ROEs G2-29165, G2-29304, G2-30250, G2-30251, G2-30248, G2-30249) water rights, and has issued the City of Yelm's water rights pending an appeal (ROE G2-29085).

The purpose of this Agreement is to allow the Cities to continue with implementation of projects identified in their mitigation plans and meet conditions of final water rights approval by WDOE.

## II. Scope of Agreement/Work

This Agreement provides authority for the City Managers or Mayor of each Party to enter into the necessary agreements to accomplish all tasks necessary for completion of Phase IV work. Specific Phase IV work to be accomplished under this agreement include contracting for project and property management, riparian area maintenance, engineering design and services, and permitting work. Future implementation work will be accomplished through a separate agreement after design work is completed. This agreement also allows the cities to coordinate on decision-making related to contract management, consultant communication and dissemination of project information to appropriate staff within their own jurisdiction.

The Cities agree to jointly engage the services of one or more consultants, organizations, or agencies to assist the Cities in services related to implementation of the Deschutes Mitigation strategy submitted to the WDOE.

The Cities will jointly enter into a professional services agreement with one or more consultants, organizations, or agencies agreed upon by the parties for Phase IV development and implementation, including riparian monitoring and maintenance, habitat enhancement design, project management, permitting assistance, property management activities, and legal analysis and review services as needed.

The Cities will jointly direct the work of the consultant, organization, or agency through a consensus-based decision making process. Consultants will be chosen through the standard selection process for professional services as required by the laws of the State of Washington and the Cities will jointly develop and issue the Request for Qualifications (RFQ), including the general scope and nature of the project or work, when required by law for consulting work and will make a unified recommendation for selection of the firm.

The consultant selection process shall include one or more project managers or engineers familiar with the municipal public work construction process. In addition to other criteria, consultants shall be evaluated on: 1) their ability to produce a complete, final bid-able set of project specifications; and 2) their ability to provide municipal construction support which may include but not be limited to bid award support, inspections, documentation, project management, and submittal review. Once the consultants are selected, the Cities shall coordinate with the consultants to develop any final Scope of Work and Professional Services Agreements amenable to each Party.

In recognition that one City would need to approve change orders, make payments, and keep track of insurance, bond and other legal requirements, the consultant that is hired would be instructed to use Olympia's project specifications with the Olympia City

Engineer or designee as the approver of change orders, pay estimates and related construction decisions.

This agreement also allows the cities to coordinate on decision-making related to contract management, consultant communication and dissemination of project information to appropriate staff within their own jurisdiction.

The cities may also jointly hire legal counsel on issues related to acquisition of water rights, property management and habitat enhancement for the purpose of mitigation and other related topics. Legal advice provided to the cities jointly shall be considered attorney client privileged not subject to disclosure.

**III. Implementation Activity Cost Sharing**

The Cities will equally contribute to all implementation activities under this Agreement.

**IV. Consultant Cost Sharing**

The Cities will equally divide costs for consultant services. Total costs for such services under this agreement are not to exceed \$165,800.00. Costs for future Phase V work will be determined as a result of the design work conducted in this Agreement.

**V. Method of Payment**

- a. Consultants will invoice each City separately on a monthly basis.
- b. Payment will be made separately by each City to the consultants upon receipt of an acceptable invoice, after completion of each task agreed upon in the professional services agreement.

**VI. Indemnification & Insurance**

Each City agrees to defend, indemnify and hold the other cities, their officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or in connection with the indemnifying City's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying City's officers, officials and employees.

**VII. No Separate Legal Entity Created**

This Agreement creates no separate legal entity.

**VIII. Duration of Agreement**

This Agreement shall be effective on the date of the last signature affixed hereto and shall terminate upon completion of the tasks necessary to accomplish the purpose of the agreement, unless sooner terminated by the Cities as provided herein.

**IX. Dispute Resolution**

a. Step One – Negotiation. In the event of a dispute concerning any matter pertaining to this Agreement, the Parties involved shall attempt to address their differences by informal negotiation. The Party perceiving a dispute or disagreement persisting after informal attempts at resolution shall notify the other Parties in writing of the general nature of the issues. The letter shall be identified as a formal request for negotiation and shall propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within ten (10) business days. The response shall succinctly and directly set out that Party's view of the issues or state that there is no disagreement. The Parties shall accept the date to meet or shall propose an alternate meeting date not more than ten (10) business days later than the date proposed by the Party initiating dispute resolution. The representatives of the Parties shall meet in an effort to resolve the dispute. If a resolution is reached the resolution shall be memorialized in a memorandum signed by all Parties which shall become an addendum to this Agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step One expenses. Negotiation under this provision shall not exceed 90 days. If a resolution is not reached within 90 days, the Parties shall proceed to mediation.

b. Step Two – Mediation. If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation. The mediator shall be chosen by agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step Two expenses. The parties to the mediation will share the cost of the mediator. A successful mediation shall result in a memorandum agreement which shall become an addendum to this Agreement. Mediation under this provision shall not exceed 90 days. If the mediation is not successful within 90 days, the Parties may proceed to litigation.

c. Step Three – Litigation. Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any legal action.

A Party may initiate an action without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened.

**X. Termination of Agreement**

This Agreement may be terminated upon mutual agreement of the Cities.

**XI. Interpretation and Venue**

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The parties hereby agree that venue for enforcement of any provisions shall be the Superior Court of Thurston County.

**XII. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by the Cities and supersedes any and all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

**XIII. Recording**

Prior to its entry into force, this Agreement shall be filed with the Thurston County Auditor's Office or posted upon the Cities' websites as provided by RCW 39.34.040.

**XIV. Counterparts**

This Agreement may be executed in counterparts, and all such counterparts once so executed shall together be deemed to constitute one final agreement, as if one document had been signed by all Parties, and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding on the parties. A faxed or email copy of an original signature shall be deemed to have the same force and effect as the original signature.

**XV. Notice**

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit with the United States Postal Service.

**CITY OF OLYMPIA:**

Attn: Laura Keehan, Senior Planner  
Re: Water Rights Mitigation/Deschutes Basin  
PO Box 1967  
Olympia, WA 98507-1967

**CITY OF LACEY:**

Attn: Peter Brooks, Water Resource Manager  
Re: Water Rights Mitigation/Deschutes Basin  
420 College St SE  
Lacey, WA 98503

**CITY OF YELM:**

Attn: Shelly Badger, City Administrator  
Re: Water Rights Mitigation/Deschutes Basin  
105 Yelm Ave. W  
Yelm, WA 98597

This Agreement is hereby entered into between the Cities and shall take effect on the date of the last authorizing signature affixed hereto:

**CITY OF OLYMPIA**

\_\_\_\_\_  
Stephen H. Buxbaum, Mayor

Date: \_\_\_\_\_

Approved as to form:

Darren Nienaber

Darren Nienaber, Deputy City Attorney



**CITY OF YELM**

\_\_\_\_\_  
Ron Harding, Mayor

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
P. Stephen DiJulio, Attorney

**CITY OF LACEY**

\_\_\_\_\_  
Scott Spence, City Manager

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
David Schneider, City Attorney





## City Council

### Approval of Intergovernmental Agreement for Law Enforcement Management Systems (LERMS) System Administrator

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.C  
**File Number:** 15-0350

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**Type:** contract   **Version:** 2   **Status:** Consent Calendar

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#### **Title**

Approval of Intergovernmental Agreement for Law Enforcement Management Systems (LERMS) System Administrator

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the intergovernmental agreement and authorize the City Manager to sign on behalf of the City.

#### **Report**

##### **Issue:**

The City of Olympia participates in a consortium of five local cities that share a law enforcement records management system (LERMS). A Systems Administrator is required to ensure the system runs effectively and efficiently.

##### **Staff Contact:**

Laura Wohl, Administrative Services Manager, Olympia Police Department, 360.753.8214

##### **Presenter(s):**

NA - Consent item

#### **Background and Analysis:**

The LERMS consortium consists of the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. The five jurisdictions share a law enforcement records management system that houses all data related to policing activity. The consortium was developed so that the jurisdictions could share the expense of the complex system and so that law enforcement information can be shared throughout the region.

The LERMS consortium implemented a new system in 2013. The system is significantly more robust than the previous software used by the consortium. It is also substantially more complex. The Executive Board of the consortium, on which the Chiefs of Police from each jurisdiction sit, has

determined that a Systems Administrator is required to manage the system: to coordinate software changes with the vendor; to manage training for users; to ensure the five cities use the system in a consistent manner; etc.

The City of Olympia has an employee with the requisite skills and abilities to provide the services. On March 25, 2015, the Executive Board voted to contract with the City of Olympia for Systems Administrator services that will be provided by the City of Olympia employee. The member cities allocated an additional \$65,476 to fund the contract which will be paid to the City of Olympia.

The contract requires the signature of the business agent of the consortium (Chief Ronnie Roberts) and the signature of the City of Olympia City Manager.

**Neighborhood/Community Interests (if known):**

NA

**Options:**

1. Approve the contract and direct the City Manager to sign on behalf of the City, which will provide Systems Administrator services to the LERMS consortium.
2. Do not approve the contract and direct the City of Olympia Chief of Police, as the City's representative to the LERMS Executive Board, to seek out other alternatives for securing the services.

**Financial Impact:**

The City of Olympia will receive \$65,476 in 2015.

INTERGOVERNMENTAL AGREEMENT  
FOR SERVICES

This Agreement is made and entered into, by and between the Thurston County Records Management Consortium hereinafter called "LERMS" and the City of Olympia, a municipal corporation, hereinafter called "Olympia."

WHEREAS, the cities of Lacey, Olympia, Tenino, Tumwater and Yelm (LERMS) have entered into an "Intergovernmental Agreement for Law Enforcement Records Management System" and,

WHEREAS, such Intergovernmental Agreement calls for the use of a System Administrator and there is currently a need for filling such a position, and

WHEREAS, Olympia has the personnel in the nature of Jeanelle Stull who has the skill and training to perform such functions, and

WHEREAS, such Intergovernmental Agreement provides that the LERMS Executive Board may authorize its Lead Agency to enter into a contract to provide administration services; and

WHEREAS, the executive Board of LERMS met on December 17, 2014 and authorized the Lead Agency of LERMS to enter into a contract for such services;

NOW, THEREFORE,

IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Olympia shall provide to the LERMS the services of Jeanelle Stull, an employee of Olympia to perform those functions set forth in Section 2 of this Agreement as well any additional responsibilities of the System Administrator set forth in the Intergovernmental Agreement for Law Enforcement Records Management System at Section V.(B)(3).
2. The services to be provided shall include the following:
  - A. Serve as System Administrator and IT Manager for LERMS;
  - B. Act as liaison between Sungard, the software vendor and the LERMS users and information staff;
  - C. Serve as project lead regarding implementation of new software and insuring that it is working properly;
  - D. Monitor compliance amongst LERMS agencies with LERMS records standards;

- E. Identify problems and work with the software vendor to resolve issues;
- F. Coordinate logistics related to the training for agency staff;
- G. Advise the LERMS Board on issues related to Consortium IT systems.

3. The term of this Agreement shall be 12 months from the date services are first rendered. However, the parties to this Agreement may extend such Agreement on an annual basis by approval of the LERMS Board.

4. LERMS shall pay to Olympia a fee of \$65,476.00 for these services.

5. This fee shall be included as part of the 2015 billing from Olympia (as Lead Agency) to LERMS members.

6. In the performance of the services called for herein, Olympia shall be an independent contractor and the staff member of Olympia who performs these services shall remain an Olympia employee. Olympia shall provide for all employee pay and benefits, the same as though this Agreement were not executed. The quality and results of the services to be performed shall meet the approval of the LERMS Board, however, the Olympia staff member providing the services shall not become or be considered to be an employee of LERMS. The sole remedy of the LERMS Board for failure of the Olympia staff member to meet the quality and results of services to be performed shall be termination of services by the LERMS Board.

7. The City of Olympia agrees to maintain such books, records, and documents which are necessary to provide for adequate documentation of the actions taken pursuant to this Agreement and to provide sufficient information so that the LERMS Board may assure proper accounting of all funds paid or expended pursuant to this Agreement.

8. The term of services under this Agreement shall be from January 28, 2015 to January 28, 2016, unless terminated earlier at the request of the LERMS Board. Services performed prior to the effective date of this agreement but within its scope are hereby ratified and affirmed.

9. Prior to its entry into force, this Agreement shall be filed with the Thurston County Auditor's Office or posted upon the websites or other electronically retrievable public source as required by RCW 39.34.040.

10. LERMS Member Agencies and Olympia each agree to defend, indemnify and hold the other, their officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or in connection with each entity's respective performance of its responsibilities under the Agreement, except to the extent such injuries and damages are caused by the negligence of the other.

IN WITNESS WHEREOF, the parties have hereto caused this agreement to be entered as of the date of the last authorizing signature affixed hereto.

For the City of Olympia:

Approved as to Form:

\_\_\_\_\_  
Steven R. Hall, City Manager  
Dated: \_\_\_\_\_

  
\_\_\_\_\_  
Assistant City Attorney

Lead Agency For LERMS:

\_\_\_\_\_  
Ronnie Roberts  
Chief of Police, City of Olympia  
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## City Council

### Approval of a Real Estate Purchase and Sale Agreement with the Low Income Housing Institute, Inc. (LIHI) for Property Located at 318 State Ave

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.D  
**File Number:** 15-0373

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**Type:** contract   **Version:** 1   **Status:** Consent Calendar

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#### **Title**

Approval of a Real Estate Purchase and Sale Agreement with the Low Income Housing Institute, Inc. (LIHI) for Property Located at 318 State Ave

#### **Recommended Action**

##### **City Manager Recommendation:**

Move to approve the Real Estate Purchase and Sale Agreement with LIHI and to authorize the City Manager to execute all necessary documents in conjunction with the sale.

#### **Report**

##### **Issue:**

Consider entering into a Real Estate Purchase and Sale Agreement with LIHI for property located on State Avenue for use as low income housing.

#### **Staff Contact:**

Steve Hall, City Manager, 360-753-8447

#### **Presenter(s):**

N/A - Consent Calendar

#### **Background and Analysis:**

LIHI provides affordable housing for low income residents throughout the Puget Sound area. LIHI is in the process of obtaining funding from the State of Washington to develop a 41-unit affordable housing project in Olympia. LIHI is also pursuing Federal Low Income Tax Credits from the State Housing Finance Commission (HFC) to complete financing for the project.

The housing is targeted for homeless, veterans, developmentally disabled adults and homeless young adults. LIHI intends to provide on-site management for the apartments.

The City of Olympia has been talking with LIHI about partnering to provide low income housing for the poor and infirm and providing maximum benefit to the community.

As a result of these conversations, Olympia is proposing to sell a portion of City owned property at State and Adams to accommodate the project. This location is immediately adjacent to the downtown bus terminal and other residential services. In addition, a well- designed building at this corner will add to the aesthetics of the State Avenue corridor.

The site is primarily the gravel portion of the property at State and Adams. Most of the site has been cleaned up and should receive State DOE approval as requiring no further action. The northerly portion of the site (approximately 60 feet x 120 feet) still has groundwater monitoring wells on location. LIHI has an option to accept this portion of the site in the first five years after the initial sale set forth in the Real Estate Purchase and Sale Agreement.

**Neighborhood/Community Interests (if known):**

LIHI has committed to reaching out to the neighboring property owners to describe the project and answer questions.

**Options:**

1. Approve the Real Estate Purchase and Sale Agreement as presented
2. Do not approve the Real Estate Purchase and Sale Agreement

**Financial Impact:**

The City is proposing to sell the real estate for \$100,000. As a condition of the sale, LIHI agrees to provide affordable housing at the site for 15 years. LIHI is responsible for all additional costs, fees, and taxes related to project construction.

## REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between City of Olympia ("Seller") and Low Income Housing Institute (LIHI) Inc., a Washington non-profit corporation ("Buyer"), jointly referred to as "the Parties."

### Recitals

Seller is the owner of certain real property located at **318 State Avenue NE, Olympia, Thurston County, Washington**, consisting of approximately 15,960 square feet and more particularly described on **Exhibit A** (legal description and sketch) attached hereto and by this reference incorporated herein.

The Seller is interested in having new residential housing east of the Intercity Transit Center and north of State Avenue in the City of Olympia, because this area lacks new residential development. It is Seller's hope that new residential development at that location will help spur additional new development. The Washington State Constitution allows municipal funds to be spent in support of the infirm and the poor. Buyer agrees to develop and build low income residential housing upon the real property described in Exhibit A, attached hereto.

The signatories to this Agreement are authorized to execute associated documents, to correct legal descriptions if need be, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer agree as follows:

**1. Property.** Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

**1.1 Land.** That certain real property located in Olympia, Thurston County, Washington, comprising tax parcel number 78503200500 and more particularly described on Exhibit A attached hereto (the "Land"). Buyer agrees that the use of the Land will be restricted to use as low income housing and ancillary supportive uses for a period of fifteen (15) years from issuance of a certificate of occupancy following all required building and structural inspections for Buyer's low income residential development

**1.2 Appurtenances.** All rights, privileges and easements appurtenant to the Land, including without limitation all minerals, oil, gas and other hydrocarbon substances on and under the Land, all development rights, air rights, water, water rights and water stock relating to the Land, and any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "Appurtenances");

**1.3 Improvements.** All improvements and fixtures located on the Land.

**1.4 Personal Property.** Not applicable.

**1.5 Right of Access.** The Seller shall have the right to access monitoring wells 4 and 17 as described in the environmental documents provided to Buyer, until such time as Buyer has a need to construct over them.

**1.6 Abandoned Property.** Any of Seller's personal property left on the Land, including but not limited to any furniture and fixtures owned by Seller shall be considered abandoned

property, and at Closing title to such abandoned property shall pass to Buyer as if it had been conveyed by a bill of sale.

**1.7 License.** Seller shall grant Buyer a license to use and occupy the Property described in Exhibit D for construction staging and temporary construction access, excluding diesel equipment storage and subject to DOE requirements and disapproval.

All of the items described in **Paragraphs 1.1, 1.2, 1.3 and 1.4** above are herein collectively referred to as the "Property."

**2. Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **One Hundred Thousand and 00/100 Dollars (\$100,000.00)**.

**3. Payment of Purchase Price.** On the Closing date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price less any amounts to be credited against the Purchase Price pursuant to this Agreement. Within five (5) days following the execution and delivery of this Agreement, Buyer shall open escrow with Thurston County Title Insurance Company (the "Escrow Agent"), by depositing with Escrow Agent a copy of this executed Agreement.

**4. Closing Date.** The Closing (the "Closing") shall be held at the offices of the Escrow Agent, on the later of September 30, 2015, or the omnibus project financial closing no later than April 14, 2016, unless otherwise agreed by the parties. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded and the Purchase Price is delivered to the Escrow Agent for delivery to Seller.

**5. Title and Survey Matters.**

**5.1 Title Binder.** Buyer has ordered a preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by Thurston County Title Insurance Company ("Title Company") describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, if necessary, Buyer shall obtain from Title Company a written supplemental report to such preliminary commitment, in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder."

**5.2 Title Review.** Within thirty (30) business days of mutual execution hereof, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Seller what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property. If Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Seller shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.

**5.3 Title Policy.** At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require. Buyer's obligation to close this transaction shall be contingent on Buyer's approval, in its sole and absolute discretion of the Title Policy required under this section 5.

**6. Conditions to Buyer's Obligations.**

**6.1 Documents and Reports.** Within thirty (30) calendar days after the execution and delivery of this Agreement (the "Document Delivery Date"), Seller shall deliver to Buyer copies of the

documents and reports listed on attached Exhibit C to this Agreement and in Seller's possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on Exhibit C not in Seller's possession. All existing leases or occupancy agreements for the Property shall be referred to herein as the "Leases." All existing service contracts for the Property shall be referred to herein as the "Contracts." Buyer shall inform Seller, prior to the expiration of the Contingency Period (defined in section 6.5), which Contracts, if any, Buyer desires to assume at Closing (the "Assumed Contracts").

**6.2 Inspection of the Property.** Buyer and its employees, representatives, consultants and agents shall have the right and permission from the date Seller signs this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold harmless Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Seller with a copy of all soil or environmental test results for the property. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

**6.3 Appraisal of the Property.** Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property as is necessary to appraise the Property.

**6.4 Approval of the Property.** Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property, Buyer's financing, and all of the information delivered by Seller pursuant to **Paragraph 6.1** above or otherwise obtained by Buyer regarding the Property. Buyer's obligation to purchase the Property is also conditioned on the Washington State Housing Finance Commission's ("WSHFC") approval of Buyer's pending proposal to build a low income residential housing project at this location (the "WSHFC Approval"). Buyer shall notify Seller of the WSHFC Approval by June 15, 2015, at 5 p.m. or that Buyer has not received the WSHFC Approval by said date.

**6.5 Contingency Period.** As used herein, the term "Contingency Period" means the period ending at 5:00 p.m. on June 15, 2015.

**6.6 Buyer's Right to Terminate.** If Buyer's conditions set forth in **Paragraph 6.4** above are not satisfied in Buyer's sole and absolute discretion, Buyer shall have the right to terminate this Agreement by sending written notice to Seller and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency Period. If Buyer gives its Termination Notice to Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.

**6.7 Additional Closing Conditions.** Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts (whether written or oral), with respect to the Property shall be terminated in writing, except for the Assumed Contracts. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts, except for the Assumed Contracts, in a form acceptable to Buyer;

(ii) All representations and warranties of Seller contained herein, to the best of Seller's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by **Paragraph 5** of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

(v) At Closing, the physical condition of the Property shall be substantially the same as on the date hereof, ordinary wear and tear excepted.

If the conditions set forth in this **Paragraph 6** are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

**7. Seller's Representations and Warranties.** Seller hereby makes the following representations and warranties, to the best of Seller's knowledge, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing date:

**7.1 Title.** Seller is the sole owner of the Property, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed, free and clear of unapproved encumbrances of record.

**7.2 Compliance with Law; Compliance with Property Restrictions.** The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

**7.3 Bankruptcy, etc.** No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.

**7.4 Taxes and Assessments.** Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

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

**7.6 Mechanics' Liens.** No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

**7.7 Underground Storage Tanks.** Seller has no knowledge of (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled by the Seller in compliance with applicable law. There had been an underground storage tank on the site. To the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.

**7.8 Leases and Other Agreements.** Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property.

**7.9 Assumption of Liabilities.** Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing date. However, Buyer will cooperate and assist the Seller in Seller's efforts to obtain a no further action letter for the Property (the "No Further Action Letter") from the Washington State Department of Ecology ("DOE").

**7.10 Defaults.** Seller is not in default and there has occurred no uncured event which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

**7.11 Utilities.** The Property is served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.

**7.12 Public Improvements.** Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

**7.13 Subdivision.** The conveyance of the Property will not constitute a violation of any subdivision ordinance. The Improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

Seller shall, at its sole cost, obtain a boundary line adjustment necessary to conform the legal lot lines to the lot lines depicted in Exhibit A prior to the Closing date. Said boundary line adjustment shall be effective and recorded at or before Closing, prior to the Buyer receiving title from Seller.

**7.14 Due Authority.** Seller and Buyer have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.

**7.15 No Omissions.** The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

**8. Covenants of Seller.** Seller covenants and agrees as follows:

**8.1 Perform Obligations.** From the date of this Agreement to the Closing date, Seller will perform any monetary and non-monetary obligations it has regarding the Property.

**8.2 No Liens.** From the date of this Agreement to the Closing date, Seller will not allow any lien to attach to the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

**8.3 Provide Further Information.** From the date of this Agreement to the Closing date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

## 9. Closing.

**9.1 Time and Place.** Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in **Paragraph 4** of this Agreement.

**9.2 Documents to be Delivered by Seller.** For and in consideration of, and as a condition precedent to the payment to Seller of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Title Documents.** Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.

(iii) **Surveys and Drawings.** All surveys, site plans and plans and specifications relating to the Property as are in the possession or control of Seller, if any.

(iv) **Assignment.** An instrument of transfer in the form set forth on attached Exhibit G, pursuant to which Seller shall convey and assign to Buyer certain environmental indemnification rights more particularly described in Exhibit E.

(v) **Warranty Deed.** A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property.

(vi) **Restrictive Covenant.** A restrictive covenant or other mutually agreeable document that limits the use of the land for fifteen (15) years to low income housing and supportive uses to that primary use as specified in Paragraph 1.1. The restrictive covenant may be part of the Deed or be a separate document.

**9.3 Payment of Costs.** At Closing, Buyer shall pay all charges for their title insurance, the escrow fee, the recording fee, and the technology fee.

**9.4 Taxes.** Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205.

**9.5 Monetary Liens.** Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Seller is exempt by statute or administrative rule or regulation.

**9.6 Possession.** Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the Improvements, shall be delivered to Buyer in good order.

**9.7 Prorations.** All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer was in possession of the Property as of the date of Closing.

## 10. Environmental Compliance. Seller warrants, represents, covenants and agrees:

**10.1 Environmental Indemnity.** A. Until the December 31st following fifteen (15) years after the issuance of a certificate of occupancy on the Improvements made by Buyer on the



Property, but in no event more than twenty (20) years after the recording of the Statutory Warranty Deed with the Thurston County Auditor, the Seller shall defend, indemnify, and hold Buyer and its successors and assigns (collectively, "Indemnitees") harmless from any and all claims, liabilities, losses, damages, costs, liens, causes of action, suits, demands, judgments and expenses (including without limitation, reasonable court costs, attorneys' fees and costs of investigation), removal and remediation and governmental oversight costs (collectively, "Losses") arising out of or relating to the presence, disposal, escape, migration, leakage, spillage, discharge, emission, release or threatened release of any Hazardous Substance, as defined below, that exists in, on, under, or from the Property, upon and subject to the terms and conditions set forth below.

B. Notwithstanding anything to the contrary in this Agreement or otherwise, the Seller shall have no obligation to defend, indemnify, or hold Buyer or any other Indemnitee harmless with respect to any Losses arising (a) out of the release or threatened release of Hazardous Substances on the Property after Closing, or (b) out of the past release or threatened release of any Hazardous Substance on the Property caused by Buyer or any other Indemnitee, or any employee, agent, tenant, or contractor of Buyer or any other Indemnitee.

C. Promptly after the receipt by Buyer of notice of any claim or the commencement of any action or proceeding for which the Seller has agreed to indemnify Buyer, Buyer shall give the Seller written notice of such claim or the commencement of such action or proceeding and the Seller shall thereafter defend on behalf of Buyer, but at the Seller's sole cost and expense, any such action or proceeding for which indemnification is sought. No settlement of any such action or proceeding shall be made without Buyer's prior written approval, which shall not be unreasonably withheld (unless Buyer has previously been discharged from all liability in connection with such action or proceeding); provided that this provision is subject to the limitations of RCW 4.24.115 to the extent applicable.

**10.2 Definitions.** The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes" or "solid waste" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; and (d) chlorinated solvents. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions or hazardous substances.

**10.3 Environmental cleanup.** The Seller originally acquired the property as part of a larger site from the Washington State Department of Transportation ("WSDOT") pursuant to an agreement that provided, amongst other things, for environmental indemnification. Seller and Buyer contemplate that the Seller will continue working towards obtaining the No Further Action Letter on the Property described in Exhibit A.

**10.4 Release.** As of Closing, Seller releases Buyer, and except as provided in Section 10.1, Buyer releases Seller, from any and all Losses arising out of the presence of Hazardous Substances on, under, above, or about the property, including Hazardous Substances that migrate to or from the Property.

**11. Indemnification.** Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and its successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller prior to the Closing, not in conformance with this Agreement, or (d) any injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the Seller, its representatives, employees, contractor or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 11 applies to Losses arising out of the presence of Hazardous Substance on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property.

**12. Condemnation.** In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively "Condemnation") respecting the Property or any portion thereof, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement neither Buyer nor Seller shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Seller shall, prior to the Closing date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

**13. Casualty.** If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement neither Buyer nor Seller have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing date, this Agreement shall continue in effect, the Purchase Price shall be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

**14. Notices.** Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by Federal Express, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it shall be deemed given twenty four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given forty-eight (48) hours after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Buyer: LIHI  
2407 First Avenue  
Seattle, WA 98121-1311  
Attn: Sharon Lee

To Seller: City of Olympia  
City Manager  
PO Box 1967  
Olympia, WA 98507  
Attn: Steven R. Hall

With a copy to: City of Olympia  
Legal Department  
PO Box 1967  
Olympia, WA 98507-1967  
Attn: City Attorney

Any party hereto may change its address for the purpose of receiving notices as herein provided by a written notice given in the manner aforesaid to the other party hereto.

**15. Event of Default.** In the event of a default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder.

**16. Miscellaneous.**

**16.1 Applicable Law.** This Agreement shall in all respects, be governed by the laws of the State of Washington.

**16.2 Further Assurances.** Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the parties hereto.

**16.3 Modification or Amendment, Waivers.** No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

**16.4 Successors and Assigns.** All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns, including Buyer's covenant to use the Property for low income housing as specified in Paragraphs 1.1 and 9.2(vi).

Buyer may assign its rights and obligations under this Agreement to a limited partnership, limited liability company or limited liability partnership of which Buyer or an affiliate of Buyer is the general partner or manager without approval of the Seller. Any other assignment shall be subject to Seller approval, which shall not be unreasonably withheld, conditioned or denied. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.

**16.5 Entire Agreement and No Third Party Beneficiaries.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

**16.6 Attorneys' Fees.** Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

**16.7 Construction.** Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both parties had prepared it. If the date on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

**16.8 Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of

this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**16.9 Survival.** The covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof.

**16.10 Finders' or Brokers' Fees.** Seller represents and warrants that it has not dealt with any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement and insofar as it knows, no broker or other person is entitled to any commission, charge or finder's fee in connection with the transactions contemplated by this Agreement. Seller agrees to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or expense, including interest, penalties and reasonable attorneys' fees, that Buyer shall incur or suffer by reason of a breach by Seller of the representation and warranty set forth above.

**16.11 Time.** Time is of the essence of every provision of this Agreement.

**16.12 Risk of Loss.** All of Seller's personal property of any kind or description whatsoever on the Property shall be at Seller's sole risk. Buyer shall not be liable for any damage done to or loss of such personal property, injury to person or damage or loss suffered by the business or occupation of Seller caused in any manner whatsoever, unless and to the extent the damage is caused by the gross negligence or willful misconduct of Buyer.

**16.13 Force Majeure.** Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

**16.14 Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement.

**17. Option to Purchase.** Seller agrees to pursue expeditiously the cleanup of the property described in Exhibit D, in order to receive a no further action letter from DOE for the property described in Exhibit D. Buyer shall have the option to purchase from Seller the property described in Exhibit D for One Dollar and No Cents (\$1.00) exercisable at any time within five (5) years of the Closing date of this Agreement. The exercise of this Option to Purchase shall be under the same general terms of this Agreement. Buyer agrees it shall execute a restrictive covenant that the Property described in Exhibit D shall be used solely in support of and ancillary to the low income residential housing to be constructed upon the Property described in Exhibit A to this Agreement, subject to the Seller's approval.

**18. Expiration.** This offer will expire if not executed by Seller and Buyer on or before 5:00 p.m. on April 22, 2015.

[Signatures appear on the following page]

SELLER:

City of Olympia, a Washington municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

Darren Nienaber

City Attorney

BUYER:

Low Income Housing Institute (LIHI), a Washington nonprofit corporation

By: Sharon H. Lee

Sharon Lee, Executive Director

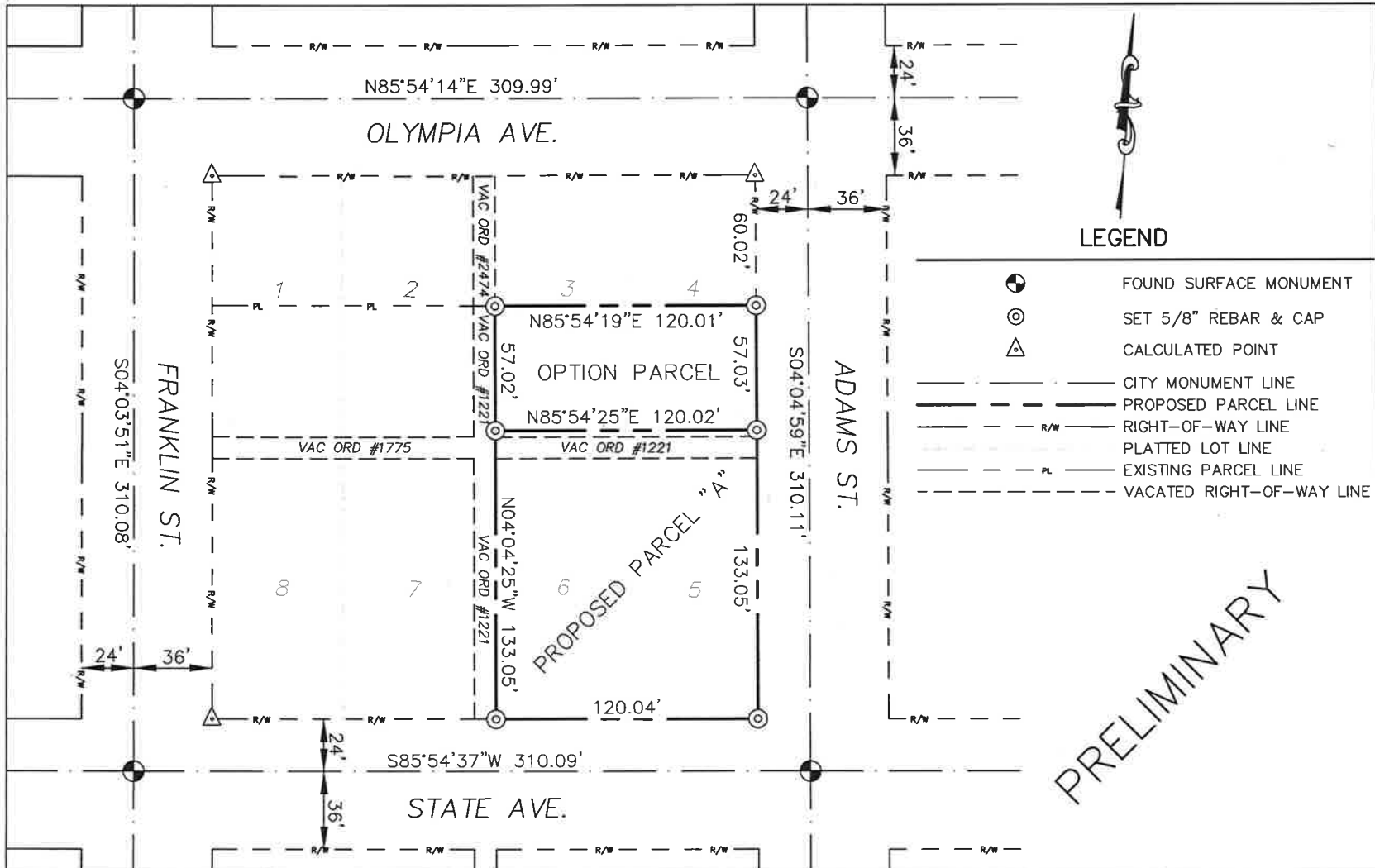
Date: 4/10/15

## EXHIBIT A

### Legal Description

Lots 5 and 6, the South 3.00 feet of Lots 3 and 4, Block 32, Sylvester's Plat of Olympia, as recorded in Volume 1 of Plats at page 14, records of Thurston County, Washington. TOGETHER WITH: the vacated east-west alley adjoining said Lots. EXCEPT THEREFROM: the north-south alley adjoining said Lots 3 and 6, as vacated by City of Olympia Ordinance No. 1775, dated June 5, 1923 and City of Olympia Ordinance No. 1221, dated October 22, 1912.

Containing 15,960 square feet, more or less.



**LEGEND**

- FOUND SURFACE MONUMENT
- SET 5/8" REBAR & CAP
- CALCULATED POINT
- CITY MONUMENT LINE
- PROPOSED PARCEL LINE
- RIGHT-OF-WAY LINE
- PLATTED LOT LINE
- EXISTING PARCEL LINE
- VACATED RIGHT-OF-WAY LINE

PRELIMINARY

PROJECT NO.		CITY OF OLYMPIA	DRAWING NAME
DRAWN	LFC	EXHIBIT "A"	318 State
QC REVIEW	LFC	318 STATE AVENUE PARCEL	SHEET 2 OF 2
SCALE	N.T.S.	BLOCK 32, SYLVESTER'S PLAT, VOLUME 1, PAGE 14	
		DATE	
		APRIL 2015	

**EXHIBIT B**

**Personal Property**

NONE



## EXHIBIT C

### Documents and Reports

1. Copies of all of leases or other occupancy agreements relating to the Property, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
4. Any service contracts or other similar agreements related to the Property.
5. Reports of environmental conditions related to the Property.
6. Surveys.
7. Soils reports.

## Exhibit D

The South half of Lots 3 and 4, Block 32, Sylvester's Plat of Olympia, as recorded in Volume 1 of Plats at page 14, records of Thurston County, Washington. EXCEPT THEREFROM: the South 3.00 feet of said Lots 3 and 4, the east-west alley adjoining said Lots, as vacated by City of Olympia Ordinance No. 1221, dated October 22, 1912, the north-south alley adjoining said Lot 3, as vacated by City of Olympia Ordinance No. 1775, dated June 5, 1923.

Containing 6,840 square feet, more or less.

**EXHIBIT E**

**Assignment**

**ASSIGNMENT AND ASSUMPTION**

THIS ASSIGNMENT AND ASSUMPTION (the "Assignment") is made as of this \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Transfer Date") by City of Olympia ("Assignor"), in favor of Low Income Housing Institute (LIHI), a non-profit corporation organized under the laws of the State of Washington("Assignee").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns and transfers to Assignee, as of the Transfer Date, all of the following relating to the real property legally described on attached (the "Property"), to the extent assignable:

While equally retaining the Assignor's own rights, the Assignor assigns its rights to Assignee under Article VII of the Real Property Purchase and Sale Agreement signed by the City of Olympia on March 12, 2008 and by the Washington State Department of Transportation on April 2, 2008. If Washington State Department of Transportation fails to accept this assignment, the Assignor reserves all rights under Article VII of that agreement.

IN WITNESS WHEREOF, this Assignment and Assumption is made as of the day and year first above written.

ASSIGNOR: THE CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

ASSIGNEE: Low Income Housing Institute (LIHI), a Washington nonprofit corporation

By: \_\_\_\_\_

Sharon Lee, Executive Director



## City Council

### Approval of Amendment to Ordinance 6947 (Operating Budget)

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.E  
**File Number:** 15-0310

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**Type:** ordinance **Version:** 2 **Status:** 2d Reading-Consent

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#### **Title**

Approval of Amendment to Ordinance 6947 (Operating Budget)

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve amending ordinance on second reading.

#### **Report**

##### **Issue:**

Amendment to Ordinance 6947

##### **Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

##### **Presenter(s):**

Dean Walz, Fiscal Services Director

##### **Background and Analysis:**

The background and analysis have not changed from first to second reading.

To change the budget the Council must approve a new ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion, a budget change needs to be made between the quarterly updates and a separate ordinance will come before the council. These ordinances do not officially amend the budget ordinance, but does provide authorization to expend funds. The attached ordinance reflects ordinances which may have been adopted relating to the budget since the last quarterly update, and other proposed changes to the budget.

One ordinance was passed since the adoption of ordinance 6947 relating to the Operating Budget. The ordinance passed on March 31, 2015, which appropriated General Fund, fund balance for the following purposes:

\$450,000	Fire Equipment Reserve
-----------	------------------------

\$360,000	CFP Contingency
\$350,000	Percival Landing
\$250,000	Downtown Strategy
\$200,000	Information Technology
\$108,680	LEOFF 1 Retiree post-employment benefits
\$ 90,410	Parking Management (special account)
\$ 70,000	Pedestrian Crossing
\$ 50,000	\$1 per Capita for Arts
\$ 50,000	Holly Landing
\$ 40,000	Sidewalk Repair
\$ 17,000	Interfaith Works Shelter
\$ 8,979	Council Goals
\$2,045,069	

The above fund balance resources were generated from 2014 budget savings and revenues excess of anticipated revenues.

The ordinance also appropriated funds identified above which will be transferred to various General Fund sub-funds:

\$290,410	Special Account Control Fund (Information Technology & Parking Management)
\$ 50,000	Municipal Arts Fund

Budget Items Not Previously Presented to the Council:

- 1) Appropriation of \$333,452 within the General Fund for additional cost of living increases (1%). 2015 costs of living increases were based on the percent of increase in sales tax in 2014 over 2013. The 2015 budget included a 2% cost of living increase. Labor contract required a cost of living increase of 3% if sales tax increased between 4% and 5% in 2014 over 2013. The sales tax increase in 2014 was 4.88%. The appropriation is funded from additional sales tax projected to be received in 2015.
- 2) Appropriation of \$68,732 for an additional 0.50 FTE in engineering to provide inspection back-up services to the Community Development & Planning Department (CP&D). The appropriation includes funding for the FTE and fund for CP&D to pay for the engineering services. The net increase of new revenue (\$33,000) will be provided by anticipated additional permit fees.
- 3) Appropriation of \$20,000 within the Information Technology account in the Special Accounts Control Fund, for software to support the Fire Department fleet management operations. Funding is provided by the Fire Department.
- 4) Appropriation of \$8,000 for Police Department management and supervision training. Funding is provided by a contribution from the Nisqually Tribe.
- 5) Appropriation and additional \$3,500 for the Ambassador Program. The original 2015 budget anticipated \$30,000 for funding to be provided by the Parking and Business Improvement Area (PTBA). The final PTBA budget provided \$33,500 for the Ambassador Program.
- 6) Appropriation of \$1,750 for crime prevention program supplies. Funding is provided by a donation from the Washington Auto Theft Prevention Agency.
- 7) Appropriation of \$250,000 for City Hall data center and generator upgrade project. Funding is provided by funds remaining in the City Hall Construction Fund.
- 8) Appropriation of \$95,000 for the Fire Department vehicle and equipment repair inventory.

Funding will be from charges to other agencies for vehicle and equipment repair services. The City provides vehicle and equipment repair and maintenance services to five agencies. Previously, each agency purchased and provided its own inventory. The maintenance of multiple inventories is inefficient. This will allow for a single inventory.

**Neighborhood/Community Interests (if known):**

None noted.

**Options:**

- 1) Approve ordinance amending ordinance 6947.
  
- 2) Do not approve the amending ordinance. The budget items not previously presented to the Council would not be authorized.

**Financial Impact:**

Total increase appropriations by \$3,165,913. Funding for these appropriations is noted above.

**Ordinance No.**

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO BUDGETS, FINANCE, AND SALARIES, AND AMENDING ORDINANCE NO. 6947.**

**WHEREAS**, the City of Olympia, having held a public hearing on the preliminary budget on November 18, 2014, as required by law, and having considered the public testimony presented; and

**WHEREAS**, the City Council of the City of Olympia passed Ordinance No. 6947 on December 16, 2014; and

**WHEREAS**, throughout the year, updates are required to recognize changes relating to budgets, finance and salaries; and

**WHEREAS**, the following amendments need to be made to Ordinance No. 6947:

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. 2015 Budget.** The budget for the calendar year 2015 is hereby adopted in the amounts and for the purposes as shown below; and the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the City Treasury hereinafter named.

<b>FUND</b>	<b>APPROP. FUND BALANCE</b>	<b>ESTIMATED REVENUE</b>	<b>APPROP.</b>	<b>ADDITIONS TO FUND BALANCE</b>
General, Regular Operations	\$43,267 <u>2,088,336</u>	\$65,069,728 <u>65,580,162</u>	\$65,112,995 <u>67,668,498</u>	
General, Special Sub-Funds				
Special Accounts	322,408 <u>342,408</u>	1,083,092 <u>1,373,502</u>	1,405,500 <u>1,715,910</u>	
Washington Center	5,000	258,988	263,988	
Municipal Arts	21,100	- <u>50,000</u>	21,100 <u>71,100</u>	
Equip & Facilities Reserve	967,880	1,260,105 <u>1,510,105</u>	2,227,985 <u>2,477,985</u>	
Total General Fund	<u>1,359,655</u> <u>3,424,724</u>	<u>67,671,913</u> <u>68,772,757</u>	<u>69,031,568</u> <u>72,197,481</u>	-
4 <sup>th</sup> /5 <sup>th</sup> Avenue Corridor Bridge Loan		561,450	561,450	
LTGO Bond Fund - 2006 Parks		1,196,000	1,196,000	
UTGO Bond Fund – 2009 Fire	3,621	1,191,510	1,195,131	-
City Hall Debt Fund – 2009	-	2,422,622	2,421,718	904
2010 LTGO Bond – Street Projects	4	436,009	436,013	
L.O.C.A.L. Debt Fund – 2010	-	178,283	178,282	1
2010B LTGO Bonds - HOCM		413,688	413,688	
2013 LTGO Bond Fund		674,725	674,725	
Water Utility O&M	61,558	11,630,610	11,692,168	
Sewer Utility O&M	-	18,047,323	18,047,323	

Solid Waste Utility	186,112	10,008,528	10,194,640	
Storm Water Utility	78,821	4,741,910	4,820,731	
Water/Sewer Bonds		2,125,894	2,102,519	23,375
		<u>2,042,632</u>	<u>2,019,257</u>	
<u>Stormwater Debt Service</u>		83,262	83,262	
Equipment Rental	-	1,686,365	1,672,188	14,177
<b>TOTALS</b>	<b>\$1,689,771</b>	<b>\$122,986,830</b>	<b>\$124,638,144</b>	<b>\$38,457</b>
	<b>\$3,754,840</b>	<b>\$124,087,674</b>	<b>\$127,804,057</b>	

**Section 2. Administration.** The City Manager shall administer the budget, and in doing so may authorize adjustments within the funds set forth in Section 1 above, to the extent that such adjustments are consistent with the budget approved in Section 1.

**Section 3. Salaries and Compensation.** The salaries and compensation for the City of Olympia employees for the calendar year 2015 shall be as set forth in the "Supplementary Information" section of the 2015 Adopted Operating Budget document, or as the same may be amended by the City Manager as part of his administration of the budget pursuant to Section 2 above.

**Section 4. Benefit Cost Sharing.** The City Manager is authorized to modify and establish benefit cost sharing for City employees; and such programs may be based, in part, on an employee's start date with the City.

**Section 5. Severability.** The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

**Section 6. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 7. Effective Date.** This Ordinance shall take effect five (5) days after publication, as provided by law.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
ASSISTANT CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:





## City Council

### Approval of Amendment to Ordinance 6946 (Capital Budget)

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.F  
**File Number:** 15-0311

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**Type:** ordinance **Version:** 2 **Status:** 2d Reading-Consent

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#### **Title**

Approval of Amendment to Ordinance 6946 (Capital Budget)

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve amending ordinance on second reading.

#### **Report**

##### **Issue:**

Amendment to Ordinance 6946

##### **Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

##### **Presenter(s):**

Dean Walz, Fiscal Services Director

##### **Background and Analysis:**

The background and analysis have not changed from first to second reading.

To change the budget the Council must approve a new ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion, a budget change needs to be made between the quarterly updates and a separate ordinance will come before the Council. These ordinances do not officially amend the budget ordinance, but does provide authorization to expend funds. The attached ordinance reflects ordinances which may have been adopted relating to the budget since the last quarterly update, and other proposed changes to the budget.

One ordinance was passed since the adoption of ordinance 6946 relating to the Capital Budget. The ordinance passed on March 31, 2015, which appropriated to the following Funds:

\$450,000	Fire Equipment Reserve
\$780,000	Capital Improvement Fund

These are monies budgeted by the same ordinance to be transferred from the General Fund to these Funds.

Budget Items Not Previously Presented to the Council:

- 1) Appropriation of \$327,405 for the Pacific Avenue Pedestrian Crossing improvement project. Funding is provided by a grant from the Federal Highway Safety Improvement Program.
- 2) Appropriation of \$200,000 for the 529 building demolition portion of the Isthmus Project. Funding is provided by Community Development Block Grant (CDBG) funds. These funds were previously identified with in the CDBG program but not previously budgeted to the Isthmus Project.
- 3) Appropriation of \$13,000 for Americans with Disabilities program for improvements at the Olympia Center. Funding is provided by resources budgeted to the Parks, Arts and Recreation Department.
- 4) Appropriation of \$211,300 towards the purchase of a Fire Truck. There are previously unappropriated funds within the Fire Equipment Reserve Fund.
- 5) Appropriation of \$230,000 of Real Estate Excise Tax to the Street Repair & Reconstruction Program and return funds previously re-allocated to the Street Repair & Reconstruction Program from the Grass Lake Program as part of the 2015 budget. After adoption of the 2015 budget it was discovered that the Grass Lake re-allocated budget was funded from proceeds from the sale of land which was dedicated to Open Space (Grass Lake) rather than from general capital facilities funding sources.
- 6) Appropriation of \$50,000 to the 22<sup>nd</sup> Avenue Sidewalk Project. Funding is provided by a grant from the Federal Transportation Alternatives Program.
- 7) Appropriation of \$250,000 for remaining resources in the City Hall Construction Fund to be transferred to the Equipment and Facilities Reserve Fund for the data center and generator upgrade project.

**Neighborhood/Community Interests (if known):**

None noted.

**Options:**

- 1) Approve ordinance amending ordinance 6946.
- 2) Do not approve the amending ordinance or re-allocation of budget. The budget items would not be authorized.

**Financial Impact:**

Total increase in appropriations is \$2,511,705. The sources of funding of these appropriations are noted above.

**Ordinance No.**

**AN ORDINANCE OF THE CITY OF OLYMPIA, RELATING TO THE CAPITAL FACILITIES PLAN FOR THE YEARS 2015-2020, AND AMENDING ORDINANCE NO. 6946.**

**WHEREAS**, the Olympia City Council adopted the "Capital Facilities Plan," herein referred to as "CFP," for the fiscal years 2015 through 2020 by passing Ordinance No. 6946 on December 16, 2014; and

**WHEREAS**, the CFP is periodically amended to recognize additional revenue and/or appropriations, as provided for in RCW 36.70A.130(2)(a)(iv); and

**WHEREAS**, the following amendments need to be made to Ordinance No. 6946:

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1.** That certain document entitled the "Capital Facilities Plan," covering the years 2015 through 2020, a copy of which will be on file with the Office of the Director of Administrative Services and available on the City's web site, is hereby adopted as the Capital Facilities Plan for the City of Olympia and is incorporated herein as though fully set forth.

**Section 2.** Upon appropriation by the City Council of funds therefor, the City Manager shall be authorized to prepare plans and specifications, to take bids, and to make expenditures for the projects set forth in the CFP during the year for which said projects are scheduled; provided, however, that any award of bids and execution of contracts for construction shall be approved as provided in OMC Chapter 3.16.

**Section 3.** It is anticipated that the funding source and the construction schedule for projects identified in the CFP may be changed over the next year. Such changes shall not constitute an amendment to the Comprehensive Plan for purposes of RCW 36.70A.130.

**Section 4.** The Director of Administrative Services is hereby authorized to bring forward into fiscal year 2015 all appropriations and allocations not otherwise closed, completed, or deleted from prior fiscal years' capital budgets.

**Section 5.** The following appropriations are hereby made:

<b>FUND</b>	<b>APPROP. FUND BALANCE</b>	<b>ESTIMATED REVENUE</b>	<b>APPROP.</b>	<b>ADDITIONS TO FUND BALANCE</b>
Impact Fee Fund	\$1,507,513	-	\$1,507,513	
SEPA Mitigation Fee Fund	447,438	-	447,438	
Parks & Recreational Sidewalk, Utility Tax Fund	211,124	\$2,553,276	2,764,400	
Real Estate Excise Tax Fund		1,125,000	1,125,000	
Capital Improvement Fund	224,300	6,510,438 8,097,843	6,510,438 8,322,143	

<b>FUND</b>	<b>APPROP. FUND BALANCE</b>	<b>ESTIMATED REVENUE</b>	<b>APPROP.</b>	<b>ADDITIONS TO FUND BALANCE</b>
City Hall Construction Fund	250,000		250,000	
Fire Equipment Reserve Fund		450,000	450,000	
Water CIP Fund	1,100,000	2,505,500	3,605,500	
Sewer CIP Fund	602,400	741,300	1,343,700	
Storm Water CIP Fund		1,129,200	1,129,200	
<b>TOTALS</b>	<b>\$3,868,475</b> <b>4,342,775</b>	<b>\$14,564,714</b> <b>16,602,119</b>	<b>\$18,433,189</b> <b>20,944,894</b>	<b>\$0</b>

**Section 6. Severability.** The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances, shall be unaffected.

**Section 7. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 8. Effective Date.** This Ordinance shall take effect five (5) days after publication, as provided by law.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
ASSISTANT CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



## City Council

### Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis Related Uses Not Addressed by I-502

**Agenda Date:** 4/14/2015  
**Agenda Item Number:** 3.G  
**File Number:** 15-0320

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**Type:** ordinance **Version:** 2 **Status:** 2d Reading-Consent

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#### **Title**

Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis Related Uses Not Addressed by I-502

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve an ordinance on second reading to extend the moratorium on medical marijuana collective gardens and other cannabis related uses not addressed by I-502 for an additional six months.

#### **Report**

##### **Issue:**

Should the City Council extend the City's existing moratorium on new Medical Marijuana Collective Gardens and other cannabis related land uses not addressed by Initiative 502?

##### **Staff Contact:**

Chris Grabowski, Code Enforcement Officer, 360.753.8168  
Darren Nienaber, Deputy City Attorney, 360.753.8044

##### **Presenter(s):**

Chris Grabowski, Code Enforcement Officer, 360.753.8168

##### **Background and Analysis:**

The background and analysis have not changed from first to second reading.

City staff requests that the Council extend the City's moratorium on marijuana establishments that are not State-licensed. This is necessary because the State Legislature has not yet taken action

during its current legislative session but is expected to take action before the end of this legislative session. The following provides more information on the events leading to where we are now.

In November of 2012, Washington State voters passed Initiative Measure No. 502 (I-502) legalizing the sale of recreational cannabis in the State of Washington. Subsequently, on May 7, 2013, the Olympia City Council established a moratorium on all new cannabis related land uses. The moratorium was for one year. On October 15, 2013, Council approved interim zoning regulations for I-502 recreational marijuana and lifted that portion of the moratorium which applied to those uses. The moratorium on new medical marijuana collective gardens and other cannabis land uses not addressed by I-502 remained in place. At its April 15, 2014 meeting, the City Council extended the moratorium for an additional six months after holding the requisite public hearing. No member of the public testified at that hearing. At its October 28, 2014 meeting, the City Council again extended the moratorium for an additional six months after holding a public hearing. Again, no member of the public testified at the hearing.

Since the adoption of the moratorium, there have been no new non-I-502 cannabis related land uses in the City. Complaints to the City's Code Enforcement Division about the existing collective gardens have been mostly regarding nuisance smells, which have been dealt with under the City's existing nuisance laws. One collective garden attempted to open during the summer of 2014 and was prevented from doing so by Code Enforcement staff. The City has not made a determination as to whether any of the existing shops that hold themselves out as collective gardens are in compliance with State law. Rather, the City has no significant evidence at this time that those shops violate the State legal requirements for collective gardens.

At its October 28, 2014 meeting, the City Council approved making the interim regulations on I-502 recreational cannabis uses permanent. Again, no member of the public testified at the public hearing, which was conducted by the Olympia Planning Commission.

The Olympia Hearing Examiner has approved Conditional Use Permits (CUPs) for two State-licensed recreational cannabis retailers: Green Lady, Inc., and A Bud & Leaf. The State has only allotted the City of Olympia two recreational cannabis outlets. It is unclear what effect, if any, these two recreational outlets in the City have had on the medical collective gardens.

### **State Statutes**

The 2014 Legislature did not pass any amendments to the current medical cannabis statutes, and I-502 did not contain any amendments to the medical cannabis statutes. The result is that there are two separate systems in the State: one dealing with medical cannabis and the other more regulated system dealing with adult recreational use of cannabis. The 2015 Legislature has again taken up the challenge of merging the existing medical cannabis collective garden laws with the new I-502 recreational laws. However, at the time of the writing of this staff report, final action had not been taken by the legislature on the regulation of medical marijuana.

In its August 29, 2013 memorandum to all United States Attorneys, the Department of Justice outlined its expectation that those jurisdictions which allow the use of recreational cannabis do so with the "expectation that states and local governments...will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests." The medical marijuana market, acting through collective gardens, is at this point largely unregulated and thus may be a higher priority target

for federal law enforcement. The State legislative attempts to regulate medical marijuana were partly in response to the Department of Justice memorandum.

In April 2014, the Washington State Court of Appeals upheld the City of Kent's ban on medical marijuana collective gardens. Thus, cities are authorized to prohibit collective gardens outright.

**Neighborhood/Community Interests (if known):**

There are a number of shops currently serving the medical marijuana community that hold themselves out as existing collective gardens and came into existence prior to the City's moratorium.

**Options:**

1. Move to approve the ordinance on second reading.
2. Do not extend the moratorium, and let the moratorium expire on May 6, 2015.

**Financial Impact:**

None

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, EXTENDING FOR SIX MONTHS THE MORATORIUM UPON MEDICAL MARIJUANA COLLECTIVE GARDENS AS ESTABLISHED BY ORDINANCE NO. 6851 AND AS AMENDED BY ORDINANCE NO. 6873, ORDINANCE NO. 6900 AND ORDINANCE NO. 6929.**

WHEREAS, since 1970, federal law has prohibited the manufacture and possession of marijuana as a Schedule I drug; and

WHEREAS, Initiative Measure No. 692, approved by the voters of Washington State on November 30, 1998, and now codified as chapter 69.51A RCW, created an affirmative defense for "qualifying patients" to the charge of possession of marijuana (cannabis); and

WHEREAS, the intent of Initiative 692 was that qualifying "patients with terminal or debilitating illnesses who, in the judgment of their physicians, would benefit from the medical use of marijuana, shall not be found guilty of a crime under state law" (RCW 69.51A.005), but that nothing in the law "shall be construed to supersede Washington state law prohibiting the acquisition, possession, manufacture, sale, or use of marijuana for non-medical purposes" (RCW 69.51A.020); and

WHEREAS, the Washington State Legislature passed E2SSB 5073 in 2011; and

WHEREAS, on April 29, 2011, former Governor Christine Gregoire vetoed all of the provisions of E2SSB 5073 relevant to medical marijuana dispensaries but left the provisions relating to cultivation of marijuana for medical use by qualified patients individually and in collective gardens; and

WHEREAS, RCW 69.51A.085 authorizes qualifying patients "to create and participate in collective gardens for the purpose of producing, processing, transporting, and delivering cannabis for medical use," provided no more than ten qualifying patients participate in a collective garden, a collective garden does not contain more than 15 plants per patient up to a total of 45 plants per collective garden, and the collective garden does not contain more than 24 ounces of useable cannabis per patient, up to a total of 72 ounces of useable cannabis; and

WHEREAS, under RCW 69.51A.060(1), it is a class 3 civil infraction to display medical cannabis in a manner or place which is open to view of the general public, which would include growing plants; and

WHEREAS, RCW 69.51A.140 authorizes cities to adopt and enforce zoning requirements, business licensing requirements, health and safety requirements, and business taxes pertaining to the production, processing, or dispensing of cannabis or cannabis products within their jurisdiction and that nothing in chapter 181, Laws of 2011 is intended to limit the authority of cities to impose zoning requirements or other conditions upon licensed dispensers, so long as such requirements do not preclude the possibility of siting licensed dispensers within the jurisdiction; and

WHEREAS, Initiative Measure No. 502, approved by the voters of Washington State on November 6, 2012, calls for the establishment of a regulatory system licensing producers, processors, and retailers of recreational marijuana for adults 21 years of age and older, legalizes the possession and private recreational use of marijuana, and requires the Washington State Liquor Control Board to adopt procedures and criteria for issuing licenses to produce, process, and sell marijuana; and

WHEREAS, the City of Olympia adopted Ordinance No. 6851 on May 7, 2013, imposing a moratorium (the Moratorium) on the establishment of medical cannabis collective gardens and other establishments



involved in the sale, manufacturing, distribution, or use of marijuana because of the potential impact on the public health, safety, and welfare; and

WHEREAS, the City Council conducted a public hearing on June 25, 2013, as required by Ordinance No. 6851, to take public testimony regarding the establishment of the Moratorium; and

WHEREAS, the City Council conducted a public hearing on October 15, 2013, to take public testimony regarding interim regulations pertaining to state-licensed producers, processors, and retailers of state-licensed recreational marijuana; and

WHEREAS, on November 4, 2013, the City Council adopted Ordinance No. 6873 establishing interim regulations to avoid unanticipated negative impacts on the community and the public health, safety, and welfare associated with state-licensed marijuana producers, processors, and retailers; and

WHEREAS, Ordinance No. 6873 repealed the Moratorium insofar as it applied to state-licensed retailers, producers, or processors of recreational marijuana. All other new marijuana uses, including medical marijuana establishments, continue to be prohibited by the Moratorium; and

WHEREAS, the City has received no evidence that there is insufficient access to medical marijuana; and

WHEREAS, the Washington State Attorney General issued an advisory opinion in January 2014, that states municipalities can prohibit state-licensed marijuana businesses within a city's boundaries or impose zoning and other land use regulations pertaining to such businesses; and

WHEREAS, legislation was introduced in the Washington State Legislature's 2014 session concerning recreational, commercial, and medical marijuana, which would have merged medical marijuana into the state-licensed recreational market; and

WHEREAS, the Legislature failed to act on the bills, leaving the laws regarding medical marijuana regulations unchanged; and

WHEREAS, the Federal Bureau of Investigation has indicated that it will not conduct criminal background checks on recreational marijuana applicants; and

WHEREAS, there remains uncertainty as to the federal government's position on the legality of and potential enforcement against medical marijuana collective gardens and dispensaries; and

WHEREAS, the United States Department of Justice issued a memorandum on August 29, 2013, which suggested that Washington's medical marijuana system is untenable and inconsistent with federal law enforcement priorities; and

WHEREAS, the legislation proposed in the Washington State legislature concerning medical marijuana was intended, in part, to respond to direction from the federal government about the need to regulate recreational and medical marijuana and such legislation appears likely to be reintroduced next year; and

WHEREAS, the Court of Appeals affirmed a city's right to prohibit collective gardens in *Cannabis Action Coalition v. City of Kent*; and

WHEREAS, jurisdictions are experiencing an increase in violence involving medical marijuana businesses; and

WHEREAS, the City is authorized pursuant to RCW 35A.63.220 and RCW 36.70A.390 to renew an existing moratorium for up to six months as long as the City adopts findings of fact and holds a public hearing prior to renewing the moratorium; and

WHEREAS, after conducting a public hearing on April 15, 2014, the City Council found it necessary to extend the duration of the Moratorium and adopted Ordinance No. 6900, extending the Moratorium for an additional six months; and

WHEREAS, after conducting a public hearing on October 28, 2014, to receive and consider public testimony regarding an additional extension of the Moratorium, the City Council found it necessary to extend the Moratorium and adopted Ordinance No. 6929, extending the Moratorium for an additional six months; and

WHEREAS, a public hearing was held on April 7, 2015, to consider public testimony regarding an additional six-month extension of the Moratorium; and

WHEREAS, the City Council finds it necessary to extend the duration of the Moratorium as established by Ordinance No. 6851 and as amended by Ordinance No. 6873, Ordinance No. 6900 and Ordinance No. 6929 for an additional six months in order to complete the work plan outlined in Ordinance No. 6851 as it pertains to medical marijuana collective gardens; and

WHEREAS, the City has completed certain portions of its work plan regarding permanent regulations of marijuana, including assessing the approaches of other jurisdictions; and

WHEREAS, bills are pending in the Washington State Legislature that would change how medical marijuana is operated and where medical sales can be located; and

WHEREAS, additional time is needed for the City to complete its work plan related to medical marijuana collective gardens and other marijuana related establishments; and

WHEREAS, it is expected that the Washington State legislature will regulate medical marijuana in the current legislative session; and

WHEREAS, this Ordinance is also adopted pursuant to Article 11, Section 11, of the Washington State Constitution; and

WHEREAS, this Ordinance is supported by the staff report and attachments and documents on file with the City of Olympia and also by the professional judgment and experience of City staff;

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Extension of Moratorium Duration.** Section 3 of Ordinance No. 6851, as amended by Ordinance No. 6873, Ordinance No. 6900 and Ordinance No. 6929, is hereby amended as follows:

**Section 3. Duration.** The interim zoning control set forth in this Ordinance shall be in effect ~~seven hundred twenty-nine (729)~~ nine hundred eleven (911) days, unless subsequently extended by the City Council pursuant to state law.

**Section 2. Ordinance No. 6930.** This Moratorium does not apply to state-licensed recreational marijuana uses regulated by Ordinance No. 6930, as may be subsequently amended.

**Section 3. Findings.** The City Council hereby adopts the above recitals as findings of fact in support of this Ordinance.

**Section 4. Ordinance No. 6851.** All remaining provisions of Ordinance No. 6851, as amended by Ordinance No. 6873, Ordinance No. 6900 and Ordinance No. 6929, not herein amended or supplemented shall remain in full force and effect.

**Section 5. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 6. Severability.** The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

**Section 7. Effective Date.** This Ordinance shall take effect five (5) days after publication, as provided by law.

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MAYOR

**ATTEST:**

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CITY CLERK

**APPROVED AS TO FORM:**

*Darren Member DCA*

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CITY ATTORNEY

**PASSED:**

**APPROVED:**

**PUBLISHED:**



## City Council

### Approval of Appropriations Ordinance in the Amount of \$65,476 for Law Enforcement Records Management System (LERMS) Administrator

**Agenda Date:**  
**Agenda Item Number:** 3.H  
**File Number:** 15-0352

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**Type:** ordinance **Version:** 2 **Status:** 1st Reading-Consent

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#### **Title**

Approval of Appropriations Ordinance in the Amount of \$65,476 for Law Enforcement Records Management System (LERMS) Administrator

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the appropriations ordinance in the amount of \$65,476 and increase the Police Department budget by the same amount.

#### **Report**

##### **Issue:**

The attached ordinance appropriates \$65,476 of funding from the LERMS consortium for Systems Administrator services and increases the Police Department budget by the same amount to provide the services, including .5 FTE.

##### **Staff Contact:**

Laura Wohl, Administrative Services Manager, Olympia Police Department, 360.753.8214

##### **Presenter(s):**

NA - Consent item

#### **Background and Analysis:**

The LERMS consortium consists of the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. The five jurisdictions share a law enforcement records management system that houses all data related to policing activity. The consortium was developed so that the jurisdictions could share the expense of the complex system and so that law enforcement information can be shared throughout the region.

The LERMS consortium implemented a new system in 2013. The system is significantly more robust

that the previous software used by the consortium. It is also substantially more complex. The Executive Board of the consortium, on which the Chiefs of Police from each jurisdiction sit, has determined that a Systems Administrator is required to manage the system: to coordinate software changes with the vendor; to manage training for users; to ensure the five cities use the system in a consistent manner; etc.

The City of Olympia has an employee with the requisite skills and abilities to provide the services. On March 25, 2015, the Executive Board voted to contract with the City of Olympia for Systems Administrator services that will be provided by the City of Olympia employee. The member cities allocated an additional \$65,476 to fund the contract which will be paid to the City of Olympia.

The attached ordinance appropriates the funds and increases the Police Department's budget accordingly to pay for the employee's services to the consortium.

**Neighborhood/Community Interests (if known):**

NA

**Options:**

1. Approve the appropriations ordinance, which will provide funding for the Systems Administrator services to the LERMS consortium.
2. Do not approve the ordinance and direct the City of Olympia Chief of Police, as the City's representative to the LERMS Executive Board, to seek out other alternatives for securing the services.

**Financial Impact:**

\$65,476 appropriated

**Ordinance No.**

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO THE 2015 BUDGET, AND APPROPRIATING \$65,476 TO FUND 0.5 FTE WITHIN THE POLICE DEPARTMENT TO PROVIDE CONTRACTED SERVICES TO THE LAW ENFORCEMENT RECORDS MANAGEMENT SYSTEM (LERMS) CONSORTIUM.

WHEREAS, the City of Olympia is a member city of the Thurston County Law Enforcement Records Management System (“LERMS”) Consortium, as evidenced by an Intergovernmental Agreement between the member cities; and

WHEREAS, such Intergovernmental Agreement calls for the services of a System Administrator, and the City of Olympia has personnel with the skill and training to perform the necessary functions of System Administrator; and

WHEREAS, the City of Olympia has entered into an agreement to provide such personnel services for the LERMS consortium; and

WHEREAS, the budget of the Police Department needs to be increased from the money to be received from LERMS, to fund 0.5 FTE to provide the contracted services to LERMS; and

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1.** That the following appropriations are hereby made:

**GENERAL FUND**

<b>Resources:</b>	Payments from LERMS	\$65,476
	<b>TOTAL RESOURCES</b>	<b>\$65,476</b>
<b>Appropriations:</b>	Police Department	\$65,476
	<b>TOTAL APPROPRIATIONS</b>	<b>\$65,476</b>

**Section 2. Severability.** The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

**Section 3. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 4. Effective Date.** This Ordinance shall take effect five (5) days after publication, as provided by law.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
ASSISTANT CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: