

CITY COUNCIL AGENDA

March 17, 2025



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https://us02web.zoom.us/webinar/register/WN_7NmT95p7Spevw2NK0CR4rg

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COUNCIL MEETING

GUIDELINES FOR PUBLIC PARTICIPATION

All City Council meetings are broadcast on Charter/Spectrum Channel 191 and available to livestream on Ellensburg Community Television at www.ectv2.com or on YouTube at [ECTV Ellensburg](https://www.youtube.com/channel/UCv3v3v3v3v3v3v3v3v3v3v3). You may also attend by phone, only, and listen to the meeting by following the registration instructions under “Procedure for Remote Participation During Meeting” below. Once you register, you will be sent a meeting invitation with a phone number for the meeting.

Public comment on Non-Agenda Issues (Item No. 7) is limited to a combined total of thirty (30) minutes unless Council votes to extend the time. Testimony or comments will be accepted in the following manner:

SUBMISSION OF WRITTEN COMMENTS

- **Written comments submitted in advance of meeting**
Submit written comments by mail to Beth Leader, City Clerk, Ellensburg City Hall, 501 N. Anderson St., Ellensburg, WA 98926, or via email to: cityclerk@ellensburgwa.gov. Comments received by 5 p.m. on the meeting date will be compiled, sent to the City Council and entered into the record.
- **Comments for public hearings**
Written comments must be received by the City Clerk by 5 p.m. on the meeting date. Comments can either be mailed to Beth Leader, City Clerk, Ellensburg City Hall, 501 N. Anderson St., Ellensburg, WA 98926, or sent via email to: cityclerk@ellensburgwa.gov. Comments received by 5 p.m. on the meeting date will be compiled, sent to the City Council and entered into the record.

PROCEDURE FOR REMOTE PARTICIPATION DURING MEETING

1. ***Advance registration is required to provide public comment or hearing testimony via remote meeting attendance. Once registered, you will receive an email with the meeting link and phone number (for those who wish to call into the meeting).***
 - a) Anyone wishing to provide public comment on ***Non-Agenda Issues*** (Item No. 7 on the Agenda) must: 1. Register via the Zoom link by no later than 24 hours prior to the meeting; and 2. Provide a description in the Zoom registration form of the topic upon which they wish to speak with sufficient detail to allow the Mayor to determine whether it pertains to City business or a matter over which Council has control.
 - b) Anyone wishing to speak on ***all other Agenda items*** where it specifically states “Public Comment Opportunity” must register prior to 7 p.m. the day of the meeting.
2. Join the meeting early, as you may need to download the app in advance to participate. Once you’ve joined the meeting, your camera and microphone will be muted until you are recognized by the Mayor to speak.
3. Please note that there may be several items on the City Council Agenda that will precede the agenda item you wish to address.
4. The Mayor will identify the agenda item and ask if anyone wishes to speak on the matter.
5. If you wish to speak on an agenda item, you must:
 - a) Wait to be called upon by the Mayor using your name, e-mail, or phone number used to log in to the teleconference.
 - b) Raise your “virtual hand” in the corner of Zoom application on the computer screen or press *9 on your phone. Raising your hand signals the moderator that you wish to speak.
6. Please state your name, whether you live in the City of Ellensburg, Kittitas County or elsewhere, and whether you are representing only yourself or others.

PROCEDURE FOR IN-PERSON PARTICIPATION (COUNCIL CHAMBERS)

- ◆ When recognized, approach the microphone provided on the right side of the room.
- ◆ Please state your name, whether you live in the City of Ellensburg, Kittitas County or elsewhere, and whether you are representing only yourself or others.
- ◆ Each speaker's comments are to be limited to 3 MINUTES.
- ◆ Submit any written comments to the City Clerk.
- ◆ Speakers are cautioned not to make comments of a personal, impertinent or derogatory nature.
- ◆ Speakers may not identify themselves as candidates for elective public office or make any statements which assist or discuss the campaign of a candidate for elective office or discuss or campaign for or against a ballot proposition (unless the ballot proposition is being considered as part of the City Council agenda item).

PUBLIC COMMENT RULES FOR ALL MEETING PARTICIPANTS

1. Each speaker's comments are to be limited to 3 MINUTES.
2. Speakers are cautioned not to engage in conduct that disrupts, disturbs or otherwise impedes the orderly conduct of the Council meeting.
3. Speakers may not identify themselves as candidates for elective public office or make any statements which assist or discuss the campaign of a candidate for elective office or discuss or campaign for or against a ballot proposition (unless the ballot proposition is being considered as part of the City Council agenda item).
4. Speakers providing comments on Item 7, Non-Agenda Issues, may only address the Council on matters which concern the City's business or over which the Council has control, and must announce the topic upon which they wish to speak before making their comments.

Please note: City Council Rules provide that no action will be taken by the Council at the meeting at which a subject is first introduced during the citizen comment period (Item 7 on the Agenda). Council may consider an item at a future meeting, thus you may wish to concisely state your concern and request placement of your matter on a future agenda. Staff will follow up with speakers as necessary.

CONSENT AGENDA

Members of the audience may request items be removed from the consent agenda by asking for recognition and making the request during Agenda Approval. Items will not be removed from the consent agenda unless your request is confirmed by a councilmember.

AGENDA ITEMS

If you wish to have an item placed on a Council agenda, a written request should be delivered to the City Manager's Office prior to noon on the Monday preceding the Council meeting. Assistance will be provided in preparing a request if you wish to contact the City Clerk at (509) 925-8614.

PUBLIC HEARINGS

City Council accepts testimony or comments in person or via remote testimony on a particular subject schedule for Public Hearing. Council will consider all testimony, respond to any questions, and take action after the public hearing is closed. Testimony or comments will be accepted in the following manner:

1. When recognized,
 - If attending in the Council Chambers, approach the microphone provided on the right side of the room.
 - If attending remotely, raise your "virtual hand" in the corner of Zoom application on the computer screen or press *9 on your phone.
2. Please state your name, address, and whether you are representing only yourself or others.
3. Please limit your comments to 5 MINUTES.
4. Submit written comments to the City Clerk.

**CITY OF ELLENSBURG
CITY COUNCIL AGENDA
Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom
Monday, March 17, 2025
7:00 PM - Regular Meeting**

Pledge of Allegiance

1. Call to Order and Roll Call

2. Proclamations (No Public Comment)

2.A Transgender Day of Visibility 6

2.B National Developmental Disabilities Awareness Month 2025 7

3. Awards and Recognitions

4. Approval of Agenda (No Public Comment)

5. Consent Agenda (No Public Comment)

Items listed below have been distributed to Councilmembers in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda at the request of a Councilmember or at the request of a member of the public with concurrence of a Councilmember. Requests to remove items should be made under Item 4 Approval of Agenda.

5.A Approve Minutes of March 3, 2025 Regular Meeting 8

5.B Approve Minutes of March 3, 2025 Study Session 12

5.C Acknowledge Minutes of Boards & Commissions 13

5.D Approve University Way Banner Request for CASA - April 1-15, 2025 31

5.E City of Ellensburg Decarbonization Planning Strategy Grant 32

5.F Approval of the 2025 Public Works Development Standards Update 55

5.G Approve CHIP Contract with Commerce for Pathways Place 57

5.H Grant Craig Resignation from the Utility Advisory Commission 81

5.I Approve March 17, 2025 Voucher Listing 82

6. Petitions, Protests, and Communications

6.A 2025 State Legislative Session Update by Josh Weiss (Public Comment Opportunity) 83

6.B	Kittitas County Chamber of Commerce Annual Report (Public Comment Opportunity)	85
7.	Public Comment on Non-agenda Issues	
8.	Business Requiring Public Hearings	
8.A	Public Hearing to Consider an Application for CDBG Grant for Library / Hal Holmes HVAC Replacement and Adopt Resolution 2025-05 for CDBG Grievance Process (Public Comment Opportunity)	103
9.	Introduction and Adoption of Ordinances and Resolutions	
9.A	Ordinance 4957 (2nd reading) - Regulating Banners, Sidewalk Flags and Decorations in the City Rights-of-Way (Public Comment Opportunity)	111
9.B	Ordinance 4958 (2nd Reading) Supplemental Amendment to 2025-2026 Biennial Budget (Public Comment Opportunity)	131
10.	Unfinished Business	
11.	New Business	
11.A	Affordable Housing Agreement and Associated Documents for Revised Proposal for 1st and Pine Affordable Housing Project with City Property Contribution (Public Comment Opportunity)	141
11.B	Amendment to Kittitas County Chamber Agreement for Concierge Services for the Visitors Information Center at Unity Park (Public Comment Opportunity)	243
11.C	Reecer Creek Levee Project Update and Request to Proceed (Public Comment Opportunity)	250
11.D	Employment Agreement with Mark "Buddy" Stanavich (Public Comment Opportunity)	254
12.	Miscellaneous	
12.A	Manager's Report (No Public Comment)	266
12.B	Councilmembers' Reports (No Public Comment)	
13.	Executive Session	
13.A	Per RCW 42.30.110(1)(q), to consider greenhouse gas allowance auction bidding information that is prohibited from release or disclosure under RCW 70A.65.100(8)	
14.	Adjournment	

PROCLAMATION

Transgender Day of Visibility

Whereas, Transgender individuals have been a part of the fabric of societies since the beginning of humankind; and

Whereas, early America also had examples of cross-gender identified individuals such as colonial governor of New York, Lord Cornbury, to a century later as commissioned Army surgeon Mary Walker was the only woman expressly granted Congressional permission to wear man's clothing, and Jo Monohan, a late 1800s transman who migrated to Washington State "to be a cowboy;" and

Whereas, Christine Jorgenson in the 1950s, Renee Richards and Syliva Rivera in the 1970s, Caroline Cosey in the 1980s, Chaz Bono and Spokane's Billy Tipton in the 1990s, and Jazz Jennings, Laverne Cox, Elliott Page and more, continue to bring awareness of transgender identities to this country; and

Whereas, President Barack Obama in his 2015 State of the Union address stated in short, "That's why we defend... people who are lesbian, gay, bisexual, or transgender... not because it is the right thing to do, but because it makes us safer;" and

Whereas, President Joe Biden proclaimed, "Like never before, transgender people are enlisting — once again — to serve proudly and openly in our military; getting elected and making policy at every level of government; and running businesses, curing diseases, and serving our communities in countless other ways;" and

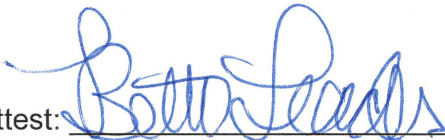
Whereas, March 31st marks International Transgender Day of Visibility, acknowledging and celebrating living members of the transgender community, Transgender Day of Visibility is a day to recognize and center the voices and contributions of our gender diverse community in our city; and

Whereas, all residents can join in celebrating the contributions of transgender individuals to our community and to work towards creating a more inclusive, accepting, and safer society for everyone.

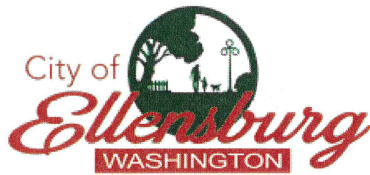
Now, Therefore, the City Council of Ellensburg does hereby proclaim March 31, 2025 as Transgender Day of Visibility in Ellensburg. We honor their courage and appreciate their contributions to our city, state, and nation, and commit our efforts to make Ellensburg a city where everyone belongs and feels welcome and safe.

Signed this 17th day of March 2025.

Attest:
City Clerk




Rich Elliott
Mayor



City of Ellensburg

PROCLAMATION

National Developmental Disabilities Awareness Month
2025

Whereas, in 1987, President Ronald Reagan recognized Developmental Disabilities Awareness Month to "increase public awareness of the needs and the potential of Americans who face developmental disabilities and to provide the opportunities they need in order to live productive lives and to achieve their full potential"; and

Whereas, developmental disabilities are defined as impairments in physical, learning, language, or behavioral areas, which include Autism spectrum disorders, Cerebral Palsy, attention-deficit/hyperactivity disorder, intellectual or learning disabilities, hearing loss, vision impairment, and other developmental delays; and

Whereas, nationally one in six children between the ages of three and seventeen have one or more developmental disabilities, and 13% of the population in Kittitas County and Washington state live with disabilities; and

Whereas, Central Washington Disability Resources (CWDR), located in Ellensburg, is the resource agency for people with disabilities of any age and provides case management, developmental disability support groups, therapeutic swim program, skills training, counseling, assistance with housing, attendant care, and advocacy; and

Whereas, the mission of the Kittitas County Developmental Disabilities Advisory Committee is to foster an inclusive environment that supports residents with developmental disabilities and their families to participate in and contribute to all aspects of the community.

Now, therefore, the City of Ellensburg does hereby proclaim March as Developmental Disabilities Awareness month and encourages community members to support local agencies such as Central Washington Disability Resources by volunteering and finding ways to serve, promoting inclusivity in schools, workplaces, and community events, and engaging with persons with disabilities and listening to their life experiences.

Dated this 3rd day of March, 2025.

Attest:
City Clerk

A handwritten signature in blue ink, reading "Betty Leader".

A handwritten signature in blue ink, reading "Rich Elliott".

Rich Elliott
Mayor



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of City Council, Regular Meeting

March 3, 2025

7:00 PM

Council Chambers

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Miller

1. Call to Order and Roll Call

Roll Call Present: Sarah Beauchamp, Rich Elliott, Nancy Goodloe, Nancy Lillquist, David Miller, Delano Palmer, Joshua Thompson

Others present in person: City Manager Behrends Cerniwey, City Attorney Weiner, City Clerk Leader, Arts & Economic Development Manager Vandenberg, Engineering Manager Mayo, Assistant City Attorney Reiman, Assistant Finance Director Bassett, EPD Chief Wade, Public Works & Utilities Director Lyyski, Construction Project Manager Maskal and approximately 30 members of the public

Others present remotely via Zoom: No members of the public

2. Proclamations

2.A Irish American Heritage Month 2025

2.B National Women's History Month and International Women's Day 2025

2.C Natural Gas Utility Workers Day

3. Awards and Recognitions

4. Approval of Agenda

Councilmember Goodloe moved to approve the Agenda as presented. **Motion Approved 7-0**

5. Consent Agenda

5.A Approve Minutes of February 18, 2025 Regular Meeting

5.B Acknowledge Minutes of Boards and Commissions

5.C Award of Bid Call 2025-02 Official City Newspaper

5.D Microsoft License Annual Payment

-
- 5.E Conduit System Lease Agreement with Wholesail Networks LLC (Wholesail) for use of a spare City conduit under I-90 on the Bull Road alignment.
 - 5.F Consultant Agreement Amendment #3 with Farallon Consulting for Environmental Services associated with the Anderson Road Sewer Extension Project
 - 5.G Project Acceptance – Pfenning Road Shared Use Pathway – 3rd Avenue to PTC Trail
 - 5.H Approve March 3, 2025 Voucher Listing

Councilmember Lillquist moved to approve the Consent Agenda as presented. **Motion Approved 7-0**

6. Petitions, Protests, and Communications

- 6.A Boards and Commissions - Environmental Commission Appointment (Public Comment Opportunity)
Heidi Behrends Cerniwey, City Manager, presented information. The applicant was not present for introduction.

Councilmember Lillquist moved to approve Kamran Hermann as an appointee to the Environmental Commission. **Motion Approved 7-0.**

- 6.B EDA Annual Update (Public Comment Opportunity)
Heidi Behrends Cerniwey, City Manager, introduced Teresa Chanes, Ellensburg Downtown Association Director, who presented information regarding work done by the EDA in 2024 and programs/events for 2025. Council asked questions of EDA staff.

Carrie Vickers, Ellensburg resident, asked about the Streets of Bethlehem production in Unity Park during Moments to Remember.

- 6.C 2024 Ellensburg Police Department Annual Report (Public Comment Opportunity)
Ken Wade, EPD Chief, presented information regarding the 2024 Annual Report. Council asked questions of Chief Wade.

Chris Whitsett, Ellensburg resident and Administration from the Kittitas County Sheriff's office, spoke in favor of Chief Wade, his report, and his leadership.

7. Public Comment on Non-agenda Issues

- Jennifer Patteson, County resident, spoke regarding replacement of the Ellensburg Recreation Center
- William Coleman, Kittitas resident, spoke regarding graffiti in Ellensburg

8. Business Requiring Public Hearings

9. Introduction and Adoption of Ordinances and Resolutions

- 9.A Ordinance 4957 (1st reading) - Regulating Banners, Sidewalk Flags and Decorations in the City Rights-of-Way (Public Comment Opportunity)
Terry Weiner, City Attorney, presented information in the staff report. Council asked questions of staff.

Pat Kelleher, County resident, spoke regarding current and future signage.

Councilmember Lillquist moved to approve first reading of Ordinance 4957.

Councilmember Beauchamp moved to amend by removing section 3.44.110 Commemorative Flags, in its entirety, from the Ordinance. **Motion Approved 4-3 (Goodloe, Lillquist, Miller voted no)**

Vote on main motion as amended. **Motion Approved 6-1 (Miller voted no)**

- 9.B Ordinance 4958 (1st reading) - Amending the 2025/2026 Biennial Budget (Public Comment Opportunity)
Keith Bassett, Assistant Finance Director, presented information in the staff report.

Councilmember Goodloe moved to approve first reading of Ordinance 4958 amending the 2025/2026 Biennial Budget. **Motion Approved 7-0**

- 9.C Resolution 2024-04 Rejecting All Bids for Bid Call 2024-20 - Water Street Overlay - Main St to Bender Rd Project (Public Comment Opportunity)
Derek Mayo, City Engineering Manager, presented information in the staff report.

Councilmember Goodloe moved to adopt Resolution 2025-04, rejecting all bids for Bid Call 2024-20 - Water Street Overlay Project. **Motion Approved 7-0**

10. Unfinished Business

11. New Business

12. Miscellaneous

- 12.A Manager's Report (No Public Comment)

Heidi Behrends Cerniwey, City Manager, presented information included in the report.

Council discussed Coffee with Council and other options for public interaction. Council consensus was to alternate day and evening options every other month.

The joint meeting between the City and County is tentatively scheduled for May 8, 2025, possibly to be held at the Hal Holmes Center.

Copies of the City's 2024 Year in Review was provided to Council at the dais.

A Public Hearing will be held on March 17, 2025 for the CDBG application

process.

The Main Street America focus group requested three councilmembers participate; Councilmembers Lillquist and Beauchamp volunteered to participate.

Two letters of support were on the dais for the Mayor's signature; one in support of the CWU Geo-Thermal project and the other for support of the OIC of Washington's application to the Homeless Veterans Reintegration Program (HVRP). Council consensus was supportive of the Mayor's signature.

12.B Councilmembers' Reports (No Public Comment)

- Councilmember Palmer attended Law & Justice Committee
- Councilmember Goodloe attended PTAC, KCCOG, LEOFF Board and the Homelessness & Affordable Housing Commission meetings. She announced the DEI Commission is accepting grant proposals for 2025 projects
- Councilmember Thompson attended the Kittitas County jail tour and met with a group of community members to answer questions
- Councilmember Miller attended a Chamber hosted work session regarding food system resiliency and threats to the agricultural base; and reported on a potential recommendation on the sales tax proposal from the Public Transit Advisory Commission
- Councilmember Lillquist attended the Environmental Commission & met with Waste Management and City staff regarding the recycling program, and also attended a food systems meeting, UAC meeting, Kittitas County jail tour, LEOFF Board meeting, and is involved with scheduling of programs for Bike Month
- Mayor Elliott met with others to discuss options for the fieldhouse, attended the DEI listening tour at CWU, KCCOG meeting, and will attend the Yakama Nations meeting March 4th

13. Executive Session

14. Adjournment

Meeting adjourned at 9:31 pm

Mayor

ATTEST:

City Clerk



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of City Council, Study Session

March 3, 2025

6:00 PM

Council Chambers

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

Study Session

Roll Call Present: Sarah Beauchamp, Rich Elliott, Nancy Goodloe, Nancy Lillquist, David Miller, Delano Palmer, Joshua Thompson

Others present in person: City Manager Behrends Cerniwey, City Attorney Weiner, City Clerk Leader, EPD Chief Wade, Crime & Intelligence Analyst Carr, Assistant City Attorney Reiman, Arts & Economic Development Manager Vandenberg and approximately six members of the public

Others present remotely via Zoom: No members of the public

- A Ellensburg Police Department Presentation of Handle with Care and Graffiti Abatement Programs
Ken Wade, Ellensburg Police Chief, introduced information concerning the topic. Dr. Eliann Carr, Crime & Intelligence Analyst, reviewed a presentation with Council and answered questions. Chief Wade also answered questions from Council.

14. Adjournment

Meeting adjourned at 6:44 pm

Mayor

ATTEST:

City Clerk



CITY OF ELLENSBURG

Minutes of Affordable Housing Commission, Regular Meeting

Date of Meeting

January 8, 2025

Time of Meeting

4:30 PM

Place of Meeting

**Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom**

1. Call to Order and Roll Call of Members

Commissioner Bedsaul called the meeting to order at 4:30 p.m.

Present: Courtney Garzone, Kim Funston, Delano Palmer, Sarah Bedsaul, John Perrie, Dan Witkowski

Absent: Peter Stone

Others present: Dan Carlson - Community Development Director, Lily Frey - Housing & Grants Administrator, Kathy Boots - Planning Permit Technician, Heidi Behrends Cerniwey

2. Approval of Agenda

Commissioner Garzone motioned to approve the agenda. Motion passed 6-0.

3. Approval of Minutes

3.A December 4, 2024 regular meeting minutes

Commissioner Palmer motioned to approve the December 4, 2024, regular meeting minutes. Motion passed 6-0.

4. New Business

4.A Election of chair & vice-chair

Commissioner Palmer nominated Sarah Bedsaul as chair and Courtney Garzone as vice chair. Motion passed 6-0.

4.B 2025 work planning discussion

Staff member Frey recapped 2024 activities and ongoing and planned activities and previously discussed topics. Commissioners suggested additional ideas for 2025 planning. Each commissioner was able to select three of the identified options as their priorities.

The top responses receiving five votes each were: (1) communications / outreach and (2) existing building conversions. Receiving two votes each were: (3) accessory dwelling units (ADUs) & related communications and (4) community land trusts (possibly with city land). Receiving one vote each were: (5) city property contribution and (6) outreach to developers. Other suggestions included (7) grant opportunities - rental assistance, (8) coordinating with state

budget priorities, and (9) research and tools targeting the cost of infrastructure connections.

Commissioners discussed communication ideas and opportunities, including outreach to employers and video opportunities. They also requested updates on the timeline for the 1st and Pine project.

5. Unfinished Business

None.

6. Citizen Comment

None.

7. Staff Update/Discussion Items

7.A Council housing action updates

Frey reported that on January 6th, Council conducted the first reading of Ordinance 4953, which contains provisions to ease development of middle housing, adds affordable housing density bonus opportunities and reduces parking requirements for studio and one-bedroom multifamily units.

8. Commission Representative Update

Commissioner Palmer reported visiting the Cold Weather Shelter. When he visited, approximately 14 people and two service animals were using the shelter.

9. Adjournment

The next meeting will be February 5, 2025.

The meeting was adjourned at 5:37 p.m.

CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Diversity, Equity & Inclusion

Commission Meeting

February 11, 2025

3:00 PM

Council Chambers & Zoom

1. Call to Order and Roll Call

Chair Nancy Goodloe called the meeting to order at 3:00 p.m.

Roll Call Present: Phil Backlund, Tylene Carnell, Kandee Cleary, Teresa Divine, Nancy Goodloe, Amber Hoefer, M. Eliatamby-O'Brien, Alex Mandujano, and Serena Turney.

Also present: Nicole Klauss, DEI Commission staff member; Charlita Shelton, CWU liaison; Rhonda Schmidt, ESD liaison; Heidi Behrends Cerniwey, City Manager; Rich Elliott, City Mayor; Kelle Vandenberg, Arts & Economic Development Manager; and 4 members of the public (1 in person and 3 via Zoom).

2. Approval of the Agenda

Commissioner Amber Hoefer moved to bump item 4.C Discussion On Our Commitment To Community to 4.A. Commissioner Phil Backlund seconded the motion. **Motion approved 7-0 (Commissioner Serena Turney had not yet joined the meeting).**

Commissioner Kandee Cleary moved to approve the amended agenda. Commissioner Eliatamby-O'Brien seconded the motion. **Motion approved 7-0 (Commissioner Serena Turney had not yet joined the meeting).**

3. Approval of Minutes from January 14, 2025 Commission Meeting

Commissioner Phil Backlund moved to approve the minutes from the January 14, 2025 DEI Commission Meeting. Commissioner Tylene Carnell seconded the motion. There was no discussion. **Motion approved 8-0.**

4. New Business

A. Discussion On Our Commitment To Community

Commissioner Amber Hoefer opened the discussion and mentioned some members of the community are nervous or afraid with the current political landscape and asked, as a DEI Commission how do we acknowledge the harm they are experiencing. Are there things the DEI Commission can do to support the City Council? Look at other cities such as Spokane to see what they are doing.

Commission Backlund suggested promoting training opportunities such as the Know Your Rights trainings.

Mayor Rich Elliott spoke about his perspective on policy statements and mentioned the City runs the risk of raising its profile. If the commission wants to advise the Council to

consider looking at a resolution or statement, that is an option, but he asked the commission to think about the outcome. It will likely be divisive and take multiple meetings. Will it shine further attention on the community and bring more challenges?

Commissioner Hoefer said the intent is to look at minoritized groups that are hurting and let them know they belong in Ellensburg. Commissioner Eliatamby-O'Brien said the goal of a statement would not be to change hearts and minds, but to let people know the community is here for them.

Goodloe suggested continuing to work on a draft resolution. Hoefer suggested having large community leaders such as CWU, City, and EPD come together to be bold.

Mayor Elliott conveyed appreciation of the DEI Commission members for their service to the City and suggested there may be ways for Councilmembers to be more visible in the community and talk to different groups.

Commissioner Turney said the commission itself might help people by showing the City still values DEI.

Teresa Plue and Charlita Shelton spoke during public comment.

Goodloe suggested thinking about how the commission can accomplish what it wants to accomplish and suggested inviting Councilmembers to listening tours.

A subcommittee was formed to discuss ideas ahead of the next meeting and includes Commissioners Hoefer, Mandujano, Divine, and Cleary.

B. Review & Approve Grant Timeline And Application

Klauss provided an update on the 2025 grant program application and reviewed the changes from the 2024 application. The changes include updated dates and language about applicant eligibility.

Commissioner Eliatamby-O'Brien asked for the definition of a board member to be added to the application.

Commissioner Cleary moved to approve the 2025 Diversity, Equity & Inclusion Commission Grant Application with the addition of the definition of board member. Commissioner Backlund seconded the motion. **Motion approved 8-0.**

C. Discuss Multicultural Day At The Market

Commissioner Divine reported planning is underway for Multicultural Day at the Market, set for May 3. The Commission's event budget would likely pay for table fees. Divine is looking for vendors and will send out a note about how vendors can sign up.

Goodloe reported the Multicultural Day at Unity Park will likely happen in the fall when CWU students are back.

5. Previous Meeting Motions & To-Do List Review

There were no updates.

6. Liaison Reports

Ellensburg School District liaison Rhonda Schmidt reported the district held a Zoom Q&A session about rights around schools and what information can be released.

7. Subcommittee Reports

Commissioner Eliatamby-O'Brien and Commissioner Hoefer reported on attending the Ellensburg Creative District Steering Committee meeting.

8. Commission Member Reports

There were no commission member reports.

9. Staff Report

Klauss reported the date for the 2025 retreat will be October 17, 2025. Two commission members' terms will be up in May.

10. Public Comments

Chair Goodloe called for public comment online and in person. There was no public comment.

Next Meeting March 11, 2025

Topics: Continue discussion from February meeting.

Meeting adjourned at 4:22 p.m.

Nicole Klauss

Drafted: 2/13/2025

Approved: 3/11/2025



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Environmental Commission, Regular Meeting

December 18, 2024

5:15 PM

Council Conference Room

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

1. Call to Order and Roll Call of Members

The meeting was called to order at 5:17 p.m. by Commissioner Linhart.

Present: Jean Marie Linhart, Raven Harlin, Jess Black, Kristine Steinkoenig

Absent: Christina Wollman, Brenda Devore

Others Present: Lily Frey-Housing and Grants Administrator, Nichole Baker-Sustainability & Energy Coordinator, Kathy Boots-Planning Technician

Commissioner Black motioned to excuse the absence of Commissioner Wollman. Motion passed 4-0.

2. Approval of Agenda

Commissioner Black motioned to approve the agenda. Motion passed 4-0.

3. Approval of Minutes

3.A Approval of October 23, 2024 Regular Meeting Minutes

Commissioner Black motioned to approve the October 23, 2024, minutes.

Motion passed 4-0.

4. New Business

None

5. Unfinished Business

None

6. Citizen Comment

None

7. Bicycle Advisory

7.A Bicycle Advisory Report

This discussion was tabled until the next meeting where Nancy Lillquist can provide an update.

7.B Shop with A Cop and Firefighter Event

This discussion was tabled until the next meeting where Nancy Lillquist can provide an update.

8. Staff Update/Discussion Items

Commissioner Harlin updated the Commissioners that IOOF has given away 14 bikes. IOOF is going to work with Apoyo in January to give away 30 bikes.

Commissioner Harlin stated that she is the contact person for the Transportation & Safety Task Force. She will attend her first meeting in January 2025.

Staff member Baker is working on a summary for the Commission of the energy assistance program that was provided.

9. Adjournment

The meeting was adjourned at 5:26 p.m.



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Environmental Commission, Regular Meeting

January 15, 2025

5:15 PM

Council Conference Room

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

- 1. Call to Order and Roll Call of Members-CANCELLED**
- 2. Approval of Agenda**
- 3. Approval of Minutes**
- 4. New Business**
- 5. Unfinished Business**
- 6. Citizen Comment**
- 7. Staff Update/Discussion Items**
- 8. Adjournment**



CITY OF ELLENSBURG

Minutes of LEOFF 1 Disability Board, Regular Meeting

Date of Meeting

January 22, 2025

Time of Meeting

8:00 AM

Place of Meeting

Ellensburg City Hall - Council Conference Room
501 N Anderson St.
Ellensburg, WA 98926

1. Call to Order

The meeting was called to order at 8:05 am by Vice-Chair Lillquist

Board members present: Nancy Goodloe, Nancy Lillquist and Mike Davis

Board members absent: Larry Loveless

Others present: Beth Leader, Board Clerk

2. Approval of Agenda

Nancy Goodloe moved to approve the Agenda as amended with one additional retiree claim. **Motion Approved 3-0**

3. Approval of Minutes

3.A Approve Minutes of December 18, 2024 meeting

Nancy Lillquist moved to approve the minutes as presented. **Motion Approved 2-0 (Goodloe abstained)**

4. Unfinished Business

5. New Business

5.A Approve one claim from one retiree

One additional claim from one retiree was received for board review for a total of two claims.

Mike Davis moved to approve two claims, as submitted. **Motion Approved 3-0**

6. Miscellaneous

Beth will forward Board Bylaws to board member Goodloe and the most recent Comparison of Benefits to all members.

7. Adjournment

Meeting adjourned at 8:16 am

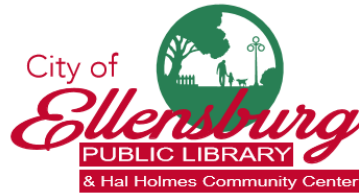
Approved 2-26-2025

CITY OF ELLENSBURG

Date of Meeting:

Time of Meeting:

Place of Meeting:



LIBRARY BOARD

February 11, 2025

4:30 p.m.

Council Conference Room

Richard Moreno, Chair term expires December 31, 2026

Vikki Carpenter, Co-Chair, term expires December 31, 2028

Mary James, term expires December 31, 2027

Marty Blackson, term expires December 31, 2027

Josh Aubol, term expires December 31, 2027

Andreina Delgado, term expires December 31, 2028

Emily Brown-Pratz, term expires December 31, 2030

I. CALL TO ORDER

Moreno called the meeting to order at 4:30 p.m.

II. ATTENDANCE

PRESENT: Josh Aubol, Marty Blackson, Emily Brown-Pratz, Vikki Carpenter, Andreina Delgado, Mary James, Rich Moreno

COUNCIL LIASON: Sarah Beauchamp (absent)

ABSENT: None

STAFF: Josephine Camarillo

GUESTS: None

III. APPROVAL OF AGENDA

Motion made by Blackson to approve the agenda, motion seconded by Carpenter.

Motion approved. Motion passed 7-0.

IV. APPROVAL OF MINUTES

Motion made by James to approve January 2025 minutes with edit to James title, motion seconded by Aubol.

Motion approved. Motion passed 7-0.

V. CORRESPONDENCE AND CITIZEN COMMENTS/SUGGESTIONS

None

VI. REPORTS

- A. Director Report: Library birthday event was a great success. Two TV stations interviewed the Director and gave coverage for the event. Natalie Hammerquist from Roslyn was chosen by KCRLB to be the 2025 One Book One County author. Her program of her book *Medicinal Plants of the Pacific Northwest* will be held on Tuesday, April 29 at Hal Holmes. Suggestions to Purchase were high in January with the library purchasing 71 items. Circulation from previous year (Jan. 2024) were slightly lower. Winter Bingo reading program has extended till March 31.

B. Budget Report: Budget continues to be on track.

C. Friends of the Library Report: Book Barn has been renamed back to the original *Tulip's Book Barn*. Book Club Tea will take place on April 21 with featured author Richard Moreno.

VII. UNFINISHED BUSINESS

A. Birthday Celebration Debrief:

All went well and accordingly. Nearly 200 people came through with several news outlets in attendance, KIMA, KAPP and CWU. It was noted that an event schedule would be helpful for attendees. Appetizers were well received. Cheese, crackers and veggie tray could be an option for next year. Possible option for 2026 birthday event is to continue with evening drop in with cake and/or a catered dinner/dance event.

B. Library Board Annual Report for Council was presented. James would like to start working on next years' report now.

C. Staff Retreat Agenda for Feb. 21st was presented. Board portion will begin at 3:30pm.

VIII. NEW BUSINESS

A. 2024 Library/HH Year End Statistics was presented and discussed.

B. Board will continue to work on Library Policies throughout the year.

IX. UNSCHEDULED BUSINESS

None

X. UPCOMING PROGRAMS/EVENTS

Upcoming events presented.

XI. NEXT MEETING

Tuesday, March 11, 2025, at Council Conference Room, City Hall/ ZOOM

XII. ADJOURNMENT

With no further discussion, the meeting was adjourned by Moreno at 5:26 p.m.

Respectfully submitted,
Josephine Camarillo, staff



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Lodging Tax Advisory Committee, Regular Meeting

January 8, 2025

2:00 PM

Council Conference Room 501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

1. Call to Order and Roll Call

1.A Roll Call Present: Sarah Beauchamp, Carmen Wiggins, Steve Townsend,
Lacie Dawson, Gemma Fortier
Absent: None

Guests: Matt Anderson, Kittitas County Chamber of Commerce

2. Approval of Agenda

2.A Motion: Move to approve the January 8, 2025, Lodging Tax Advisory
Committee Agenda.

By: Steve Townsend

Seconded by: Lacie Dawson

All in Favor:

Opposed: None

Abstained: None

Motion carries

3. Approval of Minutes

3.A Approval of October 21, 2024, Lodging Tax Advisory Committee meeting minutes.
Motion: Move to approve October 21, 2024, Lodging Tax Advisory Committee meeting
minutes.

By: Steve Townsend

Seconded: Lacie Dawson

All in Favor: All in Favor

Opposed: None

Abstained: None

Motion Carries

3. Unfinished Business

3.A Unity Park Visitor's Center RFP Update/Review—Staff

Staff presented update on RFP application submission and selection process and
advised of next steps.

3.B Review and Finalize 2025 Meeting Dates

Committee reviewed and approved for 2025 dates as listed below:

January 8, 2025

March 5, 2025

May 7, 2025

July 9, 2025

September 10, 2025

October 1, 2025

November 5, 2025

December 3, 2025

Staff will send out meeting invitations and update City website.

4. **New Business**

4.A 2025 City of Ellensburg/KCCoC Tourism Scope of Work, Metrics, and Budget

Motion: Move to approve the Kittitas County Chamber of Commerce Tourism

Contract: Scope of Work, Metrics, and Budget as presented by staff.

By: Lacie Dawson

Seconded by: Gemma Fortier

All in Favor: All

Opposed: None

Abstained: None

Motion carries

4.B Resignation and Open Position on LTAC-Discussion/Recruitment Options

Motion: City of Ellensburg Lodging Tax Advisory Committee moves to accept the resignation of Marie Smith from the committee effective December 12, 2025.

By: Lacie Dawson

Seconded: Steve Townsend

All in favor: All

Opposed: None

Abstained: None

Motion carries

There was discussion regarding potential candidates for LTAC.

New Discussion on new member for CLTAC to replace Marie Smith's position.

Carmen Wiggins volunteered to fulfill the role. Next CLTAC meeting pending, likely February. Staff will update committee members when meeting is scheduled.

5. Kittitas County Chamber of Commerce Updates

5.A Presentation by KCCoC of Report

Amy McGuffin reviewed the 2024 Tourism report as presented and reviewed changes to reporting for 2025. There was discussion regarding best practices for reporting and capturing data.

6. Budget Update

6.A Revenue and Expense Update

Staff reviewed Revenue/Expenses report with committee

7. Citizen Comment

No citizen comment to report.

6. Adjournment

With no further business, the meeting was adjourned at 3:05 pm.

Respectfully Submitted,
Kelle Vandenberg



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Planning Commission, Regular Meeting

November 14, 2024

5:45 PM

Council Chambers

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

1. Call to Order and Roll Call of Members

The meeting was called to order at 5:45 p.m.

Present: Michael Buehn, Geraldine O'Mahony, Sathy Rajendran, George Bottcher

Absent: Ed Harrell, Sigrid Davison

Others Present: Lily Frey-Housing and Grants Administrator; Stacey Henderson-Senior Planner; Kathy Boots-Planning Technician, David Miller-City Council Liaison

Commissioner Rajendran motioned to approve the absence of Commissioner Harrell. Motion passed 4-0.

2. Approval of Agenda

Commissioner Rajendran motioned to approve the agenda. Motion passed 4-0.

3. Approval of Minutes

- 3.A Approval of Minutes for October 10, 2024 Planing Commission Meeting
Commissioner O'Mahony motioned to approve the October 10, 2024, minutes.
Motion passed 4-0.

4. New Business

- 4.A Public Hearing to Consider 2024 Land Development Code Amendments
Staff member Carlson and Frey reviewed the proposed amendments to the Land Development Code. Recent legislation has required permit review timelines to be put in place. Permit fees at submittal are required to be paid at 80% of the permit fee. Once the review timeline has been met, the other 20% can be gathered. If the timeline is not met, then the 20% of the permit fee will not be collected. There is new reporting requirements related to project review timelines. Land Development Code amendments are proposed for Accessory Dwelling Units and middle housing as required by recent legislation. The City proposes to amend the Land Development Code to include plat extensions. Other Land Development Code amendment proposals were reviewed (see agenda packet staff report and exhibits 1-3). The Land Development Code amendments were sent to the Department of Commerce and were approved. The changes to the code are aimed to increase available housing and variety

based on the 2021 Housing Action Plan. Land Development Code amendments to the frequently flood areas due to legislation was reviewed. The 2024 CAV visit assessed the City procedures and enforcement and determined changes needed. Staff would like a recommendation of approval of the proposed Land Development Code amendments to go to City Council for adoption. Public comment opened. No public comment. Commissioner O'Mahony asked for clarification of page 46 section F of the agenda packet in regard to a developer can achieve density bonuses. Staff member Frey clarified how the two-tier density bonuses can be met. Commissioner O'Mahony would like an example of each of the two tiers be added to the amendments. Staff member Frey will provide an example of the two-tier density bonus and how it is determined based on AMI percentages used for rent. Public comment closed.

Commissioner O'Mahony motioned to recommend approval of Title 15 Land Development Code changes as presented with one amendment to ECC.330.020 F-K to provide an example of the density bonuses to provide clarity and be forwarded to the City Council for approval. Motion passed 4-0.

5. Unfinished Business

None

6. Citizen Comment

None

7. Staff Update/Discussion Items

7.A Commissioner Discussion Items

Commissioner O'Mahony would like citizen comment changed to public comment since some of the general public are not citizens.

The December 13th, 2024, meeting has been cancelled.

The new energy code was not repealed.

8. Commission Representative Update

None

9. Adjournment

The meeting was adjourned at 6:17 p.m.



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Planning Commission, Regular Meeting

December 12, 2024

5:45 PM

Council Chambers

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

1. Call to Order and Roll Call of Members

MEETING CANCELLED

2. Approval of Agenda

3. Approval of Minutes

4. New Business

5. Unfinished Business

6. Citizen Comment

7. Staff Update/Discussion Items

8. Commission Representative Update

9. Adjournment



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Planning Commission, Regular Meeting

January 9, 2025

5:45 PM

Council Chambers

501 North Anderson Street

Ellensburg, WA 98926

And remotely via Zoom

- 1. Call to Order and Roll Call of Members-CANCELLED**
- 2. Approval of Agenda**
- 3. Approval of Minutes**
- 4. New Business**
- 5. Unfinished Business**
- 6. Citizen Comment**
- 7. Staff Update/Discussion Items**
- 8. Commission Representative Update**
- 9. Adjournment**

Central Washington University

University Way Banner Request Form

Please fill out form and return to Schedule@cwu.edu. The Scheduling Center will submit your form to the City.

Name of Event/Program: Court Advocates for Children for Kittitas County

Contact Person: Sandra Martinez

Phone Number: (509) 925-4871

Banner Hang Dates (Tuesday-Monday): April 1, 2025 to April 15, 2025

☒ CWU Scheduling Center has reserved the banner dates.

Phone: 509-963-1321, Email: schedule@cwu.edu

☒ Banner should be double-sided and a **maximum of 30' x 52"** and a **minimum of 24' x 48"** with **3" turnback at the top and bottom of the banner that will allow steel cable to be strung through it. No grommets.**

- We recommend that wind flaps be cut into the banner to prevent wind damage



* Example of a correctly made banner.



Banners affiliated with University business have priority. Therefore, banners from non-University groups requesting dates that conflict with a University banner may be rescheduled

If your banner does not meet manufacturing specifications, we will be unable to process your request and the banner will not be hung

The CWU Scheduling Center will not be held responsible for any weather-related damage that occurs to your banner

For more information please contact CWU Student Union Operations & Scheduling Center at 509-963-1321 or 509-963-1641.

City of Ellensburg approved by: _____ Date: _____

Disapproval/Reasons: _____



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: City of Ellensburg Decarbonization Planning Strategy Grant
Submitted by: Nichole Baker, Sustainability & Energy Coordinator
Department: Public Works & Utilities

Suggested Motion/Action:

Move to accept the \$750,000 Decarbonization Planning Strategy grant from the Washington State Department of Commerce, and authorize the City Manager to sign contract documents

Background/Summary:

The City of Ellensburg was awarded \$750,000 from the Washington State Department of Commerce in 2024, subject to funding availability of the consolidated climate account which was created by the Climate Commitment Act (CCA). The City's funding award and contract were delayed due to uncertainty over Initiative Measure No. 2117 (proposed in the 2024 November general election), which would have repealed most of the CCA, including the consolidated climate account funding. Initiative Measure No. 2117 was not approved in the general election and the funding is now being made available to the City.

Previous Council Action:

None

Analysis:

The 2023-2025 State Biennial Operating Budget for the Department of Commerce included funding for the City's decarbonization efforts, and stated:

\$750,000 of the climate commitment account—state appropriation is provided solely for a grant to the City of Ellensburg for decarbonization planning and implementation. The funding must be used by City for staff or contractors to develop and implement strategies to comply with the requirements of the Climate Commitment Act and decarbonize their natural gas utility. Funds provided in this subsection may not be expended or obligated prior to January 1, 2025. If Initiative Measure No. 2117 is approved in the general election, this submission is null and void upon the effective date of the measure.

The City's Scope of Work under the Agreement includes the following:

Milestone	Project Activity and Task	Deliverable(s)	Activity Period
A	Decarbonization and Energy Planning Pre-Implementation, Staffing	Payroll reports(s)	Feb 2025
	Procurement: Leak Detection Equipment	Invoice(s) and Purchase Order(s) for leak detection equipment	April 2025
	Procurement: Cross Compression Equipment	Invoice(s) and Purchase Order(s) for cross compression equipment	April 2025
B	Contractor Procurement	Procurement Plan and Documentation for Technical Consultants for Decarbonization Roadmap	May 2025
C	Decarbonization Roadmap	Decarbonization Roadmap Workplan	June 2025

The funds must be expended by June 30, 2025, which is a very short timeline. However, the grant contract was not received from Commerce until recently because agency staff could not begin the process until the vote rejecting Initiative No. 2117 was certified by the State. Despite the short funding window, the City anticipates completing the milestone requirements within the required activity periods.

Financial Impact:

This grant provides \$750,000 in grant funds. There is no match required for this grant. This grant was anticipated and included in the Council-adopted 2025/2026 Biennial Budget.

Budget Adjustment: No

Attachments:

1. Decarbonization Planning Strategy Grant - Final Draft



Interagency Agreement with

City of Ellensburg

through

Energy Division

Local Emissions Reduction Projects

**Contract Number:
25-53310-002**

For

City of Ellensburg Decarbonization Planning Strategy

Dated: Saturday, February 1, 2025

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Face Sheet

Contract Number: 25-53310-002

**Energy Division, Energy Programs in Communities
23-25 Direct Appropriation Funds**

1. Contractor City of Ellensburg 501 N Anderson St Ellensburg, WA 98926		2. Contractor Doing Business As (as applicable) N/A	
3. Contractor Representative Nichole Baker Sustainability & Energy Coordinator (509) 962-7271 bakern@ci.ellensburg.wa.us		4. COMMERCE Representative Bryce Davis Program Manager (206) 613-7664 bryce.davis@commerce.wa.gov	
5. Contract Amount \$727,500	6. Funding Source Federal: ☐ State: ☒ Other: ☐ N/A: ☐		7. Start Date 02/01/2025
8. End Date 06/30/2025			
9. Federal Funds (as applicable) N/A		Federal Agency: N/A	
10. Tax ID # 91-6001245		11. SWV # SWV008367-03	12. UBI # 192-000-016
13. UEI # SFRMWQVG79M5			
14. Contract Purpose Develop a decarbonization roadmap workplan for the City of Ellensburg's municipal gas utility while ensuring compliance with the Climate Commitment Act (CCA) and maximizing long-term energy and environmental benefits. City staff will identify and establish key partnerships with State agencies, consumer owned utilities, the university, local businesses, and residents. The procurement of leak detection and cross compression equipment will target fugitive and operation emissions. External experts will be sourced to develop a decarbonization roadmap workplan that aims to reduce fossil gas reliance in an equitable and resilient manner.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget, Attachment "C" –Reporting, Attachment "D" - Proviso			
FOR CONTRACTOR Heidi Behrends Cerniwey, City Manager Date		FOR COMMERCE Jennifer Grove, Interim Assistant Director, Energy Division Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	

DECLARATIONS

The Washington State Department of Commerce (Commerce) has been appropriated funds by the Washington State Legislature to provide grants to promote Washington's commitment to equitable, clean energy development.

CLIENT INFORMATION

Legal Name: City of Ellensburg

Agreement Number: **25-53310-002**

Award Year: 2024

State Wide Vendor Number: SWV008367-03

PROJECT INFORMATION

Project Title: City of Ellensburg Decarbonization Planning Strategy

Project Address: 501 N Anderson St

Project City: Ellensburg

Project State: WA

Project Zip Code: 98926

GRANT INFORMATION

Grant Amount: \$727,500

Earliest Date for Reimbursement: Contract Start Date

Time of Performance: 02/01/2025 – 06/30/2025

Program Specific Terms and Conditions

As identified herein, notwithstanding General & Specific Terms and Conditions SECTIONS, the following Program Specific Terms and Conditions take precedence over any similarly referenced Special or General Terms and Conditions:

1. BILLING AND COMPENSATION FOR PERFORMANCE BASED CONTRACT (Replaces Special Terms and Conditions #4 Billing Procedures and Payment)

COMMERCE will pay Contractor not more often than monthly upon acceptance of services provided and receipt of properly completed invoices for completed milestones, which shall be submitted to the Representative for COMMERCE.

The Contractor shall provide the Representative of COMMERCE a signed electronic Invoice A19 form that includes the contract number referenced on the declarations page.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed and the milestone number(s) achieved.

The Contractor is required to maintain documentation to support invoiced costs and cost share obligations. The Contractor shall make these documents available to COMMERCE if requested.

COMMERCE will pay Contractor the amounts set forth in Attachment B upon full completion of each milestone. Upon full completion of each Milestone, Contractor will provide an invoice and any required supporting documentation to the Representative of COMMERCE. Except as may be agreed by COMMERCE in its discretion, COMMERCE shall only be obligated to make payments upon demonstration of completion of all Deliverables within a given Milestone.

However, it is acknowledged that in the event one or two Deliverables of a Milestone is unduly delayed (more than 3 months) due to circumstances outside Contractor's control, COMMERCE may, in its sole discretion, reasonably negotiate with Contractor regarding paying for those Deliverables of such Milestones that are completed.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

2. **SUBCONTRACTING** (Replaces General Terms and Conditions #15 Subcontracting)

The Contractor may only subcontract work contemplated under this Contract if it provides written notification to COMMERCE of any subcontractors who will be performing work under this Grant Agreement. The written notice must provide the names and address of the subcontractor with a brief description of which tasks within the Contractor Scope of Work (Attachment A) that will be undertaken by the subcontractor(s).

The Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract.

In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties. Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

All reference to the Contractor under this clause shall also include Contractor's employees, agents or subcontractors.

3. **PREVAILING WAGE LAW**

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

4. **HISTORICAL OR CULTURAL ARTIFACTS**

Prior to approval and disbursement of any funds awarded under this Contract, Contractor shall complete the requirements of Governor's Executive Order 21-02, where applicable, or Contractor shall complete a review under Section 106 of the National Historic Preservation Act, if applicable.

Contractor agrees that the Contractor is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources and agrees to hold harmless COMMERCE and the state of Washington in relation to any claim related to such historical or cultural resources discovered, disturbed, or damaged as a result of the project funded by this Contract.

In addition to the requirements set forth in this Contract, Contractor shall, in accordance with Governor's Executive Order 21-02 coordinate with Commerce and the Washington State Department of Archaeology and Historic Preservation ("DAHP"), including any recommended consultation with any affected tribe(s), during Project design and prior to construction to determine the existence of any tribal cultural resources affected by Project. Contractor agrees to avoid, minimize, or mitigate impacts to the cultural resource as a continuing prerequisite to receipt of funds under this Contract.

The Contractor agrees that, unless the Contractor is proceeding under an approved historical and cultural monitoring plan or other memorandum of agreement, if historical or cultural artifacts are discovered during construction, the Contractor shall immediately stop construction and notify the local historical preservation officer and the state's historical preservation officer at DAHP, and the Commerce Representative identified on the Face Sheet. If human remains are uncovered, the Contractor shall report the presence and location of the remains to the coroner and local enforcement

Immediately, then contact DAHP and the concerned tribe's cultural staff or committee.

The Contractor shall require this provision to be contained in all subcontracts for work or services related to the Scope of Work attached hereto.

In addition to the requirements set forth in this Contract, Contractor agrees to comply with RCW 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and WAC 25-48 regarding Archaeological Excavation and Removal Permit.

Completion of the requirements of Section 106 of the National Historic Preservation Act shall substitute for completion of Governor's Executive Order 21-02.

In the event that the Contractor finds it necessary to amend the Scope of Work the Contractor may be required to re-comply with Governor's Executive Order 21-02 or Section 106 of the National Historic Preservation Act

5. ACKNOWLEDGMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington's Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

"The City of Ellensburg Decarbonization Planning Strategy is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov."

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;

- C.** Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D.** Any equipment purchased with CCA funding through a generally visible decal.

Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed \$727,500, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

EXPENSES

Contractor shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable. The maximum amount to be paid to the Contractor for authorized expenses shall not exceed \$0, which amount is included in the Contract total above.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

4. BILLING PROCEDURES AND PAYMENT (Replaced by Program Specific Terms and Conditions #1 Billing and Compensation for Performance Based Contract)

~~COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.~~

~~The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number _____. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.~~

~~COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.~~

~~No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.~~

~~Invoices and End of Fiscal Year~~

~~Invoices are due on the 20th of the month following the provision of services.~~

~~Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date. The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.~~

~~Duplication of Billed Costs~~

~~The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.~~

~~Disallowed Costs~~

~~The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.~~

~~COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).~~

5. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Attachment D – Proviso
- Program Specific Terms and Conditions
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Reporting

General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

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

3. AMENDMENTS

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

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and

- iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law.

The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures.

The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The

Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING (Replaced by Program Specific Terms and Conditions #2 Subcontracting)

~~The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.~~

~~If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.~~

~~Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.~~

~~Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.~~

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or

acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.

- B.** The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C.** If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D.** The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E.** All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Attachment A: Scope of Work

Project Name: City of Ellensburg Decarbonization Planning Strategy

Site Address: 501 N Anderson St, Ellensburg WA 98926

Serving electric utility: City of Ellensburg

Timeline: List major actions taken to facilitate the feasibility study:

Action	Responsible Partner	Estimated completion time
Payroll Report(s)	City of Ellensburg Staff	February 2025
Invoice(s) and Purchase Order(s) for leak detection equipment	City of Ellensburg Staff	April 2025
Invoice(s) and Purchase Order(s) for cross compression equipment	City of Ellensburg Staff	April 2025
Procurement Plan and Documentation for Technical Consultants for Decarbonization Roadmap	City of Ellensburg Staff	May 2025
Decarbonization Roadmap Workplan	Consultant	June 2025

Analysis Anticipated:

☒ Regulatory & Legal Compliance Review	☒ Emission Reductions	☒ Electrification
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Project Summary: Develop a decarbonization roadmap workplan for the City of Ellensburg's municipal gas utility while ensuring compliance with the Climate Commitment Act (CCA) and maximizing long-term energy and environmental benefits. City staff will identify and establish key partnerships with State agencies, consumer owned utilities, the university, local businesses, and residents. The procurement of leak detection and cross compression equipment will target fugitive and operation emissions. External experts will be sourced to develop a decarbonization roadmap workplan that aims to reduce fossil gas reliance in an equitable and resilient manner.

Attachment B: Budget

All funding is subject to continued legislative authorization and re-appropriation where applicable.

Milestone	Project Activity and Task	Deliverable(s)	Activity Period	Milestone \$ Designated in Budget	Total Project Cost
A	Decarbonization and Energy Planning Pre-Implementation, Staffing	Payroll reports(s)	Feb 2025	\$90,000	
	Procurement: Leak Detection Equipment	Invoice(s) and Purchase Order(s) for leak detection equipment	April 2025	\$20,000	
	Procurement: Cross Compression Equipment	Invoice(s) and Purchase Order(s) for cross compression equipment	April 2025	\$80,000	
				Activity A Subtotal:	\$190,000
B	Contractor Procurement	Procurement Plan and Documentation for Technical Consultants for Decarbonization Roadmap	May 2025	\$190,000	
				Activity B Subtotal:	\$190,000
C	Decarbonization Roadmap	Decarbonization Roadmap Workplan	June 2025	\$347,500	
				Activity C Subtotal:	\$347,500
				Award Total:	\$727,500

Attachment C: Reporting

The Contractor must provide quarterly written reports and/or host a regular quarterly video and/or phone call with COMMERCE for project update purposes. Phone contact should cover current status of the project and any barriers that are potentially affecting the project schedule.

The Contractor shall provide a quarterly report to COMMERCE, no later than 15 days after the end of each quarter. The report form will be provided by Commerce. The report should describe the project activity that occurred during the quarter, including but not limited to:

1. A narrative summarizing project activities, risks and issues mitigated, and lessons learned;
2. The project milestones met to date and anticipated in the subsequent quarter (such as through a project Gantt Chart schedule provided quarterly in Microsoft Project format showing actual progress to date along with the baseline schedule developed at project kickoff etc.); and,
3. Any additional metrics required from the capital budget proviso, legislature, governor's office, or COMMERCE.
4. Quarterly updated invoice projection sheet for grant expenditures. Commerce will provide the invoice projection sheet;

A final report and fact sheet will be submitted to Commerce. Commerce will provide the fact sheet template and may request the fact sheet be updated as conditions warrant.

Quarterly Reports Submission Deadlines

Quarter 1	April 15
Quarter 2	July 15
Quarter 3	October 15
Quarter 4	January 15

Attachment D: Proviso

Year of Enacted Capital Budget

2024

Senate Bill 5950, Section 130W

(41) \$750,000 of the climate commitment account—state appropriation is provided solely for a grant to the city of Ellensburg for decarbonization planning and implementation. The funding must be used by the city for staff or contractors to develop and implement strategies to comply with the requirements of climate commitment act and decarbonize their natural gas utility. Funds provided in this subsection may not be expended or obligated prior to January 1, 2025. If Initiative Measure No. 2117 is approved in the general election, this subsection is null and void upon the effective date of the measure.



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Approval of the 2025 Public Works Development Standards Update
Submitted by: Derek Mayo, Engineering Manager
Department: Public Works & Utilities

Suggested Motion/Action:

Approve the 2025 updates to the Public Works Development Standards.

Background/Summary:

The Public Works Development Standards were adopted by the City Council in 2006 and have been revised/updated in 2010, 2011, 2015, 2017, and 2019. Since the 2019 revision, the Public Works and Utilities staff have collected various recommended changes and additions which have been included in the 2025 update. The Public Works Director will hold an administrative hearing on March 13, 2025 regarding revisions and additions to the Public Works Development Standards. Council is now being requested to approve the revisions/additions.

Previous Council Action:

City Council originally adopted the Public Works Development Standards in 2006, and the subsequent revisions/updates were approved by Council in 2010, 2011, 2015, 2017, and 2019.

Analysis:

Ellensburg City Code section 4.04.040 outlines the process for implementing revisions/additions to the Public Works Development Standards. Staff complied with the process identified. The proposed revisions/additions were publicized and placed on the City's website, City Clerk's office and Public Works counter, where they could be reviewed. The administrative hearing was conducted by the Public Works and Utilities Director on March 13, 2025, and is now before Council to accept. In addition, staff presented the proposed changes to the Utilities Advisory Committee on February 20, 2025, and the Committee provided a favorable recommendation to Council to approve the updates.

The particular revised standards being proposed for revision and updates have been placed on the City's website at the following link:

<https://www.ellensburgwa.gov/DocumentCenter/View/23338/PW-Development-Standards-Proposed-Update>

Financial Impact:

Included in the standards update was a full review of the permit fees included in the permitting chapter. These fees were originally set with the initial 2006 adoption of the standards and have not been updated since. The proposed changes include updating of the permit fees commensurate to current employee rates for inspection and design services. In addition, fees for flags and banners installation were added to the permitting chapter. The updated permit fees begin on page 149 of the proposed changes link above.

Budget Adjustment: No

Attachments:

None



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Approve CHIP Contract with Commerce for Pathways Place
Submitted by: Lily Frey, Housing Program Manager
Department: Community Development

Suggested Motion/Action:

Authorize the City Manager to sign the CHIP grant agreement with the Washington State Department of Commerce for Pathways Place.

Background/Summary:

The City of Ellensburg has received a conditional funding award from the Washington State Department of Commerce for water and sewer plant impact fees and water, sewer and stormwater improvements to the site. The total award amount is \$829,875 provided by the State's Connecting Housing to Infrastructure Program (CHIP) grant program, and is part of the planned funding for the Pathways Place development at 1200 S. Ruby Street.

Council provided \$750,000 for the purchase of the motel and property for the development in May 2022. The affordable housing agreement includes the potential to develop additional affordable housing on the site in addition to the planned motel renovation. In February 2025, HopeSource reported securing funding for redevelopment of the property, including this conditional award.

Previous Council Action:

Council approved an Affordable Housing Agreement with HopeSource, including the requested \$750,000 from the affordable housing sales tax funds, at its May 23, 2022 Special Meeting.

Council authorized the Mayor to sign a letter of intent to adopt an ordinance authorizing water and sewer connection fee waivers for affordable housing projects at its October 21, 2024 meeting to meet the 2024 CHIP application deadline.

Council adopted Ordinance 4954, amending Title 9 of the Ellensburg Municipal Code regarding an exemption from water and sewer utility connection fees for affordable housing, at its February 18, 2025 meeting. Council also extended the affordable housing agreement with HopeSource for the Pathways Place project that this grant would support.

Analysis:

This grant opportunity aligns with the City's housing action plan goal of increasing the number of income-restricted affordable housing units and previous support for this project through the property purchase. The City is the applicant for the funding and has experience with CHIP award administration from Habitat for Humanity's Stuart Meadows project. This

award is specific to water, sewer and stormwater improvements and fees.

Separate requests for Council action will be required at a later date to (1) amend the affordable housing agreement with HopeSource to include this agreement with Commerce after signature and (2) consider waiver of water and sewer plant impact fees once the building permit application for this project is received and the project fees are finalized.

Financial Impact:

The total award is \$829,875, which includes \$126,294 to reimburse waived water and sewer plant impact fees and \$703,563 for water, sewer and stormwater utility improvements. The utility improvements will be managed by the developer and the city serves as a pass-through for disbursing these funds under the state program.

Budget Adjustment: Yes

Attachments:

1. COM 24-96722-117 Ellensburg Pathways



Capital Agreement with

City of Ellensburg

through

Connecting Housing to Infrastructure Program (CHIP)

Contract Number:

24-96722-117

For

To support the development of affordable housing by paying for utility infrastructure improvements for the Pathways Place project AND by reimbursing The City of Ellensburg for waived system development charges for the Pathways Place project.

Dated: Saturday, July 1, 2023

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Face Sheet

Contract Number 24-96722-117

Growth Management Services

1. Grantee City of Ellensburg 501 N Anderson St Ellensburg, WA 98926		2. Project Name and Address Pathways Place 1200 Ruby St Ellensburg, WA 98926 Parcel # 555136	
3. Grantee Representative Lily Frey Housing & Grants Administrator, City of Ellensburg freyl@ci.ellensburg.wa.us		4. COMMERCE Representative Mischa Venables CHIP Project Manager (360)725-3088 Mischa.venables@commerce.wa.gov PO Box 42525 1011 Plum Street SE Olympia, WA 98504	
5. Contract Amount \$829,857	6. Funding Source Federal: ☐ State: ☒ Other: ☐ N/A: ☐		7. Start Date July 1, 2023
8. End Date June 30, 2025 subject to reappropriation			
9. Federal Funds (as applicable) \$0.00		Federal Agency: N/A	
ALN N/A			
10. Tax ID # 91-6001245	11. SWV # SWV0008367-00	12. UBI # 192-000-016	13. UEI # SFRMWQVG79M5
14. Contract Purpose To support the development of affordable housing by paying for utility infrastructure improvements for the Pathways Place project AND by reimbursing The City of Ellensburg for waived system development charges for the Pathways Place project. COMMERCE, defined as the Department of Commerce, and Grantee acknowledge and accept the terms of this Contract and attachments and have executed this Contract on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Contract are governed by this Contract and the following other documents incorporated by reference: Grantee Terms and Conditions including Attachment "A" - Scope of Work, Attachment "B" – Budget, and Attachment "C" – Commitment of Continued Affordability.			
FOR GRANTEE Heidi Behrends-Cerniwey, City Manager City of Ellensburg cerniweyh@ci.ellensburg.wa.us Date		FOR COMMERCE Mark K. Barkley, Assistant Director Local Government Division Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	

Special Terms and Conditions

1. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Grantee and their contact information are identified on the Face Sheet of this Contract.

2. COMPENSATION

COMMERCE shall pay an amount not to exceed \$829,857, (eight hundred twenty-nine thousand, eight hundred fifty seven dollars) for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. Grantee's compensation for services rendered shall be in accordance with Attachment A, Scope of Work, Attachment B, Budget, and Attachment C, Commitment of Continued Affordability.

3. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Grantee upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE via email, or the Commerce Contracts Management System.

If required, the attachments to the invoice request in the Commerce Contracts Management System shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-96722-117. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Grantee.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Grantee for services rendered if the Grantee fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services, or as needed.

Final invoices for a state fiscal year should be invoiced by June 15th of each year.

Duplication of Billed Costs

The Grantee shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Grantee, if the Grantee is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Grantee is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

Line Item Modification of Budget

- A. Notwithstanding any other provision of this contract, the Grantee may, at its discretion, make modifications to line items in the Budget (Attachment B) to respond to changes in project costs.
- B. The Grantee shall notify COMMERCE in writing (by email or regular mail) when proposing any budget modification or modifications to a line item of the Budget (Attachment B).
- C. Any such budget modification or modifications as described above shall require the written approval of COMMERCE (by email), and such written approval shall amend the Budget. Each party to this contract will retain and make any and all documents related to such budget modifications a part of their respective contract file.
- D. Nothing in this section shall be construed to permit an increase in the amount of funds available for the Project, as set forth in the Face Sheet of this contract, nor does this section allow any proposed changes to the Scope of Work under Attachment A, without specific written approval from COMMERCE by amendment to this contract.

4. SUBCONTRACTOR DATA COLLECTION

Grantee will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

5. HISTORICAL OR CULTURAL ARTIFACTS

Prior to approval and disbursement of any funds awarded under this Contract, Grantee shall complete the requirements of Governor's Executive Order 21-02, where applicable, or Grantee shall complete a review under Section 106 of the National Historic Preservation Act, if applicable. Grantee agrees that the Grantee is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources and agrees to hold harmless COMMERCE and the state of Washington in relation to any claim related to such historical or cultural resources discovered, disturbed, or damaged as a result of the project funded by this Contract.

In addition to the requirements set forth in this Contract, Grantee shall, in accordance with Governor's Executive Order 21-02 coordinate with Commerce and the Washington State Department of Archaeology and Historic Preservation ("DAHP"), including any recommended consultation with any affected tribe(s), during Project design and prior to construction to determine the existence of any tribal cultural resources affected by Project. Grantee agrees to avoid, minimize, or mitigate impacts to the cultural resource as a continuing prerequisite to receipt of funds under this Contract.

The Grantee agrees that, unless the Grantee is proceeding under an approved historical and cultural monitoring plan or other memorandum of agreement, if historical or cultural artifacts are discovered during construction, the Grantee shall immediately stop construction and notify the local historical preservation officer and the state's historical preservation officer at DAHP, and the Commerce Representative identified on the Face Sheet. If human remains are uncovered, the Grantee shall report the presence and location of the remains to the coroner and local enforcement immediately, then contact DAHP and the concerned tribe's cultural staff or committee.

The Grantee shall require this provision to be contained in all subcontracts for work or services related to the Scope of Work attached hereto.

In addition to the requirements set forth in this Contract, Grantee agrees to comply with RCW 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and WAC 25-48 regarding Archaeological Excavation and Removal Permit.

Completion of the requirements of Section 106 of the National Historic Preservation Act shall substitute for completion of Governor's Executive Order 21-02.

In the event that the Grantee finds it necessary to amend the Scope of Work the Grantee may be required to re-comply with Governor's Executive Order 21-02 or Section 106 of the National Historic Preservation Act.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Grantee shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. CERTIFICATION REGARDING DEBARMENT, SUSPENSION OR INELIGIBILITY AND VOLUNTARY EXCLUSION- PRIMARY AND LOWER TIER COVERED TRANSACTIONS

- A.** Grantee, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief they:
 - i.** Are not presently debarred, suspended, proposed for debarment, and declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - ii.** Have not within a three-year period preceding this Grant, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - iii.** Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and
 - iv.** Have not within a three-year period preceding the signing of this Grant had one or more public transactions (Federal, State, or local) terminated for cause of default.
- B.** Where the Grantee is unable to certify to any of the statements in this Grant, the Grantee shall attach an explanation to this Grant.
- C.** The Grantee agrees by signing this Grant that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.
- D.** The Grantee further agrees by signing this Grant that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-

Lower Tier Covered Transaction,” as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

- i. The lower tier Grantee certifies, by signing this Grant that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - ii. Where the lower tier Grantee is unable to certify to any of the statements in this Grant, such Grantee shall attach an explanation to this Grant.
- E. The terms *covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded*, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.**

9. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Commitment of Continued Affordability

General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Grantee, including any Exhibits, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Grantee.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Grantee, who is performing all or part of those services under this Contract under a separate contract with the Grantee. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALLOWABLE COSTS

Costs allowable under this Contract are actual expenditures according to an approved budget up to the maximum amount stated on the Contract Award or Amendment Face Sheet.

3. ALL WRITINGS CONTAINED HEREIN

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

4. AMENDMENTS

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

5. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Grantee must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

6. APPROVAL

This contract shall be subject to the written approval of COMMERCE's Authorized Representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

7. ASSIGNMENT

Neither this Contract, nor any claim arising under this Contract, shall be transferred or assigned by the Grantee without prior written consent of COMMERCE.

8. ATTORNEYS' FEES

Unless expressly permitted under another provision of the Contract, in the event of litigation or other action brought to enforce Contract terms, each party agrees to bear its own attorneys' fees and costs.

9. CODE REQUIREMENTS

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building Department.

10. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

A. "Confidential Information" as used in this section includes:

- i. All material provided to the Grantee by COMMERCE that is designated as "confidential" by COMMERCE;
- ii. All material produced by the Grantee that is designated as "confidential" by COMMERCE; and
- iii. All Personal Information in the possession of the Grantee that may not be disclosed under state or federal law.

B. The Grantee shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Grantee shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Grantee shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Grantee shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Grantee shall make the changes within the time period specified by COMMERCE. Upon request, the Grantee shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Grantee against unauthorized disclosure.

C. Unauthorized Use or Disclosure. The Grantee shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

11. CONFORMANCE

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

12. CONFLICT OF INTEREST

Grantee must maintain and comply with written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Grantee must comply with the following minimum requirements:

- A.** No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Grantee may neither solicit nor accept gratuities, favors, or anything of monetary value from Grantees or parties to subcontracts and must comply with RCW 39.26.020. However, Grantee may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Grantee.
- B.** If the Grantee has a parent, affiliate, or subsidiary organization that is not a state, local government, or federally recognized tribe, the Grantee must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Grantee is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

13. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Grantee hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Grantee hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Grantee warrants and represents that the Grantee has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Grantee shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Grantee shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Grantee with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Grantee.

14. DISALLOWED COSTS

The Grantee is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

15. DISPUTES

Except as otherwise provided in this Contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Director of COMMERCE, who may designate a neutral person to decide the dispute.

The request for a dispute hearing must:

- be in writing;
- state the disputed issues;
- state the relative positions of the parties;
- state the Grantee's name, address, and Contract number; and
- be mailed to the Director and the other party's (respondent's) Contract Representative within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requestor's statement to both the Director or the Director's designee and the requestor within five (5) working days.

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

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Contract shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution (ADR) method in addition to the dispute hearing procedure outlined above.

16. DUPLICATE PAYMENT

Grantee certifies that work to be performed under this contract does not duplicate any work to be charged against any other contract, subcontract, or other source.

17. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

18. INDEMNIFICATION

To the fullest extent permitted by law, the Grantee shall indemnify, defend, and hold harmless the state of Washington, COMMERCE, agencies of the state and all officials, agents and employees of the state, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim" as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or the destruction of tangible property including loss of use resulting therefrom.

The Grantee's obligation to indemnify, defend, and hold harmless includes any claim by Grantee's agents, employees, representatives, or any subcontractor or its employees.

The Grantee's obligation shall not include such claims that may be caused by the sole negligence of the State and its agencies, officials, agents, and employees. If the claims or damages are caused by or result from the concurrent negligence of (a) the State, its agents or employees and (b) the Grantee, its subcontractors, agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee or its subcontractors, agents, or employees.

The Grantee waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

19. INDEPENDENT CAPACITY OF THE GRANTEE

The parties intend that an independent Grantee relationship will be created by this Contract. The Grantee and its employees or agents performing under this Contract are not employees or agents of the state of Washington or COMMERCE. The Grantee will not hold itself out as or claim to be an officer or employee of COMMERCE or of the state of Washington by reason hereof, nor will the Grantee make any claim of right, privilege or benefit which would accrue to such officer or employee under law. Conduct and control of the work will be solely with the Grantee.

20. INDUSTRIAL INSURANCE COVERAGE

The Grantee shall comply with all applicable provisions of Title 51 RCW. If the Grantee fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, COMMERCE may collect from the Grantee the full amount payable to the Industrial Insurance Accident Fund. COMMERCE may deduct the amount owed by the Grantee to the accident fund from the amount payable to the Grantee by COMMERCE under this Contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Grantee.

21. LAWS

The Grantee shall comply with all applicable laws, ordinances, codes, regulations and policies of local, state, and federal governments, as now or hereafter amended.

22. LICENSING, ACCREDITATION AND REGISTRATION

The Grantee shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

23. LIMITATION OF AUTHORITY

Only the Authorized Representative or Authorized Representative's designee by writing (designation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract.

24. LOCAL PUBLIC TRANSPORTATION COORDINATION

Where applicable, Grantee shall participate in local public transportation forums and implement strategies designed to ensure access to services.

25. NONDISCRIMINATION

A. Nondiscrimination Requirement. During the performance of this Agreement, the Grantee, including any subcontractor, shall comply with all federal, state, and local nondiscrimination laws, regulations and policies, this shall include but not be limited to the following: Grantee, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, GRANTEE, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which GRANTEE, or subcontractor, has a collective bargaining or other agreement.

The funds provided under this Agreement shall not be used to fund religious worship, exercise, or instruction. No person shall be required to participate in any religious worship, exercise, or instruction in order to have access to the facilities funded by this Agreement.

B. Obligation to Cooperate. GRANTEE, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that GRANTEE, including any subcontractor, has engaged in discrimination prohibited by this Agreement pursuant to RCW 49.60.530(3).

C. Default. Notwithstanding any provision to the contrary, COMMERCE may suspend GRANTEE, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until COMMERCE receives notification that GRANTEE, including any subcontractor, is cooperating with the investigating state agency. In the event GRANTEE, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), COMMERCE may terminate this Agreement in whole or in part, and GRANTEE, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. GRANTEE or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

D. Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Agreement termination or suspension for engaging in discrimination, GRANTEE, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original Grant and the replacement or cover Grant and all administrative costs directly related to the replacement Grant, e.g., cost of the competitive bidding, mailing, advertising and staff time, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. GRANTEE may also be required to repay grant funds pursuant to Section 31 (Recapture) of the General Terms & Conditions if the Agreement is terminated based on a violation of the nondiscrimination requirement. COMMERCE shall have the right to deduct from any monies due to GRANTEE or subcontractor, or that thereafter become due, an amount for damages GRANTEE or subcontractor will owe COMMERCE for default under this provision.

26. PAY EQUITY

The Grantee agrees to ensure that “similarly employed” individuals in its workforce are compensated as equals, consistent with the following:

- A.** Employees are “similarly employed” if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;
- B.** Grantee may allow differentials in compensation for its workers if the differentials are based in good faith and on any of the following:
 - i.** A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.
 - ii.** A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.
 - iii.** A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

This Contract may be terminated by the Department, if the Department or the Department of Enterprise Services determines that the Grantee is not in compliance with this provision.

27. POLITICAL ACTIVITIES

Political activity of Grantee’s employees and officers are limited by the State Campaign Finances and Lobbying provisions of Chapter 42.17A RCW and the Federal Hatch Act, 5 USC 1501 - 1508.

No funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

28. PREVAILING WAGE LAW

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

29. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

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

30. PUBLICITY

The Grantee agrees not to publish or use any advertising or publicity materials in which the state of Washington or COMMERCE's name is mentioned, or language used from which the connection with the state of Washington's or COMMERCE's name may reasonably be inferred or implied, without the prior written consent of COMMERCE.

31. RECAPTURE

In the event that the Grantee fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Grantee of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

32. RECORDS MAINTENANCE

The Grantee shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Grantee shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

33. REGISTRATION WITH DEPARTMENT OF REVENUE

If required by law, the Grantee shall complete registration with the Washington State Department of Revenue.

34. RIGHT OF INSPECTION

At no additional cost all records relating to the Grantee's performance under this Contract shall be subject at all reasonable times to inspection, review, and audit by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, in order to monitor and evaluate performance, compliance, and quality assurance under this Contract. The Grantee shall provide access to its facilities for this purpose.

35. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten business day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

36. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

37. SUBCONTRACTING

The Grantee may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Grantee shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Grantee to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Grantee from subcontracting with a particular person or entity; or (c) require the Grantee to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Grantee is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Grantee shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Grantee to COMMERCE for any breach in the performance of the Grantee's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

38. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

39. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the Grantee's income or gross receipts, any other taxes, insurance or expenses for the Grantee or its staff shall be the sole responsibility of the Grantee.

40. TERMINATION FOR CAUSE

In the event COMMERCE determines the Grantee has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Grantee in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Grantee shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Grantee from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Grantee or a decision by COMMERCE to

terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Grantee: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

41. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

42. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Grantee to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Grantee the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Grantee and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Grantee such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Grantee shall:

- A.** Stop work under the contract on the date, and to the extent specified, in the notice;
- B.** Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C.** Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Grantee under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D.** Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E.** Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F.** Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and

- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Grantee and in which COMMERCE has or may acquire an interest.

43. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Grantee, for the cost of which the Grantee is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Grantee. Title to other property, the cost of which is reimbursable to the Grantee under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Grantee shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Grantee shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Grantee or which results from the failure on the part of the Grantee to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Grantee shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Grantee shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E. All reference to the Grantee under this clause shall also include Grantee's employees, agents or Subcontractors.

44. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Attachment A: SCOPE OF WORK:

Scope of Work

Water: For Pathways Place there will need to be a new water connection to the existing 10-inch cast iron water main in Ruby Street. The proposed connection will include a 8-inch service line to a 3-inch master meter at the southern driveway. The 3-inch meter will provide domestic service connections to each of the proposed buildings.;

Sewer: A new sewer connection is proposed to the existing 8-inch concrete main in Ruby Street. The proposed sewer connection will be either 6-inch or 8-inch and will extend to the site and provide service lines to each of the new buildings. Anticipated individual service line sizes are to be 6-inch for the larger buildings and 4-inch for the smaller building.;

Stormwater: Pathways Place requires a stormwater conveyance which will be completed through a combination of piping (northern side of site) and open channel conveyance (southern side of site). The runoff collected and conveyed will be from the impervious parking lot and sidewalks. Piping and open channel conveyance will discharge water into a combined detention and wetpond stormwater management facility that will treat and detain the stormwater at the east end of the site. A flow control structure at the east end of the pond will mete out water discharging to the existing lower southeast portion of the property. An emergency overflow will direct stormwater to the east as well during larger storm events.

Project Requirements

Based on the criteria within the state capital budget, SB 5200 Sec 1021, (Laws of 2023), and criteria developed by Commerce to ensure the terms of the appropriation are met, all grants must meet the following criteria:

- Applicant must be a city, county or public utility district, applying in coordination with the developer of a affordable housing project, located within a jurisdiction that imposed a sales and use tax under RCW 82.14.530(1)(a)(ii), 82.14.530(1)(b)(i)(B), 82.14.540, or 84.52.105.
- The utility project must serve new affordable housing projects that serve and benefit low-income households as defined by RCW 43.185A.010 for at least 25 years. If the project is a mixed-income project, the affordable portion of the development must be at least 25%. (See Appendix C, Commitment of Continued Affordability.)
- Project work, meaning breaking ground and starting the construction process, must start by January, 2027.
- For system development charge waiver reimbursement, jurisdictions must have an adopted fee waiver program, and documentation that the fees have been waived for the affordable housing units by each provider for water, sewer, and stormwater, in accordance with the budget. See Appendix B, Budget.

CERTIFICATION PERFORMANCE MEASURE – SCOPE OF WORK

The GRANTEE, by its signature, certifies that the declaration set forth above has been reviewed and approved by the GRANTEE as of the date and year written below.

Heidi Behrends-Cerniwey, City Manager
City of Ellensburg

DATE

Attachment B: CHIP Budget

Type of Cost	Recipient	Amount
Waived system development charges (SDCs) for Water	Jurisdiction or public utility waiving the SDCs: City of Ellensburg	\$65,707
Waived system development charges for sewer	Jurisdiction or public utility waiving the SDCs: City of Ellensburg	\$60,587
Waived system development charges for Stormwater	Jurisdiction or public utility waiving the SDCs:	0
Utility improvement costs as detailed in Attachment A: Scope of Work	Pass through funding to affordable housing project costs	\$703,563
Contract Total		\$829,857

CHIP funds can pay for the system development charges for the affordable units. All costs related to CHIP funding must be submitted for reimbursement no later than June 30, 2025, or revised contract end date if reappropriated. Calculations and SDC waiver documentation, along with the ordinance and fee schedule must be provided with the invoice for SDCs.

CERTIFICATION OF THE AVAILABILITY OF FUNDS TO COMPLETE THE ENTIRE PROJECT

CERTIFICATION PERFORMANCE MEASURE - AVAILABILITY OF FUNDS

The GRANTEE by its signature, certifies that GRANTEE has received binding assurances from the Project Developer or other relevant party that project funding from sources other than those provided by this Grant Agreement has either been expended for eligible Project expenses, or is committed in writing and available and will remain committed and available solely and specifically for carrying out the purposes of this Project as described in elsewhere in this Grant Agreement, as of the date and year written below. The GRANTEE shall maintain records sufficient to evidence that the Project Developer has expended or has access to the funds needed to complete the Project, and shall make such records available for COMMERCE's review upon reasonable request.

Heidi Behrends-Cerniwey, City Manager
City of Ellensburg

DATE

Attachment C: Commitment of Continued Affordability

The project will be monitored by the Housing Trust Fund. Pathways Place anticipates financing from the Housing Finance Unit of the State Department of Commerce as well as a 9% LIHTC allocation from the Washington Housing Finance Commission.

For the purposes of this contract, the utility project must serve new affordable housing projects that serve and benefit low-income households for at least 25 years.

"Affordable housing" has the same meaning as in RCW 43.185A.010, and means residential housing for rental occupancy which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. In the context of homeownership, the definition from the [Housing Trust Fund Handbook](#) applies (Section 701.7):

"affordability occurs when a household's monthly housing costs are generally no more than 38 percent of monthly household income and total debt is no more than 45 percent of monthly household income. Housing costs include mortgage principal, interest, property taxes, homeowner insurance, homeowner association fees, and land lease fees, as applicable. Total debt includes other debt and utilities."

¹ "Low-income household" has the same definition as in RCW 43.185.010(6), and means a single person, family or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the project is located.

Project Pathways Place

Number of Affordable Units, Number of bedrooms, Level of Affordability

(for example 10 one-bedroom units, affordable to 60% AMI)

78 units total, 32 total studio units, of which 16 studio units affordable to 30% AMI and 16 studio units affordable to 50% AMI

30 total one br units, of which 15 one br affordable to 30% AMI and 15 one br units affordable to 50% AMI

16 two total br units of which 8 to br affordable to 30% AMI and 8 two br units affordable to 50% AMI

Term of affordability: 50 years

Organization monitoring continued affordability: Housing Trust Fund

Documentation provided evidencing securitization of that affordability: HOME/Housing Trust Fund closing documents

County and parcel number(s) of property: Kittitas County Parcel # 555136

If the project is NOT already monitored for affordability by an organization such as the Housing Trust Fund, The Washington State Housing Finance Commission, a housing authority, or a local government monitoring process, then the following is required:

- The project must be enrolled in Commerce's Tracking Housing Affordability Database (THAD), for receiving annual reports and conducting 5-year audits.
- The project must provide a covenant and/or note and deed of trust naming Commerce as part of securitization.
- The project must maintain records for 31 years in accordance with the Records Maintenance in contract General Terms and Conditions.

The GRANTEE by its signature, certifies that the project will be monitored to ensure continued affordability for a minimum of 25 years, evidenced by documentation listed above. The GRANTEE shall maintain records sufficient to evidence the continued affordability, and that it will retain and shall make such records available for COMMERCE's review upon reasonable request.

Heidi Behrends-Cerniwey, City Manager
City of Ellensburg

DATE

From: [Gretchen Delaford](#)
To: [Gretchen Delaford](#)
Subject: FW: [Ext] resigning from Utility commision
Date: Thursday, March 6, 2025 2:38:46 PM

From: Grant Craig <grantc@TCFI.com>
Sent: Thursday, March 6, 2025 12:13 PM
To: Kim Bowie <bowiek@ci.ellensburg.wa.us>
Subject: [Ext] resigning from Utility commision

CAUTION - EXTERNAL EMAIL: The email below is from an external source. Please exercise caution before opening attachments, clicking links, fulfilling requests, or following guidance.

Hello Kim,

I am retiring this week and will be resigning from the Utility commission early.

Thanks for the opportunity and please let me know by tomorrow if you need anything further.
My email address will cease tomorrow afternoon.

Thanks,

Grant Craig



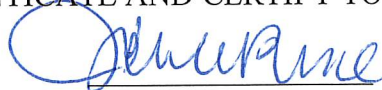
Grant Craig
Senior Division Manager
P: 509.962.9806 ext.3225
M: 509.607.1492
twincityfoods.com



For over 80 years, Twin City Foods, Inc. has been committed to growing, harvesting, processing, freezing, packaging, and distributing the highest quality quick frozen vegetable products.

VOUCHER APPROVAL

I, THE UNDERSIGNED, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED, OR THAT ANY ADVANCE PAYMENT IS DUE AND PAYABLE PURSUANT TO A CONTRACT OR IS AVAILABLE AS AN OPTION FOR FULL OR PARTIAL FULFILLMENT OF A CONTRACTUAL OBLIGATION, AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF ELLENSBURG, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.


AUDITING OFFICER

3/10/25
DATE

CLAIMS VOUCHERS AUDITED AND CERTIFIED BY THE AUDITING OFFICER HAVE BEEN RECORDED ON THE ATTACHED LISTING, WHICH HAS BEEN MADE AVAILABLE TO THE COUNCIL AS OF THIS **17TH DAY OF MARCH 2025**. THE COUNCIL, BY A VOTE, HAS APPROVED FOR PAYMENT THE VOUCHERS INCLUDED IN THE ABOVE LIST AND FURTHER DESCRIBED AS FOLLOWS:

Claims Fund				Total Amounts
Check #'s	169329	TO	169518	\$ 2,140,545.53
EFT #'s	7318	TO	7334	\$ 1,418,504.78
Treasure Cash				Total Amounts
EFT #'S	1019	TO	1066	\$ 627,047.74
Check #'s	34281	TO	34295	\$ 1,100.00
Payroll Fund				Total Amounts
Check #'s	96367	TO	96378	\$ 10,801.88
Direct Deposits	84548	TO	84801	\$ 516,175.57

COUNCIL MEMBER

COUNCIL MEMBER

COUNCIL MEMBER

COUNCIL MEMBER

ATTEST: _____
CITY CLERK



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: 2025 State Legislative Session Update by Josh Weiss (Public Comment Opportunity)
Submitted by: Heidi Behrends Cerniwey, City Manager
Department: City Manager

Suggested Motion/Action:

This item is for informational purposes only.

Background/Summary:

The Ellensburg City Council approved a 2023-2028 Strategic Vision by Resolution 2022-17, reflecting a common set of priorities and milestones for the City over the near term. At the May 20, 2024, Ellensburg City Council meeting, the Council adopted a new resolution that included the refined strategic priorities and milestones for 2024-2029. Because state and federal legislation impacts policy and operations at the local level the Council also approved a common legislative agenda aligned with City priorities and created the capacity to advocate effectively through a contracted Legislative Lobbying Services Agreement which began in 2023 and was extended through 2026.

Previous Council Action:

At the meeting on August 7, 2023, the City Council approved funding for legislative advocacy services. Josh Weiss of Gordon Thomas Honeywell (GTH) was selected as the City's contract lobbyist to assist in preparing for the 2024 Washington State Legislative Session and to represent the City's interests during that session. Following a successful effort which resulted in state policy change (SB 6047), \$750,000 allocated to the City for decarbonization activities, and \$72,000 for the Fieldhouse project, the City Council approved funding to extend the Agreement with GTH through 2024 to continue planning and preparation for the 2025 State Legislative Session. The Agreement was extended in 2024 to continue services through December 31, 2026.

- Funding for the baseline Agreement with Gordon Thomas Honeywell for legislative advocacy services was first approved at the August 7, 2023, meeting. The Agreement provided for up to \$36,000 in services, ending September 30, 2024.
- At the meeting on April 15, 2024, Council conducted second reading of Ordinance 4940, approving supplemental budget, including an additional \$21,000 to extend funding for legislative advocacy services through December 2024 to prepare for the 2025 legislative session.
- Sufficient budget authority was included in the 2025-2026 Biennial Budget for continued legislative advocacy services through December 31, 2026, by Ordinance 4950 on December 2, 2024.

- Council approved the City's 2025 State Legislative Priorities/Agenda on December 16, 2024.

Analysis:

The 105-day 2025 Washington State Legislative Session convened on January 13 and is scheduled to adjourn on April 27, 2025. The City's contract lobbyist, Josh Weiss, provides regular updates on bills relevant to City priorities. Mr. Weiss will provide a real-time update on the 2025 State Legislative Session and highlight bill status relevant to the City's interests at the March 17 meeting.

Financial Impact:

This item is for informational purposes only. See Previous Council Action section for previous funding authorizations.

Budget Adjustment: No

Attachments:

None



Arranged by:

Amy McGuffin,
CEO
Kittitas County
Chamber of Commerce

Prepared for:

Ellensburg Lodging Tax
Committee



Tourism Marketing/Advertising and Visitor Center (VIC) Operations



2024 Year-End Recap

Contents

- 04 Part One
Visitor Center Analytics
- 05 Part Two
Social Media Outputs
- 07 Part Four
Website Insights
- 08 Part Five
Social Media Insights
- 10 Part Five
Lead Marketing Results



At a Glance

Brief Summaries of the Report

Tourism plays a pivotal role in the economic vitality of Kittitas County, with its scenic beauty, outdoor recreational opportunities, cultural attractions, and vibrant community events. Visitors from all over the country are drawn to our area, with Ellensburg serving as a primary gateway to the various attractions and destinations within the county.

Tourism is a crucial driver of the local economy in Ellensburg. Visitors spend money on accommodations, dining, shopping, entertainment, and other services, which generates direct revenue for local businesses. These expenditures lead to the creation of jobs and provide income for residents, contributing to a robust economic ecosystem.

The presence of tourists enhances the appeal of Ellensburg as a unique destination. It encourages investment in cultural events, festivals, and historic preservation, strengthening the community's identity and pride.

Visitor Center Analytics

October

Visitor Information Request	192
Lodging Information Request	1
Chamber Information Request	83
Forest Service Information Request	66
Relocation Information Request	0
Barnquilt Trail Information Request	1
Farmers Market Information Request	0
Bus Pass	1
Sno Park	0
4th of July Information Request	0
Fair/Rodeo Information Request	0
Festival/Events Information Request	0
Exports	0

November

Visitor Information Request	173
Lodging Information Request	0
Chamber Information Request	87
Forest Service Information Request	184
Relocation Information Request	2
Barnquilt Trail Information Request	0
Farmers Market Information Request	0
Bus Pass	0
Sno Park	9
Winterhop Brewfest	3
Fair/Rodeo Information Request	0
Festival/Events Information Request	0
Exports	0

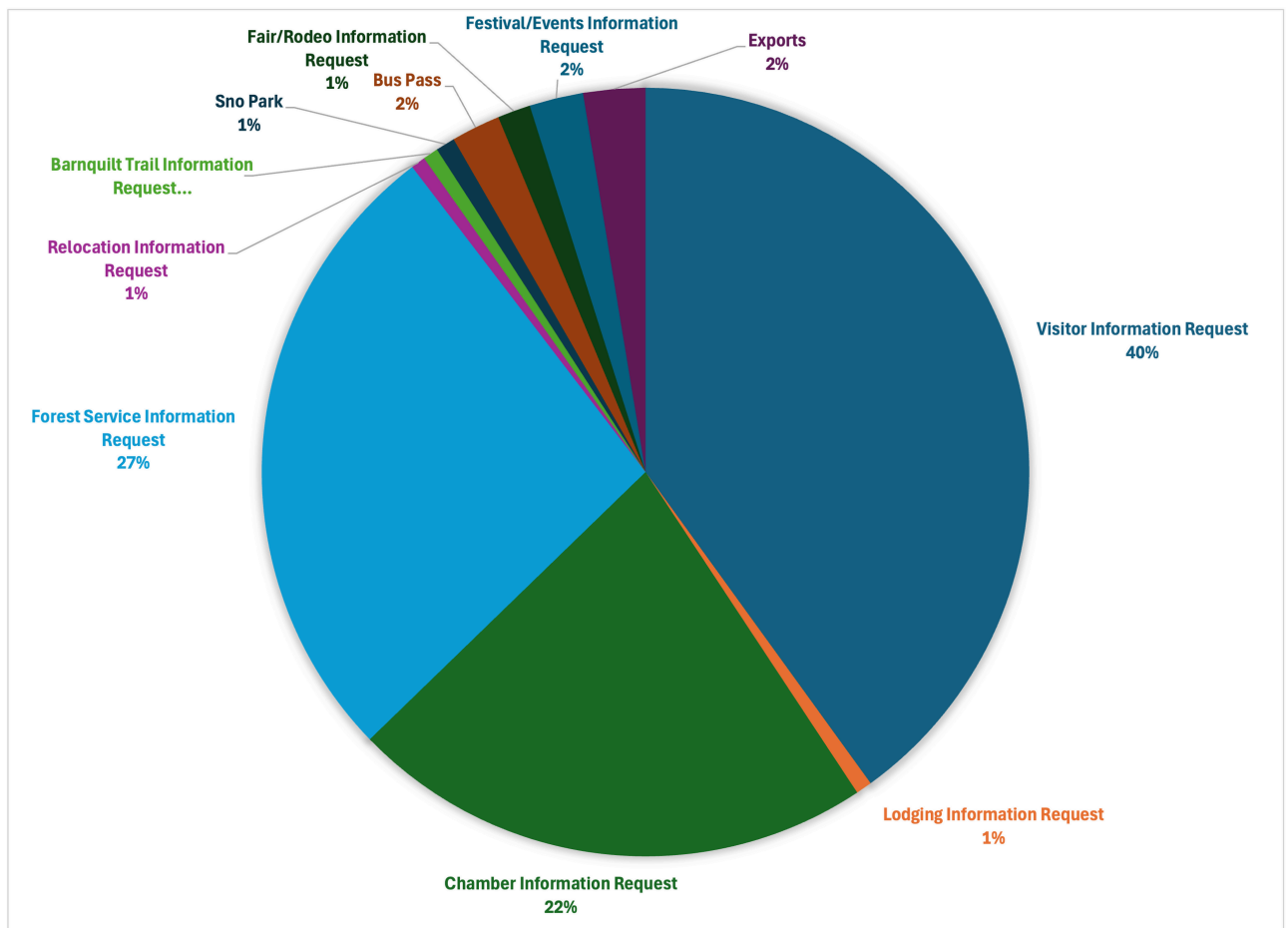
December

Visitor Information Request	87
Lodging Information Request	6
Chamber Information Request	47
Forest Service Information Request	68
Relocation Information Request	9
Barnquilt Trail Information Request	3
Farmers Market Information Request	0
Brewfest Information Request	6
Sno Park	14
Bus Pass	3
Festival/Events Information Request	0
Exports	0

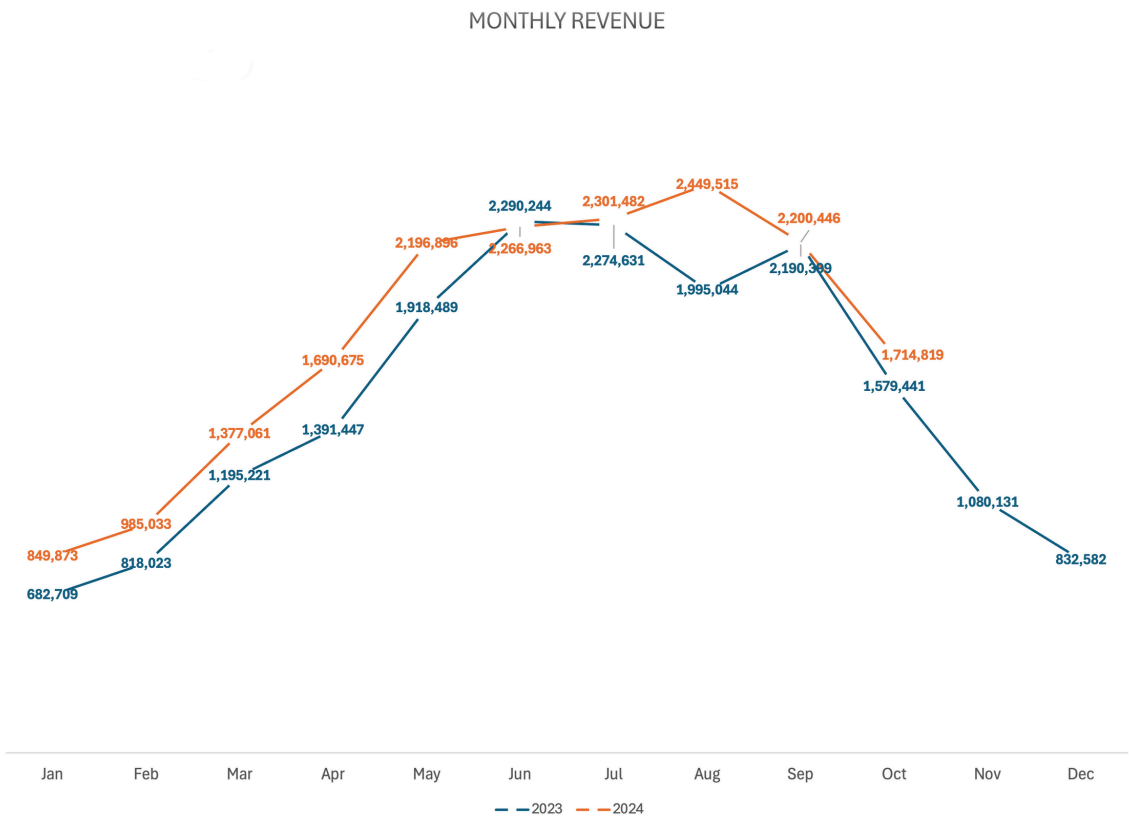
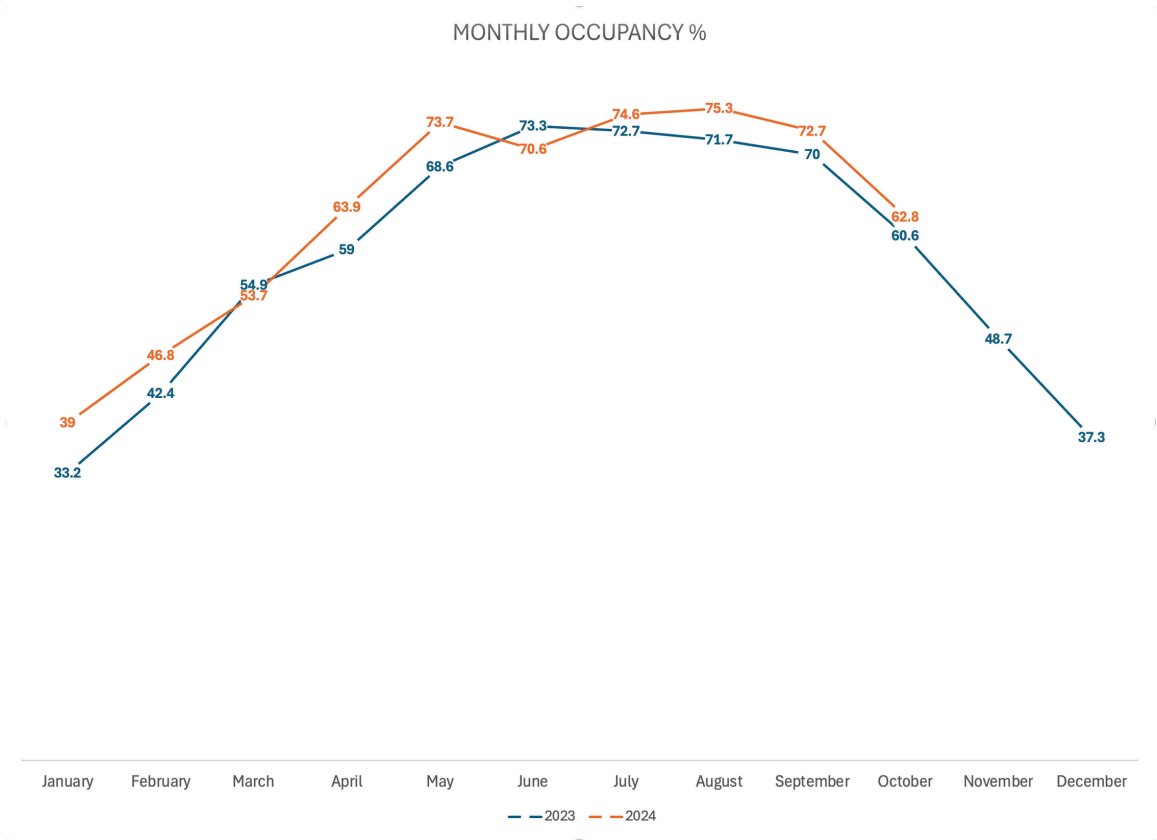
Visitor Center Analytics

Annual

Visitor Information Request	1181
Lodging Information Request	17
Chamber Information Request	651
Forest Service Information Request	792
Relocation Information Request	18
Barnquilt Trail Information Request	19
Bus Pass	61
Sno Park	24
Fair/Rodeo Information Request	41
Festival/Events Information Request	67
Exports	77



Star Report Data



Social Media Outputs (Apr-Jun)



Caption: For an imaginative dining experience that is artistic in every bite, the local cafes and charming restaurants in Ellensburg make a meal into a culinary adventure.



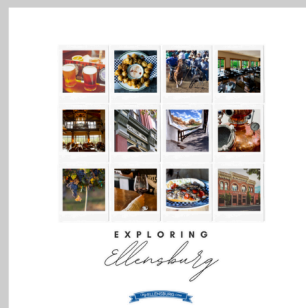
Caption: In Ellensburg, a brewery is more than a place to grab a good beer. Creativity flows through each IPA and you can taste the touch of the town in every rich stout. Experience the eclectic nature of Ellensburg after every sip.



Caption: Discover all the beauty that Ellensburg has to offer. Immerse yourself in a town bursting at the seams with creativity. From breathtaking art to local artisanal delights. Come Explore, and be inspired!



Caption: Art comes to life in Ellensburg! Creativity is overflowing in this town. From the galleries that showcase local artists, to museums that display the rich history of this eccentric town. There's a place for the artist and the art lover alike.



The alluring views, the artistically crafted dining experiences, and the locally made wines create a mecca for the artist and the art lover. Explore the beauty and ingenuity of Ellensburg!



From breathtaking landscapes, to deliciously crafted dining experiences, Ellensburg is the hidden gem of artistic towns. The galleries museums and outdoor art installations attract all kinds of inspired artists, and the dining experiences are masterfully cultivated to make you feel immersed in the charm of Ellensburg.



Caption: Indulge in the artistry of locally crafted wines. Explore our gorgeous vineyards, meet the artists that create the masterpieces in every glass, and sip and savor the flavors of Ellensburg!

Social Media Outputs (Jul)

Whether it's a wedding, corporate event, or intimate gathering, our venues provide the perfect backdrop for unforgettable moments. Choose from a variety of stunning locations, from historic landmarks to modern spaces with breathtaking views, each designed to make your event shine.



Elevate Your Event at Ellensburg's Premier Venues and Gathering Spaces!

Immerse yourself in the vibrant art scene of Ellensburg. Our local artists bring creativity and passion to every piece! Visit our museums, where history, culture, and art come together. Wander through our charming galleries, each offering a curated selection of artwork. There's something for every art lover!



Explore the Artistic Heart of Ellensburg, WA

Experience the finest in craft beer, brewed right here in Ellensburg. Our local breweries combine passion, creativity, and top-quality ingredients to bring you unparalleled flavors.



Discover Ellensburg's Craft Breweries and Pubs!

Discover the rich flavors of our handcrafted wines. Join us for exclusive tastings and stroll through our picturesque vineyards.



Sip, Savor, and Celebrate at Ellensburg's Finest Wineries and Vineyards!

Social Media Outputs (Sep)

Experience the heart of Ellensburg's craft beer scene, where local breweries blend passion, creativity, and top-tier ingredients to create exceptional brews. Each brewery offers a unique atmosphere that showcase the best of Ellensburg!



Ellensburg Breweries: Crafting Exceptional Flavors with Local Passion

No matter the occasion—be it a wedding, corporate event, or a private gathering—our venues offer the ideal setting for creating lasting memories and each location is thoughtfully curated to elevate your event. Select from an array of captivating locations, ranging from historic sites to contemporary spaces with panoramic views, each crafted to ensure your event is truly exceptional.



Exceptional Venues for Life's Many Memorable Occasions in Ellensburg!

Social Media Outputs (Oct)



Escape to our stunning Ellensburg wineries, where every visit is filled with delicious wines and picturesque scenery. Ellensburg is the wine capital of WA state.



Experience the joy of the season in Ellensburg with our enchanting events. Discover holiday lights, art, and family-friendly activities that create unforgettable memories! These will be moments to remember.



Discover 5 incredible Ellensburg events you won't want to miss in 2025. Mark your calendars and get ready for an amazing year ahead!



Make this holiday season unforgettable with a night with live theatre in Ellensburg! Enjoy classic performances that bring the festive spirit to life, like CWU's "The Nutcracker & The Battle for the Key".

Social Media Outputs (Oct)



Escape to our stunning Ellensburg wineries, where every visit is filled with delicious wines and picturesque scenery. Ellensburg is the wine capital of WA state.



Savor the season in Ellensburg! Indulge in festive flavors that will make your celebrations even merrier at The Night Owl.



Celebrate the season with creativity at Ellensburg's art galleries! Explore Gallery One's exhibitions and find a masterpiece to light up your festivities.



Toast to the holidays with fine wine and fine arts in Ellensburg! Join us for a festive fusion of taste and beauty at Fortuity that will make your season sparkle.

Social Media Outputs (Oct)



This holiday season, treat yourself to a stay where comfort meets festive cheer. Unwind, relax, and let us take care of the rest!

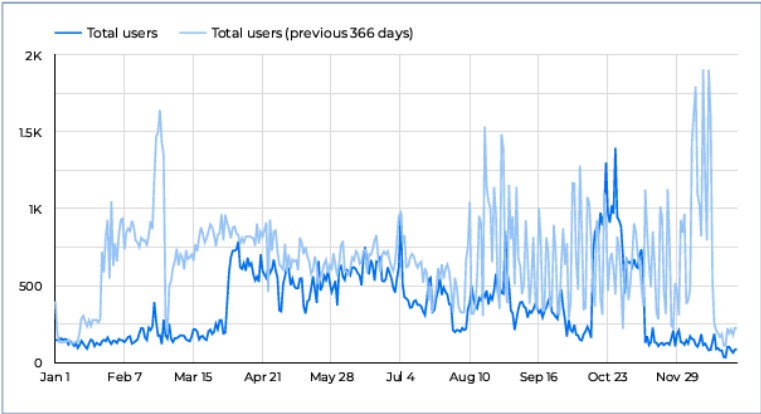


Escape the holiday hustle! Unwind in Ellensburg and stay at Hotel Windrow this season, where twinkling lights and luxurious comfort await your arrival.

Website Insights

MyEllensburg Website

Jan 1, 2024 - Dec 31, 2024



Total users 123,194 ↓ -42.1%	New users 122,373 ↓ -42.2%	Sessions 138,974 ↓ -47.5%	Bounce rate 54.8% ↓ -15.7%	Average session duration 00:01:36 ↑ 1.4%
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City	Total us...	Engagem...	Average s...
1. Seattle	36,442	47.94%	00:01:41
2. (not set)	7,876	34.77%	00:01:05
3. Ellensburg	7,341	66.2%	00:02:39
4. Portland	4,248	26.45%	00:00:44
5. San Jose	2,288	61.06%	00:02:07
6. Tacoma	1,828	39.78%	00:01:11
7. Kent	1,094	35.81%	00:01:07
8. Vancouver	1,075	37.16%	00:01:08
9. Yakima	1,061	64.52%	00:02:27
10. Kirkland	1,030	47.98%	00:01:23
1 - 100 / 4192 < >			

Device cat...	Total us...	Engagem...	Average s...
1. mobile	95,317	41.56%	00:01:15
2. desktop	22,126	62.1%	00:02:56
3. tablet	5,076	43.44%	00:01:09
1 - 4 / 4 < >			

First user source / med...	Total user...	% Δ	New users	% Δ	Sessions	% Δ	Bounce rate	% Δ	Average session durat...	% Δ
1. google / organic	47,122	16.4% ↑	46,910	15.6% ↑	58,523	12.5% ↑	34.16%	14.2% ↑	00:02:23	-7.8% ↓
2. facebook / social	41,801	46.4% ↑	41,896	46.8% ↑	46,691	34.7% ↑	76.5%	10.8% ↑	00:00:31	-32.6% ↓
3. (direct) / (none)	10,885	-25.0% ↓	10,603	-24.2% ↓	13,449	-31.3% ↓	61.54%	10.2% ↑	00:02:09	-15.1% ↓
4. instagram / social	9,051	614.9% ↑	9,042	617.6% ↑	9,586	636.3% ↑	73.35%	-17.6% ↓	00:00:29	131.9% ↑
5. m.facebook.com / referral	2,523	13.4% ↑	2,518	13.2% ↑	2,675	17.2% ↑	65.2%	68.9% ↑	00:00:39	-40.9% ↓
6. google / cpc	1,924	-98.3% ↓	1,821	-98.4% ↓	2,069	-98.6% ↓	95.89%	19.5% ↑	00:00:11	-83.5% ↓
7. bing / organic	1,852	18.3% ↑	1,828	18.3% ↑	2,411	17.8% ↑	24.01%	1.6% ↑	00:03:04	-17.8% ↓
8. fb / paid	1,018	-	1,018	-	1,271	-	66.56%	-	00:01:03	-
1 - 100 / 214 < >										

Query	Impressions	Clicks
1. ellensburg	210,553	1,184
2. ellensburg wa	63,237	575
3. ellensburg washington	47,657	399
4. ellensburg hotels	26,244	244
5. ellensburg rodeo	25,440	45
6. ellensburg restaurants	21,058	186
7. indoor lodging	18,022	0
8. ellensburg blue agate	14,787	2,653
9. hotels in ellensburg	13,127	87
10. things to do in ellensburg	12,411	1,336
1 - 100 / 29121 < >		



Social Media Insights

MyEllensburg PPC

Jan 1, 2024 - Dec 31, 2024

How did Facebook & Instagram Ads perform?

Link clicks

64,316

↑ 61.7%

Landing page views

48,689

↑ 48.5%

Impressions

3,868,108

↑ 45.2%

CPC (link)

0.4

↓ 35.3%

Amount spent

25,539.52

↑ 27.7%

	Ad name	Link clicks	Impressions	Landing page views	CPC (link)	CTR (link click-through rate)	Amount spent
1.	Art	22,797	827,571	15,588	0.25	2.75%	5,745.74
2.	Dining	8,733	317,513	6,504	0.29	2.75%	2,568.05
3.	Winter Events	8,238	444,506	7,281	0.43	1.85%	3,535.91
4.	2025 Events	8,228	509,747	7,023	0.35	1.61%	2,873.46
5.	Beer	4,718	616,276	3,618	0.67	0.77%	3,157.75
6.	Cather	4,666	681,165	3,756	0.76	0.69%	3,562.96
7.	Generic	3,344	126,840	2,119	0.56	2.64%	1,856.45
8.	Wine	1,327	116,440	1,035	0.8	1.14%	1,057.25
9.	Little Hopper V3	480	61,739	346	0.61	0.78%	293.57
10.	Hotel Windrow	404	20,341	353	0.36	1.99%	143.43
11.	Gallery One	294	14,009	254	0.55	2.1%	161.93
12.	Claim Clothing	263	11,668	227	0.52	2.25%	136.78
13.	Little Hopper Tagged	127	28,524	84	0.6	0.45%	75.86
14.	Things to Do	125	11,186	88	0.77	1.12%	96.21
15.	Theater	105	7,399	95	0.46	1.42%	48.13
16.	Night Owl	89	4,873	71	0.48	1.83%	42.35
17.	Little Hopper V1	88	18,448	51	0.56	0.48%	49.2
18.	Little Hopper V2	78	17,685	48	0.41	0.44%	32.07
19.	Fortuity	71	4,025	60	0.38	1.76%	27.08
20.	Little Hopper V5	56	13,135	30	0.44	0.43%	24.61
21.	Little Hopper V4	50	12,727	26	0.49	0.39%	24.69
22.	Icon Inn	26	1,335	21	0.52	1.95%	13.45
23.	Theatre	13	956	11	0.97	1.36%	12.59

1 - 23 / 23 < >

Facebook

Posts

260

posts

↓ 30.9% from 376

Page fans

44,092

fans

↓ 0.4% from 44,272

Post organic impressions

645,609

impressions

↓ 28% from 897,172

Post engagement

19,646

engagements

↓ 47.8% from 37,647

Instagram

Posts

261

posts

↓ 17.4% from 316

Followers

2,916

followers

↑ 8.6% from 2,685

Post impressions

74,616

impressions

↓ 48.8% from 145,783

Post engagement

4,275

engagements

↓ 50.5% from 8,636

Twitter

Tweets

242

tweets

↓ 28.2% from 337

Followers

2,859

followers

↓ 1.8% from 2,910

Post impressions

20,682

impressions

↓ 42.5% from 35,982

Post engagements

692

engagements

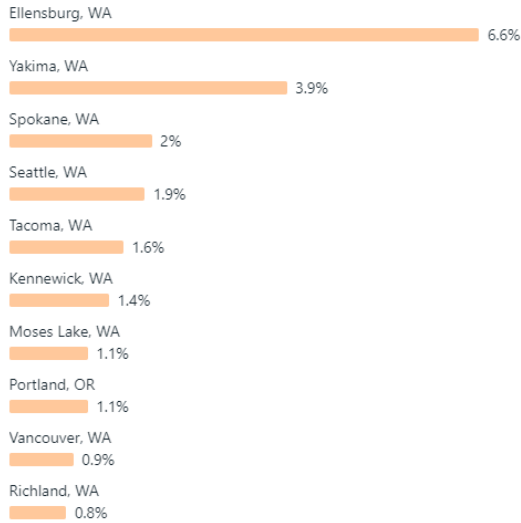
↓ 42.4% from 1,201



Social Media Insights

Facebook

Top cities



Instagram

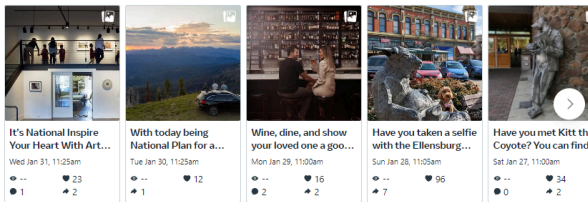
Top cities



Facebook January

Top content by views

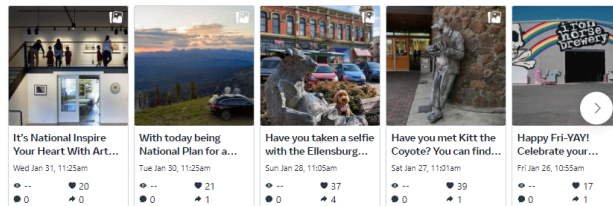
[Boost content](#) [See all content](#)



Instagram January

Top content by views

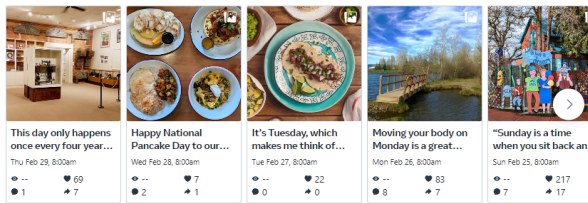
[Boost content](#) [See all content](#)



February

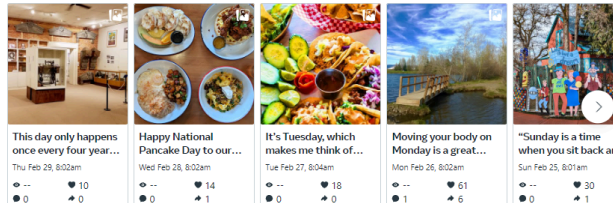
Top content by views

[Boost content](#) [See all content](#)



Top content by views

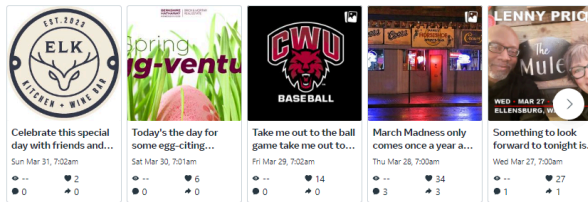
[Boost content](#) [See all content](#)



March

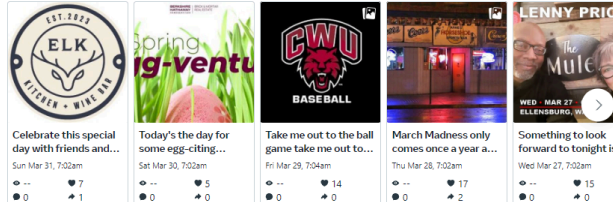
Top content by views

[Boost content](#) [See all content](#)



Top content by views

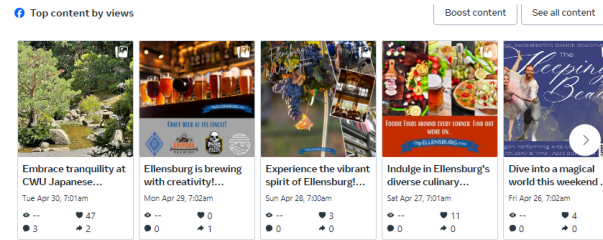
[Boost content](#) [See all content](#)



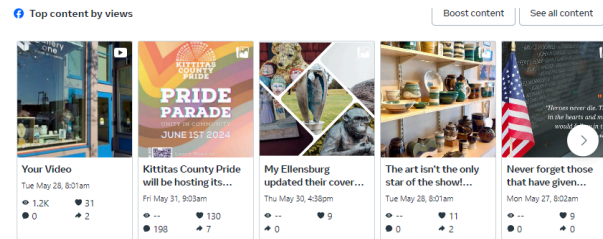
Social Media Insights

Facebook

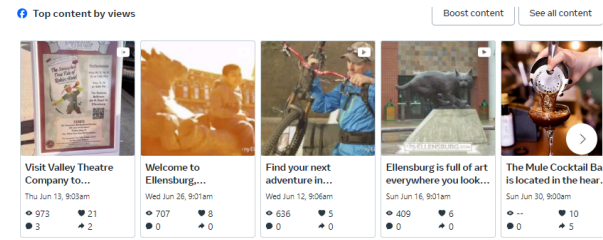
April



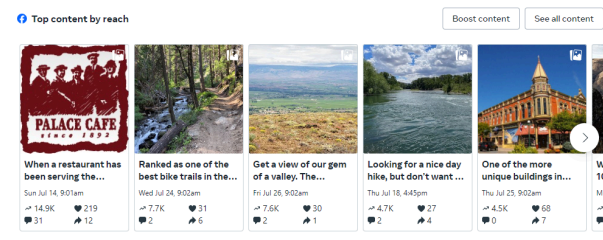
May



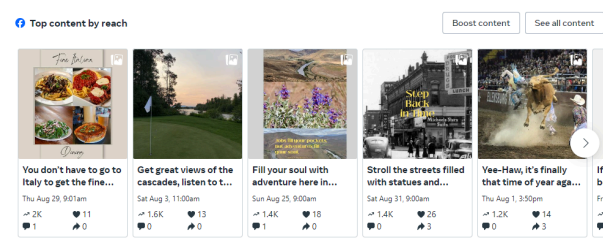
June



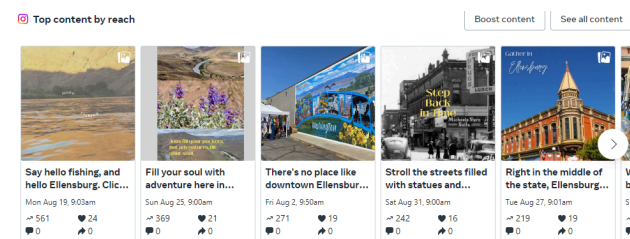
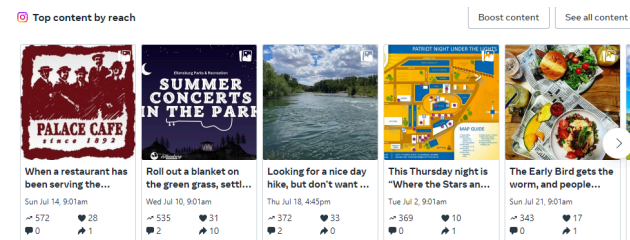
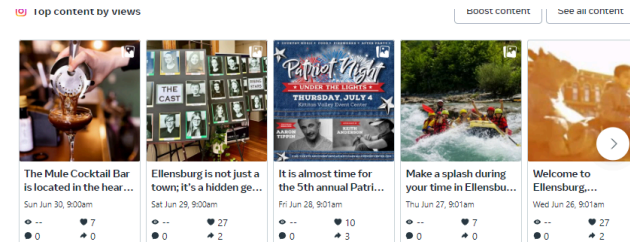
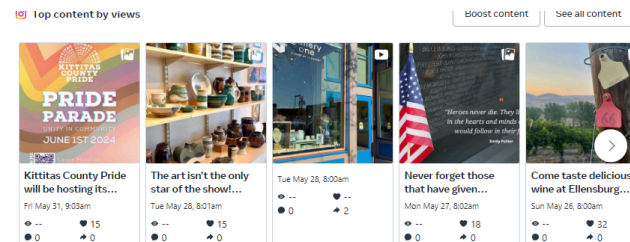
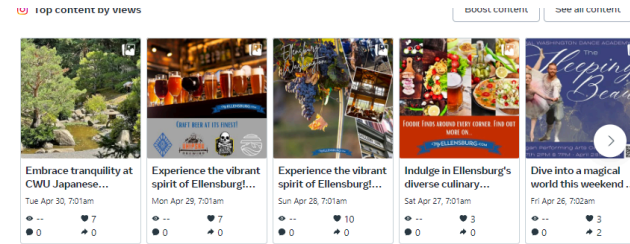
July



August



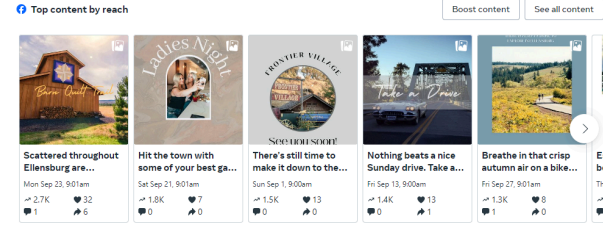
Instagram



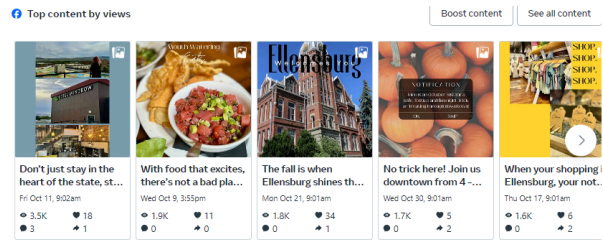
Social Media Insights

Facebook

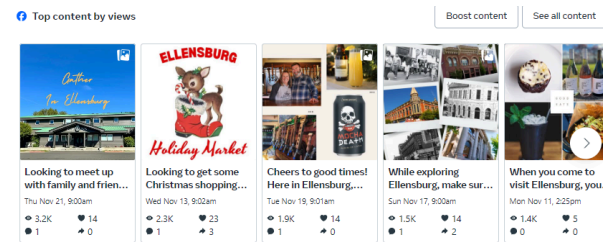
September



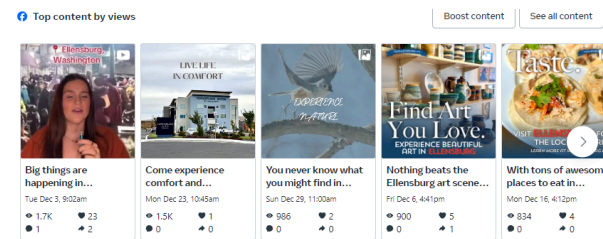
October



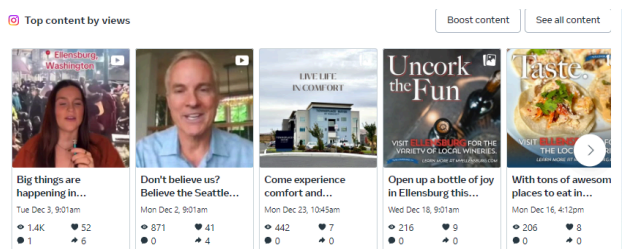
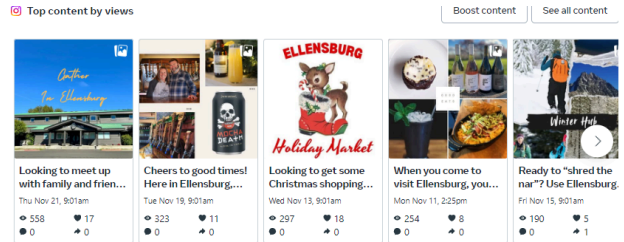
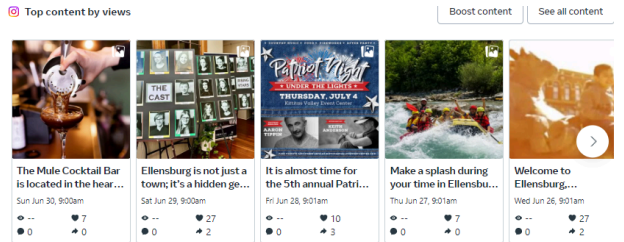
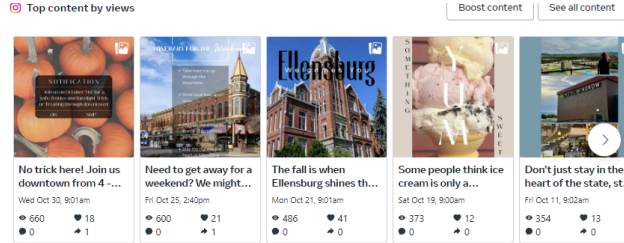
November



December



Instagram







Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Public Hearing to Consider an Application for CDBG Grant for Library / Hal Holmes HVAC Replacement and Adopt Resolution 2025-05 for CDBG Grievance Process (Public Comment Opportunity)

Submitted by: Hunter Slyfield, Shop & Warehouse Manager

Department: Public Works & Utilities

Suggested Motion/Action:
Move to authorize staff to apply for Community Development Block Grant (CDBG) funds for replacement of the Ellensburg Public Library and Hal Holmes Center HVAC systems and adopt Resolution 2025-05 describing a grievance process related to use of CDBG funds.

Background/Summary:
The Ellensburg Public Library and Hal Holmes Community Center serve as downtown public community gathering spaces. The building also serves as a community warming/cooling center during times of extreme weather.

The Ellensburg Public Library serves the City of Ellensburg as well as residents of Kittitas County:

- 44% of library cardholders are County residents (outside of City limits).
- 56% of youth participation (includes in-house programming) are County residents (outside of City limits).
- Approximately 11,500 low- and moderate-income households reside in the Ellensburg census county division, which is served by the Library and Hal Holmes Community Center.
- Based on U.S. Department of Housing and Urban Development (HUD) data provided to applicants, more than 62% of City and approximately 55% of Ellensburg census county division residents are low- and moderate-income.

The 19,422 SF building is served by two separate systems, the north end for the Ellensburg Public Library and the south end of the Hal Holmes Community Center. The Ellensburg Public Library building's heating, ventilation and air conditioning (HVAC) system was installed in the late 1960s; its air handler is inefficient due to its antiquated design. Due to the system's age, parts are breaking more often because they are worn out and are often hard to come by as they are now obsolete, leading to a mixture of after-market parts and temporary repairs. The Library HVAC system has surpassed its service life and requires replacement. The roof-mounted HVAC units that serve the Hal Holmes Community Center are also nearing the end of their service life. Replacing units together offers efficiencies in project planning and

execution.

The City faced a tight 2025/2026 budget and cannot fund the entire planned project with current resources. The City has budgeted approximately \$347,000 for this project; estimates for the needed work range between about \$900,000 and \$2,000,000 depending on the scope of the replacement work (Library and/or Hal Holmes systems, like-for-like or decarbonization, and degree of additional ducting work), based on a consultant assessment. The preferred application option would request approximately \$1,700,000 from the Community Development Block Grant (CDBG) program, which along with the City's budgeted \$347,000, would support the required updates to both buildings and allow for reductions in the City's carbon emissions related to operating these facilities.

CDBG General Purpose Grants are available through an open cycle application process to assist eligible Washington State small cities, towns and counties in carrying out community development projects that principally benefit low- and moderate-income persons. The Washington State CDBG Program receives approximately \$11 million annually from the U.S. Department of Housing and Urban Development (HUD). Up to \$2,000,000 may be available to the City of Ellensburg to fund community facilities, public facilities, infrastructure in support of affordable housing, housing rehabilitation and microenterprise assistance projects that principally benefit low- and moderate-income persons.

Staff met with Commerce CDBG program administrators, who confirmed that this project would be eligible for grant support. The grant application requires adoption of a grievance procedure for citizens opposed to proposed or operating CDBG projects to have their grievance heard and decided. The grievance process is included in Resolution 2025-05.

Public notice for this hearing was published in the Daily Record on March 1, 2025; a project summary was posted to the City website on February 27, 2025.

Previous Council Action:

None

Analysis:

The CDBG program provides an opportunity to bridge the current funding gap for this project, so the City can address the urgent and longer-term heating and cooling needs of the Library and Hal Holmes Community Center. This is the only funding source that staff has identified that would support this project at this time.

As HUD provides funding for CDBG program, federal contracting and procurement requirements would be associated with this project if the funds were received. City staff are experienced with these requirements and cost estimates for the grant application reflect an increase of about 15% needed to ensure compliance with all relevant requirements.

Staff recommends Council authorize submittal of a grant application for approximately \$1,700,000 of CDBG funds for replacement of the Library HVAC system and adopt Resolution 2025-05 describing a grievance procedure for CDBG-funded projects.

Financial Impact:

None to apply for the grant. If the grant application is successful, planned City funds would be committed to project planning and execution along with approximately \$1,700,000 in grant funds. The City funds are budgeted for this project as part of the 2025/2026 Biennial Budget.

Budget Adjustment: No

Attachments:

1. CDBG Library HVAC public summary
2. ProjectBudgetFormandInstructions_Option Frevised
3. Resolution 2025-05 CDBG Grievance Procedures

Community Development Block Grant Summary

Grant Program: Community Development Block Grant (CDBG) General Purpose Grants are available through an open cycle application process to assist eligible Washington State small cities, towns and counties in carrying out community development projects that principally benefit low- and moderate-income persons. The Washington State CDBG Program receives approximately \$11 million annually from the U.S. Department of Housing and Urban Development (HUD).

Proposed Project Title: Ellensburg Public Library & Hal Holmes Center HVAC Replacement

Applicant: City of Ellensburg

Project Location: 209 N. Ruby St. Ellensburg, WA 98926

Brief Project Description:

Replace failing HVAC systems at the Ellensburg Public Library and Hal Holmes Community Center. The library's air handler was installed in the late 1960s; parts are breaking down often and are often obsolete. The current HVAC system is inefficient due to its antiquated design and is well beyond its expected lifespan. The project would replace the HVAC system in the library with a more efficient electric unit and replace the rooftop units in the Hal Holmes building with updated models.

The Ellensburg Public Library and Hal Holmes Community Center serve as downtown public community gathering spaces. The building also serves as a community warming/cooling center during times of extreme weather.

Project beneficiaries:

The Ellensburg Public Library serves the City of Ellensburg as well as residents of Kittitas County.

- 44% of library card holders are county residents
- 56% of youth participation (includes in-house programming) are Kittitas County residents
- Approximately 55% of residents in the Ellensburg census county division are considered low and moderate income.

Timeline: Design in 2025; completion in 2026.

Project Budget: Approximately \$1.7 million; including approximately \$500,000 in City funds and \$1.2 million from the CDBG program.

Project Budget (Construction, Acquisition and Local Assistance Programs)							
Funding Status	Source 1	Source 2	Source 3	Source 4	Source 5	Source 6	Totals
List each source individually.	CDBG	Agency funds	[Name of Funding Source]	[Name of Funding Source]	[Name of Funding Source]	[Name of Funding Source]	
Are the sources committed?		Yes	Yes or No	Yes or No	Yes or No	Yes or No	
Provide Award/Offer Date (Mo/Yr)		This application					
Activity Costs							
General Administration (only for grantees with subrecipients)							-
Project Administration	20,000	5,000					25,000
Environmental Review	5,000	1,000					6,000
Architectural Fees							-
Engineering Fees		50,000					50,000
Sewer Improvements							-
Water Improvements							-
Street and Sidewalk Improvements							-
Community Facility	1,425,450	291,550					1,717,000
Fire Protection Facility							-
Housing Rehabilitation							-
Private Water / Sewer Connections							-
Architectural Barrier Removal							-
Acquisition							-
Relocation							-
Microenterprise Assistance							-
Other: Indirect Costs (de minimis 15%)	238,818						238,818
Other:							-
Totals	1,689,268	347,550	-			-	2,036,818

Project Budget Form Instructions

To be eligible for grant reimbursement, these costs must be incurred within the grant period and be supported by payroll records, invoices, etc. Contact CDBG staff if you have questions.

Source - List the allocation of CDBG funds among activity costs in the Source 1 column. An example would be for CDBG to fund only construction and not engineering.

Fill in the name of other funding sources in each column and list their allocation among the activity costs.

CDBG procurement and financial management requirements are more complicated if CDBG funds are spread across several activity costs. Therefore, consider limiting the number of activity costs, professional services, and construction contracts to be funded by CDBG.

Funding Status - For each funding source, indicate whether there is a firm funding commitment or, if not, when a firm commitment is expected. Attach letters of award or funding commitment, or a final loan list from each committed funding source.

General Administration (only for grantees with subrecipients)

General Administration activities can include:

- Attendance at the CDBG grant management webinar by the local government staff responsible for CDBG general administration, if applicable
- Review and execution of the CDBG contract
- Processing and tracking grant payment requests and receipts
- Compliance with civil rights activities (i.e. Fair Housing, Section 504, ADA, Title VI)
- Grant close-out activities, including conducting final CDBG public hearing

Include the following categories when estimating costs for General Administration activities:

- **Personnel** - Local government salaries, wages, and fringe benefits to be paid for general administration of the grant.
- **Professional Services** - Estimate legal, audit, and other general administrative costs provided through professional service contracts, rather than staff. Engineering and other technical services are entered under the engineering and project administration activity costs.

General Administration activity costs do not include the administrative costs for implementing the project activities, such as construction management, which is a project administration activity cost.

All costs associated with the preparation of a CDBG application are ineligible for CDBG funding.

Project management and the **environmental review** can be conducted by staff or a consultant.

Project Administration - Enter project administration costs directly related to project implementation and carrying out the CDBG project. Eligible project administration activities include, but are not limited to:

- Subrecipient or procured grant manager's attendance at the CDBG grant management webinar or workshop
- Ensuring labor standards compliance
- Processing resident requests for direct assistance and conducting inspections
- Project management activities by the subrecipient or program manager

Environmental Review - Enter all costs for conducting SEPA and NEPA environmental reviews and preparing environmental review documents. Publishing environmental review findings for local comments can be costly and should be considered when preparing the budget.

To be eligible for CDBG reimbursement, **professional services** must be procured following CDBG requirements.

Architectural Fees - Enter all costs associated with the use of an architectural firm.

Engineering Fees - Enter the total engineering costs associated with the project.

Sewer Improvements - Enter all costs associated with construction or reconstruction of the sewer system including contingency costs and taxes. List associated project administrative, architectural or engineering costs on the appropriate activity cost line.

Water Improvements - Enter all costs associated with construction or reconstruction of the water system including construction contingency costs and taxes. List associated project administrative, architectural or engineering costs on the appropriate activity cost line.

Street and Sidewalk Improvements - Enter all costs associated with construction or reconstruction of streets and sidewalks including construction contingency costs and taxes. List associated project administrative, architectural or engineering costs on the appropriate activity cost line.

Private Water / Sewer Side Connections - Enter all costs associated with construction or reconstruction of the water/ sewer side connections on private property including construction contingency costs and taxes. List associated project administrative, architectural or engineering costs on the appropriate activity cost line.

Community Facility - Enter all costs associated with construction or renovation of a community facility including construction contingency costs and taxes. List associated project administrative, architectural or engineering costs on the appropriate activity cost line.

Fire Protection Facility - List all costs associated with construction or renovation of a fire protection facility including construction contingency costs and taxes. In some cases, this can include the cost of fire protection equipment or fire protection vehicles. This does not include hydrants or fire flow costs, which are to be listed as water improvements.

Housing Rehabilitation - Enter all costs associated with housing rehabilitation including construction contingency costs and taxes. CDBG generally limits funding of project administration for housing rehabilitation at 25 percent of the CDBG award.

Architectural Barrier Removal - If the CDBG project is to only address the removal of architectural barriers to bring facilities into compliance with the Americans with Disabilities Act, list those costs here. Otherwise, combine those costs with the construction costs under the applicable facility activity.

Acquisition - Enter total purchase price and include the appraisal costs in addition to any closing costs associated with the acquisition of property.

Relocation - Enter all costs associated with relocation. **Relocation costs may be necessary if the site has been occupied by anyone other than the owner over the last 12 months.** If you are unsure if relocation is applicable, contact CDBG staff.

Microenterprise Assistance - List costs associated with setting up or retaining a microenterprise assistance revolving loan fund program. Include costs associated with setting up or retaining a microenterprise training and technical assistance program.

Planning Only Activities

General Administration – CDBG cannot fund general administration for planning-only projects.

Personnel – While most Planning-Only requests are to fund professional services, in some cases grantee or subrecipient staff will be conducting some or all of the planning activities. In these cases, estimate and list personnel costs including salaries, wages, and fringe benefits. To be eligible for CDBG reimbursement, staff must maintain payroll records demonstrating these costs are directly related to conducting the planning activities.

Professional Services - Enter estimated costs associated with the use of professional services such as a planning consultant, architect, or engineer to conduct the planning activities.

RESOLUTION NO. 2025-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG to adopting Community Development Block Grant grievance procedures.

WHEREAS, the City of Ellensburg (“City”) is authorized to apply to the Washington State Department of Commerce for a Community Development Block Grant (CDBG); and

WHEREAS, the City has identified a capital improvement development project for the City Library and Hal Holmes Community Center to replace their heating, ventilation and air conditioning (HVAC) systems, which is a priority for seeking CDBG funding; and

WHEREAS, it is necessary certain conditions be met to receive CDBG funds and will comply with applicable provisions of Title I of the Housing and Community Development Act of 1974, as amended and other applicable state and federal laws; and

WHEREAS, the City will provide opportunities for citizen participation that satisfy the CDBG requirements of 24 CFR 570.486;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. The City hereby adopts the following CDBG Grant Grievance Procedures:

1. All complaints must be submitted in writing to the Community Development Director for the City during normal business hours at Ellensburg City Hall, 501 N. Anderson Street, Ellensburg, WA 98926, (509-962-7231). A decision by the Housing Program Manager will be rendered within fourteen (14) business days.

2. If the complaint cannot be resolved to your satisfaction by the City’s Community Development Director, it will be heard and discussed by City Council of the City of Ellensburg at an open public meeting. A written decision will be made within thirty (30) business days of when the grievance is heard by City Council. The decision of the City Council is final.

3. A record of the complaint and action taken will be maintained as a part of the records at each level of the grievance process.

ADOPTED by the City Council of the City of Ellensburg this 17th day of March, 2025.

Mayor

Attest:

City Clerk



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Ordinance 4957 (2nd reading) - Regulating Banners, Sidewalk Flags and Decorations in the City Rights-of-Way (Public Comment Opportunity)

Submitted by: Terry Weiner, City Attorney/Assistant City Manager

Department: City Attorney

Suggested Motion/Action:

Move to conduct second reading and adoption of Ordinance 4957, regulating banners, sidewalk flags and decorations in the City rights-of-way, as amended by Council at first reading of the Ordinance.

Background/Summary:

In early 2022, City Council requested staff develop a new ordinance to regulate banners, flags and decorations in the rights-of-way. Subsequently, the United States Supreme Court issued a new opinion, *Shurtleff v. City of Boston*, that required additional analysis because it significantly impacts such regulations.

Study sessions on the issues related to the planned ordinance were held with City Council on January 3 and October 2, 2023. Staff reviewed issues with the different types of free speech forums that are recognized by the courts, why “government speech” is not subject to those requirements, and the requirements the *Shurtleff* case now imposes on local governments to review and control the message in public rights-of-way in order to maintain those arenas for only government speech. A stakeholder group was also formed to discuss the issues related to the proposed regulations, which consisted of staff, a city councilmember, a City DEI commission member, representatives of local non-profit and community organizations and others. The stakeholder group met in late 2023 and twice in 2024 to review draft ordinances, and suggested changes have been incorporated into the ordinance being presented to Council.

Previous Council Action:

Study Sessions were held with the City Council on January 3 and October 2, 2023, and June 3, 2024.

City Council approved Ordinance 4957 for first reading, with one amendment, at its March 3, 2025 meeting.

Analysis:

Ordinance 4957 creates a new chapter 3.44 in the Ellensburg City Code (ECC), titled “Banners, Sidewalk Flags and Decorations in City Rights-of-Way.” The chapter does not apply to banners, flags or decorations being used as signs, and therefore already regulated

by the City Sign Code, Chapter 3.12 ECC (ECC 3.44.010(D)). It also exempts any banners, flags, or decorations of any type owned and installed by, or on behalf of, the City (ECC 3.44.020(B)).

Ordinance 4957 includes the following relevant sections:

- Section 3.44.030 - Definitions Section 3.44.040 - Locations for banners, sidewalk flags and decorations
- Section 3.44.050 - Requirement to obtain for permit Applications and Review.
- Section 3.44.060 - Permit application contents and review process
- Section 3.44.070 - Community events requirement; limits on commercial activities and sponsorship
- Section 3.44.080 - Permit conditions
- Section 3.44.090 - Licensed installer requirements
- Section 3.44.100 - Official flags
- Section 3.44.110 - Violations and penalties

Council suggested an application fee of \$50 at the first reading of the ordinance on March 3. Other fees would also be charged when City crews are requested by the applicant to install the banners/flags or decorations. These fees are part of the proposed revisions to the Public Works Development Standards, which were reviewed by the Utility Advisory Committee on February 20, 2025, and were part of the Consent Agenda for this meeting.

A map of street banner, vertical banner and sidewalk flag locations is available on the City's Map Gallery page here: [Street Banner, Vertical Banner, and Sidewalk Flag Locations](#).

Section 2 of Ordinance 4957 addresses inconsistencies or changes needed in the City's sign code, Chapter 3.12 ECC, required if the ordinance is adopted.

Finally, Ordinance 4957 was amended by Council at its first reading to remove the section regarding Commemorative Flags and related wording in the ordinance.

Financial Impact:

As noted, the ordinance provides a fee structure for both permit review and costs that would be incurred by City crews for installations of banners and decorations. It is not anticipated that significant revenue or expenses will be incurred with adoption of the ordinance.

Budget Adjustment: No

Attachments:

1. 4957 Banner-Flag Ordinance (2nd reading)



City of Ellensburg Banner Application

Return application to:

City of Ellensburg
Public Works Department
501 N. Anderson St.
Ellensburg, WA 98926
(509) 962-7230
pubworks@ci.ellensburg.wa.us

Vertical Banners & 4th Ave Street Banner

Central Washington University
Scheduling Services
400 E University Way Ellensburg, WA 98926
(509) 963-1321
schedule@cwu.edu

University Way Street Banner

Please submit this application a minimum of 30 days and no more than 12 (twelve) months in advance of the proposed installation. There is a \$50.00 non-refundable application fee; additional fees will be assessed based on the type and number of banners requested in this application.

1. Applicant Information

Applications will only be accepted from qualified nonprofit organizations and must meet all the following criteria:

1. The organization must maintain an office or other presence in the city of Ellensburg; and
2. The organization has obtained IRS certification as tax exempt; and
3. The organization is the primary organizer of the community event or city-sponsored event.

Name of Organization:

Mailing Address:

Website:

Name of Applicant/Event Organizer:

Phone:

Email:

Secondary Contact:

Phone:

Email:

Does the organization maintain an office or other presence in the city of Ellensburg?

☐ YES

☐ NO

Has the organization obtained IRS certification as tax-exempt?

☐ YES

☐ NO

Is the organization the primary organizer of the community or city-sponsored event?

☐ YES

☐ NO

The purpose of authorizing street and vertical banners in the city right-of-way, is to allow for the display of public service messages and announcements promoting community events taking place within the city of Ellensburg and sponsored by government, nonprofit or other charitable organizations in accordance with ECC 3.44

2. Event Information

Name of Community or City-Sponsored Event:

Purpose or Description of Event:

Description of Banner to be approved:

Date(s) of Event:

Banner Installation Date:

Banner Removal Date:

3. Banner Information (See specifications below this section for reference)

Are you applying for placement of Vertical Banners?

☐ YES ☐ NO

See attached vicinity map and **circle** all requested banner placement locations.

Number of Locations _____

Select the Street Banners you are applying for:

- ☐ 4th Ave Street Banner
- ☐ University Way Street Banner
- ☐ None

For Vertical Banner placement, will all installation take place from the city sidewalk? ☐ YES ☐ NO ☐ N/A

The table provided is a generalization pertaining to the installation of banners and flags in the city right-of-way. For full code language, see Chapter 3.44 of the Ellensburg City Code.

Banner Information, Requirements and Specifications

	Vertical Banner	Street Banner
General Description	Banner that is similar in shape and size of a flag, which is hung in a generally vertical manner from an approved streetlight or other pole	Banner that is non-illuminated, which is hung across a public right-of-way at an approved location
Approved Locations	See attached vicinity map for approved installation locations	- West 4th Ave between Main Street and Pearl Street - East University Way between North Wildcat Way and North Chestnut Street
Banner Specifications Any deviation to specifications requires prior approval	Flags shall be 3' (height) x 5' (length) and securely attached to an 8' flagpole that is 1 1/4" in diameter	20' – 30' long x 44" wide 3/8" Grommets every 12" on center 6.75" wind holes near the top and bottom of the sign every 30" on center for the entire length of the banner
Installation and Removal by	- Licensed and Bonded Installer for banners requiring traffic control and installation from the street - If the banners can be installed from the sidewalk and do not impede the travel lane, the applicant may install the banners	4th Ave Banner: City of Ellensburg upon availability and during regular business hours University Way Banner: Central Washington University
Application to be Submitted to	City of Ellensburg Public Works Department	4th Ave Banner: City of Ellensburg Public Works Department University Way Banner: Central Washington University Scheduling Services
Review and Approval Required by	City of Ellensburg Public Works Director. The Director may refer any Banner application to City Council for approval	4th Ave Banner: City Manager, following recommendation by the Public Works Director University Way Banner: Both CWU and the City of Ellensburg will need to review and approve this location

4. Submittal Requirements (Please provide and check off the following with your application submittal)

Vertical Banner

- ☐ Copy of IRS certificate as proof for being a qualified tax-exempt nonprofit organization
- ☐ Completed Vicinity Map showing all circled locations for requested banner placement
- ☐ Draft artwork, mockups and/or photographs of proposed banner, and message to be printed, together with any acknowledgement of sponsors and/or sponsors' logos
- ☐ Sample specifications including but not limited to: banner dimensions and material, product weight, flag pole diameter and sizes, grommet and attachment details, etc.
- ☐ Certificate of Liability Insurance from the applicant, naming the City of Ellensburg as the Certificate Holder, with proof of commercial general liability protection as required under ECC 3.12.140(B)
- ☐ For installation that requires use of a travel lane, a traffic control plan must be submitted and a certified installer with appropriate insurance and licensing must be selected
 - ☐ **N/A, installation work will only take place on a city sidewalk**
- ☐ Signed Hold Harmless Agreement, included in this application
- ☐ Other _____
- ☐ **N/A, I am not applying for a vertical banner**

Street Banner

- ☐ Copy of IRS certificate as proof for being a qualified tax-exempt nonprofit organization
- ☐ Draft artwork, mockups and/or photographs of proposed banner, and message to be printed, together with any acknowledgement of sponsors and/or sponsors' logos
- ☐ Sample specifications including but not limited to: banner dimensions and material, product weight, grommet size and spacing, wind hole size, spacing, and placement, attachment details, etc.
- ☐ Certificate of Liability Insurance from the applicant, naming the City of Ellensburg as the Certificate Holder, with proof of commercial general liability as required under ECC 3.12.140(B)
- ☐ Signed Hold Harmless Agreement, included in this application
- ☐ Other _____
- ☐ **N/A, I am not applying for a street banner**

Fee Schedule			Permit Fee Total
Public Works Application Fee: \$50.00			\$50.00
<u>Vertical Banner Fee</u>			
1-25 Flags \$200.00	26-50 Flags \$400.00	51-75 Flags \$600.00	\$ _____
4 th Ave Street Banner Fee: \$700.00			\$ _____
University Way Street Banner Fee: Established by CWU			\$ _____
TOTAL FEE: \$ _____			

5. Insurance Requirements

The applicant must provide a Certificate of Liability Insurance (ACORD) form with the City of Ellensburg named as the Certificate Holder and must meet the minimum general liability requirements as set forth in ECC 3.12.140(B).

For installation that requires use of a travel lane, a certified sign installer must provide a Certificate of Liability Insurance (ACORD) form with the City of Ellensburg named as the Certificate Holder, and must meet the requirements of Section 9 of the city's Public Works Development Standards.

License and Insurance Information for Certified Sign Installer				☐ N/A
Business Name:		Day Phone:		
Mailing Address:				
E-mail:				
Contact Name:		Cell Phone		
Contractor License No:		Expiration Date:		
Business License No:		Expiration Date:		

A Banner Permit will not be issued until all required insurance documents have been received, verified, and approved.

6. Hold Harmless and Indemnification Agreement

Permittee/Organization shall defend, indemnify and hold harmless the City of Ellensburg, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the acts or omissions of the Permittee/Organization, its employees, volunteers, representatives, or vendors, or from any activity, work or thing done, permitted, or suffered by Permittee/Organization, related to the permitted activity, except only such injury or damage as shall have been occasioned by the sole negligence of the City of Ellensburg.

Permittee/Organization certifies that he/she is at least 18 years old and authorized to sign on behalf of the Organization.

Applicant's/Organizer's Signature

Date

Title: _____

The Public Works Director reserves the right to modify this permit application or request additional information regarding application submittal

----- (FOR OFFICIAL USE ONLY) -----

Received Date:		Received By:	
PW Permit #:		Needs Approval For:	☐ VB ☐ SB (4 th) ☐ SB (Univ.)
Total Fee Amount:		Paid Stamp Here	
Fee Paid By:			
Payment Method:			
Payment Reference No:			

PERMIT DENIED FOR THE FOLLOWING REASONS: _____

CONDITIONS OF APPROVAL: _____

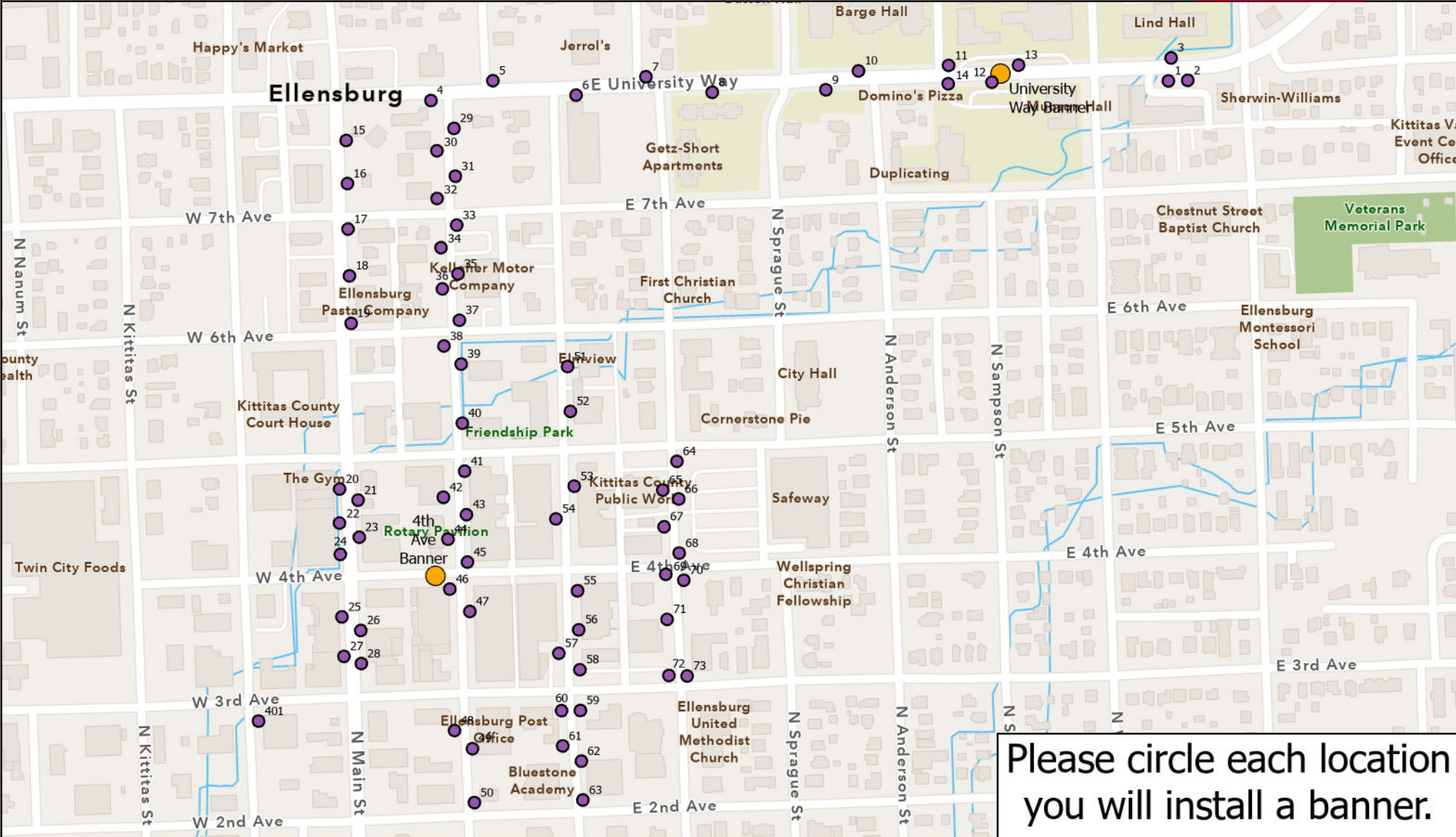
PERMIT APPROVALS			☐ N/A
Vertical Banner Installation Approval required by Public Works Director			
_____	_____	_____	
<i>Name and Title</i>	<i>Date</i>	<i>Signature</i>	

PERMIT APPROVALS			☐ N/A
4th Avenue Street Banner Installation Approval required by City Manager			
_____	_____	_____	
<i>Name and Title</i>	<i>Date</i>	<i>Signature</i>	

PERMIT APPROVALS			☐ N/A
University Way Street Banner Installation Approval required by Central Washington University and City Manager			
_____	_____	_____	
<i>Name and Title</i>	<i>Date</i>	<i>Signature</i>	
_____	_____	_____	
<i>Name and Title</i>	<i>Date</i>	<i>Signature</i>	

Street and Vertical Banner Vicinity Map

City of Ellensburg Public Works Department



Please circle each location you will install a banner.

Published 3/13/2025

- Vertical Banners
- Street Banner



ORDINANCE NO. 4957

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, RELATING TO REGULATION OF BANNERS, SIDEWALK FLAGS AND DECORATIONS IN THE CITY'S RIGHTS-OF-WAY, AND ADDING A NEW CHAPTER ENTITLED "3.44 BANNERS, SIDEWALK FLAGS AND DECORATIONS IN CITY RIGHTS-OF-WAY" TO TITLE 3 OF THE ELLENSBURG CITY CODE.

WHEREAS, the City Council finds and determines that a new chapter should be adopted at Chapter 3.44 of the Ellensburg City Code to provide for new regulations and procedures regarding street banners, vertical banners, sidewalk flags and decorations in the City's right-of-way; and

WHEREAS, the City Council desires to establish clear regulations regarding the display of all banners, sidewalk flags and decorations in the City's right-of-way; and

WHEREAS, the City Council declares and affirms that flagpoles on City of Ellensburg property are not intended to serve as a forum for free expression by the public, but rather as a non-public forum for the display of flags as required by law, for the expression of the City's official government speech, or both; and

WHEREAS, the local Boy Scout troop has a history of working with Ellensburg businesses to install infrastructure for sidewalk flags, allowing them to seasonally place the flag of the United States in front the businesses on recognized federal holidays; and

WHEREAS, the City Council has previously been presented with information on the regulation of flags, banners and decorations at its study sessions on January 3 and October 2, 2023, and June 3, 2024; and

WHEREAS, City staff met on multiple occasions with stakeholder groups to review draft regulations for flags, banners and decorations in the City right-of-way and the proposed ordinance reflects input from City Council following study sessions, City staff and other stakeholders;

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington do hereby ordain as follows:

Section 1. The recitals set forth above are hereby adopted as the findings of the City Council and are by this reference incorporated herein as if set forth in their entirety.

Section 2. A new chapter entitled "3.44 BANNERS, SIDEWALK FLAGS AND DECORATIONS IN CITY RIGHTS-OF-WAY" is hereby added to Title 3 of the Ellensburg City Code to read as follows:

3.44

Banners, Sidewalk Flags and Decorations in City Rights-Of-Way

Sections:

3.44.010 Purpose.

3.44.020 Compliance with chapter.

3.44.030 Definitions.

3.44.040 Locations for banners, sidewalk flags and decorations.

3.44.050 Permit.

3.44.060 Application for permit; time for submission, criteria, and fee.

3.44.070 Community events; sponsorship.

3.44.080 Permit conditions.

3.44.090 Licensed installer—proof of insurance—hold harmless.

3.44.100 Official flags at city hall and other city buildings.

3.44.110 Violation and penalties.

3.44.010 Purpose.

A. The purpose of this chapter is to ensure the aesthetic character of the city and to promote the public health, safety and general welfare of its residents, by regulating the limited display of banners, sidewalk flags, and decorations over or on specific streets, streetlights or other poles, and sidewalk locations in the city's public right-of-way.

B. This chapter is also intended to avoid visual clutter that may adversely impact traffic and pedestrian safety or be adverse to business opportunities and the city's appearance, to prevent and abate public nuisances, and promote community-wide opportunities and activities within the city.

C. Except as otherwise provided in this chapter, the purpose of authorizing official flags, street banners, vertical banners, sidewalk flags, and decorations in the city right-of-way is to allow for the display of public service messages and announcements promoting community events taking place within the city of Ellensburg and sponsored by government, nonprofit or other charitable organizations. Display of banners, sidewalk flags and decorations in the city right-of-way as provided in this chapter is for the use and benefit of the city of Ellensburg in its exercise of government speech. None of the city's locations for street banners, vertical banners, sidewalk flags or decorations shall constitute or be used as a public forum or in any manner as an open place of public expression.

D. The requirements of this chapter do not apply to banners, sidewalk flags or decorations used as signs and regulated under the city sign code, chapter 3.12 of the Ellensburg City Code.

3.44.020 Compliance with chapter.

A. It is unlawful for any person, firm or corporation to erect, construct, place, attach to, or in any way suspend from any building, light pole standard, support wires, telecommunication or telephone wires in a city right-of-way any street banners, vertical banners, sidewalk flags, decorations, or other decorative material, without first receiving a valid permit issued by the city of Ellensburg, and other than in a city-approved location.

B. This chapter shall not apply to banners, sidewalk flags, or decorations of any type owned and installed by the city or on behalf of the city by contract.

3.44.030 Definitions.

“Banner” means a display that is representative of an entity, organization or event authorized under this chapter other than a governmental jurisdiction, and includes both street banners and vertical banners, but do not include any banner regulated as a sign under Chapter 3.12 ECC.

“City-sponsored event” means an event for which the applicant:

1. is the city of Ellensburg, or one of its departments, divisions, committees, boards or commissions;
2. has an intergovernmental relationship with the city of Ellensburg or an organization for which the city is a member; or
3. is funded in whole or part by the city of Ellensburg.

“Community event” means a recreational, entertainment, educational, charitable or similar event intended and held for the benefit of the entire community, and which is open to attendance by the entire community.

“Decoration” means pennants, balloons, decorative flags and other such temporary displays which are displayed on the exterior surface of a building or lot of record. Decorations as defined herein shall be distinguished from other types of banners, flags and posters by their wide variety of shapes and forms and their lack of letters or figures that display a message which is intended to be read by those who view the decoration.

“Decorative material” means any material that is ornamental and not required for the functionality of the item upon which the material is placed. Decorative material includes, but is not limited to, lights, fabric, streamers, vines, branches or other greenery used for a decorative purpose, streamers, or material used to embellish a sign that does not lie flush with the sign itself or exceeds the sign’s dimensions.

“Decorative purposes” means for the purpose of decoration, rather than advertising or promoting an activity, organization, event or a public service message. Examples of decorative purposes are lights and decorations for various holidays, or the installation of vines, plants or other items to commemorate the changing of the seasons.

“Director” means the public works director, or their designee, of the city of Ellensburg.

“Installer” means a person or entity who physically hangs the vertical banner or decorations over the public right-of-way and who has the required skill and equipment to properly and safely hang the street banner, and who is licensed to perform such installation pursuant to Chapter 3.12 ECC.

“Official flag” means the U.S. flag, the Washington State flag, the POW/MIA flag, and the official flag of other governmental jurisdictions such as city, state or national flags being flown at city buildings and facilities, but does not include the U.S. Flag when being flown on poles in the right-of-way installed by a local community service organization(s).

“Right-of-way” means land dedicated to, or owned by, the city and held open for public travel and includes, but is not limited to, city roads, streets, sidewalks and alleys.

“Sidewalk flag” means the United States flag which is placed in existing flag post holes in the sidewalk installed in the city right-of-way by a local troop of the Boy Scouts of America.

“Street banner” means a non-illuminated sign consisting of fabric and containing a public service message or community event announcement which is hung across a public right-of-way at an approved location.

“Vertical banner” means a banner similar in shape and size of a flag, consisting of fabric and containing a public service message, a community event announcement or approved decorative images, which is hung in a generally vertical manner in public right-of-way, typically from a flagpole or other attachments to a streetlight or other pole.

3.44.040 Locations for banners, sidewalk flags and decorations.

A. Street banners. The following locations have approved poles and supporting wires for street banners, and are the only locations within the city authorized for display of street banners:

1. West 4th Avenue between Main Street and Pearl Street; and
2. East University Way between North Wildcat Way and North Chestnut Street.

B. Locations for Streetlight Poles used for Vertical Banners and Decorations; Sidewalk Flags Locations.

1. Streetlight poles with existing individual brackets for vertical banners or decorations are located within the areas zoned Central Commercial (CC), Central Commercial II (CC II), Commercial Highway (CH) and Public Reserve (PR).
2. Sidewalk Flag Locations in Sidewalk Right-of-Way. Sidewalk flags may be posted where flag post holes have been installed in sidewalks in the city right-of-way.
3. Maps of streetlight poles and flag post holes appropriate for use as permitted in this chapter shall be made available by the public works department.

3.44.050 Permit.

Permits for the installation of street banners, vertical banners or decorations shall be issued only when permission has been granted as set forth in this chapter.

3.44.060 Application for permit; sidewalk flag approval; time for submission, criteria, and fee.

A. Application to Be Submitted by Qualified Applicants. Applications to hang a street banner, vertical banner, or decoration shall be accepted only from qualified nonprofit organizations meeting all the following criteria:

1. An organization that maintains an office or other presence in the city of Ellensburg; and
2. The organization has obtained IRS certification as tax-exempt; and
3. The organization is the primary organizer of a community event or city-sponsored event.

B. Sidewalk Flags. The local troop of the Boys Scouts of America that seeks to install new sidewalk holes is exempt from the application requirements in this section as well as the requirements of ECC 3.44.080 (Permit conditions) and 3.44.090 (Licensed installer—proof of insurance—hold harmless); however, they must submit information to the director including, but not limited to, the location of the installation(s) and proof of permission from the adjacent property owner. New sidewalk holes may only be installed upon written approval of the director. There are no fees associated with installation of sidewalk flag holes.

C. Time for Submission of Application. Permit applications, along with applicable fees, shall be submitted not more than twelve months nor less than thirty days prior to the proposed installation

of the street banner, vertical banner, or decoration. Notwithstanding the foregoing, the Ellensburg Rodeo Association shall have the exclusive right to apply for use of the vertical banners regulated by this chapter for the period of three weeks prior to the start, and one week after completion, of the Ellensburg Rodeo.

D. Contents of Application. The permit application shall be in writing and shall contain the following information:

1. Date(s) of event;
2. Name and purpose of event;
3. Date of installation of street banner, vertical banner, or decoration, and date of removal;
4. Proposed location for street banner, vertical banner, or decoration;
5. Inclusion of draft artwork and/or photographs, sample specifications and message to be printed on the street banner, vertical banner, or decoration, together with any acknowledgement of sponsors and/or sponsors' logos;
6. Documentation of IRS tax-exempt certificate, if applicable;
7. Contact person, name, email address and phone number;
8. Any other information deemed necessary and appropriate by the director; and
9. Name, address and contact information of licensed installer, if any.

E. Application Review.

1. Application for Vertical Banners or Decorations.

- a. Upon the receipt of said application for vertical banners or decorations, the director shall review the application for compliance with the provisions of this chapter, and whether the installation of the vertical banner, or decoration will be likely to constitute a hazard to the safety of the residents of the city of Ellensburg.
- b. The director may order the issuance of a permit if, in the exercise of their judgment and discretion, the director determines, in consultation with appropriate city staff, that the proposed vertical banner, or decoration is compliant with the provisions of this chapter and that installation thereof, as proposed, could be made and thereafter maintained with reasonable safety.
- c. The director may approve, deny or require modification of the proposed vertical banner(s) or decoration(s) to meet the requirements of this chapter. Notwithstanding the foregoing, the director may refer any application under this section to the city council at the next scheduled council meeting for consideration of whether it should be approved.

2. Application for Street Banner.

- a. An application for the use of street banner shall be filed with:
 - 1) Central Washington University Scheduling Services for the University Way location; and
 - 2) the director for the W. 4th Avenue and N. Pearl Street location.

b. An application for a street banner requires review and recommendation for approval or denial by the director to the city manager, who may approve, deny or require modification of the proposed street banner to meet the requirements of this chapter.

c. Street banners affiliated with Central Washington University shall have scheduling priority for the University Way street banner location.

G. Fees. The application and permit fee, if any, shall be included in the fee schedule adopted in the Public Works Department Development Standards and approved by city council. Fees for the University Way street banner location shall be established by Central Washington University.

3.44.070 Community events; sponsorship.

A. Except as otherwise set forth below, street banners, vertical banners, and decorations shall be used only to promote community or city-sponsored events within the city of Ellensburg, and not solely for the promotion of the organization or its products or services. No requests shall be approved for banners of any type, or decorations, promoting the following types of events:

1. Commercial product sales, services or events;
2. Advocating for or against a particular political party, candidate for office or ballot proposition; or
3. Religious events or services that promote or promulgate any particular religious belief, creed, tenet or denomination. Banners or decorations for non-denominational or fundraising events sponsored by religious and other nonprofit organizations may be permitted so long as they are for the promotion of community events and not advertising of the organization or its products.

B. Commercial Sponsorship. A banner may include a portion acknowledging a commercial sponsor of the banner or the community or city-sponsored event. Such acknowledgement may contain a representation of the sponsor's logo, but such acknowledgement or logo shall not comprise the primary message of the banner. The city reserves the right to approve, modify or reject the content of each banner, including but not limited to placement and size of sponsorship acknowledgements and logos.

3.44.080 Permit conditions.

A. Street Banners.

1. Street banners shall conform to the size, material and hardware requirements published by Central Washington University (for the University Way location) or the city's public works department (for the W. 4th Avenue and N. Pearl Street location).
2. Installation and Removal. Street banners may only be installed and removed by authorized city staff for the W. 4th Avenue and N. Pearl Street location and by authorized Central Washington University staff for the East University Way location.

B. Permit Duration. Permits shall be valid for a maximum period of two weeks with the exception that vertical and/or street banners associated with the Ellensburg Rodeo shall be valid for four weeks, and holiday decorations for a reasonable period of time determined in the sole discretion of the city. Requests for permit extensions will be considered by the director based on other permit applications that are pending or approved.

C. Removal. Vertical banners, sidewalk flags or decorations must be removed no later than three days after the permit expiration date or event . If such items are not removed, they will be removed by the city and any costs associated therewith shall be paid by the permit holder.

3.44.090 Licensed installer—proof of insurance—hold harmless.

A. Before any permit shall be issued to a licensed sign installer for the installation of banners or decorations, the licensed sign installer shall provide the city with proof of licensing under ECC 3.12.140(A) and a certificate of insurance as proof of commercial general liability insurance as required by 3.12.140(B). The public works department may also require, if applicable:

1. That the installer provides a traffic control plan that meets the requirements of the Manual of Uniform Traffic Control (MUTCD) and is subject to approval by the city; and
2. The installer or traffic control company provide proof of insurance as required in Section 9 of the city's Public Works Development Standards.

B. Installation of any vertical banner or decorations shall be in conformance with hardware and other installation requirements promulgated by the public works department.

C. No permit shall be issued pursuant to this chapter until the applicant has executed an agreement whereby the applicant agrees to defend, indemnify and hold harmless the city and any of its officers, agents and employees from any and all liability resulting from the granting of said permit. The form of agreement shall be provided by the city.

D. This section shall not apply to sidewalk flags; however, installation of new holes in the right-of-way shall require prior notice to the public works department.

3.44.100 Official flags at city hall and other city buildings.

- A. It is the policy of the city of Ellensburg to correctly honor the flags of the United States, the state of Washington, the POW/MIA recognition, and flags of other governmental entities (as approved by city council), and to ensure a standard for flag display on city property.
- B. The city of Ellensburg shall comply with national and state protocols for flag display and etiquette, as specified in 4 U.S.C. Ch. 1, Sections 6 through 8, as they presently read or as they may be amended.
- C. The city of Ellensburg shall follow the provisions governing the display of flags as required by state law.
- D. Only official flags will be flown on flag poles located at the Ellensburg City Hall or at other city facilities.

3.44.110 Violations and penalties.

- A. It is unlawful for any person, firm or corporation to erect, install, hang, construct, or enlarge any banner or decoration in the city of Ellensburg contrary to or in violation of any provision of this chapter. Any person, firm or corporation violating any of the provisions of this chapter shall be required to remove such banner or decoration to conform to the provisions of this chapter.
- B. Any person, firm or corporation violating any of the provisions of this chapter shall be guilty of a misdemeanor and upon conviction thereof, shall be subject to a penalty of a fine of not more than \$1,000.00 or by imprisonment of not more than 90 days, or both such fine and imprisonment. Each day shall be a separate offense.

Section 3. Section 3.12.340 of the Ellensburg City Code, as last amended by Section 1 of Ordinance 4907, is hereby amended to read as follows:

3.12.340 - Temporary and special signs.

Temporary and special signs or displays are nonpermanent in nature and are intended for use only for a limited period of time. The category includes any banner, pennant, flag or display constructed of canvas, fabric, wood, plastic, metal or other material. All such temporary or special signs are allowed provided they meet the following respective requirements:

- A. Signs displayed prior to, during, and after elections shall not exceed a maximum sign area of ten square feet in the R-S, R-L, R-M, R-O, and MHP zones. In all other zones, said signs shall conform to the sign area requirements applicable to the type of sign used. Such signs shall be

displayed only on private property of consenting property owners. Such signs shall be removed within seven days after the election, except that a candidate who wins a primary election and advances to a general election may continue to display such signs until seven days after the general election. It will be the responsibility of the appropriate campaign manager or candidate for office to remove their signs within the above time.

B. Signs for properties with active construction of a building must obtain a sign permit and specify the amount of time the sign is to be displayed, which in no event shall extend beyond the time a valid building permit for such activity is in effect. Only one such sign is allowed per site not to exceed 48 square feet in size in the R-S, R-L, R-M, and R-O zones. In all other zones, said signs shall conform to the sign area requirements applicable to the type of sign used.

C. Temporary banners and posters as defined in this chapter shall be allowed for use in any commercial or industrial zone, subject to the following limitations. Each business address shall be limited to the display of no more than seven banners or posters at any one time. The aggregate area of all banners or posters displayed at any one time shall not exceed 250 square feet. For the purposes of this chapter, a business address shall be considered a single building or complex or related buildings housing a single business or multiple businesses. Multiple businesses in one building or a related complex of buildings shall be treated as a single business address. The display of such banners and posters shall take place entirely on private property, shall not cause any sight distance or other public safety problems for motorists, pedestrians, or bicyclists, and shall conform to the height requirements for the zone in which located.

D. Temporary decorations as defined in this chapter shall be allowed for use in any business or industrial zone, subject to the following limitations. Each business address shall be limited to the display of temporary decorations which total surface area of all such temporary decorations shall not exceed a total of 250 square feet at any one time. For the purposes of this chapter, a business address shall be considered a single building or complex of related buildings housing a single business or multiple businesses. Multiple businesses in one building or a related complex of buildings shall be treated as a single business address. The display of such temporary decorations shall take place entirely on private property, shall not cause any sight distance or other public safety problems for motorists, pedestrians, or bicyclists and shall conform to the height requirements for the zone in which located.

E. Signs for property for sale or rent for any lot or property in the city shall be located on said property for the time such sale or lease is offered. In the R-S, R-L, R-M, R-O, MHP, and C-N zones, such signs shall not exceed eight square feet in total sign area. If said signs overhang public rights-of-way, they shall be subject to the provisions of ECC 3.12.220(B). In the C-C, C-C II, C-H, I-L, and I-H zones, such signs shall not exceed 48 square feet in total sign area.

~~F. Banners for community events which advertise civic activities such as the Ellensburg Rodeo and Kittitas County Fair and other activities that may from time to time be approved by the city~~

~~council may be supported on those steel strain poles in two locations in the public right-of-way which were constructed for that specific purpose. “Community events” are nonprofit, governmental or charitable festivals, contests, programs, fairs, carnivals, or recreational contests conducted within the city. One set of strain poles is authorized on University Way between N. Walnut Street and N. Anderson Street and one set is authorized on 4th Avenue between Main Street and Pearl Street.~~

~~GF.~~ A-frame signs as defined in this chapter shall be allowed for use in any commercial or industrial zone, subject to the following limitations. For the C-H, C-N, I-L, and I-H zones, each business address shall be allowed for the use of a maximum of one A-frame sign at any one time. For the purposes of this chapter, a business address shall be considered a single building or complex of related buildings housing a single business or multiple businesses. Multiple businesses in one building or complex of related buildings shall be treated as a single business address. Each A-frame sign displayed in the C-H, C-N, I-L and I-H zones shall not exceed a total sign area of 32 square feet on one side and 64 square feet total sign area on all faces and shall be placed a minimum of two feet behind the inside edge of an existing curb if no sidewalk is present. If no sidewalk or curb is present, the A-frame sign shall be placed a minimum of eight feet behind the edge or road pavement. Further, such A-frame sign shall not cause any sight distance or other public safety problems for motorists, pedestrians, or bicyclists.

For the C-C and C-C II zones, each business shall be allowed the use of a maximum of one sidewalk sign at any one time. For the purposes of this chapter, in the C-C and C-C II zones each business which has been issued a separate city business license shall be entitled to the use of one sidewalk sign at any one time. Each sidewalk sign displayed in the C-C or C-C II zones shall not exceed a height of three feet and a width/length of two feet and shall be adequately anchored against movement or overturning due to wind. Such signs shall not cause a hazard or impediment to pedestrians, vehicles, or bicyclists.

~~HG.~~ All signs placed on vehicles, trailers, or portable supports which are parked or located for the primary purpose of displaying said signs are prohibited. This does not apply to signs or lettering on buses, taxis, or vehicles operating during the normal course of business.

~~I. Community Welcome banners, pennants, signs, windsocks, flower baskets, or other displays connoting a welcome from the city of Ellensburg to visitors of the city may, upon prior approval of the council of the city of Ellensburg, be displayed over or on publicly owned land or rights-of-way at a minimum clearance of at least 20 feet for a renewable period of one year, said right to display being subject to the annual review and approval of the council.~~

(Ord. 4907 § 1, 2023; Ord. 4890 § 6, 2022; Ord. 4395, 2004; Ord. 3582 § 1, 1987; Ord. 3402 § 1, 1983)

Section 4. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 5. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 6. Effective Date. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 17th day of March, 2025.

MAYOR

ATTEST:

CITY CLERK

Approved as to form:

CITY ATTORNEY

Publish:

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4957 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4957 was published as required by law.

BETH LEADER



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Ordinance 4958 (2nd Reading) Supplemental Amendment to 2025-2026 Biennial Budget (Public Comment Opportunity)
Submitted by: Gloria Lanphere, Accountant III - Budget Officer
Department: Finance

Suggested Motion/Action:

Conduct second reading and adoption of Ordinance 4958 amending the 2025-2026 Biennial Budget

Background/Summary:

The proposed supplemental budget is a routine budget amendment, and principally carries-forward unspent 2024 budget in to 2025 to allow for project completion. Additionally, the ordinance adopts amendments to the 2025-2026 Biennial Budget to reflect changes in operational requirements and adjustments to capital project plans approved through prior Council action along with other modifications to the Biennial Budget as proposed by the City Manager.

Previous Council Action:

Council adopted the 2025-2026 Biennial Budget via Ordinance 4950 on December 2, 2024, appropriating funds and providing expenditure authority for the two-year period beginning January 1, 2025. Council gave first reading to Ordinance 4958 at the March 3, 2025 reading. Council regularly reviews and approves additional budget adjustments as part of its ongoing review and approval of contracts and purchases.

Analysis:

Since the final biennial budget was adopted, items have been approved by City Council that require a supplemental budget adjustment in order to be implemented. The anticipated budget impacts are presented as part of the City's standard agenda reports that accompany the initial request. The proposed ordinance will officially authorize expenditures in support of previously approved projects and program changes.

Carryforward of unspent 2024 budget includes the Kittitas Valley Memorial Pool Coin Operated Lockers project, shifting anticipated minor EBDA closeout costs to 2025, Telecom utility grant-funded projects to 2025, shifting Electric Utility capital projects to 2025 and 2026, and shifting pre-funded replacement of IT fund assets to 2025. This ordinance also carries forward the Kittitas Valley Memorial Pool North Window Replacement project budget of \$65,000. The new estimate for this project is now \$76,000, and \$11,000 additional expenditure authority is included in the ordinance.

Previously approved projects and program changes that have come before Council since the

approval of the 2025-2026 biennial budget include expenditure authority for the IT Departments Cyber Risk Grant from Washington Military Department & US Department of Homeland Security in the amount of \$83,500, designating local matching funds for the Vantage Highway Shared Use Pathway and 3rd Ave Paverstone Pathway and Historic Lighting grant awards, and a change order for additional services related to the design of Bull Rd. and Mountain View Ave. intersection enhancements.

There were three additional items that were inadvertently omitted from the 2025-2026 budget as adopted: \$2,500 of the Employee Wellness Gym Allowance budget for 2025, Recreation staff personnel costs of \$23,871 in 2026, and budget for the ancillary costs of the additional 1 FTE plant maintenance position in the Water Division adopted in the 2025/2026 biennial Budget.

And finally, there have been a few more items that have been added since the first reading at the March 3 Council meeting. The ordinance now reflects the carry forward the balance of the USDA / FISH Foodbank Warehouse Expansion grant of \$555,625 in the General Fund; carryforward of 2024 historic preservation grants approved by Council on December 16, 2024 in the amount of \$12,908; and lastly a true-up of \$524 additional expenditure authority for Council Adopted Community Grants awarded for 2025.

Of the proposed additional combined expenditure authority of \$9.5 million for both years of the biennium, approximately \$8.3 million is carryforward of unspent budget from 2024.

Detailed figures for each item by fund, are included in Table 1. A summary of all items by fund are identified in Tables 2 and 3.

Financial Impact:

The proposed ordinance increases budgeted 2025 expenditures by approximately \$7.79 million, revenue by approximately \$1.57 million and budgeted beginning fund balance by approximately \$6.79 million. The effect of the proposed ordinance increases the anticipated 2025 ending fund balance by approximately \$578,962.

The proposed ordinance increases budgeted 2026 expenditures by approximately \$1.75 million and decreases anticipated 2026 ending fund balance by \$1.17 million. For each budgeted fund the proposed amendments maintain anticipated 2025 and 2026 ending fund balances within required fund balance thresholds.

Budget Adjustment: No

Attachments:

1. Table 1- Supplemental Items by Fund (2nd reading)
2. Tables 2 and 3- Budget Adjustments by Fund
3. Ordinance 4958- 2025-2026 First Supplemental Budget (Second Reading)
4. Ordinance 4958- Exhibit A and B- All Funds as Amended

Table 1 - Supplemental Items by Fund (Second Reading)

Fund/Item	Bud. Beg. Fund Balance	2025 Revenues	2025 Expenditures	Bud. Ending Fund Balance	Bud. Beg. Fund Balance	2026 Revenues	2026 Expenditures	Bud. Ending Fund Balance
<i>*Carryforward item</i>								
General Fund								
*WA Traffic Safety X52 DUI Grant	(2,941)	2,941	-	-				-
*Periodic update of Comprehensive Plan	24,268	-	24,268	-				-
*KVMP Locker Replacement	14,000	600	14,000	600	600	1,200	-	1,800
*Donation from Jan Lebo	(10,000)	10,000	-	-				-
*Historic Preservation Grant	12,908	-	12,908	-				-
*USDA FISH Warehouse Grant	-	555,625	555,625	-				-
*KVMP North Window Replacement	65,000	-	65,000	-				-
KVMP North Window Replacement		-	11,000	(11,000)	(11,000)	-		(11,000)
Employee Wellness Gym Allowance Expansion		-	2,500	(2,500)	(2,500)	-		(2,500)
Error Correction - Recreation Staffing 2026				-		-	23,871	(23,871)
Community Grants Amount Update		-	524	(524)	(524)	-	-	(524)
General Fund Total	103,235	569,166	685,825	(13,424)	(13,424)	1,200	23,871	(36,095)
General Sub-Funds								
Economic Development Investments Fund								
*EBDA Economic Development Close out	(263,194)	272,000	8,806	-				-
Economic Development Investments Fund Total	(263,194)	272,000	8,806	-				-
General Sub-Funds Total	(263,194)	272,000	8,806	-				-
Special Revenue Funds								
Street Fund								
*Crosswalk Striping Retainage	6,235	-	6,235	-				-
Street Fund Total	6,235	-	6,235	-				-
Arterial Street Fund								
Vantage Highway Shared Use Pathway matching funds		-	20,000	(20,000)	(20,000)	-	147,000	(167,000)
Bull Rd /Mountain View Enhancements change order		20,580	20,580	-				-
Arterial Street Fund Total		20,580	40,580	(20,000)	(20,000)	-	147,000	(167,000)
Traffic Impact Fee Fund								
Vantage Highway Shared Use Pathway matching funds		-	20,000	(20,000)	(20,000)	-	167,000	(187,000)
Bull Rd /Mountain View Enhancements change order		-	20,580	(20,580)	(20,580)	-		(20,580)
Traffic Impact Fee Fund Total		-	40,580	(40,580)	(40,580)	-	167,000	(207,580)
Public Transit Fund								
*Ellensburg Central Transit Professional Services	41,088	-	41,088	-				-
3rd Avenue Paverstone Pathway matching funds		-	20,000	(20,000)	(20,000)	-	433,000	(453,000)
Public Transit Fund Total	41,088	-	61,088	(20,000)	(20,000)	-	433,000	(453,000)
Special Revenue Funds Total	47,323	20,580	148,483	(80,580)	(80,580)	-	747,000	(827,580)

Table 1 (Continued) - Supplemental Items by Fund (Second Reading)

Fund/Item	Bud. Beg. Fund Balance	2025 Revenues	2025 Expenditures	Bud. Ending Fund Balance	Bud. Beg. Fund Balance	2026 Revenues	2026 Expenditures	Bud. Ending Fund Balance
<i>*Carryforward item</i>								
Capital Projects Funds								
Sidewalk Fund								
Vantage Highway Shared Use Pathway matching funds		20,000	20,000	-		-	147,000	(147,000)
Sidewalk Fund Total		20,000	20,000	-		-	147,000	(147,000)
Capital Projects Funds Total		20,000	20,000	-		-	147,000	(147,000)
Enterprise Funds								
Telecom Utility Fund								
*Telecom Utility Projects	(149,041)	636,167	487,126	-			-	-
Telecom Revenue Update		(27,034)	-	(27,034)	(27,034)		-	(27,034)
Telecom Utility Fund Total	(149,041)	609,133	487,126	(27,034)	(27,034)		-	(27,034)
Natural Gas Utility Fund								
*HEAR Grant	3,201,887	-	3,201,887	-				-
*New Mains - Reliability and Redundancy	200,000	-	200,000	-				-
*Corrosion Prevention System Maintenance	30,000	-	30,000	-				-
Natural Gas Utility Fund Total	3,431,887	-	3,431,887	-				-
Electric Utility Fund								
*Dollarway Substation Improvement	1,782,856	-	1,782,856	-				-
*South Substation Land Purchase	500,000	-	500,000	-				-
*Mt View Reconductor	800,000			800,000	800,000	-	800,000	-
Electric Utility Fund Total	3,082,856	-	2,282,856	800,000	800,000	-	800,000	-
Water Utility Fund								
Error Correction- Water Maintenance Position Costs		-	100,000	(100,000)	(100,000)	-	30,000	(130,000)
Water Utility Fund Total		-	100,000	(100,000)	(100,000)	-	30,000	(130,000)
Wastewater Utility Fund								
General Sewer System Plan-Amend #3		-	-	-				-
Wastewater Utility Fund Total		-	-	-				-
Enterprise Funds Total	6,365,702	609,133	6,301,869	672,966	672,966	-	830,000	(157,034)
Internal Service Funds								
IT Fund								
*Computer Replacements	130,000	-	130,000	-				-
*Server Replacements	338,000	-	338,000	-				-
*Network Equipment Repairs	73,000	-	73,000	-				-
Cyber Security Grant		83,500	83,500	-				-
IT Fund Total	541,000	83,500	624,500	-				-
Internal Service Funds Total	541,000	83,500	624,500	-				-
Grand Total	6,794,066	1,574,379	7,789,483	578,962	578,962	1,200	1,747,871	(1,167,709)

Table 2
City of Ellensburg

2025 Summary of Budget Adjustments by Fund

	Bud. Beg. Fund	2025	2025	Bud. Ending
	Balance	Revenues	Expenditures	Fund Balance
General Fund	\$103,235	\$569,166	\$685,825	-\$13,424
Managerial Funds of the General Fund				
Econ. Dev. Investments Fund	-263,194	272,000	8,806	0
Sales Tax Reserve Fund	0	0	0	0
Art Acquisition Fund	0	0	0	0
Grants Fund (CARES/ARPA/CCA)	0	0	0	0
Library Trust Fund	0	0	0	0
Hal Holmes Trust Fund	0	0	0	0
Fire Relief & Pension Trust Fund	0	0	0	0
Total Managerial Funds of the GF	-263,194	272,000	8,806	0
Special Revenue Funds				
Street Fund	6,235	0	6,235	0
Arterial Street Fund	0	20,580	40,580	-20,000
Traffic Impact Fees Fund	0	0	40,580	-40,580
Public Transit Fund	41,088	0	61,088	-20,000
Criminal Justice Sales Tax Fund	0	0	0	0
Drug Fund	0	0	0	0
CATV Operations Fund	0	0	0	0
CATV Capital Fund	0	0	0	0
Parks Acquisition Fund	0	0	0	0
Lodging Tax Fund	0	0	0	0
Housing Fund	0	0	0	0
Total Special Revenue Funds	47,323	20,580	148,483	-80,580
Debt Service Funds				
Facilities Imp. Debt Service Fund	0	0	0	0
2010 Maint. Bond Debt Service Fund	0	0	0	0
LID Guaranty Fund	0	0	0	0
Total Debt Service Funds	0	0	0	0
Capital Project Funds				
Fieldhouse Development Fund	0	0	0	0
Cap. Imp. Bond Projects Fund	0	0	0	0
General Capital Projects Fund	0	0	0	0
Sidewalk Fund (REET1)	0	20,000	20,000	0
Rec. Facilities Fund (REET 2)	0	0	0	0
Total Capital Project Funds	0	20,000	20,000	0
Enterprise Funds				
Stormwater Utility Fund	0	0	0	0
Telecommunications Utility Fund	-149,041	609,133	487,126	-27,034
Gas Utility Fund	3,431,887	0	3,431,887	0
Electric Utility Fund	3,082,856	0	2,282,856	800,000
Water Utility Fund	0	0	100,000	-100,000
Sewer Utility Fund	0	0	0	0
Total Enterprise Funds	6,365,702	609,133	6,301,869	672,966
Internal Service Funds				
Shop & Warehouse Fund	0	0	0	0
General Facilities Fund	0	0	0	0
Health & Benefits Fund	0	0	0	0
Risk Management Fund	0	0	0	0
Information Technology Fund	541,000	83,500	624,500	0
Geographic Info. Systems Fund	0	0	0	0
Total Internal Service Funds	541,000	83,500	624,500	0
All Funds	\$6,794,066	\$1,574,379	\$7,789,483	\$578,962

City of Ellensburg

2026 Summary of Budget Adjustments by Fund

	Bud. Beg. Fund Balance	2026 Revenues	2026 Expenditures	Bud. Ending Fund Balance
General Fund	-\$13,424	\$1,200	\$23,871	-\$36,095
Managerial Funds of the General Fund				
Econ. Dev. Investments Fund	0	0	0	0
Sales Tax Reserve Fund	0	0	0	0
Art Acquisition Fund	0	0	0	0
Grants Fund (CARES/ARPA/CCA)	0	0	0	0
Library Trust Fund	0	0	0	0
Hal Holmes Trust Fund	0	0	0	0
Fire Relief & Pension Trust Fund	0	0	0	0
Total Managerial Funds of the GF	0	0	0	0
Special Revenue Funds				
Street Fund	0	0	0	0
Arterial Street Fund	-20,000	0	147,000	-167,000
Traffic Impact Fees Fund	-40,580	0	167,000	-207,580
Public Transit Fund	-20,000	0	433,000	-453,000
Criminal Justice Sales Tax Fund	0	0	0	0
Drug Fund	0	0	0	0
CATV Operations Fund	0	0	0	0
CATV Capital Fund	0	0	0	0
Parks Acquisition Fund	0	0	0	0
Lodging Tax Fund	0	0	0	0
Housing Fund	0	0	0	0
Total Special Revenue Funds	-80,580	0	747,000	-827,580
Debt Service Funds				
Facilities Imp. Debt Service Fund	0	0	0	0
2010 Maint. Bond Debt Service Fund	0	0	0	0
LID Guaranty Fund	0	0	0	0
Total Debt Service Funds	0	0	0	0
Capital Project Funds				
Fieldhouse Development Fund	0	0	0	0
Cap. Imp. Bond Projects Fund	0	0	0	0
General Capital Projects Fund	0	0	0	0
Sidewalk Fund (REET1)	0	0	147,000	-147,000
Rec. Facilities Fund (REET 2)	0	0	0	0
Total Capital Project Funds	0	0	147,000	-147,000
Enterprise Funds				
Stormwater Utility Fund	0	0	0	0
Telecommunications Utility Fund	-27,034	0	0	-27,034
Gas Utility Fund	0	0	0	0
Electric Utility Fund	800,000	0	800,000	0
Water Utility Fund	-100,000	0	30,000	-130,000
Sewer Utility Fund	0	0	0	0
Total Enterprise Funds	672,966	0	830,000	-157,034
Internal Service Funds				
Shop & Warehouse Fund	0	0	0	0
General Facilities Fund	0	0	0	0
Health & Benefits Fund	0	0	0	0
Risk Management Fund	0	0	0	0
Information Technology Fund	0	0	0	0
Geographic Info. Systems Fund	0	0	0	0
Total Internal Service Funds	0	0	0	0
All Funds	\$578,962	\$1,200	\$1,747,871	-\$1,167,709

ORDINANCE NO. 4958

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, AMENDING THE 2025-2026 BIENNIAL BUDGET FOR THE CITY OF ELLENSBURG, WASHINGTON AS SET FORTH IN ORDINANCE NO. 4950, TO ADJUST APPROPRIATIONS IN THE CITY’S FUNDS.

WHEREAS, the City Council approved Ordinance No. 4950 on December 2, 2024, which adopted a biennial budget for fiscal years 2025-2026; and

WHEREAS, Ch. 35A.34 RCW provides procedures for adopting, managing, and amending a biennial budget; and

WHEREAS, the City Manager has identified the need to make certain revisions to the 2025-2026 biennial budget; and

WHEREAS, the City Council has reviewed the proposed adjustments to the budget and has determined that they should be made;

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington do hereby ordain as follows:

Section 1. 2025-2026 Supplemental Budget. The 2025-2026 Biennial Budget for the City of Ellensburg for the period January 1, 2025 through December 31, 2026, as authorized in Ordinance 4950, is hereby amended as revised in attached Exhibits A and B, and are hereby appropriated for expenditure at the fund level during the 2025-2026 biennium.

Section 2. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 3. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of the ordinance or a summary thereof consisting of the title.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 17th day of March, 2025.

MAYOR

ATTEST:

CITY CLERK

Approved as to form:

CITY ATTORNEY

Publish:

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4958 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4958 was published as required by law.

BETH LEADER

City of Ellensburg				
2025 Budget - All Funds as Amended				
	Bud. Beg. Fund	2025	2025	Bud. Ending
	Balance	Revenues	Expenditures	Fund Balance
General Fund	\$5,110,536	\$22,215,074	\$23,489,459	\$3,836,151
Managerial Funds of the General Fund				
Econ. Dev. Investments Fund	367,218	272,000	8,806	630,412
Sales Tax Reserve Fund	1,204,416	6,383,912	7,056,734	531,594
Art Acquisition Fund	58,353	51,000	105,000	4,353
Grants Fund (CARES/ARPA/CCA)	1,800,881	750,000	2,100,881	450,000
Library Trust Fund	378,188	7,500	8,974	376,714
Hal Holmes Trust Fund	180,193	4,500	1,472	183,221
Fire Relief & Pension Trust Fund	887,553	232,767	163,852	956,468
Total Managerial Funds of the GF	4,876,802	7,701,679	9,445,719	3,132,762
Special Revenue Funds				
Street Fund	992,217	2,658,227	3,119,134	531,310
Arterial Street Fund	4,052,400	4,505,451	5,808,044	2,749,807
Traffic Impact Fees Fund	644,964	389,387	158,330	876,021
Public Transit Fund	5,496,660	2,635,127	3,230,015	4,901,772
Criminal Justice Sales Tax Fund	2,404,314	2,051,226	2,055,166	2,400,374
Drug Fund	27,625	3,100	10,000	20,725
CATV Operations Fund	102,752	81,536	86,109	98,179
CATV Capital Fund	69,451	0	0	69,451
Parks Acquisition Fund	462,455	101,820	0	564,275
Lodging Tax Fund	1,634,549	687,000	550,966	1,770,583
Housing Fund	2,489,916	1,207,406	1,104,870	2,592,452
Total Special Revenue Funds	18,377,303	14,320,280	16,122,634	16,574,949
Debt Service Funds				
Facilities Imp. Debt Service Fund	361,381	562,327	563,326	360,382
2010 Maint. Bond Debt Service Fund	86,815	186,403	186,403	86,815
LID Guaranty Fund	153,508	5,000	0	158,508
Total Debt Service Funds	601,704	753,730	749,729	605,705
Capital Project Funds				
Fieldhouse Development Fund	6,191,694	572,000	485,232	6,278,462
Cap. Imp. Bond Projects Fund	348,384	500,000	848,384	0
General Capital Projects Fund	116,203	0	0	116,203
Sidewalk Fund (REET1)	511,529	396,000	363,000	544,529
Rec. Facilities Fund (REET 2)	563,082	313,431	100,000	776,513
Total Capital Project Funds	7,730,892	1,781,431	1,796,616	7,715,707
Enterprise Funds				
Stormwater Utility Fund	857,796	3,518,351	3,802,605	573,542
Telecommunications Utility Fund	330,816	1,019,457	1,029,329	320,944
Gas Utility Fund	5,917,999	15,122,537	18,290,132	2,750,404
Electric Utility Fund	15,060,134	22,634,757	31,507,586	6,187,305
Water Utility Fund	6,998,477	6,978,953	8,757,700	5,219,730
Sewer Utility Fund	6,343,772	8,266,225	10,192,243	4,417,754
Total Enterprise Funds	35,508,994	57,540,280	73,579,595	19,469,679
Internal Service Funds				
Shop & Warehouse Fund	9,833,559	3,806,562	3,140,993	10,499,128
General Facilities Fund	133,918	1,053,744	1,012,752	174,910
Health & Benefits Fund	1,086,219	10,000	1,096,219	0
Risk Management Fund	1,312,181	1,076,102	1,110,829	1,277,454
Information Technology Fund	1,789,914	2,998,071	3,356,503	1,431,482
Geographic Info. Systems Fund	745,542	349,127	538,095	556,574
Total Internal Service Funds	14,901,333	9,293,606	10,255,391	13,939,548
All Funds	\$87,107,564	\$113,606,080	\$135,439,143	\$65,274,501

City of Ellensburg				
2026 Budget - All Funds as Amended				
	Bud. Beg. Fund	2026	2026	Bud. Ending
	Balance	Revenues	Expenditures	Fund Balance
General Fund	\$3,836,151	\$20,726,527	\$23,500,687	\$1,061,991
Managerial Funds of the General Fund				
Econ. Dev. Investments Fund	630,412	0	0	630,412
Sales Tax Reserve Fund	531,594	6,475,071	6,506,164	500,501
Art Acquisition Fund	4,353	51,000	50,000	5,353
Grants Fund (CARES/ARPA/CCA)	450,000	0	300,000	150,000
Library Trust Fund	376,714	7,500	8,983	375,231
Hal Holmes Trust Fund	183,221	4,000	1,546	185,675
Fire Relief & Pension Trust Fund	956,468	231,888	168,522	1,019,834
Total Managerial Funds of the GF	3,132,762	6,769,459	7,035,215	2,867,006
Special Revenue Funds				
Street Fund	531,310	2,857,106	3,310,869	77,547
Arterial Street Fund	2,749,807	6,807,651	8,237,557	1,319,901
Traffic Impact Fees Fund	876,021	389,387	1,034,750	230,658
Public Transit Fund	4,901,772	1,716,376	3,208,022	3,410,126
Criminal Justice Sales Tax Fund	2,400,374	2,070,984	2,141,069	2,330,289
Drug Fund	20,725	3,100	5,000	18,825
CATV Operations Fund	98,179	75,954	86,047	88,086
CATV Capital Fund	69,451	0	0	69,451
Parks Acquisition Fund	564,275	101,820	0	666,095
Lodging Tax Fund	1,770,583	687,000	625,975	1,831,608
Housing Fund	2,592,452	805,406	742,770	2,655,088
Total Special Revenue Funds	16,574,949	15,514,784	19,392,059	12,697,674
Debt Service Funds				
Facilities Imp. Debt Service Fund	360,382	562,327	563,326	359,383
2010 Maint. Bond Debt Service Fund	86,815	186,403	186,403	86,815
LID Guaranty Fund	158,508	4,000	0	162,508
Total Debt Service Funds	605,705	752,730	749,729	608,706
Capital Project Funds				
Fieldhouse Development Fund	6,278,462	0	0	6,278,462
Cap. Imp. Bond Projects Fund	0	0	0	0
General Capital Projects Fund	116,203	0	0	116,203
Sidewalk Fund (REET1)	544,529	376,000	490,000	430,529
Rec. Facilities Fund (REET 2)	776,513	313,431	0	1,089,944
Total Capital Project Funds	7,715,707	689,431	490,000	7,915,138
Enterprise Funds				
Stormwater Utility Fund	573,542	2,542,752	2,781,954	334,340
Telecommunications Utility Fund	320,944	410,324	549,521	181,747
Gas Utility Fund	2,750,404	15,177,736	15,343,601	2,584,537
Electric Utility Fund	6,187,305	28,983,598	30,269,264	4,901,639
Water Utility Fund	5,219,730	6,878,953	8,212,362	3,886,321
Sewer Utility Fund	4,417,754	10,241,344	12,298,071	2,361,027
Total Enterprise Funds	19,469,679	64,234,707	69,454,773	14,249,611
Internal Service Funds				
Shop & Warehouse Fund	10,499,128	3,976,056	3,265,564	11,209,620
General Facilities Fund	174,910	1,057,701	1,022,727	209,884
Health & Benefits Fund	0	0	0	0
Risk Management Fund	1,277,454	1,116,798	1,161,525	1,232,727
Information Technology Fund	1,431,482	2,887,368	2,690,361	1,628,489
Geographic Info. Systems Fund	556,574	357,010	546,560	367,024
Total Internal Service Funds	13,939,548	9,394,933	8,686,737	14,647,744
All Funds	\$65,274,501	\$118,082,571	\$129,309,200	\$54,047,870



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Affordable Housing Agreement and Associated Documents for Revised Proposal for 1st and Pine Affordable Housing Project with City Property Contribution (Public Comment Opportunity)

Submitted by: Lily Frey, Housing Program Manager

Department: Community Development

Suggested Motion/Action:
Move to authorize the City Manager to sign the Affordable Housing Agreement and related attachments (as attached or in substantially similar form) with Inversion Design Build for the City property contributions at First and Pine based on the revised project proposal.

Background/Summary:
After a previous developer did not meet the milestones in their affordable housing agreement, the City issued a request for proposals from February to March 2024 for two parcels of City-owned property at 1st and Pine streets for the purpose of constructing affordable housing.

The Affordable Housing Commission (AHC) heard presentations from both applicants and considered proposals in their meetings in May 2024. The AHC recommended the Inversion Design Build project based on the timeline for completion, overall project cost and the interest in testing an innovative model that could be replicated elsewhere in the city to create additional affordable homeownership and rentals.

Since Council reviewed the project proposals and issued a letter of intent with Inversion Design Build, staff have been working with outside counsel and the developer to create a set of agreement documents to protect the City's interest in maintaining affordability of the property for the 50-year affordability period while ensuring that the City's conditions do not prevent the developer from accessing construction financing or lenders from offering mortgages to potential home buyers. The proposed documents include an Affordable Housing Agreement, Affordable Housing Covenant for the project overall and each lot, Declaration of Covenants, Homeowners' Association (HOA) Bylaws and an HOA Property Management Policy. Standard attachments to the agreement documents (e.g. map, certificate of completion of construction, deed, etc.) will be finalized once approved.

As the developer has met with lenders, real estate brokers and designed its plans for the site, and based on Land Development Code changes in Ordinance 4953, they are proposing some changes to the overall site plan, including increasing the total number of ownership stacks from 12 to 15 and decreasing the number of units per stack from three to two. They have also proposed revising the timeline for construction, with Phase 1 planned for

completion in February 2027 and Phase 2 planned for completion in February 2028. Inversion Design Build's summary of key changes, site and unit plans is attached.

The Planning Department scheduled a pre-application conference for the revised site design for March 13, 2025.

Previous Council Action:

Council adopted Resolution 2021-32 surplusing two parcels of City-owned property at First and Pine in October 2021.

Council considered two proposals for the property contribution at 1st and Pine at their June 17, 2024, meeting and directed staff to prepare a letter of intent for Inversion Design Build.

Council issued a letter of intent to award the property to Inversion Design Build on August 5, 2024.

On January 21, 2025, Council extended the timeline for completion of agreement documents through March 31, 2025. Council also conducted second reading and adoption of Ordinance 4953 amending chapters of the Land Development Code on January 21, 2025.

Analysis:

Inversion Design Build has adjusted their proposed design for the property and timeline for construction, and secured preliminary support from a non-profit partner to support the construction.

The Affordable Housing Commission reviewed Inversion Design Build's revised design at their March 5, 2025, meeting and unanimously recommended that Council accept the revised site plan as it offers a comparable design and remains an innovative example of affordable homeownership, consistent with the City's priorities for the property.

Representatives of Inversion Design Build will be present at the Council meeting to discuss the updated project plans.

Financial Impact:

None.

Budget Adjustment: No

Attachments:

1. 1st Pine Images
2. Narrative of Changes
3. 1ST PINE PRE APP 2.26.25
4. Preliminary Budget + Proforma_council
5. Ellensburg - Inversion - Affordable Housing Agreement
6. Ellensburg - Inversion - Form Covenant
7. E1P_1st and Pine Declaration of Covenants
8. E1P_1st and Pine HOA Bylaws
9. E1P_1st and Pine HOA Policy Property Management Contracting



1st & Pine Concept



Pine Street Elevation



Esteemed members of the Ellensburg City Council,

We are excited to present the recent developments in the First & Pine housing project, reflecting both design progress and adaptability in response to community needs and financial considerations.

First, we are pleased to share that we have been in discussions with HomeSight, a Seattle-based affordable ownership lender and developer expanding to central Washington. They are eager to partner with us and are in the process of formalizing that relationship with an MOU. HomeSight's ability to provide nonconforming mortgages, which they can keep in-house, along with access to down payment assistance, will expand the pool of potential buyers and is key to this project's viability. Their involvement also brings a seasoned institution with three decades of experience in first-time homebuyer counseling. Partnering with a 501(c)(3) also provides access to favorable CDFI construction financing from the Rural Communities Assistance Corporation, which exclusively lends to nonprofits, further aiding feasibility amid construction market uncertainties.

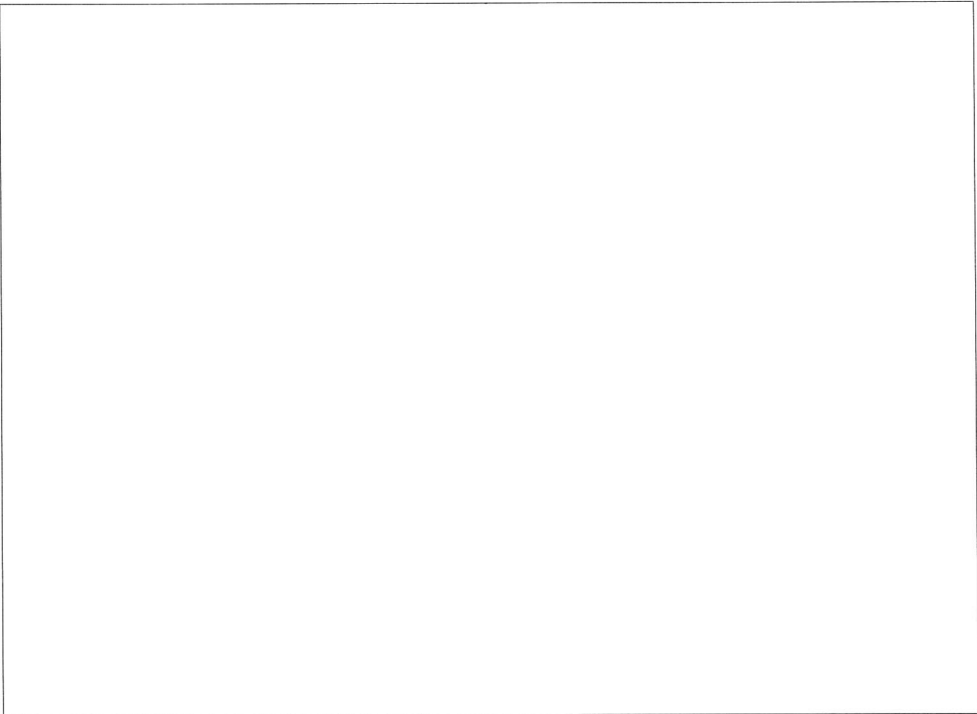
These updates come alongside necessary design changes to ensure the final units are financeable for our buyers. Our original three-unit stack design was met with skepticism from underwriters. Despite guidance from FHA, Fannie Mae, and Freddie Mac, a lack of appraisal comparables in Ellensburg, especially with the affordability covenant, led lenders to conclude that such properties could not be financed through traditional single-family loans. However, there are established comparables for single-family homes with ADUs, prompting a redesign to 15 townhomes, each with an attached ADU—bringing the total units to 30 and increasing potential homeowners from 12 to 15. Each townhome will feature a two-bedroom primary unit on the second and third floors and a one-bedroom accessible ground-floor unit, allowing flexibility for owners to live in or rent either space. This redesign also increases the total bedrooms from 36 to 45 while complying with zoning and building codes. Each townhome will include one parking space, maximizing site efficiency.

Given the project's complexity, legal negotiations and the need to pre-sell units under the terms of the CDFI-provided construction financing have influenced the timeline. While construction was initially projected between October and December, starting in February or March 2026 will provide optimal conditions while allowing time for refining design and value engineering, ensuring a well-executed, affordable housing solution. These updates demonstrate our commitment to a dynamic, community-driven project that addresses both market challenges and local housing needs. We appreciate your support and look forward to working with the Council to bring this vision to life.

Sincerely,

A handwritten signature in black ink, appearing to read "SBR", is written over a light blue horizontal line.

Skylar Bisom-Rapp
Director of Operations
Inversion Design Build



Site



Location



Site and Building

ADDRESS: 102 N PINE ST
ELLENBURG, WA 98926
PARCEL: 917033 & 617033
ZONE: CENTRAL COMMERCIAL (C-C)

	TOWNHOUSE SQUARE FOOTAGE							
	X1		X2		X3		X4	
	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS
LEVEL 1	473	608	500	627	500	627	492	628
	24		24		24		24	
LEVEL 2	434	551	460	569	460	569	453	571
LEVEL 3	487	574	494	593	494	593	486	520
DATA	473	608	500	627	500	627	492	628
PRIMARY	929	1123	978	1192	978	1192	963	1130
TOTAL	1398	1723	1478	1789	1478	1789	1455	1728
GRAND TOTAL	NET	GROSS						
	5809	7039						

Sheet Index

T100 TITLE SHEET
T101 CODE SUMMARY
A100 SITE
A200 FLOOR PLANS - LEVEL 1 & 2
A201 FLOOR PLANS - LEVEL 3
A300 ELEVATIONS
A301 ELEVATIONS



PROJECT: FIRST & PINE

102 N Pine St
Ellensburg, WA 98926
DATE: 02/26/25
PROJECT ID: 2404
REVISION: DATE:

Project Team

ARCHITECT: INVERSION DESIGN BUILD
ELLENBURG, WA 98926
CIVIL ENGINEER:
STRUCTURAL ENGINEER:
GENERAL CONTRACTOR:

NOTES:

NOT FOR CONSTRUCTION

Abbreviations

B.O. BOTTOM OF
CLR CLEAR
CO CARBON MONOXIDE DETECTOR
COMP COMPOSITION
CONT CONTINUOUS
DF DOUGLAS FIR
DHP DUCTLESS HEAT PUMP
DIA DIAMETER
DN DOWN
DW DISH WASHER
EXT EXTERIOR
FND FOUNDATION
FTG FOOTING
INT INTERIOR
GWB GYPSUM WALL BOARD
HB HOSE BIB
HRV HEAT RECOVERY VENTILATOR
OC ON CENTER
PT PRESSURE TREATED
REF REFRIGERATOR
SF SQUARE FEET
SIP STRUCTURAL INSULATED PANEL
STD STANDARD
T&G TONGUE AND GROOVE
T.O. TOP OF
TYP TYPICAL
UNO UNLESS NOTED OTHERWISE
VERT VERTICAL
WH WATER HEATER

TITLE SHEET

SCALE: 1/4" = 1'-0"

T100

DRAWN BY: JL

© 2025 INVERSION DESIGN BUILD

PROJECT:
FIRST & PINE

102 N Pine St
Ellensburg, WA 98926
DATE: 02/25/25
PROJECT I/D: 24.04
REVISION: DATE

NOTES:

NOT FOR CONSTRUCTION

CODE SUMMARY

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

T101

DRAWN BY: JL
© 2025, INVERSION DESIGN BUILD

R313.1 Townhouse Automatic Fire Sprinkler Systems
An automatic residential fire sprinkler system shall be installed in a townhouse unit.
EXCEPTIONS: 2. Townhouse buildings containing no more than four townhouse units.
15.540.040(8) ADUs ARE ATTACHED, HAVE ONE BEDROOM AND ARE BETWEEN 300 AND 1,000 SF GROSS FLOOR AREA. ADUs WILL BE INDIVIDUALLY NUMBERED.
15.540.060(F) ALL TOWNHOMES (INCLUDING ADUs) WILL MEET ENERGY STAR HOME CERTIFICATION

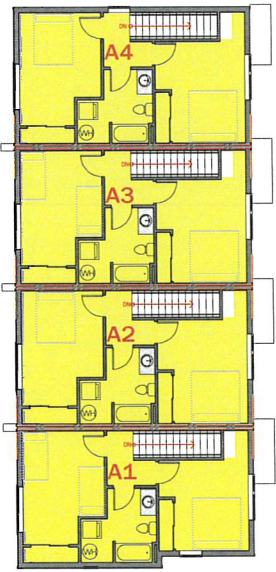
BUILDING CODES: 2021 WSR, 2021 WSEC
GROUND SNOW LOAD: 14.4 PSF
ROOF SNOW LOAD: 35 PSF
DESIGNED WIND LOAD: 110 MPH
SEISMIC DESIGN CATEGORY: C
FROST DEPTH: 24"
FLOODPLAIN: 500 YEAR



1 LEVEL 1 CODE PLAN
T101 1/8" = 1'-0"



2 LEVEL 2 CODE PLAN
T101 1/8" = 1'-0"



3 LEVEL 3 CODE PLAN
T101 1/8" = 1'-0"

PRIMARY UNIT
ADU (ACCESSIBLE)
1-HOUR FIRE RESISTANCE RATING





ZONE: C-C
 USE: TOWNHOUSE, ACCESSORY DWELLING UNIT
 LOT AREA: 19,800 SF
 LOT COVERAGE: 15,959 SF (81%)
 15 TOWNHOUSES EACH W/ 1 ATTACHED ADU, 30 UNITS TOTAL
 PARKING REQUIRED: 1 SPACE PER TOWNHOUSE
 SETBACKS: 10' SECONDARY STREET SETBACK OFF PINE, 15' LANDSCAPE STREET SETBACK OFF FIRST, 5' SIDE YARD, 20' REAR
 SETBACK MODIFICATIONS: 15,350-100' SETBACKS SHALL BE MEASURED FROM THE BACK OF THE SIDEWALK RATHER THAN THE RIGHT-OF-WAY EDGE, STREETS BUILT TO APPLICABLE STANDARDS
 OPEN SPACE FOR MULTIFAMILY BUILDINGS 15,520.030:
 TOTAL NET AREA: 21,758 SF
 TOTAL OPEN SPACE REQUIRED: 3,276 SF
 ADA ADU FRONT PORCHES: 567 SF
 MAIN UNIT PORCHES: 611 SF
 BALCONIES: 935 SF
 PUBLIC OPEN SPACE: 1,061 SF
 TOWNHOUSE DESIGN STANDARDS 15,540.060
 B. ENTRIES
 1. ALL ENTRIES ACCESSIBLE FROM THE STREET
 2. ENTRIES ARE COVERED AT LEAST 3' DEEP
 3. ALL ENTRIES ARE COVERED
 D. OPEN SPACE
 1. COMMON OPEN SPACE MEETING 15,520.030(EX1)
 2. PORCHES & BALCONIES MIN 4' DEEP AND 35 SF

- PLANTING STRIP
- OPEN SPACE
- EXISTING LOT LINE
- LOT LINE
- ROOF OVERHANG
- POWER
- SEWER
- WATER



PROJECT:
FIRST & PINE

102 N Pine St
 Ellensburg, WA 98926
 DATE: 02/26/25
 PROJECT ID: 24.04
 REVISION: DATE

NOTES:

NOT FOR CONSTRUCTION

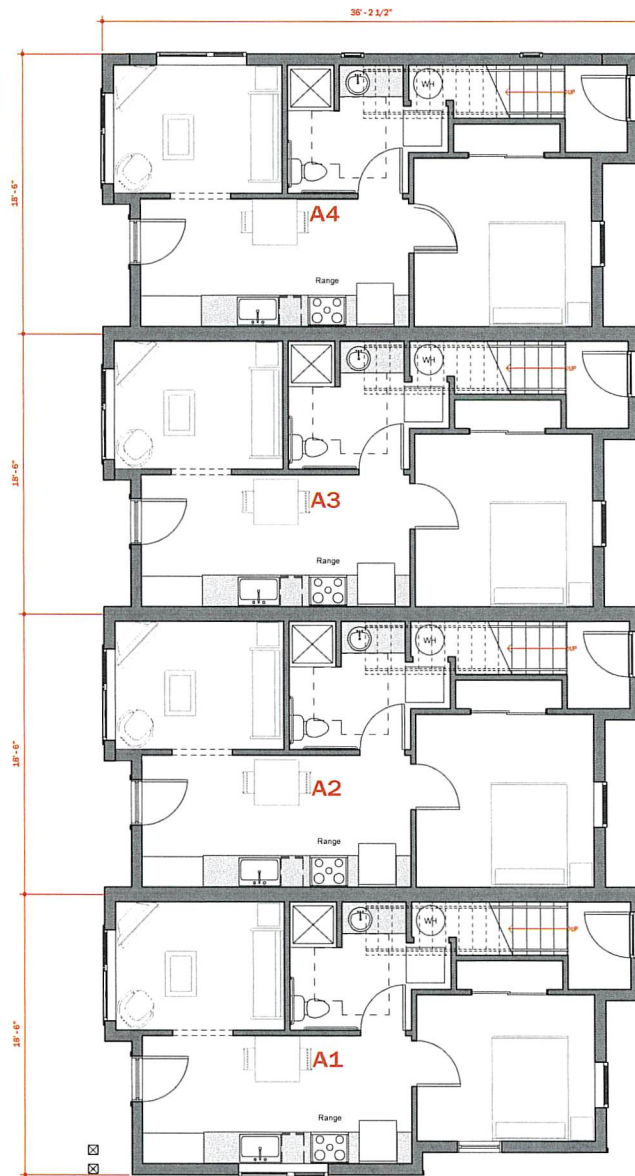
SITE

SCALE: As Indicated

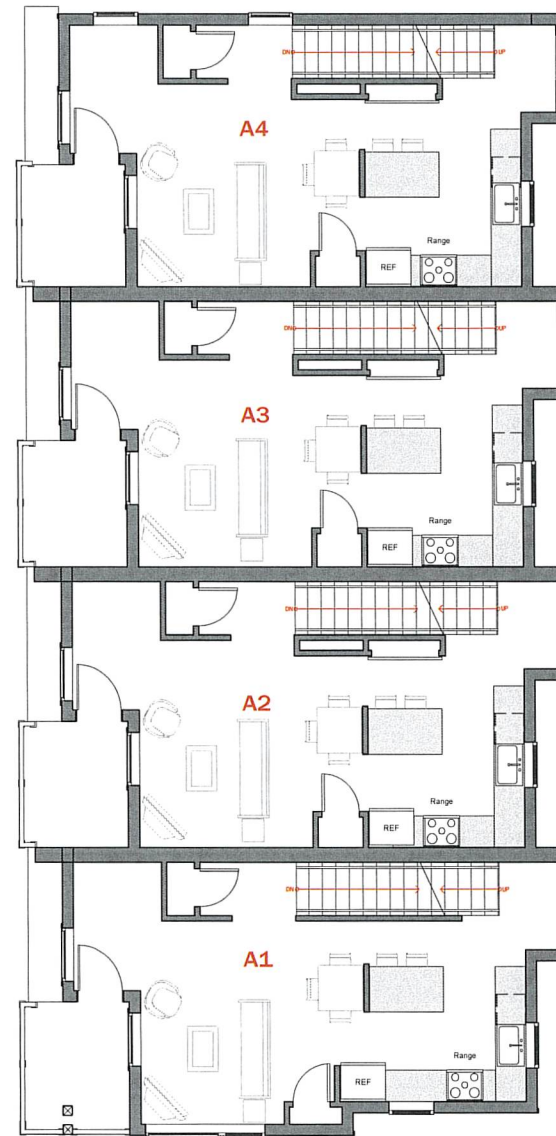
A100

DRAWN BY: JL

1 SITE PLAN
 A100 1" = 10'-0"



1 LEVEL 1
A200 1/4" = 1'-0"



2 LEVEL 2
A200 1/4" = 1'-0"



PROJECT:
FIRST & PINE

102 N Pine St
Ellensburg, WA 98926
DATE: 02/25/25
PROJECT NO: 24.04
REVISION: DATE:

NOTES:

NOT FOR CONSTRUCTION

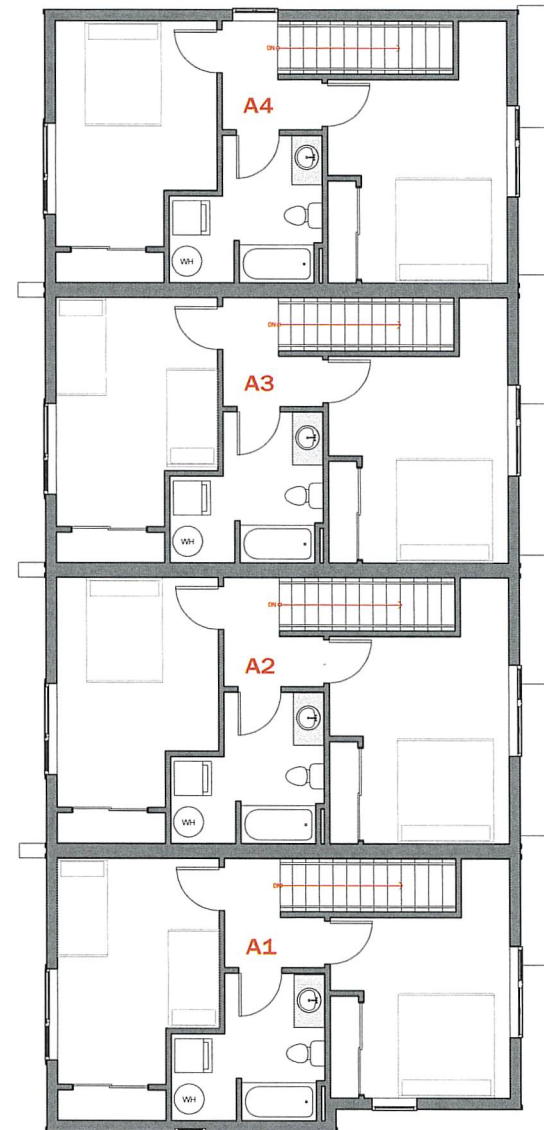
FLOOR PLANS -
LEVEL 1 & 2

SCALE: 1/4" = 1'-0"

A200

DRAWN BY: J





1 LEVEL 3
A201 1/4" = 1'-0"



PROJECT:
FIRST & PINE

102 N Pine St
Ellemburg, VA 22826
DATE: 02/26/25
PROJECT ID: 24.04
REVISION DATE

NOTES:

NOT FOR CONSTRUCTION

FLOOR PLANS -
LEVEL 3

SCALE: 1/4" = 1'-0"

A201

DRAWN BY: J.A.
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NOT FOR CONSTRUCTION



MAXIMUM BUILDING HEIGHT: 60', 45" WHEN
BORDERING RESIDENTIAL LOTS.

SECONDARY STREET STANDARDS 15.510.060
WEATHER PROTECTION: 3" DEEP
TRANSPARENCY: 15% MIN
FACADE AREA: 2,312 SF
WINDOW AREA: 295 SF
ACTUAL TRANSPARENCY: 12%

BUILDING ARTICULATION (TOWNHOUSES SHALL COMPLY
WITH MULTIFAMILY BUILDINGS) 15.510.030(D)
1. REPEATING DISTINCTIVE WINDOW PATTERN AT 18'-6"
(30' MIN)
2. VERTICAL MODULATION 22" DEEP & 10' WIDE (18" &
4' MIN)
3. CHANGE IN ROOFLINE 10:12 SLOPE (6:12 MIN)

LANDSCAPE STREET STANDARDS 15.510.080
TRANSPARENCY: 15% MIN
FACADE AREA: 941 SF
WINDOW AREA: 100 SF
ACTUAL TRANSPARENCY: 10%

BUILDING ARTICULATION (TOWNHOUSES SHALL COMPLY WITH
MULTIFAMILY BUILDINGS) 15.510.030(D)
1. REPEATING DISTINCTIVE WINDOW PATTERN AT 19'-6" (30' MIN)
2. VERTICAL MODULATION 18" DEEP & 19'-6" WIDE AND CHANGE IN
ROOF LINE 18" & 4' MIN
3. CHANGE IN ROOFLINE 10:12 SLOPE (6:12 MIN)

1 WEST
A300/ 1/4" = 1'-0"

2 SOUTH
A300/ 1/4" = 1'-0"

ELEVATIONS

SCALE: 1/4" = 1'-0"

A300

DRAWN BY: J



BUILDING ARTICULATION (TOWNHOUSES SHALL COMPLY WITH
MULTIFAMILY BUILDINGS) 15.530.030(D)
1. REPEATING DISTINCTIVE WINDOW PATTERN AT 18'-6" (30' MIN)
2. VERTICAL MODULATION 28" DEEP & 7'-6" WIDE (18" & 4' MIN)
3. CHANGE IN ROOFLINE 1:12 SLOPE (6-12 MIN)

1 EAST
A301 1/4" = 1'-0"

2 NORTH
A301 1/4" = 1'-0"

ELEVATIONS

SCALE 1/4" = 1'-0"

A301

DRAWN BY: JL
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EXHIBIT A: SOURCES AND USES

Projects Costs	Phase 1	Phase 2	Project Total
Land Cost ^a	\$ 200,000	\$ 550,000	\$ 750,000
Site Acquisition Costs ^b	\$ 24,373		\$ 24,373
Acquisition Costs	\$ 224,373	\$ 550,000	\$ 774,373
Horizontal Hard Costs	\$ 530,000		\$ 530,000
Vertical Hard Costs	\$ 1,026,800	\$ 2,823,700	\$ 3,850,500
Furniture Fixtures + Equipment	\$ 20,000	\$ 55,000	\$ 75,000
Contractor Overhead + Profit	\$ 126,144	\$ 230,296	\$ 356,440
Construction Contingency	\$ 170,294	\$ 310,900	\$ 481,194
Construction Sales Tax	\$ 130,874	\$ 238,932	\$ 369,807
Hard Costs	\$ 2,004,113	\$ 3,658,828	\$ 5,662,941
Professional Services	\$ 183,615	\$ 289,577	\$ 473,193
Permitting	\$ 60,123	\$ 109,765	\$ 169,888
Loan Closing Costs	\$ 109,789		\$ 109,789
Loan Interest	\$ 45,953	\$ 149,713	\$ 195,666
HOA Reserve (Vac., CapEx, Mgmt)	\$ 31,125	\$ 25,419	\$ 56,544
Other Holding Costs	\$ 29,286	\$ 23,917	\$ 53,203
Development Fee	\$ 20,163	\$ 36,054	\$ 56,217
Project Soft Costs	\$ 480,054	\$ 634,445	\$ 1,114,499
Total Project Cost	\$ 2,708,540	\$ 4,843,273	\$ 7,551,812
Contributions			
Equity Contribution	\$ 341,708		\$ 341,708
City of Ellensburg Land ^b	\$ 200,000	\$ 550,000	\$ 750,000
Phase 1 Proceeds for Phase 2 Costs		\$ 441,803	\$ 441,803
Phase 1 Proceeds for Debt and Holding Reserve		\$ 199,048	\$ 199,048
Construction Loan	\$ 2,166,832	\$ 3,652,421	\$ 5,819,253
Total Contributions	\$ 2,708,540	\$ 4,843,273	\$ 7,551,812
Loan to Cost	80%	75%	77%
Project Value	\$ 1,820,203	\$ 5,005,559	\$ 6,825,762
Loan to Value	119%	73%	85%

^a Includes appraisal, survey, phase I environmental and legal

^b Estimated value of parcels post subdivision. Final value to be assessed through appraisal

EXHIBIT B: PROGRAM & PHASING

Program	SF per TH	SF per Bldg	Total SF	Rent
2 Bed	1,100	4,400	16,500	\$ -
ADA Accessible 1 Bed	600	2,400	9,000	\$ 1,250
Total	1,700	6,800	25,500	\$ 1,250

Phasing	Start	End	Length	# of Townhomes
Phase 1	Mar-26	Feb-27	12 Months	4
Phase 2	Mar-27	Feb-28	12 Months	11

EXHIBIT C: EXAMPLE BUYER BUDGET & SALES PRICE

Low income per HUD Home
Guidelines for Family of: 3

80% AMI Income		\$ 71,250
Can pay Towards PITI	38%	\$ 27,075 / year
Income Towards PITI		\$ 2,256 /month
Rental Income		\$ 1,250
Less Vacancy	25%	\$ (313)
Less HOA Fee		\$ (73)
Less Prop Management Fee		\$ (100)
Less Utility Allowance		\$ (220)
	PITI	\$ 2,801 /month
Less Taxes		\$ (219) / year w/ abatement
Less Insurance		\$ (1,800) / year
	PI	\$ 2,633 /month
Mortgage Rate		7%
NPER		360
Affordable Mortgage Amount		\$ 395,696
Plus Downpayment*	20%	\$ 98,924
Home Sale Price		\$ 494,620
Less Closing Costs	8%	\$ (39,570)
Gross Revenue from Sale		\$ 455,051

*Down payment assistance available through seller, mortgage lender, and construction lender for income qualified buyers. Subject to approval by mortgage lender.

EXHIBIT D: Annualized Cashflow

	Phase 1 2026 Y1	Phase 2 Con. 2027 Y2	Phase 2 Sale 2028 Y3	PROJECT TOTAL
Revenue				
Stack Sales*	0	4	11	15
Sale Revenue	\$ -	\$ 1,820,203	\$ 5,005,559	\$ 6,825,762
Expense				
Acquisition Costs	\$ 224,373	\$ 550,000	\$ -	\$ 774,373
Hard Costs	\$ 1,670,094	\$ 3,383,042	\$ 609,805	\$ 5,662,941
Project Soft Costs	\$ 421,421	\$ 573,882	\$ 119,196	\$ 1,114,499
Total Project Cost	\$ 2,315,888	\$ 4,506,924	\$ 729,000	\$ 7,551,812
Debt Service & Holding Reserve				
Starting Balance	\$ -	\$ -	\$ 64,923	
Deposit	\$ -	\$ (199,048)	\$ -	\$ (199,048)
Draw	\$ -	\$ 134,125	\$ 64,923	\$ 199,048
Ending Balance	\$ -	\$ 64,923	\$ -	
Net Operations Cashflow	\$ (2,315,888)	\$ (2,751,644)	\$ 4,341,482	\$ (726,050)
Capital Stack				
Equity Contribution	\$ 341,708	\$ -	\$ -	\$ 341,708
Eburg Land Contribution	\$ 200,000	\$ 550,000	\$ -	\$ 750,000
Debt Draw	\$ 1,774,180	\$ 3,380,996	\$ 664,077	\$ 5,819,253
Debt Pay Off	\$ -	\$ (1,179,352)	\$ (4,639,901)	\$ (5,819,253)
Net Investor Cashflow	\$ -	\$ -	\$ 365,658	\$ 365,658
Investor Profit after Return of Equity				\$ 23,950
Levered, Undiscounted Cash on Cash Return				7%

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ATTACHMENTS

ATTACHMENT NO. 1	MAP
ATTACHMENT NO. 2	LEGAL DESCRIPTION OF THE SITE
ATTACHMENT NO. 3	SCHEDULE OF PERFORMANCE
ATTACHMENT NO. 4	SCOPE OF DEVELOPMENT
ATTACHMENT NO. 5	CERTIFICATE OF COMPLETION OF CONSTRUCTION
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ATTACHMENT NO. 7	AFFORDABLE HOUSING COVENANT
ATTACHMENT NO. 8	AWARD LETTER
ATTACHMENT NO. 9	HOA AGREEMENT
ATTACHMENT NO. 10	MANAGEMENT AGREEMENT

AFFORDABLE HOUSING AGREEMENT

THIS AFFORDABLE HOUSING AGREEMENT (the “Agreement”), dated, for identification purposes only, as of _____, 2025 (the “Effective Date”) is entered into by and between the **CITY OF ELLENSBURG**, a municipal corporation (“City”) and **INVERSION DESIGN BUILD SPC**, a Washington social purpose corporation (the “Developer”).

RECITALS

A. City is a municipal corporation which, as part of its governmental operations, seeks to add to the community’s supply of affordable housing units that are actively managed, which constitutes a public use and purpose and an essential governmental function for which public moneys may be spent, and other aid given and a proper public purpose, necessary in the public interest.

B. City currently owns that certain property consisting of approximately one-half (0.5) of an acre, known as 1st and Pine (the “Site”) within the corporate limits of the City of Ellensburg. Pursuant to Resolution 2021-32, the City Council

has declared such property surplus to the City’s needs and has authorized disposal of the Site pursuant to RCW 39.33.015 for the public benefit purpose described in Resolution 2021-32 and RCW 39.33.015, namely to provide affordable housing for low-income and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons. For this purpose “low-income” refers to an earnings threshold of 80% of AMI as set forth in RCW 43.63A.510.

C. Developer will develop the Site in two phases, with a development consisting of fifteen (15) townhomes, each which will include one (1) rental dwelling unit for a total of thirty (30) housing units (“Project”) providing permanent housing to persons and families of limited income, as more particularly provided herein, with all of the dwelling units on the Site to be restricted to occupancy by low-income residents. The Project will be substantially similar in overall design to the proposal submitted by the Developer and approved by the Ellensburg City Council at its June 17, 2024 meeting with revisions approved at its March 17, 2025 meeting. The Project is also subject to the terms and conditions of the City’s August 5, 2024 Award Letter, a copy of which is included hereto as Attachment 8.

D. Developer has requested assistance from City in the form of contribution of the Site.

E. By this Agreement, and subject to the terms and conditions herein, City desires to aid in the implementation of the Project as more fully described herein. The permitted income levels of the tenants of each Housing Unit and the permissible rents price to be charged for occupancy of each Housing Unit are set forth in detail in this Agreement and the Affordable Housing Covenant, the form of which is attached hereto as Attachment 7, in order to ensure compliance with the requirements this Agreement and other applicable federal and state laws and regulations.

F. Initially capitalized terms used in these Recitals are defined in these Recitals and in Section 1.1.

G. The Project is in the vital and best interest of City and the health, safety and welfare of the residents of the City, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. As used in this Agreement (and in all other Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

“Affiliate” means any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer which, if Developer is a partnership or limited liability company, shall include each of the constituent partners or members, respectively thereof. The term “control” as used in the immediately preceding sentence, means, with respect to a person that is a corporation, the right to the exercise, directly or indirectly, of at least 50% of the voting rights attributable to the shares of the controlled corporation and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

“Affordable Housing Covenant” means an instrument substantially in the form of Attachment 7 hereto. Depending on the context, the references to the Affordable Housing Covenant may refer to the covenant executed by Developer and the HOA or a covenant executed by an individual Ownership Housing Unit owner.

“Affordability Period” means the duration of the affordable housing requirements that are required by this Agreement and set forth in the Affordable Housing Covenant. The Affordability Period shall continue until the later to occur of (i) the fifty-first (51st) anniversary of the Effective Date, or (ii) the fiftieth (50th) anniversary of the date the Certificate of Completion of Construction is issued to Developer.

“Area Median Income” or **“AMI”** means the Area Median Income for Kittitas County, Washington, as published annually, effective July 1, by the U.S. Department of Housing and Urban Development – HOME Income Limits.

“Building Permit” means the building permit(s) issued by City and required for the Improvements.

“Certificate of Completion of Construction” means Attachment No. 5.

“City” means the City of Ellensburg, a Washington municipal corporation.

“City Code” means the municipal code of City as amended from time to time.

“City Conveyance” means the conveyance by which Developer shall acquire title to the Site from City.

“City Conveyance Conditions Precedent” shall have the meaning set forth therefor in Section 2.1.2 hereof.

“City Deed” means a grant deed by which City will convey the Site to Developer. The form of the City Deed shall be substantially as set forth as Attachment 6.

“City-Developer Purchase Price” means the sum of \$158,188.73, which shall be deemed to be the value of the Site established upon conveyance of the Site to the Developer pursuant to Section 2.1 of this Agreement.

“City Manager” means the City Manager of City and the authorized designee(s) of the City Manager. Whenever the consent, approval or other action of the “City Manager” is required herein such consent may be provided by the City Manager or the authorized designee(s).

“Civil Permits” means the permit(s) issued by the City and required to construct the on-site utilities and infrastructure serving the Project.

“Construction” means the entire work of construction, development and improvement of the Site which is required pursuant to this Agreement, including as set forth in the Scope of Development and the Design Development Drawings.

“Construction Contract” means the contract entered into by and between General Contractor and Developer, if the General Contractor is not the Developer, for the construction of the Project, as approved by City Manager pursuant to this Agreement in the City Manager’s reasonable discretion.

“County” means the County of Kittitas, Washington.

“County Recorder” means the County Auditor or other official charged with recording of documents pertaining to title to land.

“Design Development Drawings” is defined in Section 4.2.

“Developer” means Inversion Design Build SPC, as defined in the first paragraph hereof.

“Developer Conditions Precedent” shall have the meaning set forth therefor in Section 2.1.2 hereof.

“Effective Date” means [_____, 2025].

“Eighty Percent Households” means households earning not greater than 80% of Kittitas County AMI, adjusted for household size. The definition shall be updated annually to reflect changes in published AMI thresholds as determined by the U.S. Department of Housing and Urban Development – HOME Income Limits.

“Environmental Claim” means (i) any judicial or administrative enforcement actions, proceedings, claims, orders (including consent orders and decrees), directives, notices (including notices of inspection, notices of abatement, notices of noncompliance or violation and notices to comply), requests for information or investigation instituted or threatened by any governmental authority pursuant to any Governmental Requirement; or, (ii) any suits, arbitrations, legal proceedings, actions or claims instituted, made or threatened that relate to any damage, contribution, cost recovery, compensation, loss or injury resulting from the release or threatened release (whether sudden or non-sudden or accidental or non-accidental) of, or exposure to, any Hazardous Materials, or the violation or alleged violation of any Governmental Requirement, or the general, manufacture, use, storage, transportation, treatment, or disposal of Hazardous Materials.

“Environmental Laws” as used in this Agreement means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. Section 9601, et seq.;

the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001, et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801, et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f, et seq.; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Site.

“Escrow” means, unless the context requires otherwise, the escrow established for the recording of the City Deed, HOA Declaration, and the Affordable Housing Covenant.

“Escrow Holder” means the holder of the Escrow, as designated by City.

“Event of Default” has the meaning set forth in Section 7.1.

“Fair Housing Laws” means the Fair Housing Act of 1968 as amended from time to time (42 U.S. Code Sections 3601-3619 and 3631), and State laws pertaining to housing including without limitation the Washington Law Against Discrimination, Chapter 49.60 RCW.

“Financing Plan” means a plan which accounts for all sources necessary for the construction of the Improvements; such Financing Plan is to be subject to review and approval by the City Manager.

“General Contractor” means the general contractor (which may be the Developer) engaged to supervise the subcontractors in the performance and completion of the construction of the Improvements. The General Contractor shall be reasonably acceptable to and approved by the City Manager, in the City Manager’s reasonable discretion. The parties acknowledge that the General Contractor may perform actual construction work for a portion of the Development, and may hire Subcontractors who shall be reasonably approved by the City Manager.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over Developer or the Project. The Governmental Requirements shall be deemed to require, without limitation, the payment of fees charged by governmental agencies having jurisdiction over the development of the Site.

“Hazardous Material” or “Hazardous Materials” means: (a) any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Washington, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “dangerous wastes,” “hazardous substances,” “hazardous household substances,” “acutely hazardous waste,” “restricted hazardous waste,” or “extremely hazardous waste” under RCW Title 70, Chapter 70.105, (ii) petroleum, (iii) asbestos and/or asbestos containing materials; (iv) lead-based paint or any lead based or lead products; (v) polychlorinated biphenyls, (vi) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903), (vii) Methyl-tertiary Butyl Ether; (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); (viii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any “Environmental Laws” (as defined above) either requires special handling in its use, transportation, generation, collection, storage,

handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment; and/or (ix) lead based paint pursuant to and defined in the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, et seq., specifically §§4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, “Hazardous Materials” shall not include such products in quantities as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project, including without limitation alcohol, aspirin, tobacco and saccharine.

“**Hazardous Materials Contamination**” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Effective Date) emanating from the Site.

“**HOA**” means the homeowners’ association to be created by Developer to manage the fifteen (15) Ownership Housing Units to be sold to homebuyers.

“**HOA Articles**” means the Articles of Incorporation for the HOA.

“**HOA Bylaws**” means the Bylaws of the HOA.

“**HOA Declaration**” means the declaration of covenants, conditions, and restrictions of the HOA recorded in the real property records of Kittitas County.

“**HOA Governing Documents**” means, collectively, the HOA Articles, HOA Bylaws, and HOA Declaration.

“**Housing Unit**” or “**Housing Units**” means the thirty (30) individual dwelling units at the Site which are Ownership Housing Units and Rental Housing Units.

“**HUD**” means the United States Department of Housing and Urban Development.

“**HUD Loan**” means a mortgage loan insured by the Federal Housing Administration under Section 221(d)(4) of the National Housing Act, as amended.

“**Improvements**” means all of the Phase 1 Improvements and Phase 2 Improvements required to be made under this Agreement and all other Project Documents.

“**Indemnitees**” means City and its elected officials, officers, employees, attorneys, contractors, elective and appointive boards and commissions, representatives, agents, and volunteers.

“**Legal Description of the Site**” means Attachment 2.

“**Low-Income Household**” means Eighty Percent Households.

“**Management Company**” means the management company selected by the Developer, with the approval of the City, to manage the fifteen (15) Rental Housing Units which will be rented to Low-Income Households.

“**Map**” means Attachment 1 hereof.

“**Ownership Housing Unit**” or “**Ownership Housing Units**” means the fifteen (15) individual dwelling units at the Site to be constructed and sold by Developer to Low Income Households in implementation of the Project. Each Ownership Housing Unit shall include two Rental Housing Units which will be owned by the purchaser of the Ownership Housing Unit and rented to Low Income Households.

“**Owner’s Title Policy**” is defined in Section 2.4.

“**Parties**” means City and Developer.

“**Phase 1 Improvements**” means the initial eight (8) units and related site improvements to be developed on the Site.

“**Phase 2 Improvements**” means the twenty-two (22) units and related site improvement to be developed on the Site following completion of the Phase 1 Improvements.

“**Project**” is defined in Recital C above.

“**Project Documents**” means, collectively, this Agreement, the Affordable Housing Covenant, and the City Deed.

“**RCW**” means the Revised Code of Washington.

“**Remediation**” is defined in Section **Error! Reference source not found.**

“**Rent**” means the total of monthly payments by tenants of a Housing Unit for use and occupancy for the Housing Unit and facilities associated therewith, including utility allowance as established by the local public housing authority or as otherwise set by HUD.

“**Rental Housing Unit**” or “**Rental Housing Units**” means the fifteen (15) individual dwelling units at the Site to be constructed by Developer and rented by Developer, [the owner of a Housing Unit] or Management Company to Low Income Households in implementation of the Project. Each purchaser of an Ownership Housing Unit shall own two Rental Housing Units.

“**Schedule of Performance**” means that certain Schedule of Performance attached hereto as Attachment 3, which generally sets forth the time for performing the various obligations of this Agreement. The time periods set forth in the Schedule of Performance for City approval of submittals, including without limitation any plans and drawings, submitted to City by Developer shall only apply and commence upon Developer’s complete submittal of all the required information. In no event shall an incomplete submittal by Developer trigger any of City Manager’s obligations of review and/or approval hereunder; provided, however, that the City Manager shall notify Developer of an incomplete submittal as soon as is practicable. The Schedule of Performance is subject to modification from time to time upon prior written authorization of Developer and the City Manager on behalf of City. In addition to Section 8.2 extensions, the City Manager retains authority to extend times for performance for up to three hundred (300) days as all such extensions are aggregated.

“**Scope of Development**” means Attachment 4.

“**Site**” means that property so designated in the Legal Description of the Site and the Map, including after the boundary line adjustment, the thirteen (13) individual lots upon which the Project is to be constructed.

“**Subcontractor**” and “**Subcontractors**” means, individually and collectively, one or more subcontractors hired by Developer or General Contractor for the Improvements to perform and complete, or to engage and supervise others to perform and complete, the construction of the Improvements. Developer shall submit to City information regarding the entity serving as the Subcontractor for any portion of the construction of the Improvements, including compliance with plans approved by City and the obtaining by Developer of all required licenses, certifications, insurance, etc., as reasonably requested by the City Manager.

“**Title Company**” means AmeriTitle or another title insurer designated by City.

“**WAC**” means the State of Washington Administrative Code as amended from time to time.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Project Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term “document” is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms “including” and “include” mean “including (include) without limitation.”

1.4 Attachments Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

2. DISPOSITION OF THE SITE

2.1 Sale of the Site. As of the Effective Date, City holds fee title to the Site. Developer has completed its investigation of the Site and, provided all required permits and land use approvals are obtained with conditions acceptable to Developer, in its sole and absolute discretion, Developer shall deliver written notice to City of its intention to proceed with the Improvements. Developer’s investigation may have included, in Developer’s sole and absolute discretion: physical inspection of the Site, including, but not necessarily limited to, inspection and examination of soils, environmental factors, hazardous substances, archaeological information, geological, engineering and other tests, a review and investigation of zoning, permits and entitlements, review of all governmental matters affecting the Site, an appraisal of the Site, and such other matters pertaining to the Improvements as Developer deems appropriate. Developer shall have the right to, at any reasonable time and from time to time to inspect (or have its consultants inspect) the Site, and Developer shall not conduct any invasive soil, gas or groundwater sampling at the Site without first submitting a work plan to City which is acceptable to City in its reasonable discretion. No later than ten (10) days after its receipt of any such proposed work plan from Developer, City shall notify Developer in writing whether it approves or reasonably disapproves of such work plan. All fees and other expenses incurred by Developer relating to the inspection of the Site shall be Developer’s obligations. In the event Developer constructs the Improvements, all fees and expenses incurred by Developer relating to the inspection of the Site will be included in the total development cost. Developer agrees to repair any damage caused by Developer or Developer’s consultants in making any inspection.

The purchase price for the sale of the Site by City to Developer, subject to all of the terms and conditions of this Agreement, shall be the City-Developer Purchase Price provided payment of such purchase price will be deferred and deemed satisfied if Developer performs its obligations under this Agreement including without limitation the sale of Ownership Housing Units to Low-Income Households and the renting of Rental Housing Units to Low-Income Households in compliance with the Agreement.

2.1.1 Access to Site Prior to the Closing. Prior to the City Conveyance, representatives of the Developer shall have the right of access to all portions of the Site for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement, including without limitation the investigation of the environmental condition of the Site. The Developer agrees to notify the City in writing prior to undertaking any studies or work upon the Site prior to the City Conveyance. The City may require the Developer to execute an access agreement satisfactory to City legal counsel prior to commencing such studies or work. Any preliminary work by the Developer shall be undertaken only after securing any and all necessary permits from the appropriate governmental agencies. The Developer shall indemnify, defend, and hold City harmless from any claims, losses, liabilities, and damages arising out of the activities of the Developer as set forth in this section. In addition, in the event that the Developer causes any damage to any portion of the Site, the Developer pursuant to this section shall promptly restore the Site as nearly as possible to the physical condition existing immediately prior to the Developer's entry onto the Site.

2.1.2 City Conditions Precedent. City shall not convey title to any of the Site to, unless and until each and every one of the following conditions precedent (the "City Conveyance Conditions Precedent," which City Conveyance Conditions Precedent are solely for the benefit of City) has been fully satisfied, as determined in good faith by the City Manager (each of which conditions, if it requires action by Developer, shall also be a covenant of Developer):

(a) Financing Plan. Developer shall have submitted and shall have obtained approval from the City Manager of a Financing Plan. In addition, as a part of the Financing Plan, evidence of due formation and good standing shall have been filed with the Washington Secretary of State and a copy shall be provided to City. In addition, Developer shall provide evidence that it has secured financing commitments for the Project that are sufficient to finance the Project, and shall provide a pro forma project budget that includes all funding sources for the Project. Finally, Developer shall have certified in writing to City that the financing commitments, affordable housing subsidies, and required equity contributions, are together projected to be sufficient to pay for the Construction of the Improvements through completion of the Project.

(b) Project Documents. Developer shall have delivered to the Escrow Holder, in recordable form, the Affordable Housing Covenant and HOA Declaration, duly executed by Developer.

(c) Civil Permits. Developer shall have satisfied all conditions to obtaining all Civil Permits to be obtained excepting for the payment of permit fees for all of the Site (the payment of which shall be made by Developer after closing in conformity with City practices customarily applied to development within the corporate limits of City). Developer acknowledges and agrees that the plans prepared for the Improvements shall be subject to City's normal planning review process. If any parcel map or lot line adjustment is required as to any of the Site, Developer shall bear the cost of preparing and procuring such parcel map or lot line adjustment.

(d) Land Use Approvals. Developer shall have obtained each of the land use approvals required for issuance of the Civil Permits.

(e) Environmental Risk and Documentation. City Manager shall supply documentation of completed environmental remediation through local and Department of Ecology records.

The Developer acknowledges that in supplying such documentation and in conveying the Site, the City makes no warranties or representations regarding the compliance of the Site with any environmental laws or regulations.

(f) Insurance. City shall have received evidence, satisfactory to City Manager, that all of the insurance policies required by Section 4.5, below, are in full force and effect.

(g) HOA Governing Documents. Developer shall have submitted to City, and City shall have approved the (i) HOA Articles, (ii) HOA Bylaws, and (iii) HOA Declaration, each in substantially the form attached hereto as Attachment No. 9, setting forth the association rules for the Ownership Housing Units, which shall include among other terms, that (i) that sales of any Ownership Housing Unit shall only be to a Low Income Household, (ii) that owners of Ownership Housing Units agree to rent their Rental Housing Units solely to Low Income Households, (iii) any violation of such rental requirement will subject the owner to fees and penalties which will constitute a lien, if unpaid, and (iv) owners of any Ownership Housing Unit shall execute a use agreement or similar document subjecting the Ownership Housing Unit to such restrictions.

(h) HOA Formation. Prior to the first sale of an Ownership Housing Unit, Developer shall cause the HOA to be formed and shall cause the HOA to execute a joinder to this Agreement ("Joinder"). The form and substance of the Joinder shall be subject to the prior written approval of the City but shall state that from and after the Transition Date (defined below) the HOA shall assume the obligations of the Developer under this Agreement and the Affordable Housing Covenant.

(i) Property Management. Developer shall have submitted to City, and City shall have approved property management guidelines and policies for the Project ("Property Management Guidelines"). Developer shall (i) adhere to the Property Management Guidelines when engaging and contracting with a property manager for the Project and (ii) shall not amend, modify, or rescind the Property Management Guidelines without the City's prior written approval.

(j) Lease/Rental Agreement. Developer shall have submitted to City, and City shall have approved the standard form lease/rental agreement in conformance with the Affordable Housing Covenant for rental of the Rental Housing Units to eligible tenants in accordance with the terms of this Agreement, which approval shall not be unreasonably withheld or delayed. Developer shall include a lease rider to its standard form lease/rental agreement which clearly describes the requirements of qualification and rental to Low Income Households including without limitation: (i) the obligation to provide complete and timely income verifications, as and when reasonably requested by Developer and/or City, but not less frequently than prior to initial occupancy and then annually during the term of tenancy, (ii) the rules and regulations for use, occupancy, and quiet enjoyment of the Rental Housing Units and the Site, (iii) tenant protections relating to notices, eviction, and (iv) such other terms as Developer and/or City deem reasonably necessary.

(k) Management Agreement. Developer shall have submitted to the City, and City shall have approved, a management agreement in substantially the form attached hereto as Attachment No. 10, to be entered into with Management Company, for the rental and management of Rental Housing Units to Low Income Households consistent with the Affordable Housing Covenant.

(l) Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct as of the Effective Date and at the close of Escrow as to the Site as though made on and as of that date.

(m) No Default under Agreement. No Event of Default by Developer shall have occurred under this Agreement, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer under this Agreement, Developer shall be in compliance with the provisions of this Agreement, and City Manager shall have received a City Conveyance Developer Certificate to that effect signed by an officer of Developer.

(n) No Other Defaults. Developer shall not be in default of this Agreement or any agreement with a lender, or prospective lender, for the Site or portion thereof, and no event shall have occurred which with the passage of time would constitute a default.

All conditions set forth in this section, or to City's obligations hereunder, are for City's benefit only and City Manager may waive all or any part of such rights by written notice to Developer and Escrow Holder. Closing of the acquisition shall constitute Developer's certification, to the best of Developer's knowledge, to the City that the City Conveyance Conditions Precedent have been satisfied.

2.1.3 Developer's Conditions of City-Developer Closing. Developer's obligation to proceed with the acceptance of conveyance of the Site is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent (a) through (e), inclusive, described below ("Developer Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) Review and Approval of Title. Developer shall have reviewed and approved the condition of title of the Site.

(b) Title Policy. The Title Company shall, upon payment of Title Company's regularly scheduled premium, be irrevocably committed to issue the Owner's Title Policy for the Site upon close of Escrow, in accordance with Section 2.4 hereof.

(c) Property Condition. Developer shall have approved the condition of the Site.

(d) Subdivision. The City and Developer shall have completed a subdivision for the Site, creating thirteen (13) legal lots which consist of fifteen (15) lots upon which the Ownership Housing Units will be built and (1) lot for a parking lot serving the Project.

(e) Permits. Developer is satisfied, in its sole discretion, that City is prepared to issue the Civil Permit and, after conveyance of the Site to Developer, all permits, subdivision approvals, and other entitlements to develop the Site on terms and conditions acceptable to Developer, in its sole satisfaction.

2.2 Escrow. The parties shall open Escrow with the Escrow Holder within fifteen (15) days after the Effective Date, for the recordation of the City Deed, HOA Declaration, and Affordable Housing Covenant. City and Developer agree to execute such supplemental escrow instructions as may be reasonably required to implement this section. Developer shall be responsible to pay any premium, fees, costs and expenses for the Owner's Title Policy. Developer shall additionally pay, at its cost, all escrow fees, closing costs, and any amounts necessary to effect recording, escrow charges, and any costs necessary to cause the recording of the City Deed, HOA Declaration, and Affordable Housing Covenant and closing of the transaction contemplated herein. Notwithstanding the foregoing, the parties acknowledge and agree that the HOA Declaration may be recorded subsequent to transfer of the Site, however, Escrow Holder shall retain possession of the executed HOA Declaration for recording at a later date in accordance with the terms of this Agreement.

2.3 [Reserved]

2.4 Title Insurance, Disposition to Developer. Substantially concurrently with recordation of the City Deed, there shall be issued to Developer an ALTA owner's policy of title insurance ("Owner's Title Policy") in the amount of the Purchase Price, issued by the Title Company insuring fee simple title to the Site is vested in Developer in the condition required by this Agreement.

3. DEVELOPER ACTIVITIES FOLLOWING CONVEYANCE TO DEVELOPER

3.1 Property Taxes and Assessments. Ad valorem taxes and assessments levied, assessed or imposed on the Site for the period after the City Conveyance shall be borne by Developer.

3.2 Developer's Obligations after the City Conveyance. After the City Conveyance, Developer shall, at its sole cost and expense, promptly take: (i) all actions required by any federal, state or local governmental City or political subdivision or any Governmental Requirements with respect to the Site pursuant to this Agreement; (ii) all actions necessary to prepare the soil on the Site for the development required hereunder; and (iii) all actions necessary to make full use of the Site for the development and operation of affordable housing pursuant to this Agreement, which actions, requirements or necessity arise from the presence upon, about or beneath the Site of any Hazardous Materials regardless of when such Hazardous Materials were introduced to the Site and regardless of who is responsible for introducing such Hazardous Materials to the Site. Developer shall take all actions necessary to promptly restore the Site to an environmentally sound condition for uses contemplated by this Agreement consistent with the standard of remediation required under applicable Governmental Requirements. The obligations under this section shall survive the issuance of the Certificate of Completion of Construction.

3.3 Duty to Prevent Hazardous Material Contamination. After the City Conveyance, Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials into the environment, in, on, under, or about the Site. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, during construction of the Improvements, Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials into the environment or onto or under the Site in violation of Environmental Laws. Such precautions shall include compliance with all Environmental Laws with respect to Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with applicable Environmental Laws and then-prevailing industry standards as respects the disclosure, storage, use, abatement, removal and disposal of Hazardous Materials.

3.4 Release of City by Developer. Developer hereby waives, releases and discharges forever City and its employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with Developer's ownership, improvement and/or disposition of the Site, any Hazardous Materials on the Site, or the existence of Hazardous Materials Contamination in any state on the Site, however they came to be located there.

3.5 "As Is" Conveyance. Developer expressly understands and agrees that Developer purchased the Site from City in an "AS IS" condition on the closing date. As of the closing, City specifically disclaimed the making of any representations or warranties, express or implied, regarding the Site or matters affecting the Site, including without limitation, the presence of Hazardous Materials on the Site, or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Site for the development purposes intended hereunder.

4. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING

4.1 Scope of Development. Developer shall develop the Improvements in two phases in accordance with the Scope of Development and the approved Design Development Drawings for the Improvements. The Phase 1 Improvements shall generally consist of not fewer than eight (8) dwelling units (including four (2) Ownership Housing Units and four (4) Rental Housing Units), and the Phase 2 Improvements shall generally consist of not fewer than twenty-two (22) dwelling units (including eleven (11) Ownership Housing Units and eleven (11) Rental Housing Units), each as more particularly set forth in the Scope of Development. In the event of any inconsistency between the Scope of Development and the Design Development Drawings for the Improvements which have been approved by City, the approved Design Development Drawings for the Improvements shall control. Developer shall complete all off-site improvements required by City as condition(s) of approval included in the land use entitlement for the Project at no cost to City.

The Phase 1 Improvements shall be completed prior to commencement of the Phase 2 Improvements.

4.2 Design Review.

4.2.1 Intentionally Omitted.

4.2.2 City Review and Approval. City shall have all rights to review and approve or disapprove all plans and drawings (collectively, the “Design Development Drawings”) which may be required by City with respect to any permits and entitlements which are required to be obtained to develop the Improvements and other required submittals in accordance with the City Code, and nothing set forth in this Agreement shall be construed to constitute City’s approval of any or all of the Design Development Drawings or to limit or affect City’s review and right to approve, approve subject to conditions, or disapprove Design Development Drawings, plans, drawings, applications, or submittals.

4.2.3 Revisions. Any and all change orders or revisions required by City and its inspectors which are required under the City Code and under other applicable laws and regulations shall be included by Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

4.2.4 Defects in Plans. City shall not be responsible either to Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development Drawings, nor for any delays reasonably caused by the review and approval processes established by this section.

4.2.5 Land Use Approvals. Before commencement of construction of the Improvements or other works of improvement upon the Site, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits, and approvals which may be required for the Improvements by City or any other governmental agency affected by or having jurisdiction over such construction or work, except for those which are the responsibility of City as set forth herein. Developer shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by City, the County, and other governmental agencies with jurisdiction over the Improvements.

4.3 Time of Performance; Progress Reports. Developer shall submit all Design Development Drawings, commence and complete all Construction of the Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement.

Construction of the Improvements shall be commenced after the recording of the City Deed. Following the Effective Date, once Construction is commenced, it shall continuously and diligently be pursued to completion and without cessation for more than ninety (90) days subject to Section 8.2. During the course of Construction and prior to issuance of the Certificate of Completion of Construction, Developer shall provide timely reports of the progress of Construction when requested by the City Manager. Developer shall complete construction of all of the Improvements on the Site by the time established therefor in the Schedule of Performance subject to Section 8.2.

Developer shall submit the Financing Plan by the time established therefor in the Schedule of Performance. In addition, Developer shall regularly (at least monthly) provide a progress report to the City Manager concerning the financing for and ongoing viability of the proposed development of the Improvements and sale and leasing of the Housing Units to Low-Income Households in conformity with this Agreement. Developer shall also meet monthly with the City Manager or the City Manager's designee to review progress; Developer shall also participate in such additional meetings, if any, as may be deemed appropriate by the City Manager. If requested by either party, such meetings shall be conducted as Zoom meetings, telephonic meetings, or other modes not involving in-person meetings. The meetings and reports shall continue until the completion of the Improvements.

4.4 Construction Costs. All costs of planning, designing, developing, obtaining permits for (including permit fees), and constructing the Improvements shall be borne solely by Developer.

4.5 Insurance Requirements. Until the Certificate of Completion of Construction has been issued upon completion of all of the Improvements, the following policies of insurance in form and substance reasonably satisfactory to City:

(a) workers' compensation insurance as required by the Industrial Insurance laws of the State of Washington in connection with the Improvements;

(b) upon commencement of the earlier to occur of clearing, demolition, or construction of the Improvements by Developer and at all times prior to completion of the Improvements, builder's risk-all risk insurance covering interests of the City, the Developer, Subcontractors, and Sub-subcontractors participating in the Construction. Builders Risk insurance shall be on a special perils policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including flood, earthquake, theft, vandalism, malicious mischief, and collapse, covering 100% of the replacement cost of all Improvements (including offsite materials) during the course of construction and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood)), and shall include coverage for temporary buildings, debris removal, and damage to materials in transit or stored off-site;

(c) following completion of the Improvements, fire and hazard "all risk" insurance covering 100% of the replacement cost of the Improvements in the event of fire, lightning, windstorm, vandalism, earthquake (if available at commercially reasonable rates), malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood);

(d) public liability insurance in amounts reasonably required by the City Manager from time to time, and in no event less than \$2,000,000 for "single occurrence;" and

(e) property damage insurance in amounts reasonably required by the City Manager from time to time, and in no event less than \$2,000,000.

All such insurance shall provide that it may not be canceled or materially modified without 30 days prior written notice to City. City shall be an additional insured in the policies required under subparagraphs (d) and (e). No such insurance shall include deductible amounts to which City has not previously consented in writing. Certificates of insurance for the above policies (and/or original policies, if required by City) shall be delivered to City from time to time within 10 days after demand therefor. All policies insuring against damage to the Improvements shall contain an agreed value clause sufficient to eliminate any risk of co-insurance. No less than 30 days prior to the expiration of each policy, Developer shall deliver to City evidence of renewal or replacement of such policy reasonably satisfactory to the City Manager. The insurance requirements as set forth in this section may be modified from time to time upon mutual written agreement of the City Manager (for City) and Developer. It is contemplated that the construction lender may direct the use of insurance proceeds related to damage which occurs during construction so long as Developer demonstrates that completion of the Improvements is assured.

Coverage provided hereunder by Developer shall be primary insurance and not be contributing with any insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City. None of the above-described policies shall require Developer to meet a deductible or self-insured retention amount of more than Five Thousand Dollars (\$5,000.00) unless approved in writing by the City Manager. All policies shall be written by good and solvent insurers qualified to do business in Washington and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide -- Site and Casualty." The required certificate shall be furnished by Developer at the time set forth herein.

Developer acknowledges and agrees that the insurance requirements contained herein are the minimum requirements of the City and that if HUD or any other lender requires that Developer maintain higher amounts and/or additional insurance coverage, Developer shall comply with such insurance requirements.

4.5.1 Public Entity Full Availability of Contractor Limits. If the Developer maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of such insurance maintained by the Developer, irrespective of whether such limits maintained by the Developer are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Developer.

4.5.2 Other Insurance Provision. The Developer's insurance policies are to contain or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Developer's insurance and shall not contribute with it.

4.5.3 Subcontractors. The Developer shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Developer-provided insurance as set forth herein, except the Developer shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Developer shall ensure that the City is an additional insured on each and every Subcontractor's insurance policy complying with this section.

4.6 Waiver of Subrogation. Developer hereby waives all rights to recover against City (or any officer, employee, agent or representative of City) for any loss incurred by Developer from any cause insured against or required by any Project Document to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Developer shall use its best efforts to obtain only policies which permit the foregoing waiver of subrogation.

4.7 Obligation to Repair and Restore Damage Due to Casualty. If the Improvements shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Improvements to substantially the same condition as the Improvements are required to be constructed pursuant to this Agreement, whether or not the insurance proceeds are sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as possible thereafter so that the Improvements can be occupied as an affordable housing project in accordance with this Agreement. In no event shall the repair, replacement, or restoration period exceed 12 months from the date Developer obtains insurance proceeds unless the City Manager, in his sole and absolute discretion, approves a longer period of time. City shall cooperate with Developer, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Site do not permit the repair, replacement, or restoration or the cost of such repair, replacement or restoration exceeds such insurance proceeds, Developer may elect not to repair, replace, or restore the Improvements by giving notice to City (in which event Developer will be entitled to all insurance proceeds) or Developer may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by City and the other governmental City or agencies with jurisdiction, and City may pursue remedies of its choosing under this Agreement, including without limitation termination.

4.8 Indemnity.

4.8.1 General Indemnity Developer shall defend (by counsel satisfactory to City), indemnify and save and hold harmless City and its officers, contractors, agents and employees (collectively, the “Indemnitees”) from and against all claims, damages, demands, actions, losses, liabilities, costs and expenses (including, without limitation, attorneys’ fees and court costs) arising from the acts or omissions of the Developer, or those acting on its behalf, relating to: (i) a claim, demand or cause of action that any person has or asserts against Developer; (ii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person acting by or on behalf of Developer with respect to the Site; or (iii) the ownership, occupancy or use of the Site. Notwithstanding the foregoing portion of this section, Developer shall not be obligated to indemnify City with respect to the consequences of any act of gross negligence or willful misconduct of City. Developer’s obligations under this section shall survive the issuance of the Certificate of Completion of Construction (except that the issuance of such Certificate shall constitute conclusive evidence that construction of the Improvements has been completed), and termination of this Agreement. City will not unreasonably withhold approval of counsel proposed by an insurer under a policy provided under this Agreement.

4.8.2 Default-Related Costs and Enforcement In the event of a default or breach under this Agreement by Developer, and failure to cure such default within any applicable cure period, Developer shall reimburse City immediately upon written demand for all reasonable and documented costs incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers, and other consultants, whether such consultants are independent contractors or employees of City) in connection with the enforcement of the Project Documents and related matters, but only to the extent such costs arise directly from:

- a) Enforcing Affordability Restrictions – Costs incurred to enforce income qualification, leasing restrictions, resale restrictions, or other affordability requirements under this Agreement or the Affordable Housing Covenant, including costs associated with curing or unwinding any unauthorized sale, lease, or other transfer in violation of affordability requirements.

- b) Protecting City's Third-Party Beneficiary Rights – Costs necessary to preserve the affordability restrictions or ensure the Affordable Housing Covenant remains binding on subsequent purchasers after Developer's default.
- c) Limited Project Continuity Costs Solely to Protect Affordability – Costs arising solely from actions necessary to ensure affordability obligations are preserved, such as assisting in the establishment of the HOA, recording final affordability documents, or ensuring income qualification enforcement structures are in place.

Developer shall not be responsible for any City costs related to development completion, construction, or other project continuation efforts after default, except to the extent such actions are demonstrably necessary to preserve the enforceability of affordability restrictions.

4.8.3 Termination of Reimbursement Obligation After Transfer, Foreclosure, or Transition. Developer's obligations under this Section 4.8.2 shall automatically terminate upon the earliest to occur of the following events:

- a) The City's exercise of any right to recover title to the Property (or any Lots or Units) as a remedy for Developer's default;
- b) The transfer of Developer's remaining interest in the Property or Project through foreclosure, deed-in-lieu of foreclosure, voluntary conveyance, or other lawful transfer to a successor in interest; or
- c) The Transition of governance and operational control to the HOA, as defined in the Project Documents, and assumption by the HOA of responsibility for the administration and enforcement of affordability requirements.

Upon the occurrence of any of the above events, Developer's obligation to reimburse City for consultant fees, legal fees, or other enforcement costs under this Section 4.8.2 shall cease, except for liabilities incurred prior to the date of such recovery, transfer, or transition.

4.8.4 Remedies. If such default remains uncured after any applicable cure period, such reimbursement obligations shall bear interest from the date occurring 10 days after City gives written demand to Developer at a rate equal to the lesser of 12% or the highest rate permitted by applicable law.

4.8.5 Real Estate Commissions or Brokers Fees. Subject to Section 8.20, Developer shall indemnify City from any real estate commissions or brokerage fees which may arise from this Agreement or the Site, including without limitation the acquisition of the Site by Developer, or marketing of Ownership Housing Units or Rental Housing Units. Developer represents that it has engaged no broker, agent, or finder in connection with this transaction, and Developer agrees to hold City harmless from any claim by any broker, agent or finder in connection with this Agreement, the activities by Developer, or the Site.

4.9 Rights of Access. Prior to the issuance of the Certificate of Completion of Construction, for purposes of assuring compliance with this Agreement, representatives of City shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as City representatives comply with all reasonable safety rules. City representatives shall, except in emergency situations, notify Developer prior to exercising its rights pursuant to this section. Developer acknowledges that City is under no obligation to supervise, inspect, or inform Developer of the progress of construction, and Developer shall not rely upon City therefor. Any inspection by City is entirely for its purposes in determining whether Developer is in compliance with this

Agreement and is not for the purpose of determining or informing Developer of the quality or suitability of construction or any other work at the Site. Developer shall rely entirely upon its own supervision and inspection in determining the quality and suitability of the materials and work, and the performance of architects, subcontractors, and material suppliers. The rights of City under this section are in addition to and do not limit City's police power or exercise thereof.

4.10 Compliance with Laws. Developer shall carry out the design, construction and operation of the Improvements in conformity with all applicable laws, including all applicable state labor standards and any applicable federal prevailing wage laws, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, and the Fair Housing Act, 42 U.S.C. Section 3601 et seq. (and 24 C.F.R. Part 100), and the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., and the Fair Housing Act of 1968 as amended from time to time (42 U.S. Code Sections 3601-3619 and 3631), and State laws pertaining to housing including without limitation the Washington Law Against Discrimination, Chapter 49.60 RCW. The parties agree that the Conveyance of the Site by the City does not, by itself, trigger the payment of prevailing wages by the Developer for the construction of the Improvements.

Without limitation as to other provisions of this Agreement providing for indemnification, Developer shall indemnify, protect, defend and hold harmless City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (2) the implementation of Prevailing Wage Laws; and/or (3) failure by Developer to provide any required disclosure or identification as required by Prevailing Wage Laws, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under Washington law. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

4.11 Nondiscrimination in Employment. Developer certifies and agrees that all persons employed or applying for employment by it, its Affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

4.12 Property Taxes and Assessments. Ad valorem taxes and assessments, if any, on the Site, levied, assessed or imposed for any period prior to the City Conveyance shall be borne by City; ad valorem taxes and assessments levied, assessed or imposed on the Site for the period after the City Conveyance shall not be the responsibility of City.

Developer shall pay, prior to delinquency all applicable ad valorem real estate taxes and assessments on the Site. Developer shall remove or have removed any levy or attachment made on any of the Site or any part thereof which is owned or leased by Developer during its period of ownership, or assure the satisfaction thereof within a reasonable time, but in no event to exceed 60 days. Developer shall additionally defend, indemnify, and hold harmless City from and against any taxes, assessments,

mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with activities undertaken by Developer on the Site.

4.13 Liens and Stop Notices. Developer shall not allow to be placed on the Site or any part thereof any lien or stop notice related to its construction of Improvements. If a claim of a lien or stop notice is given or recorded affecting the Improvements Developer shall within 30 days of such recording or service or within five days of City's demand whichever last occurs:

- (a) pay and discharge the same; or
- (b) affect the release thereof by recording and delivering to City a surety bond in sufficient form and amount, or otherwise; or
- (c) provide City with indemnification from the Title Company against such lien or other assurance which City deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of City from the effect of such lien or bonded stop notice.

4.14 Certificate of Completion of Construction. Promptly after receipt of written request therefor from Developer after completion of each phase of the Improvements in conformity with this Agreement, City shall furnish Developer with a Certificate of Completion of Construction. The Certificate of Completion of Construction shall be a conclusive determination of satisfactory completion of the Improvements for such phase and the Certificate of Completion of Construction shall so state. Any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site or such applicable portion shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement except for those continuing covenants as set forth in documents recorded against the Site prior to the recordation of the Certificate of Completion of Construction for that phase. If City refuses or fails to furnish a Certificate of Completion of Construction after written request from Developer, City shall, within 30 days of written request therefor, provide Developer with a written statement of the reasons City refused or failed to furnish the Certificate of Completion of Construction. The statement shall also contain City's opinion of the actions Developer must take to obtain the Certificate of Completion of Construction.

4.15 Further Assurances. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to City all documents, and take all actions, reasonably required by City from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents, to protect and further the validity, priority and enforceability of the Project Documents or otherwise to carry out the purposes of the Project Documents.

4.16 Property Standards. Developer agrees to ensure that Construction of the Project will comply with all applicable State and local codes, ordinances, and zoning requirements, including all applicable requirements set forth in the Governmental Requirements. The Project and all Housing Units and common areas at the Site must meet all such applicable requirements upon Project completion.

4.16.1 Construction Progress Inspections. Developer shall permit and facilitate progress and final inspections of Construction by the City to ensure that work is done in accordance with the applicable codes, the Construction Contract(s), and Design Development Drawings.

4.16.2 Ongoing Property Condition Standards. Developer shall maintain or cause the maintenance of the Site and Improvements thereon in conformity with the Affordable Housing Covenant.

4.16.3 [Reserved]

4.16.4 Handicapped Accessibility. Developer shall comply with (a) Section 504 of the Rehabilitation Act of 1973, and implementing regulations at 24 CFR 8C governing accessibility of projects assisted with federal funds, if applicable; and (b) the Americans with Disabilities Act of 1990, and implementing regulations at 28 CFR 35–36 in order to provide handicapped accessibility to the extent readily achievable; and (c) the Uniform Federal Accessibility Standards (UFAS) pursuant to the Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157, as amended.

4.16.5 Nondiscrimination, Equal Opportunity and Fair Housing. Developer shall carry out the Project and perform its obligations under this Agreement in compliance with all of the Governmental Requirements.

4.16.6 [Reserved]

4.16.7 Records and Reports. Developer, or its designee, shall maintain and submit to City annually such records, reports and information as City Manager may reasonably require in order to permit City to ensure Developer's compliance with the affordability requirements under this Agreement and the Affordable Housing Covenant and to permit the City to meet the recordkeeping and reporting requirements required of them pursuant to Governmental Requirements. Without limiting the following, Developer shall maintain records and submit annual reports as required by this Agreement. The City may, upon prior written notice to Developer or the HOA, as applicable, audit Project records pertaining to the affordability requirements.

4.17 Relocation. City represents and warrants to Developer that no individual or entity has possessory rights in the Site as of the Effective Date. Developer shall have no duties or responsibilities in relation to any relocation of persons from the Site or any portion thereof occurring prior to commencement of Construction of the Improvements.

4.18 HUD Loan Provisions. City hereby acknowledges that a HUD Loan may be utilized by Developer for the Construction of the Improvements, provided, that such acknowledgment shall not be deemed a requirement by the City that the Developer utilize a HUD Loan. For purposes of a HUD Loan, the conveyance of the Site to Developer by the City shall be considered contributed equity by the City.

5. DEVELOPER'S GENERAL REPRESENTATIONS AND WARRANTIES

As a material inducement to City to enter into this Agreement, Developer represents and warrants to City that:

5.1 Formation, Qualification and Compliance. Developer (a) is a Washington social purpose corporation, validly existing and in good standing under the laws of the State of Washington; (b) has all requisite authority to conduct its business and own, purchase, improve and lease its properties. Developer is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental City that are necessary for the transaction of its business; (c) Developer has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement; (d) Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder; (e) there are no material pending or, so far as is known to Developer, threatened, legal proceedings to which

Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed by Developer to City in this Agreement which could materially adversely affect the ability of Developer to carry out its obligations hereunder; and (f) there is no action or proceeding pending or, to Developer's best knowledge, threatened, looking toward the dissolution or liquidation of Developer and there is no action or proceeding pending or, to Developer's best knowledge, threatened by or against Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of Developer to carry out its obligations hereunder. Each of the foregoing items (a) to (f), inclusive, shall be deemed to be an ongoing representation and warranty. Developer shall advise City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (f), inclusive.

5.2 Execution and Performance of Project Documents. Developer has all requisite authority to execute and perform its obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project Document has been authorized by all necessary action and do not and will not violate any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Developer.

5.3 Covenant Not to Transfer Except in Conformity. Developer acknowledges that City relied upon Developer's particular expertise in entering into this Agreement and continues to rely on such expertise to ensure the satisfactory completion of all of the Improvements, and the marketing, sale and renting of the Ownership Housing Units and Rental Housing Units (as applicable) to Low-Income Households to afford the community a substantial long-term, quality affordable housing resource. The parties acknowledge and agree that it is the intent of Developer to sell the Ownership Housing Units to Low-Income Households and such sales shall not require the City Manager's approval so long as (i) the purchaser qualifies as a Low Income Household and (ii) the purchase agreement requires the purchaser to execute and record a joinder to the Affordable Housing Covenant on the purchased Ownership Housing Unit and associated Rental Housing Unit. Notwithstanding the foregoing, consent from the City Manager shall not be required for the leasing of Rental Housing Units to Low-Income Households in compliance with this Agreement.

6. AFFORDABLE HOUSING COVENANTS; MAINTENANCE, PROPERTY MANAGEMENT, AND OPERATION OF THE PROJECT.

6.1 Initial Control. The initial operation of the Project, including without limitation, repair and maintenance, income qualifications of purchasers and tenants, rent, maintenance, monitoring, and reporting, shall be accomplished or caused to be accomplished by Developer in conformity with this Agreement and the Affordable Housing Covenant, as more particularly set forth therein. The provisions of the Affordable Housing Covenant shall constitute portions of this Agreement as effectively as if set out at length herein.

6.2 Income Verification Procedures. Income qualification verification shall be the responsibility of the Management Company, as contracted by the Developer or the HOA. The City shall provide standardized procedures, forms, and thresholds to ensure consistency and mitigate disputes regarding income verification. The Developer or HOA shall maintain records of compliance for review by the city or its designee upon request.

6.3 Transition of Responsibilities. Upon transfer of governance and operational responsibilities to the HOA, which shall include Developer's obligations under the Affordable Housing Covenant, the Developer shall have no further liability for compliance with the Affordable Housing Covenant, except for obligations expressly retained by the Developer. The "Transfer Date" shall be the date

that is sixty (60) days after the conveyance of 75% of the Ownership Housing Units in the Project (i.e. 12 Ownership Housing Units), as required under RCW 64.90.415, and as further described in the HOA Governing Documents.

6.4 Nondiscrimination. Developer by and for itself and any successors in interest covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, physical or mental disability or medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

Developer hereby covenants, by and for itself, its successors and assigns, and shall require all contractors and subcontractors providing work or services related to the Site to covenant, to comply with the following laws relating to nondiscrimination and equal opportunity: The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

Developer further covenants, by and for itself, its successors and assigns, and shall require all contractors and subcontractors providing work or services related to the Site to covenant, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Site, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this section shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successors and assigns, and shall remain in effect in perpetuity.

6.5 Effect of Violation of this Agreement after Completion of Construction. The covenants established in this Agreement, the City Deed, and the Affordable Housing Covenant, without regard to

technical classification and designation, be binding for the benefit and in favor of City, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Agreement shall remain in effect for the periods of time specified therein. The covenants against discrimination shall remain in effect in perpetuity.

City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The Agreement and the covenants shall run in favor of City, without regard to whether City has been, remains or is an owner of any land or interest therein in the Site or in the Project Area. City shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled.

7. DEFAULTS AND REMEDIES

7.1 Events of Default by Developer. The occurrence of any of the following, whatever the reason therefor, shall constitute an event of default by Developer (an “Event of Default”):

7.1.1 Developer fails to perform any obligation for the payment of money (other than payments of principal or interest) under any Project Document, and such failure is not cured within 10 days after Developer’s receipt of written notice that such obligation was not performed when due;

7.1.2 Developer fails to perform any obligation (other than obligations described in subparagraph 7.1.1 above) under any Project Document, and such failure is not cured within 30 days after Developer’s receipt of written notice that such obligation was not performed; provided that, if cure cannot reasonably be effected within such 30-day period, such failure shall not be an Event of Default so long as Developer (in any event, within 10 days after receipt of such notice) commences cure, and thereafter diligently (in any event within 90 days after receipt of such notice) prosecutes such cure to completion;

7.1.3 Any representation or warranty in any Project Document proves to have been incorrect in any material respect when made;

7.1.4 Construction on the Improvements ceases for ninety (90) consecutive days for any reason (other than governmental orders, decrees or regulations, acts of God, strikes or other causes beyond Developer’s control, including those described in Section 8.2);

7.1.5 Developer is enjoined or otherwise prohibited by any governmental entity from constructing and/or occupying the Improvements and such injunction or prohibition continues unstayed for 30 days or more for any reason, subject to extensions permitted under Section 8.2;

7.1.6 Developer transfers or conveys the Site (or attempts to transfer or convey the Site) in any manner that is not in conformity with this Agreement;

7.1.7 Developer provides any certification to City Manager that contains any information that Developer knows, or should have discovered using reasonable diligence, to be false or misleading when made;

7.1.8 Prior to the end of the completion of construction and sale of the Phase 2 Improvements, Developer is dissolved, liquidated or terminated, or all or substantially all of the assets of Developer are sold or otherwise transferred without the City Manager's prior written consent;

7.1.9 (i) Developer is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; (ii) Developer applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitate or similar officer for it or any part of its property; (iii) any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Developer and the appointment continues undischarged or unstayed for 90 days; (iv) Developer institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Developer and continues undismissed or unstayed for 90 days; or (v) any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Developer is not released, vacated or fully bonded within 90 days after its issue or levy; or

7.1.10 Developer permits the (i) sale of an Ownership Housing Unit to a person or entity which is not a Low-Income Household or (ii) the leasing of a Rental Unit to a person or entity which is not a Low-Income Household; provided, that Developer may sell an Ownership Housing Unit to a nonprofit organization meeting the requirements of Section 1(b) of the Affordable Housing Covenant; or

7.1.12 Developer fails to complete the Phase 1 Improvements by [February 2027 or the Phase 2 Improvements by February 2028..

7.2 **Remedies upon Default.** In addition to the rights of the City pursuant to Section 7.4.2 below, upon the occurrence of any Event of Default, City may, at its option and in its sole and absolute discretion, do any or all of the following:

7.2.1 In its own right or by a court-appointed receiver, take possession of any portion of the Site that is still owned by Developer (including without limitation fee title and any beneficial interests under deeds of trust, promissory notes, and agreements in respect the Site or portions thereof), enter into contracts for and otherwise proceed with the completion of the Improvements on the Site (or portions thereof) by expenditure of its own funds;

7.2.2 Exercise any of its rights under the Project Documents and any rights provided by law, including the right to foreclose on any security and exercise any other rights with respect to any security, all in such order and manner as City elects in its sole and absolute discretion;

7.2.3 Declare the City-Developer Purchase Price immediately due and payable;

7.2.4 Impose fees on the HOA representing penalties to be paid by an Ownership Housing Unit owner, by the Management Company or by the HOA for failure to comply with the terms of an Affordable Housing Covenant;

7.2.5 Contract directly with the Management Company to ensure enforcement of the affordability requirements contained herein and the Affordable Housing Covenants; and

7.2.6 Seek and obtain an order for specific performance.

In the event that the City exercises its remedy in Section 7.2.5 above, it shall be entitled to reimbursement by the HOA and/or the individual owners of the Ownership Housing Units for any costs incurred by the City in contracting with the Management Company.

7.3 Cumulative Remedies; No Waiver. City's rights and remedies under the Project Documents are cumulative and in addition to all rights and remedies provided by law from time to time. The exercise by City of any right or remedy shall not constitute a cure or waiver of any default, nor invalidate any notice of default or any act done pursuant to any such notice, nor prejudice City in the exercise of any other right or remedy. No waiver of any default shall be implied from any omission by City to take action on account of such default if such default persists or is repeated. No waiver of any default shall affect any default other than the default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of any Project Document shall be construed as a waiver of any subsequent breach of the same provision. City's consent to or approval of any act by Developer requiring further consent or approval shall not be deemed to waive or render unnecessary City's consent to or approval of any subsequent act. City's acceptance of the late performance of any obligation shall not constitute a waiver by City of the right to require prompt performance of all further obligations; City's acceptance of any performance following the sending or filing of any notice of default shall not constitute a waiver of City's right to proceed with the exercise of its remedies for any unfulfilled obligations; and City's acceptance of any partial performance shall not constitute a waiver by City of any rights relating to the unfulfilled portion of the applicable obligation.

7.4 Termination.

7.4.1 Termination by Developer. This Agreement may, at the option of Developer, be terminated by notice given to City upon the occurrence of the following events, as of the time described below (and if no time is described below, the time established therefor in the Schedule of Performance):

(a) On or before fifteen (15) months after the Effective Date, Developer has provided City with written notice that Developer, despite using its best efforts, has not obtained Building Permits with respect to Phase I and all required land use approvals with respect to Phase 1 with conditions acceptable to Developer, in its reasonable discretion, and desires to terminate this Agreement; or

(b) With respect to the Phase 2 Improvements, on or before fifteen (15) months after the Effective Date, Developer has provided City with written notice that Developer, despite using its best efforts, has not obtained Building Permits with respect to the Phase 2 Improvements and all required land use approvals with respect to the Phase 2 Improvements with conditions acceptable to Developer, in reasonable discretion, and desires to terminate this Agreement

(c) one or more of the Developer Conditions Precedent is not satisfied; or

(d) Developer elects to terminate on the basis that the development of the Improvements in accordance with this Agreement has become impracticable under the terms and conditions of this Agreement; or

(e) in the event of any default of City prior to the conveyance of the Site which has not been cured.

From the date of the notice of termination of this Agreement by Developer to City, this Agreement shall be deemed terminated and there shall be no further rights or obligations among the parties, excepting that Developer shall immediately quitclaim to City all right, title and interest of Developer in the Site (including without limitation fee title and any beneficial interests under deeds of trust, promissory

notes, and agreements in respect to the Site and all Design Development Plans, Civil Permits, Building Permits and similar documents).

7.4.2 Termination by City. This Agreement may be terminated, at the option of City, 30 days after written notice thereof is delivered to Developer by the City, under the following circumstances:

(a) Developer (or any successor in interest) assigns or attempts to assign, encumber, transfer, or convey the Agreement or any rights therein or in the Site (or any portion thereof) in violation of this Agreement; or

(b) On or before six (6) months after the Effective Date, Developer has provided City with written notice in accordance with Section 7.4.1(a) of its desire to terminate this Agreement; or

(c) by the time set forth therefor in the Schedule of Performance for the conveyance of the Site, Developer is in default under this Agreement and City does not execute a deed to convey the Site to Developer in the manner and condition and by the dates provided in this Agreement; or

(d) one or more of the City Conditions Precedent is not satisfied; or

(e) Developer elects to terminate on the basis that the development of the Improvements in accordance with this Agreement has become impracticable under the terms and conditions of this Agreement; or

(f) in the event of any default of Developer prior to the conveyance of the Site which has not been cured; or

(g) Developer fails to perform any other obligation for the payment of money (other than payments of principal or interest) under any Project Document, and such failure is not cured within 10 days after Developer's receipt of written notice that such obligation was not performed when due; or

(h) Developer fails to perform any obligation (other than obligations described in Section Error! Reference source not found. above) under any Project Document, and such failure is not cured within 30 days after Developer's receipt of written notice that such obligation was not performed; provided that, if cure cannot reasonably be effected within such 30 day period, such failure shall not be an Event of Default so long as Developer (in any event, within 10 days after receipt of such notice) commences cure, and thereafter diligently (in any event within 90 days after receipt of such notice) prosecutes such cure to completion; or

(i) Any representation or warranty by Developer in any Project Document proves to have been incorrect in any material respect when made; or

(j) Work on the Improvements ceases for ninety (90) consecutive days for any reason (other than governmental orders, decrees or regulations, acts of God, strikes or other causes beyond Developer's control as described in Section 8.2); or

(k) Developer is enjoined or otherwise prohibited by any governmental entity from constructing and/or occupying the Improvements and such injunction or prohibition continues unstayed for 30 days or more for any reason, subject to extensions allowed under Section 8.2; or

(l) Developer transfers or conveys the Site (or attempts to transfer or convey the Site) or any portion of the Site in any manner that is not in conformity with this Agreement; or

(m) Developer provides any certification to City Manager that Developer knows to be false or misleading when made; or

(n) Developer is dissolved, liquidated or terminated, or all or substantially all of the assets of Developer are sold or otherwise transferred without the City Manager's prior written consent; or

(o) Developer is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Developer applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Developer and the appointment continues undischarged or unstayed for 90 days; or Developer institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Developer and continues undismissed or unstayed for 90 days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Developer is not released, vacated or fully bonded within 90 days after its issue or levy; or

(p) There is a change in the ownership of Developer or the Site contrary to the provisions of Section 5.3 hereof; or

(q) Developer does not submit certificates of insurance, construction plans, drawings and related documents as required by this Agreement, in the manner and by the dates respectively provided in this Agreement therefor and such default or failure shall not be cured within 30 days after the date of written demand therefor by City; or

(r) Developer does not satisfy the milestones by the time established therefor in the Schedule of Performance, subject to Section 8.2 extensions; or

(s) The completion of one or more of the Housing Units is not accomplished by the respective time(s) established therefor in the Schedule of Performance, subject to Section 8.2 extensions; or

(t) Developer is otherwise in default under this Agreement and has not cured or commenced to cure such default within the time period set forth in Section 7.1 herein (or has not diligently prosecuted such cure to completion).

From the date of the Notice of termination of this Agreement by City to Developer, this Agreement shall be deemed terminated and neither party shall have any further rights against the other under this Agreement, excepting that Developer shall immediately quitclaim to City all right, title and interest of Developer in the Site (including without limitation fee title and any beneficial interests under deeds of trust, promissory notes, and agreements in respect to the Site). The setting forth of events as grounds for termination shall not limit the ability of City to seek remedies in the event this Agreement has not been terminated. The termination of this Agreement shall not limit the rights of City to enforce the Affordable Housing Covenant or the City Deed.

8. MISCELLANEOUS.

8.1 Intentionally Deleted.

8.2 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by a party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; litigation; unusually severe weather; acts or omissions of the other party; acts or failures to act of a public or governmental City or entity (other than City acting as required pursuant to this Agreement); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other parties within 30 days of the commencement of the cause. Any requests for extension shall be in writing. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer.

Notwithstanding the foregoing portion of this section, with the prior written consent of the City Manager, Developer may obtain an extension of time to perform because of past, present, or future difficulty in obtaining suitable temporary, construction, or permanent financing for the acquisition, development or lease of Housing Units on the Site.

8.3 Nonliability of Officials and Employees of City. No member, official or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

8.4 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of City to Developer, or any other claim by Developer against City, in connection with the Site or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

8.5 Notices. Any notice to or demand upon the following parties shall be given by registered or certified mail, return receipt requested, or by express delivery service, as follows, or to such other address as is specified in writing by any of the following to the others:

If to Developer: Inversion Design Build SPC
5501 W Powerhouse Rd.
Yakima, WA 98908

If to City: City of Ellensburg
501 North Anderson Street
Ellensburg, Washington 92552
Attention: City Manager

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any

communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

8.6 Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the conveyance of the Site and have been or will be relied on by City notwithstanding any investigation made by City.

8.7 No Third Parties Benefited. This Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person shall have any rights hereunder or by reason hereof. There shall be no third-party beneficiaries of this Agreement.

8.8 Use of Consultants by City. City, at its sole cost, may engage consultants to assist City in connection with matters to be undertaken or reviewed under this Agreement, such as in connection with the calculation of allowable housing costs. Developer shall cooperate fully with any such consultants.

8.9 Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Developer and City and their respective successors and assigns. Assignments or transfers of the Site and this Agreement shall be governed by Section 5.3 hereof. In connection with any assignment or transfer, Developer acknowledges that City relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the qualification of eligible purchasers and renters of each Housing Unit in conformity with this Agreement; provided that the City and Developer agree that Developer may assign this Agreement to a limited liability company of which it is the sole managing member provided Developer provides the City with written notice of such assignment.

8.10 Superiority of City Agreement. Developer agrees and acknowledges that any agreements between Developer and third parties, shall be subject and subordinate in all cases to this Agreement (including, without limitation, the Attachments hereto) and that in the event of conflict, this Agreement (including, without limitation, the Attachments hereto) shall control.

8.11 Prior Agreements; Amendments; Consents. This Agreement (together with the other Project Documents) contains the entire agreement between City and Developer with respect to the Site, and all prior negotiations, understandings and agreements with respect to such matters, including without limitation this Agreement, are superseded by this Agreement and such other Project Documents. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through [29] and Attachments 1 through 8 (which attachments are incorporated herein by reference), which constitutes the entire understanding and agreement of the parties.

This Agreement integrates all terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of City and Developer, and all amendments hereto must be in writing by the appropriate authorities of City and Developer; provided that after conveyance of the Site to Developer, only the consent of City shall be required.

8.12 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of Washington for the County of Kittitas or the United States District Court of the Central District of Washington, as City may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or *in rem* jurisdiction or venue.

8.13 Attorney Fees. If either party places the enforcement of this Agreement, or any part thereof, in the hands of an attorney, or files suit upon the same, or seeks a judicial declaration of rights hereunder, the prevailing party shall recover its reasonable attorneys' fees, court costs, and collection agency charges. As used herein, "prevailing party" shall mean the party who substantially prevails in the matter at issue, including without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

8.14 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

8.15 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the Project Documents.

8.16 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Project Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.17 Time of the Essence. Time is of the essence of all of the Project Documents.

8.18 Conflict of Interest. No member, official or employee of City shall have any direct or indirect financial interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.19 Warranty against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

8.20 Real Estate Commissions. Each of City and Developer represents to the other party that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisition of all or part of the Site, and agrees to hold harmless the other party from such commissions or fees as are alleged to be due from the party making such representations.

8.21 Counterparts. Any Project Document (including this Agreement) may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

[Remainder of page blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

DEVELOPER:

INVERSION DESIGN BUILD SPC,
a Washington social purpose corporation

By: _____

Name: _____

Title: _____

CITY:

CITY OF ELLENSBURG,
a Washington municipal corporation

By: _____
City Manager

ATTACHMENT NO. 1

MAP

ATTACHMENT NO. 2

LEGAL DESCRIPTION

Lots 3 and 4 (Parcel 3A), Block 21, Ellensburg in the County of Kittitas, State of Washington, as per plat thereof recorded in Book 1 of Plats, Page 1, Records of said County.

AND

Lot 5, Block 21, Ellensburg, in the County of Kittitas, State of Washington, as per plat thereof recoded in Book 1 of Plats, Page 1, Records of said County.

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

For the purposes of this Schedule of Performance, the “Date of the Agreement” is _____, 2025. The City Manager may extend by not more than ninety (90) days (as all such extensions are aggregated) the time under this Schedule of Performance by which any obligation of Developer shall be performed.

1. Submittal of Agreement. Developer shall execute and submit the Agreement to the City Manager for City Council approval and execution. On or before _____, 2025.
2. Submission of Evidence of Financing. Developer shall submit to City evidence of a Financing Plan financing for the Project and pro forma budget as set forth in Section 2.1.2(a) of the Agreement. As a Condition Precedent to the close of Escrow.
3. Satisfaction of Conditions Precedent. Developer shall satisfy the Conditions Precedent. Not later than ninety (90) days after the Date of the Agreement.
4. Deposit of Documents into Escrow. City and Developer shall cause to be fully executed the final form of the City Deed, the Affordable Housing Covenant, and such other Project Documents necessary for the closing of Escrow. Not fewer than two (2) calendar days prior to close of Escrow.
5. Close of Escrow. Escrow for the Site shall close when all Conditions Precedent thereof have been waived or satisfied. Within five (5) calendar days of notification by City to Escrow Holder that all Conditions Precedent are satisfied and/or waived.
6. Commencement of Construction. The Developer shall commence construction of the Phase 1 Improvements which consists of 8 Units and related Phase 1 Improvements. Within eight (8) months after the Closing Date.
7. Completion of Construction. Developer shall complete construction of the Phase 1 Improvements. Within twenty (20) months after the Closing Date.

9. Commencement of Construction. The Developer shall commence construction of the Phase 2 Improvements which consists of 22 Units and related Phase 2 Improvements. Within twenty-one (21) months days after the Closing Date.
10. Completion of Construction. Developer shall complete construction of the Phase 2 Improvements. Within eighteen (18) months after the Commencement of Construction of the Phase 2 Improvements.

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

ATTACHMENT NO. 5

CERTIFICATE OF COMPLETION OF CONSTRUCTION

ATTACHMENT NO. 6

CITY DEED

ATTACHMENT NO. 7
AFFORDABLE HOUSING COVENANT

ATTACHMENT NO. 8

AWARD LETTER

ATTACHMENT NO. 9

HOA AGREEMENT

ATTACHMENT NO. 10
MANAGEMENT AGREEMENT

When Recorded Return To:

City of Ellensburg
501 North Anderson Street
Ellensburg, Washington 98926
Attention: City Manager

**AFFORDABLE HOUSING COVENANT
INVERSION PROJECT**

GRANTOR: INVERSION DESIGN BUILD SPC

GRANTEE: CITY OF ELLENSBURG, WASHINGTON

ABBREV. LEGAL DESCRIPTION: _____
Official legal description on Exhibit A attached

ASSESSOR'S TAX PARCEL NOS.

REFERENCE NUMBERS: N/A

**AFFORDABLE HOUSING COVENANT
INVERSION PROJECT – [LOT 1/LOT 2]**

This Affordable Housing Covenant (“Covenant”) is made as of the ____ day of _____, 2024, by **INVERSION DESIGN BUILD SPC**, a Washington corporation (“Grantor”) in favor of the **CITY OF ELLENSBURG**, a Washington municipal corporation (“City” or “Grantee”), and is part of the consideration for the surplus property transferred to Grantor by the City pursuant to RCW 39.33.015 and an Affordable Housing Agreement dated on or about the date hereof (the “Agreement”), for the construction of an affordable housing multifamily rental and homeownership development, on real property legally described on Exhibit A hereto (the “Property”).

WHEREAS, this Covenant will be filed and recorded in the official public land records of Kittitas County, Washington and shall constitute a restriction upon the use of the Property, subject to, and in accordance with, the terms of this Covenant for at least **fifty-one (51) years of affordability** ending on the later to occur of (i) **[DATE]** the fifty-first (51st) anniversary of the Effective Date, as defined in the Agreement, or (ii) the fiftieth (50th) anniversary of the date the Certificate of Completion of Construction is issued to Grantor (the “Affordability Period”).

WHEREAS, the covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its respective successors and assigns, heirs, or grantees and lessees of the Property, including purchasers of portions of the Property, beginning on the date of purchase or initial residential occupancy after the construction of the improvements on the Property contemplated by the Agreement. Each and every contract, deed, mortgage or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, mortgage or other instruments. Capitalized terms not defined herein shall have the meaning given in the Agreement.

NOW THEREFORE, it is hereby covenanted during the Affordability Period as follows:

Section 1. Set-Asides; Reporting. The Grantor hereby represents, covenants and agrees as follows:

(a) (i) **Fifteen (15)** of the homeownership units (each, a “Homeownership Unit”) on the Property shall be sold to purchasers who meet the eligibility criteria consistent with RCW 39.33.015; and (ii) **Fifteen (15)** of the residential rental units (the “Rental Units”) on the Property shall be rented to tenants who meet the eligibility criteria consistent with RCW 39.33.015.

RCW 39.33.015 requires that surplus property transferred for affordable housing must serve households with gross annual household incomes at the time of initial purchase or occupancy no higher than **eighty (80) percent of median income** in Kittitas County, Washington adjusted for family size (“AMI”) as published annually, by the U.S. Department of Housing and Urban Development (“HUD”), as HOME Income Limits. If HUD ceases to provide such determinations of median income, then median income shall mean such comparable figure for Kittitas County, Washington published or reported by a federal, state, or local agency as the City shall select. For purposes of qualifying the income of prospective purchasers of the Homeownership Units, “income” shall not include any anticipated or actual rental income from the Rental Units associated with the Homeownership Unit.

(b) The parties agree that the eligibility requirements for purchasers of Homeownership Units (and their accompanying Rental Units) may be satisfied by non-profit organizations which meet the following conditions:

(i) The non-profit organization agrees to lease all units exclusively to households earning no more than 80% of AMI;

(ii) The non-profit organization shall comply with all reporting, tenant screening, and lease requirements as outlined in this Covenant; and

(iii) The non-profit organization shall not occupy the Homeownership Unit or use the property for purposes other than providing affordable rental housing.

(c) Rents payable by Rental Unit tenants may not exceed **thirty (30) percent** of the maximum **eighty (80) percent AMI** tenant income for the unit, assuming occupancy of 1.5 persons per bedroom including a utility allowance ("Affordable Rent"). The amount of the utility allowance shall be as calculated annually by Grantor or at another level acceptable to the City.

(d) Within 30 days after the end of each calendar year after the commencement of the Affordability Period, Grantor or its designee shall prepare and submit a certificate to the City, in a form acceptable to the City, certifying that it has complied in all respects with the requirements of this Covenant.

(e) Grantor shall keep any records and make any reports relating to compliance with this Covenant that the City may reasonably require. Grantor shall permit any duly authorized representative of the City to inspect, during regular business hours and upon reasonable notice, the Property, the residential units, and the books and records of Grantor pertaining to the incomes of the tenants who are residing or have resided in the Property.

Section 2. Covenants. The Grantor hereby represents, covenants and agrees as follows:

(a) Grantor shall use the Property to provide safe and sanitary housing, and shall comply with all Federal, State, and local housing codes, licensing requirements, and other requirements regarding the condition and the operation of the Property.

(b) Except as otherwise required or contemplated by this Covenant or allowed by applicable law for the purpose of providing low-income housing, Grantor will not discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, age, disability, the receipt of public assistance or housing assistance or any other characteristic protected from discrimination by applicable law.

Section 3. Covenants Run With the Land. Grantor hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be deemed covenants running with the land throughout the Affordability Period, and shall pass to and be binding upon the Grantor's successors in title including any purchaser of a Homeownership Unit, grantee or lessee of any portion of the Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee (other than a resident of a Rental Unit) of any portion of the Property and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument (other

than residential resident leases) hereafter executed conveying the Property or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

The Grantor agrees that as a condition of sale of a Homeownership Unit, it shall require the purchaser to execute and record a covenant in the form attached hereto as Exhibit B, and upon evidence of such recordation, this Covenant shall be released with respect to such Homeownership Unit and the two Rental Units associated with each Homeownership Unit.

Section 4. HOA. Prior to the first sale or conveyance of a Homeownership Unit, Grantor (i) shall cause a home owner's association ("HOA") to be formed for the Property and (ii) shall cause the HOA to executed a joinder to this Agreement in a form approved by the City in its reasonable discretion.

Section 5. Survival. This Covenant shall have priority over any deed of trust or mortgage recorded on the Property. The covenants herein are independent of and in addition to the covenants in the Affordable Housing Agreement between the Grantor and the City, any other covenants made for the benefit of the City. This Section shall not prohibit any mortgages, deeds of trust, regulatory agreements and covenants for the purposes of the future financing, nor prohibit any transfer upon foreclosure of a deed of trust or mortgage approved by the City, or in lieu of foreclosure thereof, or any subsequent transfer, but any transfer shall be subject to the terms of this Covenant.

Section 6. Default. If a violation of any of the foregoing covenants occurs, the City or HOA may, after thirty days' notice to Grantor, and if applicable, its successors and assigns, heirs, grantees, or lessees of the Property, institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or to compel specific performance by Grantor of its obligations hereunder; provided that Grantor shall not be required by any provision herein to evict a residential tenant. In addition, the City and HOA shall retain the right to enforce compliance with this Covenant through fines or liens. No delay in enforcing the provisions hereof as to any breach or violation, shall impair, damage or waive the right of the City to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

[Signatures on following page.]

IN WITNESS HEREOF, this Affordable Housing Covenant was executed as of the date set forth above.

GRANTOR:

INVERSION DESIGN BUILD SPC

a _____

By: _____

Name: _____

Title: _____

GRANTEE:

THE CITY OF ELLENSBURG, a Washington public corporation

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
)ss.
COUNTY OF KITTITAS)

On this _____ day of _____, 202_, before me personally appeared _____, to me known to be the _____ of INVERSION DESIGN BUILD SPC, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said party for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing
at _____

STATE OF WASHINGTON)
)ss.
COUNTY OF KITTITAS)

On this _____ day of _____, 202_, before me personally appeared _____, to me known to be the _____ of the City of Ellensburg, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said party for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing
at _____

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

FORM OF COVENANT TO BE RECORDED UPON SALE OF HOMEOWNERSHIP UNIT

When Recorded Return To:

City of Ellensburg
501 North Anderson Street
Ellensburg, Washington 98926
Attention: City Manager

AFFORDABLE HOUSING COVENANT

GRANTOR: [NAME OF HOMEOWNERSHIP PURCHASER]

GRANTEE: CITY OF ELLENSBURG, WASHINGTON

ABBREV. LEGAL DESCRIPTION: _____
Official legal description on Exhibit A attached

ASSESSOR'S TAX PARCEL NOS.

REFERENCE NUMBERS: N/A

AFFORDABLE HOUSING COVENANT

This Affordable Housing Covenant (“Covenant”) is made as of the ____ day of ____, 2024, by ____ (“Grantor”) in favor of the **CITY OF ELLENSBURG**, a Washington municipal corporation (“City”) and [HOA ENTITY] (“HOA” together with City, “Grantee”), and is part of the consideration for the surplus property transferred by the City to a developer (“Original Developer”) pursuant to RCW 39.33.015, for the construction of the affordable housing multifamily rental and homeownership development (“Property”), of which the Grantor’s homeownership unit (“Grantor Homeownership Unit”) is a part. The Grantor Homeownership Unit is described on Exhibit A hereto.

WHEREAS, this Covenant will be filed and recorded in the official public land records of Kittitas County, Washington and shall constitute a restriction upon the use of the Property, subject to, and in accordance with, the terms of this Covenant for at least [**fifty-one (51) years of affordability**] ending on [INSERT SPECIFIC DATE] (the “Affordability Period”).

WHEREAS, the covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its respective successors and assigns, heirs, or grantees and lessees of the Property, including purchasers of the Property, beginning on the date of purchase or initial residential occupancy after the construction of the improvements on the Property. Each and every contract, deed, mortgage or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, mortgage or other instruments.

NOW THEREFORE, it is hereby covenanted during the Affordability Period as follows:

Section 1. Set-Asides; Reporting. The Grantor hereby represents, covenants and agrees that the two residential rental units (the “Rental Units”) within the Grantor Homeownership Unit shall be rented to households who at the time of initial occupancy have gross annual incomes of no higher than **eighty (80) percent of median income** in Kittitas County, Washington adjusted for family size (“AMI”) as published annually, by the U.S. Department of Housing and Urban Development (“HUD”), as HOME Income Limits. If HUD ceases to provide such determinations of median income, then median income shall mean such comparable figure for Kittitas County, Washington published or reported by a federal, state, or local agency as the City shall select.

(a) Furthermore, rents payable by Rental Unit tenants may not exceed **thirty (30) percent** of the maximum **eighty (80) percent AMI** tenant income for the unit, assuming occupancy of 1.5 persons per bedroom including a utility allowance (“Affordable Rent”). The amount of the utility allowance shall be as calculated annually by the HOA or by another entity acceptable to the City.

(b) Within 30 days after the end of each calendar year after the commencement of the Affordability Period, Grantor shall prepare and submit, or cause to be prepared and submitted, a certificate to the City and HOA, in a form acceptable to the City, certifying that it has complied in all respects with the requirements of this Covenant. City may, at its option, require that such reports also be delivered to the property manager for the Property.

(c) Grantor shall keep any records and make any reports relating to compliance with this Covenant that the City may reasonably require. Grantor shall permit any duly authorized representative of the City to inspect, during regular business hours and upon reasonable notice, the Grantor Homeownership Unit, and the books and records of Grantor pertaining to the incomes of the tenants who are residing or have resided in the Rental Units.

Section 2. Sale of Property. Grantor shall only sell the Grantor Homeownership Unit to persons who have gross annual incomes of no higher than **eighty (80) percent** of AMI or to a non-profit organization in accordance with section 1(b) of the Affordable Housing Covenant Inversion Project.

Section 3. Covenants. The Grantor hereby represents, covenants and agrees as follows:

(a) Grantor shall use the Grantor Homeownership Unit to provide safe and sanitary housing, and shall comply with all Federal, State, and local housing codes, licensing requirements, and other requirements regarding the condition and the operation of the Grantor Homeownership Unit.

(b) Except as otherwise required or contemplated by this Covenant or allowed by applicable law for the purpose of providing low-income housing, Grantor will not discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, age, disability, the receipt of public assistance or housing assistance or any other characteristic protected from discrimination by applicable law.

Section 4. Covenants Run With the Land. Grantor hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be deemed covenants running with the land throughout the Affordability Period, and shall pass to and be binding upon the Grantor's successors in title including any purchaser of the Grantor Homeownership Unit, grantee or lessee of the Grantor Homeownership Unit and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee (other than a resident of a Rental Unit) of the Grantor Homeownership Unit and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument (other than residential resident leases) hereafter executed conveying the Grantor Homeownership Unit or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

The Grantor agrees that as a condition of sale of the Grantor Homeownership Unit, it shall require the purchaser to execute and record a covenant in substantially the form of this Covenant.

Section 5. Survival. This Covenant shall have priority over any deed of trust or mortgage recorded on the Property. This Section shall not prohibit any mortgages, deeds of trust, regulatory agreements and covenants for the purposes of the future financing, nor prohibit any transfer upon foreclosure of a deed of trust or mortgage approved by the City, or in lieu of foreclosure thereof, or any subsequent transfer, but any transfer shall be subject to the terms of this Covenant.

Section 6. Default. If a violation of any of the foregoing covenants occurs, the either Grantee may, after thirty days' notice to Grantor, and if applicable, its successors and assigns, heirs,

grantees, or lessees of the Grantor Homeownership Unit, institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or to compel specific performance by Grantor of its obligations hereunder; provided that Grantor shall not be required by any provision herein to evict a residential tenant. No delay in enforcing the provisions hereof as to any breach or violation, shall impair, damage or waive the right of the Grantee to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

[Signatures on following page.]

IN WITNESS HEREOF, this Affordable Housing Covenant was executed as of the date set forth above.

GRANTOR:

CITY:

THE CITY OF ELLENSBURG, a Washington public corporation

By: _____

Name: _____

Title: _____

HOA:

STATE OF WASHINGTON)
)ss.
COUNTY OF KITTITAS)

On this _____ day of _____, 202_, before me personally appeared _____, to me known to be the _____, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said party for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing
at _____

STATE OF WASHINGTON)
)ss.
COUNTY OF KITTITAS)

On this _____ day of _____, 202_, before me personally appeared _____, to me known to be the _____ of the City of Ellensburg, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said party for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing
at _____

EXHIBIT A
LEGAL DESCRIPTION

When Recorded Return To:

Inversion Design Build SPC
5501 W Powerhouse Rd.
Yakima, WA 98908

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (CC&RS)
INVERSION PROJECT**

DECLARANT: INVERSION DESIGN BUILD SPC

ABBREV. LEGAL DESCRIPTION: _____

Official legal description on Exhibit A attached

ASSESSOR'S TAX PARCEL NOS.

REFERENCE NUMBERS:

Declaration of Covenants, Conditions, and Restrictions (CC&Rs)

Preamble

This Declaration of Covenants, Conditions, and Restrictions (the "**Declaration**") is made this [Insert Date], by [Insert Owner Name], a [Insert Entity Type] ("**Declarant**"), for the governance of the [Insert HOA Name] community (the "**Community**").

Recitals

A. Declarant is the owner of the Lots (as defined below) as legally described in Exhibit A (the "**Property**").

B. The Lots have been created pursuant to that certain short plat more particularly identified as _____, recorded in Kittitas County in _____ ("**Plat**").

C. Declarant has caused, or will cause, to be constructed a total of fifteen (15) residential townhouse units with Party Walls (as defined below) on the Lots.

D. The common interest community created pursuant to this Declaration shall be subject to RCW 64.90, the Washington Uniform Common Interest Ownership Act.

Article I: Purpose

This Declaration establishes a plan for the private ownership of Lots and the buildings constructed thereon, and for the maintenance and administration of certain areas (the "**Common Areas**") by a nonprofit corporation. The nonprofit corporation shall be delegated and assigned the duties and powers of maintaining and administering the Common Management Areas, administering and enforcing these covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

Declarant hereby declares that the Lots shall be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, limitations, reservations, easements, rights, rights-of-way, liens, charges and equitable servitudes, all of which are hereby declared, established, expressed and agreed: (i) to be for the benefit of and protection of the Property, its desirability, value and attractiveness; (ii) to be for the benefit of the Owners of the Lots; (iii) to run with the land and be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof; (iv) to inure to the benefit of every portion of the Property and any interest therein; and (v) to inure to the benefit of and be binding upon the successors and assigns of each Owner and of the Declarant.

Article II: Definitions

Common Areas: All easements and any improvements thereto that are owned or maintained by the HOA, for the benefit of the Owners, and subjected to this Declaration by an appropriate recording. As of the date of this Declaration, the Common Management Areas consist of, among other things: the easements granted herein, the trash container areas as depicted on Exhibit, all landscaping on the Lots and any Common Amenity Areas identified on Exhibit.

Common Expense: The costs incurred by the HOA to exercise any of the powers provided for in Chapter 64.38 RCW and this Declaration

Declarant Control Period: The period of time from the date of this Declaration through the date that the Class B membership converts to Class A membership, which is sixty (60) days after the conveyance of 75% of the Ownership Housing Units in the Community, as required under RCW 64.90.415.

Governing Documents: this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the HOA as any of the foregoing may be amended from time to time. Notwithstanding the foregoing, no amendments to the Governing Documents shall be made that affect the Affordability Requirements, including but not limited to provisions related to income qualifications, reporting requirements, enforcement mechanisms, or any other terms related to maintaining affordability, without the prior written approval of the City.

HOA: The [_____] Association, a Washington nonprofit corporation, its successors and assigns.

HOA Action: A written corporate action of the HOA in the form of either a bylaw or resolution duly passed by either the Board or the Owners in accordance with the Governing Documents.

Income Qualified Household: A household earning not greater than 80% of Kittitas County AMI, adjusted for household size. The definition shall be updated annually to reflect changes in published AMI thresholds as determined by the U.S. Department of Housing and Urban Development – HOME Income Limits and required by the City of Ellensburg.

Lot: Any one of the Lots described in Exhibit A, as amended from time to time, together with all improvements thereto

Member: Any Owner of record of a Lot within the Community.

Owner: The title holder of one of the Ownership Housing Units

Ownership Housing Unit or Ownership Housing Units: The fifteen (15) individual dwelling units at the Site to be constructed and sold by Declarant to Income Qualified Households in implementation of the Project. Each Ownership Housing Unit shall include two Rental Housing Units which will be owned by the purchaser of the Ownership Housing Unit and rented to Income Qualified Households.

Party Wall: The walls built on the Lot lines separating any of the Lots. When used in reference to particular Lots, it refers to the Party Wall on the Lot line separating those Lots. The term “Party Wall” includes all components of and within that wall including, but not limited to, framing, joists,

insulation, soundproofing, pipes, lines, wires, conduits, other utility infrastructure, and other components as originally constructed; all components below that wall including, but not limited to, the footings and other components as originally constructed and the supporting ground; all components above that wall including, but not limited to, the rafters, the roof, the parapet cap, and other components as originally constructed; and all components on the sides or exteriors of that wall including, but not limited to, siding, trim, and other components as originally constructed.

Rental Housing Unit or Rental Housing Units means the individual dwelling units at the Site to be constructed by Declarant and rented by Declarant, Owner, or Management Company to Income Qualified Households in implementation of the Project.

Transition or Transition Period: The period during which the Declarant transfers control of the Homeowners Association (HOA) to the Owners. Transition shall commence upon the sale 75% of the Lots to third-party purchasers and ends when the Declarant upon the sale of the last Lot to a third-party purchaser. All obligations related to the Affordability Restrictions, income qualification enforcement, and rental management oversight shall transfer to the HOA at the completion of the Transition, subject to the oversight rights of the City of Ellensburg as a third-party beneficiary.

Article I: HOA; Membership and Voting Rights

- 1.1 **Description of HOA:** The HOA is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents of the HOA other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration or the Covenant. The HOA shall have a perpetual existence and may not be dissolved for fifty years after the date upon which this Declaration is recorded. Upon dissolution or final winding up of the HOA entity under the laws of the State of Washington, all of its assets remaining after payment to creditors will be distributed or sold, and the sales proceeds distributed, to the members of the HOA entity in accordance with the Articles, Bylaws, and provisions of Ch. 24.03 RCW. The Owners are responsible for providing that the HOA continues to be a functioning legal entity.
- 1.2 **Association Board.** During the Declarant Control Period, the Declarant shall manage the Association and shall have all the powers of the Board set forth herein. Upon termination of the Declarant Control Period or as earlier required pursuant to RCW 64.90.415, a Board shall be elected from among the Owners, as provided in the Bylaws to manage the HOA. The Board shall elect officers of the HOA from among the Board members, which shall include a president who shall preside over the meetings of the Board and meetings of the HOA.
- 1.3 **Owner's Compliance.** By acceptance of a deed to a Lot, recording of a real estate contract conveying title to a Lot, or any other means of acquisition of an ownership interest, the Owner thereof covenants and agrees, on behalf of himself and his heirs, successors, and assigns, to be a Member and observe and comply with the terms of the Plat, this Declaration, the Governing Documents of the Association, and all rules and regulations duly promulgated pursuant to Association Action.

- 1.4 **Implied Rights.** The Association may exercise any right or privilege given to it expressly by this Declaration or the Bylaws or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege.
- 1.5 **Association Property.** The Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property
- 1.6 **Membership:** All owners of record of Ownership Housing Units within the Community shall automatically be Members of the HOA. Membership is appurtenant to and runs with the ownership of each Lot.
- 1.7 **Voting Rights:** A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot to which it relates. A vote shall not be separated from ownership of the Lot to which it relates.
 - 1.7.1 **Class A Members:** Owners of Ownership Housing Units (excluding the Declarant) shall each have one (1) vote per Lot.
 - 1.7.2 **Class B Membership:** Reserved for the Declarant, who shall have nine (9) votes per Lot owned.
 - 1.7.3 **Transition of Voting Rights:** Class B membership shall convert to Class A membership Sixty (60) days after the conveyance of 75% of the Ownership Housing Units in the Community, as required under RCW 64.90.415.

Article II: Declarant Rights

- 2.1 **Board Representation:** The Declarant shall retain the right to elect at least one (1) Board member as long as it holds at least five percent (5%) of the Ownership Housing Units in all phases of the Community for sale.
- 2.2 **Property Management:** Until all of the Lots are sold to individual homebuyers, the Declarant shall manage the contractual relationship with the property management company, including the authority to amend, terminate, or engage a replacement property management company. This authority shall terminate upon the sale of all Ownership Housing Units owned by the Declarant.

Article III: Property Management

- 3.1 **Authority:** The HOA shall have the authority to manage Rental Housing Units and maintain Common Areas within the Community through a licensed property management company.
- 3.2 **Mandatory Participation:** Homeowners who rent their units must utilize the HOA-appointed property management company unless granted an exemption for Owner-occupied or self-managed units, as described in the Property Management Contracting Policy.

- 3.3 **Compliance:** All tenant screening, income verification, leasing, and rental activities shall be conducted as outlined in the Property Management Contracting Policy, and shall comply with federal, state, and local fair housing laws, including RCW 49.60.
- 3.4 **Income Qualification:** Tenants shall meet income qualifications as described in Article V.
- 3.5 **Property Management Company Contractual Requirements:** It shall be a condition of every Property Management Contract, regardless whether entered into with the Declarant, its successor and/or the HOA that the contract require as an integral part of the Property Management Company's responsibilities, continuing compliance with the HOAs affordability requirements. Every such contract must ensure appropriate monitoring and record-keeping to validate compliance and shall expressly acknowledge the City of Ellensburg as an intended third-party beneficiary of this requirement.

Article IV: Ownership Housing Unit Rules

This Article governs the Ownership Housing Units within the Community and supplements the restrictions set forth in the Declaration.

4.1 General Maintenance Obligations

4.1.1 Each Owner shall, at their own expense, maintain their Unit and all improvements therein in a clean, sanitary, safe, and attractive condition, consistent with the standards established by the Homeowners Association (HOA) from time to time. This obligation includes, but is not limited to, the repair, replacement, and upkeep of:

- i. Interior surfaces, walls, ceilings, and floors.
- ii. Fixtures, appliances, plumbing, electrical systems, and HVAC units.
- iii. Windows, doors, and any other elements within the Unit boundaries.
- iv. Any exterior portions of the Unit not maintained by the HOA, including private patios, decks, and balconies.

4.1.2 The HOA may establish specific maintenance standards and guidelines through its rules and regulations. Owners shall comply with these standards. Any significant alterations or repairs affecting the exterior appearance of the Unit shall require prior written approval from the HOA.

4.2 Party Walls

4.2.1 Each Owner of a Lot sharing a party wall with an adjoining Lot shall have the right to the reasonable use and enjoyment of the party wall. The party wall shall be maintained in good condition by mutual agreement of the Owners, subject to the provisions of this Declaration.

4.2.2 Rights and Limitations on Alterations and Work:

- i. No Owner shall make any alterations, additions, or modifications to a party wall that would affect the structural integrity, appearance, or function of the wall without the prior written consent of the adjoining Owner and, if applicable, the approval of the HOA.
- ii. Each Owner shall have the right to perform necessary repairs to the party wall in cases of emergency without prior consent, provided reasonable efforts are made to notify the adjoining Owner as soon as practicable.
- iii. Any alteration that affects the load-bearing capacity, waterproofing, or soundproofing of a party wall must be performed in compliance with all applicable building codes and standards, and at the sole expense of the altering Owner, unless otherwise agreed in writing.

4.2.3 Indemnification and Liability

- i. Each Owner shall indemnify, defend, and hold harmless the adjoining Owner and the HOA from any claims, damages, or liabilities arising from the Owner's unauthorized alterations, negligent maintenance, or failure to comply with the provisions of this Article.
- ii. If damage to the party wall results from the negligent or intentional act of one Owner, that Owner shall be solely responsible for all repair costs, including any consequential damages suffered by the adjoining Owner.
- iii. The HOA shall have no responsibility for the repair or maintenance of party walls unless such responsibility is expressly assumed by the HOA in writing or under other provisions of this Declaration.

4.2.4 Shared Costs of Repairs and Maintenance

- i. The cost of routine maintenance and necessary repairs to the party wall shall be shared equally by the Owners, unless damage or deterioration is caused by the negligence or intentional act of one Owner, in which case that Owner shall bear the full cost of repair.
- ii. In the event of a disagreement between Owners regarding the necessity or cost of repairs, either Owner may request mediation by the HOA or a mutually agreed-upon third party. The decision of the mediator shall be binding on both parties.
- iii. Each Owner shall contribute their share of the cost of repairs within [30] days of receiving written notice of the repair cost. Failure to pay may result in a lien placed on the non-paying Owner's Lot by the paying Owner or the HOA.

- 4.2.5 In the event of a dispute between Owners concerning the repair, maintenance, or use of a party wall, the parties shall first attempt to resolve the dispute through informal negotiation. If a resolution cannot be reached, either party may submit the dispute to mediation under the HOA's dispute resolution procedures. Should mediation fail, the

parties may pursue arbitration or legal action, as permitted by this Declaration and governing law.

- 4.2.6 Each Owner shall maintain appropriate property insurance covering their respective Lot, including coverage for damage to party walls caused by perils covered under standard homeowner policies. In the event of damage covered by insurance, Owners shall cooperate to file joint claims and apply insurance proceeds toward repair costs. Any shortfall in insurance proceeds shall be shared equally unless otherwise specified in this Article.

4.3 Use Agreement:

- 4.3.1 All owners of Ownership Housing Units shall execute a use agreement, recorded against their unit, subjecting the unit to the restrictions set forth in this Article.
- 4.3.2 The use agreement shall bind all future owners of the unit and be enforceable by the HOA or its designee.

Article V: Affordability Requirements

5.1 Ownership Housing Unit Sales Restrictions:

- 5.1.1 Ownership Housing Units shall only be sold to Low-Income Households whose gross annual income does not exceed 80% of the Area Median Income (AMI) for Kittitas County, as published annually, effective July 1, by the U.S. Department of Housing and Urban Development – HOME Income Limits. For purposes of qualifying the income of prospective purchasers of the Ownership Housing Units, “income” shall not include any anticipated or actual rental income from the Rental Housing Units associated with the Ownership Housing Units.
- 5.1.2 The eligibility requirements for purchasers of Ownership Housing Units (and their accompanying Rental Units) may be satisfied by non-profit organizations which meet the following conditions:
- i. The non-profit organization agrees to lease all units exclusively to households earning no more than 80% of AMI;
 - ii. The non-profit organization shall comply with all reporting, tenant screening, and lease requirements as outlined in this Covenant; and
 - iii. The non-profit organization shall not occupy the Ownership Housing Unit or use the property for purposes other than providing affordable rental housing.
- 5.1.3 Prior to the sale of any Ownership Housing Unit, the prospective buyer must provide documentation verifying their income eligibility, which shall be approved by the HOA or its designee.

5.2 Rental Housing Restrictions:

5.2.1 Owners of Ownership Housing Units shall rent their Rental Housing Units only to Low-Income Households, as defined above.

5.2.2 Tenant income eligibility shall be verified by the property management company or the HOA prior to lease execution.

5.3 Fees and Penalties for Violations:

5.3.1 Any violation of the rental restrictions shall subject the Owner to fees and penalties as determined by the HOA, which may include daily fines.

5.3.2 Unpaid fees and penalties shall constitute a lien against the Ownership Housing Unit, enforceable in accordance with this Declaration and applicable law.

5.4 Procedures: The HOA, or its designated Property Manager, shall establish and maintain policies and procedures for verifying income eligibility, including but not limited to:

5.4.1 Submission of income documentation by prospective buyers or renters.

5.4.2 Annual recertification of income qualifications for renters, if required.

5.4.3 Owners and landlords must ensure that all prospective buyers or tenants meet these requirements prior to executing a sale or lease.

5.4.4 Violations of this restriction may result in enforcement actions as outlined in this Declaration and other Governing Documents.

Article VI: Assessments

6.1 Purpose: In order to meet the costs and expenses projected in its operating budget, the HOA shall by HOA Action determine and levy in advance on every Lot a general assessment. The amount of each Lot's general assessment shall be the amount of the HOA's operating budget divided by the sum of the number of Lots. The HOA shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least thirty (30) days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be open to inspection by any Owner upon reasonable notice to the HOA. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof. The omission by the HOA, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release by any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the HOA of the operating budget during the assessment period for which such budget was

prepared, the HOA shall, if necessary, revise the general assessment levied against Lots and give notice to each Owner.

- 6.2 **Owner's Covenant to Pay Assessments.** By acquisition of any ownership interest in a Lot, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the HOA, in advance, all general and special assessments levied as provided herein. When an Owner conveys, or otherwise transfer ownership of a Lot, membership in the HOA shall automatically transfer to the new Owner.
- 6.3 **Rental Management Fees:** Fees related to property management services shall be equitably allocated as described in the HOA's Governing Documents and policies.
- 6.4 **Special Assessments:** The Association shall have the authority to levy special assessments against Owners for the purpose of covering unexpected expenses, capital improvements, or other necessary expenditures not included in the annual budget. Special assessments shall be:
 - 6.4.1 Approved by a majority vote of the Board of Directors, unless otherwise specified in the Governing Documents or required by law.
 - 6.4.2 Nondiscriminatory in nature, ensuring that no Owner is unfairly targeted or burdened based on personal characteristics, status, or use of their property, unless such differentiation is explicitly permitted under applicable laws or this Declaration.
 - 6.4.3 Allocated fairly and equitably among all Owners, in proportion to their ownership interests or as otherwise specified in the Governing Documents.

Article VII: Enforcement

- 7.1 **Authority:** The HOA shall have the authority to enforce this Declaration, the Articles, Bylaws, and other Governing Documents. The HOA may impose remedies for non-compliance, including fines, liens, suspension of privileges, and legal action, as outlined herein.
- 7.2 **Violations:** Failure to comply with the Governing Documents, including but not limited to nonpayment of assessments, violations of Affordability Requirements, or other breaches of this Declaration, shall be considered a violation subject to enforcement actions. These actions may include:
 - 7.2.1 Fines: Monetary fines may be imposed for each day a violation continues, in accordance with the HOA's enforcement policies.
 - 7.2.2 Suspension of Privileges: The HOA may suspend the Owner's rights to vote, use common areas, or participate in Association activities until the violation is cured.
 - 7.2.3 Liens and Foreclosure: Unpaid fines, penalties, and costs associated with any violation may result in a lien against the Owner's property with the potential for foreclosure if unpaid.
 - 7.2.4 Legal Action: The HOA may pursue legal or equitable remedies, including injunctive relief or specific performance, to compel compliance.
- 7.3 **Dispute Resolution:** Disputes shall be resolved in accordance with the HOA's dispute resolution procedures.

7.4 Lien for Violations of Governing Documents: In addition to other enforcement remedies, the HOA shall have the authority to place a lien on any Owner's Lot or Unit for any violation of this Declaration, the Articles, Bylaws, or other Governing Documents, including but not limited to nonpayment of assessments, income compliance violations, unauthorized alterations, or misuse of property.

7.4.1 Lien Creation: If an Owner fails to cure any violation of the Governing Documents, including the nonpayment of assessments or fines, failure to comply with Affordability Requirements, or other breaches of the Declaration, the Association shall have the power to place a monetary lien against the Owner's Lot or Unit. The lien shall include:

- i. Unpaid assessments, fines, or monetary penalties related to non-compliance with any provision of the Governing Documents.
- ii. Interest, late fees, and reasonable legal fees incurred by the Association in pursuing collection or enforcement actions.
- iii. Costs of repairs or corrections performed by the HOA to remedy violations after proper notice to the Owner.

7.4.2 Notice of Lien: The Association shall provide the Owner with written notice of the lien, including:

- i. A description of the violation or unpaid assessment.
- ii. The total amount owed, including fines, interest, legal fees, and costs of corrective actions.
- iii. A demand for payment within [30] days of receipt of the notice.
- iv. If the Owner fails to satisfy the lien within the specified period, the Association may pursue additional enforcement remedies, including foreclosure.

7.4.3 Foreclosure of Lien: The Association shall have the authority to foreclose on any lien placed against an Owner's property for violations of the Governing Documents, including nonpayment of assessments, monetary penalties, or other breaches. Foreclosure proceedings shall be conducted in accordance with applicable state laws, including RCW 64.34 (Washington Condominium Act) and RCW 64.38 (Washington Homeowners' Association Act).

- i. Proceeds from foreclosure shall first be applied to satisfy the debt owed to the Association, including legal fees, interest, fines, and costs associated with the foreclosure.
- ii. Any surplus proceeds shall be returned to the Owner or applied according to applicable law.

7.5 Suspension of Voting Rights for Non-Compliance: In addition to monetary remedies, the Association may impose non-monetary sanctions for non-compliance with the Governing Documents, including but not limited to the Suspension of Voting Rights:

7.5.1 An Owner who fails to pay assessments, violates Affordability Requirements, or otherwise breaches the Governing Documents may have their voting rights suspended by the Board of Directors until the violation is cured.

7.5.2 The Owner shall receive written notice of the suspension and the steps necessary to reinstate their voting rights.

7.5.3 Voting rights shall be automatically reinstated upon full compliance with the Governing Documents and payment of any outstanding assessments, penalties, or fees.

7.6 **Additional Enforcement Remedies:** The remedies outlined in this Article are cumulative and shall not preclude the Association from pursuing any other legal or equitable remedies available under the law or the Governing Documents. This includes, but is not limited to:

7.6.1 The imposition of fines for ongoing violations.

7.6.2 Legal action to obtain injunctive relief or specific performance.

7.6.3 Recovery of attorney's fees and costs incurred in enforcing compliance

7.7 **City Enforcement Rights as Third-Party Beneficiary**

7.7.1 **City as Third-Party Beneficiary:** The City of Ellensburg (the "City") is hereby designated as a third-party beneficiary of the Affordability Requirements set forth in this Declaration, including but not limited to provisions regarding:

- i. Income Qualifications for buyers and renters;
- ii. Leasing Restrictions requiring rental of units to households earning no more than 80% of Area Median Income (AMI);
- iii. Reporting and Compliance Requirements related to affordability provisions; and
- iv. Enforcement Mechanisms ensuring compliance with Affordability Requirements.

7.7.2 **City's Right to Enforce:** In the event the Homeowners Association (HOA) fails to enforce any affordability requirement under this Declaration, the City shall have the right, but not the obligation, to enforce such provisions. The City's enforcement rights shall include:

- i. The ability to pursue legal or equitable remedies against Owners or the HOA for non-compliance with Affordability Requirements;
- ii. The right to impose fines, liens, or other penalties consistent with the remedies available to the HOA under this Declaration; and
- iii. The authority to require corrective actions to ensure compliance with Affordability Requirements, including but not limited to the removal of non-compliant tenants or the requirement to requalify buyers.

7.7.3 **No Waiver of City's Rights:** The City's right to enforce the Affordability Requirements shall not be deemed waived by any delay or failure to exercise such rights. The City may choose to enforce these provisions at its sole discretion if the HOA fails to act within a reasonable period after receiving notice of a violation.

7.7.4 **Costs of Enforcement:** In the event the City exercises its enforcement rights, any costs incurred by the City, including legal fees and administrative expenses, may be recovered from the non-compliant Owner or, if applicable, the HOA.

Article VIII: Amendments

8.1 **Procedure:** This Declaration may be amended by a vote of at least two-thirds (2/3) of the Members, following notice and discussion at a duly called meeting. All approved amendments shall be executed and recorded with the Kittitas County Recorder's Office.

8.2 City Approval Required for Amendments

8.2.1 **Affordability Provisions:** No amendment to this Declaration that affects the Affordability Requirements, including but not limited to income qualifications, rental restrictions, reporting obligations, or enforcement mechanisms, shall be valid or enforceable without the prior written approval of the City.

8.2.2 **Governing Documents:** Any amendments to the Articles of Incorporation, Bylaws, or rules and regulations of the Association that impact the administration or enforcement of Affordability Requirements shall also require the prior written approval of the City.

8.2.3 **City as Third-Party Beneficiary:** The City is hereby designated as a third-party beneficiary of this section and shall have the right to enforce the amendment procedures outlined herein.

8.3 **Declarant's Amendment Rights:** Prior to the sale of the first Lot or Unit to a third-party purchaser, the Declarant shall have the exclusive right to amend this Declaration without the consent of the Association or any Owners. However, any such amendments that affect Affordability Requirements or the administration of affordable housing provisions shall require the prior written approval of the City.

Article IX: Miscellaneous Provisions

9.1 **Successors and Assigns:** The provisions of this Declaration shall bind and benefit the Declarant, the Association, and all Owners, including their respective successors, heirs, personal representatives, trustees, and assigns. Any reference to an Owner shall be deemed to include the Owner's successors and assigns.

9.2 **Joint and Several Liability:** In the case of co-ownership of a Lot or Unit, the obligations and liabilities of each Owner under this Declaration shall be joint and several. This includes, but is not limited to, the payment of assessments and compliance with all covenants, restrictions, and rules established by the Association.

9.3 **No Merger of Title:** The ownership of multiple Lots or Units by a single Owner shall not result in a merger of title. Each Lot or Unit shall remain subject to this Declaration, and the obligations associated with each Lot or Unit shall be separate and distinct, regardless of common ownership.

9.4 Notices:

9.4.1 All notices required or permitted under this Declaration shall be in writing and shall be deemed properly delivered when:

- i. Personally delivered to the Owner,
- ii. Mailed by certified or registered mail, return receipt requested, to the Owner's address on file with the Association, or
- iii. Sent electronically if the Owner has consented in writing to receive notices via electronic communication.

9.4.2 Notices to the Association shall be delivered to the address of its principal office or such other address as designated by the Board.

9.5 **Remedies Cumulative:** All remedies provided under this Declaration, or available at law or in equity, shall be cumulative and may be exercised concurrently or separately. The exercise of one remedy shall not preclude the exercise of any other remedies.

9.6 **Severability:** If any provision of this Declaration is determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. The invalidity of any provision shall not affect the validity of the rest of the Declaration.

9.7 **Governing Law:** This Declaration shall be governed by and construed in accordance with the laws of the State of Washington, including but not limited to RCW 64.38 (Washington Homeowners' Association Act) and RCW 64.34 (Washington Condominium Act), where applicable.

9.8 **Owner Mortgages and Subordination:** Any mortgage, deed of trust, or other security interest encumbering a Lot or Unit shall be subordinate to the provisions of this Declaration, including the covenants, restrictions, and enforcement mechanisms contained herein. This subordination shall apply regardless of when the mortgage or security interest is recorded.

Bylaws

Bylaws of [Insert HOA Name Here]

Article I: Name and Purpose The name of the Association is [Insert HOA Name Here]. The purpose of the Association is as stated in the Articles of Incorporation.

Article II: Definitions Terms used in these Bylaws shall have the same meaning as in the Declaration of Covenants, Conditions, and Restrictions ("the Declaration") and the Articles of Incorporation.

Article III: Membership

3.1 **Identity of Members:** The Members of the Association shall consist of all of the record title Owners of Lots within the Property from time to time, including 1st & Pine Ellensburg, LLC ("the Declarant"), collectively (the "Owners").

3.2 **Assignment:** The membership in the Association shall be appurtenant to and run with ownership of each Lot in the Property. Upon acquisition of a Lot within the Property, the Lot Owner shall automatically become a Member of the Association, and upon the sale of a Lot in the Property, the Membership appurtenant to said Lot shall automatically pass to the subsequent grantee of title to the Lot. A Membership in the Association may not otherwise be transferred, assigned or hypothecated.

3.3 **Membership and Voting Rights:**

3.3.1 **Two Classes of Members:** The Association shall have two (2) classes of voting membership:

- i. Class A Members shall be all Owners, with the exception of the Declarant, until the termination of Class B membership. Each Class A Member shall be entitled to one (1) vote for each Lot owned.
- ii. Class B Membership shall be reserved for the Declarant. The Class B Member shall be entitled to nine (9) votes for each Lot owned by the Declarant.

3.3.2 **Transition of Voting Rights:** The Class B membership shall convert to Class A membership Sixty (60) days after the conveyance of seventy-

five percent (75%) of the Lots in all phases of the Community, as required under RCW 64.90.415.

3.3.3 Declarant Board Representation During Transition: Notwithstanding Transition of Voting Rights, the Declarant shall retain the right to appoint up to one non-voting advisory member to the Board of Directors, as long as the Declarant holds for sale at least five percent (5%) of the Lots in the Community. This advisory role shall terminate upon the sale of all Lots owned by the Declarant or as otherwise required by law.

3.3.4 Declarant Management of Property Contracts on Behalf of the City During Transition:

During the period between the Transition of Voting Rights and the sale of the final Lot in the community, the Declarant shall retain the exclusive right to manage the contractual relationship with the property management company solely for the purpose of ensuring compliance with affordability requirements. This authority is granted in recognition of the City of Ellensburg's role as a third-party beneficiary to enforce affordability provisions.

- i. This right includes the authority to approve amendments to, or terminate, the property management contract, and to engage a replacement property management company if necessary to maintain compliance with the Affordability Requirements. The Declarant shall exercise this authority in coordination with the City and subject to City oversight.
- ii. This provision shall not be construed to grant the Declarant control over general HOA operations or management decisions unrelated to affordability. This authority shall terminate upon the sale of all Lots owned by the Declarant or as otherwise required by law, and shall at all times be subject to RCW 64.90.415.

Article IV: Meetings of Members

4.1 Annual Meeting: The annual meeting of members shall be held in [Insert Month] at a time and place designated by the Board of Directors.

- 4.2 **Special Meetings:** Special meetings may be called by the President, a majority of the Board, or by members representing at least 10% of the votes in the Association.
- 4.3 **Notice:** Notice of meetings must be sent to all members at least 14 days in advance, specifying the time, place, and purpose.

Article V: Board of Directors

5.1 Number:

- 5.1.1 The Board of Directors shall consist of four (4) members.
- 5.1.2 At Transition, all board seats except the Declarant's reserved seat (if applicable) shall be elected by the Members in accordance with these Bylaws.

5.2 Staggered Terms:

- 5.2.1 Directors shall serve terms of two (2) years, with staggered elections to ensure continuity in governance.
- 5.2.2 At the first election post-Transition, two (2) directors shall be elected for two (2) years and two (2) directors shall be elected for one (1) year.
- 5.2.3 At each subsequent annual meeting, directors shall be elected to fill expiring terms, each for a term of two (2) years.

- 5.3 **Declarant-Appointed Seat:** The Declarant-appointed board Member shall serve at the Declarant's discretion and may be replaced or removed by the Declarant at any time, subject to termination of this right as outlined in these Bylaws and the Articles of Incorporation.

- 5.4 **Election Cycle:** At each annual meeting of the Association, two (2) directors shall be elected to replace the directors whose terms are expiring.

- 5.5 **Continuity of the Board:** Staggered terms are intended to ensure that no more than two (2) directors' terms expire in a single year, preserving continuity on the Board.

- 5.6 **Filling Vacancies:** If a vacancy occurs during a director's term, the Board may appoint a Member to serve the unexpired portion of the term, preserving the staggered election cycle.

- 5.7 **Eligibility for Re-Election:** Directors whose terms have expired shall be eligible for re-election unless otherwise prohibited by these Bylaws or applicable law.
- 5.8 **Duties:** The Board shall manage the Association's affairs, including enforcing governing documents, collecting assessments, and maintaining Common Areas.
- 5.9 **Meetings:** The Board shall meet at least quarterly. Meetings shall be open to members except when discussing legal, personnel, or delinquency matters.

Article VI: Officers

- 6.1 **Officers:** The officers shall include a President, Vice President, Secretary, and Treasurer.
- 6.2 **Election:** Officers shall be elected by the Board annually.
- 6.3 **Duties:** Officers shall perform duties customary to their roles, as outlined in the governing documents.
- 6.4 **Deadlocks:** In the event of a tie vote by the Board of Directors, the President shall cast the deciding vote. If the President is unable or unwilling to do so, the Vice President shall assume the tie-breaking authority.

Article VII: Assessments

- 7.1 **Annual Budget:** The Board shall adopt an annual budget and establish assessments sufficient to meet the Association's financial needs.
- 7.2 **Payment:** Assessments are due on a schedule determined by the Board.
- 7.3 **Collection:** The Association may impose late fees, interest, and liens for unpaid assessments, as permitted by law.

Article VIII: Financial Management and Budgeting

8.1 Budget Adoption Process

- 8.1.1 The Board of Directors shall prepare and adopt an annual budget for the Association's operations and maintenance. The budget shall include projected income, operating expenses, capital improvements, and reserves.
- 8.1.2 A draft of the proposed budget shall be presented to the Members no later than [60] days prior to the start of the fiscal year.

- 8.1.3 The Board shall hold a meeting, open to all Members, to discuss and review the proposed budget. Notice of this meeting shall be provided to Members at least [14] days in advance.
- 8.1.4 Following the Member review, the Board shall adopt the final budget no later than [30] days before the start of the fiscal year. The final budget shall be distributed to all Members within [15] days of adoption.
- 8.1.5 In the event the Board fails to adopt a budget before the fiscal year begins, the previous year's budget shall remain in effect until a new budget is adopted.

8.2 Maintenance and Vacancy Reserves for Rental Housing Units

- 8.2.1 The budget shall include dedicated reserve funds to cover maintenance, repairs, and vacancy losses related to the Rental Housing Units managed by the Association. These reserves shall ensure the long-term financial stability of the rental program.
- 8.2.2 Maintenance Reserve: A portion of rental income shall be allocated to a maintenance reserve fund for routine repairs, major replacements, and unexpected maintenance needs of the Rental Housing Units. The minimum contribution to the maintenance reserve shall be no less than 5% of the gross annual rental income.
- 8.2.3 Vacancy Reserve: The Association shall establish a vacancy reserve to cover periods when Rental Housing Units are unoccupied. This reserve shall be funded by allocating at least 5% of the gross annual rental income.
- 8.2.4 The Board shall review the adequacy of these reserves annually and adjust contributions as necessary to meet projected maintenance and vacancy needs.
- 8.2.5 Reserve funds for maintenance and vacancies shall be held in separate accounts from the Association's general operating funds and may only be used for their designated purposes unless otherwise approved by a majority vote of the Members.

8.3 Financial Reporting and Transparency

- 8.3.1 The Board shall provide an annual financial report to the Members, detailing income, expenses, and the status of all reserve funds, including maintenance and vacancy reserves.
- 8.3.2 The financial report shall be distributed to Members no later than [90] days after the end of the fiscal year.
- 8.3.3 The Association's financial records, including the budget, reserve accounts, and financial reports, shall be available for inspection by any Member upon reasonable request.

Article IX: Committees

- 9.1 The Board may appoint committees as necessary to assist in the administration of the Association's affairs.

Article X: Amendments

- 10.1 These Bylaws may be amended by a vote of at least two-thirds (2/3) of the members present at a duly called meeting, provided a quorum is met.

Article XI: Management of Rental Properties

- 11.1 **Authority and Purpose:** The Board of Directors shall oversee the management of Rental Housing Units within the Community, ensuring compliance with the Declaration and Property Management Contracting Policy. This authority includes, but is not limited to:
 - 11.1.1 Delegating property management responsibilities to a licensed third-party property management company.
 - 11.1.2 Implementing Affordability Requirements for Owners and tenants as outlined in the Declaration.
 - 11.1.3 Coordinating with the property management company to verify compliance with income qualifications and HOA rules.
 - 11.1.4 Ensuring that rental income distribution procedures follow the timelines and guidelines specified in the Property Management Contracting Policy.
- 11.2 **Rental Management Policy:** The Board shall adopt and maintain a comprehensive Rental Management Policy to govern the oversight of Rental Housing Units, the relationship with any contracted property management company, and the rights and obligations of participating Owners.

11.3 Policy Review and Updates: The Board shall review the Rental Management Policy no less than annually to ensure compliance with applicable laws, alignment with the Association’s goals, and responsiveness to Member needs. Any amendments to the policy shall be communicated to the Members within thirty (30) days of adoption.

11.4 Transparency and Oversight: Policies governing rental management, including any contracts with property management companies, shall be made available to the membership upon request. The Board shall provide an annual report summarizing the performance of the rental management program and any updates to related policies.

11.5 Management During Transition: During the transition period following Transition, the Declarant shall retain the exclusive right to manage the contractual relationship with the property management company, including the authority to approve amendments to or terminate the property management contract, and to engage a replacement property management company as deemed necessary.

11.6 Post-Transition Property Management: Following the conclusion of the transition period, the Board of Directors shall assume full authority over the property management contract, subject to any provisions of the Articles of Incorporation and the policies adopted by the Board.

11.7 Dispute Resolution: Disputes regarding compliance with rental management policies, tenant screening procedures, or income qualifications shall be resolved in accordance with the Property Management Contracting Policy. The HOA Board may impose fines, suspend privileges, or take legal action as necessary to enforce compliance.

11.7.1 If the HOA fails to perform its duties related to the enforcement of Affordability Requirements, including but not limited to income qualification verification, tenant screening, or rental management oversight, the City of Ellensburg (“the City”) shall have the right to:

- i. **Directly Enforce Affordability Requirements:** The City may pursue legal or equitable remedies, including imposing fines, liens, or other penalties on non-compliant Owners, in accordance with the governing documents and applicable law.
- ii. **Engage a Property Manager at the Owner’s Expense:** The City may contract with a qualified property management company

to oversee rental management and enforce compliance with Affordability Requirements. All costs and fees associated with the City's engagement of a property manager shall be the sole responsibility of the non-compliant Owner and may be collected as a special assessment by the HOA or directly by the City.

- 11.7.2 The City's enforcement rights are cumulative and do not limit or preclude any remedies available to the HOA. The City is designated as a third-party beneficiary of the Affordability Requirements and may act at its discretion if the HOA fails to meet its obligations.

Article XII: FHA and VA Compliance

The Association shall comply with FHA and VA requirements to maintain lending eligibility, including financial reserves, insurance coverage, and operational transparency.

Article XIII: Income Qualification Enforcement

- 13.1 The Board of Directors shall adopt policies and procedures to enforce the Affordability Requirements outlined in the Declaration.

Responsibilities include:

- 13.1.1 Establishing standards for verifying buyer and tenant income eligibility.
- 13.1.2 Coordinating with the property management company to verify renter income qualifications.
- 13.1.3 Imposing penalties for violations, including fines or legal action as permitted by the governing documents.

Certified on [Insert Date]: [Insert Names and Signatures of Officers]

Homeowners Association (HOA)

Policy: Hiring a Property Management Company

Purpose

This document outlines the policy and procedures for hiring a single property management company to manage Rental Housing Units owned by individual Owners within the [Name of HOA] Homeowners Association, in accordance with Washington State laws and regulations. This policy ensures consistent management practices, legal compliance, and clear roles for the Declarant and the Board during the Transition period and post-turnover.

Authority

The authority to implement and enforce this policy is derived from the [Name of HOA] governing documents, including the Covenants, Conditions, and Restrictions (CC&Rs), Bylaws, and applicable Washington State laws, including RCW 64.90.

Scope

This policy applies to all Owners within the [Name of HOA] who choose to rent their units, as well as to the HOA Board of Directors and the Declarant (during the Transition period) in their oversight responsibilities.

Definitions

Terms used in this policy shall have the same meaning as in the Declaration of Covenants, Conditions, and Restrictions ("the Declaration") and the Articles of Incorporation.

Policy

1. Appointment of a Property Management Company:

- The HOA, through its Board of Directors or the Declarant during the Transition period, shall appoint a single licensed property management company to oversee all Rental Housing Units within the Community. This ensures standardized management practices, compliance with HOA rules, and consistency across all Rental Housing Units.

- All Owners who rent their properties must utilize the services of the HOA-appointed property management company. This requirement is intended to maintain uniform management standards and ensure alignment with the Association's governing documents and applicable laws.
- Exemptions may be granted for Owner-occupied units or Owners who provide documentation demonstrating comparable management capabilities, provided they comply with HOA rules and applicable laws. The Board reserves the right to review and approve any such exemption requests on a case-by-case basis.

2. Management During the Transition Period

- During the Transition period, the Declarant shall retain exclusive authority to manage the contractual relationship with the property management company. This authority includes:
 1. Approval of amendments to or termination of the property management contract.
 2. Engagement of a replacement property management company, if deemed necessary by the Declarant.
 3. Coordination with the property management company to ensure compliance with governing documents and applicable laws.
- This authority shall terminate upon the sale of all Lots owned by the Declarant or as otherwise required by law.

3. Post-Transition Management

- Following the conclusion of the Transition period, the Board of Directors shall assume full authority over the property management contract. The Board shall:
 1. Regularly review the property management company's performance and compliance with HOA policies.
 2. Approve amendments to or termination of the property management contract, as needed.
 3. Engage a new property management company, if necessary, in accordance with this policy and applicable law.

4. Selection of the Property Management Company:

- The Board of Directors, or the Declarant during the Transition period, shall select a property management company that meets the following minimum standards:
 1. Licensed by the Washington State Department of Licensing.
 2. Adequately insured, including general liability and errors & omissions insurance.
 3. Experienced in managing residential rental properties and familiar with local, state, and federal regulations governing rental properties.
 4. Able to ensure tenant compliance with HOA rules and the Declaration.

5. Duties of the Property Management Company:

- Marketing and leasing of Rental Housing Units.
- Screening, selecting, and income verifying the tenants. The property management company shall:
 1. Conduct all tenant screening and selection in compliance with federal, state, and local fair housing laws, including RCW 49.60. This includes ensuring that no discriminatory practices are used in tenant advertising, screening, or leasing.
 2. Verify that prospective tenants meet the income qualification restriction of 80% AMI prior to executing any lease agreements.
 3. Maintain documentation of income verification for all renters.
 4. Provide annual reports to the HOA Board summarizing compliance with the Affordability Requirements.
- Collection of rent and other fees.
- Distribution of Rental Income to Owners.
- Maintenance and repair coordination.
- Addressing tenant issues and complaints.
- Ensuring tenant compliance with HOA rules and regulations.
- Aid the HOA in its obligations pertaining to the transaction of Lots:

1. Verify that prospective buyers of Lots meet the income qualification restriction of 80% of the Area Median Income (AMI), in coordination with the HOA, and provide required documentation to title companies or other relevant parties upon request. Such verification services shall be compensated through a fee, not to exceed \$40 per applicant, payable by the prospective buyer unless otherwise negotiated by the seller. Such documentation shall occur as part of the closing process, in accordance with escrow procedures. All fees must be disclosed to the buyer in writing prior to initiating the verification process. All procedures and related fees shall comply with applicable federal, state, and local fair housing laws. "
2. Where applicable, provide annual certification of buyer income verification and the forwarding of downpayment assistance from the sellers to new buyers, to third-party non-profits that supplied the original downpayment assistance. All documentation shall be handled in accordance with applicable privacy laws and financial regulations.

6. Distribution of Rental Income

- Rental income collected by the property management company on behalf of Owners shall be distributed as follows:
 1. Collected rent, less any applicable fees, expenses, and charges as outlined in the property management contract, shall be remitted to the Owner within 15 days after the end of the month in which the rent is received.
- The property management company shall provide Owners with a detailed monthly accounting statement, including:
 1. The total rent collected.
 2. All deductions, including administrative fees, maintenance costs, or other expenses.
 3. The net amount remitted to the Owner.
- In the event of delinquent rent payments by tenants, the property management company shall:

1. Follow the procedures outlined in the management contract for rent collection.
2. Notify the Owner and the HOA Board of delinquency and any steps taken to recover unpaid rent.

7. Costs and Fees:

- The costs of engaging the property management company shall be equitably allocated among participating Owners based on a fee structure determined by the Board of Directors. This structure shall include:
 1. Administrative fees charged as a percentage of rental income or a flat monthly fee, as defined in the property management contract.
 2. Shared costs for community-wide management services, if applicable, allocated proportionally based on property ownership interests.
 3. A detailed schedule of fees, including any applicable penalties for late payment, shall be reviewed annually and provided to Members.

8. HOA Oversight:

- The HOA, through its Board of Directors or the Declarant during the Transition period, shall oversee the performance of the property management company to ensure compliance with this policy, the Association's governing documents, and applicable laws. Responsibilities of the HOA include:
 1. Conducting regular reviews of the property management company's performance.
 2. Providing an annual report to Members on rental management activities and any updates to related policies.
 3. Acting as the primary liaison between Owners, tenants, and the property management company to address concerns or disputes.
 4. Ensuring that the property management company adheres to the terms of its contract and maintains consistent management practices.
- The HOA, through its Board of Directors or the Declarant during the Transition period, retains the right to terminate the contract with the property

management company for cause, as defined in the management agreement, and select a new management provider through a transparent process.

9. Enforcement:

- Failure to comply with this policy, including refusal to use the HOA-appointed property management company, shall result in enforcement actions as outlined in the Association's governing documents. Enforcement actions may include:
 1. Fines assessed against non-compliant Owners, as permitted under the governing documents.
 2. Suspension of HOA privileges, such as access to Common Areas or voting rights.
 3. Legal action to enforce compliance, including seeking injunctive relief or damages.
- All enforcement actions shall be applied consistently and in accordance with the HOA's rules and regulations, and Members shall be provided notice and an opportunity to resolve disputes before penalties are imposed.

10. Dispute Resolution:

- In the event of a dispute between a participating Owner and the property management company, the following steps shall be taken:
 1. **Initial Resolution Attempt:** The Owner must first notify the HOA Board in writing, detailing the issue and any steps taken to resolve it directly with the property management company.
 2. **Mediation:** If the dispute remains unresolved, the Board shall facilitate mediation between the Owner and the property management company.
 3. **Final Determination:** The Board reserves the right to make a final determination regarding compliance with HOA policies and rules.
 4. **Appeal:** Homeowners may appeal the Board's decision to a neutral third-party arbitrator, whose decision shall be final and binding. Costs for arbitration shall be shared equally by the Owner and the HOA.

11. Policy Review and Updates:

- This policy shall be reviewed no less than annually by the Board of Directors or the Declarant during the Transition period. Amendments to the policy shall be approved by the Board and communicated to Members within thirty (30) days of adoption.

Procedures

1. Notification of Rental Status:

- Homeowners must notify the HOA Board in writing of their intent to rent their unit before advertising or entering into a lease agreement.
- The HOA Board will coordinate with the property management company to ensure the Rental Housing Unit is managed in accordance with this policy.

2. Coordination with the Property Management Company:

- The HOA Board, or the Declarant during the Transition period, shall act as the primary liaison with the property management company to ensure that:
 1. The property management company receives all relevant information about Rental Housing Units.
 2. Homeowners and tenants comply with HOA rules, the Declaration, and applicable laws.
 3. Any issues or complaints involving tenants or the property manager are promptly addressed.

3. Ongoing Compliance:

- Homeowners must ensure their Rental Housing Units remain in compliance with all HOA rules and regulations.
- The property management company will assist in maintaining compliance by conducting regular inspections, addressing tenant violations, and reporting issues to the HOA Board.

Effective Date and Amendments:

This policy shall take effect as of [Insert Date]. It may be amended by a majority vote of the HOA Board, consistent with the governing documents. All amendments shall be communicated to Members within thirty (30) days of adoption and take effect as specified by the Board.



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Amendment to Kittitas County Chamber Agreement for Concierge Services for the Visitors Information Center at Unity Park (Public Comment Opportunity)

Submitted by: Kelle Vandenberg, Arts & Economic Development Manager

Department: City Manager

Suggested Motion/Action:
As recommended by the Lodging Tax Advisory Committee, move to approve Amendment 1 to the Professional Services Agreement between the City of Ellensburg and the Kittitas County Chamber of Commerce for concierge services at the Visitor Information Center in Unity Park and authorize the City Manager to sign the amendment.

Background/Summary:
As part of the ongoing development, completion, and management of Unity Park, and to enhance the visitor experience in the downtown area, the City of Ellensburg issued a Request for Proposal for concierge services at the Visitor Information Center in Unity Park from May through September 2025. The Kittitas County Chamber of Commerce was selected to provide these services. Under the existing Professional Services Agreement, the Chamber currently manages the Visitor Information Center at 609 N. Main Street, bringing valuable experience in operating visitor centers.

Previous Council Action:
At the January 21, 2025, City Council meeting, the Council approved the 2025 Professional Services Agreement between the City of Ellensburg and the Kittitas County Chamber of Commerce, allocating \$292,600 in Lodging Tax funding.

Analysis:
Although services for the Visitor Information Center at Unity Park fall under Section 12, Extra Work, of the existing 2025 Professional Services Agreement between the City of Ellensburg and the Kittitas County Chamber of Commerce, a written supplement to the agreement is required to outline the scope of the additional work. The Lodging Tax Advisory Committee recommended approval of the amendment at its meeting on March 5, 2025.

Financial Impact:

2025 Professional Service Agreement--Approved 1/21/2025:	\$292,600.00
Management and Operation of the Visitor's Center and provide Concierge Services at Unity Park from May-September 2025:	\$ 32,000.00
	\$324,600.00

The additional \$32,000.00 would be funded through Lodging Tax Funding.

Budget Adjustment: Yes

Attachments:

1. Amendment 1 Unity Park VIC Services-Scope-Budget

AMENDMENT 1 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF ELLENSBURG AND
KITTTITAS COUNTY CHAMBER OF COMMERCE

**RELATING TO: RELATING TO: CONCIERGE SERVICES FOR THE VISITOR
INFORMATION CENTER (VIC) LOCATED WITHIN UNITY PARK**

This Amendment 1 is made and entered into this _____ day of _____, 2025 by and between the City of Ellensburg ("City"), a municipal corporation of the State of Washington, (hereinafter called the "CITY"), and the Kittitas County Chamber of Commerce, a Washington non-profit organization authorized to do business in the state of Washington (hereinafter called the "CONSULTANT").

WHEREAS, the City and the Consultant entered into an agreement for professional services for work related to the operation of the marketing/advertising for tourism and operation of the Visitor Information Center located at 609 N. Main Street, within the CITY signed the 21st day of January 2025 ("Agreement").

WHEREAS, the CITY published R24-18 Request for Proposal (RFP) for Concierge Services for the Visitor Center at Unity Park, in downtown Ellensburg for 2025.

WHEREAS, per the Agreement for Professional Services Between the City of Ellensburg and Kittitas County Chamber of Commerce, Section 12, Extra Work, the services relating to Concierge Services for the Visitor Information Center at Unity Park, fall under Extra Work which requires a written supplemental to that agreement.

WHEREAS, the CONSULTANT submitted a proposal and was selected to provide Seasonal Concierge Service for the Visitor Center at Unity Park. Which will be funded by the City through the City's Lodging Tax Fund, recommended by the LTAC on March 5, 2025.

NOW, THEREFORE, in consideration of the above representations and the terms, conditions, covenants, and agreements set forth below in Concierge Services for the Visitor Center at Unity Park Scope of Work (Exhibit A) and Concierge Services Budget (Exhibit A-1), both of which are attached hereto and incorporated herein, the parties agree to the following amendments to the Agreement:

1. The CONSULTANT, will provide operational oversight for the newly established Visitor's Center at Unity Park and will be responsible for providing well-trained, professional staff who can deliver excellent customer service, provide local knowledge, and assist with the promotion of local events, activities and amenities, as outlined in the Scope of Work, (Exhibit A).

2. The CONSULTANT, will provide the same or applicable visitor metrics for the Unity Park Visitor's Center, as provided, per Agreement within the quarterly reporting for existing Visitor Information Center at 609 N. Main Street, Ellensburg, WA.

3. Section 5.1 of the Agreement is amended to increase the total compensation, consistent with Exhibit A-1, by \$32,000, or a total maximum compensation of \$324,600. The CONSULTANT will provide monthly/quarterly invoices for the operation of the Visitor's Center at Unity Park either as a separate invoice, or as a separate line item.

4. Except as specifically provided herein, all other terms of the Agreement shall remain unchanged.

KITTITAS COUNTY CHAMBER OF COMMERCE

By _____
Amy McGuffin, CEO

THE CITY OF ELLENSBURG

By _____
Heidi Behrends Cerniwey, City Manager

CONCIERGE SERVICES FOR THE VISITOR INFORMATION CENTER (VIC) LOCATED WITHIN UNITY PARK

EXHIBIT A-1

SCOPE OF WORK

OVERVIEW

The Visitor's Center at Unity Park will be a key component of Ellensburg's efforts to enhance downtown tourism, provide community resources and cultural events, while providing key facilities oversight services for the park during peak hours of usage.

The selected organization will be responsible for providing well-trained, professional staff who can deliver excellent customer service, provide local knowledge, and assist with the promotion of local events, activities, and amenities.

SCOPE OF WORK

The scope of work for the services includes, but is not limited to:

- **Staffing Hours:** Providing staffing services during operating hours as specified by the City, with flexibility for special events and holidays.
- **Information Distribution:** Provide visitors with information about local events, attractions, business location, parking, and cultural offerings.
- **Tourism Promotion:** Assist in promoting the City's tourism initiatives, including marketing events like the First Friday Art Walk and other partnership events.
- **Customer Service:** Respond to visitor inquiries and providing exceptional customer service. Manage check-in/check-out of recreation equipment such as family games and monitor water feature operations.
- **Administrative Duties:** Maintaining brochures, updating event information, and handling inquiries via phone or email. Activity logs and visitor experience survey reporting may be required to ensure performance and future service improvements.
- **Collaboration:** Work closely with local organizations, Ellensburg Downtown Association, other businesses, and City staff to ensure smooth operations.
- **Facilities Maintenance:** Maintain clean, organized public areas for park visitors including, but not limited to, light cleaning, litter removal, and restocking supplies in public restrooms, pet relief area, water feature, trash, and park facilities. Staff will conduct daily security checks to ensure all areas of the park visitors center are properly locked and secured. City staff will be contacted for maintenance needs outside of the Scope of Work.

HOURS OF OPERATION:

2025 Seasonal Hours of Concierge Service and Visitor Center Operation:

May & September 2025- concierge services available Friday – Sunday:

Friday 4 p.m. – 8 p.m.

Saturday 9 a.m. – 5 p.m.

Sunday 12 p.m. – 5 p.m.

June – August 2025– concierge services available Monday – Sunday:

Monday – Thursday 11 a.m. – 5 p.m.

Friday 11 a.m. – 8 p.m.

Saturday 9 a.m. – 8 p.m.

Sunday 12 p.m. – 5 p.m.

Staffing totals approximately 800 hours for one season, May through September. This is a one-year trial period which may be extended by agreement of both parties.

STAFFING

The staffing plan will ensure seamless concierge services at Unity Park Visitor Center, adhering to the operating hours noted above. Kittitas County Chamber of Commerce will provide all staff members working in the park Chamber branded uniforms, identifying them as Chamber staff.

Staff training will include:

- Customer Service Training: Focused on visitor engagement, service excellence, and conflict resolution.
- Local Knowledge & Tourism Expertise: In-depth training on Ellensburg’s local attractions, businesses, events, and cultural offerings.
- Operational Procedures: Guidelines on park equipment check-in/check-out, water feature management, and light maintenance tasks.

OPERATIONAL OVERSIGHT

The Kittitas County Chamber of Commerce will ongoing oversight of the staff management, training, and scheduling of concierge staff for Unity Park, ensuring necessary coverage during operating hours, special events, and holidays. They will manager operation oversight, including day-to-day operations, all communications with designated City staff, local businesses, and community organizations.

REPORTING

Feedback will be crucial in shaping park development and staffing for future seasons. The following reporting will be submitted by the Kittitas County Chamber of Commerce to the City of Ellensburg:

1. Data Tracking Information: Visitor logs and experience surveys will be compiled and reported back monthly.

2. Service Reports: Staff will track and compile all maintenance, incident, and park activity monthly or more frequently, and report to designated City staff. Chamber will notify designated staff of maintenance needs in a timely manner.

BUDGET

CATEGORY	COST ESTIMATE
Concierge and supervisory wages	\$18,000.00
Recruitment and training	\$1,000.00
Program Management	\$2,500.00
Operational Supplies	\$10,000.00
Contingency Staffing	\$500.00
Total Budget:	\$32,000.00

Budget Summary:

Staffing Costs:

Hourly Wages: Hourly Wages: VC Staff: \$18.00/h Supervisory: \$33.00/h
 Seasonal Hours: Estimated 800 service hours from May to September
 Payroll Expenses: Employer-paid taxes, insurance, and benefits (if applicable)

Administrative and Management Fees:

- Recruitment and training: job postings, onboarding, and training materials.
- Program Management: supervisory oversight, training, scheduling, and performance monitoring.
- Reporting: visitor logs, service evaluation, surveys, and monthly reports to City of Ellensburg.

Operational Supplies and Materials:

- Uniforms and name badges: Chamber branded uniforms for staff to ensure professionalism and visibility within the park.
- Visitor materials: brochures, maps, promotional materials provided by the Chamber's Tourism Department, convenience items for park visitors.
- Facility maintenance and supplies: basic cleaning/restocking supplies as needed for light maintenance tasks.

Contingency and Additional Services:

- Event support staff/on-call staff: additional staffing during special events, peak tourism weekends, and/or unexpected needs or maintenance issues.



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Reecer Creek Levee Project Update and Request to Proceed (Public Comment Opportunity)
Submitted by: Jon Morrow, Stormwater Manager
Department: Public Works & Utilities

Suggested Motion/Action:

Move to authorize staff to bid the Reecer Creek Levee Project for completion of the final phase.

Background/Summary:

It has been a long-term goal for the City to mitigate the impacts of flooding people and property while protecting the environment. Several projects have been part of the long-term plan to reduce flooding risk in West Ellensburg, including construction of two levees within City limits which would extend from Interstate 90 to University Way. Together, the two levees comprise the Reecer Creek Levee Project.

In 2010, City staff completed construction of the lower levee south of Dolarway along with the newly constructed Reecer Creek stream channel (shown by the black/yellow dashed line in the diagram below).

In 2014, grant funds in the amount of \$1,525,000 were made available from the State Department of Ecology to extend the 2010 levee along the boundary of the Yakama Nation's property, north to University Way (shown by the line in the diagram below). Many fish enhancements and flood reduction projects were planned for that project. The project met some early resistance regarding levee alignment as long-term interests of all parties were expressed, but the project continued to move forward with design and permitting. At the 90% design meeting, it was made clear that the alignment needed to change to meet the collective interests of all parties.

The Yakama Tribe requested that the City work with Trust for Public Lands to acquire 56 acres, north of Dolarway. This would change the alignment and move the connection to University Way toward the Burlington Northern Railway, (BNSF) and someday allow Whiskey Creek to join with Reecer Creek for long-term fish enhancements (the black/red dashed line in the diagram below). In 2017, the City applied for grant funding to acquire the 56 acres. Approximately \$1.2 million remained from the 2014 grant, and those funds were used to acquire five undeveloped business lots along Enterprise Way. Those business lots were needed for the new levee alignment which would terminate at the BNSF junction. Funds from Ecology were not granted to purchase the 56 acres.

In 2020, the City issued \$5 million in stormwater revenue bonds to purchase of the 56 acres

and pay for construction of the new bridge, flood sales, and levee. The County Flood Control Zone District offered additional funds to help build the project through an Interlocal Agreement in 2022. Before closing out the grant for purchase of the business lots, Ecology staff requested the City hire an archaeologist to canvass the empty lots for cultural resources. This action took nearly three years because of a potential cultural resource discovery. Over the past year, the City worked closely with the Department of Archeology and Historic Preservation (DAHP) and hired Plateau Archeology to canvas the entire 56 acres and re-visit the site on the business lots. No cultural resources were found in this survey. DAHP recently authorized construction to move forward and only requires monitoring on the site of the previously identified business lot.

The County Flood Control Zone District and State Partners continue additional flood modeling to explore the long-term goal to incorporate Whiskey Creek flows into Reecer Creek which have created some uncertainty for certification of the levee by the Federal Emergency Management Agency (FEMA). FEMA “certification” would have removed the requirement to purchase national flood insurance for property owners behind the levee, but that now appears very unlikely.

Previous Council Action:

In 2014, the City Council approved the design contract with then Cardno/AECOM, now Aspect Engineering, for \$325,000.00. This design was for the old alignment along the Yakama Nation boundary.

On November 20, 2017, City Council approved the purchase four undeveloped business lots along Enterprise Way with unallocated grant funds from Ecology. Trust for Public Lands helped broker the purchase with the Center Point Business Park.

On August 20, 2018, City Council approved the new design and permitting contract with Aspect Engineering for \$212,000.

On February 18, 2020, City Council the purchasing of the 56 acres north of the Enterprise Way lots (shown by the solid orange lines on the diagram above). The total purchase price was \$2,806,000 and funded by the stormwater revenue bonds issued pursuant to adoption of Ordinance 4849, and the purchase was completed later that year. The remaining bond funds were designated to build the flood conveyance/fish passable bridge along with the un-built flood swales and levee.

On December 7, 2020, City Council approved an amendment to the contract with Aspect Engineering to provide for redesign services for obtaining FEMA certification of the levy, which increased the total contract amount to \$242,252.

On September 19, 2022, the Interlocal Agreement was signed by both the City and County providing that the County committed \$888,363,000 towards the project.

Analysis:

Before taking the final phase of the project to bid, staff requests Council approval to move forward with completion of the project. This project will demonstrate the City’s continued commitment to stopping Reecer/Currier Creek floodwaters from migrating out of their

floodplain and flooding the Fifth Avenue/Railroad Avenue intersection and the community of West Ellensburg.

Financial Impact:

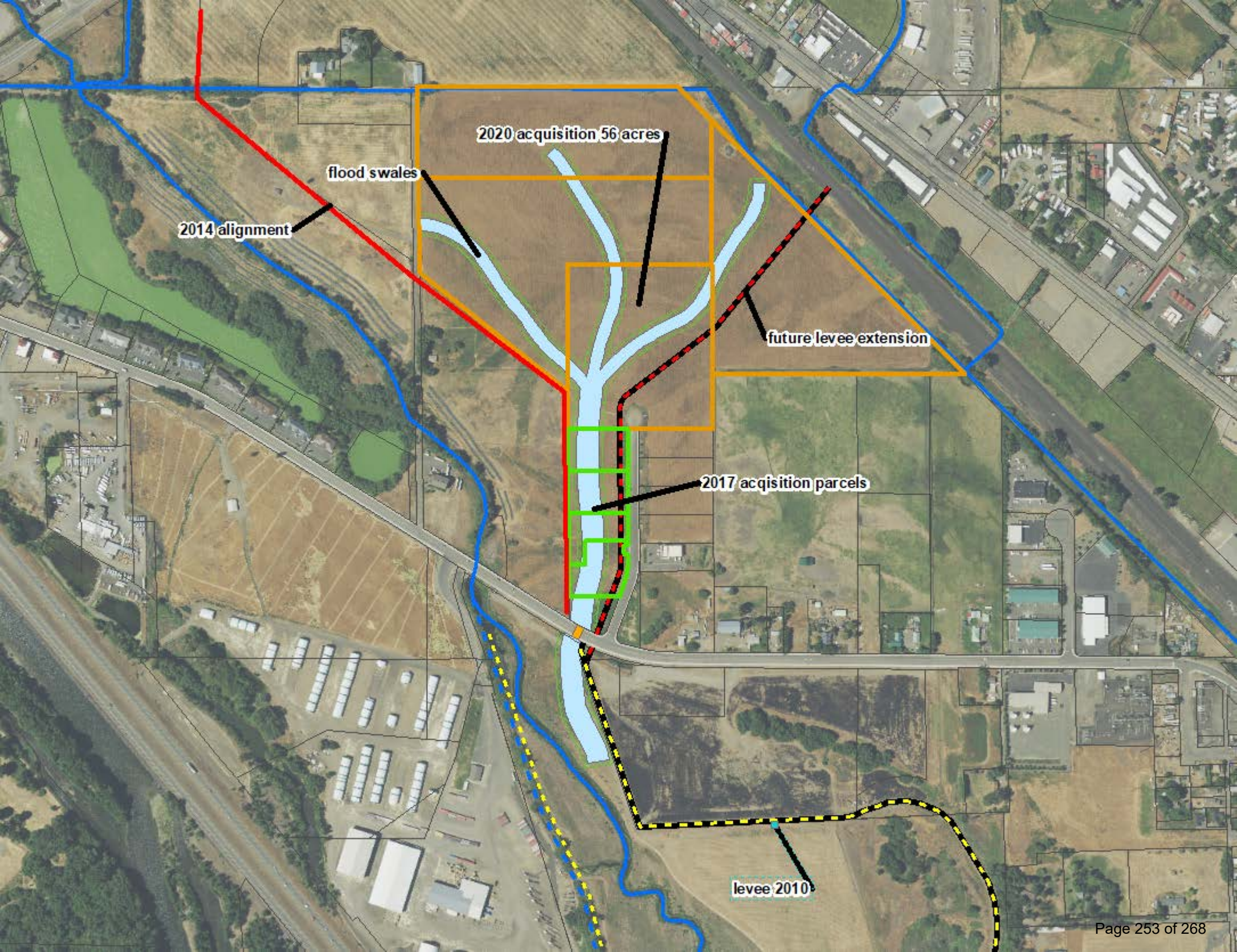
To date, a little over \$6,843,000 has been committed to be spent on the project in the form of bond money, grants, interlocal agreements and stormwater utility funds. The certification work was being billed towards the \$1,000,000.00 from the Kittitas County Flood Control District contribution, and now unused funds are approximately \$800,000 available to construct the levee and flood swales. The engineer's estimate to build the flood swales and levee is approximately \$1,400,000.00 versus the County's remaining contribution of \$800,000.00. The County has approximately \$50,000 to contribute should it be needed. Staff will recommend that Council authorize use of Stormwater ending fund balance with award of bid to cover the shortfall.

Budget Adjustment: No

Budget Adjustment: No

Attachments:

1. Parcel Map



2020 acquisition 56 acres

flood swales

2014 alignment

future levee extension

2017 acquisition parcels

levee 2010



Meeting Date: March 17, 2025
City of Ellensburg
City Council Agenda Report

Agenda Subject: Employment Agreement with Mark "Buddy" Stanavich (Public Comment Opportunity)
Submitted by: Heidi Behrends Cerniwey, City Manager
Department: City Manager

Suggested Motion/Action:

Authorize the City Manager to sign the employment agreement with Mark "Buddy" Stanavich outlining terms as the City's Energy Services Department Director.

Background/Summary:

Through the 2025-2026 Budget adoption process, Council approved the necessary positions and structures to separate the current Public Works and Utilities Department into separate departments and functions: Public Works and Energy Services.

Previous Council Action:

On December 2, 2024, the City Council adopted Ordinance No. 4950, the 2025-2026 Biennial Budget, which included reorganization of the Public Works and Utilities Department into two separate departments: Public Works and Energy Services, to create capacity in energy resources and planning to better serve the community's energy planning and resource needs. On December 2, 2024, City Council also approved Pay Plan Resolution No. 2024-33 for fiscal year 2025 for non-represented City employees which included changes to positions and titles affected by the proposed reorganization.

On February 18, 2025, Council conducted second reading and adoption of Ordinance 4955, amending the Ellensburg City Code to change duties and management functions necessary to reorganize the departments and establish certain authority for the Energy Services Director.

Analysis:

The City Manager has hiring authority for all City employees. Agreements that exceed purchasing authority must be approved by the City Council.

The City conducted an open competitive recruitment for the newly established Energy Services Department Director. Mark "Buddy" Stanavich was selected to serve in the position. He has worked for the City's energy utilities in progressively responsive positions for ten years and brings knowledge, skills, and abilities which will serve the people in the organization and customers well. The Employment Agreement provides for and clarifies terms of employment, benefits, professional development, and separation appropriate for the role of department director.

Financial Impact:

The compensation proposed in the agreement is aligned with the pay plan for the position and the department has sufficient budget authority through the adopted 2025-2026 Biennial Budget.

Budget Adjustment: No

Attachments:

1. Employment Agreement Stanavich 03-17-2025
2. ES Director Job Description - 12.16.2024

CITY OF ELLENSBURG EMPLOYMENT AGREEMENT
Buddy Stanavich – Energy Services Department Director

THIS AGREEMENT is entered into by and between the CITY OF ELLENSBURG, a municipal corporation, hereinafter referred to as “City”, and Mark “Buddy” Stanavich, hereinafter referred to as “Employee”, and is effective this 1st day of April 2025.

WHEREAS, the City desires to employ the services of the Employee as the Energy Services Department Director for the City of Ellensburg to perform the duties provided by Ellensburg City Code, the Revised Code of Washington, and such other duties as may be directed by the City Manager; and

WHEREAS, it is the desire of the City to secure and retain the services of the Employee and provide inducement for Employee to remain in such employment and ensure Employee’s peace of mind consistent with City policies and the terms of this Agreement, while promoting high standards for ethical behavior; and

WHEREAS, the Employee desires to accept employment as the Energy Services Department Director for the City of Ellensburg, Washington;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the City and Employee agree as follows:

Section 1. Commencement of Employment. The City hereby agrees to employ Employee as the Energy Services Department Director, and Employee hereby agrees to accept employment in accordance with the terms and provisions of this Agreement hereinafter set forth. Employee agrees to commence employment with the City as Energy Services Department Director on April 1, 2025.

Section 2. Duties. Employee shall perform in good faith all duties and responsibilities of the Energy Services Director as set forth in the job description (attachment “A”), as may be amended from time to time, the City’s Personnel Policies Manual as currently enacted or hereafter amended, and other duties as may be assigned from time to time by the City Manager. Employee shall devote their full time, energies, interests, and abilities to the performance of the duties and responsibilities of their position and shall not engage in any activities that conflict with or interfere with the performance of this Agreement.

Section 3. Term.

A. Employee shall be employed for an indefinite term and shall serve at the pleasure of the City Manager. Employee shall be considered an “at-will” employee of the City.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the City’s right to terminate this Agreement, with or without cause, at any time, subject only to the severance provisions set forth in Section 7(D) of this Agreement, applicable federal, state and local laws, and the City’s Personnel Policies Manual. To the extent there is any conflict between the language of this Agreement and the Manual, the language of this Agreement shall control.

Section 4. Salary – Performance Review. The starting salary for Employee shall be a monthly salary, based on Step 1, Grade 47, of the Employer’s Salary Schedule for non-represented employees of Thirteen Thousand, Six Hundred and Seventy-five Dollars and no

cents (\$13,675.00), which salary shall be paid in accordance with the normal and usual procedure for payment of wages to employees. Employee will serve a trial period of one year from the effective date of this Agreement. Employee shall be entitled to receive a step increase after successful completion of the first six months of the trial period, October 1, 2025. The Employee will be eligible to receive a second step increase following successful completion of the trial period, April 1, 2026. The determination of whether the six-month and one-year probationary periods have been successfully completed will be made by the City Manager in their sole judgment. Employee will collaborate with City Manager to create and implement a professional development plan to grow competencies for successful performance outcomes. Future step increases will be in accordance with the Personnel Policies Manual.

Employee shall be entitled to annual cost-of-living increases, if any, based on the City's annual Pay Plan resolution.

Section 5. Hours of Work. The Employee is a confidential exempt employee for purposes of the Federal Fair Labor Standards Act and Washington State Minimum Wage Act, and as such shall not work a fixed forty hour per week schedule. Employee's schedule of work each day and week shall vary in accordance with the work required to be performed including such time as may be necessary outside normal business hours. The Employee shall generally work at the Ellensburg City Hall during regular business hours of the Employer. The Employee may be required to attend meetings of the Ellensburg City Council and such other City Boards and Commissions, and staff meetings as requested by the City Manager, or as required by the duties of the position.

Section 6. Benefits. The following benefits shall be provided to Employee:

A. Leave Benefits. Employee shall earn and accrue personal time off (PTO), Exempt Leave, Employee Choice Leave and Holidays as provided for employees of the City in accordance with the Personnel Policies Manual. The City Manager may approve use of leave during the trial period and allow Employee increased PTO carryover during the trial period.

B. Insurance Benefits. The Employee will receive medical and dental insurance benefits as provided for employees of the City in accordance with the Personnel Policies Manual.

C. Retirement and Deferred Compensation. Employee is eligible for PERS Retirement, HRA-VEBA, Disability, or Deferred Compensation pursuant to City policy.

D. Work related expenses. Employee shall be reimbursed for work-related expenses the same as other employees as provided by the City's Personnel Policies Manual. City shall provide and pay for a cell phone (or cell phone allowance) and a laptop computer for business use only.

E. Training and Professional Certification. City shall pay the costs of Employee's membership in the Association of Energy Engineers to retain Business Energy Professional Certification or equivalent program. City shall provide funding for Employee to attend a national and regional industry relevant conference annually. Other costs of professional or required training shall be paid by the City as approved by the City Manager.

Section 7. Termination, Resignation and Severance Pay.

A. By City. It is recognized by Employee that this Agreement is a contract for personal services, and Employee acknowledges and agrees that the City may terminate Employee for any

reason at any time, with or without cause. Nothing in this Agreement shall be construed other than an at-will employment relationship between the City and the Employee, and the Employee expressly acknowledges that no contrary representations have been made by the Employer.

B. By Employee. In the event Employee shall resign employment with the City, Employee agrees that they shall provide the City not less than thirty (30) days' prior written notice of the effective date of such resignation to afford the City a reasonable opportunity to find a replacement for Employee. The City Manager may in their sole discretion waive or reduce this notice requirement.

C. The following reasons shall constitute grounds to terminate this Agreement with Cause and without payment of the severance provided in subparagraph D of this section:

1. A breach of this Agreement;
2. The commission of any willful or negligent act that results in financial or reputational harm to the City;
3. Failure to follow any lawful directive of the City Manager or failure to perform Employee's duties under this Agreement provided that Employee has been given notice and an opportunity to cure an alleged failure to perform any duties that are not emergency-related within a 30-day cure period; or
4. Misconduct, which includes but is not limited to criminal misbehavior, abuse of public office, or other gross misconduct, deceit, embezzlement, theft of funds or property, assault, any form of racial, sexual or other harassment prohibited by state or federal law, and any other form of misconduct set forth in the Personnel Policies Manual.

D. In the event Employee is terminated by the City without Cause, the City shall pay Employee a lump sum cash payment equal to two (2) months' pay of the Employee's base salary as severance provided that payment of severance is conditioned on Employee signing and not revoking a separation agreement and comprehensive release of claims in a form and substance acceptable to the City. All payments made to Employee under this subsection are subject to the customary and usual payroll deductions.

E. The City agrees to pay Employee any unused PTO leave consistent with the City's Personnel Policies Manual upon any voluntary or involuntary separation. Employee agrees to immediately return to City all City property of any kind which may be in Employee's possession.

Section 8. General Provisions.

A. This Agreement constitutes the entire agreement between the parties, and both parties acknowledge that there are no other agreements, oral or otherwise.

B. The parties hereby further agree that this Agreement cannot be amended or modified without the written agreement of both parties; provided, however, that nothing herein shall be interpreted to limit or prohibit the City from amending personnel or adopting other policies and ordinances otherwise establishing standards for the Employee's performance. In the event of conflict between such rules and this Agreement, this Agreement shall control.

C. If any provision of this Agreement is held to be unconstitutional or otherwise invalid for any reason or should any portion of this Agreement be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of the Agreement or its application.

D. Notice. Any written notices required to be given by the City to Employee, or by Employee to the City, shall be delivered to the following parties at the following addresses:

1. City of Ellensburg
City Manager's Office
501 N Anderson Street
Ellensburg, WA 98501
2. Mark "Buddy" Stanavich
Home Address in Employee File

Any notices may be either delivered personally to the addressee of the notice or may be deposited in the United States mail, postage prepaid, to the address set forth above. Any notice so posted in the United States mail shall be deemed received five (5) days after the date of mailing.

E. Each of the provisions of this Agreement has been reviewed and negotiated by the Employee and Employer and represents the combined work product of the parties. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and executed as of this ____ day of March, 2025.

CITY OF ELLENSBURG

EMPLOYEE

Heidi Behrends Cerniwey, City Manager

Mark "Buddy" Stanavich

Attest:

Beth Leader, City Clerk

Approved as to form:

Terry Weiner, City Attorney



CITY OF ELLENSBURG
ENERGY SERVICES DEPARTMENT
DIRECTOR OF ENERGY SERVICES
REPORTS TO: CITY MANAGER

MISSION:

Provide administrative oversight, technical guidance, professional leadership, positive customer relations, and accountability to ensure all Energy Services utility projects, programs, and services are accomplished with the highest standards to deliver reliable, affordable, and sustainable energy and broadband to customers and the community to achieve City goals.

SUMMARY:

Perform complex executive work planning, organizing, and directing the activities, assets, operation, and personnel of the Energy Services Department, and related work as apparent or assigned; provide oversight and administrative direction for electric, natural gas, and telecommunications systems; setting policies and goals to implement regulatory compliance for utility services under the direction of the City Manager.

CORE VALUES:

All employees are expected to model and foster the City of Ellensburg's core values in the performance of their duties and their interactions while representing the City and serving the community. The values of Compassion (we care), Courage (we do the right thing), and Conviction (we work hard) promote and maintain a high level of service and are the tie that binds all City employees together, across departments.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

All of the following are to be performed while adhering to City of Ellensburg operational policies, safety rules, and procedures. This position requires regular and consistent attendance to accomplish the following essential functions:

- Plan, organize and direct the activities and operations of the Energy Services department; develop, implement, direct, and ensure compliance with departmental policies and procedures; coordinate departmental activities with other City departments; demonstrate and ensure organizational teamwork; prioritize and be accountable for performance and outcomes of department programs and projects.
- Manage staff resources and ensure adequate breadth of knowledge and skills within the department; develop department work program with assistance of department leadership; assist with integration of department program into city-wide work program; assign staff to work within resources and ensure work completion; ensure compliance with collective bargaining agreements; participate and/or assist HR in negotiating agreements with labor unions.
- Develop and implement utility safety program meeting electrical and natural gas utility industry standards and best practices as well as conforming to Citywide safety policies.
- Direct and ensure compliance with environmental regulations for the department; plan, control and direct energy efficiency and conservation programs, as well as the design construction, maintenance, repair, and operations of electric, natural gas, and telecommunications municipal systems.
- Respond to major utility system outages; assume or delegate command and direct appropriate actions; advise City Manager of critical issues, decisions, and actions.
- Oversee planning and security of long-term energy supply and infrastructure for City utility to ensure resiliency and decarbonization goals and meet future demand.
- Direct and review research and analysis including rates, cost of service, and system load; prepare and present written and oral reports to City Council, Utility Advisory Committee and other City boards and commissions; prepare and present long-range planning activities potentially impacting utility and municipal operations; prepare, select, and administer consultant contracts for design, improvements, or modifications of utility facilities; negotiate a wide variety of contracts with suppliers and commercial customers; review and develop

telecommunications rates/fees; oversee energy (electric and natural gas) purchases, rates, fees, and contracts for utility enterprise services.

- Monitor government activities that could affect the City of Ellensburg's utilities. Participate in state and federal government affairs in cooperation with the City Manager.
- Manage financial resources and City assets to ensure fiscal responsibility and cost consciousness; develop and appropriately defend long range and annual department budget; monitor revenues and control expenditures staying within budget; take appropriate action with unexpected project adjustments; ensure integrity of systems which collect or expend funds; prepare and implement long range capital plans, 6 year and annual capital budgets relative to plans; ensure appropriate maintenance and legal use of city property and equipment.
- Represent the department and City at industry meetings and conferences; serve as a liaison between internal and external organizations, agencies, groups, and the general public; facilitate, lead, and/or participate in meetings and committees with peers in business, community, and other government entities to encourage cooperative problem solving and joint approaches to problems; ensure quality customer service and work with citizens and citizen groups to resolve problems; deliver speeches and/or presentations representing the City as assigned; work with the PIO to provide information to media as needed.

SUPERVISORY RESPONSIBILITIES:

Directly supervise employees in the Energy Services Department including engineering, operations, energy resources, sustainability, and telecommunications business activities. Responsibilities include developing/maintaining accurate department job descriptions ensuring assignments are within job limits; hiring, onboarding, and training employees; planning, assigning, and directing work; coaching and evaluating performance; working with employees to correct deficiencies, succession planning; providing commendations and working with HR to administer discipline when needed; addressing complaints, grievances, and resolving problems; and ensuring cross-departmental cooperation for excellent internal and external customer service. These duties will be performed in accordance with the collective bargaining agreement and/or City policies.

Other duties may be assigned.

This is a representative sample--not to imply a complete listing of responsibilities and tasks.

QUALIFICATIONS:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

REQUIRED EDUCATION and EXPERIENCE:

- Bachelor's degree from an accredited four-year college or university with coursework in electrical engineering, mechanical engineering, economics, business administration, or a field related to this position
- Five (5) years in a progressively responsible and/or a senior management role, including supervision of employees
- Five (5) years of electric and/or natural gas utility experience

Please note: An equivalent combination of education and experience may be considered as determined by the City Manager.

REQUIRED CERTIFICATIONS, LICENSES, AND/OR REGISTRATIONS:

- Valid Washington State Driver's License; must maintain an insurable driving record
- First Aid/CPR/AED

SPECIAL REQUIREMENTS:

- This position is required to be part of the Pipeline and Hazardous Materials Safety Administration (PHMSA) drug testing program.

PREFERRED QUALIFICATIONS:

- Previous leadership experience in public sector electric and natural gas utility, including broad experience in business/finance management, power resources, operations, and engineering
- Previous experience leading teams in a union environment
- Master's Degree in a related field
- Bilingual English/Spanish

COMPETENCIES**Executive:**

- Manage to the future: Understand and communicate a clear vision and path to the future and take appropriate steps to guide the department in that direction.
- Have a global perspective: Recognize and address issues that are outside departmental or municipal scope. View issues without any preset biases or limitations. Take information objectively, utilizing a broad framework in discussing and formulating opinions on current topics. See the "big picture."
- Display political and business acumen: Manage operations and initiatives with an understanding of the agendas and perspectives of others. Recognize and balance the interests and needs of one's own group in the context of the broader organization and community. Effectively translate business terms into concepts that can be understood by the organization and the public.

Managerial:

- Foster Teamwork: Build effective teams committed to organization goals. Foster collaboration among team members and among teams. Use teams to address relevant issues.
- Prioritize Work and Commitments: Develop short-and long-range plans that are appropriately comprehensive, realistic, and effective in meeting goals. Focus on the most important tasks first and direct others to focus on those tasks. Integrate planning efforts across work units to ensure the most critical work gets done first.
- Drive for Team Results: Demonstrate and foster a sense of urgency and strong commitment to achieving goals. Encourage others drive for strategic goals. Persist despite obstacles and opposition. Pursue aggressive goals and work hard to achieve them. Own the outcomes produced by the team.
- Manage Employee Performance: Guide employees to achieve the highest levels of performance. Set clear and compelling expectations for performance. Provide frequent and specific feedback to help employees meet or exceed expectations. Maintain effective records related to employee performance. Deliver specific, timely, and meaningful performance feedback.

Foundational:

- Use Technical/Functional Expertise: Display an appropriate depth of knowledge and skills as required for the position and commensurate with the time in class. Use technology appropriate for the position. Seek additional knowledge and information to continually enhance knowledge in areas of specialty.
- Be Accountable for Performance: Actively demonstrate responsibility, reliability, and trustworthiness. Ensure work and information are complete and accurate. Admit mistakes and look for ways to improve. Model self as dependable and reliable. Follow up with others to ensure agreements and commitments have been fulfilled. Value the importance of team and organizational success. Independently take action to influence events, to improve own or organizational performance and to promote the goals of the organization.

- Provide Excellent Customer Services: Anticipate, assess, and respond effectively to the needs of diverse customers, both internal and external, providing consistently excellent service that is timely, accurate, courteous, and respectful.
- Communicate Effectively: Use verbal and written skills effectively to ensure that information is successfully shared throughout the organization. Relate well to a range of people. Show sensitivity to the needs of others. Demonstrate ability to build rapport and facilitate mutual understanding.
- Work Safely: Knowledge and application of relevant safety requirements that apply to the specific work being done. Recognize and mitigate safety hazards on the job. Observe rules and regulations to comply with personal and workplace safety standards. Work to create a hazard-free, accident-free environment for all.

NECESSARY KNOWLEDGE, SKILLS, AND ABILITIES:

- Knowledge of energy and electrical and mechanical scientific principles and fundamentals essential for utility management.
- Knowledge of Federal, State, and local laws, rules, codes and regulations applicable to a municipal setting, preferably in the Pacific Northwest, and related to assigned activities, including regulations relating to the operation of electrical, natural gas, and/or telecommunication utilities.
- Knowledge of business and economic principles and fundamentals.
- Knowledge of environmental regulations and compliance.
- Knowledge of sustainability standards, principles, and practices.
- Knowledge of administrative principles and practices, including program development, implementation, and evaluation and project management.
- Skills and abilities to provide managerial direction and support to department divisions, and to successfully perform the supervisory requirements of the position, directly and through subordinate levels of supervision.
- Knowledge and ability to use public speaking techniques.
- Ability to use correct English, grammar, spelling, punctuation, and vocabulary.
- Knowledge of principles and practices of budget development, rate setting, grant management, and administration in the public sector.
- Skill in operating the listed tools and equipment.
- Ability to communicate in a clear, concise, and courteous manner, orally and in writing, with employees, consultants, other governmental agency representatives, City officials and the public, in a manner appropriate for the audience.
- Ability to conduct necessary engineering research and compile comprehensive reports; learn, read, interpret, and apply and explain rules, regulations, policies and procedures.
- Skills and abilities to create and recommend policies which adapt to a changing environment.

TOOLS AND EQUIPMENT USED:

Computer, tablet, smartphone, printer/copier/scanner, Microsoft Office 365 Suite, various software programs and applications; relay-based substation control systems, natural gas telemetry and SCADA systems; motor vehicle operation; calculator; multi-line phone system.

PHYSICAL DEMANDS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is regularly required to use the listed tools and equipment. The employee is frequently required to communicate and exchange accurate information verbally, in writing, over the telephone, and in person. The employee is frequently required to be in a stationary position when performing office work and must be able to move about inside the office and position self to access office equipment. The

employee is occasionally required to move about uneven terrain if visiting outdoor worksites. The employee must regularly move and/or transport up to 10 pounds and frequently move and/or transport up to 25 pounds.

The employee will be required to operate a motor vehicle in all levels of daylight and in various weather conditions.

Specific vision abilities required by this job include close, distant, color, and peripheral vision, depth perception, and the ability to adjust focus. The employee must have adequate hearing and sense of smell to successfully perform the essential functions.

All safety policies and procedures must be followed, including use of PPE when required.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

While performing the duties of this job, the employee will work with people, some of whom may be irate, upset, or disturbed. Frequent extension of workday to meet deadlines.

Administrative work is performed indoors; however, employee may occasionally work in outside weather conditions, including extreme heat, cold, and wind, with occasionally exposure to fumes or airborne particles. Outdoor work could also include possible exposure to animals and bugs. The noise level in the work environment is usually moderate but could occasionally be loud in the field.

KEY RELATIONSHIPS:

The key relationships described here are representative of those an employee encounters while performing the essential functions of this job.

While performing the duties of this job, the employee will provide communicate, coordinate projects and activities, solve problems, negotiate solutions (within policy guidelines) with the State of Washington DOT, DOE, Federal Energy Regulatory Commission, North American Electric Reliability Corporation, Western Electric Coordinating Council, Bonneville Power Administration, American Public Gas Association, Kittitas County Public Works, Central Washington University, US Bureau of Reclamation and Irrigation Districts, other agencies and businesses, City departments, the City Manager, City Council, vendors, consultants, contractors, boards, commissions, community groups, and the general public. Contact will be made in writing, by email or telephone, and/or in person.

REASONABLE ACCOMMODATION:

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Date of Action: 12/2024	Effective Date: 1/2025	SIGNATURES	DATE
Department: Energy Svc	Date(s) amended:		
Division: Administrative			
FLSA Class: Exempt			
Union: Non-Union			
Pay Grade: 47			
To be signed by the employee upon hire and when any substantive changes are made.		Employee:	

NOTICE: The above job profile does not include all essential and nonessential duties of this job. All employees with disabilities are encouraged to contact the Human Resources Department to review and discuss the essential and nonessential functions of the job. An employee with a disability can evaluate the job in greater detail to determine if they can safely perform the essential function of this job with or without reasonable accommodation.

DISCLAIMER: Job profiles are not intended, nor should they be construed to be, an exhaustive list of all responsibilities, tasks, skills, efforts, working conditions or similar behaviors, attributes or requirements associated with a job. A job profile is not a comprehensive job description. It is intended provide a brief overview of the position's general direction and scope.



MANAGER'S REPORT

DATE: March 17, 2025

To: Ellensburg City Council

FROM: Heidi Behrends Cerniwey, City Manager

1. Joint City/County Meeting Scheduled for May 8

Ellensburg City Council will host the Kittitas County Board of County Commissioners (BOCC) for a joint meeting in the City Hall Council Chambers on May 8, 2025, beginning at 5:30 p.m.

2. Waste Management Spring Cleanup Days

The Waste Management franchise agreement with the City of Ellensburg provides for a fall and spring waste disposal coupon program. The coupons are valid for each Waste Management customer (one per subscribing household) to self-haul to the County Transfer Station. Customers are required to show proof of residency. Coupons have been mailed out and are available at City Hall. The spring event is scheduled for April 5th through the 12th. Waste Management customers within the City limits who are unable to haul garbage to the transfer station because of disability may request curbside collection of extra garbage during Spring Cleanup Days by calling the City of Ellensburg at (509) 962-7230.

3. City Celebrates Arbor Day on April 12

In addition to the annual tree give-away program, the City will be partnering with Central Washington University Student Leadership, Involvement, and Community Engagement (SLICE) program on a tree and vegetation planting event at Irene Rinehart Park on Saturday, April 12th from 9:00 a.m. – 12 noon. The project focus will be on restoring areas affected by 2024 park fires, and if time permits, volunteers will also do a trash clean-up.

4. Ellensburg Recycling Event on April 26

The City of Ellensburg is partnering with Waste Management, Central Washington University, and Ellensburg Glass Recycling Cooperative to hold the Ellensburg Recycling Event from 10:00 a.m. to 1:00 p.m. on Saturday, April 26, 2025, in the parking lot at the southeast corner of 2nd Avenue and Pine Street (see flyer attached). People can bring recyclables and learn about curbside service and local recycling drop-off locations. Event collection items include single-stream recyclables (paper, cardboard, cans, and plastic bottles and jugs), bicycle tubes, and bicycles in any condition. Bicycle donations will be refurbished and given away at future community events.

Learn about curbside recycling and single-stream do's and don'ts, connect with community recycling resources beyond curbside, share project ideas for an air quality grant, and learn how the Ellensburg Glass Recycling Cooperative turns glass into new sand. Attendance is free.

5. Preview of April 7 Council Study Session and Agenda

The April 7 study session topic will cover City communications, including social media policy, recognition of holidays, and discussion of expanding streaming to board and commission meetings. Agenda items planned for the regular meeting on April 7 include a revision of City Code to allow alternatives to door tags for utility account notices, continued discussion of the Transportation Benefit District, and potential changes to fees for parks and recreation and building permits.

6. Kittitas County Railroad History Association

Staff continue to work with members of the newly formed Kittitas County Railroad History Association (a 501(c)3 organization) on preliminary actions and required agreements to plan, permit, and construct a miniature railroad at Rotary Park. The item was part of the adopted Rotary Park Master Plan. The nonprofit has developed preliminary marketing materials for the project, copies of the most current brochure will be provided at the meeting.

7. City Parks Scheduled to Open for Season on March 24

ELLENSBURG RECYCLING EVENT

FREE COLLECTION DAY

April 26, 2025 | 10 A.M.-1 P.M.

Parking lot at SE corner of 2nd Ave. & Pine St.
(south of Hal Holmes Community Center)

**Bring your recyclables and learn about curbside service
and local recycling drop-off locations!**

Event Collection Items:

- Bicycles, in any condition. Your donation will be refurbished and given away at community events.
- Bicycle tubes.
- Single-stream recyclables.

Local Recycling Information:

- Curbside Recycling – Single-Stream Do's and Don'ts
- Community Recycling Resources – Beyond Curbside
- Air Quality Grant – Share Your Project Ideas
- Ellensburg Glass Recycling Coop – New Sand (glass cannot be accepted at event)

