

**REGULAR CITY COUNCIL STUDY SESSION
MONDAY, JULY 21, 2014
LOCATION: BAINBRIDGE ISLAND CITY HALL
280 MADISON AVENUE NORTH, BAINBRIDGE ISLAND, WA 98110**

1. 7:00 PM CALL TO ORDER / ROLL CALL
2. 7:05 PM ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE
3. 7:10 PM CITY MANAGER'S REPORT
4. 7:15 PM STAFF INTENSIVE
 - A. 7:15 PM Police Facilities Planning

Documents: 072114 Public Safety Facilities Planning Agenda Bill.docx, 072114 Public Safety Facilities Memo.doc, 072114 IACP Facility Planning Guidelines - Example.pdf
 - B. 7:30 PM City Maintenance of Road Ends and City-Owned Trails

Documents: 072114 City Maintenance Of Road-Ends And Trails Agenda Bill.docx, 072114 Update On Road Ends And City Trails.docx
 - C. 7:40 PM WSDOT Transportation Improvement Board Grant Opportunity for Wyatt Way Reconstruction

Documents: 072114 TIB Grant Opportunity Agenda Bill.docx, 072114 TIB Call For Projects.docx
 - D. 7:50 PM Commercial Lease Agreement for Municipal Courthouse

Documents: 072114 Municipal Court Lease Agenda Bill.docx, 072114 Municipal Court Lease Memorandum.docx, 072114 Municipal

E. 8:00 PM 2015 Lodging Tax Advisory Committee Award Cycle

Documents: 072114 2015 LTAC Agenda Bill.docx, 072114 2015
LTAC Memorandum.doc, 072114 2015 LTAC Timeline.docx, 072114
2015 LTAC Balance.docx

F. 8:15 PM Ordinance No. 2014-30, Changing the City Council Meeting Date and
Amending BIMC 2.04.010

Documents: 072114 Ordinance No 2014-30 Changing Council
Meeting Date.docx, 072114 Ordinance No. 2014-30 Changing Council
Meeting Date Agenda Bill.docx

5. 8:25 PM COUNCIL DISCUSSION

6. 8:30 PM COMMITTEE REPORTS

7. 8:35 PM REVIEW OF UPCOMING COUNCIL MEETING AGENDAS

A. 8:35 PM Review Upcoming Council Meeting Agendas

Documents: 072114 Review Of Upcoming Council Meeting
Agendas.pdf

8. 8:40 PM FOR THE GOOD OF THE ORDER

9. 8:45 PM ADJOURNMENT

Times listed on this agenda are appropriate. Public Comment may be limited to allow time for Council to deliberate.

Americans with Disabilities Act (ADA) accommodations provided upon request. Those requiring special accommodations, please contact the City Clerk at 206-842-2545 (cityclerk@bainbridgewa.gov) by Noon of the day preceding the meeting.

CITY OF BAINBRIDGE ISLAND CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: Police Facilities Planning	Date: July 21, 2014
Agenda Item: Staff Intensive	Bill No.: 14-008
Proposed By: Deputy City Manager Smith	Referral(s):

BUDGET INFORMATION

Department: Executive	Fund:	Munis Contract #
Expenditure Req: \$29,400	Budgeted? ☐ Yes ☒ No	Budget Amend. Req? ☒ Yes ☐ No

REFERRALS/REVIEW

City Manager ☒ Yes ☐ No ☐ N/A	Legal ☐ Yes ☐ No ☒ N/A	Finance ☒ Yes ☐ No ☐ N/A
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DESCRIPTION/SUMMARY

Action Item:

At the June 16, 2014 City Council meeting, Council directed staff to develop next steps and timelines to continue the City's assessment of options to address facility requirements for the Police department and Municipal Court. The attached memo describes suggested next elements for this project, including additional support from Mackenzie, Inc. and a site survey process to rank identified alternative locations.

Staff expects that these next stages could be complete by mid-September, with a final report and presentation provided to City Council at that time.

RECOMMENDED ACTION

Motion:

Information only.

City of Bainbridge Island
EXECUTIVE DEPARTMENT



MEMORANDUM

TO: City Council
Doug Schulze, City Manager

FROM: Morgan Smith, Deputy City Manager

DATE: July 16, 2014

RE: Next Steps on Planning for Police and Municipal Court Facilities

Over the last six months, the City has completed an extensive assessment of the condition of the current Police station, the future functional needs of the department, and the feasibility and cost of a combined facility with Bainbridge Island Fire Department (BIFD). Additional work was done to understand what options exist to develop a stand-alone Police facility at a location within the downtown Winslow area, as well as some scenarios that could also support a new Municipal Court facility. The studies were performed by Mackenzie, Inc., with significant input from City staff, and the results were presented to City Council on June 16, 2014.

From this work, three leading options emerged for further consideration. Two of the options involve construction of a stand-alone Police facility at a downtown site near City Hall. A third option would involve construction of a combined Police and Fire facility, to be located at the site of the current BIFD Station 21 on N. Madison Avenue. Initial cost estimates indicate a stand-alone Police facility may cost roughly \$8 million (not including land) and a combined Police-BIFD facility may have Police-associated costs of roughly \$6 million (also not including any land component).

To further assess these alternatives, the City proposes to continue to work with Mackenzie to complete additional feasibility review and site-specific evaluation of the remaining options. This will provide a sufficient level of confidence that all three options are viable for consideration.

In addition, Mackenzie will facilitate a standardized process for reviewing alternative sites, that allows participants to rank options based on a variety of dimensions. This tool, the International Chief of Police (IACP) Facility Planning Guidelines, provides a process to assist communities and decision-makers in site selection.

The IACP criteria ranking exercise will entail using 18 dimensions outlined within the IACP Facility Planning Guidelines for evaluating sites. These criteria will be modified or expanded if

needed to capture any critical community-specific factors that are not represented by the standard factors. Participants will score alternative sites based on identified parameters, so that an objective determination can be made regarding the relative advantages of leading options.

Mackenzie has previously facilitated this process in other communities. An example of the site ranking results from the City of Hillsboro is provided for information.

It is expected that the proposed additional feasibility review and the IACP site ranking process could be completed by mid-September.

IMPORTANCE FACTOR SCORING CRITERIA

Each site was independently evaluated and scored on 18 parameters outlined within the International Chief of Police (IACP) Facility Planning Guidelines. While there are many factors that must be taken into consideration when selecting a site, the following criteria serve as essential components when conducting a site evaluation.

1. **COST OF LAND:**
Ranking evaluated on the availability of property for purchase and assessed purchase price of each property.
2. **COST OF SITE DEVELOPMENT:**
Ranking evaluated on anticipated development costs of the property, including but not limited to existing infrastructure, hazardous material remediation, demolition of existing structures and topographical challenges.
3. **SIZE OF SITE:**
Ranking evaluated on the usable site acreage available for development within the property boundaries.
4. **SHAPE OF SITE:**
Ranking evaluated on the shape of the site, with particular emphasis on irregularities that present challenges to parking and building layout, access, visibility and general efficiencies.
5. **POTENTIAL FOR MULTI-USE:**
Ranking evaluated on multiple use opportunities for expansion of the police facility, co-location of other city functions within the confines of the site, supported access, parking and general placement of the new Police facility.
6. **PUBLIC ACCESS TO SITE – VEHICLE:**
Ranking evaluated on vehicular access to and from the site for both the public, police department and municipal court. Vehicular access evaluations took into consideration proximity to major arterial streets and highways, visibility and way-finding and ease of circulation once on site.
7. **PUBLIC ACCESS TO SITE – TRANSIT:**
Ranking evaluated on proximity to public transit infrastructure including lightrail stations, bus stops and frequency of routes.
8. **PUBLIC ACCESS TO SITE – PEDESTRIAN / BICYCLE:**
Ranking evaluated on ease of access for pedestrians and bicycles to and from the site.
9. **VISIBILITY AND PROMINENCE:**
Ranking evaluated on the visibility and prominence the site offers for placement and development of a new civic structure for the City of Hillsboro. Visibility and prominence can be impacted by alternative parameters such as size and shape of site, natural constraints such as terrain and floodplains and available positioning within the site for the building and parking.

10. PROXIMITY TO GOVERNMENT FUNCTIONS:

Ranking evaluated on the proximity of the site to other civic structures, functions and property owned by the City of Hillsboro.

11. NEIGHBORHOOD CONTEXT:

Ranking evaluated on the context of the site and surrounding property. Evaluations took into account the nature of a police department and the scale of the facility as it relates to adjacent commercial, industrial or residential properties.

12. POSITIONING FACILITY ON SITE:

Ranking evaluated on the flexibility of positioning the facility on the site to maximize visibility and prominence, security and potential for multi-use.

13. SECURITY:

Ranking evaluated on the ability to appropriately locate the facility, public parking, secure parking and access to and from the site in a manner that supports the safety and security parameters associated with a police and municipal court facility.

14. TRAFFIC CONGESTION:

Ranking evaluated on street infrastructure, signals, one-way and two-way streets and potential traffic impacts associated with development of a new police and municipal court facility.

15. EXPANSION TO ADJACENT SITES:

Ranking evaluated on the prospective site's direct adjacency to potential future property that could be acquired for either future expansion or development of alternative City functions.

16. PROXIMITY TO GEOGRAPHIC CENTER:

Ranking evaluated on the property's proximity to Hillsboro's city center. As a central headquarters, centralizing the facility within the service area is essential while coupling placement with close proximity to major vehicular streets, arterials and highways.

17. CURRENT OWNERSHIP:

Ranking evaluated on the current ownership of the property, required purchase for multiple parcels and difficulties associated with land acquisition of property.

18. LAND USE:

Ranking evaluated on the current use allowance (permitted outright or through a conditional use) and other general zoning regulations.

IMPORTANCE FACTOR MATRIX

RANKED: 1 - 10 1: LEAST SUITED; 10: MOST SUITED 		SITE 1: WEST PRECINCT EXPANSION	
		HPFPC	GM
1. COST OF LAND	2	2	4
Availability of property for purchase and assessed purchase price of each property.			
2. COST OF SITE DEVELOPMENT	2	2	4
Includes infrastructure, hazardous material remediation, existing structures, topography, etc.			
3. SIZE OF SITE	3	3	6
Usable site acreage available for development of the property.			
4. SHAPE OF SITE	4	4	1
Emphasis on irregularities that present challenges to layout, access, visibility and efficiencies.			
5. POTENTIAL FOR MULTI-USE	1	1	8
Opportunities for expansion or additional city functions within the confines of the site.			
6. PUBLIC ACCESS TO SITE - VEHICLE	8	8	8
Access and proximity to arterial streets and highways, and on site circulation.			
7. PUBLIC ACCESS TO SITE - TRANSIT	9	9	8
Proximity to public transit including lightrail stations, bus stops and frequency of routes.			
8. PUBLIC ACCESS TO SITE - PEDESTRIAN / BICYCLE	7	7	6
Ease of access for pedestrians and bicycles to and from the site.			
9. VISIBILITY AND PROMINENCE	7	7	8
Location, size and shape, terrain and floodplains, and positioning of building and parking.			
10. PROXIMITY TO GOVERNMENT FUNCTIONS	9	9	10
Location of the site as it relates to other civic structures and functions.			
11. NEIGHBORHOOD CONTEXT	7	7	10
Context of the site and surrounding property, nature, scale and function of a civic structure.			
12. POSITIONING FACILITY ON SITE	2	2	8
Flexibility to position the facility on site to maximize visibility, prominence, security and multi-use.			
13. SECURITY	2	2	1
Appropriately site the facility to support the safety and security associated with the facility.			
14. TRAFFIC CONGESTION	2	2	4
Infrastructure capacity, signals, connectivity streets and potential traffic impacts of the facility.			
15. EXPANSION TO ADJACENT SITES	1	1	8
Adjacency to property that could be acquired for future expansion or development of civic functions.			
16. PROXIMITY TO GEOGRAPHIC CENTER	6	6	10
Centralized location of site within the service area.			
17. CURRENT OWNERSHIP	6	6	10
Current ownership of the property, purchase of multiple parcels and potential difficulties acquiring property.			
18. LAND USE	8	8	10
Current use allowance (permitted outright or through a conditional use) and other general zoning regulations.			
ASSESSMENT SCORE		86	124
CUMULATIVE RANK (AVERAGE SCORE BY HPFPC)		4.7	

SITE 2: NE 60TH AVENUE			SITE 3: E MAIN STREET			SITE 4: NE ELAM YOUNG PARKWAY			SITE 5: SW CORNELIUS PASS ROAD		
HPFPC		GM	HPFPC		GM	HPFPC		GM	HPFPC		GM
10	●	10	7	●	7	7	●	8	6	●	6
5	●	10	5	●	3	6	●	2	5	●	8
6	●	4	7	●	8	10	●	10	6	●	8
5	●	7	9	●	10	6	●	7	9	●	10
4	●	1	5	●	1	4	●	1	4	●	10
5	●	5	7	●	6	6	●	8	6	●	8
2	●	2	4	●	3	6	●	6	4	●	1
2	●	4	5	●	6	4	●	4	3	●	8
2	●	1	6	●	2	3	●	9	4	●	9
2	●	4	5	●	8	3	●	6	2	●	2
2	●	1	4	●	5	4	●	10	3	●	7
5	●	2	6	●	2	7	●	10	6	●	5
4	●	4	5	●	8	7	●	10	6	●	6
4	●	8	5	●	8	7	●	8	5	●	6
5	●	1	5	●	1	6	●	1	7	●	10
5	●	4	6	●	8	7	●	6	3	●	2
2	●	5	2	●	1	6	●	5	4	●	1
3	●	5	3	●	5	7	●	10	6	●	8
75	●	76	95	●	92	104	●	121	87	●	115
4.2			5.3			5.8			4.8		

IMPORTANCE FACTOR MATRIX CONT.

RANKED: 1 - 10

1: LEAST SUITED; 10: MOST SUITED



1. COST OF LAND

Availability of property for purchase and assessed purchase price of each property.

2. COST OF SITE DEVELOPMENT

Includes infrastructure, hazardous material remediation, existing structures, topography, etc.

3. SIZE OF SITE

Usable site acreage available for development of the property.

4. SHAPE OF SITE

Emphasis on irregularities that present challenges to layout, access, visibility and efficiencies.

5. POTENTIAL FOR MULTI-USE

Opportunities for expansion or additional city functions within the confines of the site.

6. PUBLIC ACCESS TO SITE - VEHICLE

Access and proximity to arterial streets and highways, and on site circulation.

7. PUBLIC ACCESS TO SITE - TRANSIT

Proximity to public transit including lightrail stations, bus stops and frequency of routes.

8. PUBLIC ACCESS TO SITE - PEDESTRIAN / BICYCLE

Ease of access for pedestrians and bicycles to and from the site.

9. VISIBILITY AND PROMINENCE

Location, size and shape, terrain and floodplains, and positioning of building and parking.

10. PROXIMITY TO GOVERNMENT FUNCTIONS

Location of the site as it relates to other civic structures and functions.

11. NEIGHBORHOOD CONTEXT

Context of the site and surrounding property, nature, scale and function of a civic structure.

12. POSITIONING FACILITY ON SITE

Flexibility to position the facility on site to maximize visibility, prominence, security and multi-use.

13. SECURITY

Appropriately site the facility to support the safety and security associated with the facility.

14. TRAFFIC CONGESTION

Infrastructure capacity, signals, connectivity streets and potential traffic impacts of the facility.

15. EXPANSION TO ADJACENT SITES

Adjacency to property that could be acquired for future expansion or development of civic functions.

16. PROXIMITY TO GEOGRAPHIC CENTER

Centralized location of site within the service area.

17. CURRENT OWNERSHIP

Current ownership of the property, purchase of multiple parcels and potential difficulties acquiring property.

18. LAND USE

Current use allowance (permitted outright or through a conditional use) and other general zoning regulations.

ASSESSMENT SCORE

CUMULATIVE RANK (AVERAGE SCORE BY HPFPC)

SITE 6: W BASELINE ROAD			SITE 8: NW EVERGREEN ROAD			SITE 9: SHUTE WEST OF 10TH AVENUE			SITE 10: SHUTE EAST OF 10TH AVENUE		
HPFPC		GM	HPFPC		GM	HPFPC		GM	HPFPC		GM
4		5	8		9	3		3	1		2
6		7	6		9	2		1	2		6
6		8	8		10	2		8	3		9
8		10	8		10	4		3	6		10
4		10	5		10	2		3	2		3
7		8	7		6	6		8	5		8
4		1	3		1	7		6	7		6
5		8	1		5	7		6	7		6
5		5	4		4	5		10	5		10
3		2	3		4	8		10	7		10
4		7	5		10	5		10	5		10
6		7	9		10	2		8	3		9
6		7	8		10	2		1	3		1
6		6	8		6	2		4	2		4
7		10	8		10	1		3	2		3
4		2	5		4	5		10	5		10
5		1	6		5	2		1	1		1
6		10	6		1	6		10	5		5
96		114	107		124	71		105	73		113
5.3			5.9			3.9			4.1		

CITY OF BAINBRIDGE ISLAND

CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: City Maintenance of Road-Ends and City-Owned Trails Date: July 21, 2014

Agenda Item: Staff Intensive

Bill No.: 14-115

Proposed By: Deputy City Manager Morgan Smith

BUDGET INFORMATION

Depart/Fund: N/A

Expenditure Req: \$

Budgeted? ☐ Yes ☐ No

Budget Amend. Req? ☐ Yes ☐ No

REFERRALS/REVIEW

Study Session

Recommendation:

City Manager ☒ Yes ☐ No ☐ N/A

Legal ☐ Yes ☐ No ☒ N/A

Finance ☐ Yes ☐ No ☒ N/A

DESCRIPTION/SUMMARY

Action Item:

Staff to update City Council on new initiatives to include road ends and City-owned trails in regular Public Works maintenance plans. More information is provided in the following memo.

RECOMMENDED ACTION

Motion:

Information only.



MEMORANDUM

TO: City Council
Doug Schulze, City Manager

FROM: Morgan Smith, Deputy City Manager

DATE: July 16, 2014

RE: Update on New Public Works Maintenance Initiatives:
City Road Ends and City-Owned Trails

The Public Works departmental workplan for 2014 included two initiatives related to new maintenance activities:

- Develop annual plan for Road Ends maintenance and as-needed survey work, etc.
- Develop plan to complete annual maintenance of City-owned trails

Maintenance of City Road Ends

Across the island, there are more than 60 identified road ends. These sites represent public right-of-way to the shoreline and are a unique and valuable component of the public's access to Puget Sound. The City's portfolio of road ends includes a wide range of sites, from high-bank view opportunities to low-bank water access. In many locations, road ends are intended for local, neighborhood use with low-impact features such as trails or viewing benches. In some locations, more frequent historical use has resulted in designated parking areas. At all sites, it is important to maintain proper signage to identify the public access and to delineate private property as needed.

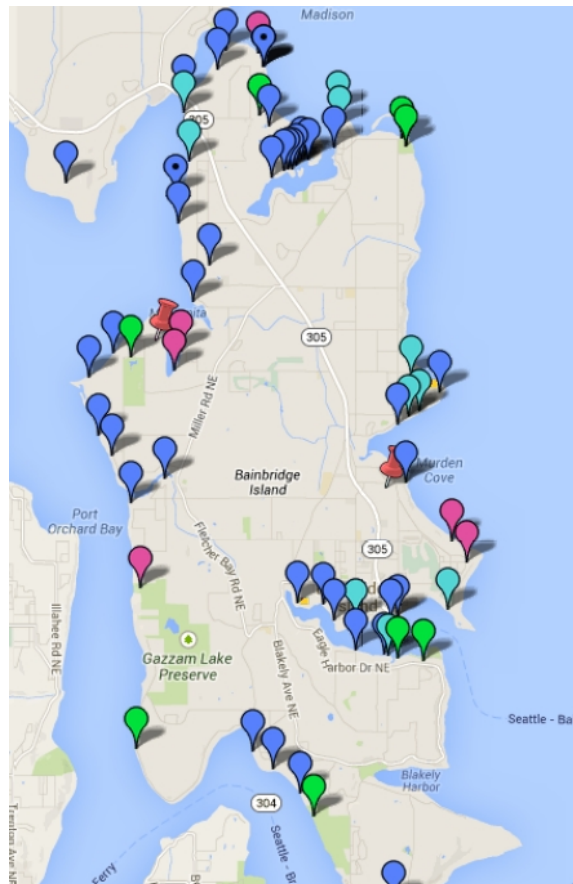
The City's Road End Advisory Committee has worked for roughly 20 years to ensure the proper recognition of these road ends, to publicize their availability, and to provide stewardship through volunteer efforts at trimming, site improvements and general clean-up. In cooperation with the Committee, staff have initiated an effort to transfer responsibility for regular maintenance to City maintenance crews. The goal is to enhance the appearance and accessibility of these sites, to provide more consistency in signage, benches, and other improvements, and to reduce the reliance on volunteer efforts.

The intent for 2014 was for the City to assume responsibility for a subset of road ends, to estimate work requirements and to understand how road end maintenance would affect the ability to complete other maintenance tasks. Forty-four road ends were identified for potential maintenance. Initial plans called for a quarterly visit to each of these road ends, with an estimate of four work-hours of maintenance on average at each site. This would result in 704 annual work hours, which equates to roughly 0.33 FTE.

In early May, Public Works staff began initial visits to each road end. As of mid-July, maintenance has been completed at roughly 30 sites. The remaining sites are expected to be done by early August. Based on this initial round of maintenance, staff believe the original plan for a quarterly visit to each site, and average effort of four work-hours per site, is an appropriate guide.

This effort has been led by the City's sign technician, Jason Roger, with help from Tom Oreiro and the City's seasonal crew. Maintenance staff will provide a complete briefing to the Road Ends Committee at the committee's August meeting. To date, the increased maintenance has been very well received by both community neighbors and the committee members.

Google Map of City Road Ends:



Maintenance of City-Owned Trails

There continues to be a high level of public interest in, and support for, an extensive and well-connected network of non-motorized trails throughout the island. Existing trails are a blend of City-owned, Park District trails, and trails located on private property within neighborhoods. The City's capital plans identified significant expansion of non-motorized infrastructure in the coming years. As these projects are constructed, it will be important to also plan for regular maintenance and repair to keep existing trails in good condition and to address any issues related to safety or encroachment.

As a first step to a plan for routine trail maintenance, Public Works staff developed a detailed island-wide inventory of existing trails on City property. This inventory is intended to focus on City-owned trails, but in many cases also captures Park District trails and trails within private developments. Currently, nearly all City-owned trails are located within the downtown, Winslow area. The attached map shows a detail of identified trails in the Winslow area.

For City-owned trails, staff have developed detail information for each trail segment including site information, trail length and width, slope issues, trail surface material, drainage issues, existing improvements and other maintenance aspects. This will allow planning for regular attention to routine requirements, as well as an estimate of work-hours needed to keep trail conditions maintained on an annual basis.

Once this inventory is complete, staff will review with the City's NonMotorized Transportation Advisory Committee, to compare knowledge of the island trail network and discuss any additional maintenance concerns. The goal is to have develop a current and accurate reference for City-owned trails, their location, and their annual maintenance requirements. Going forward, Public Works will then be able to incorporate these activities into ongoing annual workplans. As new trails are constructed and added to the network, the City will be aware of, and can plan for, the annual maintenance needs that will follow.

Map of Winslow-Area Trails (Work In-Progress):



- City Maintained Trails
- Trails Maintained by others
- BIMPRD Trails

CITY OF BAINBRIDGE ISLAND

CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: WSDOT Transportation Improvement Board (TIB) Grant Opportunity for Wyatt Way Reconstruction	Date: July 21, 2014
Agenda Item: Staff Intensive	Bill No.: 14-114
Proposed By: Public Works Director Barry Loveless	

BUDGET INFORMATION

Depart/Fund: Proposed 2015/2016 CIP		
Expenditure Req: \$	Budgeted? ☐ Yes ☒ No	Budget Amend. Req? ☐ Yes ☒ No

REFERRALS/REVIEW

Study Session	Recommendation:		
City Manager ☒ Yes ☐ No ☐ N/A	Legal ☐ Yes ☐ No ☒ N/A	Finance ☒ Yes ☐ No ☐ N/A	

DESCRIPTION/SUMMARY

Action Item:

Consider approval for Public Works staff moving forward with a WSDOT Transportation Improvement Board (TIB) grant application for the Wyatt Way Reconstruction project.

Background:

The WSDOT Transportation Improvement Board (TIB) announced a call for projects in June of this year for next year's funding cycle. Applications are due August 22, 2014 and project selections will be announced at TIB's November board meeting.

The TIB's Urban Arterial Program (UAP) funds projects in the areas of safety, growth and development, mobility, and physical condition. Eligible projects must be located within the federally designated urban area, included in the TIP, and in compliance with the Growth Management Act. Public Works staff reviewed the grant criteria and recommends applying for a UAP grant for the Wyatt Way Reconstruction project due to a minimum local match of 20% is required. Staff recommends increasing the match to 32% to optimize points for constructability criteria and keep the grant request of a more competitive level.

Budget:

The combined design and construction estimate equals \$3,700,000. The minimum local match requirement is 20%; however, staff recommends a higher local match of 32% for better candidate placement.

RECOMMENDED ACTION

Motion:

I move that the City Council authorize Public Works staff to move forward with a TIB Urban Arterial Program grant application for the Wyatt Way Reconstruction project and commit to fund the project in the 2015/2016 budget cycle over a 4-year period in the estimated amount of \$3,700,000 if the grant application is successful.

TIB News

What's happening at TIB?

2014 Call for Projects Announced

May 30, 2014 - TIB's annual Call for Projects is now open.

The Transportation Improvement Board (TIB) is pleased to announce its 2014 Call for Projects (FY 2016). Grant applications are now [available](#). Completed applications must be postmarked by Friday, **August 22, 2014**, and grant awards will be announced after the November 21, 2014 board meeting.

Funding levels for each program are:

Program	Amount
Urban Arterial Program	\$75 Million
Small City Arterial Program	\$12 Million
Urban Sidewalk Program	\$5 Million
Small City Sidewalk Program	\$3 Million
Total	\$95 Million

Interested agencies are encouraged to attend a TIB funding workshop being held throughout the state June 2-12, 2014. If you're not able to attend an in-person workshop, a webinar will be provided for both urban agencies and small cities on June 16, 2014. Workshops provide information about the various funding programs, the scoring criteria for each program and the application process.

For more information on current and past funding programs, [click here](#) or visit www.tib.wa.gov.

<http://www.tib.wa.gov/grants/Grants.cfm>

CITY OF BAINBRIDGE ISLAND CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: Commercial Lease Agreement for Municipal Courthouse	Date: July 21, 2014
Agenda Item: Staff Intensive	Bill No.: 14-112
Proposed By: Executive	Referral(s):

BUDGET INFORMATION

Department: Exec	Fund:	Munis Contract #
Expenditure Req: \$3,727.43 per month	Budgeted? ☒ Yes ☐ No	Budget Amend. Req? ☐ Yes ☒ No

REFERRALS/REVIEW

Study Session	Recommendation:		
City Manager ☒ Yes ☐ No ☐ N/A	Legal ☒ Yes ☐ No ☐ N/A	Finance ☒ Yes ☐ No ☐ N/A	

DESCRIPTION/SUMMARY

Action Item:

Consideration of Commercial Lease Agreement with Rolling Bay Commercial Properties, Inc. for the Bainbridge Island Municipal Courthouse.

History:

The Commercial Lease Agreement with Rolling Bay Commercial Properties, Inc. for the Bainbridge Island Municipal Courthouse is scheduled to expire on August 1, 2014. The City has negotiated a new agreement for three years, with two, two-year renewal options.

Attached for Council's consideration are marked and clean copies of the new Commercial Lease Agreement.

RECOMMENDED ACTION

Motion:

I move that the City Council forward the Commercial Lease Agreement, substantially in the form attached, to the July 28, 2014 Consent Agenda.



MEMORANDUM

TO: City Council
Doug Schulze, City Manager

FROM: Morgan Smith, Deputy City Manager

DATE: July 16, 2014

RE: Lease for Municipal Court Facility at Rolling Bay

Currently, the City leases a facility in Rolling Bay as the location for the Municipal Court. The facility supports the courtroom, administrative offices and storage space. The most recent lease was executed in June, 2011 with an initial term ending on August 1, 2014. The notes below are intended to summarize the key aspects of a proposed new lease for this facility.

1. Lease term.

The proposed new lease will be effective for a three-year term from August 1, 2014 until July 31, 2017. The new lease provides the opportunity for up to two renewal periods, of two years each.

2. Rent.

The current rent is \$2,349 per month (\$28,185 annual). The proposed new rent is \$3,727 per month (\$44,729). This represents a significant increase of almost 60%. However it returns the rent to levels charged to the City prior to 2011, which were exactly this amount from mid-2009 until mid-2011 and slightly lower prior to that (going back to 2004).

The reduced rent in the existing lease was offered to encourage the City to keep the Court facility in place in 2011. The existing lease provided for an opportunity to renew at current rent levels if the renewal was confirmed by written notice at least six months prior to the lease expiration. Unfortunately, the City did not actively monitor this lease condition and failed to provide renewal notice ahead of the deadline (January 31, 2014). As a result of the failure to notify a desire to renew, the City was required to negotiate a new lease, with changed terms.

To evaluate other facility options, City staff reviewed feasible alternative sites in downtown Winslow. Available comparable properties had annual rent in the range of \$20 - \$25 per square foot. This compares to a cost of roughly \$17 per square foot for the Rolling Bay property. In addition, the Rolling Bay property has been retrofitted for specific safety and functional features at no cost to the City. Staff estimate the cost to provide similar safety requirements at a new location would be roughly \$100,000.

3. Early termination.

The proposed lease includes a new provision to allow for early termination, without penalty, upon six months' written notice. This provision was requested to allow the City the flexibility to pursue other options for the Municipal Court facility, including possible relocation to a Winslow-area site.

4. Cost of Living Increase.

This provision was adjusted from a CPI index to a fixed rate of 2%, for ease of administration.

5. Other changes.

Fairly extensive modifications were made to remove language related to the security improvements installed in 2011, as these facility improvements have been completed. Other minor changes were proposed in various sections, generally to either improve consistency with City practice or to clarify administration and property management issues.

COMMERCIAL LEASE AGREEMENT

THIS LEASE is made and this _____ day of _____, 20 July, 2014, by and between ROLLING BAY COMMERCIAL PROPERTIES, INC., a Washington corporation (hereinafter "Lessor") and the CITY OF BAINBRIDGE ISLAND, a Washington municipality (hereinafter "Lessee").

IT IS AGREED between the parties hereto as follows:

1. Description of Leased Premises. Lessor hereby leases to Lessee, and Lessee hires/leases from Lessor, on the terms and conditions hereinafter set forth, those certain premises, together with the appurtenances thereto, commonly known as the Bainbridge Island Municipal Courthouse property, located at 10255 NE Valley Road, Bainbridge Island, WA 98110, and legally described in the attached Exhibit A, and shown in the Attached Exhibit B, together with any improvements and appurtenances thereon or attached thereto.

2. Term. and Early Termination.

1. A. Lease Term. The term of this lease will be for three (3) years, beginning the 1st day of _____, 20 August, 2014 and ending on the 1st day of 20 July 2017, unless otherwise terminated in accordance with the provisions of this Lease. Lessee shall be entitled to two (2) renewal terms, for terms of two (2) years each; provided that Lessee has not been in default of any material provision of this Lease during the term, and is not in default of any provision of this Lease at the time of exercise or at any time thereafter prior to the commencement of the option term. Lessee shall exercise this option in writing six (6) months prior to the expiration of each term. All of the terms and conditions of this Lease, except this right to extend the term, will apply to all option terms so far as applicable. The option to extend is personal to Lessee, except as provided in Section 9, and may not be transferred to any assignee or sublessee of Lessee without the prior written consent of Lessor.

B. Early Termination. This Agreement may be terminated by Lessee upon six (6) months' written notice to Lessor.

3. Rent.

A. Payment. Without notice or demand, the Lessee shall pay the Lessor Rent (as defined below) for each and every month, in advance on the first (1st) day of each month. Rent

in the amount specified herein shall be made by check or draft payable to the order of Lessor and mailed or delivered to the Lessor at P.O. Box 4495, Rolling Bay, Washington 98061, or such other address which the Lessor specifies in writing.

A. Rent. "Rent" means the base amount of Two Three Thousand Seven Hundred Twenty-Seven Dollars (\$2,000.00)

B. and Forty-Three Cents (\$3,727.43) per month, together with any cost of living or inflation adjustments made as provided for below.

C. Cost of Living Increase. In addition to the base amount specified above, upon thirty (30) days' written notice to Lessee, but not more than once each year, Lessor may increase the Rent, by the percentage of increase, if any, two percent (2%) as of January 1 of each year in the Consumer Price Index-All Urban Consumers Seattle-Tacoma-Bremerton Area All Items as published by the United States Lease Term.

Department of Labor's Bureau of Labor Statistics or the successor to such index or if no successor then in any generally accepted index showing the inflation rate, if any, for the United States as a whole (hereinafter referred to as "the Consumer Price Index"). The current Rent shall be multiplied by the percentage of increase in the Consumer Price Index since the later of the execution date hereof or the date of last increase of Rent. The resulting figure shall be added to the current Rent to determine the new adjusted Rent. In no event shall the minimum rent be less than the sum specified in part 3.B. above.

D. Late Payment. If Lessee shall fail to pay, when the same becomes due and payable, any rent, additional rent, or amounts or charges as may be provided in this Lease, such unpaid amount shall bear interest at the lesser of the rate of ten percent (10%) per annum or the maximum interest rate allowed by law. In addition to such interest, if Lessee shall fail to pay any monthly amount of Rent by the fifth (5th) day of the month such installment is due, a late charge of ten percent (10%) of the monthly installment of Rent may be assessed in the sole discretion of the Lessor.

4. Utilities. The Lessee hereby covenants and agrees to pay all charges for heat, light, water and sewer and for all other public utilities which shall be used in or charged against the leased premises during the full term of this Lease. Lessor shall not be liable for the failure of any such services for any reasons whatsoever.

5. Use. The premises are leased to Lessee for purposes of operation of a municipal court facility, public meeting area, and related public services. Lessee shall not use the premises for any other purposes without the prior written consent of Lessor.

A. Suitability. Lessee acknowledges that neither Lessor nor any agent of Lessor has made any representation or warranty with respect to the premises or

the building of which the premises may be a part or with respect to the suitability of either for the conduct of the Lessee's business. Other than as noted, Lessor has not agreed to undertake any modification, alteration or improvement of the premises. Taking of possession of the premises by Lessee shall conclusively establish that the premises and said building were at such time in satisfactory condition, unless within fifteen (15) days after such date, Lessee shall give Lessor written notice specifying in reasonable detail the respects in which the premises or the building were not in satisfactory condition.

B. Common Areas. Lessee agrees to conform to Lessor's rules and regulations governing common areas, including but not limited to, walkways, staircases, sidewalks, parking areas, and landscaping.

B. Uses Prohibited. Lessee agrees not to use or permit the use of said premises for any illegal or immoral purposes, nor to commit or permit any act or conduct forbidden by law, statute, ordinance, or governmental regulation now or hereafter in effect, nor to permit, maintain, or commit a nuisance on or about said premises. Lessee shall, at its sole cost and expense.

C. promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter be in force and with the requirement of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use, or occupancy of the premises, excluding structural changes not relating to or affecting the condition, use, or occupancy of the premises, or not related or afforded by Lessee's improvements or acts. Lessee shall not commit or allow to be committed any waste upon the leased premises or any public or private nuisance or anything that destroys the quiet enjoyment of any other lessee in the building.

D. Hazardous Substances-- -- Indemnification. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines and other proceedings and costs and expenses (including attorneys' fees), arising directly or indirectly from or out of, or in any way connected with Lessee's use, storage, ownership, possession or control of hazardous substances on the leased premises which directly or indirectly result in the leased premises or any other property becoming contaminated with hazardous substances. Lessee hereby agrees upon notification to clean up from the leased premises or any other property any contamination caused by its activities including, without limitation, use, storage, ownership, possession or control of hazardous substances on the leased premises including, without limitation, any remedial action required by applicable governmental authorities. Lessee further acknowledges that it will be solely

responsible for all costs and expenses relating to the clean-up of hazardous substances from the leased premises or any other properties which became contaminated with hazardous substances as a result of Lessee's activities on the leased premises.

The term "hazardous substances" shall mean: Any any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time including, but not limited to, the statutes listed below:

Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq.

Federal Comprehensive Environmental Response, Compensation and Liability Act

of 1980, 49

U.S.C. Section 1801, et seq.

Federal Clean Air Act, 42 U.S.C. Sections 7401-7626.

Federal Water Pollution Control Act, Federal Clean Water Act of 1977, 33 U.S.C. Section 1251, et seq.

Federal Insecticide, Fungicide, and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C., paragraph 13, et seq.

Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.

Federal Safe Drinking Water Act, 42 U.S.C. Section 300(f), et seq.

Washington Water Pollution Control Act, RCW Chapter 90.48

Washington Clean Air Act, RCW Chapter 70.94

Washington Solid Waste Management Act, RCW Chapter 70.95

Washington Hazardous Waste Disposal Act, RCW Chapter 70.105

Washington Hazardous Waste Cleanup Act, RCW Chapter 70.105B

Washington Nuclear Energy and Radiation Act, RCW Chapter 98

Washington Radioactive Waste Storage and Transportation Act, RCW Chapter 70.99

Underground Storage Tank Pollution Liability Insurance, RCW Chapter 70.148

2. Maintenance. Lessee has inspected the premises, and except for the anticipated alterations and improvements provided in Section 10 below, accepts the premises in its present condition. If Lessee makes improvements to the premises, Lessor shall have the authority to inspect any improvements and make reasonably necessary corrections thereto. The Lessee agrees and covenants during the full term of this Lease, to keep the leased premises clean, in good condition and repair, including replacement of all broken interior and exterior glass and any other repairs needed as a result of Lessee's use of the leased premises, and not to permit or suffer any mechanics liens to arise thereon. Lessee shall repair and take care of the interior plumbing, heating, wiring and other interior furnishings necessary to fulfill its use of the leased premises and reasonable maintenance of the said leased premises. Lessee shall, other than as herein provided, maintain sidewalks and approaches to the premises, keeping free of ice and snow or dangerous conditions.

6. Lessor agrees to maintain and repair the roof, downspouts, exterior plumbing, outside walls, and foundation, including repair of sub floors.

3. Signs and Displays. The Lessee acknowledges that the Lessor has discretion to approve the business signs of the Lessee. Lessor may establish controls on the size, shape, color, and design of signs applicable to the leased premises. Accordingly, at the cost of the Lessee, all signs or symbols placed in the window or doors of the premises, or upon any exterior part of the building by the Lessee, shall be subject to the approval of the Lessor or Lessor's agent. Any signs so placed on the premises shall be so

placed upon the understanding and agreement that Lessee shall remove same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby and, if not removed by Lessee, then Lessor may have same so removed

7. at Lessee's expense. The Lessee may not display, sell, merchandise, or allow carts, vending machines, or other services items to be stored or to remain outside the exterior walls and/or doorways of the leased premises.

8. Lessor's Access. Subject to Lessee's need for security and confidentiality of its files as a municipal courthouse, Lessee will allow Lessor or Lessor's agent free access to the leased premises at all reasonable times, for the purpose of inspection or to show said premises to prospective purchasers, mortgagees, or lessees of the premises, or to any person having a legitimate interest thereto, or to make necessary repairs or improvements. Lessor may place "For Rent" or "For Lease" signs in or on the premises during the last thirty (30) days of this Lease or during any period Lessee is in default under this Lease or holding over after the termination date of this Lease.

9. Assignment. Lessee shall not assign, transfer, mortgage, pledge, hypothecate, encumber this Lease or any interest therein, nor permit such assignment by operation of law, and shall not sublet the building or any part thereof without the prior written consent of Lessor, and any attempt to do so without such consent being first had and obtained shall be wholly void and shall constitute a breach of this Lease.

A. Reasonable Consent. If Lessee complies with the following terms and conditions, Lessor shall not unreasonably withhold its consent to the subletting of the leased premise, the building, or any portion thereof or the assignment of this Lease. Lessee shall submit in writing to Lessor, (a) the name and legal composition of the proposed sublessee or assignee; (b) the nature of the business proposed to be carried on in the premises/ (the nature and use of the premises must be identical to the nature and use permitted by this Lease;); (c) the terms and provisions of the proposed sublease, which shall include all of the terms of this Lease; (d) such reasonable financial information as Lessor may request concerning the proposed sublessee or assignee which must be at least equal in financial strength to Lessee under this Lease; (e) business reputation of proposed sublessee or assignee must be in accordance with generally acceptable commercial standards; (f) managerial and operational skills of proposed sublessee or assignee must be at least equal to those of Lessee; (g) use of the leased premises by the proposed sublessee or assignee will not violate any other agreements affecting the leased premises, the building or the Lessor.

B. No Release of Lessee. No consent by Lessor to any assignment or subletting by Lessee shall relieve Lessee of any obligations to be performed by Lessee under this Lease, whether occurring before or after such consent, assignment, or subletting. The consent by Lessor to any assignment or subletting shall not relieve Lessee from the obligation to obtain Lessor's express written consent to any other assignment or subletting. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision of this Lease or to be consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer. It is understood and agreed that Lessee is leasing the premises for the use as described herein and not for the purpose of profiting from subleasing; therefore, any rent under any sublease in excess of the rent provided for herein or any price paid for the assignment of this Lease shall be payable to Lessor.

C. Diligence Fees. In the event Lessee shall request Lessor's consent to a sublease or assignment under this Section 9, Lessee shall pay Lessor's reasonable professional fees at the then prevailing hourly rate or other charges incurred in reviewing subleases, investigating the financial stability of the proposed sublessee and any similar matter which bears a direct connection with giving of such consent. Such professional fees shall include reasonable attorneys' fees incurred by Lessor, which shall not be less than two hundred fifty dollars (\$250) Three Hundred Dollars (\$300.00) per hour.

4. Alterations, Additions, or Improvements. Lessee and Lessor agree that certain alterations and improvements will be made to the leased premises within ninety (90) days of executing this Lease, at Lessor's expense, as follows:

- Install/upgrade the heating and cooling system
- Install front counter security entry/barrier with pass-through
- Install/replace entryway that expands security check-in area
- Install solid wall in pass-through at security office
- Install security cameras
- Configure a secured room for prisoners, witnesses, etc.
- Install commercial locks to all exterior doors
- Replace courtroom chairs
- Install bullet proof windows and tinting (6 total)
- Install additional electrical outlets, strips, and drops, including two new work stations
- Install additional lighting
- Install/replace hollow core doors with solid doors (6 total)

- Reverse swing direction of front office doors (2 total)
- Reconfigure YWCA Alive Office
- Upgrade ceiling/roof in storage area

All such alterations and improvements described above shall be completed to Lessee's satisfaction, which shall not be unreasonably withheld, and shall be done in accordance with the details shown on Exhibit B, which is attached hereto and incorporated herein by this reference. In addition, Lessor shall, within five (5) days of executing this lease, provide Lessee with a performance bond naming Lessee as the loss payee in the amount of Thirty Thousand Dollars (\$30,000.00) to ensure proper and timely completion of the alterations and improvements described above.

Except as otherwise provided above, Lessee shall not make or suffer to be made any alterations, additions, or improvements of the leased premises without first obtaining the written consent of the Lessor. Lessor may impose as a condition to the aforesaid consent such additional requirements as Lessor may deem necessary in its sole discretion including, without limitation thereto: the manner in which the work is done; a right of approval of the contractor by whom the work is to be performed; the times during which it is to be accomplished; and the requirement that upon written request of Lessor prior to the expiration or earlier termination of the Lease, Lessee will remove any and all permanent improvements or additions to the premises installed at Lessee's expense. Except as otherwise provided herein, the cost of any alteration, addition, or improvement shall be at the sole cost and expense of the Lessee. If the Lessee shall perform work with the consent of the Lessor, as aforesaid, Lessee agrees to comply with all laws, ordinances, rules, and regulations of the appropriate jurisdiction or any other authorized public authority. The Lessee further agrees to hold the Lessor free and harmless from damage, loss, or expense arising out of said work. Any alteration, addition, or improvement which is in any way affixed to the premises shall remain in the premises and become the property of the Lessor upon any early termination of this Lease, unless Lessor has expressly agreed otherwise in writing. Accordingly, Lessor and Lessee hereby agree that that Lessee is entitled to remove that certain "Judge's Bench" used in the courtroom upon payment by Lessee to Lessor the agreed value of Two Thousand Dollars (\$2,000.00).

Upon the expiration or sooner termination of Lessee's occupancy, Lessee shall, at Lessee's sole cost and expense, remove any alterations, additions, or improvements made by Lessee or made by Lessor for Lessee's benefit, and designated by Lessor to be removed and, at Lessee's sole cost and expense, repair any damage to the premises caused by such removal; or in lieu of removing any alterations, additions, or improvements, and repairing any damage to the premises caused by such removal, Lessee may elect to pay Lessor a fixed fee of Four Thousand Dollars (\$4,000.00), which shall be in addition to any rent, deposit, fees, and/or interest owed by Lessee to Lessor, and which shall fully discharge Lessee's

responsibilities for such removal and repair. Lessor may require advance payment based on all relevant factors to be made prior to Lessee making any alternations or changes in zoning or actual use of the leased premises. Lessee agrees that Lessor has the right to make alterations to the premises and to the building in which the premises are located as the same may become necessary from time to time in order to adequately and reasonably maintain the premises and improvements. Lessor will not be liable for any damage which Lessee might suffer by reason of such undertaking unless due to direct negligence of Lessor.

10. Risk of Loss and Insurance. All personal property on said leased premises shall be at the risk of Lessee. Lessee further agrees to obtain and keep in effect an insurance policy as follows:

(1) Lessee shall keep the leased premises, and all alterations, additions and improvements to it, insured against all loss or damage by fire, with standard extended coverage in an amount equal to one hundred percent (100%) of the full insurable value of the buildings; (2

(1) Lessee shall carry public liability insurance for the leased premises with limits of not less than One Million Dollars (\$1,000,000.00), combined single limit, effective upon the commencement date of this Lease, and under a policy acceptable to Lessor; (32) Lessee shall provide and keep in force other insurance in amounts that may from time to time be required by Lessor against other insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct; and (43) all insurance provided by Lessee as required by this section shall be carried in favor of Lessor and

Lessee as their respective interests may appear, and in case of insurance against damage to the buildings by fire or other casualty, shall provide that loss, if any, shall be adjusted with and be payable to Lessor. If requested by Lessor, Lessee's insurance against fire or other casualties shall provide that losses be payable to the holder under a standard mortgage clause. All policies shall require twenty (20) days' notice by registered mail to Lessor of any cancellation or change affecting any interest of Lessor. If, by reason of any activities of Lessee, Lessor's insurance is increased, Lessee shall pay any such increase.

11. Waiver of Subrogation. Lessor and Lessee each releases and relieves the other and waives the entire right of recovery against the other for loss or damage to their property which loss or damage is covered and/or included in their hazard insurance, which occurs in, or about the premises, whether due to the negligence of either part, their agents, employees, or otherwise. Nothing in this section shall alter the insurance and loss payee provisions of this Lease.

12. Indemnity and Hold Harmless. Lessee covenants to hold Lessor harmless from all claims, demands, causes, or actions, judgments, attorney's fees, costs and expenses arising from or connected with Lessee's use or occupancy of said leased premises and/or arising from property damage, bodily injuries or death suffered or caused on or about the leased premises, resulting directly or indirectly from the acts or neglect of Lessee, its officer, agents, and employees. Lessee further covenants to indemnify and hold harmless Lessor against and from any and all claims arising from Lessee's use of the leased premises or from the conduct of its business or from any activity, work, or other things done, permitted, or suffered by the Lessee in or about the leased premises, and shall further indemnify and hold harmless Lessor against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or negligence of the Lessee, or any officer, agent, or employee of Lessee, and from all costs, attorney's fees, and liabilities, incurred in or about the defense of any such claims or any action or proceeding brought thereon and in case any action or proceeding be brought against Lessor by reason of such claim. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property, or injury to persons in, upon, or about the premises, from any cause other than Lessor's negligence, and Lessee hereby waives and releases all claims in respect thereof against Lessor. Lessee shall give prompt notice to Lessor in case of casualty or accidents in the premises.

Lessor and its agents shall not be liable to Lessee or any person claiming through Lessee, and Lessee waives and releases all claims for damage not caused by Lessor's negligence to person or property sustained by Lessee or any person claiming through Lessee resulting

from any accident or occurrence in or upon the leased premises or the building of which it is a part, or any other part of the building, including, but not limited to, claims for damage resulting from: (a) any equipment or appurtenances becoming out of repair; (b) injury done or occasioned by wind; (c) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, or insulation thereof, gas, water, and steam pipe, stairs, railings, or walks; (d) broken glass; (e) the backing up of any sewer pipe or downspout; (f) the bursting, leaking, or running of any tank, tub, washstand, water closet, waste pipe, drain, or other pipe or tank in, upon, or about such building or the leased premises; (g) the escape of steam or hot water; (h) water, snow, or ice being upon or coming through the roof, skylight, trapdoor, stairs, doorways, show windows, walks, or other place upon or near such building or the premises or otherwise; (i) the falling of any fixture, plaster, tile, or stucco; and (j) any act, omission, or negligence of co-Lessees, licensees or of any other person or occupants of said building or of adjoining or continuous buildings.

13. Fire and Other Casualty. In the event the leased premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the leased premises unsuitable for the purposes stated herein, in whole or in a substantial part thereof, it shall be optional with the Lessor to rebuild or repair the same; and after the happening of any such casualty, the Lessee shall give Lessor or Lessor's agents immediate written notice thereof. Lessor shall have not more than ninety (90) days after date of such notification to notify the Lessee in writing of Lessor's intentions to rebuild or repair the leased premises, or the part so damaged as aforesaid, and if Lessor elects to rebuild or repair said leased premises, Lessor shall process the work of such rebuilding or repairing without unnecessary delay. During such period the Rent for the leased premises shall be abated in the same ratio that the portion of the premises rendered for the time being unfit for use or occupancy by Lessee shall bear to the whole of the leased premises.

In the event the leased premises shall be destroyed or damaged by fire, earthquake or other casualty (even though the leased premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Lessor it shall not be practicable to rebuild or repair, then Lessor shall have the option to terminate this Lease by written notice served on Lessee within ninety (90) days after such destruction or damage.

14. Condemnation. In the event the leased premises or a portion thereof are appropriated under the laws of eminent domain so as to render them unsuitable for the purposes stated herein, this Lease shall terminate and the Lessee's liability for rent shall cease as of the date of Lessee's removal therefrom. If only a portion of the leased premises are so taken and the remaining portion is suitable for the Lessee's business operations, this Lease shall

continue in force at a reduced rental, said new rental to bear the same ratio to the original rental as the new reduced area bears to the original area. All damages awarded in any eminent domain proceedings shall be to the Lessor, and the Lessee shall have no right, title or interest therein.

15. Subordination. This Lease is subject to and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting the demised leased premises or the real property of which said leased premises are a part. The Lessee agrees to execute, at no expense to the Lessee, any instrument which may be deemed necessary or desirable by the Lessor to further effect the subordination of this Lease to any mortgage, deed of trust, or encumbrance.

If Lessor fails to pay any interest, principal, costs or other charges under any mortgages, deeds of trust or other encumbrances affecting the demised leased premises, Lessee may pay the same on Lessor's behalf and cure the default at Lessor's expense. Lessor shall pay to Lessee the amount so advanced upon demand, and Lessee may withhold and apply thereto all rents and other payments due or thereafter becoming due to Lessor under this Lease until all amounts so paid by Lessee are fully repaid.

16. Liens and Insolvency. Lessee shall keep the leased premises and the real property in which the leased premises are situated free from liens arising out of work performed, materials furnished or obligations incurred by Lessee. If Lessee shall be adjudicated a bankrupt or a receiver is appointed for the business and property of Lessee, or if Lessee shall make an assignment for the benefit of creditors, then, at the option of Lessor, this Lease may be cancelled, Lessor may determine that this Lease is breached under Section 18 entitled "Remedies", upon three (3) days' written notice of Lessee of such bankruptcy.

17. Remedies. In the event of the failure of the Lessee to pay rent, or any portion of rent, as heretofore provided, or the failure of the Lessee to comply with any provision of this Lease, or, in the event permits the use of the leased premises for any immoral or illegal purpose, or permits or maintains any nuisance upon or about said premises, or is adjudicated bankrupt, the following remedies shall be available to the Lessor:

A. Lessor may give notice to Lessee of said breach, identifying the nature of the same and demanding that said breach be corrected within ten (10) days of the date said notice is served upon Lessee, or the leased premises be surrendered to Lessor.

B. If the leased premises are surrendered, Lessee's liability for any past due or future rent or other damages caused by breach of this Lease shall not abate.

C. In the event Lessee fails to comply with the said notice, Lessor may elect to declare this Lease terminated, secure possession of the demised leased premises, without further notice, and declare all rights of Lessee thereunder forfeited, without prejudice to Lessor's right to recover damages suffered by any breach of this Lease.

D. Lessor may elect to demand the specific performance of this Lease.

E. In the event Lessor elects to declare this Lease terminated and to re-enter into possession of the leased premises pursuant to the terms of this Lease, or if Lessee vacates or abandons the leased premises before the expiration of said term, Lessee shall not be relieved of the obligation to pay all of the rent herein mentioned for the whole of the unexpired term, nor from the performances of any of the other covenants and conditions hereof on Lessee's part to be performed.

A. In the event of any entry, or taking possession of the leased premises, the Lessor may remove from the leased premises all personal property (except such items as appear to Lessor to be stock-in-trade) not fixed to the leased premises or considered a fixture and may place the same in storage at a public warehouse at the risk and expense of the owners thereof.

F. Alternatively, Lessor may permit the same to remain upon the leased premises and to make use of said personal property.

G. The foregoing remedies are separate, distinct and cumulative. They may be elected or enforced at the sole discretion of the Lessor. Any election or failure to elect any remedy or waiver of default by the Lessor shall not waive any other remedy the Lessor may have either pursuant to this leaseLease, or otherwise. The failure of the Lessor to insist upon strict performance of any and all of the covenants of this Lease shall not be considered as a waiver of any such provision but the same shall remain in full force and effect.

H. No receipt of money by Lessor from Lessee after default or cancellation of this Lease in any lawful manner shall: (1) reinstate, continue or extend the term or affect any notice given to Lessee, (2) operate as a waiver of the right of Lessor to enforce the payment of rent and additional rent then due or falling due, or (3) operate as a waiver of the right of Lessor to recover possession of the buildings by proper suit, action, proceeding, or other remedy.

18. Hold-over. If the Lessee shall, with the written consent of Lessor, hold-over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy. During such tenancy, Lessee agrees to pay to the Lessor the then reasonable rental value of said premises, but not less than the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants and conditions as herein specified, so far as applicable. Termination notice under this Section shall be sixty (60) days.

19. Termination. Lessee agrees at expiration, or earlier termination of this Lease, to deliver up the leased premises and any keys thereto, together with any alterations, additions, or improvements in accordance with Section 10, without notice, in as good condition as the leased premises now are at the time this Lease commences, excepting normal wear and tear.

20. Miscellaneous.

A. All notices to be given to the Lessor or Lessee may be given in writing, personally or by certified mail, postage pre-paid, sent to the Lessee at the demised premises or to the Lessor at the place where the rent is payable.

B. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors, and/or assigns of both parties hereto, except as hereinabove provided.

C. If by reason of any default on the part of the Lessee it becomes necessary for the Lessor to employ an attorney in case breach of any provision of this Lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this Lease and Lessor shall prevail in such action, then, and in any of such events, Lessee shall pay Lessor a reasonable attorney's fee and all costs and expenses expended or incurred by the Lessor in connection with such default or action.

D. Titles of paragraphs or subparagraphs in this Lease are for reference only and shall not affect the textual meaning. The use of pronouns indicating genders are interchangeable with pronouns of a different gender.

E. This Lease shall be governed by the law of the State of Washington.

F. If any provision of this Lease, or its applications to any person or circumstance is held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this leaseLease, or the application of such provision to other persons or circumstances, shall not be affected.

G. Time is of the essence of this Lease. This Lease constitutes the complete written agreement of the parties, and there are no other oral, contemporaneous or prior agreements which affect this Lease. This Lease shall be amended only by a writing of equal dignity.

H. This Lease has been entered into following arm's length negotiation between the parties. No presumption shall arise as a result of one party or the other or such party's agent or attorney having drafted all or any portion of this Lease.

I. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the board of directors of said corporation authorizing or ratifying the execution of this Lease.

21. Dispute Resolution. In the event that any dispute or deadlock arises from this Lease, which cannot be resolved, such matter shall be settled by binding arbitration pursuant to the provisions of RCW 7.04A. The arbitration will be conducted under the procedural rules (but not the administration) of the American Arbitration Association. Within thirty (30) days of the application for arbitration, the parties shall attempt to mutually select an arbitrator, and if they cannot agree, each party will choose an arbitrator, and the two chosen arbitrators will select an arbitrator. The arbitration shall take place in Kitsap County, Washington, or such other location as the parties agree, and shall commence within sixty (60) days of selection of an arbitrator. The prevailing party in an arbitration proceeding or in any other action brought by a party shall be entitled to recover from the other party the prevailing party's costs, including reasonable attorneys' fees during arbitration, at trial, and on appeal, in addition to all other relief to which the prevailing party is entitled. Except as expressly set forth elsewhere herein, the parties agree to bear their own costs in any such mediation and/or arbitration. The parties agree to extend any applicable statute of limitations for the period of time arbitration is pending.

22. Memorandum of Lease. Unless both parties consent thereto in writing, this Lease shall not be placed of record. Lessor and Lessee, on the request of the other, agree to execute and place of record, an instrument, in recordable form, evidencing the commencement date and expiration date of this Lease.

24. Counterparts. This Lease may be executed in counterparts using facsimiles or email transmissions of signatures, and a facsimile or email transmission of a counterpart signature shall be deemed to constitute one and the same instrument, and be equally enforceable as originals of such signatures.

25. Exhibits. The following Exhibits are Exhibit is attached to this Lease and fully incorporated herein by this reference: Exhibit A, legal description; Exhibit B, diagram of leased premises and details of alterations and improvements.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day and year first written above.

THE
CITY OF BAINBRIDGE ISLAND

By: _____

Douglas
Schulze, City
Manager

STATE OF WASHINGTON)

COUNTY OF KITSAP)

ss:

:SS.

ROLLING BAY
COMMERCIAL
PROPERTIES,
INC.

By: _____

Tord
Vestman,
President

I certify that I know or have satisfactory evidence that Douglas Schulze is the person who appeared before me, and said person acknowledged that s/he signed this instrument in his or her capacity as the for THE CITY OF BAINBRIDGE ISLAND, , on oath stated that s/he was authorized to execute the instrument, and acknowledged it as the City Manager of the CITY OF BAINBRIDGE ISLAND, Washington, a municipal corporation, to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

DATED: _____

NAME: _____

(Print Name)

Notary Public in and for the State of Washington.

Commission Expires: _____

STATE OF WASHINGTON)
) ss:
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that Tord Vestman is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of ROLLING BAY COMMERCIAL PROPERTIES, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this day of , 20 .: _____

NOTARY PUBLIC _____

NAME: _____

(Print Name)

Notary Public in and for the State of Washington,
residing at: _____ My .

Commission Expires: .-_____

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day and year first written above.

ROLLING BAY COMMERCIAL PROPERTIES, INC.

BY: TORD VESTMAN
ITS: PRESIDENT

STATE OF WASHINGTON)
 :SS.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that TORD VESTMAN is the person who appeared before me, and said person acknowledged that s/he signed this instrument in his or her capacity as the President for ROLLING BAY COMMERCIAL PROPERTIES, INC., on oath stated that s/he was authorized to execute the instrument, and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20____.

NOTARY PUBLIC in and for the State of
Washington, residing at: _____
My Commission Expires: _____

EXHIBIT A

Legal Description

APPROXIMATELY 2,680 SQUARE FEET OF THAT CERTAIN COMMERCIAL BUILDING LOCATED NEAR THE CORNER OF VALLEY ROAD AND SUNRISE ROAD, COMMONLY KNOWN AS 10255 NE VALLEY ROAD, BAINBRIDGE ISLAND, WA 98110, KITSAP COUNTY, LEGALLY DESCRIBED AS FOLLOWS:

THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M.; EXCEPT THE NORTH 30 FEET FOR THE ROAD, SITUATED IN KITSAP COUNTY

EXHIBIT B

[DIAGRAM/DETAILS OF ALTERATIONS AND IMPROVEMENTS HERE]

CD MOVE FRONT DOOR OUT, ADD GALZING.

@ CONVERT WINDOW TO DOOR.

(@) ADD EXTERIOR DOOR.

<J) INSTALL NEW WALL AND
ELIMINATE DOOR.

@ ELIMINATE WALL.

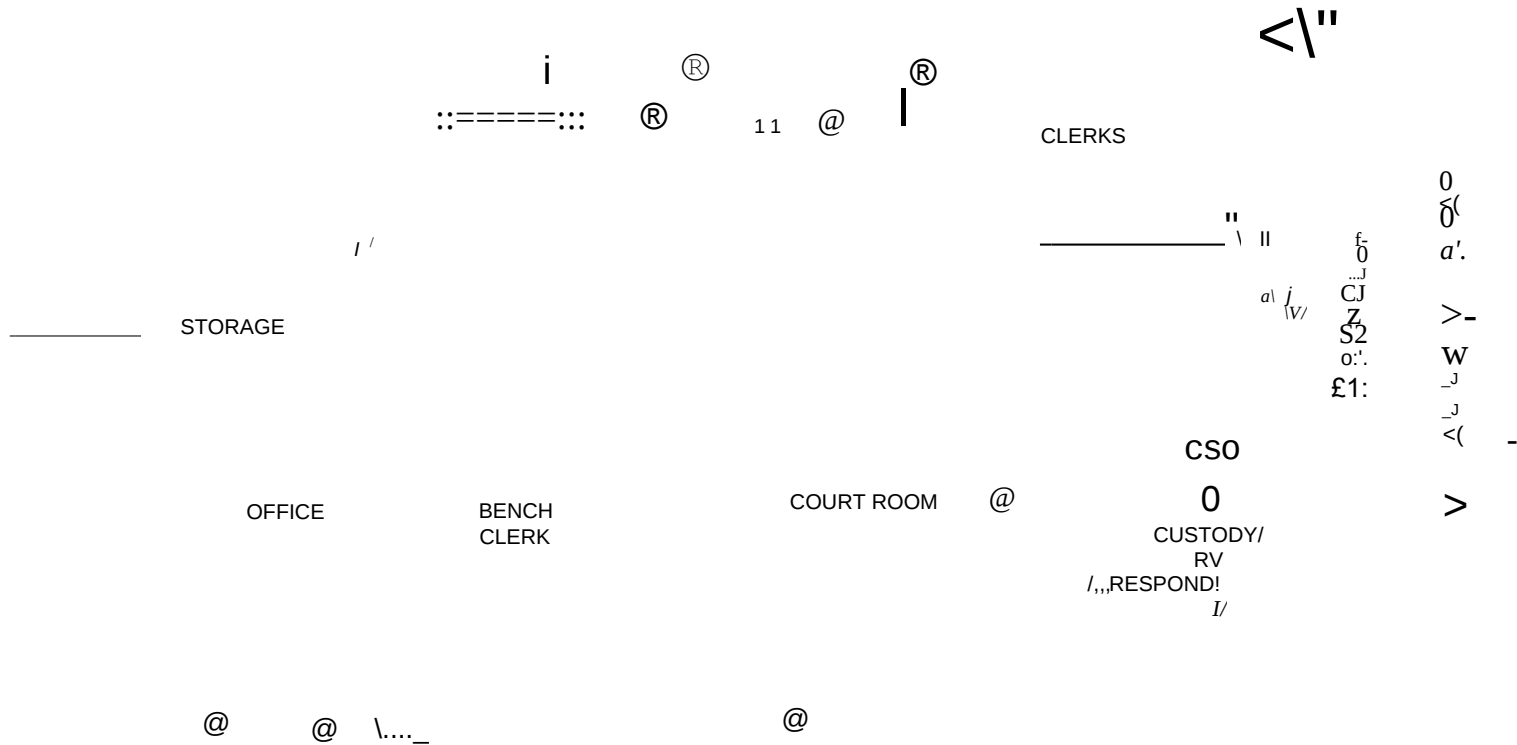
@ PLYWOOD STORAGE CEILING

④ UPGRADE DOOR HARDWARE.

④ ALL DOORS TO BE SOLID CORE

@ ADD HYAC WHERE NECESSAR'r

SCALE: 1/8" = 1'-0"



COMMERCIAL LEASE AGREEMENT

THIS LEASE is made and this _____ day of July, 2014, by and between ROLLING BAY COMMERCIAL PROPERTIES, INC., a Washington corporation (hereinafter "Lessor") and the CITY OF BAINBRIDGE ISLAND, a Washington municipality (hereinafter "Lessee").

IT IS AGREED between the parties hereto as follows:

1. Description of Leased Premises. Lessor hereby leases to Lessee, and Lessee leases from Lessor, on the terms and conditions hereinafter set forth, those certain premises, together with the appurtenances thereto, commonly known as the Bainbridge Island Municipal Courthouse property, located at 10255 NE Valley Road, Bainbridge Island, WA 98110, and legally described in the attached Exhibit A, together with any improvements and appurtenances thereon or attached thereto.

2. Term and Early Termination.

A. Lease Term. The term of this lease will be for three (3) years, beginning the 1st day of August, 2014 and ending on the 31st day of July 2017, unless otherwise terminated in accordance with the provisions of this Lease. Lessee shall be entitled to two (2) renewal terms, for terms of two (2) years each; provided that Lessee has not been in default of any material provision of this Lease during the term, and is not in default of any provision of this Lease at the time of exercise or at any time thereafter prior to the commencement of the option term. Lessee shall exercise this option in writing six (6) months prior to the expiration of each term. All of the terms and conditions of this Lease, except this right to extend the term, will apply to all option terms so far as applicable. The option to extend is personal to Lessee, except as provided in Section 9, and may not be transferred to any assignee or sublessee of Lessee without the prior written consent of Lessor.

B. Early Termination. This Agreement may be terminated by Lessee upon six (6) months' written notice to Lessor.

3. Rent.

A. Payment. Without notice or demand, the Lessee shall pay Lessor Rent (as defined below) for each and every month, in advance on the first (1st) day of each month. Rent in the amount specified herein shall be made by check or draft payable to the order of Lessor and mailed or delivered to Lessor at P.O. Box 4495, Rolling Bay, Washington 98061, or such

other address which Lessor specifies in writing.

B. Rent. "Rent" means the base amount of Three Thousand Seven Hundred Twenty-Seven Dollars and Forty-Three Cents (\$3,727.43) per month, together with any cost of living or inflation adjustments made as provided for below.

C. Cost of Living Increase. In addition to the base amount specified above, Lessor may increase the Rent by two percent (2%) as of January 1 of each year in the Lease Term.

D. Late Payment. If Lessee shall fail to pay, when the same becomes due and payable, any rent, additional rent, or amounts or charges as may be provided in this Lease, such unpaid amount shall bear interest at the lesser of the rate of ten percent (10%) per annum or the maximum interest rate allowed by law. In addition to such interest, if Lessee shall fail to pay any monthly amount of Rent by the fifth (5th) day of the month such installment is due, a late charge of ten percent (10%) of the monthly installment of Rent may be assessed in the sole discretion of Lessor.

4. Utilities. Lessee hereby covenants and agrees to pay all charges for heat, light, water and sewer and for all other public utilities which shall be used in or charged against the leased premises during the full term of this Lease. Lessor shall not be liable for the failure of any such services for any reasons whatsoever.

5. Use. The premises are leased to Lessee for purposes of operation of a municipal court facility, public meeting area, and related public services. Lessee shall not use the premises for any other purposes without the prior written consent of Lessor.

A. Suitability. Lessee acknowledges that neither Lessor nor any agent of Lessor has made any representation or warranty with respect to the premises or the building of which the premises may be a part or with respect to the suitability of either for the conduct of Lessee's business. Lessor has not agreed to undertake any modification, alteration or improvement of the premises. Taking of possession of the premises by Lessee shall conclusively establish that the premises and said building were at such time in satisfactory condition, unless within fifteen (15) days after such date, Lessee shall give Lessor written notice specifying in reasonable detail the respects in which the premises or the building were not in satisfactory condition.

B. Common Areas. Lessee agrees to conform to Lessor's rules and regulations governing common areas, including but not limited to, walkways, staircases, sidewalks, parking areas, and landscaping.

C. Uses Prohibited. Lessee agrees not to use or permit the use of said premises for any illegal or immoral purposes, nor to commit or permit any act or conduct forbidden by law, statute, ordinance, or governmental regulation now or hereafter in effect, nor to permit, maintain, or commit a nuisance on or about said premises. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter be in force and with the requirement of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use, or occupancy of the premises, excluding structural changes not relating to or affecting the condition, use, or occupancy of the premises, or not related or afforded by Lessee's improvements or acts. Lessee shall not commit or allow to be committed any waste upon the leased premises or any public or private nuisance or anything that destroys the quiet enjoyment of any other lessee in the building.

D. Hazardous Substances -- Indemnification. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines and other proceedings and costs and expenses (including attorneys' fees), arising directly or indirectly from or out of, or in any way connected with Lessee's use, storage, ownership, possession or control of hazardous substances on the leased premises which directly or indirectly result in the leased premises or any other property becoming contaminated with hazardous substances. Lessee hereby agrees upon notification to clean up from the leased premises or any other property any contamination caused by its activities including, without limitation, use, storage, ownership, possession or control of hazardous substances on the leased premises including, without limitation, any remedial action required by applicable governmental authorities. Lessee further acknowledges that it will be solely responsible for all costs and expenses relating to the clean-up of hazardous substances from the leased premises or any other properties which became contaminated with hazardous substances as a result of Lessee's activities on the leased premises.

The term "hazardous substances" shall mean: any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time including, but not limited to, the statutes listed below:

Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq.

Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 49 U.S.C. Section 1801, et seq.

Federal Clean Air Act, 42 U.S.C. Sections 7401-7626.

Federal Water Pollution Control Act, Federal Clean Water Act of 1977, 33 U.S.C. Section 1251, et seq.

Federal Insecticide, Fungicide, and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C., paragraph 13, et seq.

Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.

Federal Safe Drinking Water Act, 42 U.S.C. Section 300(f), et seq.

Washington Water Pollution Control Act, RCW Chapter 90.48

Washington Clean Air Act, RCW Chapter 70.94

Washington Solid Waste Management Act, RCW Chapter 70.95

Washington Hazardous Waste Disposal Act, RCW Chapter 70.105

Washington Hazardous Waste Cleanup Act, RCW Chapter 70.105B

Washington Nuclear Energy and Radiation Act, RCW Chapter 98

Washington Radioactive Waste Storage and Transportation Act, RCW Chapter 70.99

Underground Storage Tank Pollution Liability Insurance, RCW Chapter 70.148

6. Maintenance. Lessee has inspected the premises and accepts the premises in its present condition. If Lessee makes improvements to the premises, Lessor shall have the authority to inspect any improvements and make reasonably necessary corrections thereto. Lessee agrees and covenants during the full term of this Lease, to keep the leased premises clean, in good condition and repair, including replacement of all broken interior and exterior glass and any other repairs needed as a result of Lessee's use of the leased premises, and not to permit or suffer any mechanics liens to arise thereon. Lessee shall repair and take care of the interior plumbing, heating, wiring and other interior furnishings necessary to fulfill its use of the leased premises and reasonable maintenance of the said leased premises. Lessee shall, other than as herein provided, maintain sidewalks and approaches to the premises, keeping free of ice and snow or dangerous conditions. Lessor agrees to maintain and repair the roof, downspouts, exterior plumbing, outside walls, and foundation, including repair of sub floors.

7. Signs and Displays. Lessee acknowledges that Lessor has discretion to approve the business signs of Lessee. Lessor may establish controls on the size, shape, color, and design of signs applicable to the leased premises. Accordingly, at the cost of Lessee, all signs or symbols placed in the window or doors of the premises, or upon any exterior part of the building by Lessee, shall be subject to the approval of Lessor or Lessor's agent. Any signs so placed on the premises shall be so placed upon the understanding and agreement that Lessee shall remove same at the termination of the tenancy herein created and repair any damage or

injury to the premises caused thereby and, if not removed by Lessee, then Lessor may have same so removed at Lessee's expense. Lessee may not display, sell, merchandise, or allow cars, vending machines, or other services items to be stored or to remain outside the exterior walls and/or doorways of the leased premises.

8. Lessor's Access. Subject to Lessee's need for security and confidentiality of its files as a municipal courthouse, Lessee will allow Lessor or Lessor's agent free access to the leased premises at all reasonable times, for the purpose of inspection or to show said premises to prospective purchasers, mortgagees, or lessees of the premises, or to any person having a legitimate interest thereto, or to make necessary repairs or improvements. Lessor may place "For Rent" or "For Lease" signs in or on the premises during the last thirty (30) days of this Lease or during any period Lessee is in default under this Lease or holding over after the termination date of this Lease.

9. Assignment. Lessee shall not assign, transfer, mortgage, pledge, hypothecate, encumber this Lease or any interest therein, nor permit such assignment by operation of law, and shall not sublet the building or any part thereof without the prior written consent of Lessor, and any attempt to do so without such consent being first had and obtained shall be wholly void and shall constitute a breach of this Lease.

A. Reasonable Consent. If Lessee complies with the following terms and conditions, Lessor shall not unreasonably withhold its consent to the subletting of the leased premise, the building, or any portion thereof or the assignment of this Lease. Lessee shall submit in writing to Lessor (a) the name and legal composition of the proposed sublessee or assignee; (b) the nature of the business proposed to be carried on in the premises (the nature and use of the premises must be identical to the nature and use permitted by this Lease); (c) the terms and provisions of the proposed sublease, which shall include all of the terms of this Lease; (d) such reasonable financial information as Lessor may request concerning the proposed sublessee or assignee which must be at least equal in financial strength to Lessee under this Lease; (e) business reputation of proposed sublessee or assignee must be in accordance with generally acceptable commercial standards; (f) managerial and operational skills of proposed sublessee or assignee must be at least equal to those of Lessee; (g) use of the leased premises by the proposed sublessee or assignee will not violate any other agreements affecting the leased premises, the building or Lessor.

B. No Release of Lessee. No consent by Lessor to any assignment or subletting by Lessee shall relieve Lessee of any obligations to be performed by Lessee under this Lease, whether occurring before or after such consent, assignment, or subletting. The consent by Lessor to any assignment or subletting shall not relieve Lessee from the obligation to obtain Lessor's express written consent to any other assignment or subletting. The acceptance

or rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision of this Lease or to be consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer. It is understood and agreed that Lessee is leasing the premises for the use as described herein and not for the purpose of profiting from subleasing; therefore, any rent under any sublease in excess of the rent provided for herein or any price paid for the assignment of this Lease shall be payable to Lessor.

C. Diligence Fees. In the event Lessee shall request Lessor's consent to a sublease or assignment under this Section 9, Lessee shall pay Lessor's reasonable professional fees at the then prevailing hourly rate or other charges incurred in reviewing subleases, investigating the financial stability of the proposed sublessee and any similar matter which bears a direct connection with giving of such consent. Such professional fees shall include reasonable attorneys' fees incurred by Lessor, which shall not be less than Three Hundred Dollars (\$300.00) per hour.

10. Alterations, Additions, or Improvements. Lessee shall not make or suffer to be made any alterations, additions, or improvements of the leased premises without first obtaining the written consent of Lessor. Lessor may impose as a condition to the aforesaid consent such additional requirements as Lessor may deem necessary in its sole discretion including, without limitation thereto: the manner in which the work is done; a right of approval of the contractor by whom the work is to be performed; the times during which it is to be accomplished; and the requirement that upon written request of Lessor prior to the expiration or earlier termination of the Lease, Lessee will remove any and all permanent improvements or additions to the premises installed at Lessee's expense. Except as otherwise provided herein, the cost of any alteration, addition, or improvement shall be at the sole cost and expense of Lessee. If Lessee shall perform work with the consent of Lessor, as aforesaid, Lessee agrees to comply with all laws, ordinances, rules, and regulations of the appropriate jurisdiction or any other authorized public authority. Lessee further agrees to hold Lessor free and harmless from damage, loss, or expense arising out of said work. Lessor and Lessee hereby agree that that Lessee is entitled to remove that certain "Judge's Bench" used in the courtroom upon payment by Lessee to Lessor the agreed value of Two Thousand Dollars (\$2,000.00).

Upon the expiration or sooner termination of Lessee's occupancy, Lessee shall, at Lessee's sole cost and expense, remove any alterations, additions, or improvements made by Lessee or made by Lessor for Lessee's benefit, and designated by Lessor to be removed and, at Lessee's sole cost and expense, repair any damage to the premises caused by such removal; or in lieu of removing any alterations, additions, or improvements, and repairing any

damage to the premises caused by such removal, Lessee may elect to pay Lessor a fixed fee of Four Thousand Dollars (\$4,000.00), which shall be in addition to any rent, deposit, fees, and/or interest owed by Lessee to Lessor, and which shall fully discharge Lessee's responsibilities for such removal and repair. Lessor may require advance payment based on all relevant factors to be made prior to Lessee making any alterations or changes in zoning or actual use of the leased premises. Lessee agrees that Lessor has the right to make alterations to the premises and to the building in which the premises are located as the same may become necessary from time to time in order to adequately and reasonably maintain the premises and improvements. Lessor will not be liable for any damage which Lessee might suffer by reason of such undertaking unless due to direct negligence of Lessor.

11. Risk of Loss and Insurance. All personal property on said leased premises shall be at the risk of Lessee. Lessee further agrees to obtain and keep in effect an insurance policy as follows:

(1) Lessee shall carry public liability insurance for the leased premises with limits of not less than One Million Dollars (\$1,000,000.00), combined single limit, effective upon the commencement date of this Lease, and under a policy acceptable to Lessor; (2) Lessee shall provide and keep in force other insurance in amounts that may from time to time be required by Lessor against other insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct; and (3) all insurance provided by Lessee as required by this section shall be carried in favor of Lessor and Lessee as their respective interests may appear, and in case of insurance against damage to the buildings by fire or other casualty, shall provide that loss, if any, shall be adjusted with and be payable to Lessor. If requested by Lessor, Lessee's insurance against fire or other casualties shall provide that losses be payable to the holder under a standard mortgage clause. All policies shall require twenty (20) days' notice by registered mail to Lessor of any cancellation or change affecting any interest of Lessor. If, by reason of any activities of Lessee, Lessor's insurance is increased, Lessee shall pay any such increase.

12. Waiver of Subrogation. Lessor and Lessee each releases and relieves the other and waives the entire right of recovery against the other for loss or damage to their property which loss or damage is covered and/or included in their hazard insurance, which occurs in, or about the premises, whether due to the negligence of either part, their agents, employees, or otherwise. Nothing in this section shall alter the insurance and loss payee provisions of this Lease.

13. Indemnity and Hold Harmless. Lessee covenants to hold Lessor harmless from all claims, demands, causes, or actions, judgments, attorney's fees, costs and expenses arising from or connected with Lessee's use or occupancy of said leased premises and/or arising

from property damage, bodily injuries or death suffered or caused on or about the leased premises, resulting directly or indirectly from the acts or neglect of Lessee, its officer, agents, and employees. Lessee further covenants to indemnify and hold harmless Lessor against and from any and all claims arising from Lessee's use of the leased premises or from the conduct of its business or from any activity, work, or other things done, permitted, or suffered by Lessee in or about the leased premises, and shall further indemnify and hold harmless Lessor against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or negligence of Lessee, or any officer, agent, or employee of Lessee, and from all costs, attorney's fees, and liabilities, incurred in or about the defense of any such claims or any action or proceeding brought thereon and in case any action or proceeding be brought against Lessor by reason of such claim. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property, or injury to persons in, upon, or about the premises, from any cause other than Lessor's negligence, and Lessee hereby waives and releases all claims in respect thereof against Lessor. Lessee shall give prompt notice to Lessor in case of casualty or accidents in the premises.

Lessor and its agents shall not be liable to Lessee or any person claiming through Lessee, and Lessee waives and releases all claims for damage not caused by Lessor's negligence to person or property sustained by Lessee or any person claiming through Lessee resulting from any accident or occurrence in or upon the leased premises or the building of which it is a part, or any other part of the building, including, but not limited to, claims for damage resulting from: (a) any equipment or appurtenances becoming out of repair; (b) injury done or occasioned by wind; (c) any defect in or failure of plumbing, heating, or air conditioning equipment, electric wiring, or insulation thereof, gas, water, and steam pipe, stairs, railings, or walks; (d) broken glass; (e) the backing up of any sewer pipe or downspout; (f) the bursting, leaking, or running of any tank, tub, washstand, water closet, waste pipe, drain, or other pipe or tank in, upon, or about such building or the leased premises; (g) the escape of steam or hot water; (h) water, snow, or ice being upon or coming through the roof, skylight, trapdoor, stairs, doorways, show windows, walks, or other place upon or near such building or the premises or otherwise; (i) the falling of any fixture, plaster, tile, or stucco; and (j) any act, omission, or negligence of co-lessees, licensees or of any other person or occupants of said building or of adjoining or continuous buildings.

14. Fire and Other Casualty. In the event the leased premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the leased premises unsuitable for the purposes stated herein, in whole or in a substantial part thereof, it shall be optional with Lessor to rebuild or repair the same; and after the happening of any such casualty, Lessee shall give Lessor or Lessor's agents immediate written notice thereof. Lessor shall have not more than ninety (90) days after date of such notification to notify Lessee in

writing of Lessor's intentions to rebuild or repair the leased premises, or the part so damaged as aforesaid, and if Lessor elects to rebuild or repair said leased premises, Lessor shall process the work of such rebuilding or repairing without unnecessary delay. During such period the rent for the leased premises shall be abated in the same ratio that the portion of the premises rendered for the time being unfit for use or occupancy by Lessee shall bear to the whole of the leased premises.

In the event the leased premises shall be destroyed or damaged by fire, earthquake or other casualty (even though the leased premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Lessor it shall not be practicable to rebuild or repair, then Lessor shall have the option to terminate this Lease by written notice served on Lessee within ninety (90) days after such destruction or damage.

15. Condemnation. In the event the leased premises or a portion thereof are appropriated under the laws of eminent domain so as to render them unsuitable for the purposes stated herein, this Lease shall terminate and the Lessee's liability for rent shall cease as of the date of Lessee's removal therefrom. If only a portion of the leased premises are so taken and the remaining portion is suitable for the Lessee's business operations, this Lease shall continue in force at a reduced rental, said new rental to bear the same ratio to the original rental as the new reduced area bears to the original area. All damages awarded in any eminent domain proceedings shall be to the Lessor, and Lessee shall have no right, title or interest therein.

16. Subordination. This Lease is subject to and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting the demised leased premises or the real property of which said leased premises are a part. Lessee agrees to execute, at no expense to Lessee, any instrument which may be deemed necessary or desirable by Lessor to further effect the subordination of this Lease to any mortgage, deed of trust, or encumbrance.

If Lessor fails to pay any interest, principal, costs or other charges under any mortgages, deeds of trust or other encumbrances affecting the demised leased premises, Lessee may pay the same on Lessor's behalf and cure the default at Lessor's expense. Lessor shall pay to Lessee the amount so advanced upon demand, and Lessee may withhold and apply thereto all rents and other payments due or thereafter becoming due to Lessor under this Lease until all amounts so paid by Lessee are fully repaid.

17. Liens and Insolvency. Lessee shall keep the leased premises and the real property in which the leased premises are situated free from liens arising out of work performed, materials furnished or obligations incurred by Lessee. If Lessee shall be

adjudicated a bankrupt or a receiver is appointed for the business and property of Lessee, or if Lessee shall make an assignment for the benefit of creditors, then, at the option of Lessor, this Lease may be cancelled, Lessor may determine that this Lease is breached under Section 10 entitled "Remedies" upon three (3) days' written notice of Lessee of such bankruptcy.

18. Remedies. In the event of the failure of Lessee to pay rent, or any portion of rent, as heretofore provided, or the failure of Lessee to comply with any provision of this Lease, or, in the event permits the use of the leased premises for any immoral or illegal purpose, or permits or maintains any nuisance upon or about said premises, or is adjudicated bankrupt, the following remedies shall be available to Lessor:

A. Lessor may give notice to Lessee of said breach, identifying the nature of the same and demanding that said breach be corrected within ten (10) days of the date said notice is served upon Lessee, or the leased premises be surrendered to Lessor.

B. If the leased premises are surrendered, Lessee's liability for any past due or future rent or other damages caused by breach of this Lease shall not abate.

C. In the event Lessee fails to comply with the said notice, Lessor may elect to declare this Lease terminated, secure possession of the demised leased premises, without further notice, and declare all rights of Lessee thereunder forfeited, without prejudice to Lessor's right to recover damages suffered by any breach of this Lease.

D. Lessor may elect to demand the specific performance of this Lease.

E. In the event Lessor elects to declare this Lease terminated and to re-enter into possession of the leased premises pursuant to the terms of this Lease, or if Lessee vacates or abandons the leased premises before the expiration of said term, Lessee shall not be relieved of the obligation to pay all of the rent herein mentioned for the whole of the unexpired term, nor from the performances of any of the other covenants and conditions hereof on Lessee's part to be performed.

F. In the event of any entry, or taking possession of the leased premises, Lessor may remove from the leased premises all personal property not fixed to the leased premises or considered a fixture and may place the same in storage at a public warehouse at the risk and expense of the owners thereof. Alternatively, Lessor may permit the same to remain upon the leased premises and to make use of said personal property.

G. The foregoing remedies are separate, distinct and cumulative. They may be elected or enforced at the sole discretion of the Lessor. Any election or failure to elect any

remedy or waiver of default by Lessor shall not waive any other remedy Lessor may have either pursuant to this Lease, or otherwise. The failure of Lessor to insist upon strict performance of any and all of the covenants of this Lease shall not be considered as a waiver of any such provision but the same shall remain in full force and effect.

H. No receipt of money by Lessor from Lessee after default or cancellation of this Lease in any lawful manner shall: (1) reinstate, continue or extend the term or affect any notice given to Lessee, (2) operate as a waiver of the right of Lessor to enforce the payment of rent and additional rent then due or falling due, or (3) operate as a waiver of the right of Lessor to recover possession of the buildings by proper suit, action, proceeding, or other remedy.

19. Hold-over. If Lessee shall, with the written consent of Lessor, hold-over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy. During such tenancy, Lessee agrees to pay to Lessor the then reasonable rental value of said premises, but not less than the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants and conditions as herein specified, so far as applicable. Termination notice under this section shall be sixty (60) days.

20. Termination. Lessee agrees at expiration, or earlier termination of this Lease, to deliver up the leased premises and any keys thereto, together with any alterations, additions, or improvements in accordance with Section 10, without notice, in as good condition as the leased premises now are at the time this Lease commences, excepting normal wear and tear.

21. Miscellaneous.

A. All notices to be given to Lessor or Lessee may be given in writing, personally or by certified mail, postage pre-paid, sent to Lessee at the demised premises or to Lessor at the place where the rent is payable.

B. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors, and/or assigns of both parties hereto, except as hereinabove provided.

C. If by reason of any default on the part of Lessee it becomes necessary for Lessor to employ an attorney in case breach of any provision of this Lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this Lease and Lessor shall prevail in such

action, then, and in any of such events, Lessee shall pay Lessor a reasonable attorney's fee and all costs and expenses expended or incurred by Lessor in connection with such default or action.

D. Titles of paragraphs or subparagraphs in this Lease are for reference only and shall not affect the textual meaning. The use of pronouns indicating genders are interchangeable with pronouns of a different gender.

E. This Lease shall be governed by the law of the State of Washington.

F. If any provision of this Lease, or its applications to any person or circumstance is held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Lease, or the application of such provision to other persons or circumstances, shall not be affected.

G. Time is of the essence of this Lease. This Lease constitutes the complete written agreement of the parties, and there are no other oral, contemporaneous or prior agreements which affect this Lease. This Lease shall be amended only by a writing of equal dignity.

H. This Lease has been entered into following arm's length negotiation between the parties. No presumption shall arise as a result of one party or the other or such party's agent or attorney having drafted all or any portion of this Lease.

I. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the board of directors of said corporation authorizing or ratifying the execution of this Lease.

22. Dispute Resolution. In the event that any dispute or deadlock arises from this Lease, which cannot be resolved, such matter shall be settled by binding arbitration pursuant to the provisions of RCW 7.04A. The arbitration will be conducted under the procedural rules (but not the administration) of the American Arbitration Association. Within thirty (30) days of the application for arbitration, the parties shall attempt to mutually select an arbitrator, and if they cannot agree, each party will choose an arbitrator, and the two chosen arbitrators will select an arbitrator. The arbitration shall take place in Kitsap County, Washington, or such other location as the parties agree, and shall commence within sixty (60) days of selection of an arbitrator. The prevailing party in an arbitration proceeding or in any other

action brought by a party shall be entitled to recover from the other party the prevailing party's costs, including reasonable attorneys' fees during arbitration, at trial, and on appeal, in addition to all other relief to which the prevailing party is entitled. Except as expressly set forth elsewhere herein, the parties agree to bear their own costs in any such mediation and/or arbitration. The parties agree to extend any applicable statute of limitations for the period of time arbitration is pending.

23. Memorandum of Lease. Unless both parties consent thereto in writing, this Lease shall not be placed of record. Lessor and Lessee, on the request of the other, agree to execute and place of record, an instrument, in recordable form, evidencing the commencement date and expiration date of this Lease.

24. Counterparts. This Lease may be executed in counterparts using facsimiles or email transmissions of signatures, and a facsimile or email transmission of a counterpart signature shall be deemed to constitute one and the same instrument, and be equally enforceable as originals of such signatures.

25. Exhibits. The following Exhibit is attached to this Lease and fully incorporated herein by this reference: Exhibit A, legal description.

IN WITNESS WHEREOF, the parties have hereunto set their hands this day and year first written above.

CITY OF BAINBRIDGE ISLAND

By: _____
Douglas Schulze, City Manager

ROLLING BAY COMMERCIAL PROPERTIES, INC.

By: _____
Tord Vestman, President

STATE OF WASHINGTON)
) ss:
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that Douglas Schulze is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the City Manager of the

CITY OF BAINBRIDGE ISLAND, Washington, a municipal corporation, to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

DATED: _____

NAME: _____
(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: _____

STATE OF WASHINGTON)
) ss:
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that Tord Vestman is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of ROLLING BAY COMMERCIAL PROPERTIES, INC., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

NAME: _____
(Print Name)

Notary Public in and for the State of Washington.
Commission Expires: _____

EXHIBIT A

Legal Description

APPROXIMATELY 2,680 SQUARE FEET OF THAT CERTAIN COMMERCIAL BUILDING LOCATED NEAR THE CORNER OF VALLEY ROAD AND SUNRISE ROAD, COMMONLY KNOWN AS 10255 NE VALLEY ROAD, BAINBRIDGE ISLAND, WA 98110, KITSAP COUNTY, LEGALLY DESCRIBED AS FOLLOWS:

THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 25 NORTH, RANGE 2 EAST, W.M.; EXCEPT THE NORTH 30 FEET FOR THE ROAD, SITUATED IN KITSAP COUNTY

CITY OF BAINBRIDGE ISLAND CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: 2015 LTAC Award Cycle	Date: July 21, 2014
Agenda Item: Staff Intensive	Bill No.: 14-020
Proposed By: Deputy City Manager Morgan Smith	Referral(s):

BUDGET INFORMATION

Department:	Fund:	Munis Contract #
Expenditure Req:	Budgeted? ☐ Yes ☐ No	Budget Amend. Req? ☐ Yes ☐ No

REFERRALS/REVIEW

City Manager ☒ Yes ☐ No ☐ N/A	Legal ☐ Yes ☐ No ☒ N/A	Finance ☐ Yes ☐ No ☒ N/A
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DESCRIPTION/SUMMARY

Action Item:

Planning related to upcoming award cycle for 2015 LTAC grants.

History:

The City issues an annual Request for Proposals (RFP) to consider projects to receive LTAC funding. The RFP includes information on the available funds, eligibility, and scoring criteria.

For 2015, staff estimates funding of \$125,000 will be available to distribute to project recipients. In 2013, the Council approved project awards of roughly \$127,000.

Other RFP changes under consideration for the 2015 awards are described in the following memo. A final version of the RFP will be brought forward for City Council review at the August 18 City Council meeting.

RECOMMENDED ACTION

Motion:

Information only.

City of Bainbridge Island
EXECUTIVE DEPARTMENT



MEMORANDUM

TO: Councilmember Sarah Blossom (LTAC Chair)
Councilmember Roger Townsend (LTAC Co-Chair)
Doug Schulze, City Manager

FROM: Morgan Smith, Deputy City Manager

DATE: July 16, 2013

RE: Proposed Criteria for LTAC Award Cycle for 2015 Funding

We have met to discuss the process to update materials for the 2015 LTAC award cycle, including the City's Request for Proposals (RFP) and the scoring criteria that the committee will use to recommend projects and funding. The notes below describe some key areas for City Council consideration:

1. Total estimated award funding
2. Criteria for project selection
3. Maximum award amount
4. City submittal of project proposals
5. Requirement for matching funds
6. Ability to award partial funding

Following City Council discussion and feedback, a final version of the RFP will be developed and brought forward for review in mid-August.

1. **Total award funding.** At this time, staff estimates that 2014 revenue will provide roughly \$125,000 in funding for 2015 projects.

2. **Criteria for Project Selection.** We discussed using the same list of criteria used in 2014, as shown below. We have not yet proposed weighting for each factor. The weighting used in 2014 is shown below, for information.

PROPOSED SCORING - 2014

Lodging Fund Project Evaluation - Basic Criteria		Score
A.	Encourages tourism from visitors traveling more than 50 miles and from visitors traveling from outside Washington State.	20
B.	Expected impact on or increase in overnight stays.	15
C.	Economic impact on Island businesses, facilities, events, and amenities.	20
D.	Potential to draw visitors to the Island and increase overnight stays during the off-season, i.e. Labor Day through Memorial Day.	25
E.	Applicant's demonstrated history of organizational and project success (not necessarily nor solely LTAC-funded project(s)).	10
F.	Partnerships with other organizations and businesses to encourage cooperative tourism marketing and minimize duplication of services.	10
TOTAL POINTS AVAILABLE		100

3. **Maximum Award Amount.** Community members representing a number of local recipient organizations have provided feedback that they support a cap on the amount of any single award, in order to distribute funding across a broader range of recipients. To respond to this request, we suggest that the maximum award to any single project be limited to \$15,000. We have not yet determined whether projects proposed by teams of organizations should be subject to that same limit or whether a higher maximum award should apply in cases of collaboration. We have not discussed whether organizations that propose multiple projects should be limited to \$15,000 per organization or to \$15,000 per project.
4. **City submittal of project proposals.** We have discussed whether the City should develop proposals to seek LTAC funding for eligible City-led projects. According to the current State law, the process for consideration of such proposals would be identical to the consideration of proposals from other groups:
- City responds to the RFP and develops proposal(s) for projects that represent eligible use of LTAC funds. As with other grant opportunities, the administration would present any proposal to the City Council for consideration and approval in advance of its submission to the LTAC committee.
 - Committee receives the City proposal and scores alongside other projects.
 - Committee develops recommendation for projects to receive funding.
 - City Council receives the committee recommendation and either approves or rejects the committee recommendation in its entirety (current State law does not permit the City Council to approve individual projects, or some subset of the recommended projects).

5. **Requirement for matching funds.** We propose to use the same guidelines as in 2014, which require recipients to demonstrate a one-to-one funding match for the amount of LTAC funding requested. As in 2014, project management costs, in-kind services, and contributions would be eligible to qualify for this match.
6. **Eliminate partial funding awards.** In previous years, the committee has recommended “partial” funding awards in amounts lower than the funding requested in the individual proposals. This requires the recipient to change the scale and/or scope of the proposed project with no opportunity for feedback on feasibility or other impacts. Representatives of recipient organizations have communicated that partial awards create administrative complications and may result in projects that are not able to meet original goals. One solution is to discontinue the practice of partial awards, and to require that the committee evaluate each proposal as submitted, and to either approve the full funding request or not. Another option would be to provide an opportunity in the application for proposers to indicate the scalability of their project, including specifics on what awards levels are feasible and at what impact to project scope and deliverables.

Proposed 2014 Timeline – LTAC Award Cycle for 2015 Funding

July 16, 2014

Month	Task	Responsibility
General:		
Jan	Establish City Councilmember as Chairperson	City Council
May	Develop general timeline for award cycle	Staff/Chair
May	Develop estimate of funds available for 2015	Staff
Appointing the Committee:		
June	Advertise for citizen committee participants	Staff
June	Schedule interviews with committee applicants	Staff
July	Review applicants and recommend committee appointments	Chair/Co-Chair
July (Council meeting on Aug 4?)	Appoint LTAC Award Committee Members	City Council
July	Notify LTAC Award Committee Members	Chair
Developing the RFP:		
July (Council meeting on July 21)	Receive City Council direction on: • total award funding • funding priorities/scoring • City-led projects • Partial awards	City Council
Aug	Meet for orientation	LTAC Committee
Aug	Identify dates for remaining committee and recipient meetings	LTAC Committee
Aug	Develop recommendations on award selection criteria and scoring	LTAC Committee
Aug	City Council reviews and approves award selection criteria	City Council
Aug	City Council reviews/approves City-led projects (if needed)	City Council
Aug	Informational meeting for potential applicants	LTAC Committee
Aug	Revise RFP materials as needed and finalize	Staff/Chair
Intake & Review of Proposals:		
Sep 1	Issue RFP for 2015 LTAC project proposals	Staff
Sep	Schedule project presentations with applicants	Staff
Sep 30	Deadline to submit 2015 LTAC proposals	Staff
Oct	Review 2015 LTAC proposals	LTAC Committee
Oct	Receive presentations from LTAC applicants	LTAC Committee
Oct 31	Develop recommendation for funding awards	LTAC Committee
mid-Nov	Review and approve award recommendation	City Council
Dec	Notify applicants of award results	Chair

Jan/Feb	Draft agreements for 2015 recipients	Staff
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UPDATE on

CIVIC IMPROVEMENT FUND (LTAC) BALANCE:

As of May 8, 2014

Balance as of Jan 1, 2014	\$134,299
2014 Project Awards	(\$127,633)
Estimated 2014 Revenue	\$ 120,000
Estimated Balance as of 12/31/14:	\$ 126,666

ORDINANCE NO. 2014-30

AN ORDINANCE of the City of Bainbridge Island, Washington, relating to the schedule for regular meetings of the City Council and amending Section 2.04.010 of the Bainbridge Island Municipal Code to establish the date of such meetings.

WHEREAS, the City Council has determined that the business of the City is best served by changing the meeting date;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Section 2.04.010 of the Bainbridge Island Municipal Code is hereby amended as follows:

2.04.010 Held When. The city council shall hold its meetings on the first, second, third and fourth Tuesday ~~Monday~~ of each month.

Section 2. This ordinance shall take effect on September 1, 2014.

PASSED BY THE CITY COUNCIL this ____ day of July, 2014.

APPROVED BY THE MAYOR this ____ day of July, 2014.

Anne S. Blair Mayor

ATTEST/AUTHENTICATE:

Rosalind D. Lassoff, City Clerk

FILED WITH THE CITY CLERK:	July 16, 2014
PASSED BY THE CITY COUNCIL:	
PUBLISHED:	
EFFECTIVE DATE:	
ORDINANCE NUMBER:	2014-30

CITY OF BAINBRIDGE ISLAND

CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

Subject: Ordinance No. 2014-30, relating to the meeting date for regular meetings of the City Council and amending Bainbridge Island Municipal Code Section 2.04.010	Date: February 5, 2014
Agenda Item: Staff Intensive	Bill No.: 14-025
Proposed By: Douglas Schulze, City Manager	Referral(s):

BUDGET INFORMATION

Department:	Fund:	Munis Contract #
Expenditure Req:	Budgeted? ☐ Yes ☐ No	Budget Amend. Req? ☐ Yes ☐ No

REFERRALS/REVIEW

Meeting:	Recommendation:
City Manager ☒ Yes ☐ No ☐ N/A	Legal ☐ Yes ☐ No ☐ N/A Finance ☐ Yes ☐ No ☒ N/A

DESCRIPTION/SUMMARY

Action Item:

Consideration of Ordinance No. 2014-30 relating to the meeting date for regular meetings of the City Council and amending Bainbridge Island Municipal Code Section 2.04.010.

History:

At the June 10, 2014 City Council Advance, Council requested a change in meeting dates from Monday to Tuesday. The attached ordinance would make such a change effective September 1, 2014.

RECOMMENDED ACTION

Motion:

I move that the City Council schedule Ordinance No. 2014-30 relating to the meeting date for regular meetings for the July 28, 2014 Consent Agenda.

2014 PROPOSED COUNCIL CALENDAR ITEMS

Absences	Clerk	Department	Timing (min)	Study Session 7 pm		Absences	Clerk	Department	Timing (min)	Business Meeting 7 pm	
Val	Kelly		25	21-Jul		Kelly	Roz			22-Jul	
										Comp Plan 101 Public Meeting (BIHS 7-9 pm)-BKAT confirmed	
						Roger Kelly	Roz		25	28-Jul	
Kelly Kathy		Roz	25	4-Aug		Dave	Kelly		25	11-Aug	
		FIN	20	Community Services Funding (Discussion)				PW	10	Ordinance No. 2014-29, Regarding Pleasant Beach Tracts Partial ROW Vacation Public Hearing/2nd Reading	
		EXEC	20	Ordinance Regarding Surplus of Suzuki Property				PW	CA	Valley, Logg, Gertie Johnson Roadway Drainage Improvements Contract Award	
		FIN	15	2014 Midyear Financial Report (Info)				FIN	CA	Ordinance Regarding Q2 2014 Budget Adjustments (2nd Reading)	
		FIN	10	Ordinance Regarding Q2 2014 Budget Adjustments (1st Reading)				PW	CA	Lynwood Center Outfall Improvement Contract Award	
		PW	10	Island wide Asphalt Repair (Info)				PW	CA	City Hall Paint and Wood Restoration Contract Award	
		PW	10	Lynwood Center Outfall Improvement (Info) - Blanks				PW	CA	Island wide Asphalt Repair Contract Award	
		PW	10	Ordinance No. 2014-29, Regarding Pleasant Beach Tracts Partial ROW Vacation (1st Reading)				PW	CA	Ordinance No. 2014-25, Related to ROW Uses	
		PW	10	City Hall Paint and Wood Restoration (Info)				PW	CA	Resolution No. 2014-15, Amending Fee Schedule Related to ROW Uses	
		EXEC	10	2015 LTAC Appointments				CC	CA	Resolution No. 2014-18 Opposing Oil Trains	
		FIN	10	Resolution Amending Financial Policies					45		
		PW	10	Ordinance No. 2014-25, Related to ROW Uses							
		PW	5	Resolution No. 2014-15, Amending Fee Schedule Related to ROW Uses							
		PW	10	Valley, Logg, Gertie Johnson Roadway Drainage Improvements (Info) Blanks							
		CC	10	Resolution No. 2014-18 Opposing Oil Trains (Info)							
			185								

2014 PROPOSED COUNCIL CALENDAR ITEMS

Absences	Clerk	Department	Timing (min)	Study Session 7 pm				Absences	Clerk	Department	Timing (min)	Business Meeting 7 pm			
	Roz		25	18-Aug				Val Kathy	Kelly Roz		25	25-Aug			
		FIN	45	Priority-Based Budgeting Model Presentation (consultants/1st up)						EXEC	20	Ordinance Regarding Surplus of Suzuki Property (2nd Reading)			
		EXEC	15	2015 LTAC Awards: Approve Award Criteria and RFP						PCD	15	Cave Landing Final Plat			
		PW	10	Generator Emergency Connections Contract (Info)						PW	10	Ordinance Regarding ROW Vacation (3rd Reading)			
		PW	10	Head of the Bay Emergency Generator (Info)						PW	CA	Head of the Bay Emergency Generator Contract Award			
			105							PW	CA	Generator Emergency Connections Contract Award			
										FIN	CA	Resolution Amending Financial Policies			
											70				
			25	2-Sep							25	9-Sep			
		PW	30	Olympic Drive Non-Motorized Improvements Preferred Design and PSA (Info)						PW	CA	Olympic Drive Non-Motorized Improvements Preferred Design and PSA Award			
			55								25				
			25	16-Sep							25	23-Sep			
		EXEC	15	Kitsap Economic Development Alliance (J. Powers)						FIN	?	2015-16 Proposed Budget (Info)			
		PW	10	Biosolids Services Agreement (Info)						PW	CA	Biosolids Services Agreement Award			
		PW	10	DOE Capacity Stormwater Grant Opportunity						PW	CA	DOE Capacity Stormwater Grant Opportunity			
			60								25				
5th week			25	30-Sep											
			25	7-Oct							25	14-Oct			
		FIN	30	Budget Deliberations						PW	CA	Water System Plan Policy PSA Award			
		PW	15	Water System Plan Policy PSA (Info)							25				
		FIN	10	Ordinance Regarding 2015-2016 Budget (1st Reading)											
		FIN	10	Ordinance Regarding Property Tax (1st Reading)											
		FIN	10	Ordinances Regarding Water, Sewer, SSWM Rates (1st Reading)											
			100												

2014 PROPOSED COUNCIL CALENDAR ITEMS

Absences	Clerk	Department	Timing (min)	Study Session 7 pm		Absences	Clerk	Department	Timing (min)	Business Meeting 7 pm	
			25	21-Oct					25	28-Oct	
		FIN	10	Ordinance Regarding Q3 2014 Budget Adjustments (1st Reading)				FIN	30	Budget Deliberations	
			35					FIN	10	Ordinance Regarding 2015-2016 Budget (Public Hearing)	
								FIN	10	Ordinance Regarding Property Tax (Public Hearing/Consider Approval)	
								FIN	10	Ordinance Regarding Water Rates (Public Hearing/Consider Approval)	
								FIN	10	Ordinance Regarding Sewer Rates (Public Hearing/Consider Approval)	
								FIN	10	Ordinance Regarding SSWM Rates (Public Hearing/Consider Approval)	
								FIN	CA	Ordinance Regarding Q3 2014 Budget Adjustments (Approve)	
									105		
			25	4-Nov					25	11-Nov	
		EXEC	15	Kitsap Economic Development Alliance (J. Powers)							
		FIN	30	Budget Deliberations							
			70								
			25	18-Nov					25	25-Nov	
								FIN	20	Ordinance Regarding 2015-2016 Budget (Consider Adoption)	
								EXEC	10	2015 LTAC Awards: Consider Award Recommendations	
									55		
			25	2-Dec					25	9-Dec	
		FIN	10	Ordinance Regarding Q4 2014 Budget Amendments (1st Reading/Info)				FIN	CA	Ordinance Regarding Q4 2014 Budget Amendments	
			35						25		
			25	16-Dec					25	23-Dec	