Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, September 27, 2016 **7:00 PM** **Council Chambers**

1. ROLL CALL

1.A ANNOUNCEMENTS

1.B APPROVAL OF AGENDA

2. SPECIAL RECOGNITION - None

3. PUBLIC COMMUNICATION

(Estimated Time: 0-30 Minutes) (Sign-up Sheets are provided in the Foyer.)

During this portion of the meeting, citizens may address the City Council regarding items related to City business, including items on the Agenda. In order for the City Council to maintain impartiality and the appearance of fairness in upcoming matters and to comply with Public Disclosure Law for political campaigns, speakers will not be permitted to make public comments before the Council in these three areas: (1) 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, or (2) where the public testimony may implicate a matter on which the City Council will be required to act in a quasi-judicial capacity, or (3) where the speaker promotes or opposes a candidate for public office or a ballot measure.

Individual comments are limited to three (3) minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the City Council will refrain from commenting on individual remarks until all public comment has been taken. The City Council will allow for additional public comment to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

4. CONSENT CALENDAR

(Items of a Routine Nature)

4.A 16-1083 Approval of September 20, 2016 Study Session Meeting Minutes

Attachments: Minutes

4.B 16-1084 Approval of September 20, 2016 City Council Meeting Minutes

Attachments: Minutes

4.C 16-0979 Approval of Interagency Agreement between the Washington Department of Ecology and the City of Olympia for Washington Conservation Corp (WCC) Services

Attachments: Intragency Agreement

4.D 16-1031 Authorization to Apply for a Department of Ecology Water Quality Combined Financial Assistance Grant to Expand the City's Existing Street Sweeping Program

4.E 16-1032 Authorization to Apply for Two Loans from the Drinking Water State Revolving Fund Construction Loan Program for Seismic Retrofits to the Fir Street and Elliot Water Tanks

4.F 16-1049 Approval of Bid Award for Stevens Field Infield Synthetic Turf Conversion Project

Attachments: Vicinity Map

Bid Opening Results

4. SECOND READINGS - None

4. FIRST READINGS

4.G 16-1018 Approval of Amendment to Ordinance 7021 (Operating Budget)

Attachments: Ordinance

4.H 16-1017 Approval of Amendment to Ordinance 7022 (Capital Budget)

Attachments: Ordinance

5. PUBLIC HEARING - None

6. OTHER BUSINESS

6.A 16-1054 Approval of an Option to Purchase a 72-Acre Parcel Owned by Gregg O. Dawley, Kristi A. Dawley, Douglas L. Dawley, Paula P. Dawley, and Shirley G. Dawley (Dawley Trust), Commonly Known as Bentridge

Attachments: Property Location Map

Option to Purchase Agreement

7. CONTINUED PUBLIC COMMUNICATION

(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes)

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

8.B CITY MANAGER'S REPORT AND REFERRALS

9. 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 Executive Assistant 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
360-753-8244

City Council

Approval of September 20, 2016 Study Session Meeting Minutes

Agenda Date: 9/27/2016
Agenda Item Number: 4.A
File Number:16-1083

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

Title
Approval of September 20, 2016 Study Session Meeting Minutes

Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, September 20, 2016 **5:30 PM** **Council Chambers**

Study Session

1. ROLL CALL

Present: 7 - Mayor Cheryl Selby, Mayor Pro Tem Nathaniel Jones, Councilmember Jessica Bateman, Councilmember Jim Cooper, Councilmember Clark Gilman, Councilmember Julie Hankins and Councilmember Jeannine Roe

2. BUSINESS ITEM

2.A 16-1034 Briefing on Proposed 2017 Utility Rates

Public Works Director, Rich Hoey noted this year's Olympia Utilities 2017 Budgets and Proposed rates presentation is early.

Mr. Hoey noted LOTT Clean Water Alliance is a separate agency which provides wastewater treatment services. LOTT provides the City with the cost of service per customer and the City collects the required revenue and passes it on to LOTT.

Mr. Hoey discussed the Utility Advisory Committee's (UAC) interest in reviewing LOTT finances and rates at a deeper level. LOTT has provided a high level presentation to UAC, but has not discussed their finances depth. Mr. Hoey announced the LOTT Board recently shared it has decided to reduce its proposed rate increases for 2017 - 18 from 3% to 2%. LOTT will soon begin developing its six year plan. UAC Chair Thad Curtz discussed UAC's role in future LOTT budget cycles.

Councilmember Hankins discussed the importance for the UAC to continue reviewing LOTT rates.

Water Resources Director Andy Haub discussed a focus on keeping rates down. The UAC and staff worked through the summer to understand and manage rate increases. A rate increase for 2017 will be 3.3%. He shared ongoing financial divers for budgeting; noting the internal and external influences on rates.

Waste Resources Director Dan Daniels discussed Waste ReSources efficiencies. He also shared some new factors affecting Waste ReSources such as annexation growth, increase in commercial garbage and organics, and additional routes. He reviewed the budget request numbers and the main budget drivers, as well as increased revenues.

Mr. Haub noted the City's water supply is excellent; however there is extensive and costly infrastructure. He shared an overview of the 2017 Water budget, Capital Project funding and 2017 Wastewater budget. Mr. Haub gave an update on onsite septic system conversation. He also discussed the importance of Storm and Surface Water and the evolving roles and responsibilities sea level rise has created.

Mr. Haub gave a quick summary of the increases to Utility bills in 2017.

Councilmembers asked clarifying questions.

The study session was completed.

3. ADJOURNMENT

The Study Session adjourned at 6:48 p.m.

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601 4th Avenue E.
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360-753-8244

City Council

Approval of September 20, 2016 City Council Meeting Minutes

Agenda Date: 9/27/2016
Agenda Item Number: 4.B
File Number:16-1084

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

Title
Approval of September 20, 2016 City Council Meeting Minutes

Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, September 20, 2016 **7:00 PM** **Council Chambers**

1. ROLL CALL

Present: 7 - Mayor Cheryl Selby, Mayor Pro Tem Nathaniel Jones, Councilmember Jessica Bateman, Councilmember Jim Cooper, Councilmember Clark Gilman, Councilmember Julie Hankins and Councilmember Jeannine Roe

1.A ANNOUNCEMENTS

Mayor Selby announced the Council met earlier in the evenng for a Study Session.

1.B APPROVAL OF AGENDA

Mayor Selby announced an amendment to the agenda. Olympic athlete Dan Lowe has returned from the 2016 Olympics in Rio and will receive special recognition.

The agenda was approved as amended.

2. SPECIAL RECOGNITION

2.A 16-1037 Special Recognition - Proclamation for National Voter Registration Day

Mayor Selby read a proclamation regarding National Voter Registration day, which is September 27. Thurston County Auditor Mary Hall discussed the importance of registering to vote and voting in all elections.

The recognition was received.

16-0875 Special Recognition - Dan Lowe, Olympic Athlete

Mayor Selby introduced Olympian Daniel Lowe. Mr. Lowe recently competed for the US Olympic Shooting Team at the 2016 Olympic Games in Rio. He shared some recollections on his experience.

The recognition was received.

3. PUBLIC COMMUNICATION

The following people spoke: Jerry Reilly, Terren Zander, Jessica Gould, Denise Pantelis, Richard Dirk Burgess and Allen Miller.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

Mayor Pro Tem Jones asked staff to prepare a referral to the Bicycle and Pedestrian Advisory Committee regarding the vulnerable user law for action at a future meeting.

4. CONSENT CALENDAR

4.A 16-0995 Approval of August 30, 2016 Study Session Meeting Minutes

The minutes were adopted.

4.B 16-0996 Approval of August 30, 2016 City Council Meeting Minutes

The minutes were adopted.

4.C 16-1041 Approval of September 13, 2016 Study Session Meeting Minutes

The minutes were adopted.

4.D 16-1040 Payroll and Check Certification

Payroll check numbers 89160 through 89276 and Direct Deposit transmissions: Total: $4,167,259.45; Claim check numbers 3677218 through 3678394: Total $5,942,331.11

The decision was adopted.

4.E 16-0980 Approval of Annual Comprehensive Plan Amendment Schedule for 2017

The decision was adopted.

4. SECOND READINGS

4.F 16-0890 Approval of Ordinance Adopting Sea Level Rise Flood Damage Reduction Regulations

The ordinance was approved on second reading.

Approval of the Consent Agenda

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

Aye: 7 - Mayor Selby, Mayor Pro Tem Jones, Councilmember Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Hankins and Councilmember Roe

4. FIRST READINGS - None

5. PUBLIC HEARING - None

6. OTHER BUSINESS

6.A 16-1020 Parking Strategy Update

Business Manager Karen Kenneson discussed the update to the parking strategy. She described the scope of work and major items that will be reviewed and evaluated. Ms. Kenneson reviewed what has been completed so far and next steps.

Ms. Kenneson discussed the process to acquire new parking management software. She shared the selection process for the consultant. A contract is moving forward with Berk Consulting. Ms. Kenneson introduced Jeff Arango of Berk Consulting. He discussed his experience working on parking for downtown areas and expressed enthusiasm for the project.

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 meetings and events attended.

Councilmember Cooper made a referral to the General Government Committee study best practices for all gender restrooms and make recommendations to Council for adopting policies in a phased approach. The Council agreed to move the referral forward.

8.B CITY MANAGER'S REPORT AND REFERRALS - None

9. EXECUTIVE SESSION

9.A 16-1038 Executive Session Pursuant to RCW 42.30.110(1)(b); RCW 42.30.110 (1)(c) - Real Estate Matter; and Executive Session Pursuant to RCW 42.30.110(1)(i) - Litigation and Potential Litigation

Mayor Selby recessed to Executive Session at 8:15 p.m. pursuant to RCW 42.30.110(1)(b); RCW 42.30.110(1)(c) - Real Estate Matter and Pursuant to RCW 42.30.110(1)(i) - Litigation and Potential Litigation. Mayor Selby announced no decisions will be made, the meeting is expected to last no longer than one hour, and the Council will adjourn immediately following the Executive Session. The City Attorney was present at the Executive Session.

The executive session was held and no decisions were made.

9. ADJOURNMENT

The meeting adjourned at 9:15 p.m.

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601 4th Avenue E.
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City Council

Approval of Interagency Agreement between the Washington Department of Ecology and the City of Olympia for Washington Conservation Corp (WCC) Services

Agenda Date: 9/27/2016
Agenda Item Number: 4.C
File Number:16-0979

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

Title
Approval of Interagency Agreement between the Washington Department of Ecology and the City of Olympia for Washington Conservation Corp (WCC) Services

Recommended Action
Committee Recommendation:
Not referred to a committee.

City Manager Recommendation:
Move to approve the Interagency Agreement between the Washington Department of Ecology and the City of Olympia for Washington Conservation Corp (WCC) Services and authorize the Mayor to sign the agreement.

Report
Issue:
Whether to enter into an interagency agreement that allows the City to sponsor a six-person WCC work crew to support the Storm and Surface Water Utility's aquatic habitat and stewardship program.

Staff Contact:
Jesse Barham, Associate Planner, 360.753.8164
Joe Roush, Planning & Implementation Supervisor, 360.753.8563

Presenter(s):
None - Consent Calendar Item.

Background and Analysis:
In 2015 and 2016, the City sponsored a WCC crew to support the City's habitat and stewardship strategy. Through the habitat strategy and the work of the WCC, the City protects and restores important habitat throughout the City.

This proposed agreement allows us to sponsor a WCC crew through 2017. Habitat restoration work

performed by the WCC has occurred at numerous locations, including Allison Springs, Grass Lake Refuge, Priest Point Park, Mission Creek Nature Park, and other City properties. The work of the WCC crew involves removing invasive plant species, such as English ivy and blackberry, and planting native trees and shrubs around streams and wetlands.

Washington Department of Ecology screens, interviews and hires the work crew. The City receives the fully equipped crew, including a supervisor, for 30 weeks at a cost of $105,000.

Neighborhood/Community Interests (if known):
The habitat and stewardship strategy supports community and neighborhood environmental protection. Neighborhoods have expressed strong interest in the program. Staff is currently working with neighborhoods to implement restoration work and refine priorities, e.g. North East Neighborhood Association at Mission Creek Nature Park.

Options:

1. Approve the interagency agreement and authorize the Mayor to sign. This will result in a contractual commitment of $105,000 with Ecology.

2. Do not sign the interagency agreement. The City would not use the WCC program. Staff would investigate other opportunities to implement the habitat and stewardship strategy.

Financial Impact:
The agreement will dedicate WCC staff to the City for 30 weeks at a cost of $105,000. Funds are allocated through the Storm and Surface Water Utility's capital program. The City's Utility Advisory Committee initiated and continues to support the overall work effort. The scheduling and funding of other capital projects will not be affected by the proposed agreement.

Attachments:
Interlocal Agreement with Washington Department of Ecology

DEPARTMENT OF ECOLOGY
State of Washington

IAA NO. WCC-1621

INTERAGENCY AGREEMENT (IAA)
BETWEEN

The State of Washington, Department of ECOLOGY
AND
City of Olympia

THIS AGREEMENT is made and entered into by and between the Department of Ecology, hereinafter referred to as "ECOLOGY", and City of Olympia hereinafter referred to as the "SPONSOR."

IT IS THE PURPOSE OF THIS AGREEMENT to provide Washington Conservation Corps (WCC) members to complete environmental or disaster services projects, pursuant to Chapter 43.220 of the Revised Code of Washington.

THEREFORE, IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK

Both parties agree to do all things necessary for or incidental to the performance of the work set forth in Appendix "A" attached hereto and incorporated herein.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence on 10/3/2016 and be completed on 9/17/2017, unless terminated sooner as provided herein. The WCC Crew and/or WCC Individual Placement corpsmember specified in this agreement will be available to SPONSOR on the dates set forth on the calendar in Appendix "B" attached hereto and incorporated herein.

COMPENSATION

The parties have determined that the cost of accomplishing the work herein will not exceed $105,000. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount. Compensation for service(s) shall be based on the following established rates:

Provided by ECOLOGY	Reimbursed to ECOLOGY by SPONSOR
30 weeks WCC cost-share crew ($3500/week)	$105,000
Total SPONSOR COST	$105,000 *Above cost Not to be Exceeded*

The costs reimbursed to ECOLOGY by SPONSOR are a cost-share rate. ECOLOGY will provide the remainder of the funding for the projected total costs of $195,000 dollars annually per WCC Crew consisting of five WCC/AmeriCorps Members and one WCC Supervisor and/or $25,000 dollars annually per WCC Individual Placement. Indirect costs are included in SPONSOR share at a standard rate of 5% of direct costs.

BILLING PROCEDURE

ECOLOGY shall submit invoices monthly to the SPONSOR's designated contact person listed under "Agreement Management" section. Payment to ECOLOGY for approved and completed work will be made by warrant or account transfer by SPONSOR within 30 days of receipt of the invoice. Upon expiration of the Agreement, any claim for payment not already made shall be submitted within 30 days after the expiration date or the end of the fiscal year, whichever is earlier.

AGREEMENT ALTERATIONS AND AMENDMENTS

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

ASSIGNMENT

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

ASSURANCES

Parties to this Agreement agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

CONFORMANCE

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

FUNDING AVAILABILITY

The obligation of the SPONSOR to provide reimbursements is contingent upon appropriation of funds by the SPONSOR's governing body for the specific purpose of funding the project, which is the subject of this Agreement. Upon the failure of such appropriation, the SPONSOR may terminate this Agreement.

ECOLOGY's ability to provide cost-share is contingent on availability of funding. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the agreement, in whole or part, for convenience or to renegotiate the agreement subject to new funding limitations and conditions. ECOLOGY may also elect to suspend performance of the agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification restrictions.

GOVERNING LAW AND VENUE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws. This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

ORDER OF PRECEDENCE

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable federal and state of Washington statutes, regulations, and rules.
2. Mutually agreed written amendments to this Agreement
3. This Agreement
4. Statement of Work and Budget.
5. Any other provisions of this Agreement, including materials incorporated by reference.

RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration of this Agreement and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

RESPONSIBILITIES OF THE PARTIES

Each party of this Agreement hereby assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omissions on the part of itself, its employees, its officers, and its agents. Neither party will be considered the agent of the other party to this Agreement.

RIGHTS IN DATA

Unless otherwise provided, data, which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be jointly owned by ECOLOGY and SPONSOR. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement upon 30 days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

AGREEMENT MANAGEMENT

The program manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Contract/Program Manager for ECOLOGY is:

Peter Nevin
PO Box 47600
Olympia, WA 98504
(206) 940-3615
peter.nevin@ecy.wa.gov

The Contract/Program Manager for SPONSOR is:

Joe Roush
PO Box 1967
Olympia WA 98507
360-753-8152
jroush@ci.olympia.wa.us

IN WITNESS WHEREOF, the parties have executed this Agreement.

State of Washington Department of ECOLOGY		SPONSOR City of Olympia	
Signature	Date	Signature	Date
Gordon White, SEA Program Manager		Nathaniel Jones, Mayor Pro Tem	
Printed Name, Title		Printed Name, Title	

APPROVED AS TO FORM:

Deputy City Attorney

STATEMENT OF WORK
Appendix A

Work summary:

Restoration Activities: Under direction of Sponsor organization, crew(s) will perform restoration, in-stream, and habitat maintenance projects. Specific tasks include invasive control, native species installation, and fence work.

Special terms and conditions:

1. WCC members and staff will not be utilized to clear and/or clean up hazardous materials including hypodermic needles. If a significant amount of hazardous or unidentifiable material is discovered on a project site, activity will cease until SPONSOR either mitigates potential hazards or finds an alternate project site. WCC resources (includes members, supervisors, tools and trucks) will not be utilized for clearing active or abandoned homeless encampments.

2. Vehicle is not to be used for heavy hauling. The primary use of the crew vehicle is for transportation of crew, tools, and safety equipment. In the event that WCC vehicles are requested to tow SPONSOR equipment, SPONSOR is solely responsible for accidental damages, unless damages are caused by WCC negligence.

3. WCC is not responsible for normal wear and tear when project requires the use of SPONSOR-provided tools, equipment or safety gear.

4. The assignment of corpsmembers shall not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Agencies that participate in the program may not terminate, lay-off, or reduce the working hours of any employee for the purpose of using a corpsmember with available funds. In circumstances where substantial efficiencies or a public purpose may result, participating agencies may use corpsmembers to carry out essential agency work or contractual functions without displacing current employees.

5. All state holidays and 3 planning days are non-working days for members. Planning days are to be used by WCC staff/supervisors for planning purposes.

6. The WCC standard 40-hour schedule is Monday through Thursday from 7:00am to 5:30pm. An alternate work schedule may be arranged with prior approval from the WCC.

ECOLOGY shall:

1. Provide WCC members for the number of weeks specified in this agreement. Full-time crews and Individual Placements are available to SPONSOR for a maximum of 41 weeks during the Federal AmeriCorps program service year (October-September).

2. Enroll members to begin service no sooner than October 3, 2016 and no later than October 28, 2016 to attain a full AmeriCorps scholarship. Member vacancies may be filled with a 900 hour, half-term AmeriCorps Education Award beginning March 28, 2017. Any further member enrollment for the remainder of the program year is at the discretion of ECOLOGY and based on availability.

3. In the event of a disaster response deployment, the WCC Program will make every effort to fulfill sponsor program needs, including sending additional members, whenever possible. Invoices will include all activities during the program year including training, community service events, and other activities required by WCC, excluding Emergency Response, if needed.

4. Provide training and development specified in Appendix "B": eight (8) days of formal WCC member training, a four (4) day Orientation Training, and one (1) day dedicated to MLK Community Service. An eight-day spike will be scheduled on dates to be determined in coordination with the SPONSOR. These dates, along with up to three (3) additional days reserved for meetings, trainings or other events, are dates in which WCC members and supervisors are logging hours, but are unavailable to sponsor to perform project work.

5. Provide a 4-day Assistant Supervisor training to the designated Assistant Supervisor.

6. For crew (s), ECOLOGY agrees to provide a crew of 5 members, a crew supervisor, vehicle, and basic hand tools.

7. Cost-share rates are not based on actual attendance, however, invoices will be reduced for member or supervisor vacancies lasting 20 days or more.

SPONSOR shall:

1. Guide completion of appropriate projects for the number of weeks specified in this agreement by providing the logistical, technical and safety-related support necessary for project completion. Provide site orientation for WCC members, specific on-the job task training, and any materials beyond basic hand tools to complete tasks assigned under this Agreement. Obtain and ensure adherence to applicable permits as set by local, state, tribal or federal laws and regulations.

2. Help to promote the AmeriCorps and WCC brands, logo, slogans and phrases. The WCC will provide camera-ready logo. AmeriCorps is a registered service mark of the Corporation for National and Community Service.

3. For a SPONSOR hosting Individual Placement positions, SPONSOR agrees to provide a work station, email, transportation to and from WCC events (or private mileage reimbursement for personal vehicle use), and day-to-day direction of work activities.

4. For a SPONSOR hosting WCC Crew(s), SPONSOR agrees to provide a secure site to store tools and park crew vehicles as well as desk and internet access for the crew supervisor.

AmeriCorps Prohibited Activities:

While charging time to the AmeriCorps program, accumulating service or training hours, or otherwise performing activities supported by the AmeriCorps program or CNCS, staff and members may not engage in the following activities (see 45 CFR § 2520.65):

A. Attempting to influence legislation;

B. Organizing or engaging in protests, petitions, boycotts, or strikes;

C. Assisting, promoting, or deterring union organizing;

D. Impairing existing contracts for services or collective bargaining agreements;

E. Engaging in partisan political activities, or other activities designed to influence the outcome of an election to any public office;

F. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;

G. Engaging in religious instruction, conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization;

H. Providing a direct benefit to—
   I. A business organized for profit;
   II. A labor union;
   III. A partisan political organization;
   IV. A nonprofit organization that fails to comply with the restrictions contained in section 501(c)(3) of the Internal Revenue Code of 1986 related to engaging in political activities or substantial amount of lobbying except that nothing in these provisions shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative; and
   V. An organization engaged in the religious activities described in paragraph 3.g. above, unless CNCS assistance is not used to support those religious activities;

I. Conducting a voter registration drive or using CNCS funds to conduct a voter registration drive;

J. Providing abortion services or referrals for receipt of such services; and

K. Such other activities as CNCS may prohibit.

AmeriCorps members may not engage in the above activities directly or indirectly by recruiting, training, or managing others for the primary purpose of engaging in one of the activities listed above. Individuals may exercise their rights as private citizens and may participate in the activities listed above on their initiative, on non-AmeriCorps time, and using non-CNCS funds. Individuals should not wear the AmeriCorps logo while doing so.

2016-2017 WCC Events Calendar

OCTOBER						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NOVEMBER						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	11	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER						
M	T	W	T	F	S	S
			1	2	3	4
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JANUARY						
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MARCH						
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JUNE						
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AUGUST						
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SEPTEMBER						
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- Start (FT=10/3, HT=3/28, QT=6/20)
- Holiday (observed)-Day Off
- Orientation
- AmeriCorps Kick-off (central Puget Sound crews)-4 hours
- Assistant Supervisor Training
- MLK/Sup. Holiday (Member Service Day)
- Training Conference-Week 1
- 6-month member orientation
- Earth Day (flexible, sponsor projects)
- Training Conference-Week 2
- WCC Planning/Tool Inventory (Members off)
- TBD Spike (8 day-Costshare members)
- TBD Debrief presentations (1 day)
- TBD Supervisor Refresher Training
- TBD IP Rendezvous (2 days)
- Member PDPs Due (June=Checkin only)
- Timesheets Due
- End Date (HT=3/30, FT=9/14)
- Payday
- Production Due
- MyAmeriCorps enrollment/exit due
  Enrollment due: FT:10/24, HT:4/18, QT:7/10
  Exit due: HT:3/24, all others:9/7

*Orientation and Training Conferences: 40 hour week, with travel

Members' Potential Hours

October	170
February	150
June	170
Oct 3-Sep 14:	1880

FT: 1700-hr min, $5775 Ed Award

November	150
March	170
July	160
Oct 3-Mar 30:	960

HT: 900-hr min, $2887.50 Ed Award

December	150
April	160
August	180
March 28 - Sep 14:	950

HT: 900-hr min, $2887.50 Ed Award

January	170
May	180
September	70
Jun 19 - Sep 14:	490

QT: 450-hr min, $1527.45 Ed Award

* Members with excessive absences will not receive ed award; even if minimum hours are met.
* 6-month Paperwork must be received March 22

WCC standard schedule (40 hours/week) is Monday - Sunday

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Authorization to Apply for Two Loans from the Drinking Water State Revolving Fund Construction Loan Program for Seismic Retrofits to the Fir Street and Elliot Water Tanks

Agenda Date: 9/27/2016
Agenda Item Number: 4.E
File Number:16-1032

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

Title
Authorization to Apply for Two Loans from the Drinking Water State Revolving Fund Construction Loan Program for Seismic Retrofits to the Fir Street and Elliot Water Tanks

Recommended Action
Committee Recommendation:
Not referred to a committee.

City Manager Recommendation:
Move to authorize staff to apply for two loans totaling $2,800,000 from the Drinking Water State Revolving Fund Loan Program

Report
Issue:
Whether to authorize staff to apply for loans to fund seismic retrofits of two water tanks.

Staff Contact:
Eric Christensen, Water Resources Engineering and Planning Manager, Public Works 360.570.3741

Presenter(s):
None - Consent Calendar Item

Background and Analysis:
The City's Fir Street and Elliott water tanks need seismic retrofits identified by a structural engineer following the Nisqually earthquake in 2001. The retrofits will improve reliability of the tanks and the Utility's ability to supply drinking water in the event of an emergency. The cost of seismic retrofits is substantial. The Drinking Water State Revolving Fund Construction Loan Program is a good opportunity to perform the retrofits using low-interest loans.

Drinking Water State Revolving Fund loans have a 1 to 1.5 percent interest rate and 20 year loan

repayment period. Funding is limited to $3 million per jurisdiction. Loan applications are due September 30, 2016. Descriptions of the projects follow:

Fir Street Tank #1 and #2 Seismic Retrofit (estimated $1,250,000)
Work includes adding perimeter walls with reinforcing cables and other structural supports. The project will ensure the tanks are in compliance with seismic codes.

Elliott Tank Seismic Retrofit (estimated $1,550,000)
Work includes building interior support systems, anchoring the roof to the walls and adding a perimeter retaining wall. This project will ensure the tank is in compliance with seismic codes.

The City of Olympia 2015 - 2020 Water System Plan and the 2017 Capital Facilities Plan identify both projects. The Utility Advisory Committee discussed the need for the projects and supports applying for the loans. Without loan funding, the City must defer the projects until alternative funding is available. If loan funding is secured, design of the projects would occur in 2017 with construction in the winter of 2018.

Neighborhood/Community Interests (if known):
Tanks are an essential component of the City water distribution system. They create the pressure that pushes water through the pipes to our homes and businesses.
The Elliott Tank serves approximately half of the west side. The Fir Street Tanks serves downtown and the South Capitol and Eastside neighborhoods.

Options:

Option 1: Approve authorization to apply for up to $2,800,000 in loans for the Fir Street Tanks #1 and #2 and Elliott Tank Seismic Retrofit projects. With a successful application, Council will be asked to approve the loan agreement in 2017.

Option 2: Do not authorize staff to apply for the loans. The City would need to identify alternative funding sources. Declining the authorization would also postpone potential project funding and construction.

Option 3: Defer work on the tanks until funding is identified and available.

Financial Impact:
The Utility is in a sound position financially. The Utility's debt-to-expense ratio is good and debt service for these loans has been anticipated.

Attachments:
None

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of Bid Award for Stevens Field Infield Synthetic Turf Conversion Project

Agenda Date: 9/27/2016
Agenda Item Number: 4.F
File Number:16-1049

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

Title
Approval of Bid Award for Stevens Field Infield Synthetic Turf Conversion Project

Recommended Action
Committee Recommendation:
Not referred to a committee.

City Manager Recommendation:
Move to award the construction contract to KBH Construction, in the amount of $307,066.24 and authorize the City Manager to execute the contract.

Report
Issue:
Whether to approve staff's recommendation to award the construction contract for the Stevens Field Infield Synthetic Turf Conversion project to KHB Construction.

Staff Contact:
Kip Summers, Project Manager, Parks, Arts and Recreation, 360.507.5834

Presenter(s):
None - Consent Calendar Item

Background and Analysis:
The Stevens Field Park project involves the replacement of the dirt infield at Field #1 with synthetic turf. The City has chosen an alternate infill consisting of encapsulated sand with the addition of a shock pad. The sand is encapsulated with a virgin polymer rubber material that is not made from crumb rubber, a material that has come under recent scrutiny for its potential link to adverse health effects. This project will also provide accessible parking and pathways.

When this project is complete, it will be the only synthetic infield in Olympia. Construction will begin in October 2016 and end by March 2017.

Neighborhood/Community Interests (if known):
- The 2015 random citizen survey conducted for Olympia's 2016 Parks, Arts & Recreation Plan

update indicated that the public considers “athletic fields” as one of the 5 “most needed” recreation facilities in Olympia.

- The City received project letters of support from South Sound Baseball, Thurston County Fastpitch Association, Olympia School District, GSL Tournaments and Olympia United Soccer Club.

- Construction will be done during the winter when fields are typically not in use.

Options:

1. Award the construction contract to KHB Construction, in the amount of $307,066.24, and authorize the City Manager to execute the contract.

2. Reject all bids and request staff to rebid the project.

Financial Impact:

This project is identified in the 2016-2021 Capital Facilities Plan. The City received a $193,223 Youth Athletic Facilities grant from Washington State Recreation and Conservation Office (RCO) for this project.

The low bid of $307,066.24 is below the Engineer’s estimate of $389,998. There are sufficient funds in the budget to complete this project.

Attachments:

Vicinity Map
Summary of Bids

Stevens Field Park

300 24th Ave SE

0 0.0175 0.035 Miles

1 inch = 150 feet

This map is intended for 8.5x11" landscape printing.

The City of Olympia and its personnel cannot assure the accuracy, completeness, reliability, or suitability of this information for any particular purpose. The parcels, right-of-ways, utilities and structures depicted hereon are based on record information and aerial photos only. It is recommended the recipient and or user field verify all information prior to use. The use of this data for purposes other than those for which they were created may yield inaccurate or misleading results. The recipient may not assert any proprietary rights to this information. The City of Olympia and its personnel neither accept or assume liability or responsibility, whatsoever, for any activity involving this information with respect to lost profits, lost savings or any other consequential damages.

Map printed 9/19/2016

File name and path: \\Calvin\parks\Planning and Design\ADMINISTRATION\GIS\Maps\Stevens Field Park.mxd

City of Olympia | Capital of Washington State

Project Name: Steven Field Infield Synthetic Turf Conversion
Project Number: 1567H
Engineer's Estimate: $350,000 to $400,000
Contact: Kip Summers, Project Engineer, 570-5834

Bid Open Date: 9/8/2016
Location: City Hall
Council Award Date: 9/27/2016

Time: 10:00 am

Bidder	Bid Bond Attached	Equal Benefits Compliance Declared	Two Addendums Acknowledged	Total Bid
KBH Construction	Yes	Yes	Yes	$307,066.24
Hellas Construction, Inc.	Yes	Yes	Only the first Addendum Acknowledged	$324,224.00
OSG Dozing, Inc.	Yes	Yes	Yes	$360,720.00

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of Amendment to Ordinance 7021 (Operating Budget)

Agenda Date: 9/27/2016
Agenda Item Number: 4.G
File Number:16-1018

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

Title
Approval of Amendment to Ordinance 7021 (Operating Budget)

Recommended Action
Committee Recommendation:
Not referred to a committee.

City Manager Recommendation:
Move to approve amending ordinance on first reading and forward to second reading.

Report
Issue:
Whether to approve the amendment to Ordinance 7021.

Staff Contact:
Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):
None - Consent Calendar Item.

Background and Analysis:
To change the budget the Council must approve an ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion a budget change is made between the quarterly updates with separate ordinances approved by 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.

There was one ordinance since the adoption of ordinance 7021 relating to the Operating Budget. Ordinance 7035 was passed on August 23, 2016 appropriated an additional $700,000 within the Equipment & Facilities Replacement Reserve Fund to be used for the Washington Center for the Performing Arts Fund, HVAC project.

<u>Budget Items Not Previously Presented to the Council:</u>

1) Appropriation of $5,000 for an accounting intern, funded by a grant from the Washington Finance Officers. The grant is to provide governmental accounting experience to a college student.
2) Appropriation of $500,000 within the General Fund to be transferred to the Capital Improvement Fund to be used for a portion of the purchase of the Dawley property (part of the LBA Woods acquisition). This is funded by sales tax revenue in excess of the current budget for sales tax collection.
3) Appropriation of $7,150 for the Water Street Assessment project, funding is provided by a grant from the State of Washington, Department of Ecology.
4) Appropriation of $28,769 for the purchase of equipment for the Police Department. Funding is from funds received as reimbursement from a vendor due to defective equipment.
5) Appropriation of $38,300 for recreation programs, funding is from revenues received the Parks, Arts and Recreation Department in excess of budgeted revenues.
6) Appropriation of $1,000 for youth programs, funding provided by Olympia Federal through the PARC Foundation.
7) Appropriation of $11,000 to the facilities maintenance program within the General Fund for LED lighting at City Hall and the Maintenance Center. Funding is from a transfer of funds from the energy program of the Equipment & Facilities Replacement Reserve Fund to the General Fund, facilities maintenance program.
8) Appropriation of $800 for additional downtown alley flushing, funding is provided by the Parking and Business Improvement Area.
9) Appropriation of $10,758 within the Drinking Water Utility and $10,758 within the Wastewater Utility to be transferred to their respective Capital Improvement Funds for the utility mapping and asset management project. Funding is from existing resources.
10) Appropriation of $18,343 for energy conservation projects. Funding is from sales tax refunds related to previous City solar energy projects.
11) Appropriation of $50,000 for 2016 debt service (interest) on the Bond Anticipation Notes issued in 2016 for parks acquisition.

Neighborhood/Community Interests (if known):
None noted.

Options:
1) Approve ordinance amending Ordinance 7021.

2) Do not approve the amending ordinance. The budget items not previously presented to the council would not be authorized.

Financial Impact:
Total appropriation increase of $1,381,878. Funding for these appropriations noted above.

Attachments:
Ordinance

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO BUDGETS, FINANCE, AND SALARIES, AND AMENDING ORDINANCE NO. 7021.

WHEREAS, the Olympia City Council held a public hearing and considered public testimony on the 2016 preliminary budget on November 17, 2015, as required by law; and

WHEREAS, the Olympia City Council passed Ordinance No. 6998 approving the 2016 budget on December 15, 2015; and

WHEREAS, the Olympia City Council amended Ordinance No. 6998 by passage of Ordinance No. 7006 on April 19, 2016; and

WHEREAS, the Olympia City Council amended Ordinance No. 7006 by passage of Ordinance No. 7021 on June 21, 2016; 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. 7021;

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

Section 1. 2016 Budget. The budget for the calendar year 2016 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.

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
General, Regular Operations	~~$1,727,035~~ $1,727,035	~~$68,055,273~~ $68,647,292	~~$69,782,308~~ $70,374,327	-
General, Special Sub-Funds				
Special Accounts	616,720	1,105,660	1,722,380	-
Development Fee Revenue	-	3,037,211	3,037,211	-
Parking	588,207	1,518,700	1,926,475	180,432
Washington Center	5,000	320,872	325,872	-
Municipal Arts	400	50,000	50,400	-
Equip & Facilities Reserve	~~200,000~~ 900,000	~~1,206,226~~ 1,224,569	~~1,406,226~~ 2,124,569	-
Total General Fund	~~**3,137,362**~~ **3,837,362**	~~**75,293,942**~~ **75,904,304**	~~**78,250,872**~~ **79,561,234**	**180,432**
4th/5th Avenue Corridor Bridge Loan	2,306	554,673	556,979	-
LTGO Bond Fund - 2006 Parks	-	1,191,750	1,191,750	-
UTGO Bond Fund – 2009 Fire	-	1,198,140	1,193,731	4,409
City Hall Debt Fund – 2009	962	2,420,156	2,421,118	-
2010 LTGO Bond – Street Projects	-	438,667	438,663	4
L.O.C.A.L. Debt Fund – 2010	1	178,281	178,282	-
2010B LTGO Bonds - HOCM	-	420,688	420,688	-
2013 LTGO Bond Fund	-	671,675	671,675	-
2016 LTGO Bond Anticipation Note Fund		50,000	50,000	

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
Water Utility O&M	10,758	12,328,250	~~12,328,250~~ 12,339,008	-
Sewer Utility O&M	~~86,382~~ 97,140	18,853,133	~~18,939,515~~ 18,950,273	-
Solid Waste Utility	-	10,547,363	10,528,483	18,880
Storm Water Utility	53,861	5,137,826	5,191,687	-
Water/Sewer Bonds	15,285	2,040,532	2,028,566	27,251
Stormwater Debt Fund	-	103,311	103,219	92
Equipment Rental	-	2,138,767	2,138,087	680
TOTALS	~~$3,296,159~~ $4,017,675	~~$133,517,154~~ $134,177,516	~~$136,581,565~~ $137,963,443	**$231,748**

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 2016 shall be as set forth in the "Supplementary Information" section of the 2016 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:

_____

CITY ATTORNEY (OCA)

PASSED:

APPROVED:

PUBLISHED:

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of Amendment to Ordinance 7022 (Capital Budget)

Agenda Date: 9/27/2016
Agenda Item Number: 4.H
File Number:16-1017

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

Title
Approval of Amendment to Ordinance 7022 (Capital Budget)

Recommended Action
Committee Recommendation:
Not referred to a committee.

City Manager Recommendation:
Move to approve amending ordinance on first reading and forward to second reading.

Report
Issue:
Whether to approve the amendment to Ordinance 7022.

Staff Contact:
Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):
None - Consent Calendar Item

Background and Analysis:
To change the budget the Council must approve an ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion a budget change is made between the quarterly updates with separate ordinances approved by 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.

No separate ordinances were passed since the adoption of ordinance 7022 relating to the Capital Budget.

<u>Budget Items Not Previously Presented to the Council:</u>

1) Appropriation of $50,061 within the Storm Water Capital Fund for utility mapping and asset

management. This is funded by a grant from the State of Washington, Department of Ecology ($25,000) and existing resources within the Utility Funds. This grant was originally budgeted within the operating budget. Those appropriations will be cancelled.

2) Appropriation of $10,000,000 for acquisition of parks. This will appropriate the proceeds of a Bond Anticipation Note (BAN) approved by the Council earlier this year. The proceeds of the BAN are drawn down as needed for acquisitions.
3) Appropriation of $1,000,000 for the purchase of the Dawley property (portion of LBA Woods acquisition). This appropriation is for the general government portion of the purchase. Funding is provided by $500,000 to be transferred from the General Fund and $500,000 of fund balance of the Capital Improvement Fund.

Neighborhood/Community Interests (if known):
None noted.

Options:

1) Approve ordinance amending Ordinance 7022.

2) Do not approve the amending ordinance or reallocation of budget. The budget items would not be authorized.

Financial Impact:
Total appropriation increase of $11,050,061. Funding for these appropriations noted above.

Attachments:
Ordinance

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO THE CAPITAL FACILITIES PLAN FOR THE YEARS 2016 – 2021, AND AMENDING ORDINANCE NO. 7022

WHEREAS, the Olympia City Council adopted the "Capital Facilities Plan" for years 2016 through 2021 by passing Ordinance No. 6997 on December 15, 2015; and

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

WHEREAS, the Olympia City Council amended Ordinance No. 6997 by passage of ordinance 7007 on April 19, 2016; and

WHEREAS, the Olympia City Council amended Ordinance No. 70007 by passage of ordinance 7022 on June 21, 2016; and

WHEREAS, the following amendments need to be made to Ordinance No. 7022;

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

Section 1. That certain document entitled the "Capital Facilities Plan," covering the years 2016 through 2021, 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 2016 all appropriations and allocations not otherwise closed, completed, or deleted from prior fiscal years' capital budgets.

Section 5. The following appropriations are hereby made:

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
Impact Fee Fund	$2,704,596	-	$2,704,596	-
SEPA Mitigation Fee Fund	78,501	-	78,501	-
Parks & Recreational Sidewalk, Utility Tax Fund	-	2,409,750	2,409,750	-

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
Real Estate Excise Tax Fund	744,400	1,200,000	1,944,400	-
Capital Improvement Fund	~~69,600~~ 569,600	~~10,874,037~~ 21,374,037	~~10,943,637~~ 21,943,637	-
City Hall Construction Fund	50,000	-	50,000	-
Water CIP Fund	700,000	7,730,000	8,430,000	-
Sewer CIP Fund	1,311,700	741,300	2,053,000	-
Stormwater CIP Fund	~~586,000~~ 611,061	~~1,759,700~~ 1,784,700	~~2,345,700~~ 2,395,761	-
Storm Drainage Mitigation Fund				
TOTALS	~~$6,244,797~~ $6,769,858	~~$24,714,787~~ $35,239,787	~~$30,959,584~~ $42,009,645	$0

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 five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY (OCA)

PASSED:

APPROVED:

PUBLISHED:

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of an Option to Purchase a 72-Acre Parcel Owned by Gregg O. Dawley, Kristi A. Dawley, Douglas L. Dawley, Paula P. Dawley, and Shirley G. Dawley (Dawley Trust), Commonly Known as Bentridge

Agenda Date: 9/27/2016
Agenda Item Number: 6.A
File Number:16-1054

Type: contract **Version:** 1 **Status:** Other Business

Title
Approval of an Option to Purchase a 72-Acre Parcel Owned by Gregg O. Dawley, Kristi A. Dawley, Douglas L. Dawley, Paula P. Dawley, and Shirley G. Dawley (Dawley Trust), Commonly Known as Bentridge

Recommended Action
City Manager Recommendation:
Authorize the City Manager to sign the Option to Purchase Real Estate agreement for the Dawley Trust property.

Issue:
Whether to approve an Option to Purchase Real Estate that secures an opportunity for the City to purchase the Dawley Trust property for a future park site, transportation corridor, and mixed use development.

Staff Contact:
Paul Simmons, Parks, Arts and Recreation Director, 360.753.8462
Mark Barber, City Attorney, 360.753.8223

Presenter(s):
Paul Simmons, Parks, Arts and Recreation Director

Background and Analysis:
The Dawley Trust owns a 71.86-acre parcel located in the 3900 block of Boulevard Road SE; Assessor's Parcel No. 11830330000 (see attachment titled Property Location Map). This parcel is immediately adjacent to LBA Park. Earlier this year, the City purchased the 74-acre D.R. Horton property (also known as Trillium/Ashton Woods) which is a portion of the "LBA Woods" and also adjacent to this parcel and to LBA Park. The Dawley Trust property is the last remaining portion of the "LBA Woods."

The City desires to secure an Option to Purchase this 71.86-acre parcel. If the City exercises that option, the intent is to use this property for three primary purposes. The majority of the property (approximately 59 acres) would be dedicated to expanding the City's inventory of park land. A much smaller portion of the property (approximately 2.8 acres) would be dedicated to the future extension of the Log Cabin Road from Boulevard Road to Wiggins Road, as outlined in the Regional Transportation Plan. The remaining portion of the property (approximately 10 acres) is located adjacent to Boulevard Road and would be set aside for development of multi-family housing, and potentially some neighborhood-oriented commercial uses.

Staff has concluded negotiations with the Seller, and has prepared the attached Option to Purchase Real Estate agreement. A summary of the Option's terms are below:

Option Terms:
The cost of the Option is $1,000,000, all of which will be applied towards the total purchase price of the property should the City purchase the property. Once the City transfers funds to secure the option, $700,000 will remain secured in escrow and will be released to the seller after the City has exercised its option and has assumed ownership of the property. The remaining $300,000 will be unsecured and will be released to the sellers immediately. The option agreement will expire January 31, 2017; if the City chooses not to exercise the option, the City forfeits the entire option payment.

If the Option is exercised, the balance of the acquisition will be made in three installment payments -

1. $3,700,000 - At the time of closing once the option is exercised, likely February-March, 2017. At that time the City of Olympia would assume full ownership of the property.
2. $1,200,000 - March 1, 2018
3. $1,000,000 - March 1, 2019

The option payment will be credited towards the overall purchase price of the property, which is $6,900,000.

Neighborhood/Community Interests (if known):

Parks Portion
In 2004, the citizens of Olympia voted in favor of creating a new 2% utility tax in order to generate funding for the acquisition, development, and maintenance of new parks. A goal of that ballot initiative was to increase the park system by 500 acres. If the option is exercised, this would be the third major land acquisition between 2016-2017. Combined with the upcoming Kaiser Heights acquisition, this purchase would bring the acres of park land acquired since 2004 to 318 acres.

In 2013, a citizen's group known as the "LBA Woods Coalition" formed to encourage the City to acquire two large parcels in southeast Olympia commonly known as "The LBA Woods". These properties have served for many years as "de-facto" open spaces for neighboring residential areas. The coalition wants the City to purchase both sites before they are developed and presented City Council with a petition containing over 5,000 signatures supporting the acquisition.

In 2015 the Parks, Arts & Recreation Department facilitated an extensive public process in an effort to update the Parks, Arts, & Recreation Plan. This process included a series of 8 neighborhood

meetings with a total of 160 participants, an OlySpeaks online survey, a random sample survey that included 759 responses, and approximately 121 independently written email comments. The most dominant themes of this process were:

- Buy the LBA Woods property (the DR Horton and the Bentridge sites);
- Acquire land in general while it is available; and
- Buy open space/natural areas - provide nearby access to nature

The random sample survey also highlighted that “trails” and “natural open space” were the highest priority for new projects.

In 2015, the citizens of Olympia voted in favor of creating a new Olympia Metropolitan Parks District. The goals of this ballot initiative were to create additional funding for parks acquisition, development, maintenance, and safety. Support for this funding measure demonstrates both ongoing community support for parks acquisition and a willingness to pay additional taxes for that purpose.

In summary, this option to purchase is consistent with community support demonstrated through two ballot initiatives, an extensive public process, and also has received ongoing support from a large community stakeholder group.

Log Cabin Extension

The Regional Transportation Plan has included the future extension of Log Cabin Road from Boulevard Road to Wiggins Road for over 20 years. Based on the most recent traffic projections, the need for this extension is confirmed; however it is several years away. As previously discussed with Council, staff proposes a narrower right-of-way width of 60 feet for the extension of Log Cabin Road. If the option is exercised, staff recommends setting aside this right-of-way. Staff also recommends using transportation impact fees to cover the pro-rated portion of property needed for right-of-way.

Boulevard Road Development

The City’s Comprehensive Plan designates this property for a Planned Development, to include a neighborhood center. To implement the Plan, the property is zoned Neighborhood Village. The approved master plan for the Bentridge Neighborhood Village includes a mixed-use center on the portion of this property closest to Boulevard Road. To achieve multiple goals outlined in the City’s Comprehensive Plan, the City intends to set aside a 10-acre portion of this property for future development of a neighborhood center, including multi-family housing and a small neighborhood commercial area. If the City purchases the property, a comprehensive plan amendment would be needed to update the City’s land use designation and zoning to implement this intent. Staff recommends utilizing non-park General Funds to cover this pro-rated portion of acquisition.

Options:

1. Authorize the City Manager to sign the Option to Purchase Real Estate agreement for the Dawley Trust property. This will ensure the City has the opportunity to purchase the Dawley Trust property.

2. Do not authorize the Option agreement. The City will not secure an opportunity to purchase

the Dawley Trust property.

Financial Impact:

Option Payment - $1,000,000
On May 10, 2016, the City Council approved a Bond Anticipation Note (BAN) to secure short-term debt for the purposes of acquiring new parks. Staff recommends utilizing BAN funds to pay for the cost of the option.

Installment Payment #1 - $3,700,000
Staff recommends funding from three different funding sources:

Parks Portion - $2,473,334 - Parks Bond Anticipation Note (BAN)
Log Cabin Extension Portion - $268,333 - Transportation Impact Fees
Boulevard Road Development Portion - $958,333 - Non-Park General Fund

Installment Payment #2 - $1,200,000
Staff recommends using cash generated by the 2004 Voted Utility Tax for Parks.

Installment Payment #3 - $1,000,000
Staff recommends using cash generated by the 2004 Voted Utility Tax for Parks.

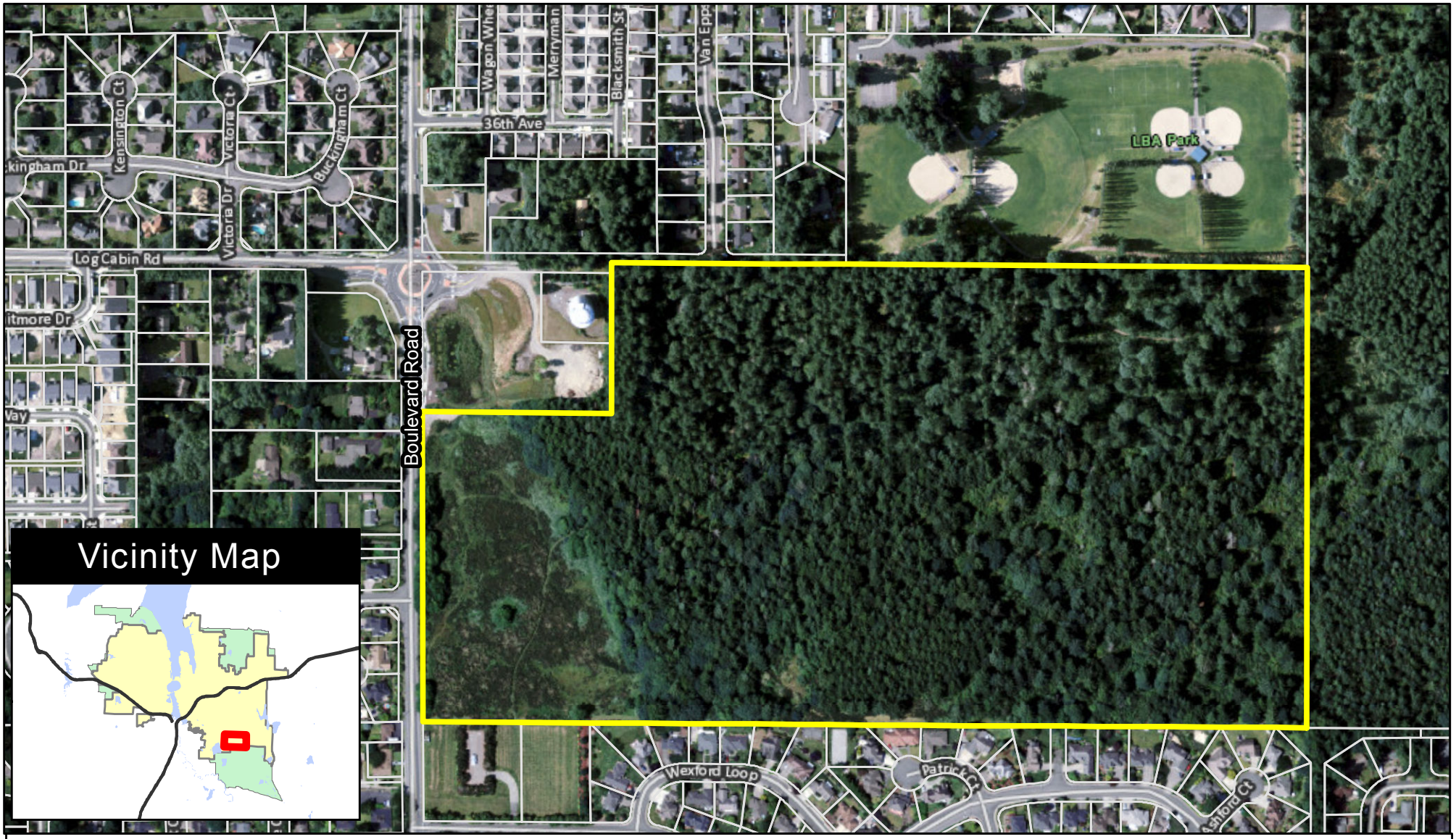
Should the City choose exercise the option to purchase, the full cost ($6.9 million) is considered debt and goes against the City of Olympia's debt limit.

Staff also recommends pursuing future grant opportunities such as Thurston County's Conservation Futures Program and the state's Washington Wildlife and Recreation Program to support this acquisition.

Attachments:
Property Location Map
Option to Purchase Agreement

Boulevard Road (Bentridge) Parcel

City of Olympia | Capital of Washington State



0 0.05 0.1 Miles

1 inch = 400 feet

Map printed 8/13/14
For more information, please contact:
Jonathon Turlove, Associate Planner
jturlove@ci.olympia.wa.us
(360) 753-8068

File name and path: \\calvin\parks\Planning and Design\ADMINISTRATION\GIS\Maps\Boulevard Road (Bentridge) Parcel.mxd

The City of Olympia and its personnel cannot assure the accuracy, completeness, reliability, or suitability of this information for any particular purpose. The parcels, right-of-ways, utilities and structures depicted hereon are based on record information and aerial photos only. It is recommended the recipient and or user field verify all information prior to use. The use of this data for purposes other than those for which they were created may yield inaccurate or misleading results. The recipient may not assert any proprietary rights to this information. The City of Olympia and its personnel neither accept or assume liability or responsibility, whatsoever, for any activity involving this information with respect to lost profits, lost savings or any other consequential damages.

OPTION TO PURCHASE REAL ESTATE

This OPTION TO PURCHASE REAL ESTATE ("Option" or "Agreement") is made by and between GREGG O. DAWLEY and KRISTI A. DAWLEY, as TRUSTEES OF THE DAWLEY FAMILY TRUST DATED OCTOBER 16, 2008; DOUGLAS L. DAWLEY and PAULA P. DAWLEY, AS TRUSTEES OF THE REVOCABLE TRUST OF DOUGLAS L. DAWLEY DATED APRIL 2, 2004, and SHIRLEY G. DAWLEY, TRUSTEE OF THE ROBERT E. DAWLEY TRUST, DATED NOVEMBER 8, 1983 (collectively, "Optionors"), and the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Optionee"), together known as the parties (the "Parties"), effective as of the Effective Date (as defined below in Section 3.9.15).

RECITALS

A. Optionors are the owners of certain real property located in the City of Olympia, Thurston County, Washington, legally described on **Exhibit A-1** attached hereto (the "Bentridge Property" or "Property").

B. Optionee has determined that Optionors' Bentridge Property is suitable property for a public park for recreation and open space purposes.

C. 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.

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 are hereby acknowledged, Optionors and Optionee agree as follows:

1. Property. Optionors hereby agree to and do grant to Optionee an Option to Purchase the fee title rights to certain real property legally described herein on **Exhibit A-1**, subject to the terms and conditions set forth herein, and Optionee hereby agrees to and does purchase an option from Optionors for purchase of the Property legally described on **Exhibit A-1**, subject to the terms and conditions set forth herein:

1.1 Land. Approximately 72 acres, more or less, constituting the entire site commonly known as the Bentridge Property located in the City of Olympia, Thurston County, Washington, shown in a sketch on **Exhibit A-2** attached hereto (the "Land").

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Land owned by Optionors, including without limitation 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");

The Land and Appurtenances described in **Section 1** above are herein collectively referred to as the "Property."

2. **Option Term**. The term of the Option shall be as follows:

2.1 **Term of Option.** The term of this Option shall be for a period expiring on January 31, 2017.

2.2 **Purchase Price for the Property and Terms of Payment Following Exercise of Option to Purchase.** If Optionee exercises its Option, the purchase price for the Property (the "Purchase Price") shall be **Six Million and Nine Hundred Thousand Dollars and No Cents ($6,900,000.00)**. The Purchase Price shall be paid as follows:

2.2.1 The Option Payment of One Million Dollars and No Cents ($1,000,000.00) described in Section 2.3 below shall be credited against the Purchase Price on the Sale Closing Date;

2.2.2 Optionee shall pay Optionors the sum of Three Million Seven Hundred Thousand Dollars and No Cents ($3,700,000.00) on the Sale Closing Date;

2.2.3 Optionee shall pay Optionors the sum of One Million Two Hundred Thousand Dollars and No Cents ($1,200,000.00) on or before March 1, 2018, but not before January 5, 2018 (the "First Installment"); and

2.2.4 Optionee shall pay Optionors the sum of One Million Dollars and No Cents ($1,000,000.00) on or before March 1, 2019, but not before January 5, 2019 (the "Second Installment").

On the Sale Closing Date, Optionee shall deliver to Optionors a promissory note (the "Note") in the principal amount of Two Million Two Hundred Thousand Dollars and No Cents ($2,200,000.00) representing Optionee's obligation to pay the First Installment and the Second Installment, together with a Deed of Trust on the Property to secure payment of the Note (the "Deed of Trust"). The Note shall be on form LPB 28A-05, completed in accordance and consistent with the terms set forth in this Agreement. The Deed of Trust shall be on form LPB 20-05 rev2/2208, completed in accordance and consistent with the terms set forth in this Agreement.

2.3 **Payment for Option and Application to Purchase Price.** On the Option Closing Date, Optionee shall pay to Optionors **One Million Dollars and No Cents ($1,000,000.00)** for the Option period ending on January 31, 2017. The Option payment made hereunder shall be non-refundable to Optionee, except as expressly provided herein or in the event of a default by Optionors hereunder. On the Option Closing Date, the sum of **Three Hundred Thousand Dollars and No Cents** ($300,000.00) shall be released from escrow to Optionors upon recording of this Option to Purchase Real Estate Agreement. The remaining Option amount of **Seven Hundred Thousand Dollars and No Cents** ($700,000.00) shall be held in escrow until such time as: (i) the Option period expires without Optionee exercising the Option, Optionee defaults hereunder, or the closing of the sale of the Property occurs, in each such case such remaining Option amount shall be released and paid to Optionors; or (ii) Optionors default hereunder or any other event occurs which expressly provides for the refund of the Option payment to Optionee, in each such case such remaining Option amount shall be released and paid to Optionee.

Should Optionee exercise its Option to Purchase the Property, the amount of any Option payment paid to Optionors shall be applied to and deducted from the Purchase Price for the Bentridge Property.

2.4 Option to Purchase shall be a Covenant. The Option granted by Optionors to Optionee shall be a covenant running with the Land and shall be binding on all present and future owners and occupiers of the Property, their successors, heirs and assigns. This Option shall be recorded with the Auditor of Thurston County, Washington on the Option Closing Date (as defined below) at Optionee's sole cost and expense.

2.5 Option Closing Date and Deposit of Documents. Subject to the satisfaction of the contingencies set forth in Sections 2.7 and 2.8 below, the Closing for this Option to Purchase shall be at the offices of the "Escrow Agent" on a mutually acceptable date not later than thirty (30) days after the Effective Date of this Option, but in any event not later than October 31, 2016 (the "Option Closing Date"), unless otherwise agreed to by the Parties. The Escrow Agent shall be Thurston County Title Co., in its capacity as Escrow Agent, located at 105 8th Ave SE, Olympia, Washington 98501. On the Option Closing Date, Escrow Agent shall record the executed Option to Purchase Real Estate between Optionors and Optionee and the Option amount for the Option period shall be delivered by Optionee to the Escrow Agent and released to Optionors, subject to the terms in Sections 2.3 and 2.4 above. Optionors and Optionee will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Option, to cause Closing for the Option to Purchase to occur within thirty (30) days of the Effective Date.

2.6 Exercise of Option to Purchase. The Optionee may exercise this Option to Purchase by timely giving notice prior to the expiration of the Option term to Optionors or their successors, heirs or assigns, as provided in Section 3.8 below, of Optionee's decision to purchase the Property upon the terms set forth herein. If Optionee fails to timely exercise the Option to Purchase, this Agreement shall terminate and no longer be effective.

2.7 Title and Survey Matters for Option. Optionee has ordered a preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by Thurston County Title Co. ("Title Company"), describing the Property, showing all matters pertaining to the Property and Optionors as vested fee owners in the Property. Nothing herein shall be construed as imposing any cost obligation upon the Optionors. In the event that the initial title binder contains unacceptable title exceptions to Optionee, then Optionee shall notify Optionors within fifteen (15) days after the Effective Date. Optionors shall notify Optionee thereafter within ten (10) days if Optionors agree, in their sole discretion, to remove or otherwise cure such objectionable matters (failure to timely respond shall be deemed an election not to remove or cure). If Optionors elect to remove or cure any matters, Optionors shall not be obligated to remove or cure unless and until Optionee exercises the Option to Purchase under Section 2.6. If Optionors elect or are deemed to have elected not to remove or cure any matter objected to, then this Option shall terminate and neither Optionors nor Optionee shall thereafter have any further liability or obligation under this Option and Optionee shall be entitled to a full refund of its Option payment. All title matters referenced in the initial preliminary commitment and not objected to by Optionee within fifteen (15) days after the Effective Date shall be deemed "Pre-Approved Title Matters." Optionors agree that they shall not, except as permitted herein, further encumber title to the Property at any time during the period of the Option in any manner that would materially and adversely affect title to the Property (as determined by Optionee in its reasonable discretion), otherwise Optionee may terminate this Agreement and shall receive a refund of its Option payment.

2.8. Initial Inspection; Environmental Reports. To the best of their knowledge, Optionors do not have in their possession any environmental reports related to any hazardous materials or chemicals regulated by the Model Toxics Control Act concerning the Property, including phase 1 and 2 environmental assessments and therefore shall not be required to provide any such reports to Optionee. Optionee shall be entitled to perform any of its own tests or other studies concerning all aspects of the Property, including without limitation the environmental condition of the Property, within the period after the Effective Date and prior to the Option Closing Date in Section 2.5, and shall have the right and permission for its employees, representatives, consultants and agents to enter upon the Property or any part thereof at all reasonable times for the purpose, at Optionee's cost and expense, of making all tests and/or studies of the Property that Optionee may wish to undertake, including, without limitation, soils tests, toxic and hazardous waste studies, and surveys, provided, however, that Optionee shall schedule all access to the Property in advance with Optionors and shall be required to obtain Optionors' written consent prior to conducting any invasive testing (including approval of any proposed work plan), which consent shall not be unreasonably withheld. Optionee shall further indemnify and hold harmless Optionors from and against any mechanic's or other liens or claims, causes of action, costs, expenses, or liabilities that may be filed or asserted against the Property or Optionors arising out of or relating to any actions taken by Optionee or its employees, agents, consultants or representatives in connection with the Property. Optionee, to the extent necessary, shall reasonably restore the Property at Optionee's sole cost and expense to its conditions immediately prior to any access or testing by Optionee or its employees, agents, consultants and representatives. If Optionee performs a phase I environmental assessment on the Property as a part of its initial inspection and such phase I recommends or otherwise indicates that a phase II environmental assessment or other supplemental environmental testing should be conducted, the Parties agree that the Option Closing Date shall be extended to the date that is seven (7) business days after Optionee receives the results back on its phase II or supplemental testing (so long as Optionee promptly orders the phase II or additional testing), in order to provide adequate time for issuance of reports or laboratory analysis of testing results obtained by Optionee or its employees, representatives, consultants and agents. The environmental and all other studies and assessments of the Property shall be subject to Optionee's satisfaction in all aspects of the Property for Optionee's intended use, in Optionee's sole discretion. If Optionee is not satisfied with its environmental and other studies and assessments of the Property prior to the Option Closing Date, then Optionee may terminate this Agreement in its sole discretion and neither Optionee nor Optionors shall have any further liability or obligation under this Option and Optionee shall be entitled to a refund of its Option payment.

2.9. Physical Condition to Remain Substantially the Same. The physical condition of the Property, including forest cover, shall remain substantially the same as it is at the time of Optionee's signature to this Agreement. If at any time during the Option period, the Land is cleared, logged, mined, or the forest cover is otherwise materially disturbed, Optionee is entitled to the return of its Option payment made under Section 2.3. Optionors shall not enter into any lease, license or other occupancy agreement with any person for the Property until after the Option term has expired or Optionee has elected not to exercise its Option to Purchase the Property, whichever occurs earlier.

2.10 Additional Terms. The additional terms in **Sections 3.8 and 3.9**, and all subsections respectively thereunder, shall also apply to this Option to Purchase.

3. After Exercise of Option to Purchase. If Optionee timely exercises the Option to Purchase, the Parties shall enter into an as-is, where-is "Real Estate Purchase and Sale Agreement" for such sale, based upon the following terms and conditions, within thirty (30) days after Optionee's exercise of its Option to Purchase the Property. The Parties agree that such Real Estate Purchase and Sale Agreement shall be entered into solely for the purpose of memorializing the following terms and

conditions and shall not contain any new or modified terms or conditions that are contrary to those set forth below, unless mutually agreed upon by the Parties in their sole and absolute discretion. The Parties acknowledge and agree that all material terms and conditions of a Real Estate Purchase and Sale Agreement are set forth below.

3.1 Payment of Purchase Price upon Exercise of Option to Purchase. On the "Sale Closing Date" (defined below), Optionee as "Buyer" (or the "City of Olympia" or the "City") shall deposit with Escrow Agent the portion of the Purchase Price as set forth in Section 2.2.2 above. Such portion of the Purchase Price shall be paid to Optionors as "Sellers" at the time of the Sale Closing Date by wire transfer, or by certified, cashier's, treasurer's or bank check(s) based on Sellers' instruction to the Escrow Agent. Within three (3) business days following the execution and delivery of the Real Estate Purchase and Sale Agreement, Buyer and Sellers shall open escrow with Escrow Agent, by depositing with Escrow Agent a copy of the Real Estate Purchase and Sale Agreement and Buyer's written notice exercising the Option to Purchase.

3.2. Closing Date for Real Estate Purchase and Sale Agreement. The Closing shall be held at the offices of the Escrow Agent on a date that is mutually acceptable to the Parties not later than thirty (30) days after the exercise of the Option to Purchase and complete execution of the Real Estate Purchase and Sale Agreement, but in any event not earlier than January 5, 2017 (the "Sale Closing Date"), unless otherwise agreed by the Parties. Closing shall occur when the Deed (as hereinafter defined) to Buyer is recorded, the portion of the Purchase Price as set forth in Section 2.2.2 and the Note have been delivered to the Escrow Agent for delivery to Sellers, and the Deed of Trust has been recorded. Sellers and Buyer will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Real Estate Purchase and Sale Agreement, to cause the Sale Closing to occur on or not later than the Sale Closing Date, which shall be not later than thirty (30) days after the Option to Purchase has been exercised and complete execution of the Real Estate Purchase and Sale Agreement.

3.3. Title and Survey Matters.

3.3.1 Title Binder. Promptly after exercising the Option to Purchase, Buyer shall order an updated preliminary commitment for an ALTA owner's standard coverage title insurance policy issued by Title Company describing the Property, showing all matters pertaining to the Property and listing Buyer as the prospective named insured, in a form acceptable to Buyer, updating the initial preliminary commitment to the exercise date of the Option to Purchase and Real Estate Purchase and Sale Agreement. Such updated 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." Nothing herein shall be construed as imposing any cost obligation upon Sellers.

3.3.2 Title Review. Within seven (7) business days of Buyer's receipt of the updated commitment ("Title Review Period"), Buyer shall review the Title Binder, and, shall notify Sellers what new exceptions to title since the initial commitment, if any, are unacceptable. Any new exceptions that are not disapproved by Buyer in writing during the Title Review Period, any exceptions consented to or required by Buyer and all Pre-Approved Title Matters shall constitute "Permitted Exceptions." Sellers shall remove any or all exceptions that are not Permitted Exceptions prior to the Sale Closing Date or shall notify Buyer that it will not remove such exceptions; if Sellers shall fail to remove any such exceptions objected to by Buyer from title prior to the Sale Closing Date, and Buyer states in writing that it is unwilling to take title subject thereto, then the Real Estate Purchase and Sale Agreement

shall terminate and neither Sellers nor Buyer shall thereafter have any further liability or obligation under the Real Estate Purchase and Sale Agreement and Buyer shall receive a refund of its Option payment. If Sellers cause any new exception to title on the Property after the Option Closing Date (other than "Pre-Approved Title Matters") that materially and adversely affects title to the Property (as reasonably determined by Buyer), then Buyer may terminate the Real Estate Purchase and Sale Agreement and, in such event, Buyer is entitled to receive return of the Option payment paid to Sellers. Sellers shall not be required to incur any expense in order to render their title marketable or remove any matter disapproved by Buyer; provided that, Sellers shall not refuse to remove any disapproved item that involves only payment of a monetary obligation secured by a lien or other encumbrance on the Land.

3.3.3 Title Policy. At Sale Closing, Sellers and Buyer shall cause Title Company to issue an Owner's standard coverage title insurance policy (ALTA Owners Policy) ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be issued in the amount of the total Purchase Price and (b) insure fee simple, indefeasible title to the Property in Buyer, subject only to the Permitted Exceptions and the standard printed exceptions. The Title Policy may contain endorsements as Buyer may require; provided that Buyer shall be solely responsible for all additional costs and requirements to obtain such endorsements.

3.4. Conditions to Buyer's Obligations.

3.4.1 Continued Inspection of the Property. For the sole purpose of confirming that no aspect of the Property has materially and adversely changed from the date of Buyer's initial inspection and assessment of the Property under Section 2.8 above, Buyer and its employees, representatives, consultants and agents shall have the right and permission from the Option Closing Date through the Sale Closing Date (or earlier termination of the Option or Real Estate Purchase and Sale 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, toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, that Buyer shall schedule all access to the Property in advance with Sellers and shall be required to obtain Sellers' written consent prior to conducting any invasive testing. Buyer shall further indemnify and hold harmless Sellers from and against any mechanic's or other liens or claims, causes of action, costs, expenses, or liabilities that may be filed or asserted against the Property or Sellers arising out of or relating to any actions taken by Buyer or its employees, agents, consultants or representatives in connection with the Property. To the extent necessary, Buyer shall reasonably restore the Property at its sole cost and expense to its condition immediately prior to any access or testing by Buyer or its employees, agents, consultants and representatives. Buyer's exercise of its Option to Purchase and any subsequent purchase of the Property shall be subject to its satisfaction that no aspect of the Property has materially and adversely changed for Buyer's intended use from the date of Buyer's initial inspection and assessment of the Property under Section 2.8 above, in Buyer's reasonable discretion. Buyer shall be required to satisfy itself of this condition prior to exercising the Option to Purchase under Section 2.6. Upon exercising the Option to Purchase, Buyer shall be deemed to have accepted the condition and all aspects of the Property. Buyer acknowledges that the sale of the Property shall be strictly on an "As-Is" basis, with all faults and defects, whether known or unknown, and Buyer agrees that, as of the Sale Closing Date, Buyer shall be deemed to have waived and released Sellers from any and all claims, suits, demands, liabilities, damages and other obligations arising in connection with or related to the Property, other than those arising as a result of any intentional wrongful act of Sellers. Notwithstanding the foregoing, in the event of a material and adverse change occurring upon or relating to the condition of the Property after exercising the Option to Purchase and before the Sale Closing, then Buyer may terminate

the Option to Purchase and Real Estate Purchase and Sale Agreement and Buyer shall be entitled to a refund of its Option payment. It is understood that the presence of any trespassers or "squatters" on the Property shall not be a basis for the return of the Option payment pursuant to this Section 3.4.1 or otherwise.

Buyer hereby waives the right to any seller disclosure statement which would otherwise be required under RCW Chapter 64.06. Further, in the event a seller's disclosure statement or any portion thereof is required under RCW Chapter 64.06, pursuant to RCW 64.06.040(3), Buyer hereby waives any right of rescission of the Real Estate Purchase and Sale Agreement that Buyer might otherwise have under RCW Chapter 64.06.

BUYER ACKNOWLEDGES THE PROPERTY IS "AS IS WHERE IS" IN ITS PRESENT CONDITION. BUYER HAS THE OPPORTUNITY TO INSPECT THE PROPERTY AND DOCUMENTATION IN SELLERS' POSSESSION AS PROVIDED HEREIN. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, THE REAL ESTATE PURCHASE AND SALE AGREEMENT OR THE CLOSING DOCUMENTS, SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO, HEREBY DISCLAIM AND SHALL HAVE NO LIABILITY FOR: (A) THE CONDITION OF THE PROPERTY OR ANY BUILDINGS, STRUCTURES OR IMPROVEMENTS THEREON OR THE ROOFS, STRUCTURAL COMPONENTS, OR HEATING, VENTILATING, AIR CONDITIONING, MECHANICAL, PLUMBING, ELECTRICAL, OR FIRE AND LIFE SAFETY SYSTEMS THEREON OR THEREIN OR THE SUITABILITY OF THE PROPERTY FOR HABITATION OR FOR BUYER'S INTENDED USE; (B) ANY APPLICABLE BUILDING, ZONING OR FIRE LAWS OR REGULATIONS OR WITH RESPECT TO COMPLIANCE THEREWITH OR WITH RESPECT TO THE EXISTENCE OF OR COMPLIANCE WITH ANY REQUIRED PERMITS, IF ANY, OF ANY GOVERNMENTAL AGENCY; (C) THE AVAILABILITY OR EXISTENCE OF ANY WATER, SEWER OR UTILITIES, ANY RIGHTS THERETO, OR ANY WATER, SEWER OR UTILITY DISTRICTS; (D) ACCESS TO ANY PUBLIC OR PRIVATE SANITARY SEWER OR DRAINAGE SYSTEM; OR (E) THE PRESENCE OF ANY HAZARDOUS SUBSTANCES AT THE PROPERTY OR IN ANY IMPROVEMENTS ON THE PROPERTY, INCLUDING WITHOUT LIMITATION ASBESTOS OR UREA-FORMALDEHYDE, OR THE PRESENCE OF ANY ENVIRONMENTALLY HAZARDOUS WASTES OR MATERIALS ON OR UNDER THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, THE REAL ESTATE PURCHASE AND SALE AGREEMENT OR THE CLOSING DOCUMENTS, SELLERS SHALL HAVE NO LIABILITY WITH RESPECT TO THE CONDITION OF THE PROPERTY UNDER COMMON LAW, OR ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 AS AMENDED, 42 U.S.C.A. SECTIONS 9601 ET SEQ., OR APPLICABLE WASHINGTON LAW, AND BUYER HEREBY RELEASES AND WAIVES ANY AND ALL CLAIMS WHICH THE BUYER HAS OR MAY HAVE AGAINST THE SELLERS WITH RESPECT TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS GIVEN THE OPPORTUNITY UNDER THIS AGREEMENT TO FULLY INSPECT THE PROPERTY AND BUYER ASSUMES THE RESPONSIBILITY AND RISKS OF ALL DEFECTS AND CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUCH DEFECTS AND CONDITIONS, IF ANY, THAT CANNOT BE OBSERVED BY CASUAL INSPECTION.

3.4.2 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) All representations and warranties of Sellers contained in Section 3.5 below shall be true, accurate and complete in all material respects at the time of the Sale Closing as if made again at such time;

(ii) Sellers shall have performed all obligations to be performed by them hereunder on or before the Sale Closing (or, if earlier, on or before the date set forth in the Real Estate Purchase and Sale Agreement for such performance);

(iii) At Sale Closing, title to the Property shall be in the condition required by **Section 3.3** herein and in the Real Estate Purchase and Sale Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

(iv) At Closing, the physical condition and forest cover of the Property shall be substantially the same as on the date the Option is signed by Optionee, ordinary wear and tear and acts described in Section 2.9 above excepted.

(v) The Real Estate Purchase and Sale Agreement must be approved by the Olympia City Council, the legislative body of the City of Olympia, a Washington municipality.

If the conditions set forth in this **Section 3.4** are not satisfied as of Sale Closing and Buyer does not waive the same, Buyer or Sellers may terminate the Real Estate Purchase and Sale Agreement, and thereafter neither Buyer nor Sellers shall have any further liability one to the other under the Real Estate Purchase and Sale Agreement, and, except as provided in the following sentence, Buyer shall be entitled to receive return of the Option payment paid to Sellers. If the City Council does not approve a Real Estate Purchase and Sale Agreement containing the terms and conditions agreed to herein, failure of such condition **shall not** entitle Buyer to receive a return of its Option payment. In such event, Optionors/Sellers shall be entitled to retain the Option payment.

3.5 Sellers' Representations and Warranties. Sellers have all necessary power and authority to enter into the Real Estate Purchase and Sale Agreement. The Real Estate Purchase and Sale Agreement shall constitute the legal, valid, binding and enforceable obligation of Sellers and Buyer.

3.6 Sellers' Provision of Further Information. From the Option Closing Date to the Sale Closing Date, Sellers will notify Buyer of each event of which Sellers become aware materially affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

3.7 Closing Pursuant to the Real Estate Purchase and Sale Agreement.

3.7.1 Time and Place. Provided that all the contingencies set forth in the Real Estate Purchase and Sale Agreement have been previously fulfilled, the Sale Closing shall take place at the place and time determined as set forth in **Section 3.2** above.

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

(i) **Deed.** A statutory warranty deed ("Deed"), conveying to Buyer title to the Property, free and clear of all liens, encumbrances, conditions, easements, assignments, and restrictions, except for the Permitted Exceptions, including all after acquired title, in the form attached hereto as **Exhibit B**.

(ii) **Title Documents**. Such other documents, including, without limitation, certificates of good standing or copy of any trust instrument or assignment or appointment of successor trustee or any amendments thereto, as shall be reasonably required by the Title Company (at no cost or additional liability to Sellers) as a condition to its insuring Buyer's fee simple title to the Property free of any exceptions, other than the Permitted Exceptions, and any other documents reasonably requested by Title Company to close the sale shall be provided upon request of Title Company.

(iii) **Authority**. Such evidence as the Title Company shall require as to authority of Sellers, and/or each of them, to convey the Property to Buyer.

3.7.3 Delivery by Buyer. Buyer shall deliver the portion of the Purchase Price described in Section 2.2.2, the Note, and the Deed of Trust (all of which shall be duly executed and acknowledged where required), to Sellers at Sale Closing and any other documents reasonably requested by Title Company to close the sale.

3.7.4 Payment of Costs. Notwithstanding the foregoing, Sellers and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property including, without limitation, attorneys' fees. Notwithstanding the foregoing, Buyer shall pay the fee to record the Deed, the fee to record the Deed of Trust, the premium for the Title Policy, and the escrow fee. Sellers shall pay any real estate excise tax due upon the sale of the Property.

3.7.5 Property Taxes. In the event Sellers have prepaid any taxes on the Property as of the date of Sale Closing, Sellers shall be entitled to a pro rata refund on the amount paid pursuant to RCW 84.60.050.

3.7.6 Monetary Liens. Sellers shall pay or cause to be satisfied at or prior to Sale Closing all recorded 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.

3.7.7 Possession. Possession and use of the Property shall be delivered to Buyer at Sale Closing subject to all Permitted Exceptions.

3.8 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 (FedEx) 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 Sellers:

Gregg O. Dawley and Kristi A. Dawley
P.O. Box 286
Ross, CA 94957-0286
Email: gdawley@comcast.net
Phone: (310) 614-6325

Douglas L. Dawley and Paula P. Dawley
4600 SW Greenhills Way
Portland, OR 97221-3274
Email: dawley5@msn.com
Phone: (503) 274-7074

Shirley G. Dawley
c/o Gregg O. Dawley
P.O. Box 286
Ross, CA 94957-0286
Email: gdawley@comcast.net
Phone: (310) 614-6325]

To Buyer:

Steven R. Hall, City Manager
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: shall@ci.olympia.wa.us
Phone: (360) 753-8447 FAX: (360) 570-3791

With copies to:

Mark Barber, City Attorney
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: mbarber@ci.olympia.wa.us
Phone: (360) 753-8338 FAX: (360) 570-3791

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.

3.9 Miscellaneous.

3.9.1 Applicable Law and Venue. The Option to Purchase and the Real Estate Purchase and Sale Agreement shall in all respects, be governed by the laws of the State of Washington. Venue for any lawsuits concerning this agreement shall be in Thurston County Superior Court.

3.9.2 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 under the Option to Purchase and the Real Estate Purchase and Sale Agreement, to carry out the intent of the Parties hereto.

3.9.3 Modification or Amendment, Waivers. No amendment, change or modification of the Option to Purchase or the Real Estate Purchase and Sale Agreement shall be valid, unless in writing and signed by all of the Parties hereto.

3.9.4 Successors and Assigns. All of the terms and provisions contained in the Real Estate Purchase and Sale Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and permitted assigns. Buyer shall not be permitted to assign the Option to Purchase or the Real Estate Purchase and Sale Agreement, or any part thereof, to any other party.

3.9.5 Entire Agreement. The Option to Purchase and the Real Estate Purchase and Sale Agreement shall constitute the entire understanding and agreement of the Parties with respect to their subject matters and any and all prior agreements, understandings or representations with respect to such subject matters are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under the Option to Purchase and Real Estate Purchase and Sale Agreement to any person, firm or corporation other than the Parties. The Recitals set forth above are hereby fully incorporated into this Option to Purchase and the Real Estate Purchase and Sale Agreement as if set forth herein.

3.9.6 Attorneys' Fees. Should either party bring suit to enforce the Option to Purchase or Real Estate Purchase and Sale Agreement, the substantially prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

3.9.7 Construction. Captions are solely for the convenience of the Parties and are not a part of the Option to Purchase or Real Estate Purchase and Sale Agreement. The Option to Purchase and Real Estate Purchase and Sale Agreement shall not be construed as if they had been prepared by one of the Parties, but rather as if both Parties had prepared them. If the date on which Buyer or Sellers are required to take any action under the terms of the Option to Purchase or Real Estate Purchase and Sale Agreement is not a business day, the action shall be taken on the next succeeding business day.

3.9.8 Partial Invalidity. If any term or provision of the Option to Purchase or Real Estate Purchase and Sale Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of Option to Purchase or the Real Estate Purchase and Sale Agreement shall not be affected thereby; and each such term and provision of the Option to Purchase or Real Estate Purchase and Sale Agreement shall be valid and be enforced to the fullest extent permitted by law.

3.9.9 Survival. The covenants, agreements, representations and warranties made in the Option to Purchase or Real Estate Purchase and Sale Agreement shall survive the respective Option or Sale Closing Dates unimpaired and shall not merge into the Deed and the recordation thereof.

3.9.10 Finders' or Brokers' Fees. Sellers and Buyer each hereby represent and warrant to the other that no broker, agent or finders' fees or commissions, or other similar fees, are due or arising in connection with any of the transactions contemplated by the Option to Purchase or Purchase and Sale Agreement other than a commission to be paid by Sellers to Samish Bay Land Company on or after the Sale Closing Date. Optionors/Sellers and Optionee/Buyer each hereby agree to indemnify, defend and hold the other harmless from and against any loss, liability, damage, cost, damage, claim or expense, including interest, penalties and reasonable attorneys' fees, that the other party shall incur or suffer because of any claim by a broker, agent, or finder claiming by, through, or under such indemnifying party, whether or not such claim is meritorious, for any compensation with respect to the entering into of the Option to Purchase or Real Estate Purchase and Sale Agreement, the sale and purchase of the Property, or the consummation of the transactions contemplated herein, except as provided herein.

3.9.11 Time. Time is of the essence of every provision of the Option to Purchase and Real Estate Purchase and Sale Agreement.

3.9.12 Force Majeure. Performance by Sellers or Buyer of their obligations under the Option to Purchase or Real Estate Purchase and Sale 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).

3.9.13 No Individual Liability. In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Optionors/Sellers be or be held liable or responsible in any way for the obligations or liabilities of Optionors/Sellers under the Option to Purchase or Real Estate Purchase and Sale Agreement.

3.9.14 Counterparts. The Option to Purchase and Real Estate Purchase and Sale Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of the Option to Purchase or Real Estate Purchase and Sale Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of the Option to Purchase or the Real Estate Purchase and Sale Agreement may be combined to form multiple fully-executed counterparts; and (ii) a facsimile signature or an electronically scanned signature shall be deemed to be an original signature for all purposes. All executed counterparts of the Option to Purchase or Real Estate Purchase and Sale Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement either as Option to Purchase or Real Estate Purchase and Sale Agreement.

3.9.15 Effective Date. The term, "**date of this Agreement**", or "**date hereof**", or "**Effective Date**", as used herein, shall mean the later of the following dates: (1) the date of Buyer's signature; or (2) the last date of Sellers' signatures.

3.9.16 Release of Option. If Optionee fails to timely exercise its Option to Purchase or should the Real Estate Purchase and Sale Agreement terminate for any other reason hereafter, Optionee/Buyer shall promptly execute and deliver to Optionors/Sellers (i) a termination and release of the Option to Purchase or Real Estate Purchase and Sale Agreement in recordable format in order for

Optionors/Sellers to clear title of the obligations hereunder, and if Optionee/Buyer fails to provide such termination and release within ten (10) business days following Optionors'/Seller's request, such failure shall be a default hereunder and result in a penalty of $1,000 per calendar day payable from the Optionee/Buyer to the Optionors/Sellers. If the Real Estate Purchase and Sale Agreement terminates for any reason requiring the return of the Option payment, Optionors/Sellers may retain the Option payment until such time as Optionee/Buyer provides such termination and release. In the event of a dispute related to whether Optionee/Buyer is entitled to the return of the Option payment, Optionors/Sellers may deposit the Option payment with Escrow Agent to hold in escrow pending resolution of such dispute, or interplead the Option payment with the Thurston County Superior Court pending resolution of such dispute, in which case Optionee/Buyer shall promptly deliver the termination and release and/or request for reconveyance as provided herein subject to the penalty provided above, but only subject to the penalty if the court finds that Optionee/Buyer is not entitled to the return of the Option payment. Otherwise, no penalty is due or payable by Optionee/Buyer.

3.9.17 Default. If, prior to the Sale Closing, Optionee/Buyer defaults under any material provision of the Option to Purchase or Real Estate Purchase and Sale Agreement and does not cure such material default after a ten (10) day notice and opportunity to cure is given by Optionors/Sellers, Optionors/Sellers may terminate the Option to Purchase or Purchase and Sale Agreement by notice to Optionee/Buyer and Optionors/Sellers shall be entitled to retain the Option payment made hereunder, as its sole and exclusive remedy, except for the provisions set forth in Section 3.9.6 above. If, prior to the Sale Closing, Optionors/Sellers default under any material provision of the Option to Purchase or Real Estate Purchase and Sale Agreement and do not cure such material default after a ten (10) day notice and opportunity to cure is given by Optionee/Buyer, Optionee/Buyer may terminate the Option to Purchase or Real Estate Purchase and Sale Agreement by notice to Optionors/Sellers and Optionee/Buyer shall be entitled to receive a refund of the Option payment made hereunder, as its sole and exclusive remedy, except for the provisions set forth in Section 3.9.6 above.

[Signatures follow on next page.]

SELLERS:

GREGG O. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: 9-18-2016

KRISTI A. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: 9-18-2016

DOUGLAS L. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date:_____

PAULA P. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: _____

SHIRLEY G. DAWLEY, as Trustee of the Robert E. Dawley Trust, dated November 8, 1983

Date: _____

SELLERS:

GREGG O. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

KRISTI A. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

Douglas L. Dawley

DOUGLAS L. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: 9/20/16

PAULA P. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: _____

SHIRLEY G. DAWLEY, as Trustee of the Robert E. Dawley Trust, dated November 8, 1983

Date: _____

SELLERS:

GREGG O. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

KRISTI A. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

DOUGLAS L. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: _____

Paula P Dawley

PAULA P. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: 9/17/16

SHIRLEY G. DAWLEY, as Trustee of the Robert E. Dawley Trust, dated November 8, 1983

Date: _____

SELLERS:

GREGG O. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

KRISTI A. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

Date: _____

DOUGLAS L. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: _____

PAULA P. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

Date: _____

Shirley G. Dawley

SHIRLEY G. DAWLEY, as Trustee of the Robert E. Dawley Trust, dated November 8, 1983

Date: 9-19-2016

BUYER:

CITY OF OLYMPIA, a Washington municipal corporation

By: _____
Its: _____
Date: _____

APPROVED AS TO FORM:

Mark Barber

City Attorney

EXHIBIT A-1
Legal Description

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M., EXCEPT THE NORTH 430 FEET OF THE WEST 574.5 FEET AS CONVEYED TO THURSTON COUNTY AND THE CITY OF OLYMPIA BY DEEDS RECORDED UNDER AUDITOR'S FILE NOS. 539316 AND 638169 RESPECTIVELY AND EXCEPT THE WEST 30 FEET OF THE REMAINDER FOR THE COUNTY ROAD KNOWN AS BOULEVARD ROAD.

EXHIBIT A-2
Sketch of Land

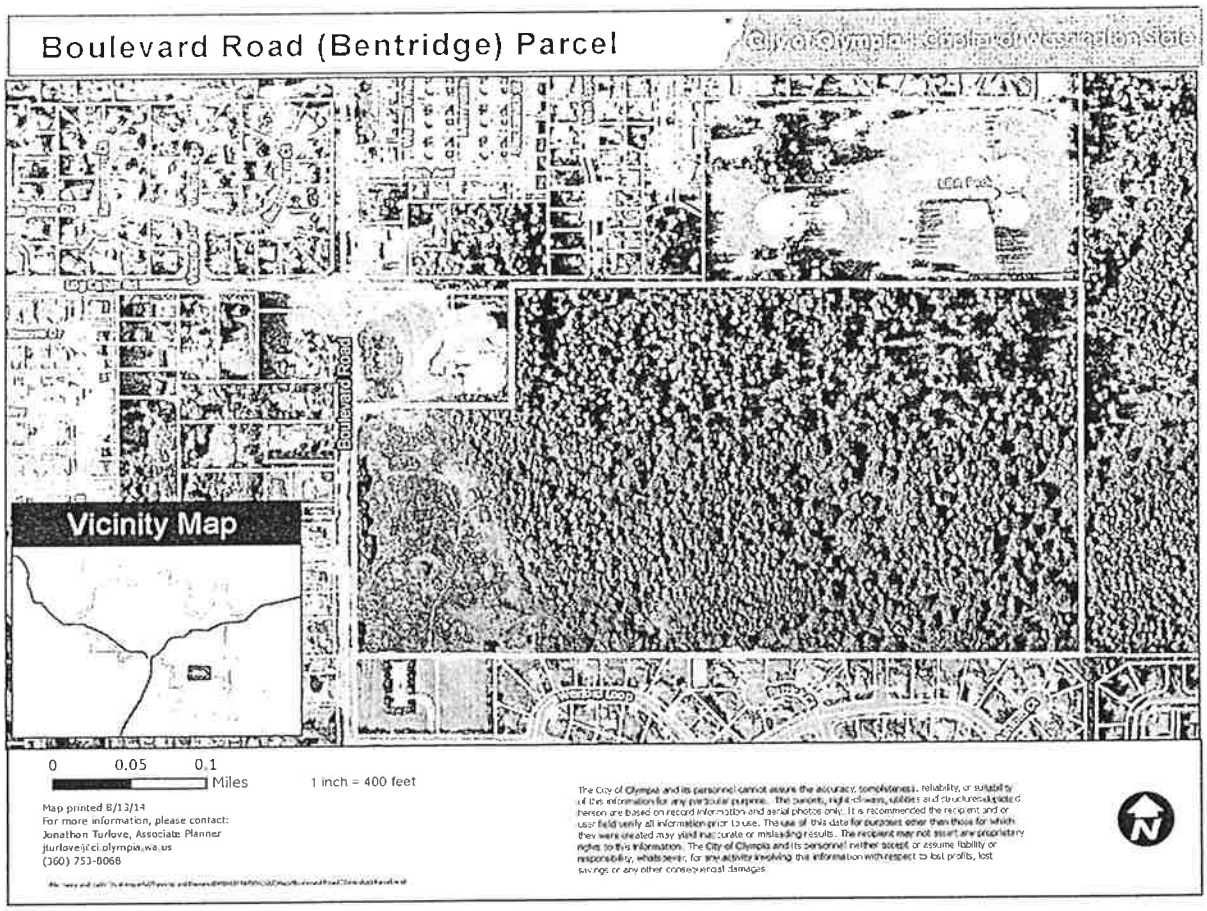


EXHIBIT B
Form of Deed

AFTER RECORDING MAIL TO:

Attn: Legal Department
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967

STATUTORY WARRANTY DEED

The Grantors, **GREGG O. DAWLEY and KRISTI A. DAWLEY, as TRUSTEES OF THE DAWLEY FAMILY TRUST DATED OCTOBER 16, 2008; DOUGLAS L. DAWLEY and PAULA P. DAWLEY, AS TRUSTEES OF THE REVOCABLE TRUST OF DOUGLAS L. DAWLEY DATED APRIL 2, 2004, and SHIRLEY G. DAWLEY, AS TRUSTEE OF THE ROBERT E. DAWLEY TRUST, DATED NOVEMBER 8, 1983,** for and in consideration of the sum of TEN and NO/100---($10.00) Dollars, and other valuable considerations, in hand paid, hereby convey and warrant to the **CITY OF OLYMPIA**, a municipal corporation, the following described real estate and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M., EXCEPT THE NORTH 430 FEET OF THE WEST 574.5 FEET AS CONVEYED TO THURSTON COUNTY AND THE CITY OF OLYMPIA BY DEEDS RECORDED UNDER AUDITOR'S FILE NOS. 539316 AND 638169 RESPECTIVELY AND EXCEPT THE WEST 30 FEET OF THE REMAINDER FOR THE COUNTY ROAD KNOWN AS BOULEVARD ROAD

Subject to the following:

INSERT PERMITTED EXCEPTIONS

DATED this ____ day of _____, 2017.

_____
GREGG O. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

_____
KRISTI A. DAWLEY, as trustee of the Dawley Family Trust dated October 16, 2008

_____
DOUGLAS L. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2, 2004

PAULA P. DAWLEY, as trustee of the Revocable Trust of Douglas L. Dawley dated April 2. 2004

SHIRLEY G. DAWLEY, as Trustee of the Robert E. Dawley Trust, dated November 8, 1983

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2017, before me personally appeared GREGG O. DAWLEY and KRISTI A. DAWLEY, to me known to be the Trustees of the Dawley Family Trust dated October 16, 2008, and acknowledged said instrument to be their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument

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

_____
Print Name:_____
NOTARY PUBLIC in and for the State of _____,
residing at _____
Commission expires:_____

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2017, before me personally appeared DOUGLAS L. DAWLEY and PAULA P. DAWLEY, to me known to be the Trustees of the Revocable Trust of Douglas L. Dawley dated April 2, 2004, and acknowledged said instrument to be their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument

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

_____
Print Name:_____
NOTARY PUBLIC in and for the State of _____,
residing at _____
Commission expires:_____

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2017, before me personally appeared SHIRLEY G. DAWLEY, to me known to be the Trustee of the Robert E. Dawley Trust dated November 8, 1983, and acknowledged said instrument to be her free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute said instrument

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

_____
Print Name:_____
NOTARY PUBLIC in and for the State of _____,
residing at _____
Commission expires:_____