



City of Bothell™

BOTHELL CITY COUNCIL MEETING

March 3, 2020

BOTHELL CITY HALL
18415 101st AVE NE
BOTHELL, WA 98011

MEMBERS OF THE CITY COUNCIL

Mayor Liam Olsen

Deputy Mayor Jeanne Zornes
Councilmember Davina Duerr
Councilmember James McNeal

Councilmember Tom Agnew
Councilmember Rosemary McAuliffe
Councilmember Mason Thompson

REGULAR SESSION

Call to Order

Pledge of Allegiance

1. Meeting Agenda Approval

During this item, the City Council may identify agenda items to be continued, withdrawn, or added.

2. Presentations, Reports, & Briefings

A. Public Engagement Opportunities

B. Proclamations

- Derek Smith, Economy Fence

C. Special Presentations

- Bothell/Kenmore Chamber of Commerce Update

D. Staff Briefings

- None

E. City Manager Reports

F. Council Committee Reports

3. Visitor Comment

During this item, the Mayor will invite visitor comment. Each speaker will be granted 3 minutes. When appropriate, the Mayor may direct City Staff to respond with statements of factual information or existing city policy.

4. Consent Agenda

All items under this section will be passed with a single motion and vote. These items are of a routine nature. Prior to approval, City Council may request items be withdrawn from the consent agenda for separate discussion. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with the staff recommendation.

- Pgs. 7-18 A. Approval of Meeting Minutes – February 4, 11, and 18, 2020
Recommended Action: Approve the City Council Meeting Minutes for February 4, 11 and 18, 2020 as presented.
- Pgs. 19-20 B. AB # 20-029 – Approve December 2019 and January 2020 Vouchers
Recommended Action: Approve vouchers for December 2019 and January 2020 totaling \$7,812,318.94.
- Pgs. 21-22 C. AB # 20-030 – Approve January 2020 Payroll and Benefit Transactions
Recommended Action: Approve payroll and benefit transactions for January 1 – 31, 2020.
- Pgs. 23-76 D. AB # 20-031 – Approve Payment of Invoice to Renew Tyler New World annual Licensing/
Maintenance, as Outlined in 2018 Agreement for New World Automatic Maintenance/
Licensing Renewals.
Recommended Action: Approve payment of Tyler Technologies invoice in the amount of \$214,488.59 (WA State Sales Tax included) for February 15, 2020 to February 15, 2021 maintenance costs for the New World Systems software application.
- Pgs. 77-130 E. AB # 20-032 – Approve an Ordinance Regarding a Wireline and Small Wireless Facility
Franchise Agreement with Crown Castle Fiber LLC, c/o Crown Castle
Recommended Action: Adopt the proposed Ordinance granting a Small Wireless Facility Franchise to Crown Castle Fiber, LLC.
- Pgs. 131-136 F. AB # 20-033 – Consideration of Pledge to Support Earth Day 2020
Recommended Action: Approve supporting and signing the Elected Officials Pledge as written by Earth Day Northwest.

Public Hearings

- Pgs. 137-180 A. AB # 20-034 – Public Hearing and Consideration of an Ordinance Amending Sections of the
Downtown Subarea Regulations Providing for Historic Preservation
Recommended Action: Approve the attached Ordinance, as recommended by the Planning Commission, amending sections of the Downtown Subarea Regulations providing for historic preservation.

5. Ordinances & Resolutions

None at this time.

6. Contracts and Agreements

- Pgs. 181-210 A. AB # 20-035 – Consideration of Adopting the 2020 Visitor Development Spending Plan and Contract with Streetsense Consulting, LLC
Recommended Action: Approve the 2020 Visitor Development Spending Plan of \$499,636 and a Streetsense Contract of \$245,000 to continue driving economic development to Bothell through tourism channels.

7. Study Session/Update/Discussion Items

- Pgs. 211-220 A. AB # 20-036 – Receive the Results of the 2019 Business Retention and Expansion (BRE) Program and Consideration of the 2020 Economic Development Program
Recommended Action: Receive a report on the results of the 2019 BRE Program and approve staff to implement the City of Bothell 2020 BRE Program.
- Pgs. 221-390 B. AB #20-037– Receive an Economic Impact Analysis of Mixed-Use Development on Four Acres at the Former Wayne Golf Course
Recommended Action: Receive the report, provide feedback, and provide direction on issuing a RFP seeking developer proposals for the four acres at the Former Wayne Golf Course.

8. Other Items

- Pgs. 391-392 A. AB # 20-038 – 2020 Board and Commission Appointments
Recommended Action: After voting to fill Board and Commission vacancies, move to ratify the results.

9. Council Conversations

During this item, Council members have the opportunity to informally discuss topics of city interest.

10. Executive Session/Closed Session

None at this time.

Pursuant to the Washington Open Public Meetings Act, Title 42, Chapter 30, Revised Code of Washington, Sec. 42.30.110 (1), Executive Sessions or Closed Sessions may be held, under certain exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

11. Adjourn

CERTIFICATE

I hereby certify that the above agenda was posted on this the 27th day of February, 2020, by 5:00 P.M., on the official website and bulletin board at Bothell City Hall, 18415 101st Avenue NE, Bothell, WA, 98011, in accordance with RCW 42.30.077, at least 24 hours in advance of the published start time of the meeting.



Laura Hathaway, City Clerk

SPECIAL ACCOMODATIONS: The City of Bothell strives to provide accessible meetings for people with disabilities. If special accommodations are required, please contact the ADA Coordinator at (425) 806-6151 at least one day prior to the meeting.

Copies of agenda bills and attachments listed in this agenda may be obtained from the City Clerk's Office the Friday before the meeting.

Bothell City Council meetings are aired live on Bothell Community Television (BCTV) Channel 21/26 (Comcast/Verizon) (available to Comcast and Verizon Cable customers within Bothell City limits). Meetings are generally replayed according to the following schedule (subject to change): Wednesday following the meeting at 10 a.m.; Friday, Saturday and Sunday following the meeting at 10 a.m. and 7 p.m. City Council and Planning Commission meetings and the BCTV schedule are viewable online at www.bothellwa.gov



PROCLAMATION

DEREK SMITH APPRECIATION

WHEREAS, the strength of our community is founded in the partnerships built between businesses, government, non-profits, and dedicated Bothell residents;

WHEREAS, we thank Derek Smith, CEO of Economy Fence, for approaching the Parks and Recreation Department with a small but meaningful question, “how can I give back to Bothell?”;

WHEREAS, knowing the fence around the Northshore Senior Center’s Health and Wellness building fell over during a winter storm last year, Economy Fence’s offer was directed to the Northshore Senior Center;

WHEREAS, through the generosity of the Economy Fence Center’s “Good Neighbors Fence Program”, Derek Smith graciously donated time, resources, and materials to construct a beautiful new wood fence at the Northshore Senior Center’s Memory Care Facility;

WHEREAS, the estimated \$25,000 project was completed in February of this year and ensures the Center’s participants with alzheimer’s, dementia, and other disabilities can now safely spend time outdoors;

WHEREAS, we recognize and celebrate this wonderful example of a Bothell business giving back to the community; and

NOW THEREFORE, I, Mayor Liam Olsen, on behalf of the Bothell City Council, do hereby express our appreciation to Derek Smith and Economy Fence for their generous contribution, neighborly spirit, and devotion to Bothell.

Liam Olsen, Mayor

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BOTHELL CITY COUNCIL MEETING MINUTES

February 4, 2020

6:00 PM

Bothell City Hall - Council Chambers

18415 101st Ave NE

Bothell, WA 98011

REGULAR SESSION

Mayor Olsen called the meeting to order at 6:00 PM and led the Pledge of Allegiance.

All Councilmembers were present with the exception of Councilmember McAuliffe who was absent and excused.

1. Meeting Agenda Approval

The meeting agenda was approved as presented.

2. Presentations, Reports, & Briefings

A. Public Engagement Opportunities

- Mayor Olsen reviewed upcoming public engagement opportunities

B. Proclamations

- None

C. Special Presentations

- None

D. Staff Briefings

- Emergency Management Program - Emergency Preparedness Manager Jennifer Warmke presented and gave a brief overview of the various programs staff is working on, including classes and training on HAM and Cert. She entertained Council questions.

E. City Manager Reports - None

F. Council Committee Reports

- Councilmember McNeal gave an update regarding the Sound Cities Association Public Issues Committee, updates on Puget Sound Regional Council and Eastside Transportation Partnership activities.

3. Visitor Comment

1. Brad Peistrup – spoke regarding the letter from the Planning Commission regarding an upcoming retirement in the Planning Department.

2. Katherine Podany – spoke regarding the UWBothell parking garage project crane lighting at night

4. Consent Agenda

- A. Approval of City Council Meeting Minutes: January 7 and 21, 2020
Recommended Action: Approve the meeting minutes as presented.
- B. AB # 20-012 – Consider Approval of December 2019 Payroll and Benefit Transactions
Recommended Action: Approve payroll and benefit transactions for December 1 – 31, 2019.
- C. AB # 20-013 – Consideration of a Parks Property Tax Agreement between King County and the City of Bothell
Recommended Action: Authorize the City Manager to execute the Parks Property Tax Agreement between King County and City of Bothell.

MOTION: Councilmember Duerr moved approval of the Consent Agenda as presented. Councilmember Thompson second. The motion carried 6-0; Councilmember McAuliffe absent and excused.

5. Public Hearings

None.

6. Ordinances & Resolutions

- A. AB # 20-014 – Consideration of a Resolution to Adopt the 2020 Parks, Recreation, and Open Space (PROS) Plan
Recommended Action: Approve the Resolution adopting the 2020 Parks, Recreation, and Open Space (PROS) Plan

Tracey Perkosky presented the item, and along with Steve Duh of Conservation Technix entertained Council questions.

MOTION: Councilmember McNeal moved approval of the recommended action. Councilmember Duerr second. The motion carried 6-0; Councilmember McAuliffe absent and excused.

7. Contracts and Agreements

None.

8. Other Items

- A. AB # 20-015 - Consideration of Suspending the Rules of Recording for Board and Commission Interviews
Recommended Action: Provide direction to staff regarding recording of the February 11, 2020 Board and Commission Interviews.

Deputy City Clerk Robin Schaefer presented the item and asked for Council direction. She stated that past practice has been to suspend the rules of recording for Board and Commission interviews.

MOTION: Councilmember Duerr moved to suspend the rules of recording for the February 11, 2020 Board and Commission interviews. Councilmember Thompson second. The motion carried 6-0; Councilmember McAuliffe absent and excused.

9. Study Session/Update/Discussion Items

- A. AB # 20-016 – Consideration of 2020 Planning Docket
Recommended Action: Approve Option 1 for staffing resources and the corresponding proposed 2020 priority tasks; and share the costs of amendments between the city and either type of developer.

Community Development Director Michael Kattermann presented and entertained Council questions.

MOTION: Councilmember Duerr moved to approve Option 1 for staffing resources, for 2020 Priority List swapping out all but the first housekeeping item for Transfer Development Rights (TDR) and Cottage Housing, and share the costs on profit developers and no costs for non-profits. The motion passed 5-0-1 with Councilmember Agnew abstaining. Councilmember McAuliffe absent and excused.

Council recessed at 7:45 and reconvened at 7:56 PM.

- B. AB # 20-017 – Special Event Permit Process
Recommended Action: Provide staff with direction on Special Event Permit process updates.

Special Events Coordinator Shelby Krogh presented and entertained Council questions. She reviewed the objectives and asked Council to pick their top priorities.

Council consensus was to prioritize the following objectives:

1. Streamlining and Centralizing the Customer Experience
2. Protect Public Safety and Health, and
3. Encouraging a Variety of Events.

There was also strong consensus for staff to work on developing a Community Event Partnership Program, as funding allows.

Council also provided ideas for future Bothell events including having a central area for regular public gatherings, a night market, events that engage youth and/or local area groups, events (like the Seattle Seahawks) that bring folks from outside of Bothell into the community.

10. Council Conversations

Councilmembers discussed various topics including, new artwork at City Hall, AWC Action Days and Sound Transit.

11. Executive Session/Closed Session

None

12. Adjourn

The meeting was adjourned at 8:53 PM.

Submitted for Approval on 3/3/2020

BOTHELL CITY COUNCIL SPECIAL MEETING MINUTES

February 11, 2020

5:00 PM

BOTHELL CITY HALL - ROOMS 107/108

18415 101st AVE NE

BOTHELL, WA 98011

REGULAR SESSION

Mayor Olsen called the meeting to order at 5:00 PM.

All Councilmembers were present with the exception of Councilmember Duerr who was absent and excused.

Audio recording for this meeting was suspended (via motion on February 4, 2020).

1. Study Session/Update/Discussion Items

A. AB # 20-018 – Board and Commission Interviews

Recommended Action: No action is expected this evening. Council will make appointments to the various Boards & Commissions at its regular meeting on March 3, 2020.

The City Council conducted interviews for the following Boards and Commissions: Arts Commission, Landmark Preservation Board, Library Board, Lodging Tax Advisory Committee, Parks & Recreation Board and Planning Commission.

Appointments are scheduled for March 3, 2020.

2. Adjourn

The meeting was adjourned at 9:26 PM.

Submitted for Approval on 3/3/2020

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BOTHELL CITY COUNCIL MEETING MINUTES

February 18, 2020

6:00 PM

Bothell City Hall - Council Chambers

18415 101st Ave NE

Bothell, WA 98011

REGULAR SESSION

Mayor Olsen called the meeting to order at 6:00 PM.

All Councilmembers present with the exception of Councilmember Duerr who was absent and excused.

Pledge of Allegiance – Boy Scout Troop 356 led the Pledge of Allegiance.

1. Meeting Agenda Approval

Mayor Olsen pulled Consent Agenda Item AB # 20-019.

2. Presentations, Reports, & Briefings

A. Public Engagement Opportunities

- Mayor Olsen reviewed upcoming public engagement opportunities

B. Proclamations

- Black History Month – Mayor Olsen read and presented the proclamation to Amber Braxton. Ms. Braxton introduced family members and thanked the Council.

C. Special Presentations

- None

D. Staff Briefings

- Bothell Municipal Code: Deputy City Clerk Robin Schaefer gave a brief overview of the updates and improvements made to the Bothell Municipal Code website.
- Communications Program: Assistant to the City Manager Becky Range presented an overview of the new communications plan.

E. City Manager Reports – None

- F. Council Committee Reports – Members of the Council gave brief updates of various internal and regional committee activities such as the Eastside Transportation Partnership Committee, Regional Policy Committee, Lodging Tax Advisory Committee and the SCA Public Information Committee. Councilmember McNeal asked for feedback regarding HB 2907 which authorizes counties with over two million people to impose a head tax on businesses with high salaries. Council is not supportive of this HB if it means giving up local control. Councilmember McNeal will report this back to the Sound Cities Association Public Issues Committee.
- G. Council Committee Assignments – After discussion it was decided (via consensus) that Councilmember Agnew will remain the alternate on the Sound Cities Association Public Issues Committee.

3. Visitor Comment - None

4. Consent Agenda

- A. ~~PULLED - AB # 20-019 – Consideration of an Ordinance for the Acceptance of a Donation from an Anonymous Donor~~
~~Recommended Action: Approve the Ordinance for the acceptance of a donation from an anonymous donor.~~
- B. AB # 20-020 – Consideration of Right of Way Plan Approval for the North Creek Trail Section 4 Project
Recommended Action: Approve the Right of Way Plan for the North Creek Trail Section 4 project, and authorize the City Manager to acquire the necessary right-of-way for the project, subject to future Council approval of deeds and easements documenting the acquisitions.
- C. AB # 20-021 – Consideration of Radio End User Service Level Agreement with the King County for Radio Equipment Management and Participation in Puget Sound Emergency Radio Network (PSERN)
Recommended Action: Approve a Service Level Agreement with King County for radio equipment management and in accordance with our participation in the Puget Sound Emergency Radio Network.

MOTION: Councilmember Agnew moved approval of Consent items B and C. Councilmember McAuliffe second. The motion carried 6-0; Councilmember Duerr absent and excused.

PULLED ITEM AB # 20-019 - Consideration of an Ordinance for the Acceptance of a Donation from an Anonymous Donor
Recommended Action: Approve the Ordinance for the acceptance of a donation from an anonymous donor.

Mayor Olsen pulled this item in order to highlight the generous donation by the anonymous donor. He stated that the donor has requested that a portion of the funds specifically be used to help offset the roof replacement costs for the Hannan House at the Park at Bothell Landing and that all remaining funds be used for purposes that support families and children in the community.

MOTION: Councilmember McNeal moved approval as presented. Councilmember Agnew second. The motion carried 6-0; Councilmember Duerr absent and excused.

5. Public Hearings

- A. AB # 20-022 – Close the Public Hearing and defer a decision on the 2019 Plan and Code Amendments
Recommended Action: Move to close the public hearing on the proposed 2019 Plan and Code amendments and defer Council action on the proposed 2019 Plan and Code amendments until the SEPA appeal has been resolved.

Community Development Director Michael Kattermann presented and entertained Council questions.

MOTION: Deputy Mayor Zornes moved to closed the public hearing. Councilmember Thompson second. The motion carried 6-0; Councilmember Duerr absent and excused.

MOTION: Deputy Mayor Zornes moved to defer Council action on the proposed 2019 Plan and Code Amendments until the SEPA appeal has been resolved. Councilmember Thompson second. The motion carried 6-0; Councilmember Duerr absent and excused.

6. Ordinances & Resolutions

None.

7. Contracts and Agreements

- A. AB # 20-023 – Consideration of an Ordinance Regarding a Wireline and Small Wireless Facility Franchise Agreement with Crown Castle Fiber LLC, c/o Crown Castle
Recommended Action: No action is requested at this time; however, this item is currently scheduled for Council action on the March 3, 2020 consent agenda.

City Attorney Paul Byrne presented and entertained Council questions. This item will come back before Council on March 3, 2020 for approval.

8. Other Items

- A. AB # 20-024 – Consideration of Adopting the City of Bothell Strategic Cultural Plan

Recommended Action: Approve the City of Bothell Strategic Cultural Plan as recommended by the City of Bothell Arts Commission.

Tourism Manager DeNae McGee, along with several Arts Commission members, presented and entertained Council questions.

MOTION: Councilmember Agnew moved approval of the recommended action. Councilmember McNeal second. The motion carried 6-0; Councilmember Duerr absent and excused.

- B. AB # 20-025 – Consideration of Responding to the Northshore Parks and Open Space Agency’s Letter of Interest for Administrative Services

Recommended Action: Provide direction to the City Manager on whether or not to respond to the NPRSA Letter of Interest.

City Manager Jennifer Phillips presented and entertained Council questions. She stated if approved the City would employ staff and provide support and administrative services to NPRSA. NPRSA would be billed in full for all staff, support, and services provided.

MOTION: Councilmember Agnew moved approval of the recommended action to respond to the letter of interest. Councilmember McAuliffe second. The motion carried 6-0; Councilmember Duerr absent and excused.

- C. AB # 20-026 - Consideration of Adopting Comprehensive Financial Management Policies

Recommended Action: Approve an Ordinance adopting the Comprehensive Financial Management Policies as presented.

Finance Director Chris Bothwell presented and entertained Council questions.

MOTION: Councilmember Agnew moved approval of the recommended action. Deputy Mayor Zornes second. The motion carried 6-0; Councilmember Duerr absent and excused.

Council recessed at 8:04 PM for a short break while staff got Councilmember Duerr on the phone line for participation on the next item. Council reconvened at 8:13 PM with Councilmember Duerr joining by speaker phone.

- D. AB # 20-027 – Consideration of Amending City Council Protocol Manual Section 7.14 Attendance via Speakerphone (AVS)

Recommended Action: None.

Mayor Olsen led the discussion.

MOTION: Councilmember Agnew moved to table this item. Councilmember McAuliffe second.

AMENDMENT: Deputy Mayor Zornes moved to table the item until March 17, 2020. Councilmember Thompson second.

VOTE on the Amendment passed 6-1; Councilmembers Duerr (via voice vote), McAuliffe, McNeal, Thompson, Deputy Mayor Zornes and Mayor Olsen yes. Councilmember Agnew dissenting.

VOTE on Main Motion passed 5-2: Mayor Olsen, Deputy Mayor Zornes, Councilmember Agnew, Councilmember McAuliffe and Councilmember McNeal yes. Councilmembers Duerr (by voice vote) and Thompson dissenting.

Councilmember Duerr left the meeting at 8:54 PM.

9. Study Session/Update/Discussion Items

- A. AB # 20-028 – Business Licensing Program Update
Recommended Action: Receive the briefing and discuss as appropriate.

Finance Director Chris Bothwell presented and gave a brief of overview of the program. No action taken.

10. Council Conversations

Council had brief conversations regarding various topics including how they treat one another, the upcoming Chamber luncheon, lighting of construction cranes at night and bus service.

11. Executive Session/Closed Session

None at this time.

12. Adjourn

The meeting was adjourned at 9:14 PM

Submitted for Approval on 03/03/2020

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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Chris Bothwell, Finance Director
Maureen Schols, Deputy Finance Director (Presenter)

DATE: March 3, 2020

SUBJECT: Approve December 2019 and January 2020 Vouchers

POLICY CONSIDERATION: This item asks the City Council to consider approval of vouchers for the period of December 1 – 31, 2019 and January 1 – 31, 2020 totaling \$7,812,318.94 that were approved and paid for by the City Auditor.

- ✓ Check transactions #210977 - 211877
- ✓ Wire transactions #435-439, 441-442, 446, 452, 455, 457-459, 461, 655, and 666

HISTORY:	DATE	ACTION
	JUNE 5, 2000	Ordinance 1810 appointed Finance Director/City Treasurer as City Auditor

In accordance with state statues, vouchers approved by the City Auditor are required to be ratified by the City Council and notated in the minutes.

DISCUSSION: None.

FISCAL IMPACTS: Expenditure funding included in the Adopted 2019-2020 Budget.

ATTACHMENTS: Att-1. December 2019 and January 2020 Voucher Listing.
(For Council distribution only. Voucher listings are available for review in the Finance Department.)

RECOMMENDED ACTION: Approve vouchers for December 2019 and January 2020 totaling \$7,812,318.94.

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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Chris Bothwell, Finance Director
Maureen Schols, Deputy Finance Director (Presenter)

DATE: March 3, 2020

SUBJECT: Approve January 2020 Payroll and Benefit Transactions

POLICY CONSIDERATION: This item asks the City Council to consider approval of payroll and benefit transactions for the period of January 1 – 31, 2020 totaling \$4,179,612.71 that were approved and paid for by the City Auditor.

- ✓ Direct deposit transactions #2000129572 - #2000130307 totaling \$2,036,860.66.
- ✓ Payroll and benefit checks #38997 - #39040, plus wire benefit payments #674 - #682 totaling \$2,142,752.05.

HISTORY:	DATE	ACTION
	JUNE 5, 2000	Ordinance 1810 appointed Finance Director/City Treasurer as City Auditor
In accordance with state statutes, vouchers approved by the City Auditor are required to be ratified by City Council and notated in the minutes.		

DISCUSSION: None.

FISCAL IMPACTS: Funding for salaries and benefits are included in the Adopted 2019-2020 Budget.

ATTACHMENTS: Att-1. January 2020 Payroll and Benefit Transactions.
(For Council distribution only. Check listings are available for review in the Finance Department.)

RECOMMENDED ACTION: Approve payroll and benefit transactions for January 1 – 31, 2020.

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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Joe Sherman, Director of Information Services
Lisa Rossiter, Systems Supervisor (Presenter)

DATE: March 3, 2020

SUBJECT: Approve Payment of Invoice to Renew Tyler New World Annual Licensing/Maintenance, as Outlined in 2018 Agreement for New World Automatic Maintenance/Licensing Renewals.

POLICY CONSIDERATION: Annually, the City of Bothell is required to pay licensing/maintenance costs to Tyler Technologies, Inc. for New World Systems to ensure the application is fully licensed and supported.

If approved, this item will allow the City to continue using New World Public Safety which provides accurate and secure information for dispatchers, first responders, command staff and civilian employees with the goal of improving response times and keeping first responders safer. It also ensures the City is compliant with state and federal mandates.

HISTORY:	DATE	ACTION
	MARCH 5, 2013	City Council approved licensing/maintenance contract
	NOVEMBER 15, 2016	City Council approved licensing/maintenance contract
	MAY 16, 2017	City Council approved licensing/maintenance contract
	MARCH 6, 2018	City Council approved licensing/maintenance contract
	FEBRUARY 4, 2019	City Council approved licensing/maintenance contract

On March 5, 2013, the City originally entered into a five-year licensing/maintenance contract with Tyler/New World to help control software maintenance costs, Agreement No. 13-078 (see Att-2).

On November 15, 2016, the City entered into an agreement with Tyler/New World for automatic license/maintenance renewal, as a supplement to the 2013 agreement. This agreement commits the City to automatic annual support renewals until such time that the City chooses to cease carrying support on this core enterprise system, which would be upon end of use. This renewal process change was initiated by the vendor.

On March 6, 2018, annual Licensing/Maintenance invoice was approved by the City Council

On December 27, 2018, the City entered into an agreement with Tyler/New World for the CAD Enterprise Upgrade (Agreement No. 17-126; 1270), which included one-year licensing and maintenance and commits the City to automatic annual support renewals until such time that the City chooses to cease carrying support on this core enterprise system, which would be upon end of use.

On February 4, 2019, City Council approved annual Licensing/Maintenance invoice was approved by the City Council.

DISCUSSION: The Enterprise Computer Aided Dispatch manages dispatching activities and is integrated with GIS mapping, mobile computing, and records management, saving staff resources and accelerating emergency response to the community. It also includes mobile and field reporting with computer access in patrol cars, providing officers with real-time and critical data in the field so they have accurate, reliable information while in transit or on scene. This functionality improves situational awareness and helps keep first responders safer at any incident. Finally, the application provides property and evidence management to ensure the proper administration and control of all property and evidence collected by officers.

Most software licensing/maintenance renewals costs increase annually. In 2013, the annual cost was \$130,641; in 2016, the annual cost was \$173,762.27; in 2018, the annual cost was \$192,815.07 and for 2019 it was \$206,239.01. The current annual invoice now before Council for 2020 is \$214,488.59. The \$8,249.58 increase is an anticipated annual price increase and appropriately budgeted.

FISCAL IMPACTS: The item is included in the Adopted 2019-2020 Budget, the budgeted value of \$214,488.59 is sufficient to fund this item. This item obligates the City to annual expenditures of \$214,488.59 until the contract is cancelled.

ATTACHMENTS: Att-1. Invoice 130-11055 for Tyler New World Licensing/Maintenance.
Att-2. Agreement 13-078
Att-3. Agreement 1270

RECOMMENDED ACTION: Approve payment of Tyler Technologies invoice in the amount of \$214,488.59 (WA State Sales Tax included) for February 15, 2020 to February 15, 2021 maintenance costs for the New World Systems software application.

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Remittance:
 Tyler Technologies, Inc.
 (FEIN 75-2303920)
 P.O. Box 203556
 Dallas, TX 75320-3556

Invoice

Invoice No	Date	Page
130-11055	01/01/2020	1 of 4

Questions:
 Tyler Technologies - Public Safety
 Phone: 1-800-772-2260 Press 2, then 5
 Email: ar@tylertech.com



Bill To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Ship To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
5074 - 200 - 200	8270		USD	NET45	02/15/2020

Date	Description	Units	Rate	Extended Price
Contract No.: BOT1116C0301H02				
	New World Third Party Maintenance - CAD Esri 10.2 Maintenance: Start: 01/Feb/2020, End: 31/Jan/2021	1	1,520.68	1,520.68
	New World Maintenance - Additional LE CAD Enterprise Users Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	23,674.63	23,674.63
	New World Mobile on MSP Server Integration Standard Maintenance - MDT/MCT Base CAD/RMS Interface (1-15 units) Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	3,525.96	3,525.96
	New World Maintenance - Additional Records MSP View/Inquiry Users Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	881.21	881.21
	Additional New World Software for LE Records Standard Maintenance - Alarm Tracking and Billing Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,763.54	1,763.54
	New World Third Party - ArcGIS Advaned Enterprise Server Integration Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	0.00	0.00
	Additional New World Software for LE Records Standard Maintenance - Demographic Profiling Questionnaire Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	846.67	846.67
	Additional New World Software for LE Records Standard Maintenance - Bookings Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	2,115.58	2,115.58
	Additional New World Software for LE Records Standard Maintenance - Case Management Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	2,115.58	2,115.58
	New World Third Party LE Records Interface Standard Maintenance - Citizen Reporting Interface Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	3,674.13	3,674.13
	Additional New World MSP for CAD Standard Maintenance - Data Analysis/Crime Mapping/Mgmt Reporting Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	7,053.04	7,053.04
	Additional New World MSP for CAD Standard Maintenance - Data Analysis/Crime Mapping/Mgmt Reporting 2nd App MSP Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,763.54	1,763.54
	New World Mobile Management Server Standard Maintenance (1-15 units) - Field Reporting Data Merge Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	881.21	881.21
	Additional New World Software for LE Records Standard Maintenance - Demographic Profiling Compliance Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	661.74	661.74
	New World Mobile Standard Maintenance on the RS/6000 - Base Message Switch to State/NCIC(1-15 Units) Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	16,220.54	16,220.54
	Additional New World Software for LE Records Standard Maintenance - Demographic Profiling Reporting Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,410.39	1,410.39



Remittance:
 Tyler Technologies, Inc.
 (FEIN 75-2303920)
 P.O. Box 203556
 Dallas, TX 75320-3556

Invoice

Invoice No	Date	Page
130-11055	01/01/2020	2 of 4

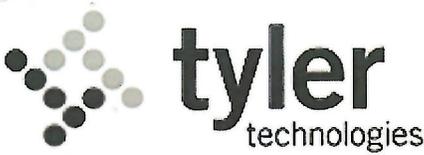
Questions:
 Tyler Technologies - Public Safety
 Phone: 1-800-772-2260 Press 2, then 5
 Email: ar@tylertech.com

Bill To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Ship To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
5074 - 200 - 200	8270		USD	NET45	02/15/2020

Date	Description	Units	Rate	Extended Price
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Enterprise Third Party Interface Standard Maintenance - E-911 Interface	1	1,578.61	1,578.61
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	Additional New World Software for LE Records Standard Maintenance - Equipment Tracking	1	4,231.16	4,231.16
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Mobile Management Server Standard Maintenance (1-15 units) - Field Reporting	1	3,527.08	3,527.08
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	Additional New World Software for LE Records Standard Maintenance - Gun Permits and Registrations	1	1,401.47	1,401.47
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Imaging Standard Maintenance -Identix Interface MSP	1	2,115.58	2,115.58
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Law Enforcement Mobile Unit Standard Maintenance - Field-Based Reporting - LE Accident Field Reporting	1	6,083.81	6,083.81
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Law Enforcement Mobile Unit Standard Maintenance - Field-Based Reporting - LE Accident Field Reporting Compliance	1	2,433.08	2,433.08
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Enterprise Multi-Jurisdiction Law Enforcement CAD Standard Maintenance	1	9,501.71	9,501.71
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Law Enforcement Mobile Unit Standard Maintenance - Mobile Message - LE CAD via Switch	1	6,347.85	6,347.85
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Law Enforcement Mobile Unit Standard Maintenance - Field-Based Reporting - LE Accident Field Reporting	1	12,165.40	12,165.40
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Law Enforcement Mobile Unit Standard Maintenance - Field-Based Reporting - LE Field Reporting Compliance	1	2,433.08	2,433.08
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Federal and State Compliance Reporting for LE Records Standard Maintenance - Federal UCR/IBR	1	2,115.58	2,115.58
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Multi-Jurisdictional Base LE Records Standard Maintenance	1	16,926.84	16,926.84
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Third Party LE Records Interface Standard Maintenance - New World State/NCIC Interface (multi-state)	1	4,232.27	4,232.27
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Maintenance - Additional Records MSP View/Inquiry Users	1	10,579.00	10,579.00
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				
	New World Fire Mobile Unit Standard Maintenance - Mobile Upload of Field Reports	1	7,299.24	7,299.24
Maintenance Start: 01/Feb/2020, End: 31/Jan/2021				



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130-11055	01/01/2020	3 of 4

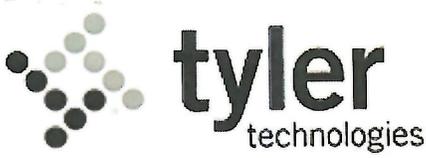
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 Tyler Technologies - Public Safety
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 Email: ar@tylertech.com

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 18410 101st Ave NE
 Bothell, WA 98011-3455

Ship To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
5074 - 200 - 200	8270		USD	NET45	02/15/2020

Date	Description	Units	Rate	Extended Price
	New World Fire Mobile Unit Standard Maintenance - Mobile Upload Software Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	8,463.43	8,463.43
	New World Law Enforcement Mobile Unit Standard Maintenance - Mobile Message - Mugshot Image Download Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,692.24	1,692.24
	New World Enterprise Third Party Interface Standard Maintenance - New World CAD to New World CAD Interface for Aegis/MSP Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	3,527.08	3,527.08
	New World Enterprise Third Party Interface Standard Maintenance - On-Line CAD Interface to State/NCIC Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,381.42	1,381.42
	New World Third Party LE Records Interface Standard Maintenance - On-Line Wants and Warrants Interface to State/NCIC Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,528.48	1,528.48
	Additional New World Software for LE Records Standard Maintenance - Pawn Shops Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,763.54	1,763.54
	Additional New World Software for LE Records Standard Maintenance - Property Room Bar Coding Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	1,224.34	1,224.34
	New World Imaging Standard Maintenance - Corrections Public Safety Lineups/Mug Shots Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	5,994.70	5,994.70
	Additional New World Enterprise Standard Maintenance for CAD - Service Vehicle Rotation Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	0.00	0.00
	New World Law Enforcement Mobile Unit Standard Maintenance - Mobile Message - State Photo Download Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	881.21	881.21
	New World MSP Third Party CAD Interface Standard Maintenance -New World State/NCIC Interface Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	3,879.12	3,879.12
	New World Third Party LE Records Interface Standard Maintenance - Ticket Writer Interface Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	2,785.12	2,785.12
	Law Enforcement Management Data Mart (^CAD, RMS) Standard Maintenance - Includes 2 users Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	788.75	788.75
	New World Decision Support Base Datamart Standard Maintenance Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	0.00	0.00
	New World Base CAD/NCIC/Messaging Standard Maintenance Maintenance Start: 01/Feb/2020, End: 31/Jan/2021	1	0.00	0.00



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 Tyler Technologies, Inc.
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Ship To: Bothell, WA Police Department
 18410 101st Ave NE
 Bothell, WA 98011-3455

Cust No.-BillTo-ShipTo	Ord No	PO Number	Currency	Terms	Due Date
5074 - 200 - 200	8270		USD	NET45	02/15/2020

Date	Description	Units	Rate	Extended Price
------	-------------	-------	------	----------------

Proj. Code: _____ **Aud.** _____
Detail: _____
Contract # _____ **P.O. #** _____
BARS Code: _____
\$ Amt: _____ **Date:** _____
Approved: _____

****ATTENTION****
 Order your checks and forms from
 Tyler Business Forms at 877-749-2090 or
 tylerbusinessforms.com to guarantee
 100% compliance with your software.

Subtotal	194,989.63
Sales Tax	19,498.96
Invoice Total	214,488.59

March 3, 2020 Agenda Packet Page 30 of 392

NEW WORLD SYSTEMS CORPORATION
STANDARD SOFTWARE MAINTENANCE AGREEMENT



This Standard Software Maintenance Agreement (SSMA) between **New World** Systems Corporation (New World) and **Bothell, WA Police Department** (**Customer**) sets forth the standard software maintenance support services provided by **New World**.

1. Service Period

This SSMA shall remain in effect for a period of five (5) years from (start date) 2/1/13 to (end date) 1/31/18.

2. Services Include

The following services or features are available under this SSMA:

- (a) Upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**).
- (b) Temporary fixes to Licensed Standard Software (see paragraph 6 below).
- (c) Revisions to Licensed Documentation.
- (d) Reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone).
- (e) Invitation to and participation in user group meetings.
- (f) Emergency 24-hour per day telephone support, for Aegis CAD only, seven (7) days per week for Licensed Standard Software. Normal service is available from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone). After 8:00 p.m., the Aegis CAD phone support will be provided via beeper and a **New World** support representative will respond to CAD service calls within 30 minutes of call initiation.
- (g) Includes ESRI Integration for the ESRI software that is part of Exhibit A Licensed Standard Software.

Items a, b, and c above will be provided to **Customer** by electronic means.

Additional support services are available as requested by **Customer** using the then-current hourly rates or applicable fees.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer's** request, then the additional **New World** maintenance or support services provided shall be billed at the then-current hourly fees plus reasonable expenses.

4. Billing

Maintenance costs will be billed annually as detailed on the following page. If taxes are imposed, they are the responsibility of the **Customer** and will be remitted to **New World** upon being invoiced.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA per the terms of the contract adding the software. Maintenance costs for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the current maintenance year and on a full year basis thereafter.

6. Requests for Software Correction on Licensed Standard Software

At any time during the SSMA period, if **Customer** believes that the Licensed Standard Software does not conform to the current specifications set forth in the user manuals, **Customer** must notify **New World** in writing that there is a claimed defect and specify which feature and/or report **Customer** believes to be defective. Before any notice is sent to **New World**, it must be reviewed and approved by the **Customer Liaison**. Documented examples of the claimed defect must accompany each notice. **New World** will review the documented notice and when a feature or report does not conform to the published specifications, **New World** will provide software correction service at no charge. A non-warranty request is handled as a billable Request for Service (RFS).

The no charge software correction service does not apply to any of the following:

- (a) situations where the Licensed Standard Software has been changed by anyone other than **New World** personnel;
- (b) situations where **Customer's** use or operations error causes incorrect information or reports to be generated; and;
- (c) requests that go beyond the scope of the specifications set forth in the current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for MSP Server

New World agrees to provide software maintenance at the costs listed below for the following **New World** Standard Software packages licensed by the **Customer**:

<u>Application Package</u>	<u>Number of Modules</u>
1. Aegis® Computer Aided Dispatch (CAD)	14
2. Aegis® Law Enforcement Records Software	26
3. Aegis® Public Safety Interface Software	4
4. Aegis® Other Software for Public Safety	2
5. Aegis® Photo Imaging Software	1
6. Aegis® Mobile Management Server Software	3
7. Aegis® Mobile Software on the RS6000	3
8. Aegis® Mobile Client Laptop Software	12
9. Aegis® Mobile Software on the 400 or MSP Server	1
10. Aegis® ESRI Embedded Applications - Upgrades	1

ANNUAL
MAINTENANCE COST: See Below

<u>Period Covered</u>	<u>Annual Amount</u>	<u>Billing Date</u>
2/1/2013 to 1/31/2014	\$125,140	1/15/2013
2/1/2014 to 1/31/2015	\$133,897	1/15/2014
2/1/2015 to 1/31/2016	\$143,269	1/15/2015
2/1/2016 to 1/31/2017	\$153,296	1/15/2016
2/1/2017 to 1/31/2018	\$164,028	1/15/2017

Note: Unless extended by **New World**, the above costs are available for 90 days after submission of the costs to **Customer**. After 90 days, **New World** may change the costs.

ALL INVOICES ARE DUE FIFTEEN (15) DAYS FROM BILLING DATE.

8. Non-funding Provision

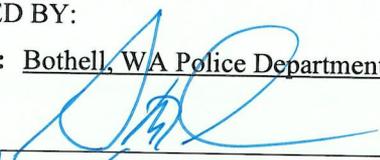
In the event **Customer** does not appropriate funds to complete payments due under this SSMA, the amount due for the fiscal year not appropriated shall be terminated; provided, however, the **Customer** shall have given **New World** written notice ninety (90) days prior to the anniversary date on which they are exercising the non-funding provision, and further provided that any other payments due to **New World** are fully paid, and further provided that **New World's** obligations and services under this SSMA shall also be terminated. Without **Customer's** fulfillment of the above provisions, **Customer's** obligation to pay **New World** the annual SSMA payments remains in effect through the expiration date of this SSMA Agreement.

9. Terms and Conditions

This Agreement is covered by the Terms and Conditions specified in the Licensing Agreement(s) for the software contained herein.

ACCEPTED BY:

Customer: Bothell, WA Police Department

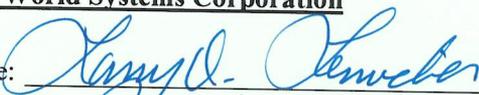
Name: 

Title: Deputy City Manager

Date: 3/12/13

ACCEPTED BY:

New World Systems Corporation

Name: 

Title: President

Date: 03-19-13

By signing above, each of us agrees to the terms and conditions of this Agreement and as incorporated herein. Each individual signing represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

Bothell, WA Police Department

Licensed Application Software

At December, 2012

1. **Aegis® Computer Aided Dispatch (CAD)**
 - LE CAD - Multi Jurisdiction MSP
 - Base
 - CAD Messaging Module
 - Call Scheduling Module
 - Call Stacking Module
 - Dispatch Questionnaire Module
 - Geo-File Verification Module
 - Hazard and Location Alerts Module
 - Interface to Aegis® Law Enforcement Records Module
 - Note Pads Module
 - Unit Control Panel Module
 - Unit Recommendation Module
 - CAD Mapping MSP
 - Service Vehicle Rotation MSP
 - Additional LE CAD MSP View/Inquiry Users
2. **Aegis® Law Enforcement Records Software**
 - LE Records Multi-Jurisdictional Base MSP
 - Base
 - Accidents Module
 - Arrest Module
 - Business Registry Module
 - Case Processing Module
 - Computer Aided Investigations Module
 - Federal Reports (UCR/IBR) Module
 - Geo-File Verification Module
 - Impounded Vehicles Module
 - Incident Tracking Module
 - Jacket Processing Module
 - Personnel / Education Module
 - Property Module
 - Traffic Tickets and Citations Module
 - Wants and Warrants Module
 - LE Records Federal & State Compliance MSP
 - Gun Permits MSP
 - Case Management MSP
 - Pawn Shops MSP
 - Alarms Tracking and Billing MSP
 - Bookings MSP
 - Equipment Tracking MSP
 - Data Analysis Mapping & Management Reporting MSP
 - Additional Records MSP Users
 - Additional Records MSP View/Inquiry Users
 - Demographic Profiling Reporting MSP

Bothell, WA Police Department

Licensed Application Software

At December, 2012

3. **Aegis® Public Safety Interface Software**
 - State/NCIC Interface MSP
 - On-Line CAD Interface to State/NCIC MSP
 - Identix Interface MSP
 - E-911 Interface MSP
4. **Aegis® Other Software for Public Safety**
 - Data Analysis/Mapping/Mgt Reporting 2nd App MSP
 - Data Analysis/Mapping/Mgt Reporting 3rd App MSP
5. **Aegis® Photo Imaging Software**
 - Public Safety Mug Shots/Line-Ups MSP
 - Digital Imaging
6. **Mobile Management Server Software**
 - Field Reporting Server
 - Data Merge to Aegis/MSP LE Records
 - Base CAD/NCIC/Messaging
7. **Mobile Software on the RS6000**
 - Base Message Switch to NCIC
 - New World CAD Interface for Aegis/MSP
 - Mobile Upload Software
8. **Mobile Client Laptop Software**
 - LE State/NCIC via Switch 32 User(s)
 - Mugshot Images 25 User(s)
 - LE Field Reporting 46 User(s)
 - LE Accident Field Reporting 46 User(s)
 - Mobile Upload of Field Reports 46 User(s)
 - LE CAD Via Switch 32 User(s)
 - LE Accident Field Reporting Compliance 46 User(s)
 - LE Field Reporting Compliance 46 User(s)
 - Demographic Profiling Questionnaire 32 User(s)
 - Demographic Profiling Compliance 25 User(s)
 - Mugshot Images Download 7 User(s)
 - State Photo Download 25 User(s)
9. **Mobile Software on the 400 or MSP Server**
 - MDT/MCT Base CAD/RMS Interface
10. **Aegis® ESRI Embedded Applications**
 - ArcGIS Standard Enterprise Server Integration

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AGREEMENT ROUTING FORM

17-126 = 1270

- This form **must be completed** for all contracts by the Department of Origin
- Send this form along with **3 originals** to the Clerk's Office for review by Legal, Finance, City Manager, & City Clerk

C #1270-1

Do I need to send my contract to the Clerk's Office for routing?

Yes, regardless of amount or authorized signer, all contracts entered into by the City must be on file with the Clerk's Office

Who should SIGN the contract? **Contracts signed by the Dept Director still need to be routed through the Clerk's Office**

Contract Type	Authorized Signer	
Supplies, Equipment, Non-Professional Services, and Information Services	Less than \$30,000	Dept Director**
	\$30,000 - \$99,999	City Manager
	\$100,000 or more	Must go to Council
Legal Services	Less than \$30,000	City Manager
	\$30,000 or more	Must go to Council
Public Works and Professional Services (non legal)	Less than \$50,000	City Manager
	\$50,000 or more	Must go to Council

Additional Items Requiring Council Approval:

- Professional Service amendments, if the cumulative amount of all amendments increase the cost of a contract by more than 10% or \$50,000 (whichever is greater)
- Public Works project change orders that **exceed** previously **approved budget** appropriations
- Public Works project change orders, if the contract total increases to **\$300,000** or more **AND** the cumulative amount of change orders exceeds **10%** of the original contract
- Interlocal agreements

Date Scheduled for Council: NA Approved: Director Approval & Date: *[Signature]* ^{12/20/18} Dept: IS Staff: Aaron E

Type: Professional Services Public Works Information Services Legal Services Supplies/Equipment Interlocal Small Works

Contract with: Tyler Technologies Original: Supplement/Change Order No.: 1

Brief Description & Impact: Tyler New World E-CAD XML Upgrade for Police Department software
Total one-time cost is \$6,740

Original Contract Amount: \$118,720.00 Current Supplement: \$6,740.00 Total Budgeted: \$118,720.00 ^{5 200K (709)}

Original Contract No., if applicable: 1270 Total Contract Amount, including all supps/change orders: \$125,456.00

Contract \$\$ History*: #1 _____ #2 _____ #3 _____ #4 _____ #5 _____ #6 _____

*If there are additional supplements/change orders, attach **Supplement/Change Order Breakdown** form

Project Code: _____ BARS Code: 00151888-531023

Completion Date/Terms: 4/1/2019 Certificate of Insurance: Expires: 4/1/19 Add'l Insured Endorsement:

Mailing and/or Special Distribution instructions: 840 West Long Lake Road, Troy, MI 48098
 (provide contact name and address if not in contract)

Forwarded to City Attorney on: <u>12/27/18</u>	Signed by Contractor/Consultant on: _____
Forwarded to Finance on: <u>1/2</u>	Reviewed/Signed by City Attorney on: <u><i>[Signature]</i></u>
Forwarded to City Manager on: <u>1/2</u>	Business License and Budget Review by Ted on: <u>1/2/19</u>
Forwarded to City Clerk on: _____	Reviewed by Gretchen (for Capital Facilities Projects) on: <u>NA</u>
	Reviewed by Finance Director on: <u>MS</u>
	Approved/Signed by City Manager on: <u><i>[Signature]</i></u>
	Notary Required (Y or N): <input checked="" type="checkbox"/> <u>N</u>
	Signed by City Clerk on: <u>N/A</u>



Bothell Contract #1270-1

Document #: 1116-18A1B

AMENDMENT

This amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 840 West Long Lake Road, Troy, MI 48098 ("Tyler") and City of Bothell, with offices at 18415 101st Avenue NE, Bothell, WA 98011-3455 ("Client").

WHEREAS, Tyler and the Client are parties to a License Agreement with an effective date of May 27, 2003 (the "Agreement");

WHEREAS, Tyler and Client now desire to amend the Agreement;

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and the Client agree as follows:

1. The services set forth in Exhibit 1 to this Amendment are hereby added to the Agreement. Any additional adjustments to scope not set forth herein must be reflected in another amendment to the Agreement.
2. The following payment terms, as applicable, shall apply:
 - a. Fixed-price services are invoiced 100% upon complete delivery of the service.
3. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.
4. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

Tyler Technologies, Inc.

City of Bothell, WA

By: [Signature]

By: [Signature]

Name: Greg Sebastian

Name: Jennifer Phillips

Title: President, Public Safety Division

Title: City Manager

Date: 1/17/19

Date: 1/2/19

**Exhibit 1
Investment Summary**

1. Support Services

The fixed fee for the State of Washington NCIC state required modifications will be \$6,740. The support services will be provided from our offices in Troy, Michigan.

We will update the NCIC solution to utilize the State protocol, including NCIC service modifications to the following:

- Message Switch
- Base NCIC
- On-Line Warrants
- State Photo Download

PRICING VALID THROUGH DECEMBER 31, 2018.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/28/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies 133 Federal Street, 4th Floor Boston MA 02110 INSURED Tyler Technologies, Inc. 5101 Tennyson Parkway Plano TX 75024		CONTACT NAME: Moira Crosby PHONE (A/C, No, Ext): E-MAIL: mcrosby@hayscompanies.com ADDRESS: FAX (A/C, No): INSURER(S) AFFORDING COVERAGE INSURER A: Hartford Fire Insurance Company NAIC# 19682 INSURER B: Hartford Casualty Insurance Company 29424 INSURER C: Lloyds of London Syndicates 048337 & INSURER D: 048945 INSURER E: INSURER F:	
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COVERAGES CERTIFICATE NUMBER: 18-19 GL, Auto REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/>	08UENAY8572	4/1/2018	4/1/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS	<input checked="" type="checkbox"/>	08UENAY8572	4/1/2018	4/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED RETENTION \$	<input checked="" type="checkbox"/>	08REUAY8122	4/1/2018	4/1/2019	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	08WHEEL5271	4/1/2018	4/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Cyber/Privacy Prof Liab		B0621PTYLE000217	12/17/2017	12/17/2018	Occurrence Limit \$20,000,000
C	Cyber/Privacy Prof Liab		B0621PTYLE000317	12/17/2017	12/17/2018	Aggregate Limit \$20,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Bothell is included as additional insured under the General Liability, Auto and umbrella coverage where required by written contract.

CERTIFICATE HOLDER City of Bothell 18415 101st Ave NE Bothwell, WA 98011-3403	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE James Hays/MCROSB
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AGREEMENT ROUTING FORM

17-126

- This form must be completed for all contracts by the Department of Origin
- Send this form along with 3 originals to the Clerk's Office for review by Legal, Finance, City Manager, & City Clerk

Do I need to send my contract to the Clerk's Office for routing?

Yes, regardless of amount or authorized signer, all contracts entered into by the City must be on file with the Clerk's Office

Who should SIGN the contract? **Contracts signed by the Dept Director still need to be routed through the Clerk's Office**

Contract Type	Authorized Signer	
Supplies, Equipment, Non-Professional Services, and Information Services	Less than \$30,000	Dept Director**
	\$30,000 - \$99,999	City Manager
	\$100,000 or more	Must go to Council
Legal Services	Less than \$30,000	City Manager
	\$30,000 or more	Must go to Council
Public Works and Professional Services (non legal)	Less than \$50,000	City Manager
	\$50,000 or more	Must go to Council

Additional Items Requiring Council Approval:

- Professional Service amendments, if the cumulative amount of all amendments increase the cost of a contract by more than 10% or \$50,000 (whichever is greater)
- Public Works project change orders that exceed previously approved budget appropriations
- Public Works project change orders, if the contract total increases to \$300,000 or more AND the cumulative amount of change orders exceeds 10% of the original contract
- Interlocal agreements

Date Scheduled for Council: 5/16/17 Approved: Director Approval & Date: 4/14 Dept: Exec Staff: Joe Sherman

Type: Professional Services Public Works Information Services Legal Services Supplies/Equipment Interlocal Small Works

Contract with: Tyler Technologies Original: Supplement/Change Order No.:

Brief Description & Impact: This is for New World MSP to CAD Enterprise Upgrade for the Police Department software.
Total one time cost is \$118,720. Upgraded maintenance costs will be added into New World
annual maintenance costs.

Original Contract Amount: \$118,720.00 Current Supplement: _____ Total Budgeted: \$100,000.00

Original Contract No., if applicable: _____ Total Contract Amount, including all supps/change orders: _____

Contract \$\$ History*: #1 _____ #2 _____ #3 _____ #4 _____ #5 _____ #6 _____

*If there are additional supplements/change orders, attach **Supplement/Change Order Breakdown** form

Project Code: 01460000.00000 BARS Code: 001.46.518.88.3175.003

Completion Date/Terms: 12/31/2017 Certificate of Insurance: Expires: 4/1/18 Add'l Insured Endorsement:

Mailing and/or Special Distribution instructions: Tyler Technologies, One Tyler Drive, Yarmouth, ME 04096
 (provide contact name and address if not in contract) Attn: Greg Sebastian, President, Public Safety Division

Signed by Contractor/Consultant on: 5/30/17

Forwarded to City Attorney on: 4/18/17 Reviewed/Signed by City Attorney on: 4/25/17

Forwarded to Finance on: 4/26/17 Business License and Budget Review by Ted on: 4/27/17

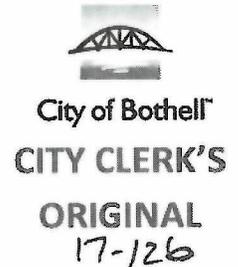
Forwarded to City Manager on: 5/17/17 Reviewed by Gretchen (for Capital Facilities Projects) on: 4/28/17

Reviewed by Finance Director on: 4/28/17

Approved/Signed by City Manager on: [Signature]

Notary Required (Y or N): N

Forwarded to City Clerk on: 5/20/17 Signed by City Clerk on: NA



LICENSE AND SERVICES AGREEMENT

This License and Services Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Tyler and Client are parties to a License Agreement for New World Public Safety software with an effective date of May 27, 2003, under which Client licensed certain software products as detailed therein, (the "Public Safety Software");

WHEREAS, Client now wishes to upgrade the Public Safety Software as indicated in the Investment Summary of this Agreement as provided herein;

WHEREAS, upon the Effective Date maintenance and support on all Tyler Software will be provided pursuant to the terms of this Agreement; and

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this License and Services Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means CITY OF BOTHELL.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our then-current Documentation.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date on which your authorized representative signs the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Go-Live"** means the first time the CAD system is put into productive use.
- **"Investment Summary"** means the agreed upon cost proposal for the software, products, and services attached as Exhibit A.
- **"Invoicing and Payment Policy"** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **"Maintenance and Support Agreement"** means the terms and conditions governing the provision of maintenance and support services to all of our customers. A copy of our current Maintenance and Support Agreement is attached as Exhibit C.



- **“Statement of Work”** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is provided at Exhibit D.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. Our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party End User License Agreement(s)”** means the end user license agreement(s), if any, for the Third Party Software.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation, as successor-in-interest to New World Systems.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

SECTION B – SOFTWARE LICENSE

1. License Grant and Restrictions.

- 1.1 We grant to you a license to use the Tyler Software for your internal business purposes only, in the scope of the internal business purposes disclosed to us as of the Effective Date. You may make copies of the Tyler Software for backup and testing purposes, so long as such copies are not used in production and the testing is for internal use only. Your rights to use the Tyler Software are perpetual but may be revoked if you do not comply with the terms of this Agreement.
- 1.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
- 1.3 You may not: (a) transfer or assign the Tyler Software to a third party; (b) reverse engineer, decompile, or disassemble the Tyler Software; (c) rent, lease, lend, or provide commercial hosting services with the Tyler Software; or (d) publish or otherwise disclose the Tyler Software or Documentation to third parties.
- 1.4 The license terms in this Agreement apply to updates and enhancements we may provide to you or make available to you through your Maintenance and Support Agreement.
- 1.5 The right to transfer the Tyler Software to a replacement hardware system is included in your license. You will give us advance written notice of any such transfer and will pay us for any required or requested technical assistance from us associated with such transfer.
- 1.6 We reserve all rights not expressly granted to you in this Agreement. The Tyler Software and Documentation are protected by copyright and other intellectual property laws and treaties. We own the title, copyright, and other intellectual property rights in the Tyler Software and the Documentation. The Tyler Software is licensed, not sold.



2. **License Fees.** You agree to pay us the license fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
3. **Escrow.** We maintain an escrow agreement with a third party under which we place the source code for each major release of the Tyler Software. You may be added as a beneficiary to the escrow agreement by completing a standard beneficiary enrollment form and paying the annual beneficiary fee. You will be responsible for maintaining your ongoing status as a beneficiary, including payment of the then-current annual beneficiary fees. Release of source code for the Tyler Software is strictly governed by the terms of the escrow agreement.
4. **Limited Warranty.** We warrant that the Tyler Software will be without Defect(s) as long as you have a Maintenance and Support Agreement in effect. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect as set forth in the Maintenance and Support Agreement.

SECTION C – PROFESSIONAL SERVICES

1. **Services.** We will provide you the various implementation-related services itemized in the Investment Summary. You will receive those services according to the Statement of Work.
2. **Professional Services Fees.** You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you.
3. **Additional Services.** The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. **Cancellation.** We make all reasonable efforts to schedule our personnel for travel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
5. **Services Warranty.** We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. **Site Access and Requirements.** At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us. You further agree to provide a



reasonably suitable environment, location, and space for the installation of the Tyler Software and any Third Party Products, including, without limitation, sufficient electrical circuits, cables, and other reasonably necessary items required for the installation and operation of the Tyler Software and any Third Party Products.

7. **Client Assistance.** You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

SECTION D – MAINTENANCE AND SUPPORT

This Agreement includes the period of free maintenance and support services identified in the Invoicing and Payment Policy. If you have purchased ongoing maintenance and support services, and continue to make timely payments for them according to our Invoicing and Payment Policy, we will provide you with maintenance and support services for the Tyler Software under the terms of our standard Maintenance and Support Agreement.

If you have opted not to purchase ongoing maintenance and support services for the Tyler Software, the Maintenance and Support Agreement does not apply to you. Instead, you will only receive ongoing maintenance and support on the Tyler Software on a time and materials basis. In addition, you will:

- (i) receive the lowest priority under our Support Call Process;
- (ii) be required to purchase new releases of the Tyler Software, including fixes, enhancements and patches;
- (iii) be charged our then-current rates for support services, or such other rates that we may consider necessary to account for your lack of ongoing training on the Tyler Software;
- (iv) be charged for a minimum of two (2) hours of support services for every support call; and
- (v) not be granted access to the support website for the Tyler Software or the Tyler Community Forum.

SECTION E – THIRD PARTY PRODUCTS

To the extent there are any Third Party Products set forth in the Investment Summary, the following terms and conditions will apply:

1. **Third Party Hardware.** We will sell and deliver onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. **Third Party Software.** Upon payment in full of the Third Party Software license fees, you will receive a non-transferable license to use the Third Party Software and related documentation for your internal business purposes only. Your license rights to the Third Party Software will be governed by the Third Party End User License Agreement(s).



- 2.1 If the Developer charges a fee for future updates, releases, or other enhancements to the Third Party Software, you will be required to pay such additional future fee.
- 2.2 The right to transfer the Third Party Software to a replacement hardware system is governed by the Developer. You will give us advance written notice of any such transfer and will pay us for any required or requested technical assistance from us associated with such transfer.
3. **Third Party Products Warranties.**
- 3.1 We are authorized by each Developer to grant or transfer the licenses to the Third Party Software.
- 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
- 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. **Maintenance.** If you have a Maintenance and Support Agreement in effect, you may report defects and other issues related to the Third Party Software directly to us, and we will (a) directly address the defect or issue, to the extent it relates to our interface with the Third Party Software; and/or (b) facilitate resolution with the Developer, unless that Developer requires that you have a separate, direct maintenance agreement in effect with that Developer. In all events, if you do not have a Maintenance and Support Agreement in effect with us, you will be responsible for resolving defects and other issues related to the Third Party Software directly with the Developer.

SECTION F – INVOICING AND PAYMENT; INVOICE DISPUTES

1. **Invoicing and Payment.** We will invoice you for all fees set forth in the Investment Summary per our Invoicing and Payment Policy, subject to Section F(2).
2. **Invoice Disputes.** If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION G – TERMINATION

1. **For Cause.** If you believe we have materially breached this Agreement, you will invoke the Dispute

Resolution clause set forth in Section I(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section I(3). In the event of termination for cause, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination.

2. **Lack of Appropriations.** If you should not appropriate or otherwise receive funds sufficient to purchase, lease, operate, or maintain the software or services set forth in this Agreement, you may unilaterally terminate this Agreement effective on the final day of the fiscal year through which you have funding. You will make every effort to give us at least thirty (30) days written notice prior to a termination for lack of appropriations. In the event of termination due to a lack of appropriations, you will pay us for all undisputed fees and expenses related to the software and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Any disputed fees and expenses must have been submitted to the Invoice Dispute process set forth in Section F(2) at the time of termination in order to be withheld at termination. You will not be entitled to a refund or offset of previously paid license and other fees.
3. **Force Majeure.** Except for your payment obligations, either you or we may terminate this Agreement if a Force Majeure event suspends performance of scheduled tasks for a period of forty-five (45) days or more. In the event of termination due to Force Majeure, you will pay us for all undisputed fees and expenses related to the software and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Any disputed fees and expenses must have been submitted to the Invoice Dispute process set forth in Section F(2) at the time of termination in order to be withheld at termination. You will not be entitled to a refund or offset of previously paid license and other fees.

SECTION H – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. **Intellectual Property Infringement Indemnification.**
 - 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
 - 1.2 Our obligations under this Section H(1) will not apply to the extent the claim or adverse final judgment is based on your: (a) use of a previous version of the Tyler Software and the claim would have been avoided had you installed and used the current version of the Tyler Software, and we provided notice of that requirement to you; (b) combining the Tyler Software with any product or device not provided, contemplated, or approved by us; (c) altering or modifying the Tyler Software, including any modification by third parties at your direction or otherwise permitted by you; (d) use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties; or (e) willful infringement, including use of the Tyler Software after we notify you to discontinue use due to such a claim.
 - 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right

to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.

1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; (c) replace it with a functional equivalent; or (d) terminate your license and refund the license fees paid for the infringing Tyler Software, as depreciated on a straight-line basis measured over seven (7) years from the Effective Date. We will pursue those options in the order listed herein. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

4. **LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) PRIOR TO FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE TOTAL ONE-TIME FEES SET FORTH IN THE INVESTMENT SUMMARY; OR (B) AFTER FORMAL TRANSITION TO MAINTENANCE AND SUPPORT, THE THEN-CURRENT ANNUAL MAINTENANCE AND SUPPORT FEE. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS H(1) AND H(2).**



5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon execution of the Agreement.

SECTION I – GENERAL TERMS AND CONDITIONS

1. **Additional Products and Services.** You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date, and thereafter at our then-current list price, by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Optional Items.** Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. **Dispute Resolution.** You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. **Taxes.** The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. **Nondiscrimination.** We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable

law.

6. **E-Verify**. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. **Subcontractors**. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. **Binding Effect; No Assignment**. This Agreement shall be binding on, and shall be for the benefit of, our either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. **Force Majeure**. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. **No Intended Third Party Beneficiaries**. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party End User License Agreement(s).
11. **Entire Agreement; Amendment**. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. **Severability**. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. **No Waiver**. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. **Independent Contractor**. We are an independent contractor for all purposes under this Agreement.
15. **Notices**. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the

intended receiving party of a change in address will be borne by the intended receiving party.

16. **Client Lists.** You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. **Confidentiality.** Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (e.g., social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
- (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
 - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.
18. **Business License.** In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
19. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.
20. **Multiple Originals and Authorized Signatures.** This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
21. **Cooperative Procurement.** To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
22. **Contract Documents.** This Agreement includes the following exhibits:
- Exhibit A Investment Summary
 Schedule 1: New World Public Safety Investment Summary

- Exhibit B Invoicing and Payment Policy
Schedule 1: Business Travel Policy
- Exhibit C Maintenance and Support Agreement
Schedule 1: New World Public Safety Support Call Process
- Exhibit D New World Public Safety – Statement of Work
Schedule 1: New World Public Safety - Implementation and Training Support Services
Schedule 2: New World Public Safety - Data File Conversion Assistance

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

City of Bothell, WA

By: Greg Sebastian

By: Jennifer Phillips

Name: ~~Greg Sebastian~~
Abby Diaz

Name: Jennifer Phillips

Title: ~~President, Public Safety Division~~
Chief Legal Officer

Title: City Manager

Date: May 30, 2017

Date: 5/20/17

Address for Notices:

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Associate General Counsel

City of Bothell
18415 101st Avenue
Bothell, WA 98011-3403





Exhibit A
Schedule 1
New World Public Safety Investment Summary

The following Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

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Investment Summary
BOTHELL POLICE DEPARTMENT, WA
New World MSP to CAD Enterprise Upgrade
January 13, 2017

Tyler Software and Services		
A. License Fees		\$0
1) Licensed Standard Software	\$187,160	
2) Less Discount	(187,160)	
B. Professional Services		88,220
1) Project Management		
2) Implementation and Training		
3) Systems Assurance and Software Installation		
4) Interface Installation Fees including GIS Implementation		
5) Decision Support Software Implementation Services		
6) Data File Conversion		
C. Third Party Products and Services		6,500
1) Third Party Products and Services		
D. Travel and Living Expenses (Estimate)		24,000
	TOTAL ONE TIME COST	<u>\$118,720</u>

Maintenance		
E. Maintenance and Support Fees		
1) Additional Maintenance and Support Services:		
Includes Emergency 24/7 Maintenance for CAD only		
	Year 1 Maintenance	1,365
	Year 2 Maintenance	1,406
	Year 3 Maintenance	1,448
	Year 4 Maintenance	1,492
	Year 5 Maintenance	1,536

NOTE: Tyler's cost is based on all of the proposed products and services being obtained from Tyler. Should significant portions of the products or services be deleted, we reserve the right to adjust its prices accordingly. Prices do not include hardware servers or workstations.



Exhibit 1
Investment Summary

BOTHELL POLICE DEPARTMENT, WA
New World MSP to CAD Enterprise Upgrade

January 13, 2017

A. LICENSE FEES		
ITEM	DESCRIPTION	INVESTMENT

DELETED STANDARD SOFTWARE

CAD

(Workstations included in CAD Base - 6)

1. New World MSP Multi-Jurisdiction Law Enforcement Computer Aided Dispatch

- Call Entry
- Call Control Panel
- Unit Recommendations
- Unit Control Panel
- Call Stacking
- CAD Messaging
- Call Scheduling
- Dispatch Questionnaire
- GIS/Geo-File Verification
- Hazard and Location Alerts
- Access to New World LE Records
- Note Pads

2. Additional New World MSP Software for Computer Aided Dispatch

- CAD Mapping
- Data Analysis/Crime Mapping/Management Reporting (3rd Application)
- Service Vehicle Rotation (Wrecker, Ambulance)

3. New World MSP Third Party CAD Interface Software

- E-911 Interface
- On-Line Modules
 - On-Line CAD Interface to State/NCIC
 - Includes state-specific standard forms*

4. Additional CAD Workstations

- 20 workstations

EVERGREEN REPLACEMENT SOFTWARE

CAD

(Workstations included in CAD Base - 6)

5. New World Enterprise Multi-Jurisdiction Law Enforcement Computer Aided Dispatch	\$48,160
- CAD Mapping	
- Call Entry	
- Call Control Panel	
- Unit Recommendations	
- Unit Control Panel	
- Call Stacking	
- CAD Messaging	
- Call Scheduling	
- Dispatch Questionnaire	
- GIS/Geo-File Verification	
- Hazard and Location Alerts	
- Access to New World LE Records	
- Note Pads	
- Proximity Dispatch (requires CAD AVL and Mobile)	
6. Additional New World Enterprise Software for Computer Aided Dispatch	
- Service Vehicle Rotation (Wrecker, Ambulance)	
7. New World Enterprise Third Party Interface Software	
- E-911 Interface	8,000
On-Line Modules	
- On-Line CAD Interface to State/NCIC	7,000
<i>Includes state-specific standard forms</i>	
8. Additional CAD Workstations	
- 20 workstations at \$6,000 per workstation	120,000
SUB-TOTAL CAD MODULES	\$183,160

DECISION SUPPORT SOFTWARE

9. Law Enforcement Management Data Mart (CAD, RMS)	
- Includes 2 users	4,000
SUB-TOTAL DECISION SUPPORT MODULES	\$4,000

STANDARD NEW WORLD SOFTWARE LICENSE FEE	\$187,160
LESS EVERGREEN DISCOUNT	(187,160)
TOTAL TYLER SOFTWARE LICENSE FEES DUE	\$0

B PROFESSIONAL SERVICES		INVESTMENT
ITEM	DESCRIPTION	
PROFESSIONAL SERVICES		
1.	Project Management Services as required:	7,200
	- Project Management	
	- Overall consultation and communication	
	- Monthly status reports and project updates throughout the duration of the project	
	- Implementation Plan	
2.	Up to 30 days of Implementation and Training Services are included for:	27,000
	- Software Tailoring and Set Up	
	- User Education and Training	
	- Other Technical Support	
	- Travel Time Included	
	* Assumes train-the-trainer approach, with the exception of CAD, which is end user training	
3.	Systems Assurance and Software Installation	22,720
	New World Enterprise Standard Environment	17,920
	- Configure application servers	
	- Consult on connectivity to new or existing Windows environment	
	- Verify operating system and SQL configuration	
	- Verify workstation configuration	
	Message Switch and Mobile Server Installation Support to include:	4,800
	- Reconfiguration at go-live from MSP CAD to Enterprise CAD - Configure system variables (i.e., operating system, interfaces, etc.)	
	- Migrate all application software and agency data	
	- Includes mobile server installation	
4.	Fixed Installation Service Fees:	22,500
	- 911 Interface	900
	- State/NCIC	4,500
	- On-Line CAD Interface to State/NCIC	1,800
	- NCIC Parsing (CAD)	2,700
	- NCIC Parsing (Mobile)	2,700
	- Interface Go-Live Support	900
	- Interface Post-Live Support	900
	- Migrate LERMS Interfaces (3 interfaces)	1,800
	GIS Implementation	
	-New World Enterprise	6,300
5.	Decision Support Software Implementation Services: (CAD, RMS)	4,800
	- Installation of standard library components (cubes and dashboards)	
	- Training with data and reporting cubes	
	- Training on use of data mart for custom report building	
	- Requires up to 2 on-site trips - remaining work will be completed remotely	
6.	Data File Conversion Pricing Estimates	
	<u>Multiple Application Database</u>	
	- CAD / Call for Service	4,000
TOTAL IMPLEMENTATION SERVICES		\$88,220

C. THIRD PARTY PRODUCTS AND SERVICES		
ITEM	DESCRIPTION	INVESTMENT
1. THIRD PARTY PRODUCTS AND SERVICES		
THIRD PARTY SOFTWARE		
	a. GIS Software	6,500
	CAD	
	- Esri 10.2	6,500
TOTAL THIRD PARTY PRODUCTS AND SERVICES		\$6,500

D. TRAVEL AND LIVING EXPENSES (Estimate)		
ITEM	DESCRIPTION	INVESTMENT
1. TRAVEL AND LIVING EXPENSES (Estimate)		
	Estimated 12 trips at \$2,000 per trip.	\$24,000
TOTAL ONE TIME COST		\$118,720

E. MAINTENANCE AND SUPPORT FEES		
ITEM	DESCRIPTION	INVESTMENT
1. MAINTENANCE AND SUPPORT AGREEMENT (Year 1 Cost):		
Associated maintenance and support fees for the Evergreen Replacement Software will remain unchanged from the Deleted Standard Software. Additional Maintenance and Support fees will be added to the Client's current Maintenance and Support Agreement and will be invoiced on a pro rata basis beginning on the first day of the month following Amendment Effective Date, and thereafter in a lump sum amount together with Client's then-current maintenance and support fees for previously licensed software. (Includes Exhibit A Esri Integration for the Esri software that is part of Exhibit A Licensed Software.)		
	Year 1 Maintenance:	\$1,365
	Year 2 Maintenance:	\$1,406
	Year 3 Maintenance:	\$1,448
	Year 4 Maintenance:	\$1,492
	Year 5 Maintenance:	\$1,536

PRICING VALID THROUGH FEBRUARY 28, 2017.

Pricing Assumptions

Personal Computers must meet the minimum hardware requirements for New World products. Microsoft Windows 7/8 or later is required for all client machines. Windows 2008/2012 Server and SQL Server 2008/2012 are required for the Application and Database Server(s).

New World product requires Microsoft Windows 2008/2012 Server and SQL Server 2008/2012 including required Client Access Licenses (CALs) for applicable Microsoft products. Servers must meet minimum hardware requirements provided by Tyler.

New World product requires Microsoft Excel or Windows Search 4.0 for document searching functionality; Microsoft Word is required on the application server for report formatting.

Tyler recommends a 100/1000MB (GB) Ethernet network for the local area network. Wide area network requirements vary based on system configuration, Tyler will provide further consultation for this environment.

Does not include any required 3rd party hardware or software unless specified in Section C of this Investment Summary. Customer is responsible for any 3rd party support.

Licensed Software, and third party software embedded therein, if any, will be delivered in a machine readable form to Customer via an agreed upon network connection. Any taxes or fees imposed are the responsibility of the purchaser and will be remitted when imposed.

Tyler's GIS implementation services are to assist the Customer in preparing the required GIS data for use with the Licensed New World Software. Depending upon the Licensed Software the Customer at a minimum will be required to provide an accurate street centerline layer and the appropriate polygon layers needed for Unit Recommendations and Run Cards in an industry standard Esri file format (Personal Geodatabase, File Geodatabase, Shape Files). Customer is responsible for having clearly defined boundaries for Police Beats, EMS Districts and Fire Quadrants. If necessary Tyler will assist Customer in creating the necessary polygon layers (Police Beats, EMS Districts and Fire Quadrants) for Unit Recommendations and Run Cards. Tyler is not responsible for the accuracy of or any ongoing maintenance of the GIS data used within the Licensed New World Software.

Customer is responsible for any ongoing annual maintenance on third-party products, and is advised to contact the third-party vendor to ensure understanding of and compliance with all maintenance requirements.

All Tyler Customers are required to use Esri's ArcGIS Suite to maintain GIS data. All maintenance, training and ongoing support of this product will be contracted with and conducted by Esri. Maintenance for Esri's ArcGIS suite of products that are used for maintaining Customer's GIS data will be contracted by Customer separately with Esri.

For State/NCIC, Customer is responsible for obtaining the necessary State approval and any non-Tyler hardware and software. Includes state-specific standard forms developed by Tyler. Additional forms can be provided for an additional fee.

Configuration and end user training for Decision Support Software to occur after Customer has been live for 3 months or longer on an application.



Exhibit B Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable license and services fees in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. Tyler Software.

1.1 *License Fees:* If applicable, License fees are invoiced as follows: (a) 25% on the Effective Date; (b) 60% on the date when we make the applicable Tyler Software available to you for downloading (the "Available Download Date"); and (c) 15% on the earlier of use of the Tyler Software in live production or 180 days after the Available Download Date.

1.2 *New World Maintenance and Support Fees:* Associated maintenance and support fees for the Evergreen Replacement Software listed in Exhibit A, Schedule 1, will remain unchanged from the Deleted Standard Software. Additional Maintenance and Support fees listed in Exhibit A, Schedule 1 will be added to the Client's current Maintenance and Support Agreement and will be invoiced on a pro rata basis beginning on the first day of the month following the Effective Date, and thereafter in a lump sum amount together with Client's then-current maintenance and support fees for previously licensed software.

2. Professional Services.

2.1 *Implementation and Other Professional Services (including training):* Any fixed-price services are invoiced 50% upon initial delivery of the fixed price service, and 50% upon deployment of the fixed priced service within the live/production environment. Where services are quoted as estimated, we will bill you the actual services, as delivered, on a time and materials basis. New World Public Safety Project Management will be billed monthly in arrears over the next 12 months beginning on the first day of the month immediately following the Effective Date.

2.2 *Implementation and Other Professional Services (including training):* Any fixed-price services are invoiced 50% upon initial delivery of the fixed price service, and 50% upon deployment of the fixed priced service within the live/production environment. Where services are quoted as estimated, we will bill you the actual services, as delivered, on a time and materials basis.

2.3 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated,



we will bill you the actual services delivered on a time and materials basis.

2.4 *Other Fixed Price Services*: Other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document.

2.5 Travel expenses shall be invoiced as incurred, as applicable.

4. Third Party Products.

4.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.

4.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

4.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.

5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is:

Bank:	Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104
ABA:	121000248
Account:	4124302472
Beneficiary:	Tyler Technologies, Inc. – Operating





Exhibit B Schedule 1 Business Travel Policy

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

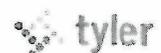
- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.



B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per Diem rates are available at www.gsa.gov/perdiem.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.





Exhibit C Maintenance and Support Agreement

We will provide you with the following maintenance and support services for the Tyler Software. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

1. **Term.** We provide maintenance and support services on an annual basis. The initial term commences on the Effective Date, and remains in effect for one (1) year. The term will renew automatically for additional one (1) year terms unless terminated in writing by either party at least thirty (30) days prior to the end of the then-current term. We will adjust the term to match your first use of the Tyler Software in live production if that event precedes the one (1) year anniversary of the Effective Date.
2. **Maintenance and Support Fees.** Your year 1 maintenance and support fees for the Tyler Software are listed in the Investment Summary, and your payment obligations are set forth in the Invoicing and Payment Policy. We reserve the right to suspend maintenance and support services if you fail to pay undisputed maintenance and support fees within thirty (30) days of our written notice. We will reinstate maintenance and support services only if you pay all past due maintenance and support fees, including all fees for the periods during which services were suspended.
3. **Maintenance, Support and Update Obligations for Eden Software Terminated Upon Migration.** When Tyler makes Tyler Software licensed pursuant to this Agreement available to the Client for use in live production, Tyler's maintenance, support, and/or update obligations for the corresponding Tyler Eden Software terminate. However, Tyler shall continue to provide to Client support for the Eden software as requested by Client, at then-current daily rates for such services.
4. **Maintenance and Support Services.** As long as you are not using the Help Desk as a substitute for our training services on the Tyler Software, and you timely pay your maintenance and support fees, we will, consistent with our then-current Support Call Process:
 - 4.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (limited to the then-current version and the immediately prior version); provided, however, that if you modify the Tyler Software without our consent, our obligation to provide maintenance and support services on and warrant the Tyler Software will be void;
 - 4.2 provide telephone support during our established support hours;
 - 4.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;



4.4 provide you with a copy of all major and minor releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and

4.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with our then-current release life cycle policy.

5. Client Responsibilities. We will use all reasonable efforts to perform any maintenance and support services remotely. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain a VPN for backup connectivity purposes.
6. Hardware and Other Systems. If in the process of diagnosing a software support issue it is discovered that one of your peripheral systems or other software is the cause of the issue, we will notify you so that you may contact the support agency for that peripheral system. We cannot support or maintain Third Party Products except as expressly set forth in the Agreement.

In order for us to provide the highest level of software support, you bear the following responsibility related to hardware and software:

- (a) All infrastructure executing Tyler Software shall be managed by you;
- (b) You will maintain support contracts for all non-Tyler software associated with Tyler Software (including operating systems and database management systems, but excluding Third-Party Software, if any); and
- (c) You will perform daily database backups and verify that those backups are successful.

7. Other Excluded Services. Maintenance and support fees do not include fees for the following services: (a) initial installation or implementation of the Tyler Software; (b) onsite maintenance and support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (c) application design; (d) other consulting services; (e) maintenance and support of an operating system or hardware; (f) support outside our normal business hours as listed in our then-current Support Call Process; or (g) installation, training services, or third party product costs related to a new release. Requested maintenance and support services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.
8. Current Support Call Process. Our current Support Call Process for the Tyler Software is provided Schedule 1 to Exhibit C.





Exhibit C
Schedule 1
New World Public Safety - Support Call Process

If, after you have cut over to live production use of the Tyler Software, you believe that the Tyler Software is Defective, as "Defect" is defined in the Agreement, then you will notify us by phone, in writing, by email, or through the support website. Please reference <http://www.tylertech.com/client-support> for information on how to use these various means of contact.

Documented examples of the claimed Defect must accompany each notice. We will review the documented notice and when there is a Defect, we shall resolve it at no additional cost to you beyond your then-current maintenance and support fees.

In receiving and responding to Defect notices and other support calls, we will follow the priority categorizations below. These categories are assigned based on your determination of the severity of the Defect and our reasonable analysis. If you believe a priority categorization needs to be updated, you may contact us again, via the same methods outlined above, to request the change.

In each instance of a Priority 1 or 2 Defect, prior to final Defect correction, the support team may offer you workaround solutions, including patches, configuration changes, and operational adjustments, or may recommend that you revert back to the prior version the Tyler Software pending Defect correction.

- (a) **Priority 1: An Defect that renders the Tyler Software inoperative; or causes the Tyler Software to fail catastrophically.**

After initial assessment of the Priority 1 Defect, if required, we shall assign a qualified product technical specialist(s) within one business (1) hour. The technical specialist(s) will then work to diagnose the Defect and to correct the Defect, providing ongoing communication to you concerning the status of the correction until the Tyler Software is operational without Priority 1 defect.

The goal for correcting a Priority 1 Defect is 24 hours or less.

- (b) **Priority 2: A Defect that substantially degrades the performance of the Tyler Software, but does not prohibit your use of the Tyler Software.**

We shall assign a qualified product technical specialist(s) within four (4) business hours of our receipt of your notice. The product technical specialist will then work to diagnose and correct the Defect. We shall work diligently to make the correction, and shall provide ongoing communication to you concerning the status of the correction until the Tyler Software is operational without Priority 2 Defect.



The goal for correcting a Priority 2 event is to include a correction in the next Tyler Software release.

(c) **Priority 3:** *A Defect which causes only a minor impact on the use of the Tyler Software.*

We may include a correction in subsequent Tyler Software releases.



Exhibit D
New World Public Safety - Statement of Work

We will deliver the services set forth in the Investment Summary as set forth in this Amendment and, as applicable, as further detailed in this Statement of Work. Except as expressly stated in the Amendment, none of the services we provide you under the Statement of Work are services related to hardware or third-party products. Whenever possible, we will provide services remotely so as to control travel expenses. All service fees and expenses are payable according to the Invoicing and Payment Policy.





Exhibit D
Schedule 1
New World Public Safety - Upgrade Services

1. Project Management Services

We shall act as Project Manager to assist you in implementing the Tyler Software. Project Management Services include:

- a) Developing an Implementation Plan;
- c) Providing revised Implementation Plans (if required);
- d) Providing monthly project status reports; and
- e) Facilitating project status meetings
 - a project review (kickoff) meeting at your location
 - progress status meeting(s) during implementation via telephone conference or at your location; and
 - a project close-out meeting at your location to conclude the project.
- f) Consultation with other vendors or third parties, if necessary.

2. Implementation and Training Support Services

Up to **30** days of implementation and training support services have been allocated for this project. Avoiding or minimizing custom or modified features will aid in keeping the support costs to the amount allocated.

The recommended implementation support services include up to 20 days for:

- a) implementation of the Tyler Software; and
- b) Other Technical Support

The recommended training services include up to 10 days for:

- a) User Education; and
- b) Training you or assisting with your training on the Tyler Software .

The project management, implementation and training support services provided by us may be performed at your premises and/or at our headquarters in Troy, Michigan (e.g., portions of project management are performed in Troy).



3. Interface and/or Fixed Installation Services

We shall provide interface and/or fixed installation services as described in the Investment Summary.

Our GIS implementation services are to assist you in preparing the required GIS data for use with the Tyler Software. At a minimum, you will be required to provide an accurate street centerline layer and the appropriate polygon layers needed for Unit Recommendations and Run Cards in an industry standard ESRI file format (Personal Geodatabase, File Geodatabase, Shape Files). You are responsible for having clearly defined boundaries for Police Beats, EMS Districts and Fire Quadrants. If necessary, we will assist you in creating the necessary polygon layers (Police Beats, EMS Districts and Fire Quadrants) for Unit Recommendations and Run Cards. We are not responsible for the accuracy of or any ongoing maintenance of the GIS data used within the Tyler Software.

4. Hardware Quality Assurance Service

We shall provide Hardware Systems Assurance of your.NET server(s).

a) Hardware Quality Assurance Services (Standard Environment):

Hardware Systems Assurance and Software Installation:

- Assist with High Level System Design/Layout
- Validate Hardware Configuration and System Specifications
- Validate Network Requirements, including Windows Domain
- Physical Installation of our Application Servers
- Install Operating System and Apply Updates
- Install SQL Server and Apply Updates
- Install New World Applications Software and Apply Updates
- Establish Base SQL Database Structure
- Install Anti-Virus Software and Configure Exclusions
- Install Automated Backup Software and Configure Backup Routines
- Configure System for Electronic Customer Support (i.e. NetMeeting)
- Tune System Performance Including Operating System and SQL Resources
- Test High Availability/Disaster Recovery Scenarios (if applicable)
- Provide Basic System Administrator Training and Knowledge Transfer
- Document Installation Process and System Configuration

5. Message Switch Operating System Assurance Service

We shall provide Message Switch Operating System Assurance, which includes:

a) Message Switch Operating System Assurance Services:

Operating System Assurance and Software Installation Services:

- Unpack and assemble hardware
- Verify core hardware functionality (network/video/storage devices/usb)

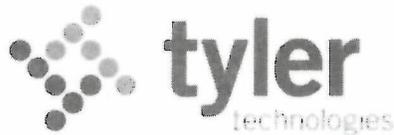


- Install and update AIX Operating System
- Install and update applicable system manual pages
- Set AIX environment variables
- Build system user-ids and applicable authorizations
- Install and stage message handler and compilers
- Verify and allocate disk space
- Mirror hard drives and boot sequencing
- Migrate all Message Switch data from the old server to the new server
- Configure devices on the new server (Ethernet cards, print queues, tty's, etc.)
- Verify all scripts are adjusted for new machine
- Migrate all source code from old machine to the new machine
- Compile New World Message Switch programs
- Assure Message Switch operation in the live environment
- Adjust any tables as needed during the assurance phase
- Setup automatic "cron" jobs
- Complete full system and log backups
- Perform any necessary administrator training

6. Decision Support Systems (DSS) Implementation Services

We will provide you with implementation of licensed DSS software modules. The implementation will include installation, training, and configuration of DSS modules. The recommended implementation and training shall include:

- a) One or more consultative session(s) (onsite) with executive command staff to discuss data needs and information requirements for decision making. You are responsible for ensuring that appropriate command level personnel/decision makers are available for this session.
- b) Solution design and review sessions to document and collaboratively analyze tools and dashboards to assist with data needs and decision making as discussed during the consultative session(s). Your sign off will be required on agreed upon requirements of reporting cubes and dashboards.
- c) Installation and configuration of DSS software.
- d) On-site training session(s) to provide an overview of using each DSS licensed module including basic reporting and dashboard creation and other standard features.
- e) Installation of your specific reporting cube(s) and dashboard(s) as agreed upon during solution design and review. Enhanced package includes up to 12 reporting cube(s) or dashboard(s).



**Exhibit D
Schedule 2
New World Public Safety - Data File Conversion Assistance**

We will provide conversion assistance to you to help convert the existing data files specified below. If additional files are identified after contract execution, estimates will be provided to you prior to us beginning work on those newly identified files.

General

1. This conversion effort includes data coming from the New World database, not multiple sources.
2. No data cleansing, consolidation of records, or editing of data will be part of the data conversion effort. Any data cleansing, removal of duplicate records, or editing must take place by you prior to providing the data to us.

Our Responsibilities

1. We will create and provide you with a conversion design document for signoff prior to beginning development work on the data conversion. No conversion programming by us will commence until you approve this document.
2. We will provide the data conversion programs to convert your data from a single data source to the Tyler Software.
3. As provided in the approved project plan for conversions, we will schedule on-site trip(s) to your location in order to conduct the following: Conversion Go-Live Implementation and Support

You will be responsible for travel expenses as set forth in the Invoicing and Payment Policy.

Client Responsibilities

1. You will give us access to your current MSP database for extraction of data.
2. As provided in the project plan for conversions, you will provide a dedicated resource in each application area to focus on conversion mapping and testing. This includes dedicating a support person(s) whenever our staff is on site regarding conversions. Roughly a one to one ratio exists for your commitment and our commitment. You understand that thorough and timely testing of the converted data by your personnel is a key part of a successful data conversion.



3. You agree to promptly review and signoff on both the conversion design document, and on the final conversions after appropriate review.

Files to be Converted:

New World MSP CAD / Call for Service to New World Enterprise CAD Calls for Service.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/23/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies 133 Federal Street, 2nd Floor Boston MA 02110	CONTACT NAME: Moira Crosby PHONE (A/C, No, Ext): E-MAIL ADDRESS: mcrosby@hayscompanies.com FAX (A/C, No):													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Hartford Fire Insurance Company</td> <td>19682</td> </tr> <tr> <td>INSURER B: Hartford Casualty Insurance Company</td> <td>29424</td> </tr> <tr> <td>INSURER C: Lloyds of London Syndicates</td> <td>37090</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Hartford Fire Insurance Company	19682	INSURER B: Hartford Casualty Insurance Company	29424	INSURER C: Lloyds of London Syndicates	37090	INSURER D:		INSURER E:		INSURER F:
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INSURED Tyler Technologies, Inc. 5101 Tennyson Parkway Plano TX 75024														

COVERAGES CERTIFICATE NUMBER: 4.1.17-11.17.17 GL, Auto, REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		08 UUN AY8572	4/1/2017	4/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X		08 UUN AY8572	4/1/2017	4/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$	X		08 XHU AY8122	4/1/2017	4/1/2018	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	08 WE EL5271	4/1/2017	4/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Cyber/Privacy Prof Liab			B0621PTYLE000216	11/17/2016	11/17/2017	Occurrence Limit \$20,000,000
C	Cyber/Privacy Prof Liab			B0621PTYLE000216	11/17/2016	11/17/2017	Aggregate Limit \$20,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Bothell is included as additional insured under the General Liability, Auto and umbrella coverage where required by written contract.

CERTIFICATE HOLDER City of Bothell 18415 101st Ave NE Bothell, WA 98011-3403	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE James Hays/MCROSB
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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Paul Byrne, City Attorney (Presenter)

DATE: March 3, 2020

SUBJECT: Approve an Ordinance Regarding a Wireline and Small Wireless Facility Franchise Agreement with Crown Castle Fiber LLC, c/o Crown Castle

POLICY CONSIDERATION: This item asks the City Council to consider if the City should adopt an ordinance regarding a wireline and small wireless facility Franchise Agreement with Crown Castle Fiber LLC, c/o Crown Castle.

If approved, it has the potential to impact community members by improving the quality of wireless communication.

HISTORY:	DATE	ACTION
	NOVEMBER 19, 2019	Council adopted code amendments to Chapter 12.11 BMC pertaining to wireless communication facilities and small wireless facilities
	FEBRUARY 18, 2020	Council discussed this matter as a new item and set it to the Consent Agenda on March 3, 2020 for approval.

DISCUSSION: In Washington, a telecommunications company or utility that wishes to locate its facilities within city rights-of-way generally obtains a franchise (similar to a master permit) from that city. The franchise sets forth the terms under which those facilities are constructed, operated, relocated, and eventually removed. Both state and federal law contain restrictions on a city’s franchise authority, but these restrictions vary significantly, depending on the nature of the utility being regulated. RCW 35A.47.040, contains state delegation of franchising authority to the City.

Currently, the City of Bothell has franchises with various telecommunications service providers. Crown Castle provides infrastructure to wireless facilities and businesses, including both the wireline backhaul to connect these facilities and physical build-out of small wireless facilities. In this instance, Crown Castle is requesting a franchise to install, operate and maintain small wireless facilities and wireline telecommunications facilities in the City of Bothell’s rights of way.

These installations may only be installed consistent with the City's new code requirements for small wireless facilities in BMC Chapter 12.11.

This franchise does not permit Crown Castle to operate a broadcast cable system or macro wireless facilities within the rights of way of the City. Crown Castle is still required to apply for all appropriate permits prior to constructing its facilities within the rights of way and go through the applicable land use process.

FISCAL IMPACTS: There are no fiscal impacts associated with this item.

ATTACHMENTS: Att-1. Proposed Ordinance Small Wireless Facility Franchise to Crown Castle Fiber LLC, c/o Crown Castle

RECOMMENDED ACTION: Adopt the proposed Ordinance granting a Small Wireless Facility Franchise to Crown Castle Fiber, LLC.

ORDINANCE NO. _____ (2020)

AN ORDINANCE OF THE CITY OF BOTHELL, WASHINGTON, GRANTING TO CROWN CASTLE FIBER LLC C/O CROWN CASTLE AND ITS AFFILIATES, SUCCESSORS, AND ASSIGNS THE RIGHT, PRIVILEGE, AUTHORITY, AND NONEXCLUSIVE FRANCHISE FOR FIVE YEARS TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, AND REPAIR A TELECOMMUNICATIONS NETWORK IN, ACROSS, OVER, ALONG, UNDER, THROUGH, AND BELOW THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF BOTHELL, WASHINGTON.

WHEREAS, Crown Castle Fiber LLC c/o Crown Castle (the “Franchisee”) has requested that the City Council grant a nonexclusive franchise (this “Franchise”) for purposes of operating and maintaining a telecommunications network; and

WHEREAS, the City Council has the authority to grant franchises for the use of its streets and other public properties pursuant to RCW 35A.47.040; and

WHEREAS, the Bothell Municipal Code requires persons who are seeking to operate and maintain telecommunications facilities in City rights-of-way to obtain a franchise to do so; and

WHEREAS, the City is willing to grant the rights requested by Franchisee subject to certain terms and conditions, which are acceptable to both parties.

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

Section 1. FRANCHISE GRANTED. Crown Castle Fiber LLC c/o Crown Castle is granted a non-exclusive franchise for the transmission of wireline and wireless telecommunications in, through, over, and under the rights-of-way of the City of Bothell, in accordance with the terms and conditions of the franchise language detailed in Section 3 of this Ordinance.

Section 2. EFFECTIVE DATE. In compliance with RCW 35A.47.040, this Ordinance shall take effect five (5) days after its passage, approval, and publication of an approved summary thereof consisting of the title, all as required by law (“Effective Date”).

Section 3. TERMS AND CONDITIONS OF FRANCHISE. The following provisions establish the terms and conditions of the franchise granted herein:

Table of Contents

	<u>Page</u>
Section 1 . Franchise Granted.....	3
Section 2 . Authority Limited to Occupation of Public Rights-of-Way for Services.....	3
Section 3 . Non-Exclusive Franchise Grant.....	5
Section 4 . Location of Telecommunications Network Facilities.....	6
Section 5 . Relocation of Telecommunications Network Facilities.....	6
Section 6 . Undergrounding of Facilities.....	11
Section 7 . Maps and Records.....	13
Section 8 . Work in the Rights-of-Way.....	15
Section 9 . One Call Locator Service.....	18
Section 10 . Safety Requirements.....	19
Section 11 . Work of Contractors and Subcontractors.....	20
Section 12 . Restoration after Construction.....	21
Section 13 . Emergency Work/Dangerous Conditions.....	22
Section 14 . Recovery of Costs, Taxes, and Fees.....	23
Section 15 . Small Wireless Facilities.....	25
Section 16 . Indemnification.....	31
Section 17 . Insurance.....	33
Section 18 . Abandonment of Franchisee’s Telecommunications Network.....	36
Section 19 . Bonds.....	38
Section 20 . Remedies to Enforce Compliance.....	39
Section 21 . Forfeiture and Revocation.....	40
Section 22 . Non-Waiver.....	41
Section 23 . City Ordinances and Regulations.....	41

Section 24 . Cost of Publication..... 41

Section 25 . Survival..... 41

Section 26 . Assignment..... 42

Section 27 . Extension..... 43

Section 28 . Entire Agreement..... 43

Section 29 . Eminent Domain..... 44

Section 30 . Vacation..... 44

Section 31 . Notice..... 44

Section 32 . Severability..... 45

Section 33 . Compliance with All Applicable Laws..... 45

Section 34 . Amendment..... 46

Section 35 . Attorney Fees..... 46

Section 36 . Hazardous Substances..... 46

Section 37 . Licenses, Fees, and Taxes..... 47

Section 38 . Miscellaneous..... 47

Section 39 . Acceptance..... 48

This Franchise is entered into in Bothell, Washington, by and between the City of Bothell, a Washington municipal corporation (hereinafter “the City”), and Crown Castle Fiber LLC c/o Crown Castle (the “Franchisee”). The City and Franchisee are sometimes referred to hereinafter collectively as the “parties.”

Section 1. Franchise Granted.

Section 1.1 Pursuant to RCW 35A.47.040, the City hereby grants to the Franchisee, its affiliates, heirs, successors, legal representatives, and assigns, subject to the terms and conditions hereinafter set forth, a Franchise for a period of five (5) years, beginning on the Effective Date of this ordinance. This franchise will automatically renew for an additional five (5) year period, unless either party provides at least ninety (90) days’ written notice of its intent not to renew.

Section 1.2 This Franchise ordinance grants Franchisee the right, privilege, and authority to construct, operate, maintain, replace, relocate, repair, upgrade, remove, excavate, acquire, restore, and use the Small Wireless Facilities, as defined in Section 2.2, for its telecommunications network, in, under, on, across, over, through, along, or below the public Rights-of-Ways located in the City of Bothell, as approved pursuant to City codes and permits issued pursuant to this Franchise. Public “Rights-of-Way” means land acquired or dedicated for public roads and streets, but does not include: WSDOT-managed state highways; land dedicated for roads, streets, and highways not opened and not improved for motor vehicle use by the public; federally-granted trust lands or forest board trust lands; lands owned or managed by the state parks and recreation commission; or federally-granted railroad rights-of-way acquired under 43 U.S.C. § 912 and related provisions of federal law that are not open for motor vehicle use. Rights-of-Way for the purpose of this Franchise do not include: buildings, other City-owned physical facilities, parks, poles, conduits, fixtures, real property or property rights owned by the City, or similar facilities or property owned by or leased to the City. Franchisee is required to obtain a lease or similar agreement for the usage of any City or third party owned poles, conduit, fixtures, or structures.

Section 2. Authority Limited to Occupation of Public Rights-of-Way for Services.

Section 2.1 The authority granted herein is a limited authorization to occupy and use the Rights-of-Way throughout the City (the “Franchise Area”). The Franchisee is authorized to place its Facilities in the Rights-of-Way only consistent with this Franchise, the Bothell Zoning Code, the Comprehensive Plan, the Design and Construction Standards, and the Bothell Municipal Code (collectively, the “Codes”). Nothing contained herein shall be construed to grant or convey any right, title, or interest in the Rights-of-Way of the City to the Franchisee other than for the purpose of providing telecommunications services. The following “Services” are permitted under this Franchise: (i) high speed data and fiber optic services, internet protocol-based services, internet access services, conduit and dark fiber leasing, telephone, and data transport services conveyed using both wireline and wireless facilities and (ii) the infrastructure development to be used for Small Wireless Facilities. Services do not include the deployment of macro facilities.

Section 2.2 As used herein, “Small Wireless Facilities” means a small wireless facility as defined in 47 CFR § 1.6002. Small Wireless Facilities shall also include all necessary cables, transmitters, receivers, equipment boxes, backup power supplies, power transfer switches, electric meters, coaxial cables, wires, conduits, ducts, pedestals, antennas, electronics, and other necessary or convenient appurtenances used for the specific wireless communications facility. Equipment enclosures with equipment generating noise that exceeds the noise limits allowed in the Codes or associated permit are excluded from “Small Wireless Facilities.” Unless otherwise specifically stated in a section, “Facilities” shall encompass both Small Wireless Facilities and wireline or wireless services used to provide the Services.

Section 2.3 This Franchise does not grant the right to offer cable internet services or Cable Services as those terms are defined in 47 U.S.C. § 522(6) by wireline transmission.

Section 2.4 No right to install any facility, infrastructure, wires, lines, cables, or other equipment, on any City property other than a Right-of-Way, or upon private property without the owner’s consent, or upon any City, public, or privately-owned poles or

conduits is granted herein. Nothing contained within this Franchise shall be construed to grant or convey any right, title, or interest in the Rights-of-Way of the City to Franchisee other than for the purpose of providing the Services, or to subordinate the primary use of the Right-of-Way as a public thoroughfare. If Franchisee desires to expand the Services provided within the City, it shall request a written amendment to this Franchise. If Franchisee desires to use City-owned property, or to site new structures within the Rights-of-Way, it shall enter into a separate lease, site specific agreement, or license agreement with the City.

Section 2.5 Franchisee shall have the right, without prior City approval, to offer or provide capacity or bandwidth to its customers consistent with this Franchise provided:

(a) Franchisee at all times retains exclusive control over its telecommunications system, Facilities and Services and remains responsible for constructing, installing, and maintaining its Facilities pursuant to the terms and conditions of this Franchise;

(b) Franchisee may not grant rights to any customer or lessee that are greater than any rights Franchisee has pursuant to this Franchise;

(c) Such customer or lessee shall not be construed to be a third-party beneficiary under this Franchise; and

(d) No such customer or lessee may use the telecommunications system or Services for any purpose not authorized by this Franchise, nor to sell or offer for sale any service to the citizens of the City without all required business licenses, franchise or other form of state wide approval.

Section 3. Non-Exclusive Franchise Grant. This Franchise is a non-exclusive franchise and is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below, or across any said Rights-of-Way. This Franchise shall in no way prevent or prohibit the City from using any of said roads, streets, or other public properties or affect its jurisdiction over them or any part of them, and the City shall retain power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of same as the City may deem fit, including the dedication, establishment, maintenance,

and improvement of all new Rights-of-Way, thoroughfares and other public properties of every type and description.

Section 4. Location of Telecommunications Network Facilities.

Section 4.1 Franchisee may locate its Facilities anywhere within the Franchise Area consistent with and subject to the City's Bothell Design and Construction Standards and applicable Code requirements in effect at the time of the specific Facility application. Franchisee shall not be required to amend this Franchise to construct or acquire Facilities within the Franchise Area, provided that Franchisee does not expand its Services beyond those described in Section 2.

Section 4.2 To the extent that any Rights-of-Way within the Franchise Area are part of the state highway system ("State Highways"), are considered managed access by the City and are governed by the provisions of Chapter 47.24 RCW and applicable Washington State Department of Transportation (WSDOT) regulations, Franchisee shall comply fully with said requirements in addition to local ordinances and other applicable regulations. Without limitation of the foregoing, Franchisee specifically agrees that:

- (a) any pavement trenching, and restoration performed by Franchisee within State Highways shall meet or exceed applicable WSDOT requirements;
- (b) any portion of a State Highway damaged or injured by Franchisee shall be restored, repaired and/or replaced by Franchisee to a condition that meets or exceeds applicable WSDOT requirements; and
- (c) without prejudice to any right or privilege of the City, WSDOT is authorized to enforce in an action brought in the name of the State of Washington any condition of this Franchise with respect to any portion of a State Highway.

Section 5. Relocation of Telecommunications Network Facilities.

Section 5.1 Relocation Requirement. The City may require Franchisee, and Franchisee covenants and agrees, to protect, support, relocate, remove, and/or temporarily disconnect or relocate its Facilities within the Right-of-Way when reasonably necessary for construction, alteration, repair, or improvement of the Right-of-Way for

purposes of and for public welfare, health, or safety or traffic conditions, dedications of new Rights-of-Way and the establishment and improvement thereof, widening and improvement of existing Rights-of-Way, street vacations, freeway construction, change or establishment of street grade, or the construction of any public improvement or structure by any governmental agency acting in a governmental capacity or as otherwise necessary for the operations of the City or other governmental entity; provided that Franchisee shall have the privilege to temporarily bypass in the authorized portion of the same Rights-of-Way upon approval by the City, which approval shall not unreasonably be withheld or delayed, any Facilities required to be temporarily disconnected or removed. For the avoidance of doubt, such projects shall include any Right-of-Way improvement project, even if the project entails, in part, related work funded and/or performed by or for a third party, provided that such work is performed for the public benefit, but shall not include, without limitation, any other improvements or repairs undertaken by or for the primary benefit of third-party private entities. Collectively all such projects described in this Section 5.1 shall be considered a "Public Project." Except as otherwise provided by law, the costs and expenses associated with relocations or disconnections ordered pursuant to this Section 5.1 shall be borne by Franchisee. Franchisee shall complete the relocation of its Facilities at no charge or expense to the City.

Section 5.2 Relocation – Third-Party Structures. If the request for relocation from the City originates due to a Public Project, in which structures or poles are either replaced or removed, then Franchisee shall relocate or remove its Facilities as required by the City and at no cost to the City, subject to the procedure in Section 5.5. Franchisee acknowledges and agrees that the placement of Small Wireless Facilities on third party-owned structures does not convey an ownership interest in such structures. Franchisee acknowledges and agrees that to the extent Franchisee's Small Wireless Facilities are on poles owned by third parties, the City shall not be responsible for any costs associated with requests arising out of a Public Project.

Section 5.3 Relocation – Franchisee-Owned Structures. The cost of relocation of any Franchisee-owned poles or structures shall be determined in accordance with the requirements of RCW 35.99.060(3)(b), provided, however, that the Franchisee may opt

to pay for the cost of relocating its Small Wireless Facilities in order to provide consideration for the City's approval to site a Small Wireless Facility on Franchisee owned structures or poles in a portion of the Right-of-Way designated or proposed for a Public Project. For this Section 5.3, designation of the Right-of-Way for a Public Project shall be undertaken in the City's Comprehensive Plan in accordance with the requirements of Ch. 36.70A RCW. The Comprehensive Plan includes, but is not limited to, the Transportation element or Transportation Improvement Plan (TIP), Capital Facilities element, utilities element and any other element authorized by RCW 36.70A.070 and RCW 36.70A.080. The parties acknowledge that this provision is mutually beneficial to the parties, as the City may otherwise deny the placement of the Small Wireless Facility at a particular site because of the cost impact of such relocation and the conflict with the City's Comprehensive Plan.

Section 5.4 Locate. Upon request of the City or of a third-party performing work in the Right-of-Way and in order to facilitate the design of City street and Right-of-Way improvements, Franchisee agrees, at its sole cost and expense, to locate and, if reasonably determined necessary by the City, to excavate and expose its Facilities for inspection so that the Facilities' location may be taken into account in the improvement design. The decision as to whether any Facilities need to be relocated in order to accommodate the Public Projects shall be made by the City upon review of the location and construction of Franchisee's Facilities. The City shall provide Franchisee at least fourteen (14) days' written notice prior to any excavation or exposure of Facilities.

Section 5.5 Notice and Relocation Process. If the City determines that the project necessitates the relocation of Franchisee's existing Facilities, the City shall provide Franchisee in writing as soon as practicable with a date by which the relocation shall be completed (the "Relocation Date") consistent with RCW 35.99.060(2). In calculating the Relocation Date, the City shall consult with Franchisee and consider the extent of facilities to be relocated, the services requirements, and the construction sequence for the relocation, within the City's overall project construction sequence and constraints, to safely complete the relocation. Franchisee shall complete the relocation by the Relocation Date, unless the City or a reviewing court establishes a later date for

completion, as described in RCW 35.99.060(2). To provide guidance on this notice process, the City will make reasonable efforts to engage in the following recommended process, absent an emergency posing a threat to public safety or welfare or an emergency beyond the control of the City that will result in severe financial consequences to the City:

- (a) The City will consult with the Franchisee in the predesign phase of any Public Project in order to coordinate the project's design with Franchisee's Facilities within such project's area.
- (b) Franchisee shall participate in predesign meetings until such time as (i) both parties mutually determine that Franchisee's Facilities will not be affected by the Public Project or (ii) until the City provides Franchisee with written notice regarding the relocation as provided in subsection (d) below.
- (c) Franchisee shall, during the predesign phase, evaluate and provide comments to the City related to any alternatives to possible relocations. The City will give any alternatives proposed by the Franchisee full and fair consideration, but the final decision accepting or rejecting any specific alternative shall be within the City's sole discretion.
- (d) The City will provide Franchisee with its decision regarding the relocation of Franchisee's Facilities as soon as reasonably possible, endeavoring to provide no less than ninety (90) days prior to the commencement of the construction of such Public Project; provided, however, that in the event that the provisions of a state or federal grant require a different notification period or process than that outlined in Section 5.5, the City will notify the Franchisee during the predesign meetings and the process mandated by the grant funding will control.
- (e) After receipt of such written notice, Franchisee shall relocate such Facilities to accommodate the Public Project consistent with the timeline provided by the City and at no charge or expense to the City. Such timeline may be extended by a mutual agreement.

Section 5.6 Alternative Arrangements. The provisions of this Section 5 shall in no manner preclude or restrict Franchisee from making any arrangements it may deem

appropriate when responding to a request for relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by said person or entity are not or will not become City-owned, operated, or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

Section 5.7 Contractor Delay Claims. Franchisee shall be solely responsible for the actual costs incurred by the City for delays in a Public Project to the extent the delay is caused by or arises out of Franchisee's failure to comply with the final schedule for the relocation (other than as a result of a Force Majeure Event or causes or conditions caused by the acts or omissions of the City or any third party unrelated to Franchisee. Franchisee vendors and contractors shall not be considered unrelated third parties). Such costs may include, but are not limited to, payment to the City's contractors and/or consultants for increased costs and associated court costs, interest, and attorney fees incurred by the City to the extent directly attributable to such Franchisee's caused delay in the Public Project.

Section 5.8 Indemnification. Franchisee will indemnify, hold harmless, and pay the costs of defending the City, in accordance with the provisions of Section 16, against any and all claims, suits, actions, damages, or liabilities for delays on City construction projects caused by or arising out of the failure of Franchisee to remove or relocate its Facilities as provided in this Section 5; provided, that Franchisee shall not be responsible for damages due to delays caused by circumstances beyond the control of Franchisee or the sole negligence, willful misconduct, or unreasonable delay of the City or any unrelated third party.

Section 5.9 Building Moving. Whenever any person shall have obtained permission from the City to use any Right-of-Way for the purpose of moving any building, Franchisee, upon thirty (30) days' written notice from the City, shall raise, remove, or relocate to another part of the Right-of-Way, at the expense of the person desiring to move the building, any of Franchisee's Facilities that may obstruct the removal of such building.

Section 5.10 City's Costs. If Franchisee fails, neglects, or refuses to remove or relocate its Facilities as directed by the City following the procedures outlined in Section 5.1 through Section 5.5, then upon at least ten (10) days' written notice to Franchisee, the City may perform such work (including removal) or cause it to be done, and the City's costs shall be paid by Franchisee pursuant to Section 14.3 and Section 14.4, and the City shall not be responsible for any damage to the Facilities.

Section 5.11 Survival. The provisions of this Section 5 shall survive the expiration or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 6. Undergrounding of Facilities.

Section 6.1 Small Wireless Facilities.

(a) As it pertains to Franchisee's Small Wireless Facilities, Franchisee shall not be permitted to erect poles, unless permitted by the City for Small Wireless Facilities pursuant to Section 15.3 and the Codes. Franchisee acknowledges and agrees that if the City allows the placement of Small Wireless Facilities above ground the City may, at any time in the future, require the conversion of Franchisee's aerial facilities to an underground installation or relocated at Franchisee's expense if the existing poles on which Franchisee's Facilities are located are designated for removal due to a Public Project as described in Section 5. This Franchise does not place an affirmative obligation on the City to allow the relocation of such Facilities on public property or in the Rights-of-Way, nor does it relieve Franchisee from any Code provision related to the siting of Small Wireless Facilities.

(b) Franchisee shall not be required to underground any portion of the Small Wireless Facility that must for technological reasons remain above-ground to operate. If the City requires undergrounding of wirelines (either telecommunications or electrical) and allows Franchisee's Small Wireless Facilities to remain above ground, then Franchisee shall cooperate with the City and modify the affected Small Wireless Facilities to incorporate the placement of wireline services underground and internal to the pole if the replacement pole is hollow (for example, placement of electrical and fiber lines) or

otherwise consistent with a design plan agreed to between the City and Franchisee, at no cost to the City.

Section 6.2 Wireline Facilities.

(a) As it pertains to Franchisee's wireline Facilities, Franchisee shall not be permitted to erect poles or to run or suspend wires, cables or other facilities thereon, but shall lay such wires, cables or other facilities underground in the manner required by the City, unless otherwise specifically allowed pursuant to a permit. Franchisee acknowledges and agrees that if the City does not require the undergrounding of its wireline Facilities at the time of permit application, the City may, at any time in the future, require the conversion of Franchisee's aerial wireline Facilities to underground installation at Franchisee's expense, except as otherwise provided in RCW 35.99.060(4). Unless otherwise permitted by the City, Franchisee shall underground its wireline Facilities in all new developments and subdivisions, and any development or subdivision where utilities, other than electrical utilities, are currently underground.

(b) Whenever the City may require the undergrounding of the aerial utilities (not including Small Wireless Facilities) in any area of the City, Franchisee shall underground its wireline Facilities in the manner specified by the City, concurrently with and in the area of the other affected utilities. The location of any such relocated and underground utilities shall be approved by the City. Where other utilities are present and involved in the undergrounding project, Franchisee shall only be required to pay its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of Franchisee's own wireline Facilities. "Common costs" shall include necessary costs not specifically attributable to the undergrounding of any particular facility, such as costs for common trenching and utility vaults. "Fair share" shall be determined for a project on the basis of the number and size of Franchisee's wireline Facilities being undergrounded in comparison to the total number and size of all other utility facilities being undergrounded.

Section 6.3 To the extent Franchisee is providing wireline Facilities to Small Wireless Facilities either owned by Franchisee or a third party, Franchisee shall adhere to the design standards for such Small Wireless Facilities, and shall underground its wireline Facilities and/or place its wireline Facilities within the pole as may be required by

such design standards. For the purposes of clarity, this Section 6.4 does not require undergrounding or interior placement of wireline Facilities within the pole to the extent that the Small Wireless Facilities are located on utility poles that have pre-existing aerial telecommunications facilities and provided such construction of Franchisee's Facilities continue to comply with Section 6.3.

Section 6.4 Franchisee shall not remove any underground Facilities that require trenching or other opening of the Rights-of-Way, except as provided in this Section 6.3. Franchisee may remove any underground Facilities from the Right-of-Way that have been installed in such a manner that it can be removed without trenching or other opening of the Right-of-Way, or if otherwise permitted by the City. Franchisee may remove any underground cable from the Rights-of-Way where reasonably necessary to replace, upgrade, or enhance its Facilities, or pursuant to Section 5. When the City determines, in the City's reasonable discretion, that Franchisee's underground Facilities must be removed in order to eliminate or prevent a hazardous condition, Franchisee shall remove such Facilities at Franchisee's sole cost and expense. Franchisee must apply and receive a permit, pursuant to Section 8.2, prior to any such removal of underground Facilities from the Right-of-Way and must provide as-built plans and maps pursuant to Section 7.1.

Section 6.5 The provisions of this Section 6 shall survive the expiration, revocation, or termination of this Franchise. Nothing in this Section 6 shall be construed as requiring the City to pay any costs of undergrounding any of the Franchisee's Facilities.

Section 7. Maps and Records.

Section 7.1 Following any construction, excluding modifications that meet the same or substantially similar dimensions of the Small Wireless Facility, Franchisee shall provide the City with accurate copies of as-built plans and maps prepared by Franchisee's design and installation contractors for all existing Small Wireless Facilities in the Franchise Area. These plans and maps shall be provided at no cost to the City and shall include hard copies and digital files in Autocad or other industry standard readable formats that are acceptable to the City and delivered electronically. Further, Franchisee shall provide such maps within thirty (30) days following a request from the City.

Franchisee shall warrant the accuracy of all plans, maps, and as-builts provided to the City.

Section 7.2 Within thirty (30) days of a written request from the Public Works Director, the Franchisee shall furnish the City with information sufficient to reasonably demonstrate that the Franchisee has complied with all applicable requirements of this Franchise.

Section 7.3 All books, records, maps, and other documents maintained by Franchisee with respect to its Facilities within the Rights-of-Way shall be made available for inspection by the City at reasonable times and intervals; provided, however, that nothing in this Section 7.3 shall be construed to require Franchisee to violate state or federal law regarding customer privacy, nor shall this Section 7.3 be construed to require Franchisee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature. Unless otherwise permitted or required by State or federal law, nothing in this Section 7.3 shall be construed as permission to withhold relevant customer data from the City that the City requests in conjunction with a tax audit or review; provided, however, Franchisee may redact identifying information including but not limited to names, street addresses (excluding City and zip code), Social Security Numbers, or Employer Identification Numbers related to any confidentiality agreements Franchisee has with third parties.

Section 7.4 Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature; provided, however, Franchisee shall disclose such information to comply with a utility tax audit. Franchisee shall be responsible for clearly and conspicuously identifying the work as confidential or proprietary and shall provide a brief written explanation as to why such information is confidential and how it may be treated as such under State or federal law. In the event that the City receives a public records request under Chapter 42.56 RCW or similar law for the disclosure of information Franchisee has designated as confidential, trade secret, or proprietary, the City shall promptly provide written notice of such disclosure so that Franchisee can take appropriate steps to protect its interests.

Section 7.5 Nothing in Section 7.3 or Section 7.4 prohibits the City from complying with Chapter 42.56 RCW or any other applicable law or court order requiring the release of public records, and the City shall not be liable to Franchisee for compliance with any law or court order requiring the release of public records. The City shall comply with any injunction or court order obtained by Franchisee that prohibits the disclosure of any such confidential records; however, in the event a higher court overturns such injunction or court order and such higher court action is or has become final and non-appealable, Franchisee shall reimburse the City for any fines or penalties imposed for failure to disclose such records as required hereunder within sixty (60) days of a request from the City.

Section 8. Work in the Rights-of-Way.

Section 8.1 During any period of relocation, construction or maintenance, all work performed by Franchisee or its contractors shall be accomplished in a safe and workmanlike manner, so to minimize interference with the free passage of traffic and the free use of adjoining property, whether public or private. Franchisee shall at all times post and maintain proper barricades, flags, flaggers, lights, flares and other measures as required for the safety of all members of the general public and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington, including RCW 39.04.180 for the construction of trench safety systems. The provisions of this Section 8 shall survive the expiration or termination of this Franchise and during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 8.2 Whenever Franchisee shall commence work in any Rights-of-Way for the purpose of excavation, installation, construction, repair, maintenance, or relocation of its Facilities, it shall apply to the City for a permit to do so and, in addition, shall give the City at least ten (10) working days prior notice (except in the case of an emergency) of its intent to commence work in the Rights-of-Way. During the progress of the work, the Franchisee shall not unnecessarily obstruct the passage or proper use of the Rights-of-Way, and all work by the Franchisee in the area shall be performed in accordance with

applicable City standards and specifications and warranted for a period of two (2) years. In no case shall any work commence within any Rights-of-Way without a permit, except as otherwise provided in this Franchise.

Section 8.3 The City reserves the right to limit or exclude Franchisee's access to a specific route, public Right-of-Way or other location when, in the judgment of the Public Works Director there is inadequate space (including but not limited to compliance with ADA clearance requirements and maintaining a clear and safe passage through the Rights-of-Way), a pavement cutting moratorium, unnecessary damage to public property, public expense, inconvenience, interference with City utilities, or for any other reason determined by the Public Works Director.

Section 8.4 New wireline Facilities shall not be installed on existing metal street light standards or traffic signal standards, however this restriction shall not apply to Small Wireless Facilities installed pursuant to a separate lease agreement with the City and the associated wireline facilities installed within the poles.

Section 8.5 If the Franchisee shall at any time plan to make excavations in any area covered by this Franchise, the Franchisee shall afford the City, upon receipt of a written request to do so, an opportunity to share such excavation, PROVIDED THAT:

- (a) Such joint use shall not unreasonably delay the work of the Franchisee causing the excavation to be made;
- (b) Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties;
- (c) To the extent reasonably possible, Franchisee, at the direction of the City, shall cooperate with the City and provide other private utility companies with the opportunity to utilize joint or shared excavations in order to minimize disruption and damage to the Right-of-Way, as well as to minimize traffic-related impacts; and
- (d) Franchisee may only charge the incremental costs to the City of installing facilities supplied by the City in such joint or shared excavations.

Section 8.6 If required by a permit, Franchisee shall give reasonable advance notice of intended construction to entities or persons adjacent to the affected area. Such notice shall contain the dates, contact number, nature and location of the work to be performed. Following performance of the work, Franchisee shall restore the Right-of-Way to City standards in effect at the time of construction except for any change in condition not caused by Franchisee. Any disturbance of landscaping, fencing, or other improvements on private property caused by Franchisee's work shall, at the sole expense of Franchisee, be promptly repaired and restored to the reasonable satisfaction of the property owner/resident. Notwithstanding the above, nothing herein shall give Franchisee the right to enter onto private property without the permission of such private property owner, or as otherwise authorized by applicable law.

Section 8.7 Franchisee may trim trees upon and overhanging on public ways, streets, alleys, sidewalks, and other public places of the City so as to prevent the branches of such trees from coming in contact with Franchisee's Facilities. The right to trim trees in this Section 8.7 shall only apply to the extent necessary to protect above ground Facilities. Franchisee shall ensure that its tree trimming activities protect the appearance, integrity, and health of the trees to the extent reasonably possible. Franchisee shall be responsible for all debris removal from such activities. All trimming, except in emergency situations, is to be done after the explicit prior written notification and approval of the City and at the expense of Franchisee. Franchisee may contract for such services, however, any firm or individual so retained must first receive City permit approval prior to commencing such trimming. Nothing herein grants Franchisee any authority to act on behalf of the City, to enter upon any private property, or to trim any tree or natural growth encroaching into the Public Rights-of-Way. Franchisee shall be solely responsible and liable for any damage to any third parties' trees or natural growth caused by Franchisee's actions. Franchisee shall indemnify, defend and hold harmless the City from third-party claims of any nature arising out of any act or negligence of Franchisee with regard to tree and/or natural growth trimming, damage, and/or removal. Franchisee shall reasonably compensate the City or the property owner for any damage caused by trimming, damage, or removal by Franchisee. Except in an emergency situation, all tree trimming must be performed under the direction of an arborist certified by the International

Society of Arboriculture, and in a manner consistent with the most recent issue of “Standards of Pruning for Certified Arborists” as developed by the International Society of Arboriculture or its industry accepted equivalent (ANSI A300), unless otherwise approved by the Public Works Director or his/her designee.

Section 8.8 Franchisee shall meet with the City and other franchise holders and users of the Rights-of-Way upon written notice to schedule and coordinate construction in the Rights-of-Way. All construction locations, activities, and schedules shall be coordinated, as ordered by the City to minimize public inconvenience, disruption or damages.

Section 8.9 Franchisee shall inform the City with at least thirty (30) days’ advance written notice that it is constructing, relocating, or placing ducts or conduits in the Rights-of-Way and provide the City with an opportunity to request that Franchisee provide the City with additional duct or conduit and related structures necessary to access the conduit pursuant to RCW 35.99.070.

Section 8.10 Franchisee shall maintain all above ground improvements that it places on City Rights-of-Way pursuant to this Franchise. In order to avoid interference with the City's ability to maintain the Right-of-Way, Franchisee shall provide a clear zone of five (5) feet on all sides of such improvements. If Franchisee fails to comply with this provision, and by its failure, property is damaged, then Franchisee shall be responsible for all damages caused thereby, including restoration.

Section 9. One Call Locator Service. Prior to doing any work in the Rights-of-Way, the Franchisee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes regarding the One Call Locator Service pursuant to Chapter 19.122 RCW. Further, upon request, by the City or a third party, Franchisee shall locate its Facilities consistent with the requirements of Chapter 19.122 RCW. The City shall not be liable for any damages to Franchisee’s Facilities or for interruptions in service to Franchisee’s customers that are a direct result of Franchisee’s failure to locate its Facilities within the prescribed time limits

and guidelines established by the One Call Locator Service regardless of whether the City issued a permit.

Section 10. Safety Requirements.

Section 10.1 Franchisee shall, at all times, employ professional care and shall install and maintain and use industry-standard methods for preventing failures and accidents that are likely to cause damage, injuries, or nuisances to the public. All structures and all lines, equipment, and connections in, over, under, and upon the Rights-of-Ways, wherever situated or located, shall at all times be kept and maintained in a safe condition. Franchisee shall comply with all federal, State, and City safety requirements, rules, regulations, laws, and practices, and employ all necessary devices as required by applicable law during the construction, operation, maintenance, upgrade, repair, or removal of its Facilities. Additionally, Franchisee shall keep its Facilities free of debris and anything of a dangerous, noxious or offensive nature or which would create a hazard or undue vibration, heat, noise or any interference with City services. By way of illustration and not limitation, Franchisee shall also comply with the applicable provisions of the National Electric Code, National Electrical Safety Code, FCC regulations, and Occupational Safety and Health Administration (OSHA) Standards. Upon reasonable notice to Franchisee, the City reserves the general right to inspect the Facilities to evaluate if they are constructed and maintained in a safe condition.

Section 10.2 If an unsafe condition or a violation of Section 10.1 is found to exist, and becomes known to the City, the City agrees to give Franchisee written notice of such condition and afford Franchisee a reasonable opportunity to repair the same. If Franchisee fails to start to make the necessary repairs and alterations within the time frame specified in such notice (and pursue such cure to completion), then the City may make such repairs or contract for them to be made. All costs, including administrative costs, incurred by the City in repairing any unsafe conditions shall be borne by Franchisee and reimbursed to the City pursuant to Section 14.3 and Section 14.4.

Section 10.3 *Additional standards include:*

(a) Franchisee shall endeavor to maintain all equipment lines and facilities in an orderly manner, including, but not limited to, the removal of all bundles of unused cable on any aerial facilities and the placement of any cables connecting equipment in an orderly manner.

(b) All installations of equipment, lines, and ancillary facilities shall be installed in accordance with industry-standard engineering practices and shall comply with all federal, State, and local regulations, ordinances, and laws.

(c) Any opening or obstruction in the Rights-of-Way or other public places made by Franchisee in the course of its operations shall be protected by Franchisee at all times by the placement of adequate barriers, fences, or boarding, the bounds of which, during periods of dusk and darkness, shall be clearly marked and visible.

Section 10.4 Stop Work Order. On notice from the City that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as determined by the City, or in violation of the terms of any applicable permit, laws, regulations, ordinances, or standards, the work may immediately be stopped by the City. The stop work order shall:

- (a) Be in writing;
- (b) Be given to the person doing the work or posted on the work site;
- (c) Be sent to Franchisee by overnight delivery;
- (d) Indicate the nature of the alleged violation or unsafe condition; and
- (e) Establish conditions under which work may be resumed.

Section 11. Work of Contractors and Subcontractors. Franchisee's contractors and subcontractors shall be licensed and bonded in accordance with State law and the City's ordinances, regulations, and requirements. Work by contractors and subcontractors are subject to the same restrictions, limitations, and conditions as if the work were performed by Franchisee. Franchisee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by Franchisee and shall ensure that all such work is performed in compliance with this Franchise and applicable law.

Section 12. Restoration after Construction.

Section 12.1 Franchisee shall, promptly after installation, construction, relocation, maintenance, or repair of its Facilities, or after abandonment approved pursuant to Section 18, promptly remove any obstructions from the Rights-of-Way and restore the surface of the Rights-of-Way as required by the City's Design and Construction Standards. The Public Works Director or his/her designee shall have final approval of the condition of such Rights-of-Way after restoration. All concrete encased survey monuments that have been disturbed or displaced by such work shall be restored pursuant to federal, state (such as Chapter 332-120 WAC), and local standards and specifications.

Section 12.2 Franchisee agrees to promptly complete all restoration work and to promptly repair any damage caused by work to the Franchise Area or other affected area at its sole cost and expense and according to the time and terms specified in the construction permit issued by the City. All work by Franchisee pursuant to this Franchise shall be performed in accordance with applicable City standards and warranted for a period of two (2) years and for undiscovered defects as is standard and customary for this type of work.

Section 12.3 If conditions (e.g. weather) make the complete restoration required under this Section 12 impracticable, Franchisee shall temporarily restore the affected Right-of-Way or property. Such temporary restoration shall be at Franchisee's sole cost and expense. Franchisee shall promptly undertake and complete the required permanent restoration when conditions no longer make such permanent restoration impracticable.

Section 12.4 In the event Franchisee does not repair or restore a Right-of-Way as required under this Section 12 or an improvement in or to a Right-of-Way, then upon fifteen (15) days' notice to Franchisee, the City may repair the damage and shall be reimbursed its actual cost within sixty (60) days of submitting an invoice to Franchisee in accordance with the provisions of Section 14.3 and Section 14.4. In addition, and pursuant to Section 14.3 and Section 14.4, the City may bill Franchisee for expenses associated with the inspection of such restoration work. The failure by Franchisee to

complete such repairs shall be considered a breach of this Franchise and is subject to remedies by the City including the imposition of damages consistent with Section 20.

Section 12.5 The provisions of this Section 12 shall survive the expiration or termination of this Franchise so long as Franchisee continues to have Facilities in the Rights-of-Way and has not completed all restoration to the City's standards.

Section 13. Emergency Work/Dangerous Conditions.

Section 13.1 In the event of any emergency in which any of Franchisee's Facilities located in the Rights-of-Way breaks, falls, becomes damaged, or is otherwise in such a condition as to immediately endanger the property, life, health, or safety of any person, entity, or the City, Franchisee shall immediately take the proper emergency measures to repair its Facilities in order to cure or remedy the dangerous conditions for the protection of property, life, health, or safety of any person, entity, or the City without first applying for and obtaining a permit as required by this Franchise. However, this shall not relieve Franchisee from the requirement of obtaining any permits necessary for this purpose, and Franchisee shall apply for all such permits not later than the next succeeding day during which City Hall is open for business. The City retains the right and privilege to cut, move, or remove any Facilities located within the Rights-of-Way of the City, as the City may determine to be necessary, appropriate, or useful in response to any public health or safety emergency.

Section 13.2 The City shall not be liable for any damage to or loss of Facilities within the Rights-of-Way as a result of or in connection with any public works, public improvements, construction, grading, excavation, filling, or work of any kind in the Rights-of-Way by or on behalf of the City, except to the extent directly and proximately caused by the sole negligence, intentional misconduct, or criminal actions of the City, its employees, contractors, or agents. The City shall further not be liable to Franchisee for any direct, indirect, or any other such damages suffered by any person or entity of any type as a direct or indirect result of the City's actions under this Section 13 except to the extent caused by the sole negligence, intentional misconduct, or criminal actions of the City, its employees, contractors, or agents.

Section 13.3 Whenever the construction, installation, or excavation of Facilities authorized by this Franchise has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining street or public place, or endangers the public, an adjoining public place, street, electrical or telecommunications utilities, or City property, the Public Works Director may direct Franchisee, at Franchisee's own expense, to take reasonable action to protect the public or such property, and such action may include compliance within a prescribed time. In the event that Franchisee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if emergency conditions exist which require immediate action, before the City can timely contact Franchisee to request Franchisee effect the immediate repair, the City may access the Facilities and take such reasonable actions as are necessary to protect the public, the adjacent streets, or street utilities, or to maintain the lateral support thereof, or reasonable actions regarded as necessary safety precautions, and Franchisee shall be liable to the City for the costs thereof.

Section 14. Recovery of Costs, Taxes, and Fees.

Section 14.1 Franchisee shall pay a fee for the actual administrative expenses incurred by the City that are directly related to the receiving and approving this Franchise pursuant to RCW 35.21.860, including the costs associated with the City's legal costs incurred in drafting and processing this Franchise. Franchisee shall further be subject to all permit fees associated with activities undertaken through the authority granted in this Franchise or under the laws of the City. Where the City incurs costs and expenses for review, inspection, or supervision of activities, including but not limited to reasonable fees associated with attorneys, consultants, City staff, and City Attorney time, undertaken through the authority granted in this Franchise or any ordinances relating to the subject for which a permit fee is not established, Franchisee shall pay such costs and expenses directly to the City in accordance with the provisions of Section 14.3.

Section 14.2 Franchisee shall promptly reimburse the City in accordance with the provisions of Section 14.3 and Section 14.4 for any and all costs the City reasonably incurs in response to any emergency situation involving Franchisee's Facilities, to the

extent said emergency is not the fault of the City. The City agrees to simultaneously seek reimbursement from any franchisee or permit holder who caused or contributed to the emergency situation.

Section 14.3 Franchisee shall reimburse the City within sixty (60) days of submittal by the City of an itemized billing for reasonably incurred costs, itemized by project, for Franchisee's proportionate share of all actual, identified expenses incurred by the City in planning, constructing, installing, repairing, altering, or maintaining any City facility as the result of the presence of Franchisee's Facilities in the Rights-of-Way. Such costs and expenses shall include but not be limited to Franchisee's proportionate cost of City personnel assigned to oversee or engage in any work in the Rights-of-Way as the result of the presence of Franchisee's Facilities in the Rights-of-Way. Such costs and expenses shall also include Franchisee's proportionate share of any time spent reviewing construction plans in order to either accomplish the relocation of Franchisee's Facilities or the routing or rerouting of any utilities so as not to interfere with Franchisee's Facilities.

Section 14.4 The time of City employees shall be charged at their respective rate of salary, including overtime if applicable, plus benefits and reasonable overhead. Any other costs will be billed proportionately on an actual cost basis. All billings will be itemized so as to specifically identify the costs and expenses for each project for which the City claims reimbursement. A charge for the actual costs incurred in preparing the billing may also be included in said billing. At the City's option, the billing may be on an annual basis, but the City shall provide the Franchisee with the City's itemization of costs, in writing, at the conclusion of each project for information purposes.

Section 14.5 Franchisee hereby warrants that its operations as authorized under this Franchise are those of a telephone business as defined in RCW 82.16.010 or a service provider as defined in RCW 35.21.860. As a result, the City will not impose a franchise fee under the terms of this Franchise, other than as described herein. The City hereby reserves its right to impose a franchise fee on Franchisee if Franchisee's operations as authorized by this Franchise change such that the statutory prohibitions of RCW 35.21.860 no longer apply or if statutory prohibitions on the imposition of such fees

are removed. In either instance, the City also reserves its right to require that Franchisee obtain a separate Franchise for its change in use. Nothing contained herein shall preclude Franchisee from challenging any such new fee or separate agreement under applicable federal, state, or local laws.

Section 14.6 Franchisee acknowledges that certain of its business activities may be subject to taxation as a telephone business and that Franchisee shall pay to the City the rate applicable to such taxable services under Chapter 5.08 of the Bothell Municipal Code, and consistent with state and federal law. The parties agree that if there is a dispute regarding tax payments that the process in Chapter 5.08 of the Bothell Municipal Code shall control. In that event, the City may not enforce remedies under Section 20 or commence a forfeiture or revocation process pursuant to Section 21 until the dispute is finally resolved either consistent with Chapter 5.08 of the Bothell Municipal Code or by judicial action and then only if the Franchisee does not comply with such resolution. The parties agree, however, that nothing in this Franchise shall limit the City's power of taxation as may exist now or as later imposed by the City. This provision does not limit the City's power to amend the Bothell Municipal Code as may be permitted by law.

Section 15. Small Wireless Facilities.

Section 15.1 *City Retains Approval Authority.* The City shall have the authority at all times to control by appropriately exercised police powers through ordinance or regulation, consistent with 47 U.S.C. § 253, 47 U.S.C. § 332(c)(7), and the laws of the State of Washington, the location, elevation, manner of construction, and maintenance of any Small Wireless Facilities by Franchisee, and Franchisee shall promptly conform with all such requirements, unless compliance would cause Franchisee to violate other requirements of law. This Franchise does not prohibit the City from exercising its rights under federal, state, or local law to deny or give conditional approval to an application for a permit to construct any individual Small Wireless Facility.

Section 15.2 *City Approvals and Permits.* The granting of this Franchise is not a substitute for any other City-required approvals to construct Franchisee's Facilities in the Rights-of-Way ("City Approvals"). The parties agree that such City Approvals (except

Right-of-Way use permits as described in Section 8.2) are not considered use permits, as that term is defined in RCW 35.99.010. These City Approvals do not grant general authorization to enter and utilize the Rights-of-Way but rather grant Franchisee permission to build its specific Small Wireless Facilities. Therefore, City Approvals are not subject to the thirty (30) day issuance requirement described in RCW 35.99.030. The parties recognize that this provision is specifically negotiated as consideration for designating the entire City as the Franchise Area. Such City Approvals shall be issued consistent with the Codes and with state and federal laws governing wireless communication facility siting and may be in addition to any permits required under Section 8.2.

Section 15.3 Preference for Existing Infrastructure; Site Specific Agreements.

(a) Franchisee shall utilize existing infrastructure in the City whenever possible and consistent with the design, concealment, and siting regulations of the Codes. The erection of new poles or structures in the Right-of-Way may only be permitted if no other alternative space feasible for the installation of the Facility is available. In the event that existing infrastructure is not available or feasible for a Small Wireless Facility, or if the City prefers new poles or infrastructure in a particular area of the City, then Franchisee may request the placement of new or replacement structures in the Rights-of-Way consistent with the requirements of the Codes.

(b) Franchisee acknowledges and agrees that if Franchisee requests to place new structures or replacement structures that are higher than the replaced structure and the overall height of the replacement structure and the Facility are over 60 feet in the Rights-of-Way, then Franchisee may be required to enter into a site-specific agreement consistent with RCW 35.21.860 in order to construct such Facilities in the Right-of-Way. Such agreements may require a site-specific charge paid to the City. The approval of a site-specific agreement is separate from this Franchise and must be approved and executed by the City Manager or his/her designee.

(c) Unless otherwise required by the Codes, replacement poles or structures which remain substantially similar to existing structures or deviate in height or design as permitted within the Codes are permissible, provided that Franchisee, or the pole owner

at the Franchisee's request, removes the old pole or structure promptly, but no more than ninety (90) days after the installation of the replacement pole or structure.

(d) This Section 15.3 does not place an affirmative obligation on the City to allow the placement of new infrastructure on public property or in the Rights-of-Way, nor does it relieve Franchisee from any Code provision related to the siting or design of wireless facilities.

Section 15.4 *Concealment*. Franchisee shall construct its Facilities consistent with the concealment or stealth requirements as described in the Codes, as the same exist or are hereafter amended, or in the applicable permit(s), lease, site specific agreement, or license agreement, in order to minimize the visual impact of such Facilities.

Section 15.5 *Eligible Facilities Requests*. The parties acknowledge that it is the intent of this Franchise to provide general authorization to use the Rights-of-Way for Small Wireless Facilities. The designs as illustrated in a Small Wireless Permit, including the dimensions and number of antennas and equipment boxes and the pole height are intended and stipulated to be concealment features when considering whether a proposed modification is a substantial change under Section 6409(a) of the Spectrum Act, 47 U.S.C. § 1455(a).

Section 15.6 *Inventory*. Franchisee shall maintain a current inventory of Small Wireless Facilities throughout the Term of this Franchise. Franchisee shall provide to the City a copy of the inventory report no later than one hundred eighty (180) days after the Effective Date of this ordinance and shall provide the City an updated copy of the inventory report within thirty (30) days of a request by the City. The inventory report shall include GIS coordinates, date of installation, type of pole used for installation, description/type of installation for each Small Wireless Facility installation, and photographs taken before and after the installation of the Small Wireless Facility and taken from the public street. Small Wireless Facilities that are considered Deactivated Facilities, as described in Section 18.1, shall be included in the inventory report and Franchisee shall provide the same information as is provided for active installations as well as the date the Facilities were deactivated and the date the Deactivated Facilities

were removed from the Right-of-Way. The City shall compare the inventory report to its records to identify any discrepancies, and the parties will work together in good faith to resolve any discrepancies. Franchisee is not required to report on future inventory reports any Deactivated Facilities that were removed from the Right-of-Way since the last reported inventory and may thereafter omit reference to the Deactivated Facilities.

Section 15.7 Unauthorized Facilities. Any Small Wireless Facilities installations in the Right-of-Way that were not authorized under this Franchise or other required City Approval (“Unauthorized Facilities”) will be subject to the payment of an Unauthorized Facilities charge by Franchisee. The City shall provide written notice to Franchisee of any Unauthorized Facilities identified by City staff and Franchisee shall either (i) establish that the site was authorized, or (ii) submit a complete application to the City for approval of the Unauthorized Facilities. Upon notice of the Unauthorized Facility, Franchisee shall be charged Five Hundred and 00/100 Dollars (\$500.00) per day per Unauthorized Facility (“Unauthorized Facility Penalty”). The Unauthorized Facility Penalty shall be waived in its entirety if Franchisee can establish that the site was in fact authorized. The Unauthorized Facility Penalty shall be suspended upon the submission of a complete application to the City requesting approval of the Unauthorized Facility. If the application for such Unauthorized Facilities is denied as the final decision, then the Unauthorized Facility Penalty will resume until the Unauthorized Facilities are removed and Franchisee shall remove the Unauthorized Facilities from the City’s Right-of-Way within thirty (30) days after the expiration of all appeal periods for such denial. Upon the conclusion of any matter involving an Unauthorized Facility, City shall provide Franchisee an invoice detailing the total amount of the Unauthorized Facility Penalty, if any, which penalty Franchisee shall pay within thirty (30) days after receipt of notice thereof. This Franchisee remedy is in addition to any other remedy available to the City at law or equity. Notwithstanding the foregoing, an Unauthorized Facility Penalty pursuant to this Franchise shall not be assessed if Franchisee received City Approval for the Small Wireless Facilities but such Small Wireless Facilities are technically inconsistent with the City Approval; provided, however, Franchisee is still required to fix any inconsistencies with the permit requirements and that this provision does not restrict the City’s other enforcement rights.

Section 15.8 Graffiti Abatement. As soon as practical, but not later than thirty (30) days from the date Franchisee receives notice or is otherwise aware, Franchisee shall remove all graffiti on any of its Small Wireless Facilities of which it is the owner of the pole or structure or on the Small Wireless Facilities themselves attached to a third-party pole (i.e., graffiti on the shrouding protecting the radios). The foregoing shall not relieve Franchisee from complying with any City graffiti or visual blight ordinance or regulation.

Section 15.9 Emissions Reports.

- (a) Franchisee is obligated to comply with all applicable laws relating to allowable presence of or human exposure to Radiofrequency Radiation (“RFs”) or Electromagnetic Fields (“EMFs”) on or off any poles or structures in the Rights-of-Way, including all applicable FCC standards. Franchisee shall comply with the RF emissions certification requirements under applicable law.
- (b) Nothing in this Franchise prohibits the City from requiring periodic testing of Franchisee’s Facilities, which the City may request no more than once per year unless as otherwise required by a permit due to a modification of the Facility. The City may inspect any of Franchisee’s Facilities and equipment located in the Rights-of-Way. If the City discovers that the emissions from a Facility exceeds the FCC standards, then the City may order Franchisee to immediately turn off the Facility or portion thereof committing the violation, until the emissions exposure is remedied. Such order shall be made orally by calling 1-800-264-6620 and also by written notice pursuant to Section 31. Franchisee is required to promptly turn off that portion of the Facility that is in violation, no later than forty-eight (48) hours after receipt of oral notice. Franchisee shall reimburse the City for any costs incurred by the City for inspecting the Facility and providing notice as described in Section 14.3 and Section 14.4.

Section 15.10 Interference with Public Facilities. Franchisee's Small Wireless Facilities shall not physically interfere or cause harmful interference, as defined in 47 CFR § 15.3(m), with any City operations (including, but not limited to, traffic lights, public safety radio systems, or other City communications infrastructure) or with emergency communications operation or equipment. If the Small Wireless Facilities cause such harmful interference, Franchisee shall respond to the City's request to address the source of the interference as soon as practicable, but in no event later than forty-eight (48) hours after receipt of notice. The City may require, by written notice, that Franchisee power down the specific Small Wireless Facilities, or portion thereof, causing such interference if such interference is not remedied within forty-eight (48) hours after notice. If, within thirty (30) days after receipt of such written notice from the City of such interference, Franchisee has not abated such interference in a manner that is consistent with federal guidelines, such Small Wireless Facility may be deemed an Unauthorized Facility and subject to the provisions of Section 15.7 or removal by the City consistent with Section 13. The Small Wireless Facility, or interfering portion thereof, must remain powered down (except for testing purposes) during the abatement period; otherwise the City may take more immediate action consistent with Section 13 to protect the public health, safety, and welfare.

Section 15.11 Interference with Other Facilities. Franchisee is solely responsible for determining whether its Small Wireless Facilities interfere with telecommunications facilities of other utilities and franchisees within the Rights-of-Way. Franchisee shall comply with the rules and regulations of the Federal Communications Commission regarding radio frequency interference when siting its Small Wireless Facilities within the Franchise Area. Franchisee, in the performance and exercise of its rights and obligations under this Franchise shall not physically or technically interfere in any manner with the existence and operation of any and all existing utilities, sanitary sewers, water mains, storm drains, gas mains, poles, aerial and underground electrical and telephone wires, electroliers, cable television, and other telecommunications, utility, or municipal property, without the express written approval of the owner or owners of the affected property or properties, except as expressly permitted by applicable law or this Franchise.

Section 16. Indemnification.

Section 16.1 Franchisee releases, covenants not to bring suit against, and agrees to indemnify, defend, and hold harmless the City, its officers, employees, agents, and representatives from any and all claims, costs, judgments, awards, or liability to any person, for injury or death of any person or damage to property caused by or arising out of any acts or omissions of Franchisee, its agents, servants, officers, or employees in the performance of this Franchise and any rights granted within this Franchise. This indemnification obligation shall extend to claims that are not reduced to a suit and any claims that may be compromised, with Franchisee's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

Section 16.2 Inspection or acceptance by the City of any work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance by Franchisee of any of its obligations under this Section 16.

Section 16.3 The City shall promptly notify Franchisee of any claim or suit and request in writing that Franchisee indemnify the City. Franchisee may choose counsel to defend the City subject to this Section 16.3. City's failure to so notify and request indemnification shall not relieve Franchisee of any liability that Franchisee might have, except to the extent that such failure prejudices Franchisee's ability to defend such claim or suit. In the event that Franchisee refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions within this Franchise, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, Franchisee shall pay all of the City's reasonable costs for defense of the action, including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, then upon the prior written approval and consent of Franchisee, which shall not be unreasonably withheld, the City shall have the right to employ separate counsel in any

action or proceeding and to participate in the investigation and defense thereof, and Franchisee shall pay the reasonable fees and expenses of such separate counsel, except that Franchisee shall not be required to pay the fees and expenses of separate counsel on behalf of the City for the City to bring or pursue any counterclaims or interpleader action, equitable relief, restraining order or injunction. The City's fees and expenses shall include all out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the counsel retained by the City but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Franchisee. Each party agrees to cooperate and to cause its employees and agents to cooperate with the other party in the defense of any such claim and the relevant records of each party shall be available to the other party with respect to any such defense.

Section 16.4 Except to the extent that damage or injury arises from the sole negligence or willful misconduct of the City, its officers, officials, employees, or agents, the obligations of Franchisee under the indemnification provisions of this Section 16 and any other indemnification provision herein shall apply regardless of whether liability for damages arising out of bodily injury to persons or damages to property were caused or contributed to by the concurrent negligence of the City, its officers, officials, employees, or agents and the Franchisee. Notwithstanding the proceeding sentence, to the extent the provisions of RCW 4.24.115 are applicable, the parties agree that the indemnity provisions hereunder shall be deemed amended to conform to said statute and liability shall be allocated as provided therein. It is further specifically and expressly understood that the indemnification provided constitutes Franchisee's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification, relating solely to indemnity claims made by the City directly against the Franchisee for claims made against the City by Franchisee's employees. This waiver has been mutually negotiated by the parties.

Section 16.5 Notwithstanding any other provisions of this Section 16, Franchisee assumes the risk of damage to its Facilities located in the Rights-of-Way and upon City-owned property from activities conducted by the City, its officers, agents, employees, representatives, elected and appointed officials, and contractors, except to the extent any

such damage or destruction is caused by or arises from any solely negligent, willful misconduct, or criminal actions on the part of the City, its officers, agents, employees, representatives, elected or appointed officials, or contractors. In no event shall the City be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including, by way of example and not limitation, lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with its performance or failure to perform under this Franchise. Franchisee releases and waives any and all such claims against the City, its officers, agents, employees, representatives, elected or appointed officials, or contractors. Franchisee further agrees to indemnify, hold harmless, and defend the City against any third-party claims for damages, including, but not limited to, business interruption damages, lost profits, and consequential damages, brought by or under users of Franchisee's Facilities as the result of any interruption of service due to damage or destruction of Franchisee's Facilities caused by or arising out of activities conducted by the City, its officers, agents, employees, or contractors.

Section 16.6 The provisions of this Section 16 shall survive the expiration, revocation, or termination of this Franchise.

Section 17. Insurance.

Section 17.1 Franchisee shall maintain for so long as Franchisee has Facilities in the Rights-of-Way, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the acts or omissions of Franchisee. Franchisee shall require that every subcontractor maintain substantially the same insurance coverage with substantially the same policy limits as required of Franchisee. Franchisee shall maintain insurance from insurers with a current A.M. Best rating of not less than A-. Franchisee shall provide a copy of a certificate of insurance and additional insured endorsement (except for workers compensation) to the City for its inspection at the time of acceptance of this Franchise, and such insurance certificate shall evidence a policy of insurance that includes:

- (a) Automobile Liability insurance with limits of no less than \$5,000,000 combined single limit per occurrence for bodily injury and property damage.

- (b) Commercial General Liability insurance, written on an occurrence basis with limits of no less than \$5,000,000 per occurrence for bodily injury and property damage and \$5,000,000 general aggregate including personal and advertising injury, blanket contractual; premises; operations; independent contractors; products and completed operations; and broad form property damage; explosion, collapse and underground (XCU).
- (c) Pollution liability shall be in effect throughout the entire Franchise term, with a limit of one million dollars (\$1,000,000) per occurrence, and two million dollars (\$2,000,000) in the aggregate
- (d) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington and Employer's Liability with a limit of \$1,000,000 each accident/disease/policy limit. Evidence of qualified self-insurance is acceptable.
- (e) Excess Umbrella liability policy with limits of no less than \$5,000,000 per occurrence and in the aggregate. Franchisee may use any combination of primary and excess to meet required total limits.

Section 17.2 Payment of deductible or self-insured retention shall be the sole responsibility of Franchisee. Franchisee may utilize primary and umbrella liability insurance policies to satisfy the insurance policy limits required in this Section 17. Franchisee's umbrella liability insurance policy shall provide "follow form" coverage over its primary liability insurance policies or be at least as broad as such underlying policies.

Section 17.3 The required insurance policies, with the exception of Workers' Compensation and Employer's Liability obtained by Franchisee shall include the City, its officers, officials, employees, agents, and representatives ("Additional Insureds"), as an additional insured with regard to any work or operations performed under this Franchise or by or on behalf of the Franchisee. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the

insurer's liability. Franchisee shall provide to the City upon acceptance a certificate of insurance and blanket additional insured endorsement. Receipt by the City of any certificate showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements. Franchisee's required commercial general and auto liability insurance shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of Franchisee's required insurance and shall not contribute with it.

Section 17.4 Upon receipt of notice from its insurer(s) Franchisee shall provide the City with thirty (30) days prior written notice of any cancellation of any insurance policy, except for non-payment, in which case a ten (10) day notice will be provided, required pursuant to this Section 17. Franchisee shall, prior to the effective date of such cancellation, obtain replacement insurance policies meeting the requirements of this Section 17. Failure to provide the insurance cancellation notice and to furnish to the City replacement insurance policies meeting the requirements of this Section 17 shall be considered a material breach of this Franchise and subject to the City's election of remedies described in Section 20 below. Notwithstanding the cure period described in Section 20.2, the City may pursue its remedies immediately upon a failure to furnish replacement insurance.

Section 17.5 Franchisee's maintenance of insurance as required by this Section 17 shall not be construed to limit the liability of Franchisee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Franchisee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Franchisee. If Franchisee maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess Umbrella liability maintained by the Franchisee, irrespective of whether such limits maintained by the Franchisee 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 Franchisee.

Section 17.6 The City may review all insurance limits once every three years during the Term may make reasonable adjustments in the limits upon thirty (30) days' prior written notice to and review by Franchisee. Franchisee shall then issue or provide a certificate of insurance to the City showing compliance with these adjustments. Upon request by the City, Franchisee shall furnish certified copies of all required insurance policies, including endorsements, required in this Franchise and evidence of all contractors' coverage.

Section 17.7 As of the Effective Date of this Franchise, Franchisee is not self-insured. Should Franchisee wish to become self-insured at the levels outlined in this Franchise at a later date, Franchisee or its affiliated parent entity shall comply with the following: (i) provide the City, upon request, a copy of Franchisee's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) Franchisee or its parent company is responsible for all payments within the self-insurance program; and (iii) Franchisee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise.

Section 18. Abandonment of Franchisee's Telecommunications Network.

Section 18.1 Where any Facilities or portions of Facilities are no longer needed, and their use is to be discontinued, the Franchisee shall immediately report such Facilities in writing ("Deactivated Facilities") to the Public Works Director. This notification is in addition to the inventory revisions addressed in Section 15.6. Deactivated Facilities, or portions thereof, shall be completely removed within ninety (90) days and the site, pole or infrastructure restored to its pre-existing condition.

Section 18.2 If Franchisee leases a structure from a landlord and such landlord later abandons the structure, Franchisee shall remove its Facilities from the abandoned structure within the timeline provided by the landlord, but no more than ninety (90) days of such notification from the landlord, at no cost to the City and shall remove the pole if so required by the landlord. Notwithstanding the preceding sentence, the timelines determined by the City for relocation projects described in Section 5 above shall apply.

Section 18.3 Upon the expiration, termination, or revocation of the rights granted under this Franchise, Franchisee shall remove all of its Facilities from the Rights-of-Way within ninety (90) days of receiving written notice from the Public Works Director or his/her designee. The Facilities, in whole or in part, may not be abandoned by Franchisee without written approval by the City. Any plan for abandonment or removal of Franchisee's Facilities must be first approved by the Public Works Director or his/her designee, and all necessary permits must be obtained prior to such work. Franchisee shall restore the Rights-of-Way to at least the same condition the Rights-of-Way were in immediately prior to any such installation, construction, relocation, maintenance or repair, provided Franchisee shall not be responsible for any changes to the Rights-of-Way not caused by Franchisee or any person doing work for Franchisee. Franchisee shall be solely responsible for all costs associated with removing its Facilities.

Section 18.4 Notwithstanding Section 18.1 above, the City may permit Franchisee's Facilities to be abandoned in place in such a manner as the City may prescribe. Upon permanent abandonment, and Franchisee's agreement to transfer ownership of the Facilities to the City, Franchisee shall submit to the City a proposal and instruments for transferring ownership to the City.

Section 18.5 Any Facilities which are not removed within one hundred and eighty (180) days of either the date of termination or revocation of this Franchise or the date the City issued a permit authorizing removal, whichever is later, shall automatically become the property of the City. Any costs incurred by the City in safeguarding such Facilities or removing the Facilities shall be reimbursed by Franchisee. Nothing contained within this Section 18 shall prevent the City from compelling Franchisee to remove any such Facilities through judicial action when the City has not permitted Franchisee to abandon said Facilities in place.

Section 18.6 The provisions of this Section 18 shall survive the expiration, revocation, or termination of this Franchise and for so long as Franchisee has Facilities in Rights-of-Way.

Section 19. Bonds.

Section 19.1 Franchisee shall furnish a performance bond (“Performance Bond”) written by a corporate surety reasonably acceptable to the City equal to at least 120% of the estimated cost of constructing Franchisee’s Facilities within the Rights-of-Way of the City prior to commencement of any such work or such other amount as deemed appropriate by the Public Works Director. The Performance Bond shall guarantee the following: (1) timely completion of construction; (2) construction in compliance with all applicable plans, permits, technical codes, and standards; (3) proper location of the Facilities as specified by the City; (4) restoration of the Rights-of-Way and other City properties affected by the construction; (5) submission of as-built drawings after completion of construction; and (6) timely payment and satisfaction of all claims, demands, or liens for labor, materials, or services provided in connection with the work which could be asserted against the City or City property. Said bond must remain in full force until the completion of construction, including final inspection, corrections, and final approval of the work, recording of all easements, provision of as-built drawings, and the posting of a Maintenance Bond as described in Section 19.2. Compliance with the Performance Bond requirement of the City’s current Design and Construction Standards shall satisfy the provisions of this Section 19. In lieu of a separate Performance Bond for individual projects involving work in the Franchise Area, Franchisee may satisfy the City’s bond requirements by posting a single on-going performance bond in an amount approved by City.

Section 19.2 Maintenance Bond. Franchisee shall furnish a two (2) year maintenance bond (“Maintenance Bond”), or other surety acceptable to the City, at the time of final acceptance of construction work on Facilities within the Rights-of-Way. The Maintenance Bond amount will be equal to ten percent (10%) of the documented final cost of the construction work. The Maintenance Bond in this Section 19.2 must be in place prior to City’s release of the bond required by Section 19. Compliance with the Maintenance Bond requirement of the City’s current Design and Construction Standards shall satisfy the provisions of this Section 19.2. In lieu of a separate Maintenance Bond for individual projects involving work in the Franchise Area, Franchisee may satisfy the

Maintenance Bond requirement by posting a single on-going Maintenance Bond in an amount approved by City.

Section 19.3 Franchise Bond. Franchisee shall provide City with a bond in the amount of Fifty Thousand Dollars (\$50,000.00) ("Franchise Bond") running or renewable for the term of this Franchise, in a form and substance reasonably acceptable to City. In the event Franchisee shall fail to substantially comply with any one or more of the provisions of this Franchise following notice and a reasonable opportunity to cure, then there shall be recovered jointly and severally from Franchisee and the bond any actual damages suffered by City as a result thereof, including but not limited to staff time, material and equipment costs, compensation or indemnification of third parties, and the cost of removal or abandonment of facilities hereinabove described. Franchisee specifically agrees that its failure to comply with the terms of this Section 19 shall constitute a material breach of this Franchise. The amount of the bond shall not be construed to limit Franchisee's liability or to limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

Section 20. Remedies to Enforce Compliance.

Section 20.1 The City may elect, without any prejudice to any of its other legal rights and remedies, to obtain an order from the superior court having jurisdiction compelling Franchisee to comply with the provisions of the Franchise and to recover damages and costs incurred by the City by reason of Franchisee's failure to comply. In addition to any other remedy provided herein, the City reserves the right to pursue any remedy to compel or force Franchisee and/or its successors and assigns to comply with the terms hereof, and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a forfeiture or revocation for breach of the conditions herein. Provided, further, that by entering into this Franchise, it is not the intention of the City or Franchisee to waive any other rights, remedies, or obligations as otherwise provided by

law equity, or otherwise, and nothing contained here shall be deemed or construed to affect any such waiver.

Section 20.2 If Franchisee shall violate, or fail to comply with any of the provisions of this Franchise, or should it fail to heed or comply with any notice given to Franchisee under the provisions of this Franchise, the City shall provide Franchisee with written notice specifying with reasonable particularity the nature of any such breach and Franchisee shall undertake all commercially reasonable efforts to cure such breach within thirty (30) days of receipt of notification. If the parties reasonably determine the breach cannot be cured within (30) thirty days, the City may specify a longer cure period, and condition the extension of time on Franchisee's submittal of a plan to cure the breach within the specified period, commencement of work within the original thirty (30) day cure period, and diligent prosecution of the work to completion. If the breach is not cured within the specified time, or Franchisee does not comply with the specified conditions, the City may, at its discretion, (1) commence revocation proceedings, pursuant to Section 21, or (2) claim damages of Two Hundred Fifty Dollars (\$250.00) per day against the Franchise Bond set forth in Section 19.3, or (3) suspend the issuance of additional permits, or (4) pursue other remedies as described in Section 20.1 above.

Section 21. Forfeiture and Revocation. If Franchisee willfully violates or fails to comply with any material provisions of this Franchise beyond applicable notice and cure periods, then at the election of the Bothell City Council after at least thirty (30) days written notice to Franchisee specifying the alleged violation or failure and an opportunity to cure, the City may revoke all rights conferred and this Franchise may be revoked by the City Council after a hearing held upon such notice to Franchisee. Such hearing shall be open to the public and Franchisee and other interested parties may offer written and/or oral evidence explaining or mitigating such alleged noncompliance. Within thirty (30) days after the hearing, the Bothell City Council, on the basis of the record, will make the determination as to whether there is cause for revocation, whether the Franchise will be terminated, or whether lesser sanctions should otherwise be imposed. The Bothell City Council may in its sole discretion fix an additional time period to cure violations. If the deficiency has not been cured at the expiration of any additional time period or if the

Bothell City Council does not grant any additional period, the Bothell City Council may by resolution declare the Franchise to be revoked and forfeited or impose lesser sanctions. If Franchisee appeals revocation and termination, such revocation may be held in abeyance pending judicial review by a court of competent jurisdiction, provided Franchisee is otherwise in compliance with the Franchise.

Section 22. Non-Waiver. The failure of the City to insist upon strict performance of any of the covenants and agreements of this Franchise or to exercise any option herein conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such covenants, agreements, or option or of any other covenants, agreements, or option.

Section 23. City Ordinances and Regulations. Nothing herein shall be deemed to restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of this Franchise, including any valid ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to reasonably control by appropriate regulations the location, elevation, manner of construction, and maintenance of Facilities by Franchisee, and Franchisee shall promptly conform with all such regulations, unless compliance would cause Franchisee to violate other requirements of law. In the event of a conflict between the provisions of this Franchise and any other generally applicable ordinance(s) enacted under the City's police power authority, such other ordinances(s) shall take precedence over the provisions set forth herein.

Section 24. Cost of Publication. The cost of publication of this Franchise shall be borne by Franchisee.

Section 25. Survival. All of the provisions, conditions, and requirements of Section 5, Section 6, Section 8, Section 12, Section 16, Section 18, Section 25, Section 27, and Section 38.2 of this Franchise shall be in addition to any and all other obligations and liabilities Franchisee may have to the City at common law, by statute, or by contract, and shall survive the City's Franchise to Franchisee for the use of the Franchise Area and any

renewals or extensions thereof. All of the provisions, conditions, regulations, and requirements contained in this Franchise shall further be binding upon the heirs, successors, executors, administrators, legal representatives, and assigns of Franchisee and all privileges, obligations, and liabilities of Franchisee shall inure to its heirs, successors, and assigns equally as if they were specifically mentioned where Franchisee is named herein.

Section 26. Assignment.

Section 26.1 This Franchise may not be directly or indirectly assigned, transferred, or disposed of by sale, lease, merger, consolidation, or other act of Franchisee, by operation of law or otherwise, unless prompt written notice is provided to the City within sixty (60) days following the assignment. Franchisee may freely assign this Franchise in whole or in part to a parent, subsidiary, or affiliated entity, unless there is a change of control as described in Section 26.2 below, or to an entity that acquires all or substantially all of Franchisee's assets located in the area defined by the Federal Communications Commission in which the Facilities are located, or for collateral security purposes. Franchisee shall provide prompt, written notice to the City of any such assignment. In the case of transfer or assignment as security by mortgage or other security instrument in whole or in part to secure indebtedness, such notice shall not be required unless and until the secured party elects to realize upon the collateral. For purposes of this Section 26, no assignment or transfer of this Franchise shall be deemed to occur based on the public trading of Franchisee's stock; provided, however, any tender offer, merger, or similar transaction resulting in a change of control shall be subject to the provisions of this Franchise.

Section 26.2 Any transactions which singularly or collectively result in a change of 50% or more of the (i) ownership or working control (for example, management of Franchisee or its Telecommunications facilities) of the Franchisee; or (ii) ownership or working control of the Franchisee's Telecommunications facilities within the City; or (iii) control of the capacity or bandwidth of the Franchisee's Telecommunication facilities within the City, shall be considered an assignment or transfer requiring notice to the City

pursuant to this Franchise. Such transactions between affiliated entities are not exempt from notice requirements. A Franchisee shall notify the City of any proposed change in, or transfer of, or acquisition by any other party of control of a Franchisee within sixty (60) days following the closing of the transaction.

Section 26.3 Franchisee may, without prior consent from the City: (i) lease the Facilities, or any portion, to another person; (ii) grant an indefeasible right of user interest in the Facilities, or any portion, to another person; or (iii) offer to provide capacity or bandwidth in its Facilities to another person, provided further, that Franchisee shall at all times retain exclusive control over its Facilities and remain fully responsible for compliance with the terms of this Franchise, and Franchisee shall furnish, upon request from the City, a copy of any such lease or agreement, provided that Franchisee may redact the name, street address (except for City and zip code), Social Security Numbers, Employer Identification Numbers or similar identifying information, and other information considered confidential under applicable laws provided in such lease or agreement, and the lessee complies, to the extent applicable, with the requirements of this Franchise and applicable City codes. Franchisee's obligation to remain fully responsible for compliance with the terms under this Section 26.3 shall survive the expiration of this Franchise but only if and to the extent and for so long as Franchisee is still the owner or has exclusive control over the Facilities used by a third party.

Section 27. Extension. If this Franchise expires without renewal or is otherwise lawfully terminated or revoked, the City may, subject to applicable law:

(a) Allow Franchisee to maintain and operate its Facilities on a month-to-month basis, provided that Franchisee maintains insurance for such Facilities during such period and continues to comply with this Franchise; or

(b) The City may order the removal of any and all Facilities at Franchisee's sole cost and expense consistent with Section 18.

Section 28. Entire Agreement. This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements

or understandings, written or otherwise, shall be binding upon the parties upon execution of this Franchise.

Section 29. Eminent Domain. The existence of this Franchise shall not preclude the City from acquiring by condemnation in accordance with applicable law, all or a portion of the Franchisee's Facilities for the fair market value thereof. In determining the value of such Facilities, no value shall be attributed to the right to occupy the area conferred by this Franchise.

Section 30. Vacation. If at any time the City, by ordinance, vacates all or any portion of the area affected by this Franchise, the City shall not be liable for any damages or loss to the Franchisee by reason of such vacation. The City shall notify the Franchisee in writing not less than ninety (90) days before vacating all or any portion of any such area. The City may, after ninety (90) days written notice to the Franchisee, terminate this Franchise with respect to such vacated area.

Section 31. Notice. Any notice required or permitted under this Franchise shall be in writing, and shall be delivered personally, delivered by a nationally recognized overnight courier, or sent by registered or certified mail, return receipt requested, to the other party at the address listed below. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, it shall be conclusively deemed given the day after it was sent to the party to whom such notice, demand or other communication is to be given. If such notice, demand or other communication is given by mail, it shall be conclusively deemed given three (3) days after it was deposited in the United States mail addressed to the party to whom such notice, demand or other communication is to be given.

CITY OF BOTHELL
Public Works Director
18415 101st Ave. N.E.
Bothell, WA 98011

Franchisee:
Crown Castle Fiber LLC
c/o Crown Castle
2000 Corporate Drive
Canonsburg, PA 15317
Attn: Ken Simon, General
Counsel

With a copy to:

Crown Castle Fiber LLC
c/o Crown Castle
2000 Corporate Drive
Canonsburg, PA 15317
Attn: SCN Contracts
Management

Section 32. Severability. If any section, sentence, clause, or phrase of this Franchise should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Franchise unless such invalidity or unconstitutionality materially alters the rights, privileges, duties, or obligations hereunder, in which event either party may request renegotiation of those remaining terms of this Franchise materially affected by such court ruling.

Section 33. Compliance with All Applicable Laws. Franchisee agrees to comply with all present and future federal and state laws, ordinances, rules and regulations. Nothing herein shall be deemed to restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of this Franchise, including any valid ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to reasonably control by appropriate regulations the location, elevation, manner of construction and maintenance of Facilities by Franchisee, and Franchisee shall promptly conform with all such regulations, unless compliance would cause Franchisee to violate other requirements of law. Franchisee further expressly acknowledges that following the approval of this Franchise, the City may modify its Codes to address Small Wireless deployment and such Code modifications shall apply to Franchisee's Facilities, except to the extent of a vested right or right under state or federal law. In the event of a conflict between the provisions of this Franchise and any other generally applicable ordinance(s) enacted under the City's police power authority, such other ordinances(s) shall take precedence over the provisions set forth herein. Notwithstanding the foregoing,

Franchisee shall not be required to comply with any new ordinances to the extent that they impact existing Facilities to which Franchisee has a vested right in accordance with the vested rights doctrine under Washington case law or as codified at RCW 19.27.095.

Section 34. Amendment. The City reserves the right at any time to amend this Franchise to conform to any hereafter enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare; or relating to roadway regulation or relating to a City ordinance enacted pursuant to such federal or state statute or regulation; provided that the City provide Franchisee with ninety (90) days prior written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, Franchisee makes a written request for negotiations over the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within ninety (90) days of the call for negotiations, the parties shall submit the issue to non-binding mediation. If such mediation is unsuccessful, the parties may then submit the issue to a court of competent jurisdiction.

Section 35. Attorney Fees. If a suit or other action is instituted in connection with any controversy arising out of this Franchise, the prevailing party shall be entitled to recover all of its costs, expenses, and attorney fees as the court finds reasonable, including those upon appeal of any judgment or ruling.

Section 36. Hazardous Substances. Franchisee shall not introduce or use any hazardous substances (chemical or waste) in violation of any applicable law or regulation, and Franchisee shall not allow any of its agents, contractors, or any person under its control to do the same. Franchisee will be solely responsible for and will defend, indemnify, and hold the City and its officers, officials, employees, agents, and representatives harmless from and against any and all claims, costs, and liabilities, including reasonable attorney fees and costs, arising out of or in connection with the cleanup or restoration of the property associated with Franchisee's use, storage, or disposal of hazardous substances, whether or not intentional, and/or with the use, storage

or disposal of such substances by Franchisee's agents, contractors, or other persons acting under Franchisee's control, whether or not intentional.

Section 37. Licenses, Fees, and Taxes. Prior to constructing any improvements, Franchisee shall obtain a business or utility license from the City. Franchisee shall pay promptly, and before they become delinquent, all taxes on personal property and improvements owned or placed by Franchisee and shall pay all license fees and public utility charges relating to the conduct of its business, shall pay for all permits, licenses, and zoning approvals, shall pay any other applicable tax unless documentation of exemption is provided to the City, and shall pay utility taxes and license fees imposed by the City.

Section 38. Miscellaneous.

Section 38.1 City and Franchisee respectively represent that its signatory is duly authorized and has full right, power, and authority to execute this Franchise.

Section 38.2 This Franchise shall be construed in accordance with the laws of the State of Washington. Venue for any dispute related to this Franchise shall be the United States District Court for the Western District of Washington or King County Superior Court.

Section 38.3 The section captions and headings herein are intended solely to facilitate the reading thereof. Such captions and headings shall not affect the meaning or interpretation of the text herein.

Section 38.4 Where the context so requires, the singular shall include the plural and the plural includes the singular.

Section 38.5 Franchisee shall be responsible for obtaining all other necessary approvals, authorizations, and agreements from any party or entity and it is acknowledged and agreed that the City is making no representation, warranty, or covenant whether any of the foregoing approvals, authorizations, or agreements are required or have been obtained by Franchisee by any person or entity.

Section 38.6 This Franchise may be enforced at both law and equity.

Section 38.7 Franchisee acknowledges that it, and not the City, shall be responsible for the premises and equipment's compliance with all marking and lighting requirements of the FAA and the FCC. Franchisee shall indemnify and hold the City harmless from any fines or other liabilities caused by Franchisee's failure to comply with such requirements. Should Franchisee or the City be cited by either the FCC or the FAA because the Facilities or the Franchisee's equipment is not in compliance and should Franchisee fail to cure the conditions of noncompliance within the timeframe allowed by the citing agency, the City may either terminate this Franchise immediately on notice to the Franchisee or proceed to cure the conditions of noncompliance at the Franchisee's expense.

Section 38.8 Neither party shall be required to perform any covenant or obligation in this Franchise, or be liable in damages to the other party, so long as the performance of the covenant or obligation is delayed, caused or prevented by a Force Majeure Event. A "Force Majeure Event" is defined for purposes of this Franchise as strikes, lockouts, sit-down strike, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire, storms, weather (including inclement weather which prevents construction), acts of the public enemy, wars, terrorism, insurrections, and any other similar act of God event.

Section 39. Acceptance. The rights and privileges granted pursuant to this Franchise shall not become effective until its terms and conditions are accepted by Franchisee. Acceptance shall be accomplished by Franchisee's submission of a written instrument in the form attached hereto as Exhibit A, executed and sworn to by a corporate officer of the Franchisee before a Notary Public. Acceptance must be filed with the City within thirty (30) days after the effective date of this Ordinance. At the time that acceptance is submitted, Franchisee shall also submit necessary insurance documentation pursuant to Section 17; any Performance Bond, if applicable, pursuant to Section 19; and the Franchise Bond required pursuant to Section 19.3. The administrative fees owing pursuant to Section 14.1 are due within thirty (30) days of receipt of invoice from the City.

APPROVED:

LIAM OLSEN
MAYOR

ATTEST/AUTHENTICATED:

LAURA HATHAWAY
CITY CLERK

APPROVED AS TO FORM:

PAUL BYRNE
CITY ATTORNEY

FILED WITH THE CITY CLERK: _____

PASSED BY THE CITY COUNCIL: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

ORDINANCE NO.: _____ (2020)

SUMMARY OF ORDINANCE NO. _____ (2020)

City of Bothell, Washington

On the _____ day of _____, 2020, the City Council of the City of Bothell passed Ordinance No. _____ (2020). A summary of the content of said Ordinance, consisting of the title, is provided as follows:

AN ORDINANCE OF THE CITY OF BOTHELL, WASHINGTON, GRANTING TO CROWN CASTLE FIBER LLC C/O CROWN CASTLE AND ITS AFFILIATES, SUCCESSORS, AND ASSIGNS THE RIGHT, PRIVILEGE, AUTHORITY, AND NONEXCLUSIVE FRANCHISE FOR FIVE YEARS TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE, AND REPAIR A TELECOMMUNICATIONS NETWORK IN, ACROSS, OVER, ALONG, UNDER, THROUGH, AND BELOW THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF BOTHELL, WASHINGTON.

The full text of this Ordinance will be mailed upon request.

LAURA HATHAWAY
CITY CLERK

FILED WITH THE CITY CLERK: _____
PASSED BY THE CITY COUNCIL: _____
PUBLISHED: _____
EFFECTIVE DATE: _____
ORDINANCE NO.: _____ (2020)

EXHIBIT A

STATEMENT OF ACCEPTANCE

Crown Castle Fiber LLC c/o Crown Castle, for itself and its successors and assigns, hereby accepts and agrees to be bound by all lawful terms, conditions, and provisions of the Franchise attached hereto and incorporated herein by this reference.

CROWN CASTLE FIBER LLC C/O CROWN CASTLE

By: _____ Date: _____

Name: _____

Title: _____

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 201_, before me the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared, _____ of _____, the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date hereinabove set forth.

Signature

NOTARY PUBLIC in and for the State of _____, residing at _____

MY COMMISSION EXPIRES: _____



City of Bothell™

**City Council
Agenda Bill**
AB # 20-033

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Jennifer Phillips, City Manager

DATE: March 3, 2020

SUBJECT: Consideration of Pledge to Support Earth Day 2020

POLICY CONSIDERATION:	<p>This item asks the City Council to consider pledging support for Earth Day Northwest 2020's three pillars of sustainability: Protect and preserve the natural environment; expect and commit to equity and inclusion; and ensure the Bothell community is vibrant, livable and healthy.</p> <p>The proposed pledge supports and furthers the City Council goal of "Environmental Stewardship and Sustainability."</p>
HISTORY:	<p>None</p>
DISCUSSION:	<p>In recognition of the 50th anniversary of the first Earth Day on April 22, 1970, elected leaders are being asked to sign a collective pledge, and to accept the challenge of action and leadership that will accomplish the following:</p> <ol style="list-style-type: none">1. Protect and preserve the natural environment;2. Provide commitment to equity and inclusion; and3. Ensure that our communities are vibrant, livable, and healthy.
FISCAL IMPACTS:	<p>No fiscal impact at this time.</p>
ATTACHMENTS:	<p>Att-1. Letter dated February 4, 2020, from Earth Day Northwest Att-2. Elected Officials Pledge</p>
RECOMMENDED ACTION:	<p>Approve supporting and signing the Elected Officials Pledge as written by Earth Day Northwest.</p>

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February 4, 2020

Dear Sound Cities colleagues:

On April 22, 1970 Earth Day was launched with 20 million participants from coast to coast taking to the streets demonstrating for a healthy and sustainable environment.

Five decades after the original event, [Earth Day Northwest 2020](#) aims to create a broad-based, welcoming movement founded on three pillars: protecting our environment; increasing equity and inclusion; and improving our communities – to be sustainable and livable.

Earth Day Northwest 2020 seizes the opportunity of the 50th anniversary, challenging all of us to take collective action and leadership. We hope to instill courage to take action as part of a broad-based movement that supports meaningful on-the-ground projects rather than a narrowly defined set of activities.

By endorsing Earth Day Northwest 2020 and the three pillars of Earth Day 2020, you will be joining numerous elected officials from Washington including Attorney General Bob Ferguson, Commissioner of Public Lands Hilary Franz, King County Executive Dow Constantine and Fawn Sharp, president of the Quinault Indian Nation. I would like to add your name to this distinguished list. Our goal is 500 elected officials [signing the pledge](#).

Started by a Leadership Group of more than 70 regional leaders including Denis Hayes, lead organizer of the first Earth Day, the late William Ruckelshaus, first administrator of the EPA, our unabashed goal is a generational legacy of regional sustainability.

Thank you for your consideration

Best,

A handwritten signature in black ink that reads "Will Hall".

Mayor Will Hall

A handwritten signature in black ink that reads "Dana Ralph".

Mayor Dana Ralph

A handwritten signature in black ink that reads "John Stokes".

Councilmember John Stokes

A handwritten signature in black ink that reads "De'Sean Quinn".

Councilmember De'Sean Quinn

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Elected Officials Pledge

As elected officials in the Pacific Northwest, we pledge to support Earth Day Northwest 2020’s three pillars of sustainability: protect and preserve the natural environment; expect and commit to equity and inclusion; and ensure our built communities – cities and towns – are vibrant, livable and healthy. Real sustainability requires a healthy environment and a thriving community that are accessible and welcoming to all our residents. We are committed to being inclusive of all cultures, ethnicities, identities, beliefs and backgrounds working together.

We, the undersigned, pledge to:

- Support innovative partnerships that advance sustainability
- Create adaptive governance models to advance sustainability
- Adopt policies that reduce our respective jurisdiction’s carbon footprint in five years consistent with State law
- Prioritize energy efficiency through transportation, land-use and other policies
- Align purchasing priorities with sustainability goals
- Inform and engage residents to be part of the solution, including enhancing education, training, public awareness, public participation and public access to information.

The Pacific Northwest embodies a spirit of innovation and action. The most certain path towards a sustainable future is not by lofty declaration, but by tangible, demonstrable change. Through our collective commitment we will act with resolve, to maximize our individual and organizational strengths for the benefit of all.

CITY OF BOTHELL:

Dated March 3, 2020

Liam Olsen, Mayor

Jeanne Zornes, Deputy Mayor

Tom Agnew, Councilmember

Davina Duerr, Councilmember

Rosemary McAuliffe, Councilmember

James McNeal, Councilmember

Mason Thompson, Councilmember

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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Michael Kattermann, Community Development Director
Dave Boyd, Community Development Senior Planner (Presenter)
Sarah Desimone, Historic Preservation Consultant

DATE: March 3, 2020

SUBJECT: Public Hearing and Consideration of an Ordinance Amending Sections of the Downtown Subarea Regulations Providing for Historic Preservation

POLICY CONSIDERATION: This item asks the City Council to consider if the proposed amendments to the Downtown Subarea Regulations adequately provide for the preservation and restoration of historic buildings by:

- a. Changing some guidelines to requirements
- b. Expanding and clarifying the Architectural Styles section to better reflect existing styles
- c. Addressing non-conforming building setbacks along one block of Main Street
- d. Revising parking exceptions for ground floor uses on Main Street to incentivize preservation of existing uses and infilling existing gaps
- e. Addressing Main Street uses to better promote lively, transparent storefronts

HISTORY:

DATE	ACTION
FEBRUARY 19, 2019	City Council initiated amendment
NOVEMBER 20, 2019	LPB/PC joint study session
DECEMBER 18, 2019	Planning Commission held a Public Hearing
JANUARY 22, 2020	Planning Commission held a Public Hearing

These amendments follow a 2018 code amendment regarding the design review of downtown projects with historic preservation implications. The amendments were initiated to be done in conjunction with Title 22 amendments regarding historic districts and in coordination with the Downtown Landmark and Historic District Feasibility Study.

At their November 2019 joint study session, the Planning Commission was consulted on the Title 22 amendments and the Landmark Preservation Board on the Chapter 12.64 amendments. The Planning Commission then held public hearings on the Chapter 12.64 Downtown Historic Preservation Code

Amendments in December 2019 and January 2020, resulting in their recommendation.

DISCUSSION: The Downtown Subarea Plan and Regulations establishes zoning that allows taller, denser development, especially in the downtown core, balanced by policies, requirements and guidelines for preserving and restoring historic properties in the traditional city center. Concerns have been raised about whether the historic preservation provisions are strong enough, especially with the fast pace of redevelopment over the past several years. These proposed code amendments are intended to strengthen and clarify the regulations.

The recommendation is informed by experience applying the current code, the analysis done in the Downtown Landmark and Historic District Feasibility Study, and input from the Landmark Preservation Board and downtown business and property owners. Future measures, like establishing one or more downtown historic districts or other programs, may be adopted to bolster these provisions over time, but these amendments enhance existing provisions for preserving and restoring historic buildings in downtown Bothell.

A key part of the amendments is changing several guidelines (measures that *should* be taken) to requirements (measures that *must* be taken), and listing the requirements first for emphasis. Those are found in the Historic Resources Regulations (BMC 12.64.505). Other amendments in this section include recognition that renovations of historic structures can be historically significant in their own right, and addressing both awnings and canopies (as is done in the downtown sign regulations). New guidelines encourage preserving brick even if only part of the original brick remains, and maintaining the existing façade line on the north side of Main Street between 101st and 102nd, which is currently set back from the property line (including a cross reference in Section 12.64.203).

As part of the outreach for these amendments staff met with the Bothell Kenmore Chamber of Commerce's Downtown Action Committee, comprised mostly of Main Street business and property owners (see Attachment 3 for handout distributed). They expressed concerns about some Main Street uses, which are an important part of the historic character, so amendments to the Building Use section (BMC 12.64.201) were incorporated to ensure that storefronts are open to the street with active retail uses.

Another part of the recommendation is an amendment to the parking exception for ground floor retail uses. Prior to the Downtown Plan, this exception applied to existing *structures*, providing an incentive to retain existing buildings. The current exception for ground floor retail *uses* incentivizes all ground floor retail, whether in an existing or new building. To incentivize re-use of existing retail

buildings and infill of the gaps between them, the recommended amendments to BMC 12.64.101 include existing and infill ground floor retail uses in the parking exception, but not new construction that demolishes existing structures.

Also included are recommended amendments to the Architectural Styles section (BMC 12.64.504) to update and clarify the descriptions of downtown architectural styles. A new category for Mid-20th Century Styles is added and date ranges modified to better reflect the range of commercial styles found in downtown Bothell.

The Planning Commission Findings, Conclusions and Recommendation are included in Attachment 1, together with an annotated version of the amendments, somewhat simplified to highlight the changes by not showing reordering in ~~striethrough~~/underline format. The proposed ordinance in Attachment 2 shows the full ~~striethrough~~/underline format without annotations.

FISCAL IMPACTS: Staff time for this item is included in the Adopted 2019-2020 Budget, sufficient to fund this item.

ATTACHMENTS:

- Att-1. Planning Commission Findings, Conclusions and Recommendation (including annotated version of proposed amendments)
- Att-2. Proposed Ordinance
- Att-3. Handout distributed at the Downtown Action Committee of the Bothell Chamber of Commerce, January 9, 2020

RECOMMENDED ACTION: Approve the attached ordinance, as recommended by the Planning Commission, amending sections of the Downtown Subarea Regulations providing for historic preservation.

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Proposed Downtown Historic Preservation Code Amendments

Planning Commission Findings, Conclusions and Recommendation

Findings

1. **History.** This item was initiated by City Council as part of the 2018 Docket of Plan and Code Amendments along with possible amendments to Title 22, Historic Preservation. Work was deferred to 2019 to be done in coordination with the Downtown Landmark and Historic District Feasibility Study.
2. **Geographic Location.** The proposed code amendments would apply to the Downtown Subarea, with some emphasis on the Downtown Special Review Area.
3. **Proposed Action.** The proposed code amendments would strengthen the provisions for historic preservation in downtown Bothell, including:
 - a. Changing some guidelines to requirements
 - b. Expanding and clarifying the Architectural Styles section to better reflect existing styles
 - c. Addressing non-conforming building setbacks along one block of Main Street
 - d. Revising parking exceptions for ground floor uses on Main Street to incentivize preservation of existing uses and infilling existing gaps
 - e. Addressing Main Street uses to better promote lively, transparent storefronts
4. **Public Meetings.** The Planning Commission held a joint study session with the Landmark Preservation Board on November 20, 2019, and a public hearing on December 18, 2019 and January 22, 2020 regarding the proposed Code amendments. Staff also presented the potential code amendments to the Bothell Kenmore Chamber of Commerce's Downtown Action Committee on January 9, 2020.
5. **Public Notice.** Public notice for the proposed code amendments was provided through the following methods:
 - a. *Imagine Bothell...* notice. The City of Bothell provides a monthly notice to citizens, interested parties and news media which, in general, describes upcoming hearings, the topics of those hearings, and explains potential ramifications of decisions which may occur from actions of the City. This notice is provided at the end of the month for the subsequent month's hearing schedule. The *Imagine Bothell...* notice also contains information which directs inquiries to city staff, the City web page, and telephone contact numbers.

Notice of the public meeting dates for the proposed code amendment was published in the November and December 2019 and January 2020 editions of the *Imagine Bothell...* notice.

- b. The *Imagine Bothell...* notice is sent via e-mail and/or regular U.S. Postal Service mail to all parties who have signed up for the service.
- c. The *Imagine Bothell...* notice is published in the *Seattle Times*, the City's Newspaper of Record.
- d. The *Imagine Bothell...* notice is also posted on the City's web page at www.bothellwa.gov.
- e. The City maintains a number of public notice boards which are placed throughout the City at certain accessible and visible locations. Each of these notice boards contains a plastic box where extra copies of the *Imagine Bothell...* notice are stored and are available for retrieval by any interested citizen. These boxes are filled with paper copies of the notice each month.
- f. The *Imagine Bothell...* notice is also publicly posted at City Hall, the Municipal Court Building, and the Bothell Post Office.

Planning Commission Deliberations

- 6. The Planning Commission makes the following specific findings regarding the proposed code amendments. These findings are based upon any public testimony the Planning Commission receives during the public hearing, information provided to the Planning Commission by staff, and Planning Commission deliberations.
- 7. The underlying purpose of these code amendments is to promote the preservation and restoration of Bothell's downtown core, particularly along historic Main Street, with the following priorities, in order of preference:
 - a. Preserving and restoring historic structures in their entirety.
 - b. Preserving historic facades, while allowing new development.
 - c. Providing for new development that respects and complements the historic downtown fabric.
- 8. Changing several guidelines to requirements in the Historic Resources Regulations will strengthen provisions for historic preservation in the Downtown Subarea, and especially along Main Street.
- 9. Adding new elements to the Historic Resources Regulations will address issues not previously addressed.
- 10. Revising the Architectural Styles section will more accurately reflect existing styles and the eclectic character of Bothell's historic downtown.
- 11. Establishing special setbacks for the north side of the 10100 block of Main Street, along with modifications to the special height limits for that area, will preserve the existing street front while offsetting impacts for redevelopment.

12. Amendments to the Building Use regulations will strengthen and clarify the provisions for pedestrian oriented ground floor retail uses along Main Street.
13. Amending the parking exception for ground floor retail on Main Street will incentivize preserving existing ground floor retail and new infill retail development.
14. **Consistency with *Imagine Bothell... Comprehensive Plan Goals and Policies*.**
The Historic Preservation element of the *Imagine Bothell... Comprehensive Plan* contains the following goal and policy which directly support the proposed code amendments:
 - HP-G1 To honor Bothell's past and provide a perspective for its future by preserving significant historic buildings and archaeological properties and other links to the City's past
 - HP-G2 To safeguard the heritage of the City as represented by those buildings, districts, objects, sites and structures which reflect significant elements of the City's history.
 - HP-G3 To foster civic and neighborhood pride in the beauty and accomplishments of the past and a sense of identity based on the City's history.
 - HP-G4 To stabilize or improve the aesthetic and economic vitality and values of such sites, improvements and objects.
 - HP-G5 To assist, encourage and provide incentives to private owners for preservation, restoration, redevelopment and use of outstanding historic buildings, districts, objects, sites and structures.
 - HP-G7 To conserve valuable material and energy resources by ongoing use and maintenance of the existing buildings.
 - HP-P1 Promote the preservation of buildings, sites, objects, and districts which have historic significance for the community through a combination of incentives, regulations and informational activities.
15. **Department of Commerce Review.**
The proposed plan and code amendments will be sent to the Department of Commerce for expedited review following the Planning Commission recommendation.
16. **State Environmental Policy Act (SEPA) Review.**
A SEPA Determination of Non-Significance (DNS) will be issued for the proposed plan and code amendments prior to consideration by City Council.
17. **List of Exhibits.**
No outside exhibits were submitted regarding the proposed code amendments. Staff reports and analyses are included in the packets for the November 20, 2019 joint study session with the Landmark Preservation Board and December 18, 2019 and January 22, 2020 Planning Commission meetings, which can be found at:
<http://www.bothellwa.gov/AgendaCenter/Planning-Commission-4>.

18. **Public Testimony.** There was no public testimony at the November joint Planning Commission / Landmark Preservation Board study session or the December or January Planning Commission meetings.

Conclusions

1. The recommended code amendments have been drafted, noticed, reviewed by the public and considered by the Planning Commission in accordance with all applicable laws of the State of Washington and the City of Bothell.
2. The recommended code amendments are necessary to provide for consistent and clear land use regulation and protection of historic resources in the Downtown Subarea.
3. The recommended Code amendments are in the best interest of the public health, safety and welfare.

Recommendation

Based upon these findings and conclusions, the Planning Commission recommends the City Council adopt the code amendments in Exhibit A to these Findings, Conclusions and Recommendation.

David Vliet, Planning Commission Chair

Proposed Downtown Historic Preservation Code Amendments

Relevant sections are included below, including sections that may not need amendment, but are included for context. Text in [brackets] describes insertions and is not part of the proposed code. Draft amendments are shown in underline/~~strike through~~ format below. Skipped sections are indicated by three asterisks: * * *

12.64.101 Downtown Core District Requirements

* * *

Special setback reference added to Chart Legend.

Chart Legend

* * *
(A): exceptions apply for retail anchors, see Special Downtown Core Requirements and Anchor Exceptions Chart
(B): see 12.64.505.B.3.b.iii for special setbacks on the north side of the 10100 block of Main Street.

* * *

Special setback footnote added to Front Setback requirement in the District Charts.

A. District Charts

* * *

12.64.207 Front Yard Setback	
minimum / maximum	0 ft / 0 ft; (A) (B)

* * *

B. Special Downtown Core Requirements

* * *

Amendment to incentivize preservation of existing buildings with ground floor retail uses fronting Main Street by limiting the parking exception to those existing uses, not new construction.

3. Parking Exceptions

- a. No minimum parking requirements shall apply to existing and infill ground floor retail uses fronting Main Street. Infill is development that fills existing gaps in buildings along Main Street. Developments that demolish existing retail buildings to build new structures do not qualify for the exception.

* * *

12.64.201 Building Use

* * *

1. Pedestrian Oriented Retail

The revisions below are added in response to comments from the Downtown Action Committee to ensure that pedestrian oriented retail uses are open to the street and provide visual interest as well and activity.

Description: Pedestrian oriented and activity-generating retail uses that are appropriate and desirable in a downtown core environment and that are open to the street providing visual interest to the streetscape.

* * *

Use Category Charts

* * *

Health & Exercise Clubs¹

* * *

Personal care services (e.g., barbershops, hair salons, massage and tanning booths)¹

* * *

[add to Legend:]

¹ Personal care services and Health & Exercise Clubs where ground floor pedestrian oriented retail is required shall be open to the street, with transparent windows conforming to the Shopfront regulations in 12.64.206.B.1 providing views into and out of storefront spaces. Health & Exercise Clubs and Personal care services with private rooms or booths must have a full-width, functional retail space in the storefront area, with room for product displays, sales area and dedicated sales staff.

* * *

The revisions below are added in response to comments from the Downtown Action Committee to ensure that pedestrian oriented retail uses are open to the street and provide visual interest as well and activity.

12.64.203 Special Height Regulations

* * *

C. Special Height Limit

A street façade offset (see section 12.64.501.C.4) is required at the top of the second floor along the streets indicated by the Special Height Regulations Inset Map in the Fig.12.64.100 Districts Map. The façade offset shall satisfy the following requirements:

1. The offset shall be a minimum of 20 feet deep (see 12.64.505.B.3.b.iii for exception)

* * *

12.64.504 Architectural Styles

The revisions to the section below provide for revisions to the City of Bothell Design Guidelines, Building styles and Features, add explanatory text regarding the styles listed, add a new style category, photos and adjust dates to more accurately reflect current styles, and revise numbering accordingly.

This section contains a discussion of a range of the predominant architectural styles found among existing buildings in downtown Bothell. A small number of buildings designed in other styles, from different periods or displaying a degree of stylistic influence from other styles (for example, 1930s Art Deco influence on decorative elements of the Anderson Building) can be found in downtown, but detailed descriptions of those styles have not been included here. The **City of Bothell Design Guidelines, Building Styles and Features** by the Bothell Landmark Preservation Board, 2007 or most recent revision, may be consulted for further detail on these and other architectural styles. Within individual style descriptions below, the dates shown indicate the historic period of initial popularity of the style. With the goal of strengthening downtown Bothell’s “sense of place” and architectural character and building on its heritage in mind, the Architectural Styles discussed here are included to provide a basis for reinforcing and strengthening the character of predominant building fabric in the project area in the design of new buildings and development, whether through the full emulation and/or interpretation of one of the predominant building styles. Alternatively, where a predominant downtown architectural style is not used, the information is intended to provide guidance for architects and developers to make sensitive reference to, incorporate, and/or harmonize with characteristics of predominant architectural styles such as (but not limited to) massing, horizontal and vertical scale increments, façade composition, roof form, architectural elements, materials, and colors.

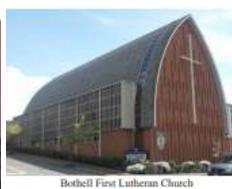
The sections below list predominantly commercial and mixed use styles first, followed by predominantly residential styles.

* * *

B. MID-20TH CENTURY STYLES (1930-1970)

Reflecting “machine age” design and in protest to the styles of the earlier Victorian period, architectural styles of the mid-20th century were influenced by Frank Lloyd Wright’s Usonian house plans in the United States and the Bauhaus school in Europe. Mid-20th century styles found in the Downtown Subarea include Art Deco, Art Moderne/Streamline Moderne, Contemporary, Wrightian, New Formalism, Northwest Regional and Ranch. Generally, they are comprised of horizontal lines, large expanses of glass, multiple planes and mixed materials but each style has very distinctive attributes. See the **City of Bothell Design Guidelines, Building Styles and Features** by the Bothell Landmark Preservation Board for further information on mid-20th century styles.

Add photos below and move Bothell First Lutheran photo from Contemporary Styles to Mid-20th Century Styles. Additional examples may be added.



BC. CONTEMPORARY STYLES (~~1950S~~ 1970 – PRESENT)

1. For the purposes of this Plan, Contemporary Styles comprise those architectural styles that draw on Modernism, Post-Modernism, and other current styles in practice today. Most Contemporary Styles have drawn upon contemporary building materials, modern construction methods to create a visual identity that is distinct from historic architectural styles.

* * *

CD. QUEEN ANNE (CIRCA 1885-1905)

* * *

DE. CRAFTSMAN (CIRCA 1900-1930)

* * *

12.64.505 Historic Resources Regulations

A. INTRODUCTION

* * *

1. Purpose

Minor change below to update street name reference.

- a. The purpose of these Historic Resources Regulations is to preserve and enhance the historic character and architectural heritage of Downtown Bothell and therefore the overall community character. These regulations apply to an area that is labeled the Downtown Special Review Area (DSRA), see Fig.12.64.505 A.1, which is bounded by ~~SR 527~~Bothell Way NE, SR 522, NE 185th Street and 104th Avenue NE, and select individual historic properties within the Downtown Subarea. Adherence to the Regulations will ensure that new elements and features constructed or modified are compatible with existing and desirable historic elements.

Map updated for clarity, readability.

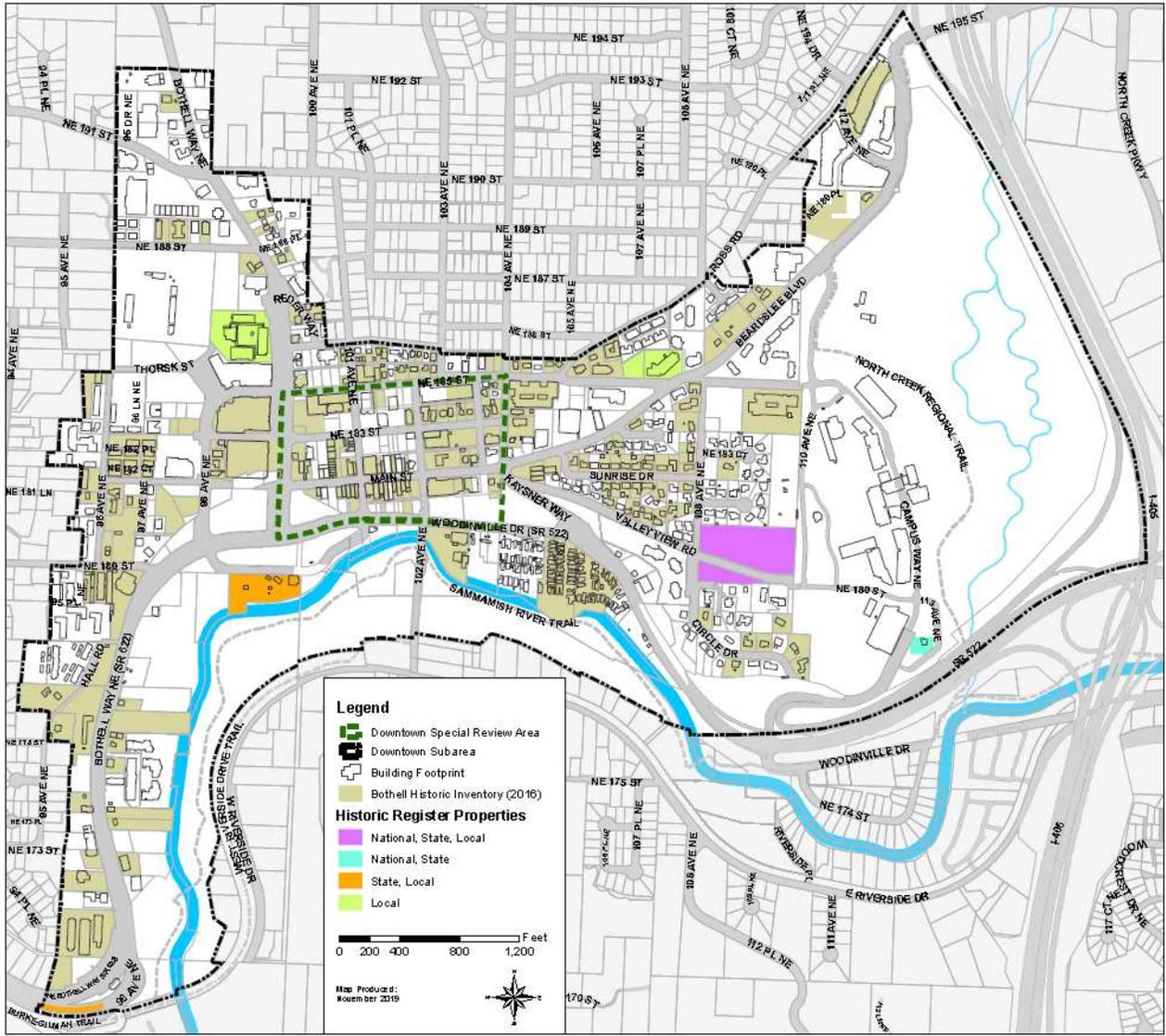


Fig.12.64.505.A.1 Historic Resources and Downtown Special Review Area (DSRA) Boundary

2. Applicability

These regulations will be used by the City’s planners and Landmark Preservation Board to review the appropriateness of proposed new construction, exterior alterations to buildings, and demolition. This section is intended to provide guidance for the modifications to existing structures and new construction within the DSRA, and for those structures within the Downtown Subarea that are listed on the National, State or local Registers of Historic Places.

3. Design Review Process

Minor changes below for clarity and more precise references.

- a. The review process begins when an owner (or an owner’s representative) proposes any exterior work on a building that is within the boundaries described above, that has been nominated for local

Att-1 (Exhibit A to Findings)

landmark status, or that is a listed ~~historic structure~~ on the Bothell Register of Historic Landmarks. These ~~guidelines~~ regulations ~~should~~ shall be used when contemplating a project, to help establish the appropriate direction for repairs, alterations, or new construction.

- b. The Landmark Preservation Board will review each proposal in terms of the basic principles and for conformance with the stated regulations. The review process shall be as described in Bothell Municipal Code Chapter 22. In order to promote compliance with the regulations in this section, any development proposal within the DSRA which would exceed the threshold for categorical exemptions under the State Environmental Policy Act (SEPA) shall be submitted to the Landmark Preservation Board for review and comment in a public meeting prior to application for any building permit.

B. REQUIREMENTS AND GUIDELINES

These Historic Resources Regulations are based on principles set forth in the Secretary of the Interior's Standards for the Treatment of Historic Properties, widely accepted as the preservation and rehabilitation principles when considering and implementing changes to historically significant properties. Divided into four sections – preservation, rehabilitation, restoration, and reconstruction – the standards provide technical advice for activities and methods for property owners and stewards of historic properties. The primary intent of the Standards is to provide direction for the protection of the historic character of the buildings through a combination of mandatory requirements and advisory guidelines. Additionally, new uses should be compatible with the buildings' character, and retain open views through the storefronts into interior spaces. The basic principles include the following:

1. Basic Principles

- a. Retain original building materials and distinctive architectural features whenever possible. Removal of or alteration of these original features is strongly discouraged.
- b. Repair deteriorated original or significant features. If repair is infeasible, replace materials in kind to match original material, quality, and detailing.
- c. Do not cover original building materials or architectural features. Where they have been covered or obscured by alterations, re-expose original materials and features. NOTE: Alterations to a building may have gained significance over time, and may not necessarily need to be removed. This will be ascertained by the Landmark Preservation Board during the review process.
- d. Replacement of missing original features should be undertaken based on accurate and defensible historical documentation and/or physical evidence. Where documentation does not exist or restoration is otherwise infeasible, new features may be contemporary in character and detailing and must be compatible with the scale, complexity, material, and color of the historic building materials.
- e. Decorative elements that create a false sense of history or change the original architectural style of the building should not be added to a façade.

Att-1 (Exhibit A to Findings)

- f. Surface cleaning should be undertaken with the gentlest means possible. Sandblasting is not permitted. (See Section C, Resources and References, below for additional resources on recommended surface cleaning practices.)
- g. Demolition of structures on the Bothell Historic Register is strongly discouraged, and must be approved by the Landmark Preservation Board. (See Bothell Municipal Code Chapter 22 for demolition review process.)

2. Character-Defining Features of Downtown Special Review Area

Minor change below for clarity.

Bothell's Main Street, especially on the block between 101st Avenue NE and 102nd Avenue NE, and the streets within one block south and two blocks north, are characterized by a limited number of commercial architectural styles, common façade materials, distinct façade elements, consistent property setbacks, and variable lot widths. This creates both a consistency and diversity that forms the unique character of Bothell's historic commercial district. (See Section 12.64.504 for Architectural Styles.)

The character-defining features of the existing buildings within the DSRA are those historic visual elements that give the space its particular "feel." Things such as overall building shape, materials, craftsmanship, and decorative details are the features that provide the particular character of each building.

Listing them here provides a context within which to evaluate changes or additions to historically designated structures or to properties within the Downtown Special Review District. While each building has distinctive elements, the common historic features are the character-defining features of the area as a whole:

- a. Full public frontage coverage (meaning the buildings generally occupy the full area of the street frontages with no setbacks from the property line. This results in the following:
 - i. Continuous row of storefronts, located immediately adjacent to the edge of sidewalk. This feature is consistent with the Private Frontage regulations applicable to the Districts within the DSRA.
 - ii. Blank side walls between parcels, characterized by no fenestration, openings, or decorative features. This feature is also consistent with the side yard setbacks for the Districts within the DSRA, but does not incorporate windows.
- b. One- and two-story buildings with variable lot dimensions. The variation in storefront width and height is a significant characteristic that gives Main Street its distinctive rhythm (This varies from the taller building height limits that may be allowed in other areas of the Downtown). Main Street buildings exhibit the following characteristics:
 - i. Variable building heights which range from approximately 18' for the single story structures to 36' for the two-story structures (including parapet).
 - ii. Storefront dimensions which vary from 20' to 90' wide, with most approximately 30'-40' wide.

Att-1 (Exhibit A to Findings)

- iii. Buildings with rectangular plans with relatively flat façades and sidewalls. Some have angled or recessed entries (see below).
 - iv. Upper levels are clearly distinguishable from the lower, street level floors in their differing use of opaque and glazed materials. Opaque, solid materials dominate at the upper floors; conversely the lower floors are composed predominately of transparent glazing.
- c. Fenestration and Doors
- i. Where extant at upper floors, windows are placed symmetrically in the façade.
 - ii. Windows are typically large, narrow, double hung, with arched or articulated heads, and projecting sills.
 - iii. Doors are often paneled, with side-lights.
- d. Materials. The commercial buildings are made up of brick and stone masonry, stone veneer, painted wood trim, limited wood siding, glazed storefronts, and a wide variety of awning shapes and materials.
- i. Brick and stone: These were the original major façade materials.
 - (A) Brick masonry, typically laid in running bond, sometimes with decorative patterning at the parapet, constitutes the majority of the facades. Soldier courses at window headers are common. Brick palette consists of a range of reds and browns.
 - (B) There is limited use of stone and light-weight cultured stone, a manufactured stone veneer cast from molds of real stone, present primarily in 1950s buildings, or those buildings that were renovated in the 1950s.
 - ii. Wood cladding
 - (A) Wood buildings that characterized Bothell's early Main Street are no longer extant. (Note: Some of the original free-standing structures were moved to Bothell Landing.)

Amendment to correct typo.

(B) Wood cladding is limited to areas below the storefront glazing and sheathing at some upper façade areas. (Generally, the use of the residential-scale wood sheathing or siding on the upper sections of the building facades is not historically appropriate.)

- e. Glazed storefronts with transom band
- i. Original storefront systems typically used wood, aluminum, or steel as the supporting elements, with wood or brick bulkheads below the storefront frames.
 - ii. The plate glass storefronts are undivided or may have one narrow muntin to divide a wider storefront, and generally extended nearly the full width of the façade.
 - iii. A glazed transom band runs above the width of the storefront assembly and consists of a series of divided lights. These windows provide additional light to the interior, and are sometimes operable to provide natural ventilation.

Att-1 (Exhibit A to Findings)

iv. Individual storefronts are divided into distinct, usually symmetrical or balanced bays.

f. Recessed entries

Main entry doors are typically recessed from the plane of the storefront. The recess accommodates the outward swing of doors, provides shelter at the entry, and lends an articulation at the pedestrian level.

g. Parapets

A parapet gives the feeling of extra building height, particularly at the primary façade. Most parapets on Bothell's Main Street are simple, either straight across or with just one or two steps in the center of the façade. More elaborate parapets are no longer extant.

h. Articulated cornice and/or flush brick patterning

i. Cornices were typically of wood or sheet metal, shaped to provide a visual "cap" to the building.

ii. Areas below the parapets and above the transom windows often include bricks laid in a pattern.

3. Building Regulations for Rehabilitation and New Construction

Amendments below to recognize that renovations may have historical significance, and to explain ordering of requirements and guidelines in following sections.

These regulations take into account the existing historic fabric and changes to the façades and buildings over time. They should be used as the basis of design for proposed changes to existing façades and in the design of new construction along Main Street. They acknowledge that buildings have individual unique characteristics and existing conditions as related to construction, ownership, maintenance, and use which need to be taken into consideration when making proposals for change, preservation, or rehabilitation. In some cases, a later renovation may have historical significance of its own, in which case either restoring the original façade or the renovated façade that has historical significance may be appropriate. For each category, requirements are listed first, followed by guidelines. Suggested façade treatments, which draw on the traditional features of the area's commercial buildings, include the following:

a. Rehabilitation

Amendment to cover canopies as well as awnings, and reordering to list requirements first, followed by guidelines. Only revisions are underlined in moved text.

i. Awnings and Canopies

(A) Awning or canopy installations shall not damage or obscure significant existing building features. ~~Removal of existing, inappropriate awnings is encouraged. (See Paragraph (4)(b) below for appropriate awnings.)~~

(B) All awnings or canopies on a single building must be of the same type, material, color, and size. (i.e., when a single building houses more than one business, the businesses must coordinate awnings.) ~~Awning installations shall not damage or obscure significant existing building features.~~

Att-1 (Exhibit A to Findings)

- (C) Awning or canopy design should include consideration of the overall composition of the individual building façades and in context with the adjacent buildings.
- (D) Removal of existing, inappropriate awnings or canopies is encouraged, and required when exterior renovations are done. (See Paragraph (4)(b) below for appropriate awnings.) ~~All awnings on a single building must be of the same type, material, color, and size. (i.e., when a single building houses more than one business, the businesses must coordinate awnings.)~~

ii. Cladding

- (A) Unpainted masonry shall remain unpainted.

Amendments to correct typo and encourage retention of as much original masonry as possible.

- (B) Where wood siding has been installed over original masonry, owners are encouraged to removed the siding and restore original masonry. Where part of original masonry has been removed and cannot be replicated, retain as much of the original masonry as possible.
- (C) Removal of existing materials that obscure original architectural features is strongly encouraged.

iii. Storefronts and Sidewalls

Amendment to list requirements first, followed by guidelines.

- (A) Transom bands ~~should~~shall be re-exposed where covered, and restored to glass, where possible.
- (B) Original bulkhead materials ~~should~~shall be retained, maintained, or uncovered where possible.
- (C) Contemporary storefront modifications that utilize traditional elements and proportions, or simplified interpretations of missing elements, may be used if the original is missing. New designs ~~should~~shall be compatible with the desirable historic features of adjacent buildings, and retain the transparent character of the façade. ~~Storefront divisions or design elements should be symmetrical and balanced. The proportions of original storefront divisions should be retained.~~
- (D) Cornice lines should be continued, and original parapets reconstructed if possible.
- (E) Storefront divisions or design elements should be symmetrical or balanced. The proportions of original storefront divisions should be retained. Contemporary storefront modifications that utilize traditional elements and proportions, or simplified interpretations of missing elements, may be used if the original is missing. New designs should be compatible with the desirable historic features of adjacent buildings, and retain the transparent character of the façade.
- (F) Sidewalls between parcels may be blank, and without fenestration or added detailing.

Att-1 (Exhibit A to Findings)

(G) Sidewalls, or secondary facades, when abutting a public way should not be devoid of openings or fenestration, and should include elements and divisions that are compatible with the primary façade.

iv. Doors and Windows

Amendment to change two guidelines to requirements and list requirements first, followed by guidelines.

- (A) Closing or filling in original openings ~~should~~shall be avoided; and restoration of original openings is encouraged, except where a later façade has gained significance in its own right. ~~Original placement, arrangement, and function of doors and windows should be preserved where possible.~~
- (B) Replacement elements ~~should~~shall match originals as closely as possible. ~~Closing or filling in original openings should be avoided; and restoration of original openings is encouraged.~~
- (C) Maintain recessed entries.
- (D) Original placement, arrangement, and function of doors and windows should be preserved where possible. ~~Replacement elements should match originals as closely as possible.~~

b. New Construction

Amendment to change two guidelines to requirements and list requirements first, followed by guidelines.

- i. New buildings ~~should~~shall respect the district in which they are located, and be compatible with or complement the desirable surrounding architectural character.
- ii. New construction ~~should~~shall utilize traditional character-defining features and materials, in a contemporary and/or simplified fashion.

Amendment to encourage that on the north side of the 10100 block of Main Street, the existing front setback is maintained. Impact of setback is offset by reduction in upper level setback from 20' to 18'.

- iii. Building footprints shall be rectangular and shall fill the entire streetfront at the first two levels, with the front façade located at the front edge of the property line, or at the predominant street façade line on the block. New construction on the north side of the 10100 block of Main Street should maintain the current predominant street façade line. Should the applicant follow this guideline, the upper level setback, as required in 12.64.203.C may be a minimum of 18 feet. (see Fig. 12.64.505.B.3.b.iii). Recessed or notched façades are not permitted, with the exception that appropriately scaled recessed entries may be permitted.

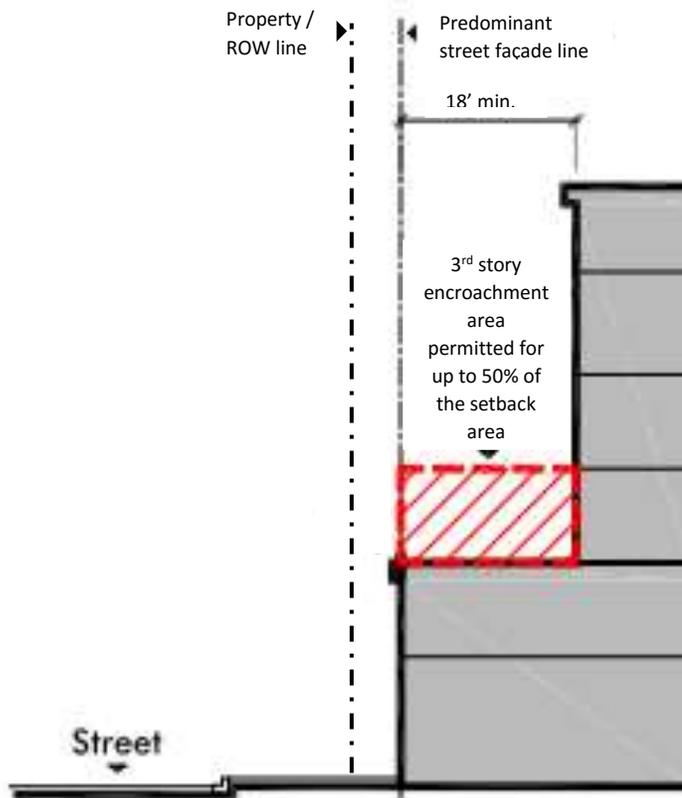


Fig. 12.64.505.B.3.b.iii

- iv. Building heights shall be consistent with those in the District Requirements of the Downtown Subarea Plan & Regulations, and compatible with adjacent buildings. Variation in building height is encouraged.
- v. Storefront divisions shall be compatible in scale and proportion with the building's width and height, and compatible with the adjacent buildings.
- vi. Buildings wider than those traditionally constructed on the block shall include variation in wall plane, articulation and spaced structural bays to provide a scale that is compatible with the original building widths.
- vii. Primary entrances shall be oriented toward the street.

Att-1 (Exhibit A to Findings)

- viii. Roof forms along the portion of Main Street between 101st Avenue NE and 104th Avenue NE shall be flat, and shall not have corner accents or turrets. See Section 12.64.500 Architectural Regulations for areas outside this boundary.
- ix. See Section 12.64.504 for Roof Equipment and Screening. Equipment mounted to rooftops shall be screened from view using elements integrated into the building's architectural features, without the need for special screening elements.

4. Building Materials and Elements

Exterior façade elements are the key components that give a building its style and visual character. Elements include cladding, trim and moldings; storefront systems and windows, doors and transom; supplementary items such as signage and awnings; and color selection.

Insertion of period for consistency with other sections.

- a. Storefront Materials - High quality materials, consistent with historic materials on Main Street.
 - i. Metal or wood storefront system with plate glass; with proportions, heights, and profiles appropriate to prevailing existing storefronts.

Amendment to change guideline to requirement.

- ii. If a new storefront is required, it ~~should~~shall be designed to fit inside the original framed opening.
- iii. False divided lights or "snap in" muntins/mullions are not permitted.
- iv. Transom glazing may be clear, beveled, leaded, etched, or prism glass.
- v. Contemporary flush doors or residential-style doors are not appropriate.

Amendment to encourage restoration of original bulkheads, where possible.

- vi. New bulkheads shall be constructed of a material appropriate to the storefront and building on which it is installed. Wood panels and brick veneer were the most common original bulkhead materials on Main Street. New bulkheads should be compatible with surrounding storefronts. Where possible, original bulkheads should be restored.
- vii. Wall or window air conditioners are not permitted on the front façade of a building.

Amendments to cover canopies as well as awnings.

- b. Awnings or canopies may be installed to provide pedestrian weather protection, signage, and visual character.
 - i. Traditional shed awnings with free hanging valance or flat ~~awnings~~canopies are appropriate ~~awning shapes~~. Shed awnings may have valance returns, but side panels are not permitted.
 - ii. Bubble type, quarter-round, dome, box-like shapes, shingled-canopy types, and other contemporary commercial designs are not historically appropriate and are not permitted.

Att-1 (Exhibit A to Findings)

- iii. Awnings or canopies shall not conceal significant architectural features and should be mounted within the building elements that frame the storefront, typically directly below or above the transom.
- iv. Installation of awnings or canopies shall not damage the structure. Clamps and fasteners used to attach awning frames or canopies should penetrate mortar joints rather than brick or other masonry surfaces. Care should be taken when attaching new backboards, ~~or~~ rollers or other elements, not to damage transoms or other building elements.

Amendment to address valence returns for consistency with other sections.

- v. Material for shed awnings should be canvas, canvas blends, acrylic that resembles canvas, or similar. Vinyl or other shiny, high-gloss material is not appropriate. Returns shall be open, except valence returns are allowed.

Amendment to address roll-out awnings.

- vi. Roll-out awnings are appropriate, especially where they were used in the original storefronts.

Amendment to address and encourage flat canopies, designed to minimize obscuring original facades. Typo corrected from 12/18/19 packet.

- vi. Flat canopies, supported by brackets or hung by cables, rods or chains, may be a period-appropriate way to provide weather protection, even on buildings that did not originally have them. The structural depth of canopies should be minimized to reduce obscuring other historical elements. Use of glass is encouraged to reduce shading of storefronts and allow upper facades to be visible from below.

c. Color

- i. Neon or ultra bright colors are not permitted.
- ii. When choosing colors, consider compatibility with original finishes as well as with neighboring buildings.

d. Transparency, Signage, Building Lighting, and Street Furnishings (See also 12.64.600 Signage Regulations)

Amendment to prohibit use of obscure glass in windows.

- i. Storefront display window glazing shall be transparent to promote visibility into businesses. Mirrored, translucent, obscure or dark-tinted glass that prohibits visibility into the building interiors is not permitted.
- ii. Business displays shall be designed to allow views into the building interiors, and to avoid a sense of clutter and disorder.
- iii. Signage shall be compatible and in balance with the architectural style and visual character of the building on which is it located.

Att-1 (Exhibit A to Findings)

- iv. Consideration of projecting blade signage or flush-mounted signage that is integrated with the overall building façade composition is strongly encouraged. Use of historic sign bands and locations are also strongly encouraged.
- v. Street furnishings and building lighting shall be simple, should not convey a false sense of history, and should be limited to a maximum of two designs.
- vi. Business signage is permitted on the front valance of an awning but not on valance returns.
- vii. Internal illumination of awnings to backlight awning signage shall not be permitted.

5. Parking and Curb Cuts

- a. No new driveway curb cuts shall be permitted on Main Street between Bothell Way NE and Kaysner Way, except as provided for in Section 12.64.403.B.1.c.
- b. Whenever possible, existing driveway curb cuts within this segment of Main Street should be removed.

6. Demolition

Amended phrasing to add emphasis to protection of designated properties and those eligible for the register. Note that designated properties are also protected through the provisions of BMC 22.28.060.

Demolition of historic inventory buildings, especially designated properties and those eligible for the register, ~~or historic inventory buildings~~ is strongly discouraged. (For demolition review process, see BMC 22.28.060.)

C. RESOURCES AND REFERENCES

1. Washington State Department of Archaeology and Historic Preservation (DAHP)

- a. The State website provides information, documents, maps, photographs and tools regarding historic sites, local government programs, regulations, tax incentives and other useful data.
- b. <http://www.dahp.wa.gov/>

2. National Parks Service

- a. The Secretary of the Interior's Standards for the Treatment of Historic Properties, and associated guidelines, provide guidance for the treatment of historic resources.
http://www.nps.gov/history/hps/tps/standguide/overview/using_standguide.htm
- b. Preservation Briefs are a series of publications to assist property owners, preservation professionals, and others in preserving, rehabilitating, and restoring historic buildings. They are available online.
 - i. <http://www.nps.gov/history/hps/tps/briefs/presbhom.htm>
 - ii. Select, relevant individual briefs are listed below:

01: Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings

Att-1 (Exhibit A to Findings)

- 02: Repointing Mortar Joints in Historic Masonry Buildings
- 03: Conserving Energy in Historic Buildings
- 06: Dangers of Abrasive Cleaning to Historic Buildings
- 09: The Repair of Historic Wooden Windows
- 10: Exterior Paint Problems on Historic Woodwork
- 11: Rehabilitating Historic Storefronts
- 14: New Exterior Additions to Historic Buildings: Preservation Concerns
- 15: Preservation of Historic Concrete: Problems and General Approaches
- 16: The Use of Substitute Materials on Historic Building Exteriors
- 17: Architectural Character - Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Their Character
- 18: Rehabilitating Interiors in Historic Buildings - Identifying Character-Defining Elements
- 24: Heating, Ventilating, and Cooling Historic Buildings: Problems and Recommended Approaches
- 32: Making Historic Properties Accessible
- 33: The Preservation and Repair of Historic Stained and Leaded Glass
- 37: Appropriate Methods of Reducing Lead-Paint Hazards in Historic Housing
- 38: Removing Graffiti from Historic Masonry
- 39: Holding the Line: Controlling Unwanted Moisture in Historic Buildings
- 41: The Seismic Retrofit of Historic Buildings: Keeping Preservation in the Forefront
- 42: The Maintenance, Repair and Replacement of Historic Cast Stone
- 44: The Use of Awnings on Historic Buildings: Repair, Replacement and New Design

ORDINANCE NO. _____ (2020)

AN ORDINANCE OF THE CITY OF BOTHELL, WASHINGTON, AMENDING SECTIONS 12.64.101, DOWNTOWN CORE REQUIREMENTS, 12.64.201, BUILDING USE, 12.64.504, ARCHITECTURAL STYLES, AND 12.64.505, HISTORIC RESOURCES REGULATIONS, OF THE BOTHELL MUNICIPAL CODE.

WHEREAS, chapter 36.70A RCW, also known as the Growth Management Act (“the Act”), requires that cities subject to the Act adopt comprehensive plans and implementing development regulations consistent with the Act; and

WHEREAS, in accordance with the Act, the Bothell City Council, in 1994, adopted the *Imagine Bothell... Comprehensive Plan* and, in 1996, adopted implementing development regulations via amendments to the Bothell Municipal Code (BMC); and

WHEREAS, the Act provides that each jurisdiction’s comprehensive land use plan and development regulations shall be subject to continuing review and evaluation; and

WHEREAS, the City of Bothell has adopted numerous amendments to the Plan and Code since 1994 and 1996, respectively; and

WHEREAS, the City Council initiated these Downtown Historic Preservation Code Amendments as part of the 2019 Planning Docket; and

WHEREAS, the Bothell Planning Commission, with consultation from the Landmark Preservation Board, recommends amendments to strengthen the Downtown Subarea Regulations provisions for preserving and restoring the historic character of the town center; and

WHEREAS, upon due consideration, the City Council finds that adoption of the recommended Downtown Historic Preservation Code Amendments are in the public interest and welfare.

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

Section 1. Section 12.64.101 of the Bothell Municipal Code is hereby amended as follows, with new text shown by underline, deleted text shown in ~~strikethrough~~; all

other provisions of these sections shall remain unchanged and in full force, including those portions that are omitted in the text here as indicated by three asterisks (* * *):

12.64.101 Downtown Core District Requirements

* * *

Chart Legend

* * *
(A): exceptions apply for retail anchors, see Special Downtown Core Requirements and Anchor Exceptions Chart
(B): see 12.64.505.B.3.b.iii for special setbacks on the north side of the 10100 block of Main Street.

* * *

A. District Charts

* * *

12.64.207 Front Yard Setback	
minimum / maximum	0 ft / 0 ft; (A) (B)

* * *

B. Special Downtown Core Requirements

* * *

3. Parking Exceptions

- a. No minimum parking requirements shall apply to existing and infill ground floor retail uses fronting Main Street. Infill is development that fills existing gaps in buildings along Main Street. Developments that demolish existing retail buildings to build new structures do not qualify for the exception.

* * *

Section 2. Section 12.64.201 of the Bothell Municipal Code is hereby amended as follows, with new text shown by underline, deleted text shown in ~~strikethrough~~; text in [brackets] is explanatory and not included in the regulation; all other provisions of these sections shall remain unchanged and in full force, including those portions that are omitted in the text here as indicated by three asterisks (* * *):

12.64.201 Building Use

* * *

1. Pedestrian Oriented Retail

Description: Pedestrian oriented and activity-generating retail uses that are appropriate and desirable in a downtown core environment and that are open to the street providing visual interest to the streetscape.

Att-2

* * *

Use Category Charts

* * *

Health & Exercise Clubs¹

* * *

Personal care services (e.g., barbershops, hair salons, massage and tanning booths)¹

* * *

[add to Legend:]

¹ Personal care services and Health & Exercise Clubs where ground floor pedestrian oriented retail is required shall be open to the street, with transparent windows conforming to the Shopfront regulations in 12.64.206.B.1 providing views into and out of storefront spaces. Health & Exercise Clubs and Personal care services with private rooms or booths must have a full-width, functional retail space in the storefront area, with room for product displays, sales area and dedicated sales staff.

* * *

Section 3. Section 12.64.203 of the Bothell Municipal Code is hereby amended as follows, with new text shown by underline, deleted text shown in ~~strikethrough~~; all other provisions of these sections shall remain unchanged and in full force, including those portions that are omitted in the text here as indicated by three asterisks (* * *):

12.64.203 Special Height Regulations

* * *

C. Special Height Limit

A street façade offset (see section 12.64.501.C.4) is required at the top of the second floor along the streets indicated by the Special Height Regulations Inset Map in the Fig.12.64.100 Districts Map. The façade offset shall satisfy the following requirements:

1. The offset shall be a minimum of 20 feet deep (see 12.64.505.B.3.b.iii for exception)

* * *

Section 4. Section 12.64.504 of the Bothell Municipal Code is hereby amended as follows, with new text shown by underline, deleted text shown in ~~strikethrough~~; text in [brackets] is explanatory and not included in the regulation; all other provisions of these sections shall remain unchanged and in full force, including those portions that are omitted in the text here as indicated by three asterisks (* * *):

12.64.504 Architectural Styles

This section contains a discussion of a range of the predominant architectural styles found among existing buildings in downtown Bothell. A small number of buildings designed in other styles, from

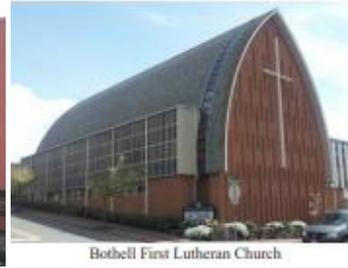
different periods or displaying a degree of stylistic influence from other styles (for example, 1930s Art Deco influence on decorative elements of the Anderson Building) can be found in downtown, but detailed descriptions of those styles have not been included here. The **City of Bothell Design Guidelines, Building Styles and Features** by the Bothell Landmark Preservation Board, 2007 or most recent revision, may be consulted for further detail on these and other architectural styles. Within individual style descriptions below, the dates shown indicate the historic period of initial popularity of the style. With the goal of strengthening downtown Bothell’s “sense of place” and architectural character and building on its heritage in mind, the Architectural Styles discussed here are included to provide a basis for reinforcing and strengthening the character of predominant building fabric in the project area in the design of new buildings and development, whether through the full emulation and/or interpretation of one of the predominant building styles. Alternatively, where a predominant downtown architectural style is not used, the information is intended to provide guidance for architects and developers to make sensitive reference to, incorporate, and/or harmonize with characteristics of predominant architectural styles such as (but not limited to) massing, horizontal and vertical scale increments, façade composition, roof form, architectural elements, materials, and colors. The sections below list predominantly commercial and mixed use styles first, followed by predominantly residential styles.

* * *

B. MID-20TH CENTURY STYLES (1930-1970)

Reflecting “machine age” design and in protest to the styles of the earlier Victorian period, architectural styles of the mid-20th century were influenced by Frank Lloyd Wright’s Usonian house plans in the United States and the Bauhaus school in Europe. Mid-20th century styles found in the Downtown Subarea include Art Deco, Art Moderne/Streamline Moderne, Contemporary, Wrightian, New Formalism, Northwest Regional and Ranch. Generally, they are comprised of horizontal lines, large expanses of glass, multiple planes and mixed materials but each style has very distinctive attributes. See the **City of Bothell Design Guidelines, Building Styles and Features** by the Bothell Landmark Preservation Board for further information on mid-20th century styles.

[Add photos below and move Bothell First Lutheran photo from Contemporary Styles to Mid-20th Century Styles. Additional examples may be added.]



BC. CONTEMPORARY STYLES (1950S-1970 – PRESENT)

1. For the purposes of this Plan, Contemporary Styles comprise those architectural styles that draw on Modernism, Post-Modernism, and other current styles in practice today. Most Contemporary Styles have drawn upon contemporary building materials, modern construction methods to create a visual identity that is distinct from historic architectural styles.

* * *

CD. QUEEN ANNE (CIRCA 1885-1905)

* * *

DE. CRAFTSMAN (CIRCA 1900-1930)

* * *

Section 5. Section 12.64.505 of the Bothell Municipal Code is hereby amended as follows, with new text shown by underline, deleted text shown in ~~strike through~~; hyperlinks are in underlined blue text; all other provisions of these sections shall remain unchanged and in full force, including those portions that are omitted in the text here as indicated by three asterisks (* * *):

12.64.505 Historic Resources Regulations

A. INTRODUCTION

* * *

1. Purpose

- a. The purpose of these Historic Resources Regulations is to preserve and enhance the historic character and architectural heritage of Downtown Bothell and therefore the overall community character. These regulations apply to an area that is labeled the Downtown Special Review Area (DSRA), see Fig.12.64.505 A.1, which is bounded by ~~SR 527~~Bothell Way NE, SR 522, NE 185th Street and 104th Avenue NE, and select individual historic properties within the Downtown Subarea. Adherence to the Regulations will ensure that new elements and features constructed or modified are compatible with existing and desirable historic elements.

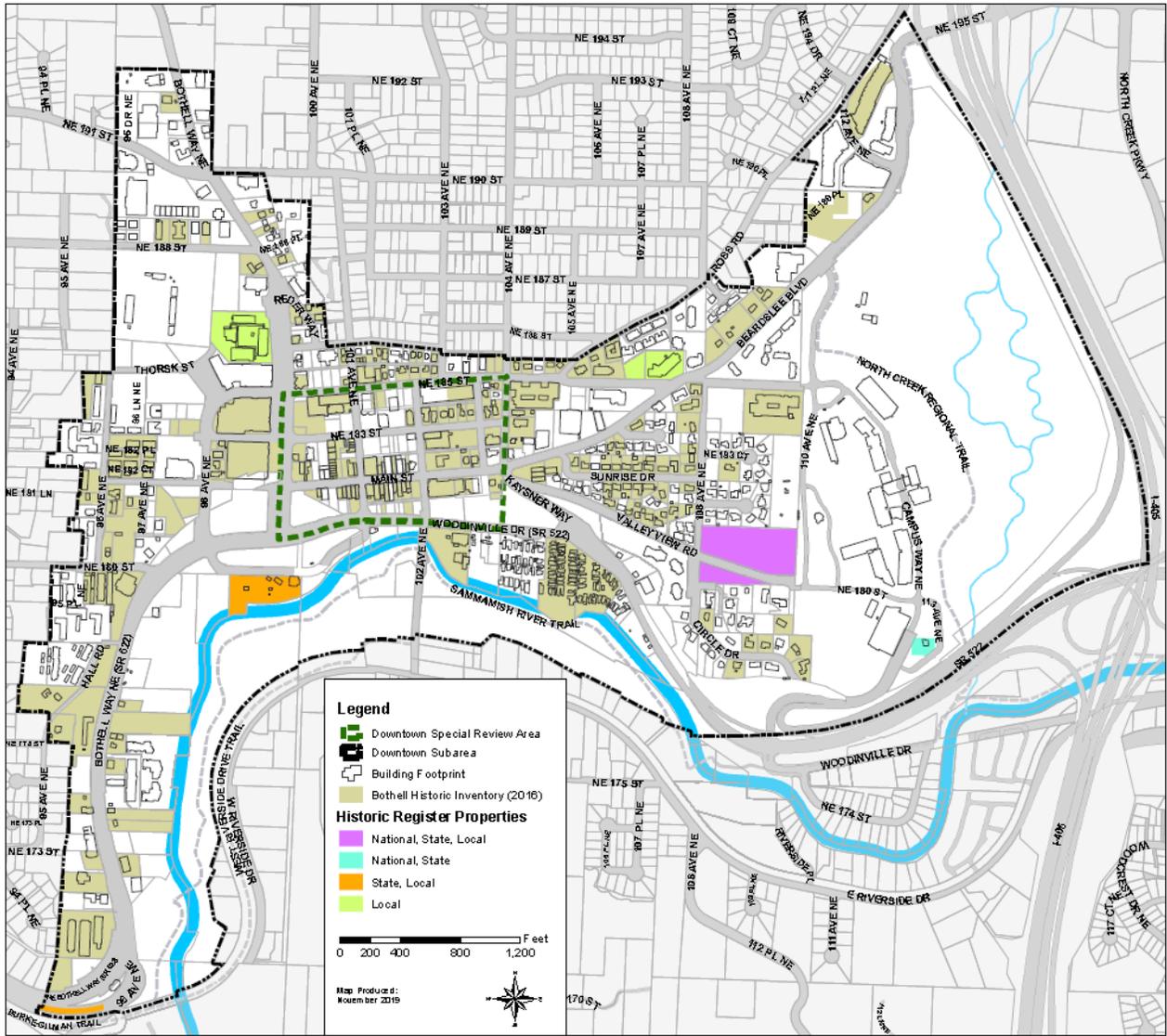


Fig.12.64.505.A.1 Historic Resources and Downtown Special Review Area (DSRA) Boundary

2. Applicability

These regulations will be used by the City’s planners and Landmark Preservation Board to review the appropriateness of proposed new construction, exterior alterations to buildings, and demolition. This section is intended to provide guidance for the modifications to existing structures and new construction within the DSRA, and for those structures within the Downtown Subarea that are listed on the National, State or local Registers of Historic Places.

3. Design Review Process

- a. The review process begins when an owner (or an owner’s representative) proposes any exterior work on a building that is within the boundaries described above, that has been nominated for local

landmark status, or that is a listed historic structure on the Bothell Register of Historic Landmarks. These ~~guidelines~~ regulations ~~should~~ shall be used when contemplating a project, to help establish the appropriate direction for repairs, alterations, or new construction.

- b. The Landmark Preservation Board will review each proposal in terms of the basic principles and for conformance with the stated regulations. The review process shall be as described in Bothell Municipal Code Chapter 22. In order to promote compliance with the regulations in this section, any development proposal within the DSRA which would exceed the threshold for categorical exemptions under the State Environmental Policy Act (SEPA) shall be submitted to the Landmark Preservation Board for review and comment in a public meeting prior to application for any building permit.

B. REQUIREMENTS AND GUIDELINES

These Historic Resources Regulations are based on principles set forth in the Secretary of the Interior's Standards for the Treatment of Historic Properties, widely accepted as the preservation and rehabilitation principles when considering and implementing changes to historically significant properties. Divided into four sections – preservation, rehabilitation, restoration, and reconstruction – the standards provide technical advice for activities and methods for property owners and stewards of historic properties. The primary intent of the Standards is to provide direction for the protection of the historic character of the buildings through a combination of mandatory requirements and advisory guidelines. Additionally, new uses should be compatible with the buildings' character, and retain open views through the storefronts into interior spaces. The basic principles include the following:

1. Basic Principles

- a. Retain original building materials and distinctive architectural features whenever possible. Removal of or alteration of these original features is strongly discouraged.
- b. Repair deteriorated original or significant features. If repair is infeasible, replace materials in kind to match original material, quality, and detailing.
- c. Do not cover original building materials or architectural features. Where they have been covered or obscured by alterations, re-expose original materials and features. NOTE: Alterations to a building may have gained significance over time, and may not necessarily need to be removed. This will be ascertained by the Landmark Preservation Board during the review process.
- d. Replacement of missing original features should be undertaken based on accurate and defensible historical documentation and/or physical evidence. Where documentation does not exist or restoration is otherwise infeasible, new features may be contemporary in character and detailing and must be compatible with the scale, complexity, material, and color of the historic building materials.
- e. Decorative elements that create a false sense of history or change the original architectural style of the building should not be added to a façade.
- f. Surface cleaning should be undertaken with the gentlest means possible. Sandblasting is not permitted. (See Section C, Resources and References, below for additional resources on recommended surface cleaning practices.)
- g. Demolition of structures on the Bothell Historic Register is strongly discouraged, and must be approved by the Landmark Preservation Board. (See Bothell Municipal Code Chapter 22 for demolition review process.)

2. Character-Defining Features of Downtown Special Review Area

Bothell's Main Street, especially on the block between 101st Avenue NE and 102nd Avenue NE, and the streets within one block south and two blocks north, are characterized by a limited number of commercial architectural styles, common façade materials, distinct façade elements, consistent property setbacks, and variable lot widths. This creates both a consistency and diversity that forms the unique character of Bothell's historic commercial district. (See Section 12.64.504 for Architectural Styles.)

The character-defining features of the existing buildings within the DSRA are those historic visual elements that give the space its particular "feel." Things such as overall building shape, materials, craftsmanship, and decorative details are the features that provide the particular character of each building.

Listing them here provides a context within which to evaluate changes or additions to historically designated structures or to properties within the Downtown Special Review District. While each building has distinctive elements, the common historic features are the character-defining features of the area as a whole:

- a. Full public frontage coverage (meaning the buildings generally occupy the full area of the street frontages with no setbacks from the property line. This results in the following:
 - i. Continuous row of storefronts, located immediately adjacent to the edge of sidewalk. This feature is consistent with the Private Frontage regulations applicable to the Districts within the DSRA.
 - ii. Blank side walls between parcels, characterized by no fenestration, openings, or decorative features. This feature is also consistent with the side yard setbacks for the Districts within the DSRA, but does not incorporate windows.
- b. One- and two-story buildings with variable lot dimensions. The variation in storefront width and height is a significant characteristic that gives Main Street its distinctive rhythm (This varies from the taller building height limits that may be allowed in other areas of the Downtown). Main Street buildings exhibit the following characteristics:
 - i. Variable building heights which range from approximately 18' for the single story structures to 36' for the two-story structures (including parapet).
 - ii. Storefront dimensions which vary from 20' to 90' wide, with most approximately 30'-40' wide.
 - iii. Buildings with rectangular plans with relatively flat façades and sidewalls. Some have angled or recessed entries (see below).
 - iv. Upper levels are clearly distinguishable from the lower, street level floors in their differing use of opaque and glazed materials. Opaque, solid materials dominate at the upper floors; conversely the lower floors are composed predominately of transparent glazing.
- c. Fenestration and Doors
 - i. Where extant at upper floors, windows are placed symmetrically in the façade.
 - ii. Windows are typically large, narrow, double hung, with arched or articulated heads, and projecting sills.
 - iii. Doors are often paneled, with side-lights.
- d. Materials. The commercial buildings are made up of brick and stone masonry, stone veneer, painted wood trim, limited wood siding, glazed storefronts, and a wide variety of awning shapes and materials.
 - i. Brick and stone: These were the original major façade materials.

- (A) Brick masonry, typically laid in running bond, sometimes with decorative patterning at the parapet, constitutes the majority of the facades. Soldier courses at window headers are common. Brick palette consists of a range of reds and browns.
- (B) There is limited use of stone and light-weight cultured stone, a manufactured stone veneer cast from molds of real stone, present primarily in 1950s buildings, or those buildings that were renovated in the 1950s.
- ii. Wood cladding
 - (A) Wood buildings that characterized Bothell's early Main Street are no longer extant. (Note: Some of the original free-standing structures were moved to Bothell Landing.)
 - (B) Wood cladding is limited to areas below the storefront glazing and sheathing at some upper façade areas. (Generally, the use of the residential-scale wood sheathing or siding on the upper sections of the building facades is not historically appropriate.)
- e. Glazed storefronts with transom band
 - i. Original storefront systems typically used wood, aluminum, or steel as the supporting elements, with wood or brick bulkheads below the storefront frames.
 - ii. The plate glass storefronts are undivided or may have one narrow muntin to divide a wider storefront, and generally extended nearly the full width of the façade.
 - iii. A glazed transom band runs above the width of the storefront assembly and consists of a series of divided lights. These windows provide additional light to the interior, and are sometimes operable to provide natural ventilation.
 - iv. Individual storefronts are divided into distinct, usually symmetrical or balanced bays.
- f. Recessed entries

Main entry doors are typically recessed from the plane of the storefront. The recess accommodates the outward swing of doors, provides shelter at the entry, and lends an articulation at the pedestrian level.
- g. Parapets

A parapet gives the feeling of extra building height, particularly at the primary façade. Most parapets on Bothell's Main Street are simple, either straight across or with just one or two steps in the center of the façade. More elaborate parapets are no longer extant.
- h. Articulated cornice and/or flush brick patterning
 - i. Cornices were typically of wood or sheet metal, shaped to provide a visual "cap" to the building.
 - ii. Areas below the parapets and above the transom windows often include bricks laid in a pattern.

3. Building Regulations for Rehabilitation and New Construction

These regulations take into account the existing historic fabric and changes to the façades and buildings over time. They should be used as the basis of design for proposed changes to existing façades and in the design of new construction along Main Street. They acknowledge that buildings have individual unique characteristics and existing conditions as related to construction, ownership, maintenance, and use which need to be taken into consideration when making proposals for change, preservation, or rehabilitation. In some cases, a later renovation may have historical significance of its own, in which case either restoring the original façade or the renovated façade that has historical significance may be appropriate. For each category, requirements are listed first, followed by guidelines. Suggested façade treatments, which draw on the traditional features of the area's commercial buildings, include the following:

a. Rehabilitation

i. Awnings and Canopies

- (A) Awning or canopy installations shall not damage or obscure significant existing building features. Removal of existing, inappropriate awnings is encouraged. (See Paragraph (4)(b) below for appropriate awnings.)
- (B) All awnings or canopies on a single building must be of the same type, material, color, and size. (i.e., when a single building houses more than one business, the businesses must coordinate awnings.) Awning installations shall not damage or obscure significant existing building features.
- (C) Awning or canopy design should include consideration of the overall composition of the individual building façades and in context with the adjacent buildings.
- (D) Removal of existing, inappropriate awnings or canopies is encouraged, and required when exterior renovations are done. (See Paragraph 4.b below for appropriate awnings.) All awnings on a single building must be of the same type, material, color, and size. (i.e., when a single building houses more than one business, the businesses must coordinate awnings.)

ii. Cladding

- (A) Unpainted masonry shall remain unpainted.
- (B) Where wood siding has been installed over original masonry, owners are encouraged to remove the siding and restore original masonry. Where part of original masonry has been removed and cannot be replicated, retain as much of the original masonry as possible.
- (C) Removal of existing materials that obscure original architectural features is strongly encouraged.

iii. Storefronts and Sidewalls

- (A) Transom bands ~~should~~shall be re-exposed where covered, and restored to glass, where possible.
- (B) Original bulkhead materials ~~should~~shall be retained, maintained, or uncovered where possible.
- (C) Contemporary storefront modifications that utilize traditional elements and proportions, or simplified interpretations of missing elements, may be used if the original is missing. New designs shall be compatible with the desirable historic features of adjacent buildings, and retain the transparent character of the façade. Storefront divisions or design elements should be symmetrical and balanced. The proportions of original storefront divisions should be retained.
- (D) Cornice lines should be continued, and original parapets reconstructed if possible.
- (E) Storefront divisions or design elements should be symmetrical or balanced. The proportions of original storefront divisions should be retained. Contemporary storefront modifications that utilize traditional elements and proportions, or simplified interpretations of missing elements, may be used if the original is missing. New designs should be compatible with the desirable historic features of adjacent buildings, and retain the transparent character of the façade.
- (F) Sidewalls between parcels may be blank, and without fenestration or added detailing.
- (G) Sidewalls, or secondary facades, when abutting a public way should not be devoid of openings or fenestration, and should include elements and divisions that are compatible with the primary façade.

iv. Doors and Windows

- (A) Closing or filling in original openings shall be avoided; and restoration of original openings is encouraged, except where a later façade has gained significance in its own right. Original placement, arrangement, and function of doors and windows should be preserved where possible.
- (B) Replacement elements shall match originals as closely as possible. Closing or filling in original openings should be avoided; and restoration of original openings is encouraged.
- (C) Maintain recessed entries.
- (D) Original placement, arrangement, and function of doors and windows should be preserved where possible. Replacement elements should match originals as closely as possible.

b. New Construction

- i. ~~New buildings should~~shall respect the district in which they are located, and be compatible with or complement the desirable surrounding architectural character.
- ii. New construction ~~should~~shall utilize traditional character-defining features and materials, in a contemporary and/or simplified fashion.
- iii. Building footprints shall be rectangular and shall fill the entire streetfront at the first two levels, with the front façade located at the front edge of the property line, or at the predominant street façade line on the block. New construction on the north side of the 10100 block of Main Street should maintain the current predominant street façade line. Should the applicant follow this guideline, the upper level setback, as required in 12.64.203.C may be a minimum of 18 feet. (see Fig. 12.64.505.B.3.b.iii). Recessed or notched façades are not permitted, with the exception that appropriately scaled recessed entries may be permitted.

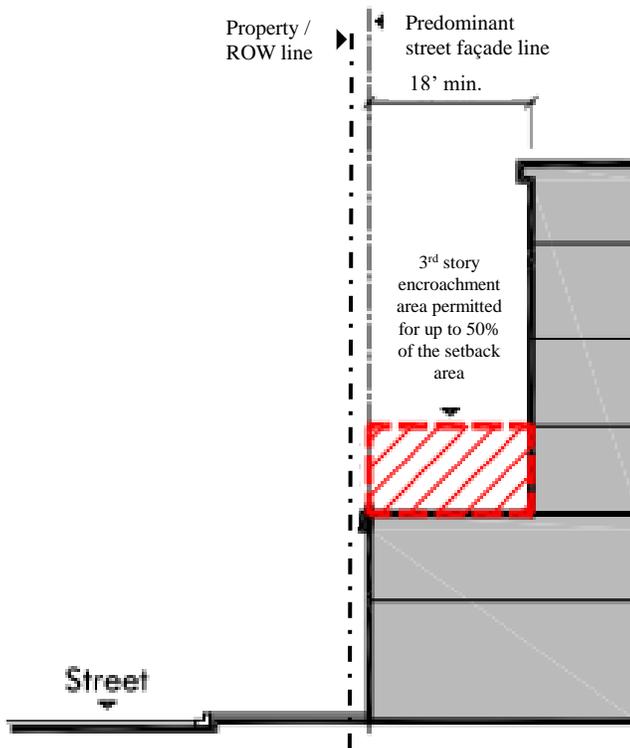


Fig. 12.64.505.B.3.b.iii

- iv. Building heights shall be consistent with those in the District Requirements of the Downtown Subarea Plan & Regulations, and compatible with adjacent buildings. Variation in building height is encouraged.
- v. Storefront divisions shall be compatible in scale and proportion with the building's width and height, and compatible with the adjacent buildings.
- vi. Buildings wider than those traditionally constructed on the block shall include variation in wall plane, articulation and spaced structural bays to provide a scale that is compatible with the original building widths.
- vii. Primary entrances shall be oriented toward the street.
- viii. Roof forms along the portion of Main Street between 101st Avenue NE and 104th Avenue NE shall be flat, and shall not have corner accents or turrets. See Section 12.64.500 Architectural Regulations for areas outside this boundary.
- ix. See Section 12.64.504 for Roof Equipment and Screening. Equipment mounted to rooftops shall be screened from view using elements integrated into the building's architectural features, without the need for special screening elements.

4. Building Materials and Elements

Exterior façade elements are the key components that give a building its style and visual character. Elements include cladding, trim and moldings; storefront systems and windows, doors and transom; supplementary items such as signage and awnings; and color selection.

- a. Storefront Materials - High quality materials, consistent with historic materials on Main Street.
 - i. Metal or wood storefront system with plate glass; with proportions, heights, and profiles appropriate to prevailing existing storefronts.
 - ii. If a new storefront is required, it ~~should~~shall be designed to fit inside the original framed opening.
 - iii. False divided lights or "snap in" muntins/mullions are not permitted.
 - iv. Transom glazing may be clear, beveled, leaded, etched, or prism glass.
 - v. Contemporary flush doors or residential-style doors are not appropriate.
 - vi. New bulkheads shall be constructed of a material appropriate to the storefront and building on which it is installed. Wood panels and brick veneer were the most common original bulkhead materials on Main Street. New bulkheads should be compatible with surrounding storefronts. Where possible, original bulkheads should be restored.
 - vii. Wall or window air conditioners are not permitted on the front façade of a building.
- b. Awnings or canopies may be installed to provide pedestrian weather protection, signage, and visual character.
 - i. Traditional shed awnings with free hanging valance or flat ~~awnings~~canopies are appropriate ~~awning shapes~~. Shed awnings may have valance returns, but side panels are not permitted.
 - ii. Bubble type, quarter-round, dome, box-like shapes, shingled-canopy types, and other contemporary commercial designs are not historically appropriate and are not permitted.
 - iii. Awnings or canopies shall not conceal significant architectural features and should be mounted within the building elements that frame the storefront, typically directly below or above the transom.
 - iv. Installation of awnings or canopies shall not damage the structure. Clamps and fasteners used to attach awning frames or canopies should penetrate mortar joints rather than brick or other

masonry surfaces. Care should be taken when attaching new backboards, ~~or~~ rollers or other elements, not to damage transoms or other building elements.

- v. Material for shed awnings should be canvas, canvas blends, acrylic that resembles canvas, or similar. Vinyl or other shiny, high-gloss material is not appropriate. Returns shall be open, except valance returns are allowed.
 - vi. Roll-out awnings are appropriate, especially where they were used in the original storefronts.
 - vi. Flat canopies, supported by brackets or hung by cables, rods or chains, may be a period-appropriate way to provide weather protection, even on buildings that did not originally have them. The structural depth of canopies should be minimized to reduce obscuring other historical elements. Use of glass is encouraged to reduce shading of storefronts and allow upper facades to be visible from below.
- c. Color
- i. Neon or ultra bright colors are not permitted.
 - ii. When choosing colors, consider compatibility with original finishes as well as with neighboring buildings.
- d. Transparency, Signage, Building Lighting, and Street Furnishings (See also 12.64.600 Signage Regulations)
- i. Storefront display window glazing shall be transparent to promote visibility into businesses. Mirrored, translucent, obscure or dark-tinted glass that prohibits visibility into the building interiors is not permitted.
 - ii. Business displays shall be designed to allow views into the building interiors, and to avoid a sense of clutter and disorder.
 - iii. Signage shall be compatible and in balance with the architectural style and visual character of the building on which is it located.
 - iv. Consideration of projecting blade signage or flush-mounted signage that is integrated with the overall building façade composition is strongly encouraged. Use of historic sign bands and locations are also strongly encouraged.
 - v. Street furnishings and building lighting shall be simple, should not convey a false sense of history, and should be limited to a maximum of two designs.
 - vi. Business signage is permitted on the front valance of an awning but not on valance returns.
 - vii. Internal illumination of awnings to backlight awning signage shall not be permitted.

5. Parking and Curb Cuts

- a. No new driveway curb cuts shall be permitted on Main Street between Bothell Way NE and Kaysner Way, except as provided for in Section 12.64.403.B.1.c.
- b. Whenever possible, existing driveway curb cuts within this segment of Main Street should be removed.

6. Demolition

Demolition of historic inventory buildings, especially designated properties and those eligible for the register, or historic inventory buildings is strongly discouraged. (For demolition review process, see BMC 22.28.060.)

C. RESOURCES AND REFERENCES

1. Washington State Department of Archaeology and Historic Preservation (DAHP)

- a. The State website provides information, documents, maps, photographs and tools regarding historic sites, local government programs, regulations, tax incentives and other useful data.
- b. <http://www.dahp.wa.gov/>

2. National Parks Service

- a. The Secretary of the Interior's Standards for the Treatment of Historic Properties, and associated guidelines, provide guidance for the treatment of historic resources.
http://www.nps.gov/history/hps/tps/standguide/overview/using_standguide.htm
- b. Preservation Briefs are a series of publications to assist property owners, preservation professionals, and others in preserving, rehabilitating, and restoring historic buildings. They are available online.
 - i. <http://www.nps.gov/history/hps/tps/briefs/presbhom.htm>
 - ii. Select, relevant individual briefs are listed below:
 - 01: Assessing Cleaning and Water-Repellent Treatments for Historic Masonry Buildings
 - 02: Repointing Mortar Joints in Historic Masonry Buildings
 - 03: Conserving Energy in Historic Buildings
 - 06: Dangers of Abrasive Cleaning to Historic Buildings
 - 09: The Repair of Historic Wooden Windows
 - 10: Exterior Paint Problems on Historic Woodwork
 - 11: Rehabilitating Historic Storefronts
 - 14: New Exterior Additions to Historic Buildings: Preservation Concerns
 - 15: Preservation of Historic Concrete: Problems and General Approaches
 - 16: The Use of Substitute Materials on Historic Building Exteriors
 - 17: Architectural Character - Identifying the Visual Aspects of Historic Buildings as an Aid to Preserving Their Character
 - 18: Rehabilitating Interiors in Historic Buildings - Identifying Character-Defining Elements
 - 24: Heating, Ventilating, and Cooling Historic Buildings: Problems and Recommended Approaches
 - 32: Making Historic Properties Accessible
 - 33: The Preservation and Repair of Historic Stained and Leaded Glass
 - 37: Appropriate Methods of Reducing Lead-Paint Hazards in Historic Housing
 - 38: Removing Graffiti from Historic Masonry
 - 39: Holding the Line: Controlling Unwanted Moisture in Historic Buildings
 - 41: The Seismic Retrofit of Historic Buildings: Keeping Preservation in the Forefront
 - 42: The Maintenance, Repair and Replacement of Historic Cast Stone
 - 44: The Use of Awnings on Historic Buildings: Repair, Replacement and New Design

Section 6. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 7. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after passage and publication of an approved summary thereof consisting of the title.

Section X. CORRECTIONS. 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.

Att-2

APPROVED:

LIAM OLSEN
MAYOR

ATTEST/AUTHENTICATED:

LAURA HATHAWAY
CITY CLERK

APPROVED AS TO FORM:

PAUL BYRNE
CITY ATTORNEY

FILED WITH THE CITY CLERK: _____
PASSED BY THE CITY COUNCIL: _____
PUBLISHED: _____
EFFECTIVE DATE: _____
ORDINANCE NO.: _____ (2020)

SUMMARY OF ORDINANCE NO. _____ (2020)

City of Bothell, Washington

On the _____ day of _____, 2020, the City Council of the City of Bothell passed Ordinance No. _____ (2020). A summary of the content of said Ordinance, consisting of the title, is provided as follows:

AN ORDINANCE OF THE CITY OF BOTHELL, WASHINGTON, AMENDING SECTIONS 12.64.101, DOWNTOWN CORE REQUIREMENTS, 12.64.201, BUILDING USE, 12.64.504, ARCHITECTURAL STYLES, AND 12.64.505, HISTORIC RESOURCES REGULATIONS, OF THE BOTHELL MUNICIPAL CODE.

The full text of this Ordinance will be mailed upon request.

LAURA HATHAWAY
CITY CLERK

FILED WITH THE CITY CLERK: _____
PASSED BY THE CITY COUNCIL: _____
PUBLISHED: _____
EFFECTIVE DATE: _____
ORDINANCE NO.: _____ (2020)

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Downtown Historic Preservation Code Amendments

Purpose

Preserve/Restore historic structures, especially along Main Street

- Preserve/restore entire structures
- Preserve/restore facades
- New structures that respect/complement historic fabric



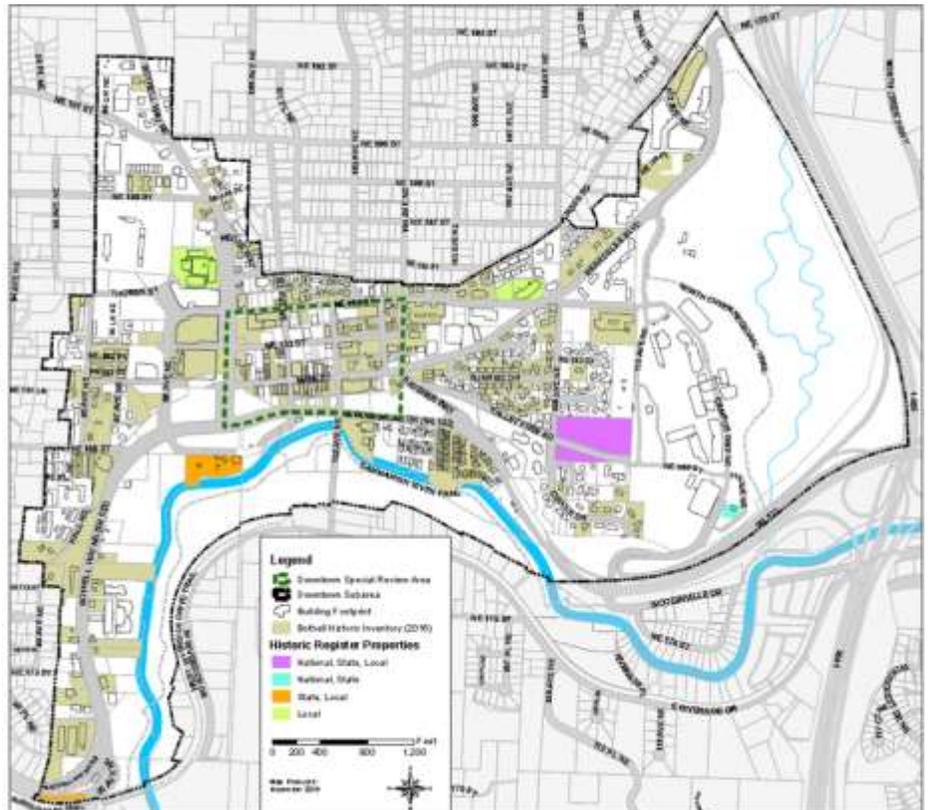
Downtown Core District Requirements

- Special setback regulations
- Parking exception
 - Before Downtown Plan: “Existing structures in the Central Business special district (essentially the DSRA) built prior to 1982 shall be exempted from all parking requirements...”
 - Current: “No minimum parking requirements shall apply to ground floor retail uses fronting Main Street.”

Architectural Styles – minor changes to reflect full range of existing styles

Historic Resources Regulations

- Make map more readable
- Correct references
- Make regulations mandatory for projects in DSRA, on register or eligible for register
- Change several guidelines to requirements and list requirements first



Historic Resources Regulations

- Recognize renovations that have their own historical value
- Address value of saving part of original masonry
- Address canopies



- Address setback on north side of 10100 block of Main Street
- Address roll-out awnings



Planning Commission will hold a continued **public hearing on January 22**, and may make a recommendation to Council at that time. Otherwise, the item will go back to Planning Commission on February 19.

Comments and questions: Dave Boyd, Senior Planner, 452-806-6406, david.boyd@bothellwa.gov



City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Kellye Mazzoli, Assistant City Manager
DeNae McGee, Executive Department (Presenter)

DATE: March 3, 2020

SUBJECT: Consideration of Adopting the 2020 Visitor Development Spending Plan and Contract with Streetsense Consulting, LLC

POLICY CONSIDERATION: This item asks City Council to consider adopting two tourism-related items, the Lodging Tax Advisory Committee’s (LTAC) 2020 Visitor Development Spending Plan (Attachment 1) and a contract with Streetsense to support implementation of the proposed Spending Plan (Attachment 2).

By approving these items, Council is adopting the LTAC’s recommendation for appropriating Lodging Tax Funds, in accordance with State Law. LTAC recommends this funding strategy to increase visitor spending in Bothell over the course of the next year.

HISTORY:	DATE	ACTION
	DECEMBER 15, 2015	City Council approves 2016 Spending Plan.
	DECEMBER 6, 2016	City Council approves 2017 Spending Plan
	APRIL 17, 2017	New Tourism Manager hired
	JANUARY 17, 2018	City Council approves 2018 Visitor Development Spending Plan and \$200,000 from Tourism Reserve Fund to develop a new brand and website
	FEBRUARY 5, 2019	City Council approves 2019 Visitor Development Spending Plan and contract with Streetsense Consulting LLC

Since 2001, the City of Bothell has had a Lodging Tax Advisory Committee (LTAC) to advise on distribution of the City’s one percent lodging tax collected on overnight stays in the city’s nine hotels, one bed and breakfast, and one RV park.

Each year, City Council has adopted a spending plan to appropriate funds for visitor development. In the 2016 plan, LTAC requested that additional tourism funds be appropriated for dedicated staff, and in April 2017, Council welcomed the Tourism Manager to the City of Bothell. This position is now funded at 70%

of tourism dollars and 30% of general fund dollars for staffing support to the City of Bothell Arts Commission. LTAC's goal in providing focused staff to the tourism program is to grow economic development to Bothell by attracting visitors from 50 miles away or more.

During 2018, while maintaining the exploreBothell brand and website, a new brand and website, *Begin at Bothell*, was under production. Launching in the second quarter of 2019, *Begin at Bothell* significantly updated the City's tourism brand.

On November 27, 2018, Council adopted the City's 2019-2020 biennial budget allocating \$499,899 to the 2019 tourism program and \$499,636 to the 2020 tourism program.

LTAC approved the 2020 Visitor Development Spending Plan and Contract with Streetsense on Friday, February 21, 2020.

DISCUSSION: Lodging Tax Committee

The seven-member Lodging Tax Committee is chaired by a member of Council (currently Deputy Mayor Zornes) with the balance made up of an equal number of representatives of the hotel industry and recipients authorized to be funded by this tax. This committee meets monthly, sets a marketing and spending plan for Council consideration and approval, and advises on ways to generate additional tourism and overnight stays in Bothell hotels.

Program Definitions & Requirements

According to RCW 67.28.1816, tourists are defined as visitors staying overnight in paid accommodations away from their place of business or residence, traveling to a place 50 miles away or farther for the day or overnight, or traveling outside of the county or state of their place of residence or business.

Also, according to RCW 67.28.1816, expenditures from lodging tax funds are restricted to activities in the following three areas:

1. Tourism marketing;
2. Marketing and operations of special events and festivals designed to attract tourists; and
3. Operations of tourism-related municipal or non-profit facilities such as convention or visitor centers. As a side note, it should be noted that 2015 legislation ([SB 1223](#)) also allows cities and counties to use lodging tax revenues to repay general obligation bonds ([RCW 67.28.150](#)) or

revenue bonds ([RCW 67.28.160](#)) for affordable workforce housing within a half-mile of a transit station. The City has not used funds for this purpose.

2019 LTAC Funding Areas

Lodging tax revenues are intended to support activities, operations, and marketing strategies to increase tourism and overnight stays to Bothell. For 2019, Council adopted the following spending plan to support these activities:

Area	Amount	% of Spending Plan	Activities
Tourism Marketing	\$425,000	85%	Tourism marketing program (Streetsense), staff support (70% of Tourism Manager salary and benefits)
Events	\$20,000	4%	Grant program to support marketing activities of events designed to attract tourists
Facilities	\$54,899	10.9%	Visitors Center at Bothell Kenmore Chamber of Commerce, holiday lights, trail signage
TOTAL	\$499,899.00	100%	

2020 LTAC Funding Requests

LTAC is requesting Council adopt the following 2020 Spending Plan to support these areas:

Area	Amount	% of Spending Plan	Activities
Tourism Marketing	\$489,636	90%	Tourism marketing program (Streetsense), staff support (70% of Tourism Manager salary and benefits)
Events	\$10,000	2%	Grant program to support marketing activities of events designed to attract tourists
Facilities	\$39,565	8%	Visitors Center at Bothell Kenmore Chamber of Commerce, holiday lights, trail signage
TOTAL	\$499,636.00	100%	

Tourism Marketing

The amount of spending dedicated to Tourism Marketing for 2020 is higher than 2019. With a strategic marketing and advertising plan now in place, LTAC would like to dedicate more funds to this strategy which includes:

- Continuing to grow social networking through posts and paid advertising on Facebook, Instagram, and Twitter to targeted audiences beyond Bothell and Seattle;
- Second mailing (one mail in 2019) of the monthly e-newsletter to increase open rates; and,
- If funding allows, a free branded travel guide highlighting area attractions for distribution at the visitor center and hotels.

It should also be noted, that the 2019 Streetsense contract covered ten months of service ending December 31, 2019; however, the contract runs through March 31, 2020. A supplemental contract to bridge services for January/February 2020 is \$39,705 until the new contract is in place. This amount is budgeted using the adopted 2020 tourism budget. The supplemental contract of \$39,705 and 2020 contract of \$245,000 is \$295,000 and built into the overall 2020 spending plan.

Events

The amount of spending dedicated to Events is less in 2020 than 2019 since only one application was submitted for funding through the grant program. Three applications were received and awarded for 2019; however, by year end, only one of the applicants finished out the contract by submitting a final report and invoice for reimbursement. Three grants were awarded and expended in 2018. This year, LTAC awarded University of Washington Bothell marketing support for their annual 2020 Block Party and BrewFest. LTAC will be reviewing this program of spending and considering other options to present for Council review in the fall.

Facilities

The amount of spending dedicated to Facilities is also less in 2020 as 90% of the contract for trail signage was expensed in 2019. The remaining 10% will be expensed when the signs are installed this summer. Two “Welcome to Downtown Bothell” signs will be located along the trail near the new bridge. These signs cannot be installed until a majority of construction of the new bridge is completed. Additional wayfinding signage along the trail is not budgeted for 2020.

Accomplishments in 2019

With a new *Begin at Bothell* brand and website in place and under the leadership of Council, LTAC, staff, and a new marketing consultant, Streetsense, the following objectives and results were achieved in 2019:

- 1. Drive overnight stays**, promoting Bothell as the perfect place to targeted audiences to begin their adventure in the PNW:

Overnight Stays	2018	2019
Total Sip and Stay Night Stays	34	77
Total St. Nick's Sip and Stay Night Stays	9	10
Grant Events	322	65
TOTAL	365	152

- 2. Grow traffic to the *Begin at Bothell* website** where visitors can arrange hotel bookings and learn more about area attractions and events:

Traffic to Website	2018	2019
Impressions	Data not available	17,110,957
Visitors	3,043	55,365
Sessions	3,529	128,069
Page Views	6,532	49,100
TOTAL	13,104	17,343,491

- 3. Grow the *Begin at Bothell* monthly eNewsletter database** with links that take readers to the website for additional information:

Opt-in E-Newsletter	2018	2019
11 monthly enewsletters	4,436	
10 monthly enewsletters		22,938
TOTAL	4,436	22,938

- 4. Grow the *Begin at Bothell* social following** through organic and paid traffic:

Social Following	2018	2019
Facebook	5103	5,178
Instagram	1196	1,811
Twitter	2238	2,416
TOTAL	8,537	9,405

5. Develop the new brand identity and website:

- New marketing plan and website launched April 1, 2019
- Three national awards received for *Begin at Bothell* website
- Ads featured in *Welcome Magazine*; *Woodinville Wine Co. Magazine*, and *Seahawks Yearbook*

6. Streetsense 2019 Contract Guarantee:

- \$4.7 M in Incremental Visitor Spending
- \$18:\$1 Return on Marketing Investment
- \$496,000 Sales and Lodging Taxes
- 3,954 Incremental Visitor Parties
- 7,393 Paid Incremental Room Nights
- \$6.8 M Economic Impact

The results of these guarantees, as noted above, will not be calculated until six months after the 2019 contract is completed on March 31, 2020. Staff will return to Council in the fall to report on these findings. If the guarantee is not met, Streetsense will continue to provide the same level of service at no additional cost until the guarantee is satisfied.

Proposed in 2020

A number of the items contained in the proposed 2020 Visitor Development Spending Plan (Attachment 1) are included in the Scope of Work found in the 2020 Contract and Scope of Work with Streetsense (Attachment 2). Directed by staff, the Streetsense team will act as Bothell's agency of record to enhance and expand our 2019 efforts to grow visitor spending for overnight visitors and day trippers in 2020.

Using the strategies developed in the Scope of Work, events, activities, and assets that entice visitors to Bothell will be constantly updated and refined using up-to-date analytics from our digital marketing and advertising campaigns, and website sessions, to guarantee a return on marketing investment for 2020 of \$5,500,000 in incremental visitor spending. The verification on this guarantee includes independent conversion studies conducted by Texas A&M and occurs six months after the contract ends on December 31, 2020 (Six months gives travelers time to visit Bothell after receiving a year of content through our paid, earned, shared, and owned channels of engagement).

**FISCAL
IMPACTS:**

The item is included in the Adopted 2019-2020 Budget, the budgeted value of \$499,636 is sufficient to fund this item.

This item is considered a one-time cost; the item does not have future financial implications.

These funds can only be spent on tourism activities tied to marketing, events, and facilities.

ATTACHMENTS:

- Att-1. Proposed 2020 Visitor Development Spending Plan
- Att-2. Proposed 2020 Streetsense Contract
- Att-3. 2020 Tourism Reserve Fund

**RECOMMENDED
ACTION:**

Approve the 2020 Visitor Development Spending Plan of \$499,636 and a Streetsense Contract of \$245,000 to continue driving economic development to Bothell through tourism channels.

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Att 1 - 2020 Visitor Development Spending Plan

Marketing Tool Enhancements	<i>Expenditures</i>	<i>Streetsense Scope of Work</i>
Brand Stewardship	\$31,200.00	Coordination and facilitation of content calendar; website, enews, social and paid consumer engagement plan
Earned Social Media Services	\$58,980.00	Social media posts/blogging, defined by content calendar
Email Marketing	\$36,000.00	design, coding, deployment, 2 remails, testing
Paid Consumer Engagement	\$140,300.00	Paid digital advertising
Subtotal	\$266,480.00	

Marketing Tool Enhancements	<i>Expenditures</i>
Woodinville Wine Country Partnership (Official Stay Partner)	\$15,000.00
Community Grants to Support Tourism Events	\$10,000.00
Wayfinding/Trail Signage	\$805.00
Branded Travel Guide	\$15,133.70
Crowdriff - Visual Marketing Software Platform for Website	\$15,000.00
Bandwango-Mobile Technology Offers Program	\$15,000.00

Holiday Lights along Main Street	\$8,760.30
Chamber/Visitor Center	\$30,000.00
Subtotal	\$109,699.00

Strategy Management	<i>Expenditures</i>	<i>Streetsense Scope of Work</i>
Creative Services	\$17,900.00	Summer asset photoshoot collection
Website Enhancements & Event Listing Support	\$10,620.00	A continuation to execute weekly event/business listings and hosting services
Tourism Manager-70% of Salary/Benefits	\$91,237.00	
Subtotal	\$119,757.00	

Miscellaneous	<i>Expenditures</i>
Business Meals	\$500.00
Miscellaneous-Printing, Smith Travel Report, Office Supplies	\$3,200.00
Subtotal	\$3,700.00

2020 TOTAL BUDGET **\$499,636.00**

Key: Colors indicated area of tourism development supported by activity (RCW 67.28.1816)

	Tourism Marketing
	Events designed to attract tourists
	Facilities-operations of tourism-related facilities

**CITY OF BOTHELL
PROFESSIONAL SERVICES AGREEMENT**

Contract No. _____

1. Parties.

This Professional Services Agreement, Contract No. _____ (“Agreement”), is entered into as of the Effective Date specified below between the City of Bothell, a Washington municipal corporation having its principal place of business at 18415 101st Avenue N.E., Bothell, Washington 98011 (“City”), and StreetSense, Consulting, LLC a corporation organized under the laws of the State of Washington, located and doing business at 3 Bethesda Metro Center, Bethesda, MD 20814 (“Consultant”).

2. Recitals.

2.1 City desires to obtain professional services for work related to the development, completion, and implementation of brand stewardship, calendar, creative services, social earned media services, email marketing, paid consumer engagement, and website page modifications and listing support enabling consultant to deliver on its guaranteed incremental return on marketing investment.

2.2 City has solicited for such professional services as required by law, including chapter 39.80 RCW if applicable.

2.3 Consultant represents that it is available and able to provide qualified personnel and facilities necessary for the work and services contemplated herein, and Consultant further represented that it can accomplish the work and services within the required time period and in accordance with City’s specifications and professional standards.

2.4 Consultant agrees to perform the work and services specified herein in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits and promises set forth herein, it is agreed by and between the parties as follows:

3. Terms and Conditions.

3.1 Services. City hereby retains Consultant, and Consultant agrees, to perform in accordance with this Agreement the work and services as set forth in the Scope of Services/Scope of Work, which is attached and incorporated by this reference as **Exhibit A** (“Services”).

3.2 Payment.

3.2.1 City shall pay the Consultant for Services rendered based upon Schedule of Charges, which is attached and incorporated by this reference as **Exhibit B** (“Schedule of Charges”). In no event shall the amount paid by City exceed the sum of **\$245,000**, including applicable sales taxes. This amount is the maximum amount to be paid under this Agreement and

shall not be exceeded without prior written authorization from City in the form of a negotiated and executed supplemental agreement.

3.2.2 Consultant shall submit periodic invoices (but not more frequently than monthly) to City upon completion of the Services under the terms of payments as described in **Exhibit B**. City shall pay Consultant within forty-five (45) days of the receipt of a correct invoice in accordance with City's usual payment procedures. If City objects to all or any portion of any invoice, it shall so notify Consultant within twenty (20) days from the date of receipt but shall pay the undisputed portion of the invoice. The parties shall immediately make every effort to settle the disputed portion of any invoice.

3.2.3 Acceptance of any payment by Consultant shall constitute a release of all payment claims against City arising under this Agreement as to such portion of the Services. No payment to Consultant, whether periodic or final, shall constitute a waiver or release by City of any claim, right or remedy it may have against Consultant regarding performance of the Services as required by this Agreement.

3.3 Time of Performance. Consultant agrees that the Services shall begin immediately upon the Effective Date or City's issuance of a Notice to Proceed, whichever is applicable, and Consultant shall continue to perform the Services with due diligence. In no event shall completion of the Services be delayed beyond December 31, 2020. The Schedule of Charges and time for performance of the Services shall not be increased because of any delays or costs attributable to Consultant. In the event of a delay not attributable to Consultant, which could not be reasonably anticipated and which results in an increase in costs to perform the Services, City may at its discretion, through the execution of an amendment or supplemental agreement, increase the Schedule of Charges and/or time for performance of the Services.

3.4 Relationship of Parties. Consultant is an independent contractor under this Agreement, and the parties intend that an independent contractor-client relationship is the only relationship created by this Agreement. No employee, agent, representative or subconsultant of Consultant shall be or shall be deemed to be the employee, agent representative or subconsultant of City. Consultant has no authority, and will not represent itself to have authority, to legally bind City or otherwise act for, or on City's behalf. None of the compensation or other benefits provided by City to its employees shall be available to Consultant's employees, agents, representatives or subconsultants. Consultant shall be solely responsible for all compensation, taxes, withholding, and other benefits due to its employees, agents, representatives and subconsultants. Consultant shall be solely responsible for its acts and omissions and for the acts and omissions of Consultant's agents, employees, representatives and subconsultants during performance of this Agreement. On or before the Effective Date, Consultant shall file, maintain and/or open all necessary records with the Internal Revenue Service and the State of Washington, and as may be required by RCW 51.08.195, to establish Consultant's status as an independent contractor.

3.5 Services Performed at Consultant's Risk. Consultant shall take all precautions reasonably necessary to perform the Services and shall be responsible for the safety of its employees, agents and subconsultants in the performance of the Services.

3.6 Supervision, Inspection and Performance.

3.6.1 Even though Consultant is an independent contractor with the authority to control and direct the performance and details of the Services, the Services must meet the approval of City and shall be subject to City's general right of inspection and supervision to secure the satisfactory completion of this Agreement.

3.6.2 Consultant represents that it has or will obtain all personnel necessary to perform the Services and that such personnel shall be qualified, experienced, and licensed as may be necessary or required by applicable laws and regulations to perform the Services. All Services shall be performed by Consultant, its employees, or by subconsultants whose selection has been authorized by City; provided that City's authorization shall not relieve Consultant or its subconsultants from any duties or obligations under this Agreement, or at law, to perform the Services in a satisfactory and competent manner. Consultant shall ensure that all contractual duties, requirements and obligations that Consultant owes to City shall also be owed to City by Consultant's subconsultants retained to perform the Services.

3.6.3 Consultant shall be responsible for the professional quality, technical adequacy, accuracy, timely completion, and coordination of the Services and all plans, designs, drawings, specifications, reports, and other work performed pursuant to this Agreement. Consultant shall perform the Services in accordance with the standard of care of its profession in the same or similar localities at the time services are performed. Consultant shall be responsible for the professional standards, performance, and actions of all persons and firms performing the Services under this Agreement. Consultant shall, without additional compensation, correct any specific breach of a contractual obligation in the Services and revise any errors or omissions in any plans, designs, drawings, specifications, reports, and other products prepared under this Agreement.

3.7 Termination of Agreement.

3.7.1 Termination by City for Consultant's Default. City may terminate this Agreement, in whole or in part and at any time, in writing if Consultant substantially fails to fulfill any or all of its material obligations through no fault of City. If City terminates all or part of this Agreement for default, City shall determine the amount of Services satisfactorily performed to the date of termination and the amount owing to Consultant using the criteria set forth below; provided that (a) no amount shall be allowed for anticipated profit on unperformed Services or other work, and (b) any payment due to Consultant at the time of termination may be adjusted to the extent of any additional costs City incurs or will incur because of Consultant's default. In such event, City shall consider the actual costs incurred by Consultant in performing the Services to the date of termination, the amount of Services originally required which was satisfactorily completed to the date of termination, whether the Services or deliverables were in a form or of a type which is usable and suitable to City at the date of termination, the cost to City of either completing the Services itself or employing another firm to complete the Services in addition to the inconvenience and time which may be required to do so, and other factors which affect the value to City of the Services performed to the date of termination. Under no circumstances shall payments made under this provision exceed the Schedule of Charges. This provision shall not preclude City from filing claims and/or commencing litigation to secure compensation for damages incurred beyond that covered by withheld payments.

3.7.2 Termination by City for Convenience. City may terminate this Agreement, in whole or in part and at any time, for the convenience of City. City shall terminate by delivery to Consultant a notice of termination specifying the extent of the termination and the effective date of termination. If City terminates this Agreement for convenience, City shall pay Consultant the amount otherwise due in accordance with this Agreement for Services satisfactorily performed to the date of termination.

3.7.3 Termination by Consultant. Consultant may terminate this Agreement in the case of a material breach and upon failure of City to remedy said breach within ten (10) days of written notice by Consultant of such breach. Consultant may also terminate the Agreement if key personnel and/or facilities are lost due to an act of God or other catastrophe creating a situation under which Consultant is physically unable to perform. Consultant's notice of termination shall be in writing.

3.8 Discrimination. When hiring of employees to perform Services, and in any subcontract arising hereunder, Consultant, its subconsultants, or any person acting on behalf of Consultant or subconsultant shall not, by reason of race, religion, color, age, sex, national origin or the presence of any sensory, mental or physical handicap, veteran status, or sexual orientation, discriminate against any person who is qualified and available to perform the Services to which the employment relates.

3.9 Indemnification and Compliance with Law.

3.9.1 The indemnification and defense obligations specified in this Section 3.9 ("Indemnity Obligations") have been mutually negotiated and shall survive the expiration, abandonment, or termination of this Agreement. The Indemnity Obligations shall extend to claims that are not reduced to a suit and to any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation. Inspection, acceptance or payment by City of or for any Services performed by Consultant shall not be grounds for avoidance of any Indemnity Obligations.

3.9.2 Consultant's duty to indemnify the City under this Agreement varies, as more particularly set forth below, depending on the circumstances that give rise to the obligation of indemnity. However, the Consultant's indemnity obligation shall extend – under any and all such circumstances – to all liability, claims, damages, losses, and expenses incurred by the City, whether direct, indirect, consequential, and specifically including (but not limited to) any attorneys' and consultants' fees and other expenses of litigation or arbitration (for convenience, these are collectively referred to as "losses") that arise from the particular act or omission giving rise to the indemnity obligation.

3.9.2.1 General Indemnity. Except to the extent that one of the more specific indemnity obligations set forth below applies, Consultant shall defend, indemnify, and hold harmless the City, including its officers, employees, agents, and volunteers, from any and all losses and claims including any and all claims for personal injury, bodily injury, including death, or damage to property that are caused or alleged to be caused, in whole or in part, by any act or omission of Consultant. This obligation of indemnity includes negligent acts (whether concurrent, contributory, or both) by the City. The obligation of

indemnity under this Subparagraph does not, however, extend to losses caused by the sole negligence of the City.

3.9.2.2 Professional Errors and Omissions. For any losses that arise from the exercise of Consultant's professional judgment in the performance of architectural, landscape architectural, engineering, or land surveying services such that RCW 4.24.115 would apply, Consultant shall defend, indemnify, and hold harmless the City from all such losses to the extent caused or alleged to be caused by any violation of law, including state, federal, or municipal law or ordinance, or by any negligent act, omission, breach of contract, or willful or intentional misconduct of Consultant. The obligation of indemnity under this Subparagraph does not, however, extend to losses caused by the negligence (whether sole, concurrent, or contributory) of the City.

3.9.2.3 Construction Claims. In the event that this Agreement is relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of any building, highway, road, excavation, or other structure, project, development, or improvement attached to real estate (specifically including moving or demolition in connection therewith) and therefore subject to RCW 4.24.115, Consultant shall defend, indemnify, and hold harmless the City from all losses to the extent caused or alleged to be caused by any violation of law, including state, federal, or municipal law or ordinance, or by any negligent act or omission of Consultant. The obligation of indemnity under this Subparagraph does not, however, extend to losses caused by the negligence (whether sole, concurrent, or contributory) of the City.

3.9.3 In any and all claims against the City by any employee of Consultant, the indemnification obligations set forth above shall not be limited in any way by any limitation on the amount or type of damages or compensation benefits payable by or for Consultant under the applicable worker's or workmen's compensation, benefit, or disability laws (including but not limited to the Industrial Insurance laws, Title 51 of the Revised Code of Washington). Consultant expressly waives any immunity Consultant might have under such laws and, by entering into this Agreement, acknowledges that this waiver has been mutually negotiated.

3.9.4 The obligations of this Paragraph shall not be construed to negate, abridge, or otherwise reduce any other right or obligation which would otherwise exist as to any person or entity described in this paragraph.

3.9.5 For purposes of this Paragraph only, the term "City" shall mean and include the City and its council members and other elected officials, other officers, employees, and agents, and the term "Consultant" shall mean and include Consultant, all of its Subconsultants and suppliers at all tiers, agents, and any other person directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable.

3.9.6 The parties recognize that one party may have unique knowledge or involvement in the acts that certain claims are based on; therefore, the parties agree that upon receipt or service of a claim arising out of or related to the work or project which is the subject of this Contract, the parties hereto will cooperate in good faith in the defense of any claim. The intent and purpose of this subsection is to ensure the good faith cooperation of both parties in the defense

of any claim initially so that all necessary knowledge and personnel are made available to each other in order achieve the best claim defense possible.

3.9.6.1 The parties agree that they each have the right to tender the defense of any third party claims to the other party without violating the provisions of this section. However, notwithstanding any other provision in this section, in the event that either party fails to accept tender from the other party, the parties agree that it is their intent that they will cooperate and initially defend any claims arising out of, in connection with, or incident to their own acts, regardless of the type or characterization of the act(s) and each party is free to assert such defenses, claims, counterclaims and third party claims as they deem appropriate.

3.9.6.2 At the time that liability for any disputed claim is ultimately determined by agreement, as a result of any agreed or mandatory dispute resolution process, or by final order of a court of competent jurisdiction, the parties will reimburse each other for any defense costs and claims costs and payments or judgment satisfaction that may have been incurred pursuant to the provisions of this subsection and which would not have been required of that party under the provisions of subsections 3.9.1 through 3.9.5 if their initial tender of defense had not been improperly rejected.

3.10 Insurance. Unless otherwise stated in **Exhibit C**, the following insurance requirements shall apply.

3.10.1 Insurance. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

3.10.2 No Limitation. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

3.10.3 Minimum Scope of Insurance. Consultant shall obtain insurance of the types described below:

- A. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
- B. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.

- C. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- D. Professional Liability insurance appropriate to the Consultant's profession.

3.10.4 Minimum Amounts of Insurance. Consultant shall maintain the following insurance limits:

- A. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- B. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- C. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

3.10.5 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

- A. The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
- B. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City. In the event that such endorsement cannot be obtained from Consultant's insurance carrier, Consultant shall be responsible for providing notice in accordance with the terms of this provision.

3.10.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

3.10.7 Verification of Coverage. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work, which is attached and incorporated by this reference as **Exhibit C** ("Consultant's Certificate(s) of Insurance").

3.11 Records, Documents, and Audits.

3.11.1 Original documents, drawings, designs and reports developed under this Agreement, whether in written or electronic format, shall belong to and become the property of City, and shall be promptly delivered to City as required by the Services or at the termination of

this Agreement. All written information submitted by City to Consultant in connection with the Services will be safeguarded by Consultant to at least the same extent as Consultant safeguards like information relating to its own business. If such information is publicly available, is already in Consultant's possession or known to it, or is rightfully obtained by Consultant from third parties, Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise.

3.11.2 City acknowledges that the documents prepared by Consultant are prepared specific to the project described herein. If City modifies or uses any of said documents for other projects or purposes without the written approval of Consultant, City releases Consultant from all responsibility for any errors or omissions therein with respect to such modification or other use.

3.11.3 Consultant and its subconsultants shall maintain books, records, documents, and other evidence directly pertinent to performance of the Services in accordance with generally accepted accounting principles and practices consistently applied. City or any duly authorized representative shall have access to and be permitted to inspect such books, records, documents, and other evidence for the purpose of audit, examination and copying for a period of six (6) years after completion or termination of the Agreement, whichever is later. Audits conducted under this Section 3.11 shall be in accordance with generally accepted auditing standards and established procedures and guidelines of the reviewing or auditing agency.

3.12 Disputes and Remedies.

3.12.1 Choice of Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Washington. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

3.12.2 Dispute Resolution. All claims, counterclaims, disputes, and other matters in question between City and Consultant arising out of or relating to this Agreement shall be referred to the City Manager or a designee for determination, together with all pertinent facts, data, contentions, and so forth. The City Manager shall consult with Consultant's representative and make a determination within thirty (30) calendar days of such referral. Should the claims, counterclaims, or disputes not be resolved by the City Manager's decision, the parties shall refer the matter to professional mediation in Seattle, Washington, which shall be conducted within thirty (30) calendar days of the City Manager's decision. The cost of mediation shall be shared equally. No civil action on any claim, counterclaim, or dispute may be commenced until thirty (30) days following such mediation. In the event of litigation between Consultant and City to enforce the rights under this Agreement, reasonable attorney fees and expenses shall be allowed to the prevailing party.

3.12.3 Remedies. City's rights and remedies in this Agreement are in addition to all other rights and remedies provided by law. City may exercise such rights and remedies in any order and at any time as it determines necessary or appropriate.

3.13 Notice. All communications regarding this Agreement shall be sent to the parties at the addresses listed below, or at such other address as given pursuant to this Section, and shall be effective on the next business day if sent by registered or certified mail or deposited with an overnight delivery service.

City of Bothell
Executive
DeNae McGee
18415 101st Ave. NE
Bothell, WA 98011

Streetsense
Christine L. Delucchi
3 Bethesda Metro Center
Bethesda, MD 20814

3.14 Entire Agreement. The written terms and provisions of this Agreement, together with all referenced Exhibits, supersede all prior verbal statements of any officer or other representative of City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and the referenced Exhibits.

3.15 Priority of Documents. In the event that the language and provisions of this Agreement are contrary to or conflict with any language or provisions set forth in any exhibit to this Agreement, the language and provisions of this Agreement shall control, and the contrary or conflicting language or provisions of the exhibit(s) shall be disregarded and shall be considered void.

3.16 Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of City and Consultant.

3.17 Assignment. Any assignment of this Agreement by Consultant without the prior written consent of City shall be void.

3.18 Waiver. A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

3.19 Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

3.20 Counterparts. This Agreement shall be signed in duplicate or triplicate and may not be signed in counterparts.

3.21 Authorized Signatures. By their signatures below each party represents that it has taken all necessary steps and is fully authorized to sign for and on behalf of the named principal above.

3.22 Effective Date. This Agreement shall be effective on the last date entered by the parties below.

SIGNATURE PAGE FOLLOWS IMMEDIATELY

EXHIBIT A

Scope of Services / Scope of Work

[See Attached]

EXHIBIT B

Schedule of Charges

The total \$245,000 will be billed incrementally and payable within 45 days of invoice. Ten (10) equal monthly installments of \$24,500 each will be invoiced the last business day of each month March – December 2020.

EXHIBIT C

Consultant's Certificate(s) of Insurance

[See Attached]

**CITY OF BOTHELL
PROFESSIONAL SERVICES AGREEMENT**

Contract No. _____

EXHIBIT A

Scope of Services / Scope of Work/Payment Schedule

Operating as Bothell's Agency of Record, we will develop, complete and implement the following areas of performance enabling us to deliver on our guaranteed incremental return on marketing investment (ROMI) within the guidelines provided in the existing content playbook and editorial calendars that will be developed under this contract.

The new 2020 Scope of Work will cover services through December 31, 2020.

Brand Stewardship (\$24,544)

Throughout the year, the administrative team will direct the resources of our team to ensure we are delivering what we have promised on time and within budget. Stewardship responsibilities will include the following:

1. Provide strategic guidance and council from Travel & Tourism Practice Leader
2. Coordinate and facilitate interaction between client and agency personnel as needed
3. Continue to evolve the website as resources are available.
4. Work with Bandwango / on behalf of the client as needed to launch, promote, and manage passport packages.
5. Continue to expand Bothell's asset library as resources are available.
6. Facilitate the development and implementation of owned, earned, shared and paid consumer engagement plan.
7. Facilitate the development of the editorial calendars concurrent with the execution of social + blog content production and community management.
8. Track and report on performance against goals reflected in a monthly dashboard report with detailed KPIs (key performance indicators) and customized to meet client reporting needs
9. Facilitate meetings as required throughout the year
10. Bring Strategic and Creative resources to bear as needed throughout the year

Social Earned Media Services (\$46,375)

We will provide management of your shared presence in social communities and your blog efforts as outlined in the established editorial calendars. Each quarter, the content team will brainstorm with the client to identify the most appropriate topics to discuss throughout our selected social communities and on our blog. We will then create a content calendar for each quarter which will include an established theme for each month. The calendar will outline content topics by theme and by channel. Finally, we will include three social posts per week, a blog post every other week, one email deployment per month with a double remail, and our social community management. Our posts will be boosted to ensure maximum reach / effectiveness.

Email Marketing (\$28,440)

Email communication services will be developed and delivered throughout the year. This includes: design and copy written to support the content plan for up to ten newsletters and/or promotional emails.

In addition to design and copy, email services include: coding, deployment management of newsletters, double emails to increase lift engagement with subscribers for higher ROMI, testing, optimization, and list hygiene on database to assure favorable ratings with key ISPs.

Paid Consumer Engagements (\$127,416)

All paid initiatives will require the ability to a) hyper-target geographically, b) to audience profiles outlined in research, c) at costs that provide acceptable ROMI, d) flexibility for optimization based on performance or guaranteed delivery of identified metrics.

We reserve the flexibility to shift our initial allocation to achieve higher ROMI and delivery of consumer engagements within budget provided. Our initial plan includes the following channels of distribution and investment guidance:

Paid Search / Paid Social / SEO (\$52,266) Minimum of 33,665 website visitors

Programmatic/Native Display (\$29,150) Minimum of 26,500 website visitors

Lead Generation (\$46,000) Minimum of 20,000 qualified opt-in subscribers to our email database

Aggregate Guaranteed KPIs = Minimum of 60,165 website visitors and 20,000 qualified opt-in subscribers to your email database

Total Marketing Outreach = \$226,775

Guarantee: The key consumer engagements identified in the deliverables above along with those detailed in the Marketing Outreach Plan in the 2019 contract extension for January + February 2020 in the amount of \$39,705 will enable us to guarantee a minimum of \$5,500,000 in incremental visitor spending from visitor parties verified through independent conversion studies for a return on marketing investment (ROMI) of \$21 to \$1 against a total Marketing Outreach investment of \$266,480.

The verification will include independent conversion studies conducted by Texas A&M Department of Recreation, Parks and Tourism Sciences under the direction of Dr. James Petrick, the top researcher of travel and tourism in the country. The studies will be executed six months after the end of the contract in order to give consumers a chance to convert to a visit the destination.

Dr. Petrick's conversion studies will validate statistically reliable incremental visitor spending from respondents from the Bothell email database and website visitors tracked from one of our consumer engagement initiatives listed above. In the event incremental visitor spending falls short of our guarantee, we will recruit opt-in subscribers to the Bothell database in amounts sufficient to deliver the incremental visitor spending at no additional cost to Bothell. If incremental visitor spending exceeds our guaranteed minimum, the excess is considered added value to Bothell at no additional cost. In the past 15 years we have never failed to deliver on our guarantees.

20 Key Learnings Added Value

As added value beyond verification of incremental visitor spending, the conversion studies will provide valuable information for the City about visitors including:

- full demographics
- visitor party profile
- visitor spending
- reason for visiting
- core feeder markets
- expectations of a positive trip
- what Bothell delivered well on
- competitor market considerations by the visitors
- breakdown of day-trips vs. overnight trips
- percentage staying in paid lodging
- reasons for not visiting
- Destinations non-visitors chose
- intent to visit in the future

The studies will also provide the following estimated metrics

- Total tracked visitor parties and spending exclusive of transportation cost outside
- Incremental visitor parties and spending exclusive of transportation cost
- Transient Occupancy, BID and Sales taxes of \$591,000
- 4,600 overnight visitor parties of which 3,900 staying in paid lodging
- 8,600 paid room nights
- \$8.1 million in economic impact including indirect and induces factors

Maintenance Services

Creative Services (\$9,260)

We will provide the following services to create and deliver content required by the editorial calendar:

- Summer Asset Collection to include up to two team members or freelancers for quick snackable items needed to fill in gaps from larger 2019 shoot

Website enhancements & event listing support (\$8,965)

We will continue to execute a weekly update of event listings on the website for top-level, tourism related events as well as provide hosting services through December 2020.

The following enhancements will be included with the above fee:

- Solution for displaying long-term / recurring events - The change would allow us to separate out against the "Featured Events" and the "Live and Local". It will also allow us to properly deal with re-occurring events so they are not always showing as the very first event during the overall duration of that particular event.
- Add ADA accessibility plugin AccessiBe to enhance WACG 2.0
- Add Plan Your Trip to header with a dropdown for trip planner, Dine, Sip, Stay, and Play and

enlarge utility nav, move offers to main nav.

Invoicing:

The total \$245,000 will be billed as follows:

Ten installments in the amount of \$24,500 each will be invoiced the last business day of each month March – December 2020.

All payments will be due within 30 days of invoice.

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Att 3 - City of Bothell Tourism Reserves 2019-2020

2019 Reserve Fund	
2019 Beginning Reserve Fund Balance	\$766,313.42
2019 Year to Date Revenue	\$396,564.94
2019 Upcoming Estimated Revenue - Dec*	\$20,000.00
2019 Expenditures - Includes previous contract-new brand/website	(\$531,206.42)
2019 Estimated Ending Fund Balance	\$631,671.94

*sales tax come in on a two-month lag from the state

2020 Reserve Fund	
2020 Estimated Beginning Fund Balance	\$631,671.94
2020 Revenue Fund Forecast	\$400,000.00
2020 Total LTAC Spending Plan	\$499,636.00
2020 Estimated Ending Fund Balance	\$532,035.94

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City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Jennifer Phillips, City Manager
Jeanie Ashe, Executive (Presenter)

DATE: March 3, 2020

SUBJECT: Receive the Results of the 2019 Business Retention and Expansion (BRE) Program and Consideration of the 2020 Economic Development Program

POLICY CONSIDERATION: Approval of this plan has the benefits of generating new revenue, creating new jobs, and supporting a stable tax base.

HISTORY:

DATE	ACTION
FEBRUARY 19, 2018	City Council adopted Council Goals
MARCH 5, 2018	City Council received a staff report

When City Council set the 2019 goal of creating an economic development program, they directed staff to create a program that connects the City with the local community and specifically called out a Business Retention and Expansion (BRE) program. At its March 5, 2018 Council meeting the Economic Development Manager presented the 2019 BRE program.

DISCUSSION: Staff will discuss the results of the 2019 Bothell Business Retention and Expansion Report that documents the outcome of 50 BRE visits and the results of 23 surveys. Additionally, staff will make a presentation about the 2020 Economic Development Strategy.

The goals of the 2020 strategy are designed to:

- Generate new revenue
- Create new jobs
- Support a stable tax base

The tactics include:

- Surplus Property Disposition
- Business retention an expansion
- Small business development
- Recruitment and Marketing
- Communications/Research

**FISCAL
IMPACTS:** | None

ATTACHMENTS: | Att-1. 2019 Bothell Business Retention and Expansion Report

**RECOMMENDED
ACTION:** | Receive a report on the results of the 2019 BRE Program and approve staff to implement the City of Bothell 2020 BRE Program.



City of Bothell™

Business Retention Expansion

• • • • • 2 0 1 9 R E P O R T • • • • •

The City of Bothell's Business Retention and Expansion (BRE) program is the fundamental tool used to support the local business community.



BACKGROUND

The 2019 BRE campaign committed to meeting with 50 businesses in six months. The primary purpose of the meetings was to strengthen the connection between local businesses and the City through a proactive communication campaign. The meetings focused on facilitating relationships, identifying methods of removing barriers to growth, and identifying businesses that are at risk of downsizing, moving, or closing. The secondary purpose of the meetings was to establish a baseline of information regarding business' satisfaction with doing business in Bothell. And, lastly, technical assistance was provided to businesses when needed to support their growth and expansion.

The 2019 BRE campaign launched in February and concluded in October. During that time, the Economic Development Manager met with 50 businesses across four sectors including retail, professional services, manufacturing and R&D, corporate headquarters and, Bothell's largest employers (eight of the top 10). Spending time with each business, the Economic Development Manager captured qualitative data by asking questions about the factors that impact each business' success in Bothell. Conversations were followed by a two-part survey that measured community services satisfaction and business location satisfaction. Twenty-three of the 50 businesses interviewed completed the written survey.

WHAT WE LEARNED

Bothell has a reputation in the Puget Sound Region as a popular business and residential community. And it is well-deserved. Council's investment in its downtown redevelopment, value for open space, and commitment to creating a cultural plan has created amenities and programs that elevate Bothell resident's quality of life. Bothell also has a thriving business community. We are most known for our life science research and development businesses. Juno, Astarte Biologics, Seattle Genetics, to name a few, are conducting life-saving research and development that have a global impact. While the life science sector attracts the most attention, Bothell is also home to a diverse population of manufactures, professional service, and retail businesses.

Overall, businesses were happy to meet with the Economic Development Manager to discuss their experience conducting business in Bothell. While each conversation was unique and tailored to match the type of business, Bothell's assets was a theme that emerged in every conversation:

Bothell Assets



UW Bothell, Cascadia College and the life science and manufacturing clusters



Downtown redevelopment



Central location in the Puget Sound region



Access to the trail system



Airport at Paine Field

BUSINESS CONCERNS

The top 3 concerns businesses reported in the survey and interviews are:



Transportation Infrastructure

This is a regional issue that impacts supply chain and workforce. The primary solution used by businesses to maintain employee productivity is to provide flex schedules.



City Services

Like transportation infrastructure, city permitting and code enforcement services are a regional issue. The rapid growth in the Puget Sound region has put a strain on City services and developers and businesses are often unhappy. Permitting and code enforcement were consistently rated low or commented on during BRE meetings. The Economic Development manager learned that several concerns were based on experience during a previous administration. But there was enough feedback to explore the City's customer service.



Workforce

This is truly a global issue. There are simply not enough qualified workers to match the growth rate of development and technology.

NEXT STEPS

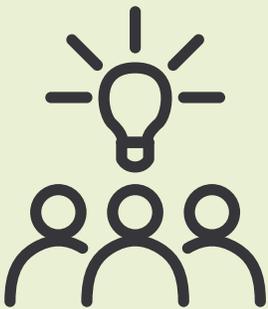
The following activities and programs are recommended to address the opportunities and challenges of being a business in Bothell:

Recommendations

- Increased attention to innovative solutions. In particular, businesses that may be at risk of relocating.
- Collaborate with community partners in creating alternative transportation solutions.
- Continue to promote the existing workforce development services provided by Workforce Snohomish, Professional Development Everett Community College, and Lake Washington Institute of Technology. Work with the Medical Device Innovation Partnership Zone (IPZ) to accomplish their goal of increasing the availability of a qualified workforce.
- Implement a customer service ombudsman program.
- Implement a “how to permit your business” educational campaign.
- Ongoing assessment of Bothell’s existing markets.

ADDITIONAL OBSERVATIONS/ RECOMMENDATIONS

As a result of conversations with the local business community, the following observations were made:

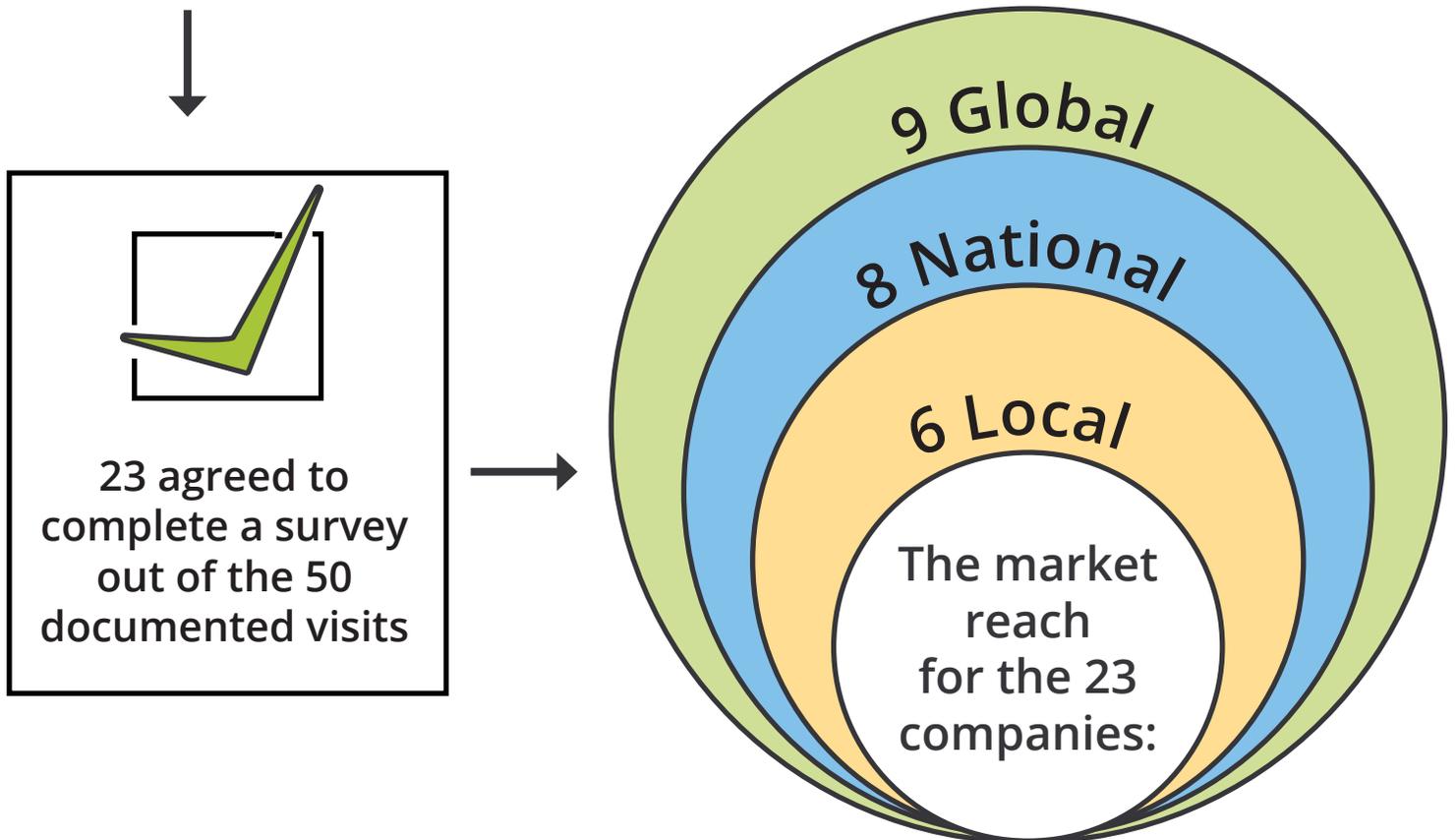


- Bothell appears to have a healthy mix of research and development, manufacturing, professional services, and retail business that provide for a diverse economy. Traditionally, communities with diverse economies are less volatile, have less unemployment and a quicker recovery during a recession. Because a diverse employment base is important, additional research is recommended to truly understand Bothell’s business mix. The results can be used to identify gaps and opportunities for future economic development.
- An ongoing threat in Bothell’s life science cluster is existing local businesses being bought by larger companies and potentially closing or relocating local facilities and displacing employees. In addition to ongoing monitoring of the local market, it is recommended that a technical assistance program be developed that gives businesses a reason to remain in Bothell. Technical assistance is a business incentive that supports businesses’ potential to increase jobs, investment, tax revenues, and consumer spending

Survey Results

BUSINESS INFORMATION

The 50 documented visits included companies in the following sectors:					
16	12	8	10	3	1
Retail	Professional Services	Top 10 Employers	Manufacturing	Life Science/ Technology	Corporate Headquarter



The 23 companies were asked about their sales during the past 2-3 years:

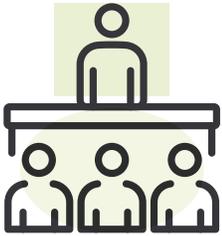


ABOUT THE SURVEY AND RESULTS

A city's schools, highways, hospitals, water and sewer systems are often taken for granted. But the availability of reliable utilities, an educational infrastructure, medical services, and a strong business climate are all aspects that impact a business' vitality and influences a community's reputation. With this in mind, the business satisfaction survey was created.

Survey questions fall into three categories:

1	2	3
Education and Quality of Workforce	Public Infrastructure	City Services

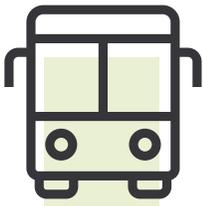


Education/Workforce

Higher education/Public Schools/Workforce:

A company's productivity is directly linked to a trained and educated workforce. Businesses report that they are satisfied with their employees' skill sets and employees do not require remedial training. Scientists are in short supply but Bothell's quality of life and location in the Puget Sound Region makes it easy for companies that need to recruit scientists from outside the state. Two themes were reoccurring throughout the business interviews:

- The Puget Sound Region's transportation infrastructure is one of the most challenging issue impacting employee productivity. The number one solution for employers is to provide flex schedules.
- There is a shortage of engineers and manufacturing workers. Bothell employers primarily resort to internships as a method to recruit new talent.



Public Infrastructure

Public infrastructure:

Highways and streets, water and sewer systems, conservation and development structures, and reliable electricity and telecommunications are all important utilities for a healthy and viable business climate. Fortunately, Bothell's infrastructure is in place and well maintained. The only negative feedback regarding the city's infrastructure was congestion. As mentioned above, it is a regional issue.



City Services

Permitting and Code enforcement:

Measuring a city's permitting and code enforcement is important because it is a reflection of its political climate and impacts its reputation as a "business friendly" community. Bothell's permitting and code enforcement practices are indicative of its commitment to public safety and goal to help developers succeed. Unfortunately, permitting and code enforcement was the category that received the most negative feedback.

Twenty-three business completed a two-part survey that measured community services satisfaction and business location satisfaction. The responses are ranked as follows:

Business Location Survey	Total Score out of 115
Cleanliness of Sidewalk	105
Cleanliness of Streets	105
Appearance of Buildings	100
Location of your Business	100
Appearance of Business Signs	99
Street Lighting	97
Pedestrian Access to your Business	90
Labor Force Quality	88
Availability of Labor	87
Variety of Stores/Businesses	86
Access to Public Transportation	81
Congested Streets near your Business	77

Community Services	Total Score out of 115
Street Maintenance/Drainage	99
Utility Rates/Reliability	99
Fire Protection	99
Telecommunication Services	96
Police Protection	94
Emergency Medical Service	93
Water and Sewer	93
Higher Education	90
Solid Waste Disposal	88
Health Care Facilities	84
Local Business Organization	80
Code Enforcement	78
Natural Gas Cost and Reliability	76
Zoning and Permitting	69
Public Schools	62
Child Care	46*

*Childcare received a low rank due to the lack of response from employers.

STRENGTHS

- **Workforce:** due to its life science cluster, Bothell has a concentration of knowledgeable workers.
- **Higher education:** Bothell's colleges are a key connection between employers and future employees.
- **Location:** Bothell's central location and access to major infrastructure is an asset for both business' supply chain and employees.



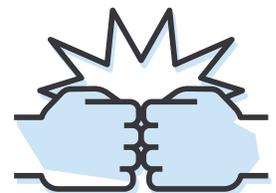
WEAKNESSES

- **Transportation infrastructure:** Businesses are primarily concerned about attracting workers and productivity. Individual businesses have created a variety of solutions including private buses to transport employees in Canyon Park; flexible schedules, and; work from home options.
- **Workforce:** There's simply not enough workers. Employers report that other businesses poach their employees. One business stated he could grow his business 30-40% if the workforce was available.
- **Permitting/Building inspectors:** There were a variety of concerns regarding businesses' experience in applying for building permits, getting certificates of occupancy, and unexpected construction costs due to conflicting information. All of which cost businesses time and money.

POTENTIAL CHALLENGES

There are a variety of costs and regulations that impact Bothell businesses. Although the costs are out of the City's realm of responsibility, as a city we need to be sensitive to these type of costs and work to offset via a technical assistance program. The following costs were mentioned by businesses during BRE interviews:

- **Cost of real estate** – can be a detractor to small businesses and startups.
- **Tariffs** – an increased cost at the global level can inhibit local investment
- **Medical device manufacturing tax** – an increased cost at the federal level can inhibit local investment.
- **Cost of doing business** – impacts both small and large businesses
 - ⇒ Minimum wage increase. For a small restaurant, a \$1.50 salary increase is approximately \$75 – 150K added costs which is passed along to the customer and inadvertently impacts tips.
 - ⇒ Manufacturers are routinely approached by outside economic development organizations for the purpose of convincing the business to relocate. It can be tempting because other states can provide incentive packages and employees come at a lower cost. Texas is one example. The state has a well-funded economic development program and its minimum wage is \$7.25/hour.
 - ⇒ Washington's paid family and medical leave act – some employers are keeping their employee numbers below 50 so that they don't have to participate in the program.



TECHNICAL ASSISTANCE PROVIDED

The following technical assistance was provided as a result of the 2019 BRE campaign:

- Business advocacy regarding the medical device manufacturing tax and tariffs.
- Collaborated with the Economic Alliance Snohomish County to secure a \$200,000 grant from the Governor's Economic Fund to assist in the recruitment of a biopharma company.
- Assisted in the smooth relocation of a small business from Country Village and assisted other Country Village businesses find locations.
- Follow up to BRE visits included connection to the following resources: workforce development; lean manufacturing, and tax credits for electric vehicle charging stations.
- Liaison between local businesses and the City. Assist with understanding and solving permitting issues



City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Jennifer Phillips, City Manager
Jeanie Ashe, Executive (Presenter)

DATE: March 3, 2020

SUBJECT: Receive an Economic Impact Analysis of Mixed-Use Development on Four Acres at the Former Wayne Golf Course

POLICY CONSIDERATION: This item asks the City Council to consider the economic, employment, and fiscal impact analysis of a mixed-use development, as described in the Former Wayne Golf Course Highest and Best Use feasibility study completed in October 2019.

The feasibility study and impact analysis supports the Council’s fiscal sustainability goal that includes development of an economic development strategy for the four acres located at the former golf course.

HISTORY:

	DATE	ACTION
	FEBRUARY 19, 2019	City Council approved resolution to secure grant for feasibility study
	OCTOBER 8, 2019	Results of feasibility study presented to Council

On February 19, 2019, City Council adopted a Resolution approving the City Manager’s grant application to the Port of Seattle for its 2019 Economic Development Partnership Grant program. The grant was used to support the implementation of a feasibility study for the development of the four acres of unencumbered land at the former golf course.

On October 8, 2019, City Council received the results of the feasibility study for the four acres of unencumbered land on the former golf course. Council consensus was to hold and receive feedback from two public engagement meetings and allocate \$5,000 for an additional economic impact analysis.

DISCUSSION: The four unencumbered acres on the old golf course were set aside to create an economic engine for Bothell and to activate the remaining 85 park acres. The constraints on the property are that development cannot include housing, manufacturing, office, or warehouse space. Additionally, any property development must remain available to the public, and compliment the natural, scenic open-space and water resources, and the property can never be sold.

With the understanding that the goal was to create a strategy to activate the property, a consultant was engaged to conduct a feasibility study to provide market information and a follow up impact analysis. With information in hand, the next step is to write a Request for Proposals (RFP) seeking ideas and proposals from a broad audience.

Summary of 20-year impacts: A mixed-use development project as described in the feasibility study is expected to generate nearly \$900 million in net new spending, \$281 million in net new earnings and 372 new full-time jobs equivalent jobs at peak.

The fiscal impact from sales, hotel, and property taxes is expected to be approximately \$18 million.

The construction impact is also expected to total \$9.3 million between spending on materials and labor, and support 80 job-years.

**FISCAL
IMPACTS:**

There are no fiscal impacts associated with this item.

ATTACHMENTS:

Att-1. Bothell Final Analysis with Economic Impacts

**RECOMMENDED
ACTION:**

Receive the report, provide feedback, and provide direction on issuing a RFP seeking developer proposals for the four acres at the Former Wayne Golf Course.

Former Wayne Golf Course Highest & Best Use Analysis

Final Report w/ Impact
November 22, 2019



This feasibility study was made possible, in part, by a Port of Seattle Economic Development Grant.



Purpose of the Study

Hunden Strategic Partners (HSP) was engaged by the City of Bothell (Client or City) to determine the highest & best use for four key acres at the former Wayne Golf Course in the Bothell, Washington (Project).

The City of Bothell envisions the creation of a destination amenity with a public use component to be developed on the site. The development must complement and activate the remainder of the property, while not encumbering any of the natural assets. Additional site restrictions prohibit commercial, industrial and manufacturing uses.

As part of the study, HSP is conducting a market analysis for restaurant and retail, hospitality, meetings market, entertainment and adult beverage experiences. The analysis is to determine which, if any, of these uses is feasible via private development based on a comparison of potential rental revenues and the cost to construct of each use. Then, HSP will create a recommended program of the uses that produce that greatest feasibility.

The findings shown herein present the market analysis and recommendations.

Table of Contents

- ❖ Executive Summary
- ❖ Chapter 1: Situational Analysis
- ❖ Chapter 2: Economic, Demographic & Tourism Analysis
- ❖ Chapter 3: Retail & Restaurant Market Analysis
- ❖ Chapter 4: Hotel Market Analysis
- ❖ Chapter 5: Meetings & Event Market Analysis
- ❖ Chapter 6: Entertainment Market Analysis
- ❖ Chapter 7: Adult Beverage Market Analysis
- ❖ Chapter 8: Spa & Wellness Market Analysis
- ❖ Chapter 9: Recommendations; Case Studies
- ❖ Chapter 10: Demand and Financial Projections
- ❖ Chapter 11: Economic, Employment and Fiscal Impact Analysis

Executive Summary



Realities

A number of realities and conditions exist that may impact the overall feasibility of the project on the Wayne Golf Course.

- **The location is slightly removed and not surrounded by any commerce clusters.** The former Wayne Golf Course is located nearly one mile from Downtown Bothell, just slightly out of the range of walkability and downtown foot traffic.
- **The location offers sufficient access for motorists and trail users.** Situated off of State Route 522, the site draws a steady of flow of vehicle traffic year round. The Sammamish River Trail and the Burke Gilman Trail pass through the site which adds access for residents and visitors by bike or by foot. While removed from the restaurant and retail cluster in Downtown Bothell by roughly three miles, the location still has potential due to the draw of the natural assets.
- **Population over the last five years is growing very quickly, but Bothell has maintained its unique image and charm.** Bothell has undergone a significant transformation in the downtown area in recent years, with redevelopments that have activated a central destination district but has kept the “charm” of a smaller community.
- **Project restrictions.** HSP understands that the site does not allow for residential, manufacturing or other industrial uses, office and/or storage uses or any other uses that restrict public access.
- **The site has sentimental value for many Bothell residents.** It is important to maintain the history of the community (keeping the name “Wayne” in the ultimate development, etc.) and to preserve the natural surroundings.



Headlines

- **Demand and likely success for additional destination hotel experiences in Bothell.** Interviews with industry professionals and local stakeholders yield favorable market indicators that an additional boutique hotel with meeting space and a beverage attraction would be viable.
- **There is little room in the market for an additional dedicated entertainment venue.** Limitations of the site, as well as proximity to the Seattle market, indicate that a performance venue would not be feasible at the Project site.
- A **distillery or brewery** would add to the destination appeal and viability of the project, especially on the Trail. Access to the trail has had a positive impact on the breweries in Woodinville.
- **The market is missing a larger banquet/ballroom space for larger events.** HSP recommends this element to induce more demand and tourism to Bothell.
- **Bothell's downtown development, as well as the demographic data collected, has proven that there is a healthy market for retail and restaurants.** The key to drawing visitors to the project site will require a product that offers a unique and comprehensive experience.
- **Compelling, unique projects are typically harder to finance.** Generally, the more compelling/unique a project is the more expensive it is, which typically reduces financial feasibility, or makes lenders nervous due to lack of comparable projects. The City will likely need to provide some upfront incentive/inducement to attract the type of developer and development desired.
- **Location of the site remains a challenge, but wellness vibe provides synergy.** As the site is not easily walkable from the downtown cluster, the development must be able to survive as a standalone entity that is largely unsupported by surrounding amenities. However, its location on the Trail should be positive, especially for food and beverage offerings.



Recommendations

Based on the analysis to date, HSP recommends the following:

- A 80+ room boutique hotel should serve as the anchor development.
- The development should include flexible meeting space, including a 7,500-SF Ballroom to accommodate up to 500 for a banquet. The ballroom should be divisible for multiple simultaneous smaller events (the typically wedding reception needs 150 – 300 seats).
- At least 3-4 breakout meeting rooms for conferences and meetings. The ballroom divisibility will also help with breakouts.
- An indoor/outdoor food venue to take advantage of the surroundings and seasons.
- A wellness focus and potential spa with at least 5 treatment rooms.
- Onsite brewery or distillery. HSP believes a distillery will help differentiate the project.

Bothell Destination Development Recommendations

Boutique Resort-Style Hotel		80 - 90 Rooms	Capacity*
Ballroom	7,500 SF		500
Meeting Rooms	2,400 SF		200
Bar/Speakeasy	1,000 SF		67
Indoor/Outdoor Restaurant	5,000 SF		200

Brewery/Distillery and Restaurant 6,000 SF 120

Estimated Cost: **\$32 - \$40 million**

Estimated Gap: **\$3 - \$8 million**

* Banquet Capacity for Ballroom; Classroom for Meeting Rooms

Estimated Seating at Food & Beverage Outlets

Source: Hunden Strategic Partners



Recommendations

Additionally, HSP recommends the following:

- On-site farming or gardening for use at the restaurant, as residents and visitors prefer locally sourced products.
- HSP does not recommend any entertainment venue model, but does suggest atmospheric entertainment in the on-site food and beverage venues.
- HSP assumed the brewery/distillery entity would be a separate leased element, but could be part of the larger hotel business plan as well.
- Trail usage should factor into the spa programming, as it will appeal to wellness focused consumers.
- These recommendations will require some upfront public support, but will also result in the most compelling destination development and a long-term asset that will generate revenue for the park system.

Chapter 1: Situational Analysis

Project Overview

The City of Bothell has engaged HSP to conduct a highest and best use analysis for former Wayne Golf Course. The 89-acre site is city-owned, and includes four unencumbered developable acres that will be the focus of this analysis.

The City's goal is to develop a destination amenity on the site that will complement the surrounding area and generate economic impact for Bothell.

HSP's findings and recommendations will also be used to inform a future Parks and Recreation master plan.

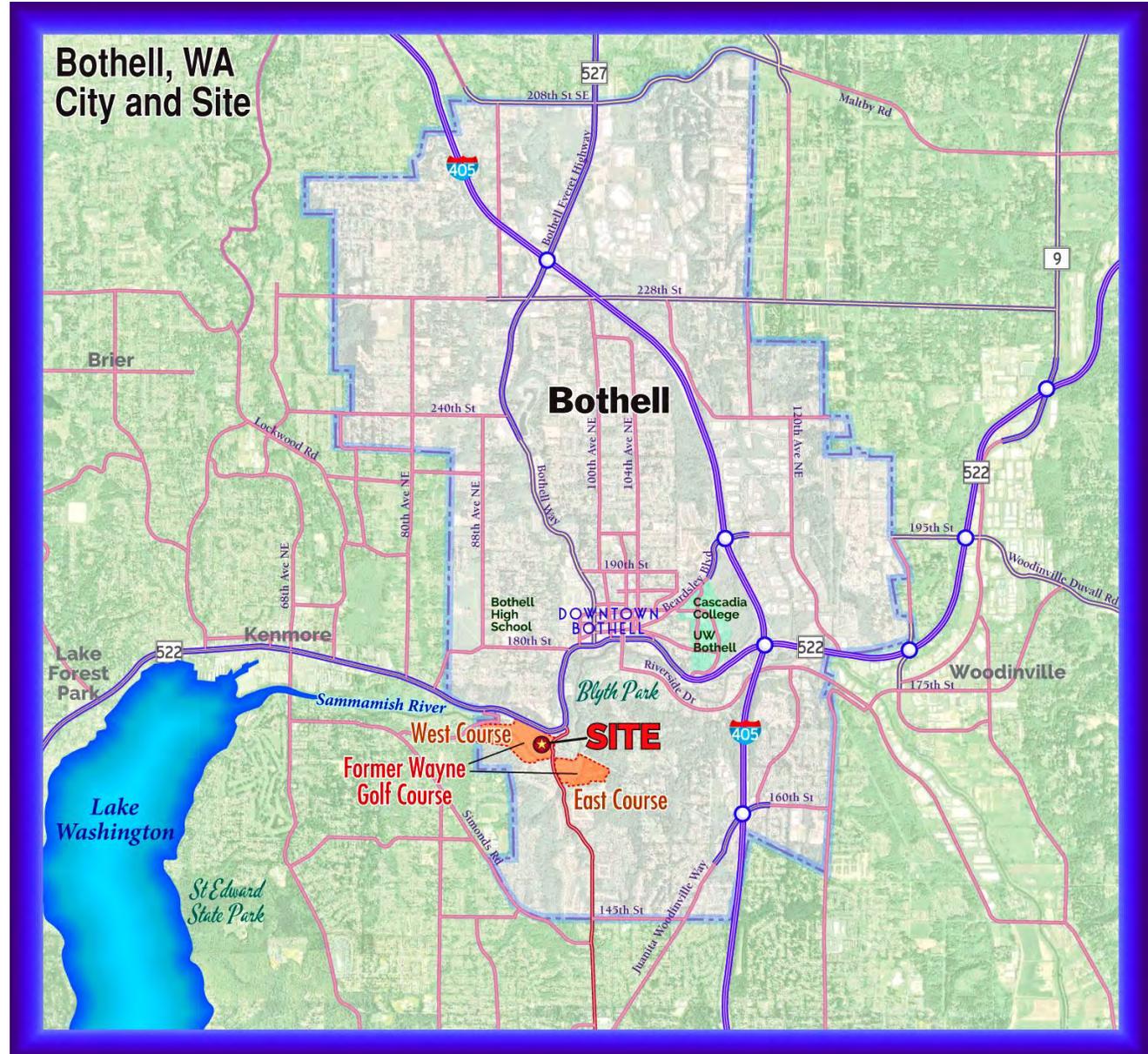


Bothell Area Map

The adjacent map illustrates the City of Bothell and the location of the Project site.

The City of Bothell spans two counties, the majority in King County and a portion in Snohomish County. The City is bordered by the cities of Kenmore and Woodinville, and by Lake Washington.

Located along SR522, the Project site is less than ten minutes from Downtown Bothell.

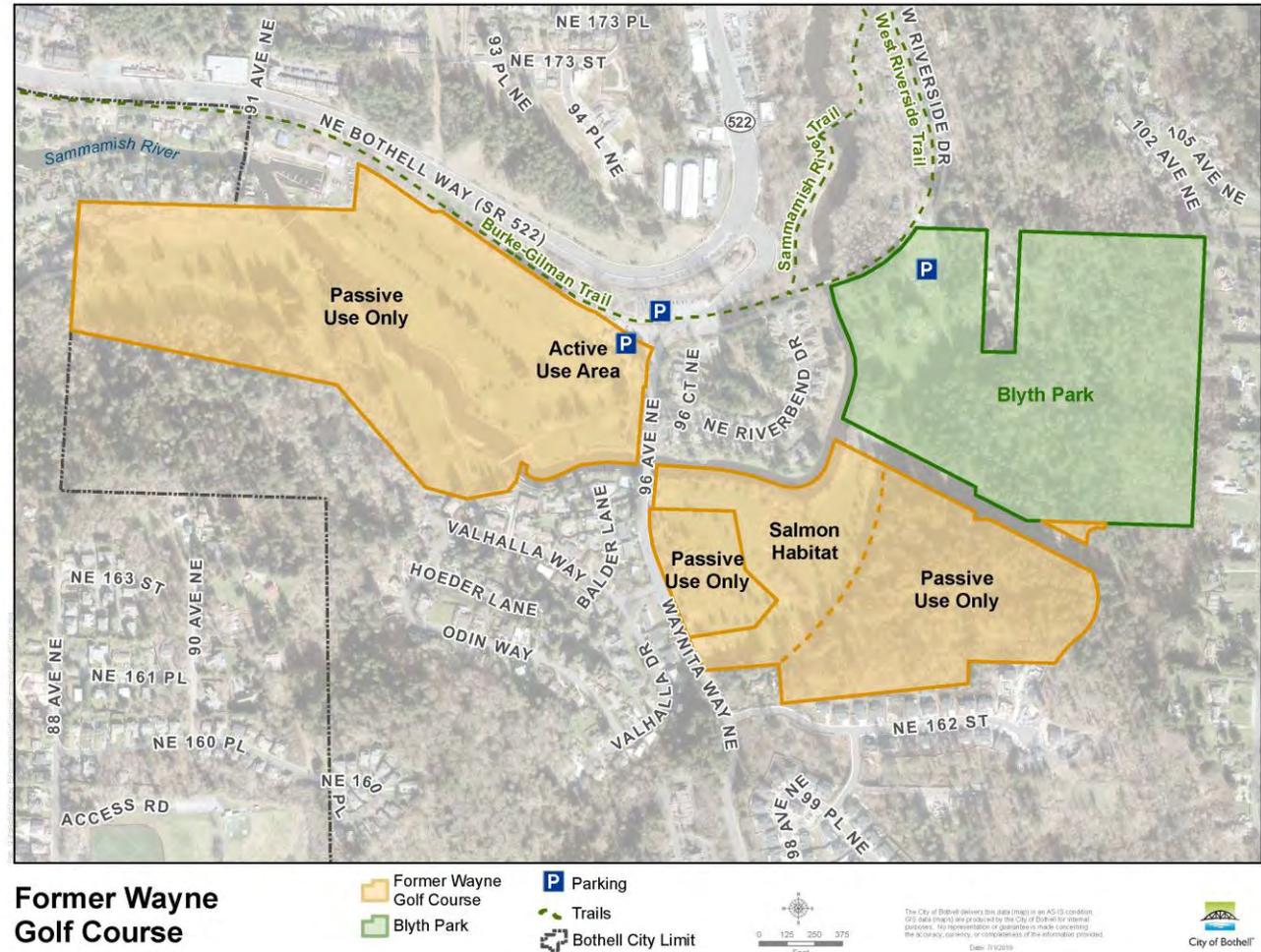


Site Overview

The adjacent map illustrates the site, and highlights areas that are restricted to passive uses.

The four-acre Project site is zoned for active use, and is accessible by the Sammamish River and the Burke Gilman Trails.

King County reports that 537,384 users accessed the Sammamish River Trail in 2017. The Burke Gilman Trail is estimated to be used by approximately 3,000 people on weekdays, and 4,000 on weekend days.





Community Feedback

HSP conducted interviews with several stakeholder groups in the City of Bothell, including elected leaders, executive leadership, community organizations and other interested community members to solicit input and feedback about the Project. Highlights from these interviews include:

- Feedback highlighted the emotional attachment that the community feels for the site, and the surrounding natural assets. The development must not hinder the natural beauty of the site, or limit public use.
- The City expressed the need for revenue generation, as the City cannot support an option that operates at a significant loss.
- Maintaining the community's history, like keeping "Wayne" in the new name, is important to residents. Historical landmarks are an alternative to acknowledge the history of the site.
- While no masterplan has been developed yet, the purpose of the HSP study is to show what options exist and to demonstrate the costs associated with those options before starting to undertake the steps that are necessary for a masterplan.

Chapter 2: Economic, Demographic & Tourism Analysis



How do Economic, Demographic and Tourism Impact Various Project Types?

Every element of a community has some impact, either directly or indirectly, on the attractiveness and potential for a new destination asset.

- **Retail/Restaurant** is highly influenced by the median household income (HHI) and, therefore, employment in an area. There is also an important relationship between the cost of living in an area (housing, etc) and median HHI as it points to what level of discretionary income is available for residents to spend on dining and non-essential retail goods.
- **Hotels** rely heavily on tourism (leisure) and corporate visitation to a given area in order to fill rooms throughout the week. Typically, the presence of more and larger corporations in an area will drive weekday occupancy and leisure travelers will be more common during the weekends, though some overlap is to be expected.
- **Meeting facilities** have a similar relationship to an area as hotels, though the local population is more likely to utilize meeting space than to stay in a hotel, so the presence of local associations and corporations will drive some demand to meeting facilities.
- **Entertainment facilities** typically rely on a large local and regional population (depending on size and nature of facility) and the spending power thereof. Demographics of residents (age, spending behaviors, etc) will also affect the programming and potential success on an entertainment facility.

The important of a strong local economy cannot be overstated, but certain economic and demographic realities are more important to different types of real estate development.

Demographic Analysis

Population and Growth Rates

	Population				Percent Change
	2000	2010	2019	2024 Estimate	2010 - 2019
United States	281,421,906	308,745,538	332,417,793	345,487,602	7.7%
State of Washington	5,894,121	6,724,540	7,608,571	8,120,093	13.1%
Seattle Metropolitan Area	3,043,878	3,439,809	3,962,957	4,261,478	15.2%
King County	1,737,303	1,931,249	2,236,075	2,409,428	15.8%
Snohomish County	606,024	713,335	823,512	886,548	15.4%
City of Bothell	34,038	39,856	48,420	53,007	21.5%
City Pop. As % of County	5.6%	5.6%	5.9%	6.0%	--

Source: U.S. Census Bureau

Population

Population in the metro area has increased at a rate faster than the U.S. as a whole, as well as the State of Washington. The greatest growth in population over the period was seen in the City of Bothell, with nearly three times the growth of the national average. Bothell is located in both Snohomish County and King County and is growing at a rate above both.



Tapestry Segments – City of Bothell

ESRI, a market analysis company, has identified 67 “Tapestry” segments, which are categorizations based on income, household type, spending behaviors and other demographic information. These segments provide context on the population in a given area.

Below are Bothell’s top three ESRI Tapestry segments.

- **Enterprising Professionals – 35.5% of Households.** This segment is younger with almost half of households are married couples, and 29% are single person households. Over half hold a bachelor’s degree or higher. They buy brand names, stay youthful, exercise, eat healthy and work long hours in front of a computer. Residents live in condos, town homes, or apartments and about half own and half rent their property.
- **Retirement Communities – 12.1% of Households.** This segment is said to be health conscious, frugal and pay close attention to finances. They live in older apartment buildings and single-family homes with a spouse or alone. This segment enjoys cooking but may prefer to dine out.
- **In Style – 10.0% of Households.** This segment is said to be highly responsible, mobile, educated and embrace an urban lifestyle. This group are the city dwellers of large metropolitan areas. This segment is attentive to price and includes newly married couples with no children or who are single who live alone. This segment supports the arts, theater, concerts and museums.

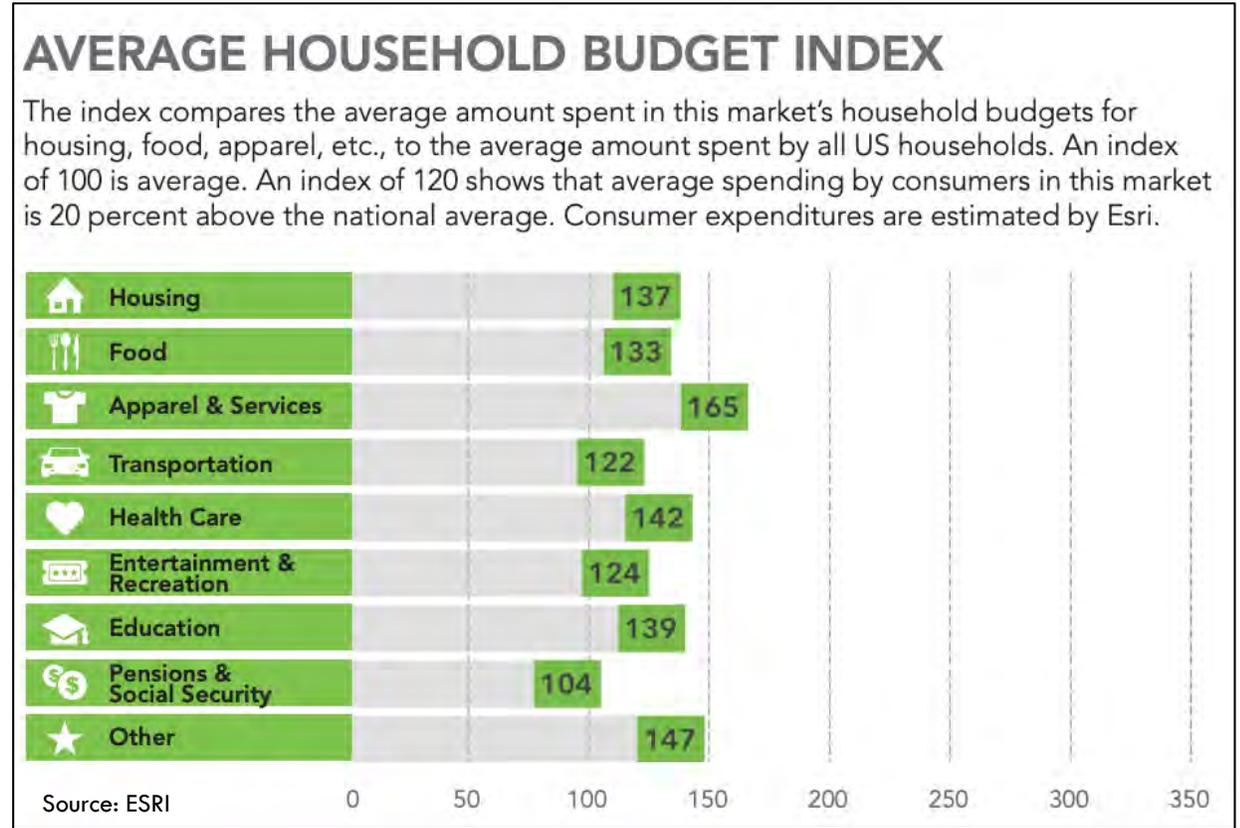


Enterprising Professionals

Enterprising Professionals (EP) is the largest ESRI segment found in the City of Bothell. This segment is the youngest of the three that reside in Bothell. Most of these consumers spend more than the national average on housing costs, food, health care, entertainment and recreation, education and transportation. Residents live in multi-units or single-family homes.

- **Median Age: 35.3**
- **Median Household Income: \$86,600**

Implications: The median HHI earns more than one and half times that of the national median income. It is the largest segment in the City of Bothell. Convenience is paramount to this group – shop at Amazon and are heavy users of new technology and services utilized through apps. When marketing the new Project to this group, bare in mind that while these folks are price conscious, they value experiences and leisure activities and are willing to spend on entertainment or special experiences like fine dining or a brewery or distillery.



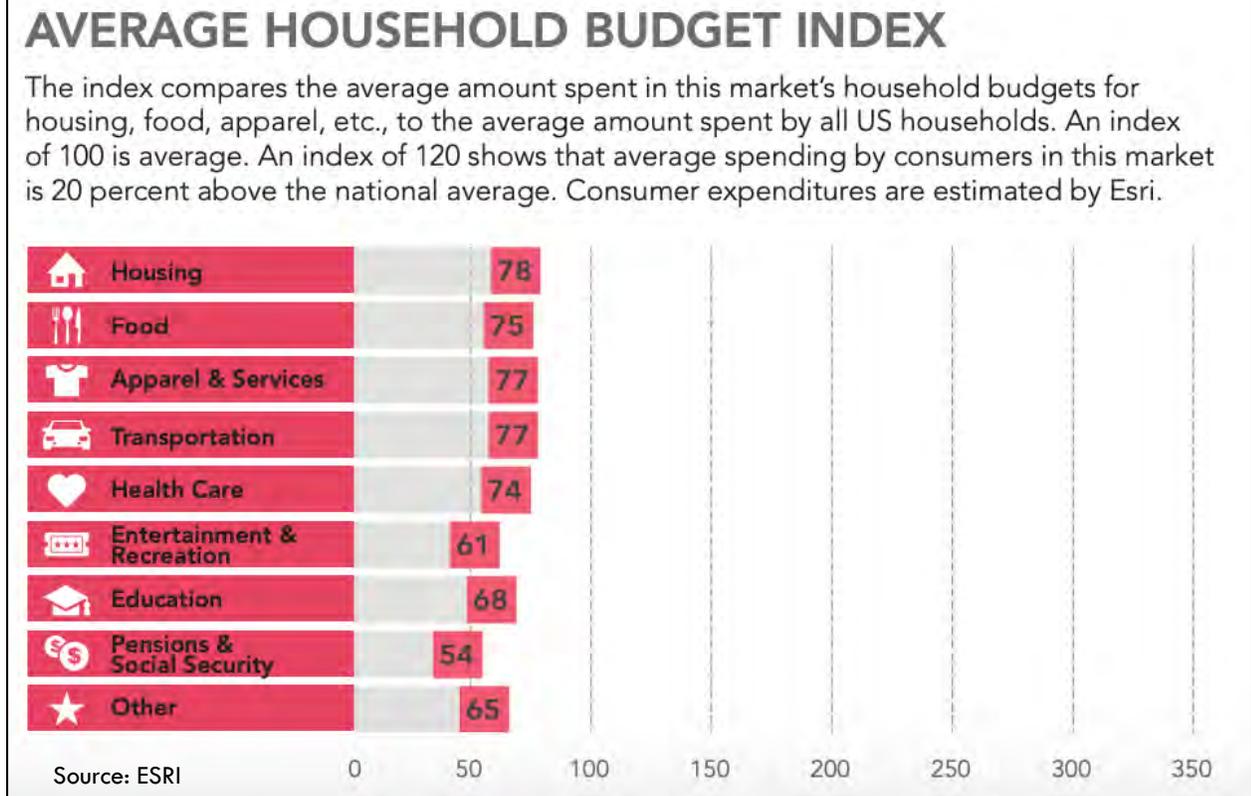


Retirement Communities

Retirement Communities (RC) is the second largest segment that makes up the city's Households according to ESRI. This segment is said to shop at diverse, large retail chains like Sears, Family Dollar, Target and Walmart. They live in multi-units or single-family homes. This segment is very price conscious as the household budget graph reflects. Renters occupy about 55% of all residential housing supply.

- **Median Age: 53.9**
- **Median Household Income \$40,800**

Implications: Unlike the Enterprising Professionals market segment, Retirement Communities are reserved, interested in activities like playing cards or reading books, and like to travel but only for a purpose like seeing sights or places for the first time. These members consume goods and services well-below the national average in categories like housing, food, apparel and education. As the City of Bothell diversifies in retail and entertainment options, in order to attract this market segment, the novelty of the attraction along with its use should complement these users' lifestyle to attract repeat business.





In Style - Bothell

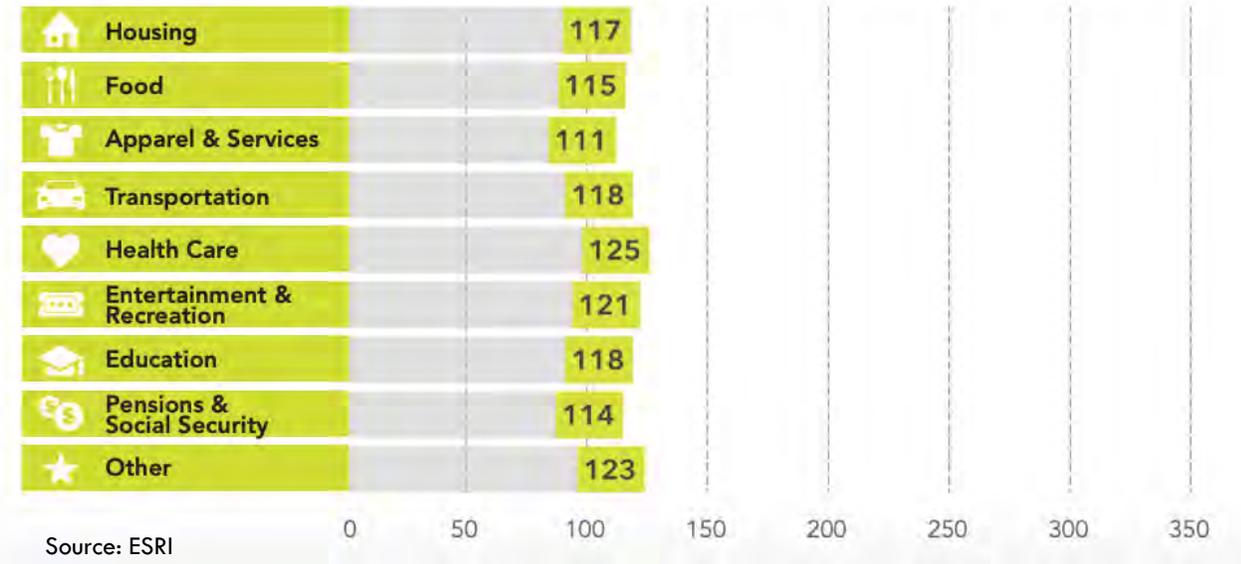
In Style is the third largest segment that makes up the city's Households according to ESRI. This segment is said to be highly mobile and educated. They are gainfully employed as this segment's employment rate is near the national rate of 3.6 percent. Two-thirds of these consumers are owners of single-family homes. These users are also generous supporters of charities and causes. They are acutely tuned into the arts, theater and museums.

- **Median Age: 42.0**
- **Median Household Income \$67,000**

Implications: Similar to the Enterprising Professionals, In Style consumers skew above the national average in consumption and spending habits on housing, food, apparel, transportation, health care, entertainment and recreation and education along with investment opportunities. This segment is a complement to EP and any marketing efforts could attract either users from these groups. This user group would fit the demographic for a brewery, high-end restaurant, or something with high entertainment value.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



Economic Analysis

King County Employment by Industry

Employment in King County is highly diverse with three industries shown that represent more than ten percent of the economy's employment, respectively. The largest sectors for employment are Professional, Scientific and Technical Services, Retail Trade, and Health Care and Social Assistance.

Communities with diverse employment scattered among many industries are more resilient in the face of economic downturns.

King County Employment by Industry - 2017

Industry	Employment	Percent of Total
Total employment (number of jobs)	1,757,626	100.0%
By industry		
Wage and salary employment	1,434,587	81.6%
Proprietors employment	323,039	18.4%
Farm proprietors employment	1,583	0.5%
Nonfarm proprietors employment	321,456	99.5%
By industry		
Farm employment	2,643	0.2%
Nonfarm employment	1,754,983	99.8%
Private nonfarm employment	1,568,404	89.2%
Professional, scientific, and technical services	183,694	10.5%
Retail trade	171,586	9.8%
Health care and social assistance	171,414	9.8%
Accommodation and food services	122,099	6.9%
Manufacturing	109,491	6.2%
Information	109,286	6.2%
Construction	89,320	5.1%
Administrative and support and waste management and remediation services	89,060	5.1%
Real estate and rental and leasing	88,190	5.0%
Other services (except government and government enterprises)	81,969	4.7%
Transportation and warehousing	76,347	4.3%
Finance and insurance	74,735	4.3%
Wholesale trade	70,962	4.0%
Arts, entertainment, and recreation	49,217	2.8%
Educational services	38,932	2.2%
Management of companies and enterprises	34,507	2.0%
Forestry, fishing, and related activities	2,917	0.2%
Mining, quarrying, and oil and gas extraction	2,818	0.2%
Utilities	1,860	0.1%
Government and government enterprises	186,579	10.6%
Federal civilian	20,327	1.2%
Military	7,305	0.4%
State and local	158,947	9.0%
State government	57,961	3.3%
Local government	100,986	5.7%

Snohomish County Employment by Industry

Total employment in Snohomish County at the end of 2017 was roughly 392,313 employees.

Employment in Snohomish County is slightly more centralized than King County but remains diverse with three industries shown representing more than ten percent of the economy's employment, as well. Manufacturing generates the largest concentration of employment in Snohomish County.

Snohomish County Employment by Industry - 2017

Industry	Employment	Percent of Total
Total employment (number of jobs)	392,313	100.0%
By Industry		
Wage and salary employment	307,517	78.4%
Proprietors employment	84,796	21.6%
Nonfarm proprietors employment	83,556	98.5%
Farm proprietors employment	1,240	1.5%
By industry		
Farm employment	2,129	0.5%
Nonfarm employment	390,184	99.5%
Private nonfarm employment	344,361	87.8%
Manufacturing	61,800	15.8%
Retail trade	44,415	12.9%
Health care and social assistance	38,063	11.1%
Construction	31,619	9.2%
Accommodation and food services	25,065	7.3%
Professional, scientific, and technical services	23,346	6.8%
Administrative and support and waste management and remediation services	21,038	6.1%
Other services	20,697	6.0%
Finance and insurance	16,978	4.9%
Real estate and rental and leasing	16,739	4.9%
Transportation and warehousing	10,367	3.0%
Wholesale trade	10,064	2.9%
Arts, entertainment, and recreation	8,101	2.4%
Information	6,886	2.0%
Educational services	5,324	1.5%
Management of companies and enterprises	1,733	0.5%
Forestry, fishing, and related activities	1,191	0.3%
Mining, quarrying, and oil and gas extraction	766	0.2%
Utilities	169	0.0%
Government and government enterprises	45,823	11.7%
Federal civilian	2,131	0.5%
Military	6,193	1.6%
State and local	37,499	9.6%
State government	5,540	1.4%
Local government	31,959	8.1%

Largest Employers in the Snohomish County

Industries

- Aerospace
- School districts
- Retail trade
- Health Care and Social Assistance

Companies/Agencies

- Boeing
- Federal Government
- Providence Regional Medical Center
- Albertsons/Safeway
- Fluke Corporation
- Washington State Government

Top 20 Snohomish County Employers

Company/Agency	Business Line	Public/Private	Total (2017*)
The Boeing Company	Aircraft manufacturing	Private	34,500
Providence Regional Medical Center	Medical services	Private	4,775
The Tulalip Tribes	Gaming, real estate, gov't services	Public	3,200
Naval Station Everett	U.S. Navy Base	Public	2,987
Washington State Gov't	State government	Public	2,950
Snohomish County Government	County government	Public	2,617
Edmonds School District	School district	Public	2,605
Premera Blue Cross	Health insurer	Private	2,600
Walmart (8 locations)	Retail	Private	2,312
The Everett Clinic	Health care	Private	2,255
Everett School District	School district	Public	2,195
Philips Healthcare	Ultrasound technology	Private	2,000
U.S. Federal Government	Government	Public	2,000
Swedish Medical Center	Health care	Private	1,850
Mukilteo School District	School district	Public	1,755
Edmonds Community College	Higher education	Public	1,516
Albertsons/Safeway (21 locations)	Retail - grocery	Private	1,500
Fred Meyer/QFC (18 locations)	Retail - grocery	Private	1,350
Marysville School District	School district	Public	1,341
Fluke Corp. (Fortive)	Electronic test & measurement	Private	1,200

* = Starting in 2015, the total numbers indicate combined number of full-time, part-time employees.

Source: Economic Alliance Snohomish County

Top King County Employers

King County benefits from a mix of public and private entities providing a strong economic backbone across a diverse mix of industries. Most of King County's highest employers are private sector companies. The Boeing Company, Microsoft and Amazon round out the top three major private employers.

The three public entities include Joint Base Lewis-McChord, the University of Washington and the King County government.

Top 10 King County Employers			
Company/Agency	Industries	Public/Private	Total (2018)
The Boeing Company	Aircraft manufacturing	Private	80,000
Joint Base Lewis-McChord	Military	Public	56,000
Microsoft	Software/Technology	Private	42,000
University of Washington	Education	Public	25,000
Amazon	Online Retail & Technology	Private	25,000
Providence Health & Services	Health Care	Private	20,000
Walmart	Retail	Private	20,000
Fred Meyer	Grocery Stores	Private	15,000
King County Government	Government	Public	13,000
Weyerhaeuser	Logging	Private	10,000

Source: Trip Savvy

Top Bothell Employers

Bothell is home to several companies, the largest is Philips Ultrasound, which employees nearly 2,000 employees.

Like most of the major employers in King and Snohomish County, Bothell's top employers are mainly found in the private sector.

Puget Sound Energy, the only public sector entity, is the City's third largest employer. Bothell's labor force is 24,495 employees.

Top Bothell Employers			
Company/Agency	Industries	Public/Private	Total (2018)
Philips	R&D/Manufacturing	Private	1,625
Seattle Genetics	Science/Technology	Private	924
Puget Sound Energy	Utility	Public	529
Fujifilm Sonosite Inc	R&D/Manufacturing (mobile ultrasound)	Private	488
Molina Healthcare of Washington Inc	Insurance	Private	450
T-Mobile West LLC	Telecommunications	Private	400
Boston Scientific	R&D/Manufacturing (vascular)	Private	300
Celgene	Biopharmaceutical	Private	300
Philips Electrical North American Corp	Electronics	Private	172

Source: City of Bothell

Income, Spending and Other Demographic Data

Category	United States	Washington	King County	Snohomish County
Homeownership rate, 2013-2017	63.8%	62.7%	57.4%	66.6%
Median value of owner-occupied housing units, 2013-2017	\$193,500	\$286,800	\$446,600	\$338,400
Persons per household, 2013-2017	2.63	2.55	2.45	2.68
Median household income, 2013-2017	\$57,652	\$66,174	\$83,571	\$78,020
Persons below poverty level, percent, 2013-2017	12.3%	11.0%	9.3%	7.3%
Total employment, 2016	126,752,238	2,685,355	1,167,201	251,289
Total employment percent change, 2015-2016	2.1%	3.2%	3.0%	1.5%
Retail sales per capita, 2012	\$13,443	\$17,243	\$30,685	\$12,456

Source: US Census Bureau

Income Data

King County is home to the corporate offices of several household name brands like Starbucks, Amazon, Microsoft and Boeing. As employment and success from these companies has grown, so has wealth in area resulting in higher median house values and incomes. Snohomish County benefits from the region's success.

Access Analysis

Paine Field

Location: Snohomish County

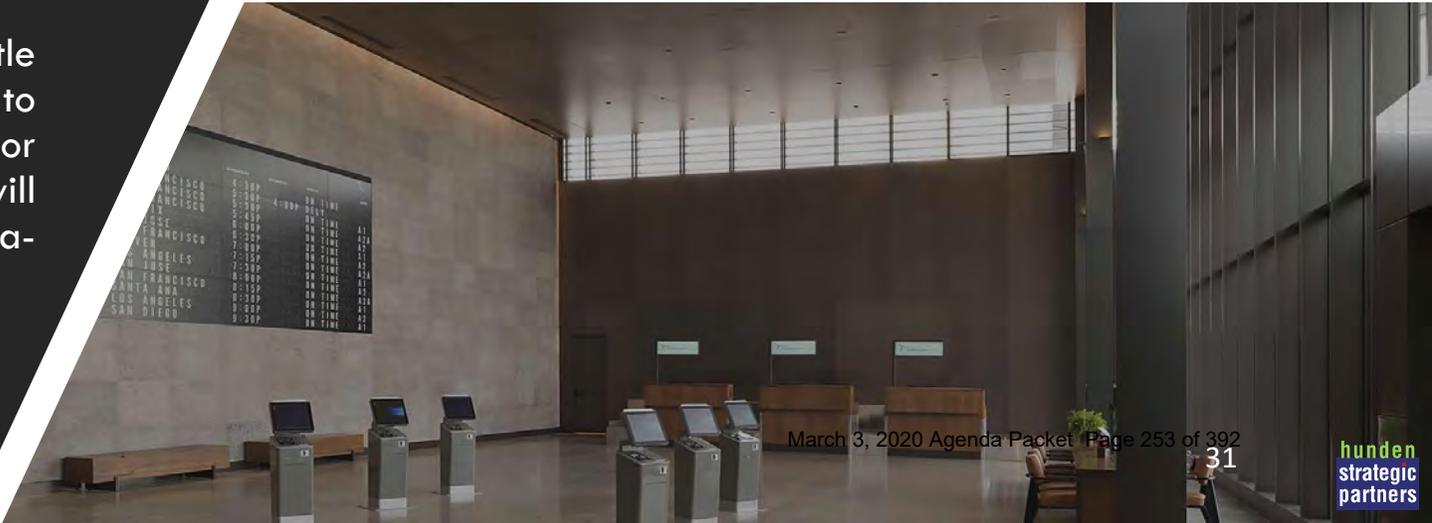
Open: February 2019

Description:

Paine Field is the first new commercial airport in the US in years. Paine Field will offer better travel options for travelers north of the Seattle Metro, since Sea-Tac is not convenient to this region of Washington. Paine Field will drive economic development and support tourism, business and other economic factors.

Paine Field is roughly 30 miles north of Downtown Seattle and roughly 30 miles north of Sea-Tac. West Coast flights to Las Vegas, Denver, Portland, Los Angeles, and other major West Coast cities will be the primary attraction and will provide customers in the Seattle area an alternative to Sea-Tac.

Proximity to Project Site: 7.4 miles

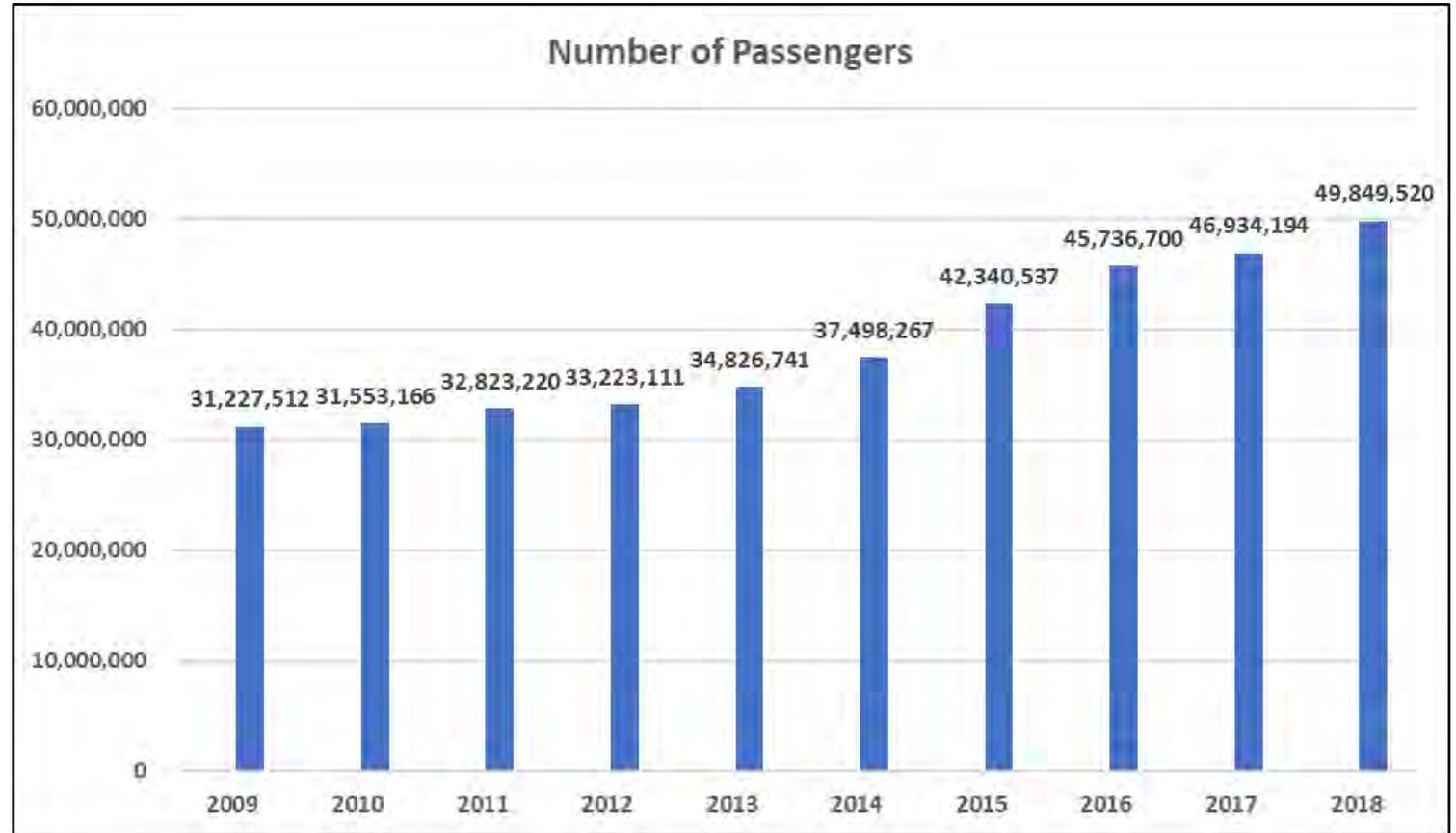


Sea-Tac Annual Passengers

Seattle-Tacoma International Airport (SEA) serves the Bothell area and is a 40-minute trip down I-405 from the Project.

Trends show that the number of annual passengers using SEA over the last ten years has steadily increased. The greatest year-over-year increase occurred between 2014 and 2015. In 2019 Sea-Tac is projecting to handle more than 50 million passengers. Increased access via air, rail and road will all help the Project succeed.

Sea-Tac decided to expand in July 2019 because of their rapid growth. Sea-Tac has become the 8th busiest airport in the US and one of the fastest growing, experiencing a 43% increase in traffic in the last 5 years. This \$650-million expansion is bringing a new 255,000-square foot terminal that will be home to Alaska Airlines.



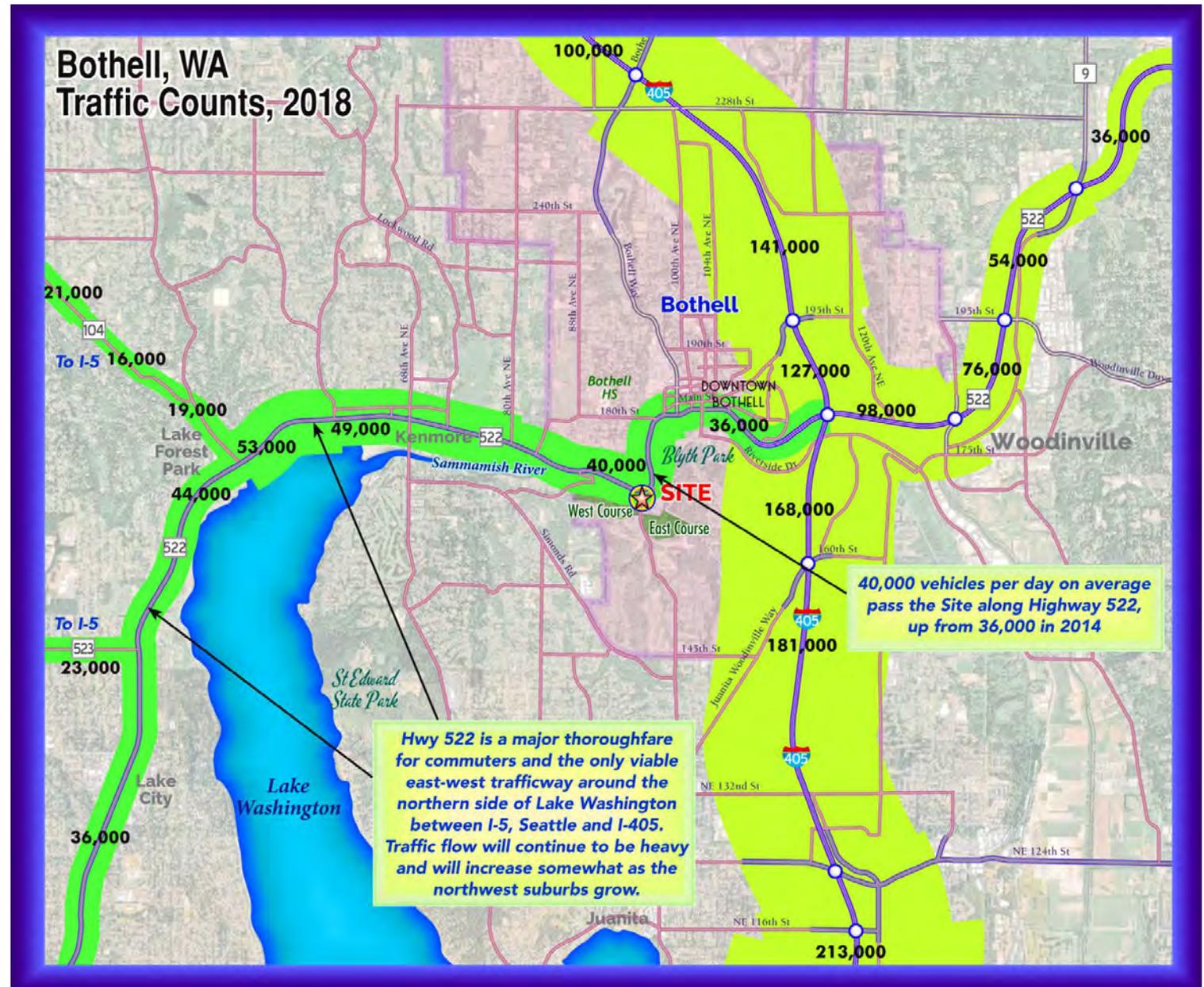
Source: Bureau of Transportation Statistics

Traffic Volume and Patterns

While slightly dated, traffic counts along State Route 522 and 96th Avenue NE help to understand the base demand of daily commuters.

Most of the traffic is concentrated along SR-522. Although, as the survey points move eastbound along SR-522, fewer and fewer vehicles are counted. This suggests more traffic originates from Kenmore and dissolves into Bothell.

Road access is easy and quick from State Route 522. Public transit will also increase with the expansion of the Rapid Bus Transit system along 522, allowing for other means of transportation to the Project site.



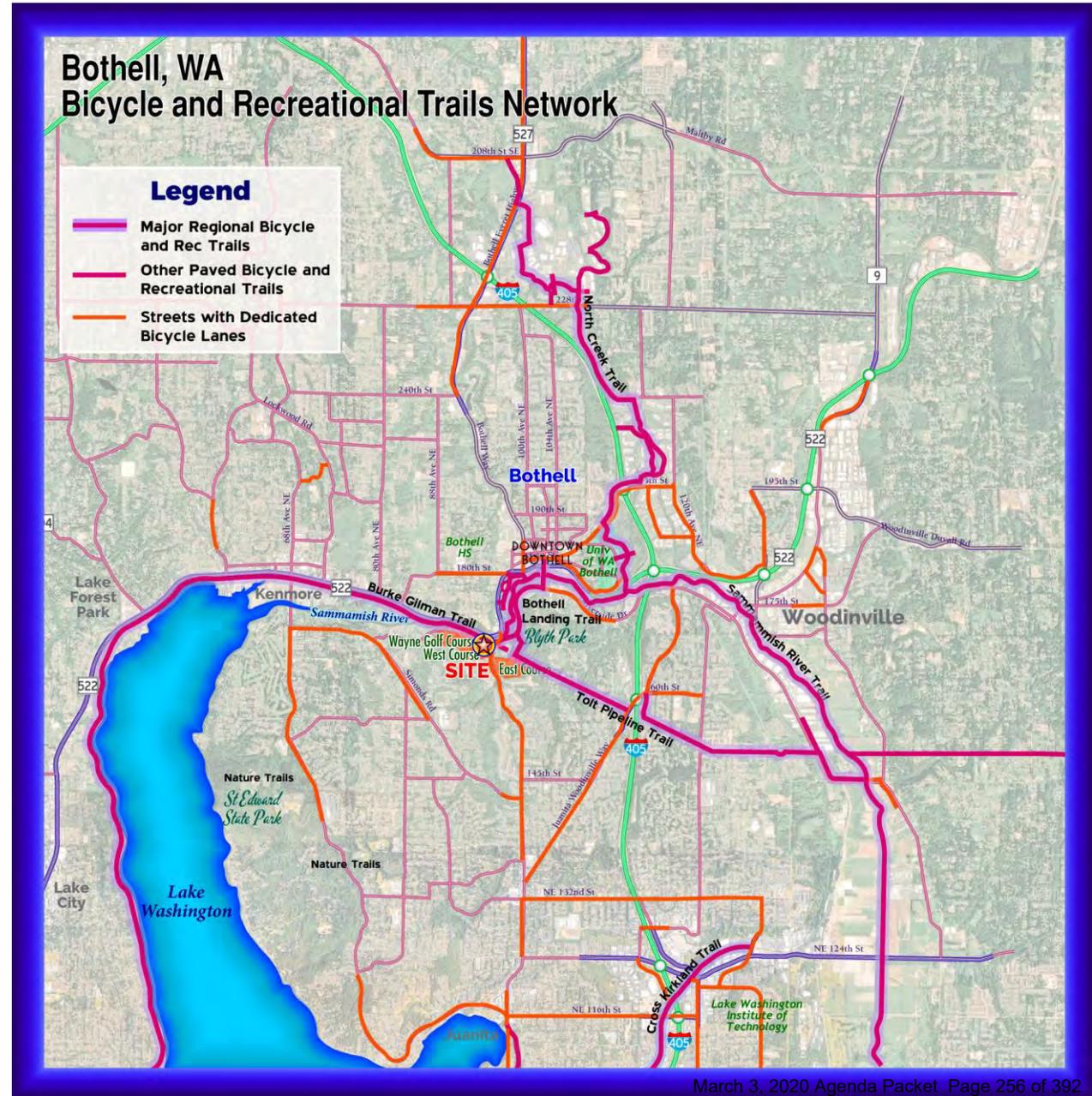
Trail Volume and Patterns

There are two trails that pass by the Project site, Sammamish River Trail and the Burke Gilman Trail.

In 2017, the Sammamish Trail counted 537,384 users in Woodinville and 572,896 in Redmond.

Average weekend day in September 2018 counted 2,012 in Woodinville and 2,137 in Redmond.

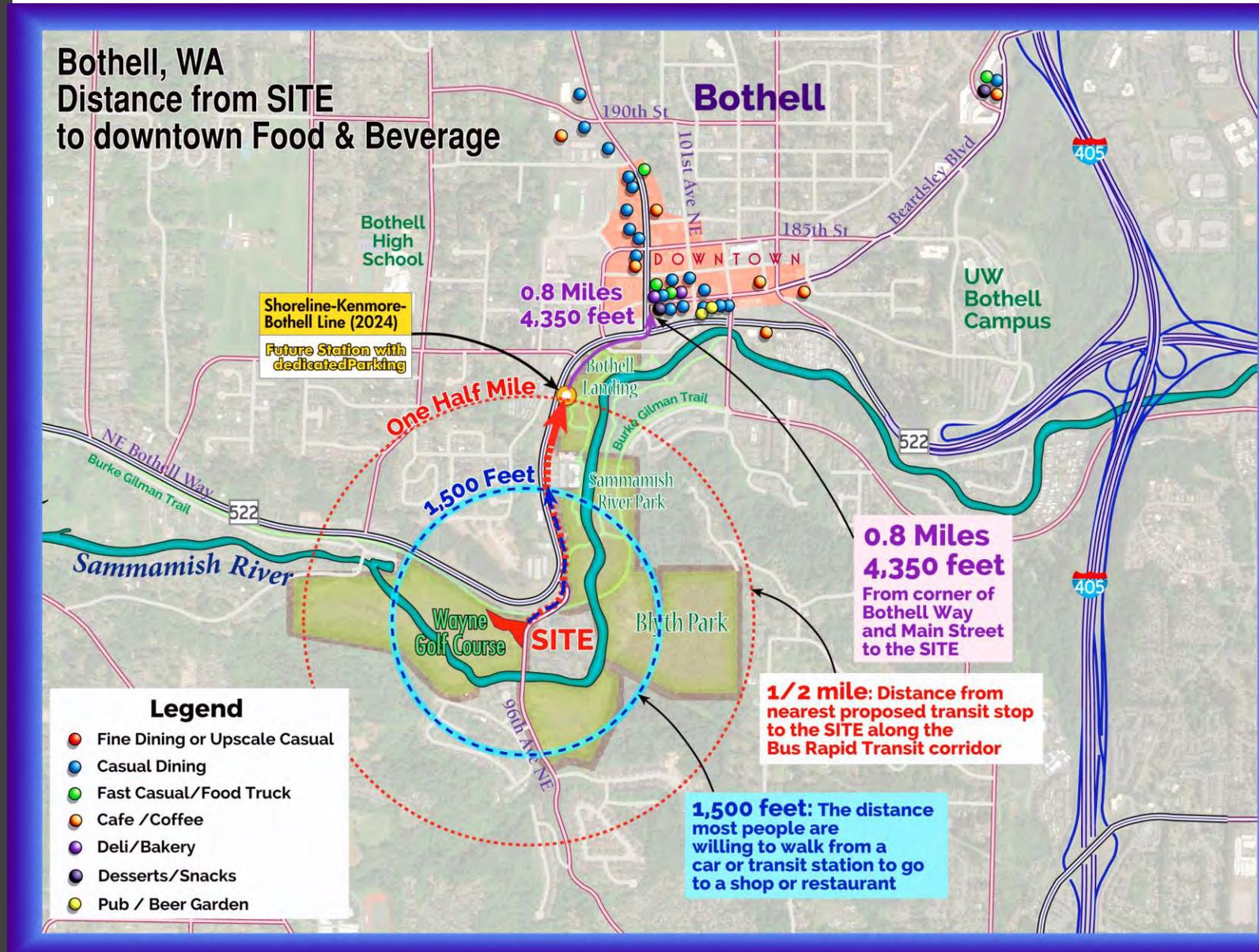
Seasonal usage of the trails peak in the Spring and Summer months, and any potential development would benefit from capturing these trail users.



Walkability

The map on the right shows few possibilities for walkable paths from the Project site to food and beverage located across the City, in particular toward Downtown Bothell where most of the development is centered. This indicates that the development will have to be able to survive on its own without the support of surrounding amenities.

This presents some challenges, as walkability offers a range of benefits, including basic mobility, resident cost savings seen through efficient land use and connectivity to commerce within a city.



Tourism Analysis



Downtown Bothell

The City of Bothell is experiencing rapid growth, and has made efforts over the past decade to revitalize the downtown area and induce tourism and economic development.

What was once a quiet downtown Main Street is alive with restaurants, retail, housing and new development. Despite a devastating fire in 2016 that damaged over twenty Main Street businesses, the City has pushed forward and continues to strive for growth and modernization while staying true to the charm and essence of the Bothell experience.

The City of Bothell has invested more than \$150 million in capital projects for the downtown redevelopment, resulting in more than \$800 million in private investment.

The following slide provides an overview of the City of Bothell Downtown Revitalization Plan.



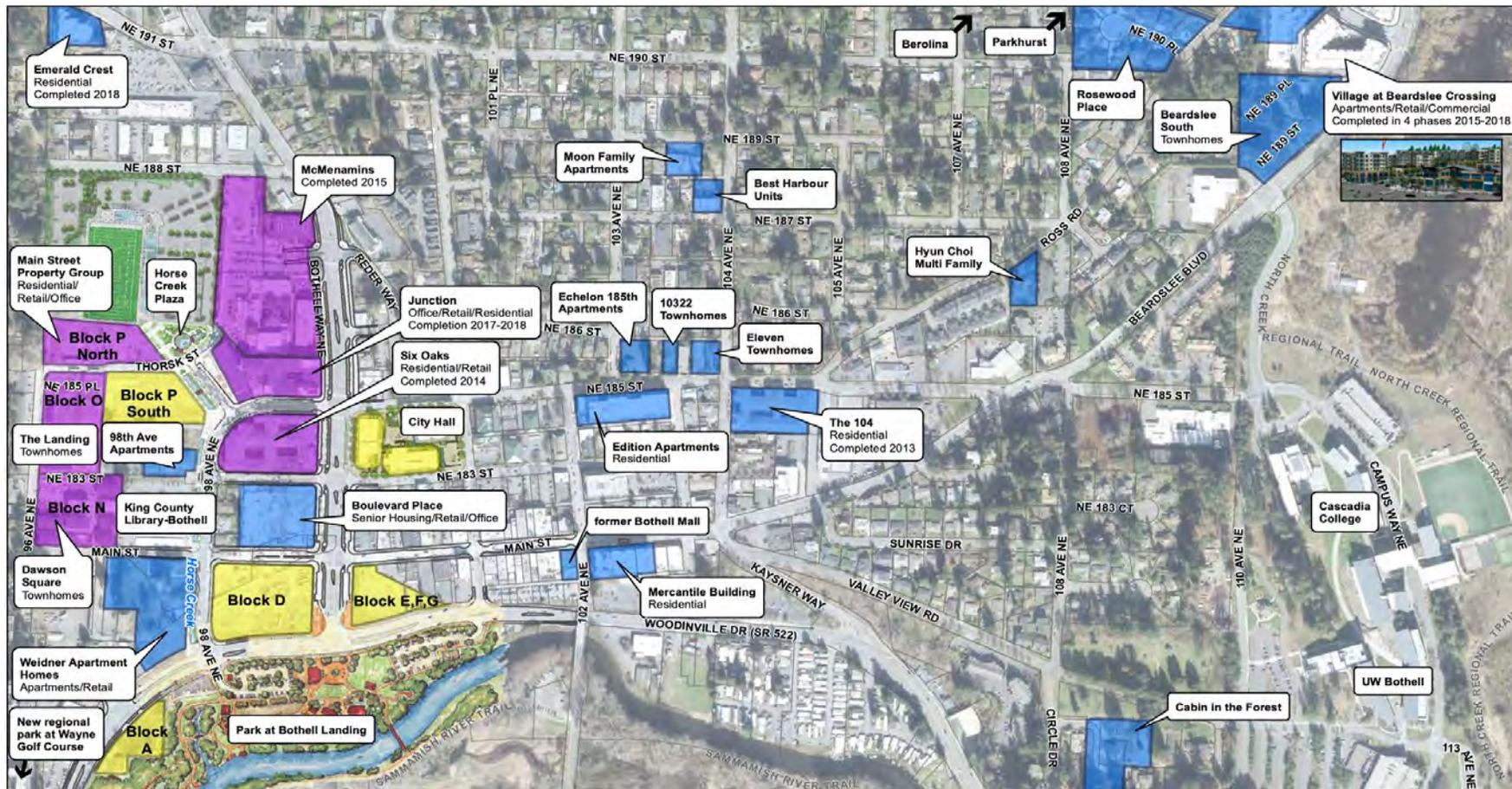


Downtown Bothell Fire Effect on Market

On July 22nd, 2016, a major fire broke out at the Mercantile Building (18104 102nd Avenue NE) at the east end of the city's historic Main Street, about halfway between downtown and the University of Washington-Bothell campus, according to the Seattle Times.

The effects on the community were vast. The City of Bothell was in the midst of a \$150-million redevelopment program which began in 2010. This revitalization effort included \$47 million for the City Hall building and \$26 million for the historic Anderson School building located within walking distance of City Hall.

Local real estate experts in the area observed that the fire brought the community together in support of the efforts to improve Downtown Bothell. Lease rates did not dramatically drop, in fact, they remained steady. Other than the relocation of the smaller tenants in the building that was destroyed, there was minimal impact to the market. Occupancy rates, supply and demand were unaffected by the event.



City of Bothell Downtown Revitalization Plan

Since the launch of the Downtown Revitalization Plan in 2006, the City has sold nearly one million square feet of land for development.

As a result of over \$150 million in public investments by the City, new retail, offices and housing have been created in the downtown district.

The image above displays some of the projects of the Downtown Revitalization Plan.

Area Attractions

The Bothell area has a number of attractions and activities that serve residents and visitors. The majority of these local attractions are located within 5 to 10 miles of the Project site.

The table to the right details some of the area's top attractions. The following slides profile a number of the top attractions in the Bothell area.

Bothell Attractions	
Attraction	Type
Bothell Historical Museum	Cultural / Museum
Hindu Temple & Cultural Center	Cultural / Museum
Northshore Performing Arts Center	Entertainment / Arts
UW Bothell Campus Art Walk & Wetlands Walk	Entertainment / Arts
McMenamins Anderson School	Entertainment / Lodging
Downtown Bothell	Retail / Restaurant District
Saint Edwards State Park	Nature / Recreation
Former Wayne Golf Course & Surrounding Parks/Trails	Nature / Recreation
Woodinville Wine Country	Wineries / Vineyards
Source: Tripadvisor	

University of Washington–Bothell Campus

The University of Washington-Bothell (UW-Bothell) is located about two mile east from the Former Wayne Golf Course and about one mile from City Hall.

There are 55 undergraduate and graduate-level programs available with flexible day and evening classes for non-traditional students. A total of 5,989 students were enrolled in the 2018-2019 school year. 5,411 were undergraduates and 578 were graduates.

Snohomish and King County are the top counties where students reside. 84 percent of all students come from these two counties which show its strength as a regional option to higher education.



University of Washington Bothell Campus

UW-Bothell plans to redevelop the current Husky Village campus housing into “Beardslee Commons” that could include retail, housing and support academic activities along Beardslee Boulevard. This development is not anticipated to affect the proposed project, as it will primarily serve the student body.



Cascadia College

Cascadia College, founded in 1994, is located on a shared campus with University of Washington-Bothell.

Cascadia College is a public community college that offers two-year degrees for transfer to universities, a Bachelor of Applied Science in Sustainable Practices, certificate programs, basic education, ESL for adults, and a broad range of non-credit courses and professional training.

Total enrollment in the Fall of 2017 was 3,873 students. The student profile is unique in that the median student age is 19, which is the youngest in the state. 71 percent of the student body enroll with the intent to transfer to a four-year program, which is the highest in the state. Additionally, 41 percent of the student body also work while enrolled in classes, which is also the highest in the state, too.

Cascadia College is one of the providers of meeting space in the Bothell area, which will be discussed in a later chapter.



Bothell Area Attractions

Bothell Cultural Museum – Located just south of downtown Bothell, the Museum consists of the Beckstrom Cabin, the schoolhouse and the main museum in the Hannah House.

Hindu Temple & Cultural Center – The Temple opened in 2002 and offers a place for worship, festivals, and community events.

UW Bothell Campus Art Walk & Wetlands Walk – The campus offers both indoor and outdoor art installations, stonework, sculptures, murals and more. The campus also offers a restored large wetland. Both combine to offer visitors an immersive experience.



Bothell Area Attractions

Northshore Performing Arts Center – The 600-seat state-of-the-art theater is housed on the campus of Bothell High School and is host to live performance by artists from around the world.

Woodinville Wine Country – Nestled in the Sammamish River Valley, Woodinville Wine Country is home to over 100 wineries and tasting rooms representing every appellation in Washington.

Saint Edwards State Park – The park is a 316-acre park that was once a Catholic seminary and is now home to a series of trails for hikers and bicyclists. The park surrounds the Saint Thomas Center which houses Bastyr University.



McMenamins Anderson School

Built in 1931 as Bothell Junior High, the art-deco style Anderson School is on 5.41 acres and has been transformed into a one of a kind destination. It is located in downtown Bothell and was renovated as part of the overall Downtown Revitalization Plan.

The property offers a 72-room hotel, small bars, a brewery, a movie theater, a swimming pool and five different event spaces that accommodate groups of 10 to 600 guests. The facility also hosts live musical acts, pub night talks and events such as Oktoberfest and Washington Cider Week.



Chapter 3: Retail & Restaurant Market Analysis

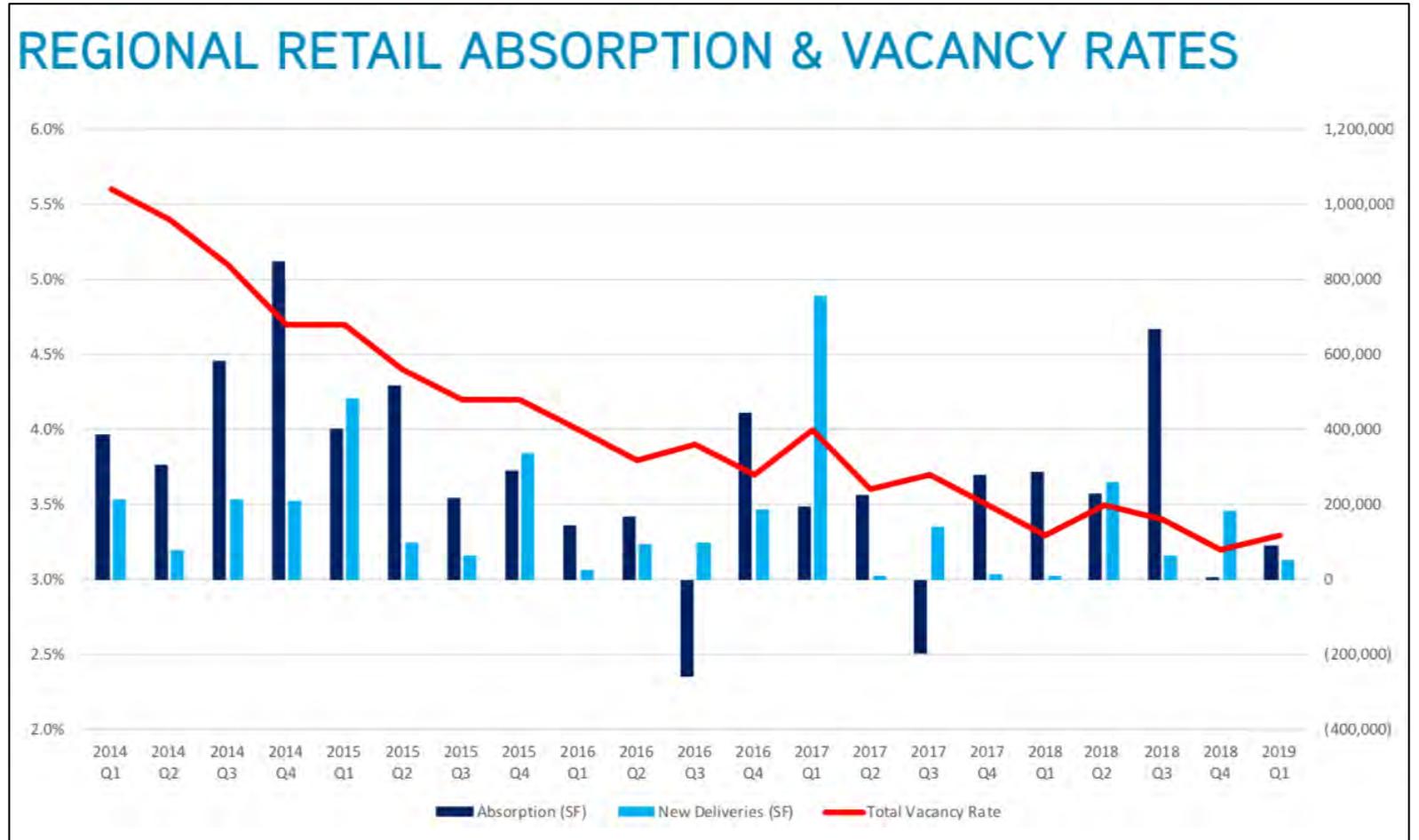
Retail Analysis

Seattle Region Retail Performance

As retail and restaurant uses are permitted at the Project site, HSP looked into the regional and local trends in performance of these uses. This section starts at the regional level and hones in on the local area most relevant to the Project.

Taking a 5-year historical perspective, Colliers International has shown that vacancy rates have fallen for retail space in the Seattle region by more than 2 percentage points from approximately 5.6% in Q1 2014 to 3.3% in Q1 2019.

As will be shown on the following slide, rental rates have increased as vacancies have fallen, suggesting that the strength of the market has increased in recent years in the Seattle region.

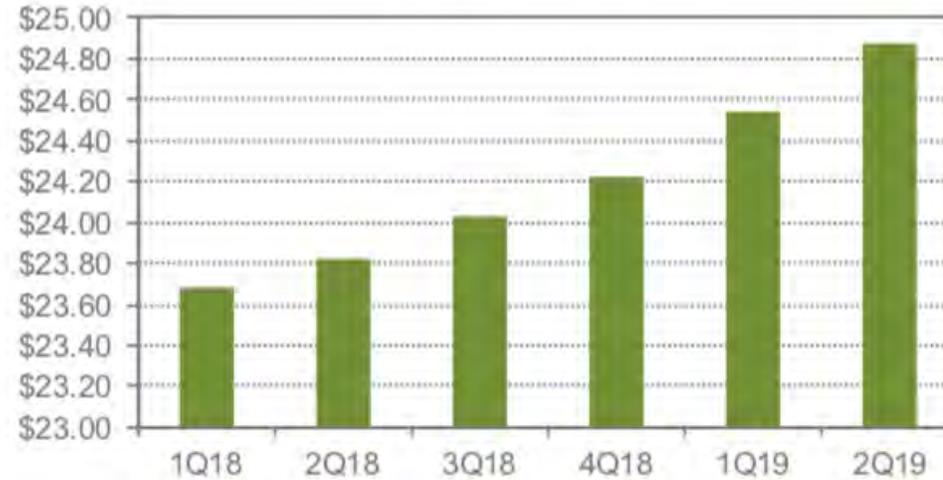


Puget Sound Retail Performance

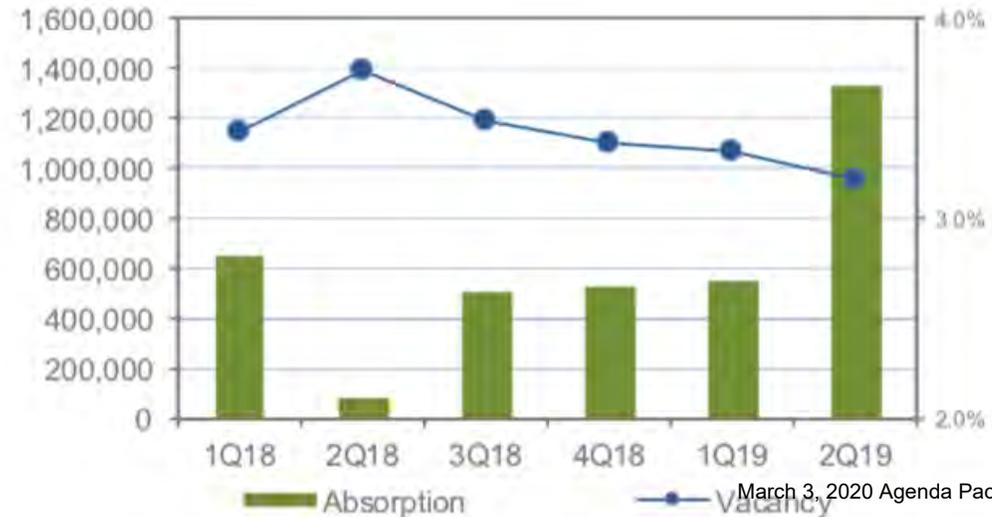
Data collected by NAI for Q2 2019 retail performance in the Puget Sound region shows that rates have been growing quickly in the past 5 quarters. Asking annual rental rates averaged approximately \$23.70 per SF in Q1 2018 and have jumped more than \$2 per SF to more than \$24.80 as of Q2 2019.

What is potentially even more encouraging is the decrease of vacancy by approximately 0.25% during the same period and the increase in absorption. Q2 2019 showed absorption of more than 1.3 million SF, which is approximately double that of any other quarter shown.

AVERAGE ASKING RATES



VACANCY VS. ABSORPTION



Bothell Area Retail Space for Lease

Property	Address	Location	Available SF	Spaces	Rental Rate (Low)	Rental Rate (High)	Lease Type
Thrasher's Corner Shopping Center	20619 Bothell Everett Hwy	Thrasher's Comer	4,630	2	\$39.00	\$39.00	NNN
Lakeside at Canyon Park Shopping Center	24040 Bothell Everett Hwy	Canyon Park	6,702	4	--	--	--
North Creek Retail - Relet	11511 NE 195th St	North Creek	2,000	1	\$15.50	\$21.00	NNN
Round Table Pizza	17600 140th Ave NE	Woodinville	3,500	1	\$28.00	\$45.00	NNN
Alderwood Towne Center	3105-3305 Alderwood Mall Blvd	Woodinville	9,441	3	\$22.00	\$25.00	NNN
Average			5,255	2	\$26.13	\$32.50	NNN

Source: Loopnet.com, Leibsohn & Company, WCCR, other brokerage firms

Retail Space for Lease

HSP identified five properties that have listings for available retail spaces in the Bothell area. The average NNN rental rates in the area range between \$26 per SF and \$32.50. Most of these spaces are approximately 2,500 SF within grocery-anchored shopping centers.

While this is only a small sample of retail space rental rates in Bothell, it shows landlord expectations of market rates for their property.

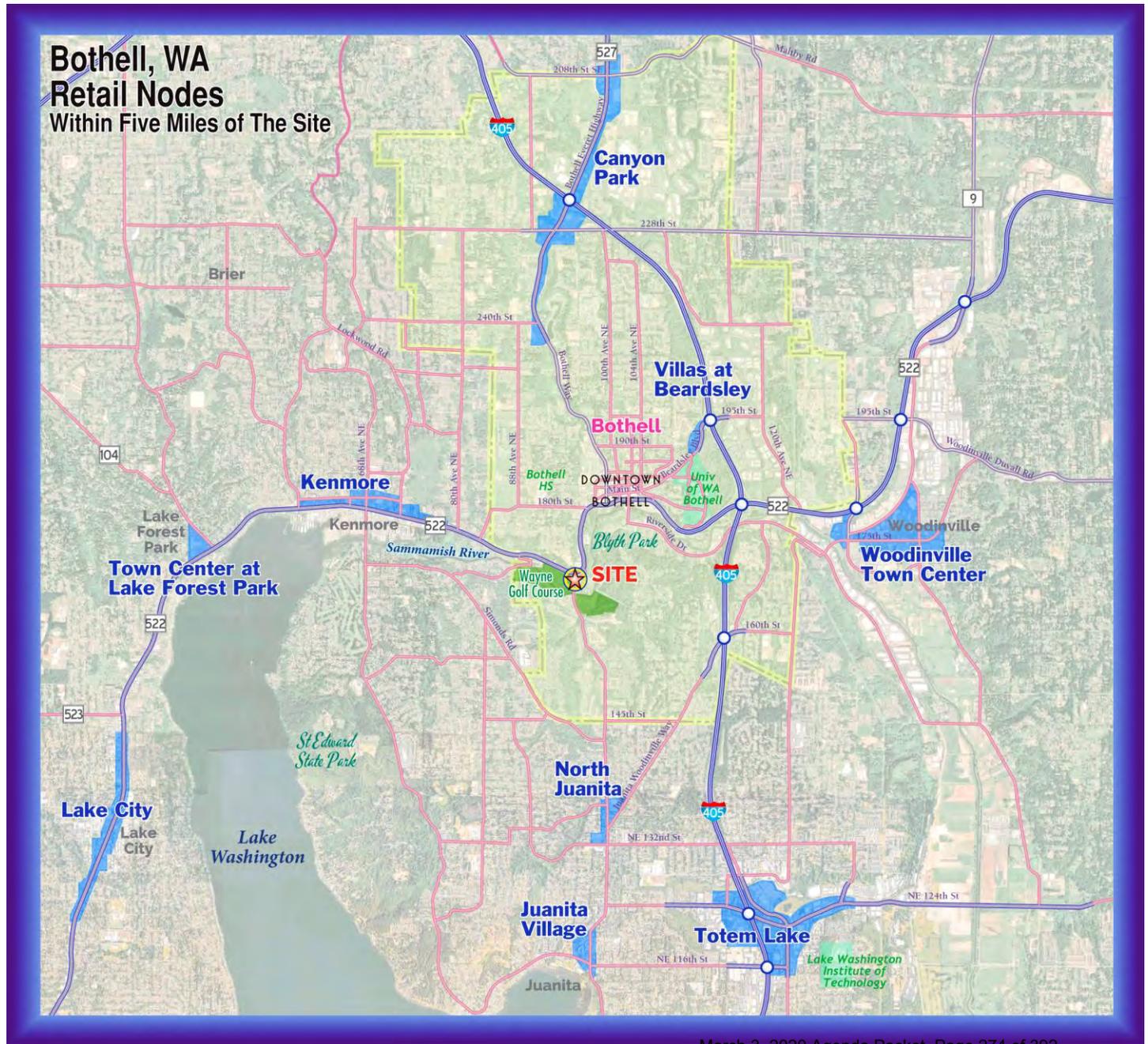
Local Retail Nodes

The local retail nodes are within approximately five miles of the Project site in Bothell.

Each of the nodes shown on the map to the right has a mixture of retail and restaurant options.

Downtown Bothell is the most compelling node of those shown with a thriving community of local operators in an urban, walkable setting.

Most of the other nodes are more suburban in nature with shopping centers and outlets surrounded by surface parking tenanted by regional and national operators. These nodes also vary considerably in size from just a handful of shops and restaurants to 100.



Local Retail Nodes

There are nine retail and restaurant nodes within approximately five miles of Bothell. Three of these nodes are located within Bothell: Downtown Bothell, Canyon Park and Thrashers Corner.

There is a stark contrast between Downtown Bothell and the other retail/restaurant nodes. The food and beverage scene in Downtown Bothell is established, walkable and unique. The majority of restaurants in Downtown Bothell are local concepts, while virtually all of the other retail and restaurant nodes are more suburban and anchored by regional and national chains, including those within Bothell.

Bothell Area Retail Nodes			
Node	Miles from Site	Estimated # of	
		Stores / Restaurants	Anchors
Downtown Bothell	1	32	--
Kenmore	1.9	35	Safeway, Rite Aid, Dollar Tree
North Juanita	2.1	17	Safeway, Rite Aid
Juanita Village	3.3	31	Walgreens, Columbia Athletic Clubs
Town Center at Lake Forest Park	3.4	37	Rite Aid, Planet Fitness
Woodinville Town Center	3.7	100	Target, Dollar Tree, T.J. Maxx, PetSmart
Canyon Ranch	3.9	64	QFC, LA Fitness
Totem Lake	4.4	50	Trader Joe's, LA Fitness, Fred Meyer
Thrashers Corner	5.3	27	Safeway, Walgreens, Fred Meyer

Source: Various sources

Canyon Park & Thrasher's Corner

Description: Canyon Park and Thrashers Corner are two suburban-style retail and restaurant nodes that are located near each other on the northern side of I-405. These shopping centers serve a variety of single family housing, offices and industrial buildings in the area. The majority of tenants in the shopping centers there are regional and national chains. These centers are anchored mostly by grocery and drug store concepts, which are surrounded by either casual dining or quick service restaurants on outlots and in strip centers.

As with the balance of Bothell, the performance has been trending upward strongly in Canyon Park. The two grocery-anchored centers were renting in the mid-\$20s per SF (NNN) just two years ago. Now, these centers have tenants paying mid-\$30s per SF (NNN) and upward. These centers have also remained well-occupied during this period of rapid rental rate growth.

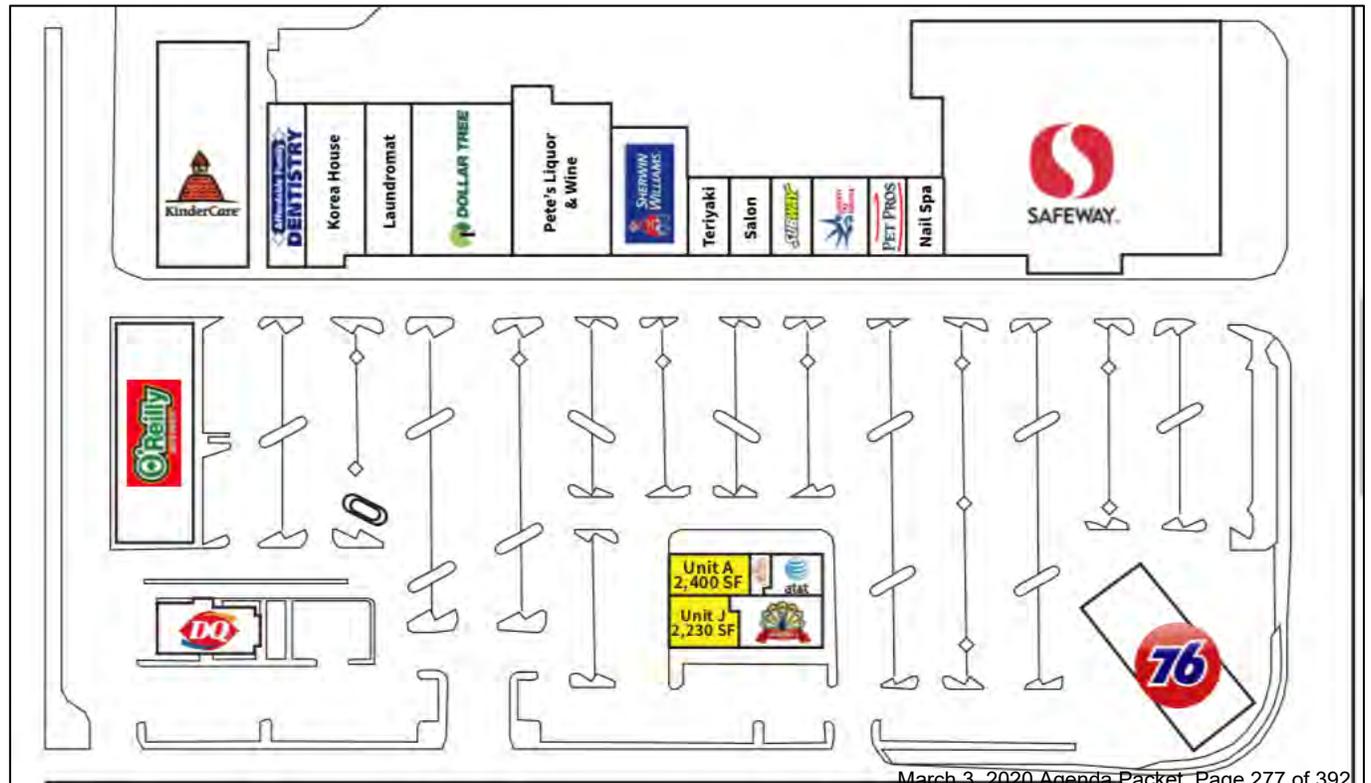
Proximity to Project Site: 4 miles



Thrasher's Corner Shopping Center

Thrasher's Corner Shopping Center currently has two retail spaces in an outlot building available. Both of these spaces are listed at an asking rental rate of \$39 per SF (NNN). Further detail is provided that the NNN expenses are estimated at \$4.78 per SF.

Thrasher's Corner Shopping Center has 21 of its 23 available spaces occupied. The two vacancies mentioned above represent less than 5% of the gross leasable space.





Downtown Bothell – Overview

Downtown Bothell is the most compelling retail and restaurant node in the area. As the downtown has been built out over the past decade, the fabric of local operators has strengthened and the performance of commercial real estate downtown has increased dramatically.

First round restaurant tenants of new projects (opened since 2015) are estimated to have paid on average in the upper \$30s per SF (NNN) in rental rates. As second and third generation tenants have moved into the area, the average rate has reached the low to mid-\$40s per SF (NNN).

There are older buildings owned by long-term local landlords downtown that have below market rents and significant deferred maintenance. Many renovation and redevelopment opportunities are expected to come to market in the next 10 years. NNN rental rates are higher for the newer buildings, and so are the passthrough charges, especially for property tax. CAM, taxes and insurance expenses are estimated at \$4.50 per SF for the older buildings, while comparable new buildings may have 50% higher expenses.

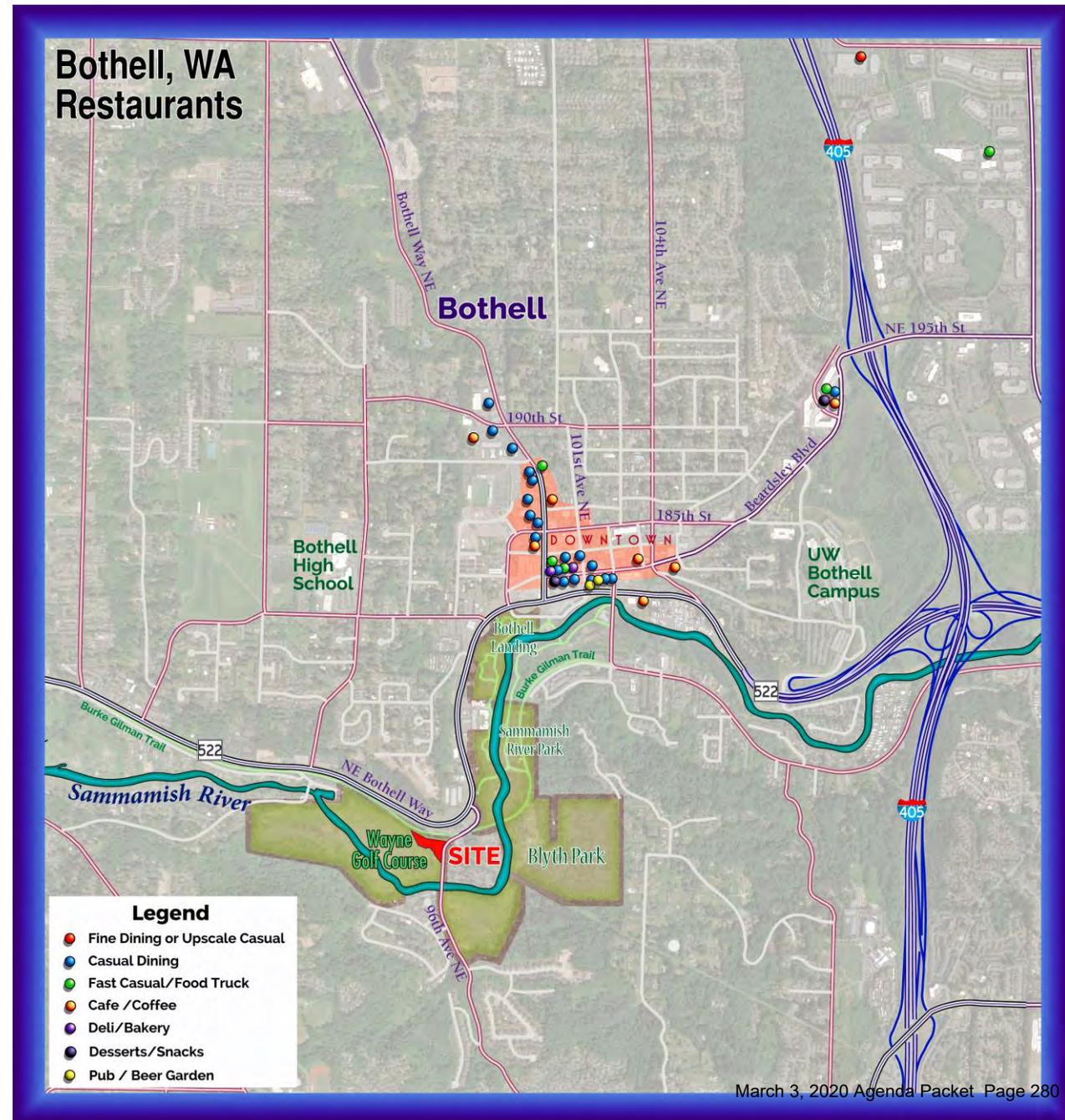
Overall, brokers see many great opportunities for retail/restaurant space in the near future in Downtown Bothell. For this site, however, there will need to be a compelling reason to go, such as a destination restaurant or brewery/distillery or event space. Not having the surrounding critical mass of other options is a challenge, yet also an opportunity, for the Wayne site.

Restaurant Analysis

Bothell Restaurants

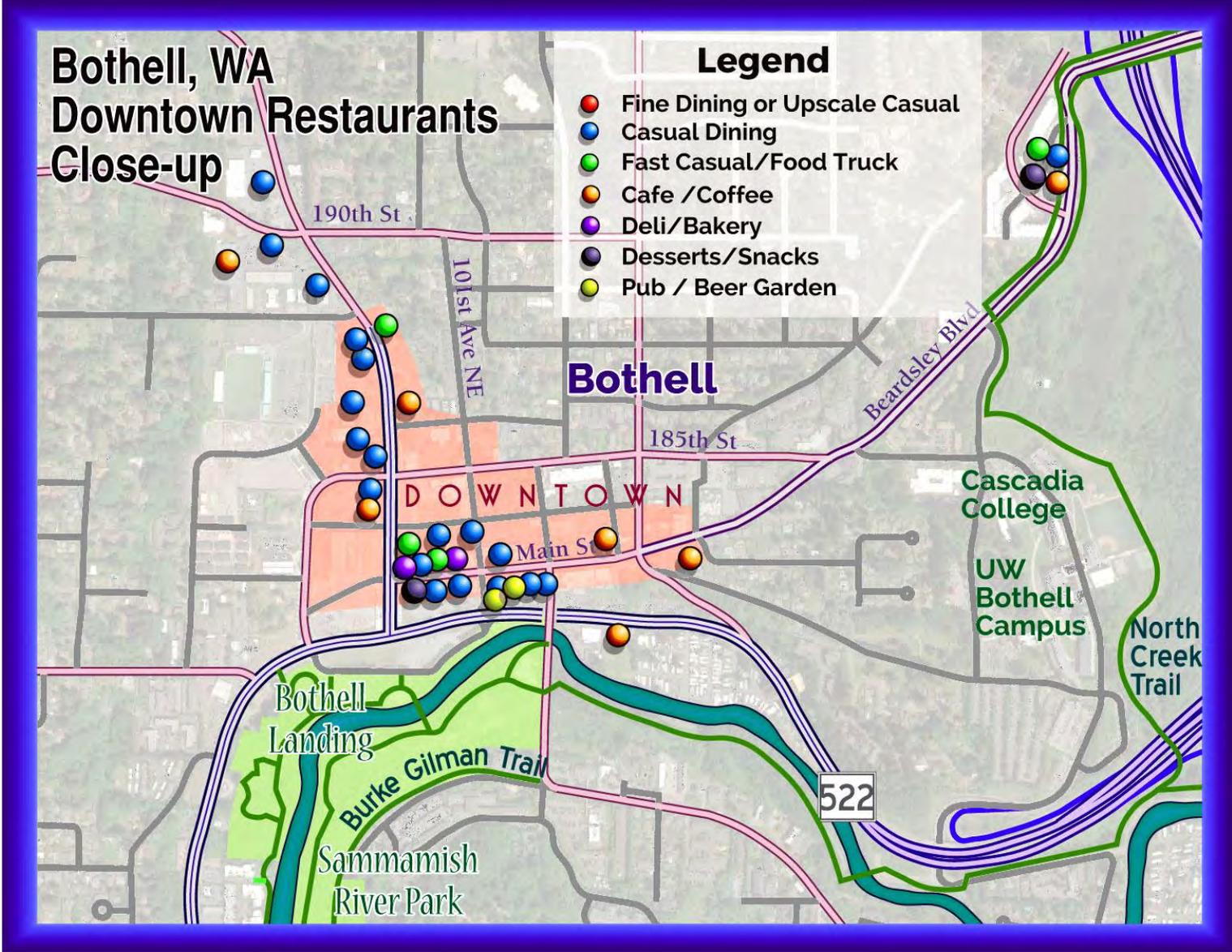
This map shows the nearby and relevant supply of restaurants for the Project.

The majority of restaurants are located downtown along Bothell Way NE and/or Beardslee Blvd. There is also a small cluster at the Villas at Beardslee, which is a new mixed-use development.



Bothell Restaurants

The majority of downtown restaurants are focused on casual dining. There are no fine dining establishments, and only two dedicated pubs or beer gardens.



Bothell Restaurants

There are 32 restaurants located in downtown Bothell with a few more located at the Villas at Beardslee and in the North Creek area. Other restaurants in Canyon Park are not listed here, but have been discussed generally in this section.

Overall, the Bothell restaurant market is characterized by locally operated casual dining concepts in a low to mid-range price point (\$10-\$30 per plate).

As shown, there is only one restaurant, Russell's Restaurant & Loft, which has an estimated per plate price point greater than \$30.

There is a gap in the market for higher quality, more expensive options.

Bothell Restaurant Supply						
Name	Miles from Site	Location	Yelp Rating (Stars/5)	Price Point (\$/4)	Type	Cuisine
Northern Espresso	0.7	Downtown	4.5	\$	Drive-Through	Coffee, Tea
The Hop and Hound	0.9	Downtown	4.5	\$	Beer Garden	Beer, Wine
The Cottage	1	Downtown	4	\$\$	Casual Dining	American
Amaro Bistro	1	Downtown	4	\$\$	Casual Dining	Italian, Pizza
Stack 571 Burger & Whiskey Bar	1	Downtown	4	\$\$	Casual Dining	Burgers, American
Revolve True Food & Wine	1	Downtown	3.5	\$\$	Casual Dining	American
Julio's	1	Downtown	4	\$\$	Casual Dining	Mexican
Alexa's Café	1	Downtown	3.5	\$\$	Casual Dining	American
The Three Lions Pub	1	Downtown	3.5	\$\$	Public House	British
Ranch Drive-In	1	Downtown	3.5	\$\$	QSR / Casual	Burgers, American
Gallo De Oro	1	Downtown	3	\$\$	Casual Dining	Mexican
Hillcrest Bakery	1	Downtown	4	\$	Bakery	Pastries
Social Grounds Coffee & Tea	1	Downtown	4	\$	Café	Coffee, Sandwiches
Teriyaki Best	1	Downtown	3.5	\$	Casual Dining	Japanese
Sushi Zone	1	Downtown	3.5	\$\$	Casual Dining	Sushi
Countryside Donut House	1	Downtown	4	\$	Bakery	Donuts, Pastries
Baskin Robbins	1	Downtown	3.5	\$	Specialty	Ice Cream
La Bella Bean Espresso	1	Downtown	4	\$	Drive-Through	Coffee, Tea
The Bine Beer & Food	1.1	Downtown	4.5	\$\$	Casual Dining	Tapas
McMenamins North Shore Lagoon	1.1	Downtown	3.5	\$\$	Casual Dining	Asian Fusion
Zulu's Board Game Café	1.1	Downtown	4.5	\$	Café	American
Hana Sushi	1.1	Downtown	4	\$\$	Casual Dining	Sushi, Japanese
Pen Thai	1.1	Downtown	3.5	\$\$	Casual Dining	Thai
Caffe Ladro	1.2	Downtown	4	\$\$	Café	Coffee, Baked Goods
Ambakity Cocina Mexican	1.2	Downtown	4.5	\$	Food Truck	Mexican
Poquitos Bothell	1.3	Downtown	3	\$\$	Casual Dining	Mexican
McMenamins Tavern on the Square	1.3	Downtown	3	\$\$	Casual Dining	American
Sparta's Pizza & Spaghetti House	1.3	Downtown	3.5	\$\$	Casual Dining	Italian, Pizza
Bento Teriyaki	1.3	Downtown	4	\$	Casual Dining	Japanese
Starbucks	1.3	Downtown	--	\$\$	Quick Service	Coffee, Baked Goods
Pasion Tequila	1.3	Downtown	4	\$\$	Casual Dining	Mexican
The Den Coffee Shop	1.4	Downtown	3.5	\$	Café	Coffee, Breakfast
Beardslee Public House	2.3	Villas at Beardslee	3.5	\$\$	Brewpub	American, Pizza
Potbelly Sandwich Shop	2.3	Villas at Beardslee	3.5	\$	Fast Casual	Sandwiches, Salad
Starbucks	2.3	Villas at Beardslee	3.5	\$\$	Quick Service	Coffee, Baked Goods
Sushi Chinoise	2.3	Villas at Beardslee	4	\$\$	Casual Dining	Sushi, Asian Fusion
Menchie's	2.3	Villas at Beardslee	3.5	\$	Specialty	Frozen Yogurt
Lori's Deli & Espresso	3.9	North Creek	4	\$	Delicatessen	Coffee, Sandwiches
Russell's Restaurant & Loft	4.6	North Creek	4	\$\$\$	Fine Dining	Steakhouse

Source: Various sources

McMenamin's Anderson School

Location: Downtown Bothell

McMenamin's is located in the downtown area and will be profiled in greater detail in later chapters but in terms of restaurants, it offers, among others:

- *Anderson School Theater Bar* – located as a lounge to the movie theater, for quick drinks and casual food
- *North Shore Lagoon* – located adjacent to the pool, tiki bar with light fare
- *Principal's Office* – bar featuring craft beers
- *Tavern on the Square* – Northwest style café open for breakfast, lunch and dinner. Features seafood, homemade desserts and cocktails.
- *The Market* – retail store featuring signature food and drinks for takeaway



The Bine Beer & Food

Location: Downtown Bothell

Opened: 2017

The Bine is a beer-focused casual dining concept located in downtown Bothell. The restaurant can seat up to 79 patrons.

The menu features 27 different craft beers, and American fare. Entrees that range from \$13 to \$15. The Bine is open seven days a week, for lunch and dinner.



Beardslee Public House

Location: Downtown Bothell

Beardslee Public House is a mid-range upscale restaurant with an on-site 10-barrell brewery. The restaurant has a casual dining room, bar seating and a seasonal patio. The restaurant is open seven days a week for lunch and dinner, and serves a weekend brunch.

The menu, designed by local celebrity chef John Howie, focuses on locally sourced, homemade dishes that range in price from \$15 to \$36. The restaurant pays homage to the history of Bothell with a logging industry theme, and have named many of the beers after classic timber and logging terms, and historic Bothell residents.



Amaro Bistro

Location: Downtown Bothell

Amaro Bistro is a fine dining establishment that specializes in Italian food, and is the top rated restaurant in Bothell according to Trip Advisor.

Like many restaurants in Bothell and the surrounding region, priority is placed on fresh ingredients and local sources. The menu feature traditional Italian dishes that range from \$13 to \$38. A full wine and cocktail list is also available.

Amaro Bistro is open seven days a week for lunch and dinner, and serves a weekend brunch.



Russell's

Location: Bothell

Russell's, the second ranked restaurant in the Bothell area according to Trip Advisor, is a fine dining restaurant that is located in the barn of a former dairy farm.

As is the trend in the Pacific Northwest and in other Bothell restaurants profiled, the focus is on fresh, seasonal and local ingredients. The concept is helmed by a local celebrity chef, and the prices reflect this, making it one of the more expensive dining options in Bothell. The restaurant is open for lunch and dinner, with entrees ranging from \$24 to \$51 a plate.

Russell's features a full wine list, and leverages the proximity to Woodinville to host wine events including the Winemaker Dinner Series.





Retail & Restaurant Feedback & Implications

HSP spoke with multiple brokers who are familiar with Bothell and gathered feedback regarding the trends in the market, current retail and restaurant space performance, and an assessment of the Project site at the former Wayne Golf Course.

Trends in the Market

- Improved levels of employment and income are driving real estate values upward in all sectors, including single-family residential and commercial uses. Home prices are increasing and so are rental rates for retail and restaurant spaces in Bothell and the greater region.
- Typically, in any given area of Bothell, restaurants outperform retail spaces in their ability to generate sales and, therefore, the restaurants's ability to pay higher rental rates. The highest rental rates are mostly supported by restaurant tenants.
- The restaurant market in Bothell is compelling due to its local flair, though lacks upscale and destination-type concepts.

Current Market Performance

- As mentioned previously, retail rates have increased significantly during the last five years. Rates have increased from mid-\$20s NNN per SF to \$30 +/- NNN per SF in Canyon Park and nearby areas, while some spaces downtown have increased from the upper \$30s NNN per SF to the low- to mid-\$40s NNN. Absorption has also been strong in recent years.



Retail & Restaurant Feedback & Implications

Regarding the potential Project site, brokers stated:

- Overall, the site is considered to be more conducive to destination-type restaurant concepts and less so for convenience-type or other retail concepts. Based on traffic patterns along 96th Ave NE, the viability of the latter would be significantly diminished.
- Due to the mentioned lack of upscale concepts in Bothell, something along the lines of a steakhouse or other upscale unique dining experience is believed to be potentially successful at the site.
- Based on the success of similar concepts in Woodinville and other neighboring communities, a winery, brewery or distillery with an attached restaurant is believed to be a compelling concept for the site. This kind of concept would fall into the destination-type category mentioned above and likely pull visitors from the greater region beyond the local residents of Bothell.
- Consumers in the Pacific Northwest expect locally sourced, fresh and organic ingredients and the trends in farm to table restaurants reflect this demand.

Chapter 4: Hotel Market Analysis

Bothell Lodging Summary

There are 11 hotels offering more than 1,000 guest rooms in Bothell and the surrounding area. Bothell offers a mix of hotels in the economy, midscale, upper midscale, upscale and luxury classes.

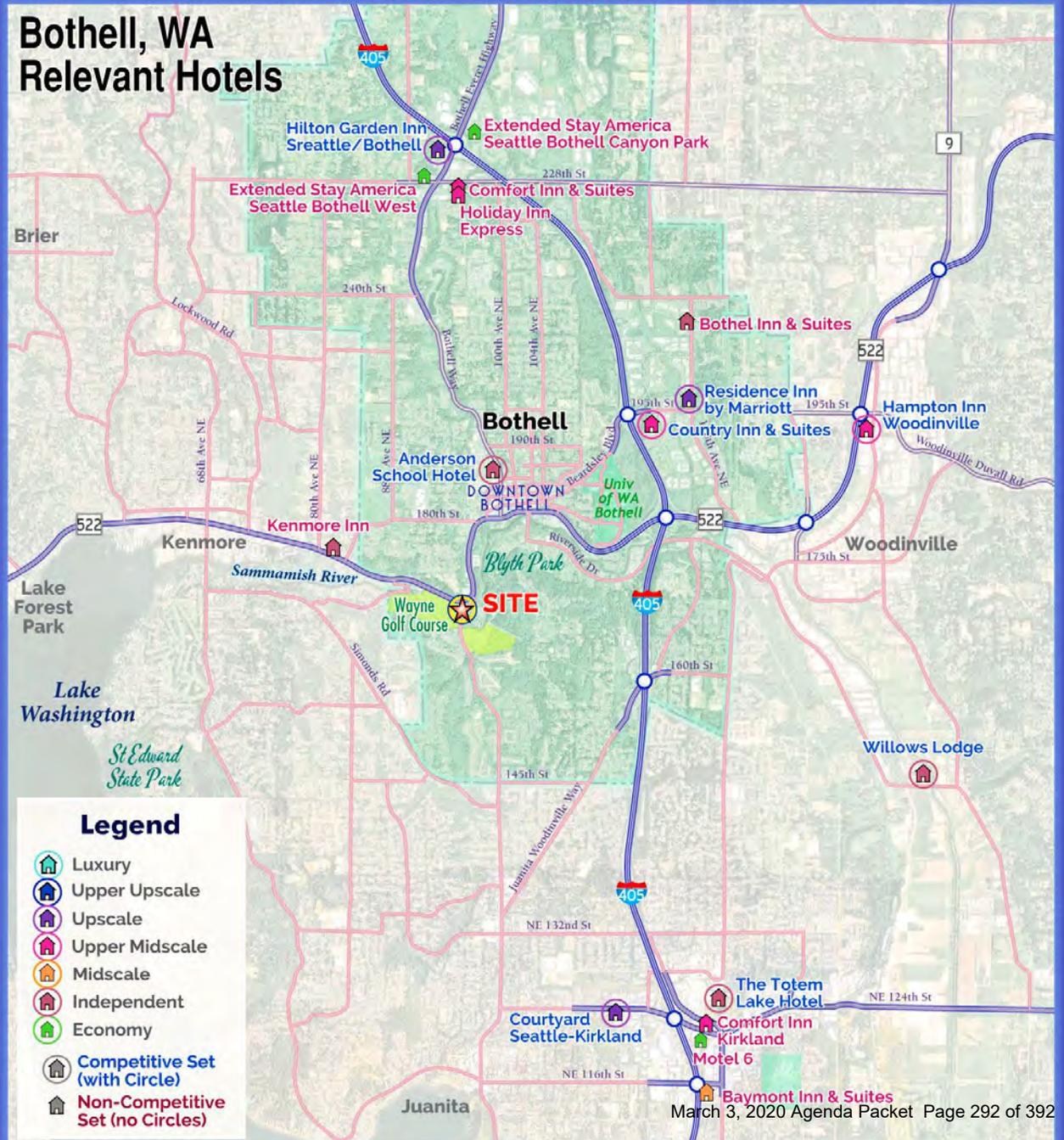
More than half of the Bothell hotel market is considered to be either upscale or upper midscale classes, with seven hotels and more than 700 rooms in these categories.

Class	Properties	Rooms	Rooms / Property	Year Built	Avg Years Open
Luxury Class	1	84	84	Sep-00	19
Upper Upscale Class	--	--	--	--	--
Upscale Class	3	320	107	Dec-05	14
Upper Midscale Class	4	408	102	Jan-01	19
Midscale Class	1	84	84	Oct-99	20
Economy Class	3	248	83	Feb-00	20
Total / Average	11	1,060	96	Jan-97	23

Source: Smith Travel Research

Bothell Hotel Market

Most hotels in the local market in and around Bothell are located along I-405 and SR 522. The largest clusters of hotels are in the northern part of Bothell and Totem Lake. There is only one hotel in downtown Bothell.



Bothell Competitive Hotel Set

The competitive set is made up of mostly branded, upscale and upper midscale hotels with between 100 and 150 rooms each. There are also three independent properties of varying quality and price point, including the McMenamin's Anderson School Hotel, Totem Lake Hotel and Willows Lodge.

Totem Lake does not report to Smith Travel Research, so none of its performance is included the remainder of this section. It is also considered to be a lower-rated hotel compared with most others, so is mostly present due to its location and independent nature.

Bothell Competitive Set Hotels						
Property	Miles from Site	Rooms	Chain	Opened	Years Open	
Anderson School Hotel	1.4	72	Upscale	Oct 2015	4	
Country Inn & Suites Seattle - Bothell	2.3	166	Upper Midscale	Jul 1989	30	
Residence Inn Seattle Northeast Bothell	2.6	120	Upscale	May 1991	28	
Holiday Inn Express Bothell	3.3	79	Upper Midscale	Jan 2002	18	
Comfort Inn & Suites Bothell Seattle North	3.4	61	Upper Midscale	Sep 1995	24	
Courtyard Seattle Kirkland	3.7	150	Upscale Class	Aug 2006	13	
Hilton Garden Inn Seattle Bothell	3.8	128	Upscale	Oct 2010	9	
Hampton Inn Seattle Woodinville	4	102	Upper Midscale	Dec 2016	3	
Totem Lake Hotel	4.2	59	Upscale	Feb 1991	29	
Willows Lodge	5.1	84	Luxury	Sep 2000	19	
Total/Average		1,021		Jan 2002	18	

Source: Smith Travel Research

Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels

Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occ.	% Change	ADR	% Change	RevPar	% Change
2013	707	258,055	--	171,797	--	66.6	--	\$142.60	--	\$94.93	--
2014	707	258,055	0.0%	180,569	5.1%	70.0	5.1%	\$152.40	6.9%	\$106.64	12.3%
2015	725	264,679	2.6%	190,159	5.3%	71.8	2.7%	\$165.13	8.4%	\$118.64	11.2%
2016	788	287,497	8.6%	203,469	7.0%	70.8	-1.5%	\$166.50	0.8%	\$117.84	-0.7%
2017	881	321,565	11.8%	217,340	6.8%	67.6	-4.5%	\$170.26	2.3%	\$115.07	-2.3%
2018	881	321,565	0.0%	218,041	0.3%	67.8	0.3%	\$170.83	0.3%	\$115.83	0.7%
2019 (July)	881	186,772	0.0%	130,652	3.0%	70.0	3.0%	\$171.41	1.7%	\$119.90	4.8%
CAGR* (2013-2018)	4.9%	4.9%	--	5.4%	--	0.4%	--	4.0%	--	4.4%	--

*Compound Annual Growth Rate

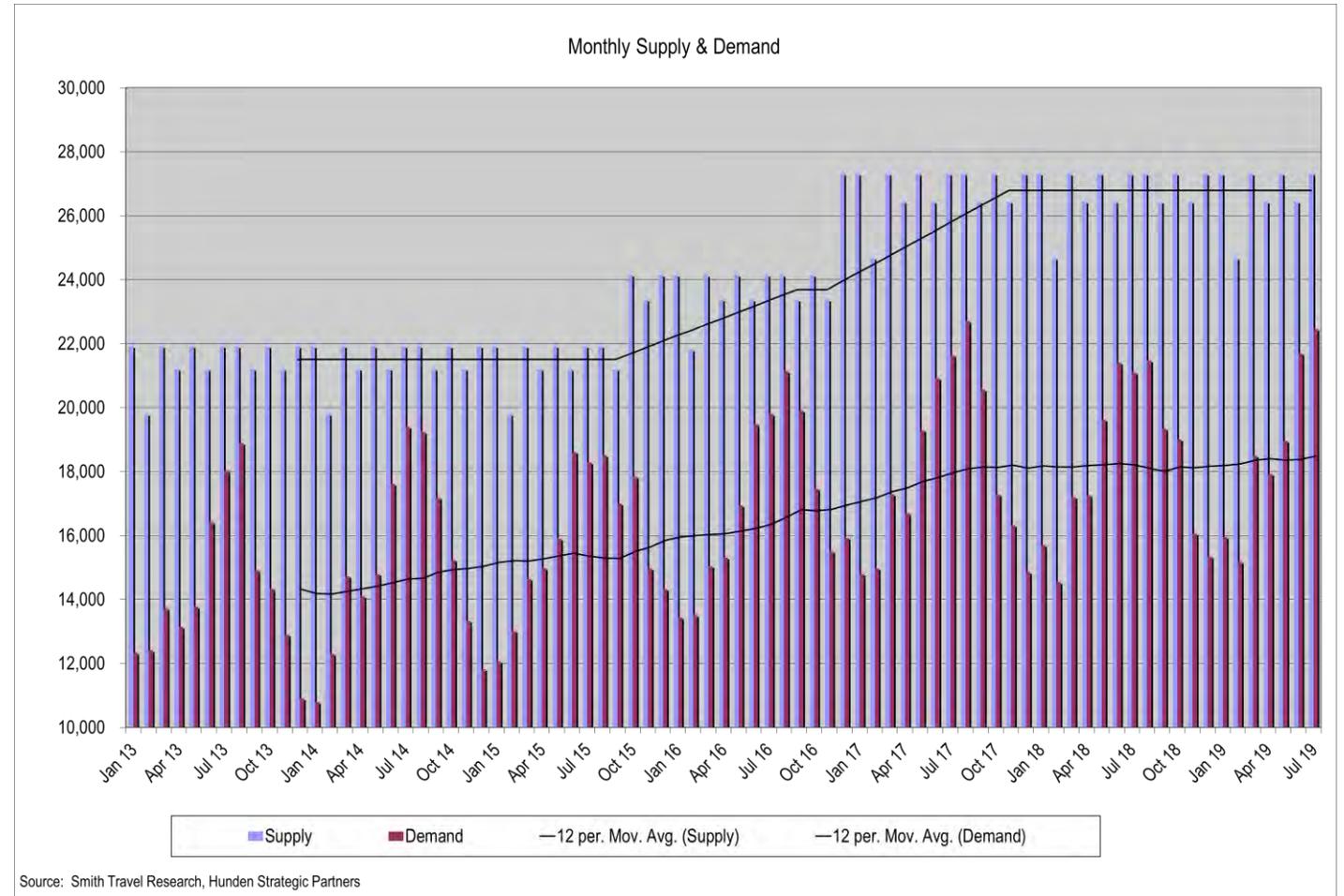
Source: Smith Travel Research, Hunden Strategic Partners

Competitive Hotel Performance

Demand has been strong and has absorbed continual supply growth. While occupancy has been down while the market absorbs new supply, HSP expects occupancy to rebound to the 69 percent level soon. Average daily rate (ADR) has increased from \$143 to \$171 over the period, outpacing inflation.

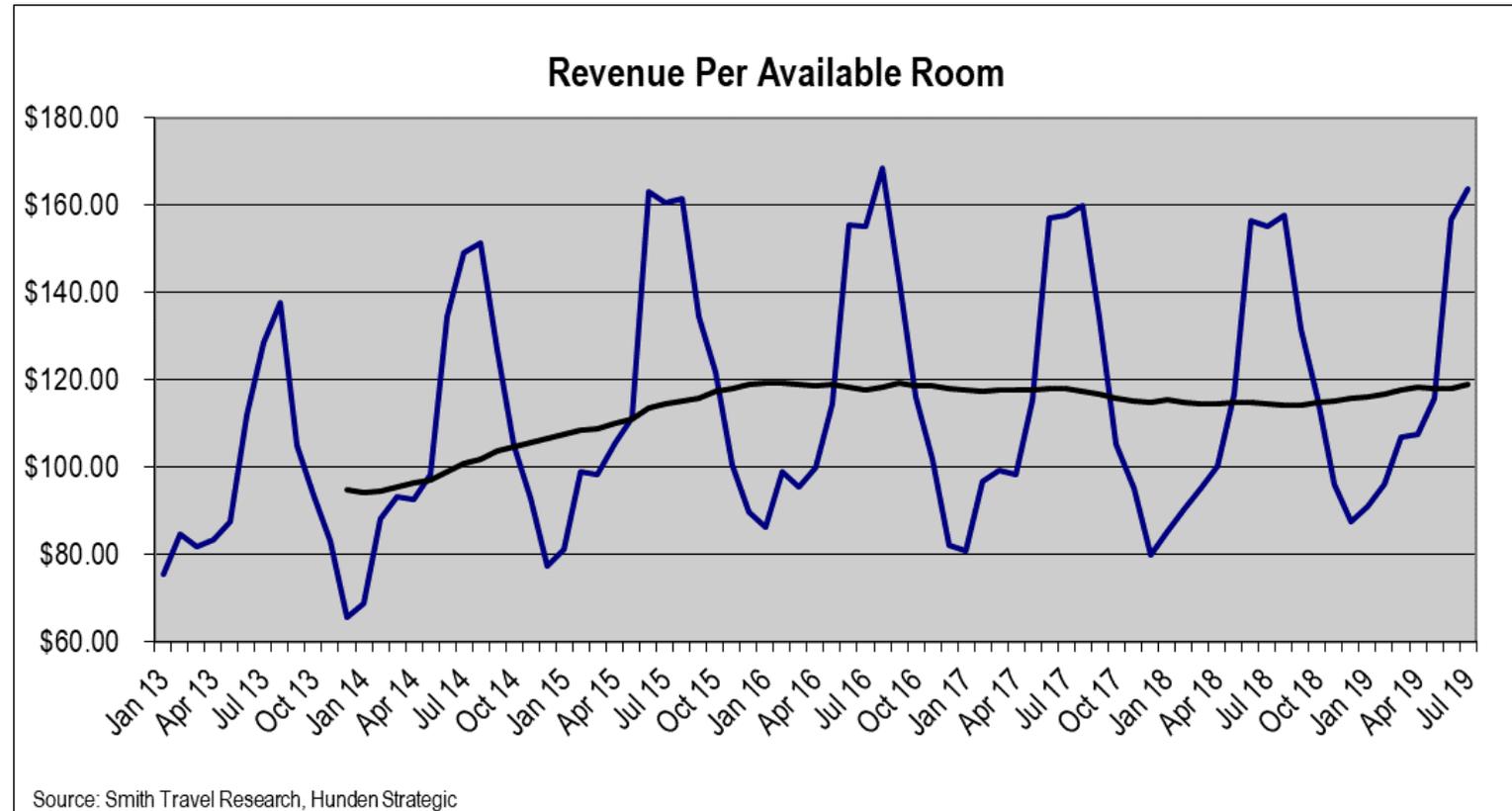
Supply & Demand Hotel Room Nights

Overall, trends between demand and supply have remained consistent with slight increases in demand following the opening of new hotels in 2015 and 2016.



Revenue per Available Room

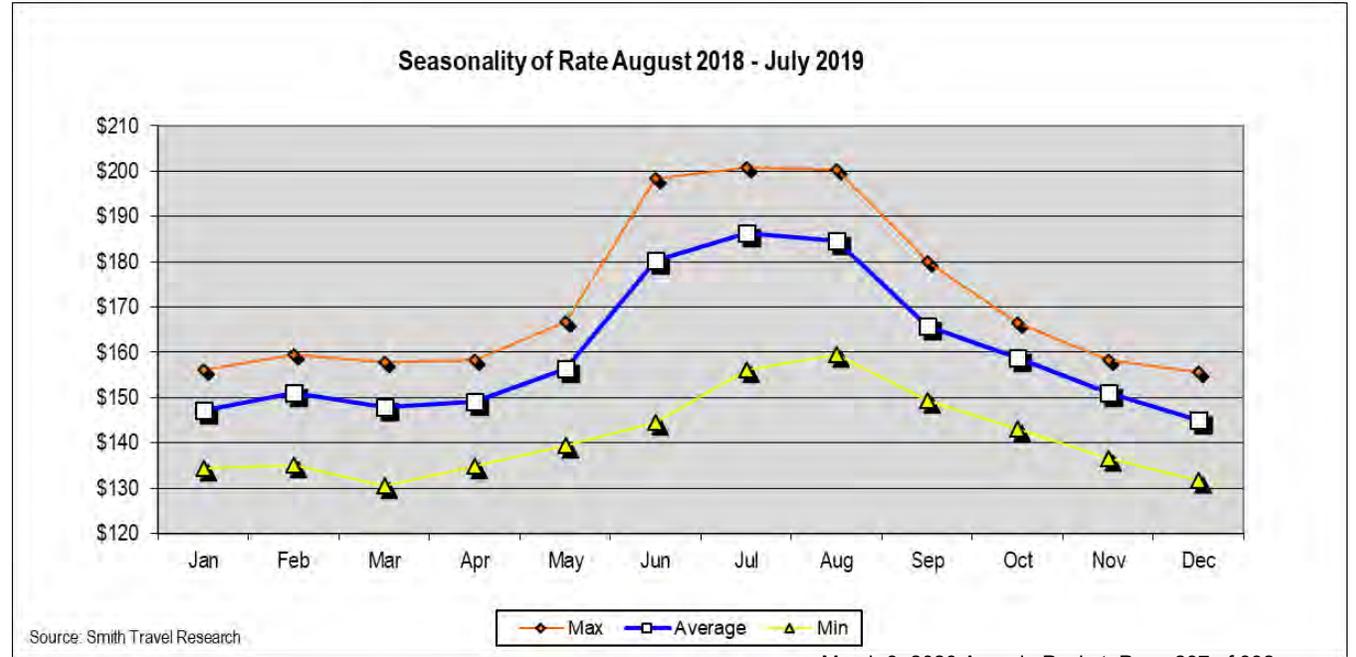
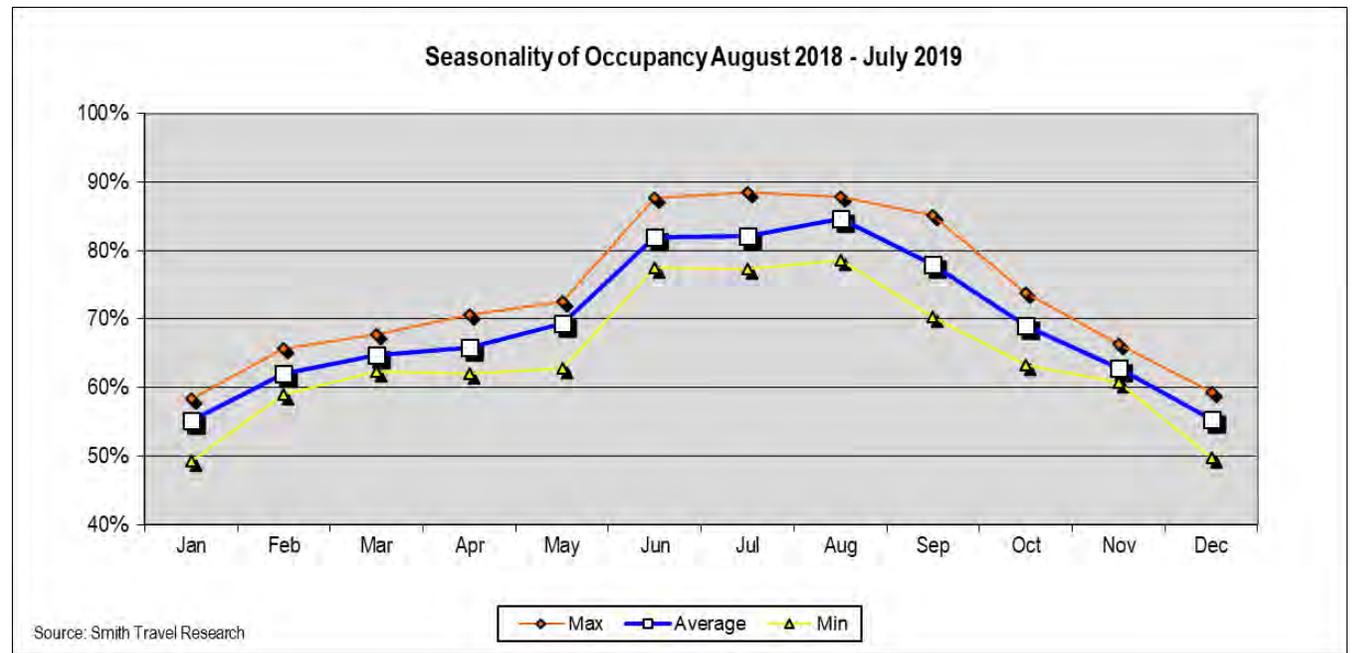
The trend line shows that RevPAR, which is the product of occupancy and rate, has recorded a \$25 increase since 2014. This is a positive indicator for future hotel development opportunity.



Seasonality – Occupancy and ADR

The adjacent tables detail the seasonal performance of the competitive hotel set over the last six years. As shown, Bothell area hotels experienced greater demand in the summer months than the rest of the year. The lowest occupancy period of the annual calendar is the winter months, which is to be expected.

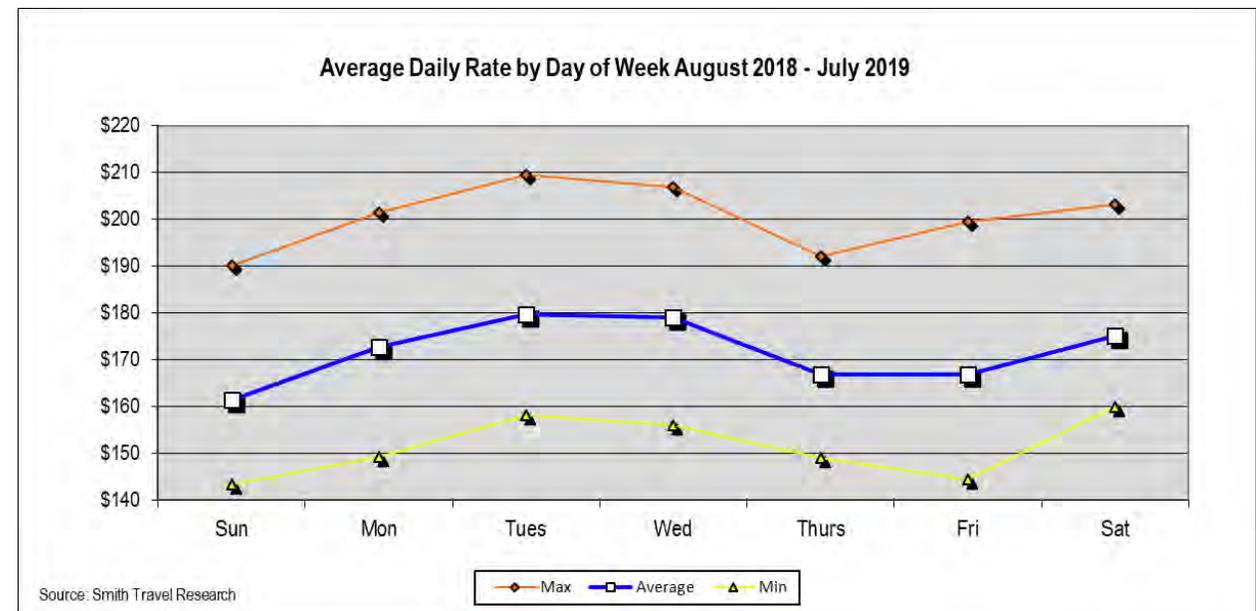
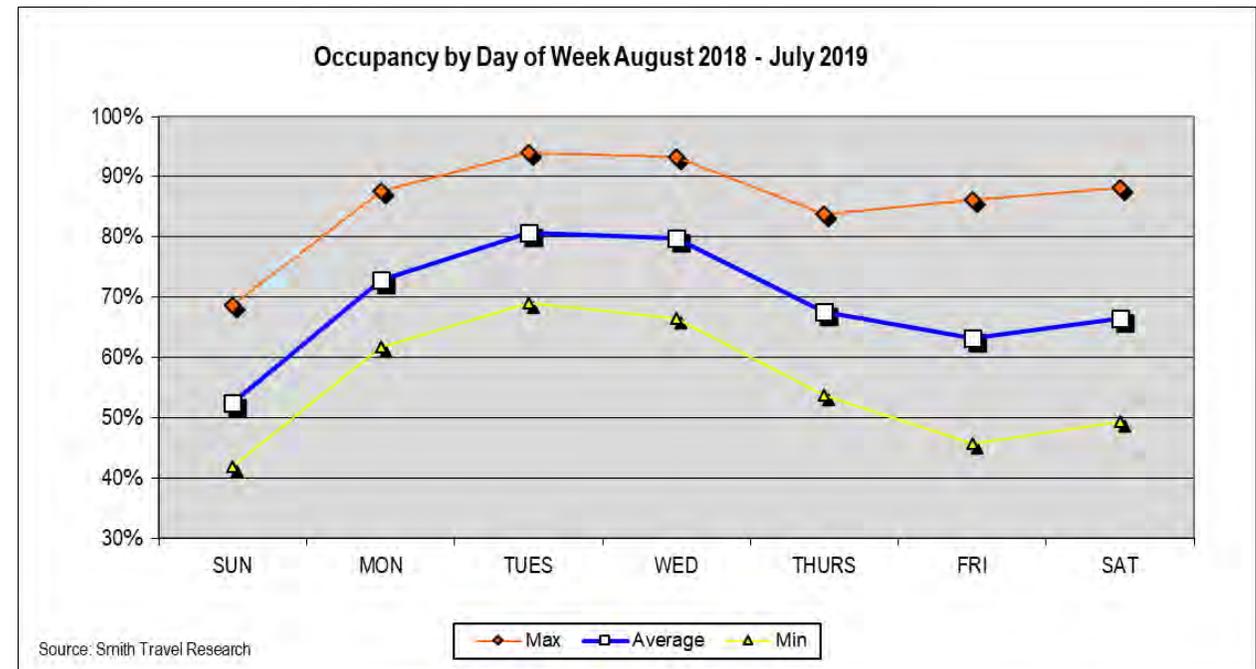
Rate generally mirrors occupancy (shown in the chart below), demonstrating that local hotel options are appropriately compressing rates when demand is highest. Leisure guests drive rates upward during the summer.



Day of Week – Occupancy and ADR

The adjacent figures show the day of week performance of the competitive hotel set from August 2018 through July 2019.

Higher occupancy during the week versus the weekend indicates that corporate demand is greater than leisure demand in general. Still, weekend rates are similar to weekday rates, while occupancy is nearly 15 percentage points less on the weekend. Despite this lower occupancy, rates are still very strong on weekends, suggesting that there is a solid market for upscale lodging on the weekends.

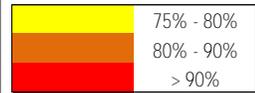


Heat Charts

The adjacent heat charts summarize the day of week by month performance of the hotel market over the last calendar year.

Occupancy peaks in the summer months, exceeding 80% in June and July throughout most of the week. Hotel occupancy also surpassed 80% eight months out of the year during Tuesdays and Wednesdays. As previously mentioned, room nights demand is greater midweek compared to weekends, as evidence by the Tuesday and Wednesday performance throughout the year.

As shown in the table below, average daily rate experiences less variation throughout the year outside of the summer months.



	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Aug - 18	62.0%	79.4%	84.9%	83.6%	76.3%	79.1%	84.3%	78.6%
Sep - 18	56.7%	70.9%	80.2%	83.8%	73.0%	73.6%	77.2%	73.2%
Oct - 18	48.0%	72.0%	80.7%	80.2%	73.3%	63.3%	63.5%	69.6%
Nov - 18	41.8%	62.0%	71.9%	74.9%	62.9%	55.8%	56.8%	60.8%
Dec - 18	42.7%	61.8%	70.1%	66.5%	53.7%	47.9%	53.3%	56.2%
Jan - 19	45.7%	70.6%	69.1%	69.3%	54.8%	45.6%	49.3%	58.4%
Feb - 19	46.3%	68.0%	79.5%	76.8%	59.0%	48.6%	52.6%	61.5%
Mar - 19	50.0%	78.1%	87.3%	84.1%	65.3%	56.0%	62.1%	67.7%
Apr - 19	48.8%	75.0%	82.5%	77.5%	62.5%	60.9%	61.9%	67.8%
May - 19	54.9%	68.5%	81.1%	82.0%	65.8%	63.0%	69.7%	69.4%
Jun - 19	63.5%	87.7%	94.0%	93.3%	83.8%	78.3%	79.3%	82.1%
Jul - 19	68.7%	80.9%	86.1%	84.3%	80.2%	86.2%	88.1%	82.2%
Average	52.5%	72.9%	80.5%	79.7%	67.3%	63.2%	66.6%	

Sources: Smith Travel Research



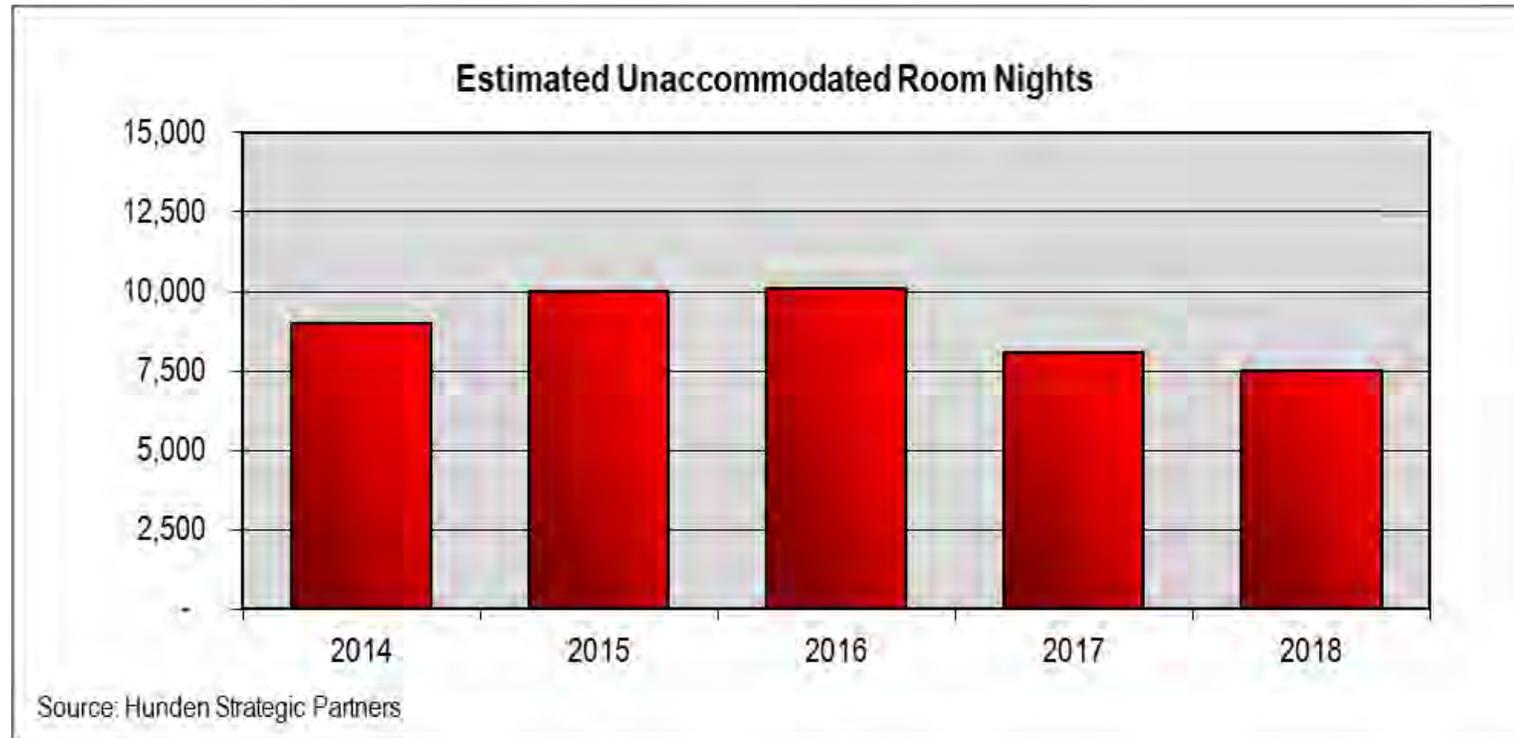
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Aug - 18	190.05	201.46	209.41	206.93	190.49	198.69	203.19	200.42
Sep - 18	174.01	184.17	186.66	187.44	177.29	172.98	177.14	180.07
Oct - 18	154.01	164.40	173.53	173.48	164.91	156.05	166.79	166.24
Nov - 18	153.25	158.57	166.04	163.98	153.71	150.40	160.30	158.28
Dec - 18	145.87	161.07	158.19	155.92	149.97	151.63	161.19	155.57
Jan - 19	145.80	153.04	162.58	159.17	148.95	151.04	167.15	156.02
Feb - 19	143.26	149.16	165.09	165.53	154.20	149.52	160.07	156.45
Mar - 19	145.07	160.75	167.08	167.53	152.77	144.52	159.95	157.75
Apr - 19	144.73	158.59	169.11	166.27	150.25	145.84	161.63	158.38
May - 19	156.47	169.03	178.81	175.85	157.44	157.01	167.05	166.73
Jun - 19	170.46	197.70	204.85	202.49	188.51	182.59	186.27	190.99
Jul - 19	186.95	200.18	204.15	203.24	192.16	199.55	202.27	199.13
Average	161.35	172.76	179.75	179.12	166.94	166.74	175.12	

Sources: Smith Travel Research

Unaccommodated Room Nights

Based on the existing occupancy levels, HSP estimates that there were 7,500 unaccommodated room nights in the Bothell market in 2018, which represents a 25-percent reduction since 2016.

This change suggests that the Hampton Inn Seattle Woodinville brought the market closer to equilibrium, though there is still room in the market for growth.



McMenamin's Anderson School

Location: Downtown Bothell

Opened: 2015

McMenamin's is central to the identity of the City of Bothell. The upscale, boutique hotel has 72 guestrooms total, each named after significant historical figures from Bothell.

Amenities include multiple on-site food and beverage options, an outdoor pool, and pet-friendly suites. Prices are mid-range, with the average daily rate estimated to be between \$150 and \$187.

Proximity to Project Site: 1.5 miles



Willow's Lodge Resort

Location: Woodinville

Opened: 2000

Willow's Lodge is a luxury, resort destination located on five-acres near the Sammamish River in Woodinville. There are 84 hotel rooms, which feature stone finished fireplaces along with two-person soaking tubs.

Amenities include two on-site fine dining restaurants, a lobby bar, and an on-site luxury spa. Prices are on the high-end, with the average daily rate estimated at \$319.

Willow's Lodge offers a variety of reception, banquet and meeting space. Its largest room is 1,955 square-feet with about 5,000 total functional square-feet.

Proximity to site: 5.1 miles



The Lodge at St. Edward

Location: Kenmore
Opening: 2020
Cost: \$50 million (construction)

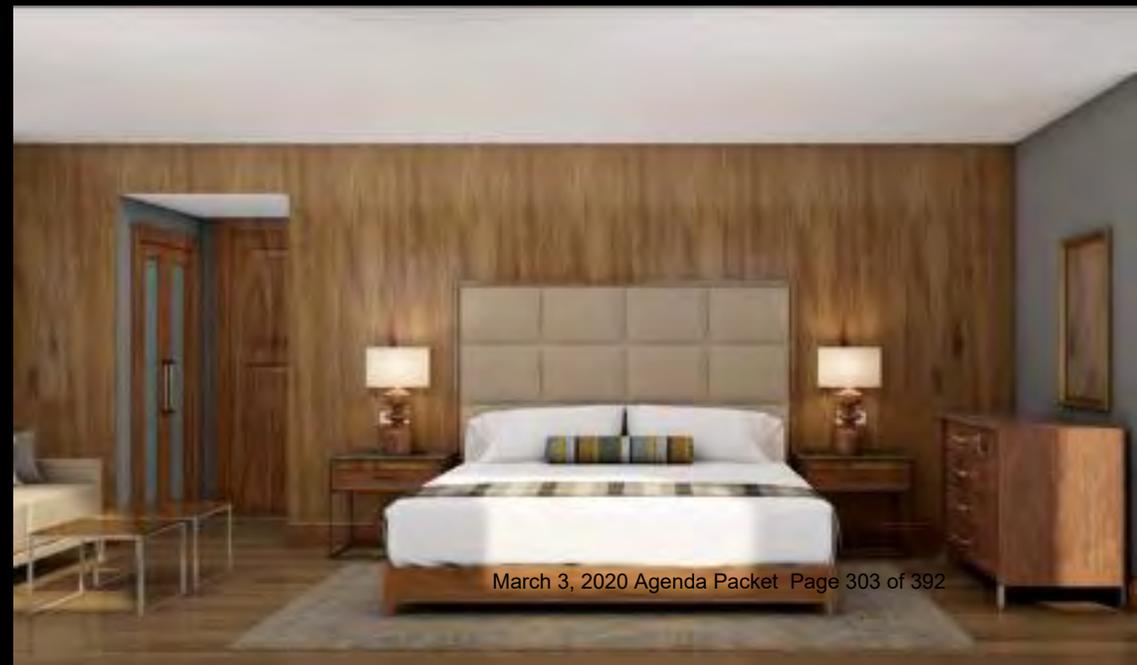
The Lodge at St. Edwards is a boutique hotel concept currently under development. It is the result of a public-private partnership with Daniels Real Estate and the City of Kenmore to preserve and redesign the historic lodge.

The Lodge will have 70 guest rooms, 12 of which will be suites. Amenities will include an on-site spa, a locally focused food and beverage concept, and outdoor spaces.

Meeting space is expected to total 8,000 square feet, including eight meeting rooms and a ballroom.

Rates are not determined, but HSP estimates that the average daily rate will be comparable to or greater than the Willow's Lodge Resort. The cost per room is more than \$700,000, which implies the need to support \$700/night rates. As such rates are unlikely, the incentives provided to the developer will reduce the rate needed to be sustainable.

Proximity to Project Site: 3.5 miles



Select-Service Hotels

Though not the focus of this analysis, Bothell has a supply of select-service hospitality products in addition to the more unique, boutique hotels in the area.

These include the Hilton Garden Inn (128 rooms); the Country Inn and Suites (166 rooms); and the Hampton Inn & Suites by Radisson (102 rooms)

The Hilton Garden Inn and the Country Inn and Suites both have meeting and event space, which will be discussed in the following chapter.

Proximity to Project Site: 2 to 5 miles





Hotel Feedback & Implications

- **There is an appetite for additional boutique hotels like McMenamin's.** Management at McMenamin's believe there is room in the market for an additional boutique hospitality product. Meeting space is recommended, as McMenamin's currently cannot keep up with demand for meetings and events.
- **The market could support additional room keys.** With the market at an average annual occupancy rate of nearly 70 percent across the comp set of hotels, the market shows that it could absorb another hotel and maintain a profitable performance. The average daily rate for the Anderson School is between \$150 to \$187 depending on the season and about \$250 on the weekends. Over the last three years there has been an increase in supply of hotel rooms in response to the increasing demand. Rates have increased despite the new supply.
- **McMenamin's is seen as the leader in boutique, unique hotels and is a magnet destination in Bothell.** Creating a complement to this concept would add to the supply of destination attractions and complement the Bothell "charm." A boutique, high-end, luxury hotel with amenities like a spa and wellness business, or other luxury staples could do well for weekend trippers. Residents of Bothell choose to stay an evening at the McMenamin's Anderson School simply due to the activities, vibe and opportunities for food, beverage and entertainment.
- **Additional boutique hotels are coming down the pipeline.** The Lodge at St. Edward is scheduled to open in 2020, and may provide additional competition to any new boutique hotel developed in Bothell. Care should be taken to diversify amenities and target markets.

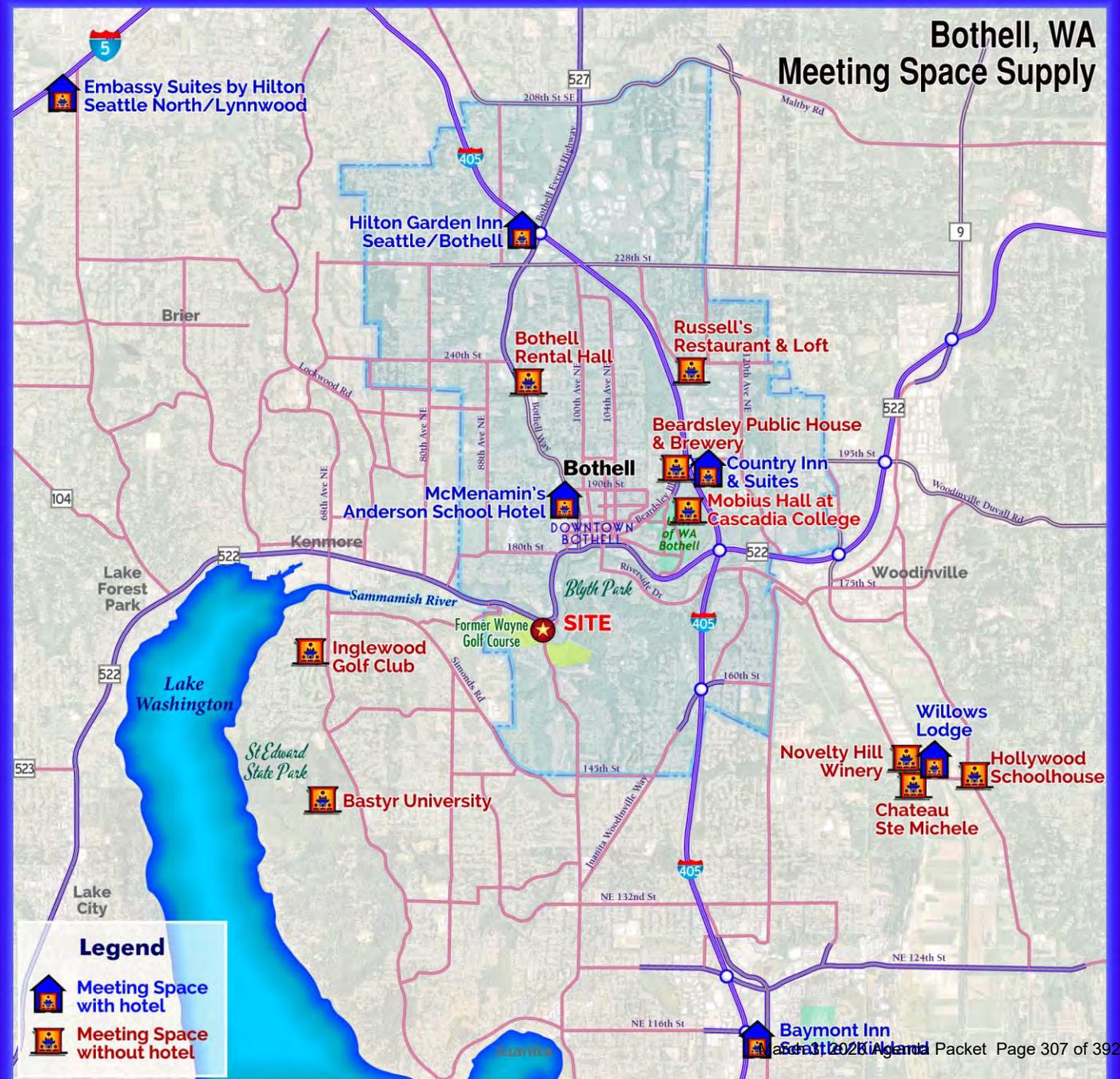
Chapter 5: Meetings & Event Market Analysis

Bothell Meetings Market

The Project site is located near, but not adjacent to, the clusters of meeting venues in Bothell. Any potential meeting development would not be walkable to downtown amenities.

Walkable options would potentially drive greater demand as groups who favor conveniently located food, beverage and other items would select the site for meetings rather than have an additional layer for handling the hardships associated with logistical concerns.

The following slides provide an overview of the supply, as well as profiles of relevant meeting space.



Bothell, WA
Meeting Space Supply

Bothell Area Non-Hotel Meeting Space Supply

Name	Location	Type of Space	Distance from Site	Banquet Capacity	Total Space (SF)	Ballroom (SF)	Meeting Space (SF)	Total Rooms
Mobius Hall at Cascadia College	Bothell	University	1.6	276	4,140	4,140	--	1
Beardslee Public House & Brewery	Bothell	Restaurant & Bar	1.8	400	6,000	--	--	1
Bothell Rental Hall	Bothell	Banquet & Wedding Hall	2.2	160	2,400	2,400	--	1
Inglewood Golf Club	Kenmore	Banquet & Wedding Hall	2.4	206	5,078	3,094	--	2
Russell's Restaurant & Loft	Bothell	Restaurant & Bar	3	267	4,000	4,000	--	1
Novelty Hill	Woodinville	Winery/Brewery	4.2	116	4,985	1,740	3,045	4
Chateau Ste Michelle	Woodinville	Banquet & Wedding Hall	4.6	235	4,928	3,528	1,400	3
Hollywood Schoolhouse	Woodinville	Banquet & Wedding Hall	4.8	220	3,300	3,300	--	1
Freemont Abbey Arts Center	Seattle	Banquet & Wedding Hall	13.6	267	4,480	4,000	480	4
Average				239	4,368	2,911	547	2

Source: Various sources

Non-Hotel Meeting Supply

Relevant area event venues average less than 3,900 square feet in total space and a capacity of 235 guests in a banquet setting. The largest group that may be accommodated is 400 at the Beardslee Public House & Brewery. While the Beardslee Public House will be available for event rentals, HSP does not consider restaurant spaces to be fully competitive with purpose-built meeting spaces.

Bothell Area Hotel Meeting Space Supply						
Name	Location	Distance from Site	Rooms	Largest Room Banquet	Total Space (SF)	Largest Room (SF)
McMenamins-Anderson Schod	Bothell	1.5	72	287	6,000	4,300
Country Inn & Suites	Bothell	2.4	166	107	1,828	1,600
The Lodge at St. Edward	Kenmore	3.5	82	140	8,472	2,100
Hilton Garden Inn	Bothell	3.6	128	140	4,000	2,100
Willows Lodge Resort	Woodinville	4.5	84	130	5,000	1,955
Baymont Inn Seattle Kirkland	Kirkland	4.6	104	104	1,915	1,555
Embassy Suites Seattle North Lynnwood	Lynnwood	7.1	240	360	6,900	5,400
Average			125	181	4,874	2,716

Source: Various sources

Hotel Meeting Supply

The largest space in the local market is actually located in Lynnwood at the Embassy Suites. The Embassy Suites’ ballroom is able to accommodate 360 people for a banquet, which is the second largest group able to be hosted in a single room in the market. The other spaces in local hotels can typically host less than 150 for a banquet.



McMenamin's Anderson School

Location: Downtown Bothell

Event Space:

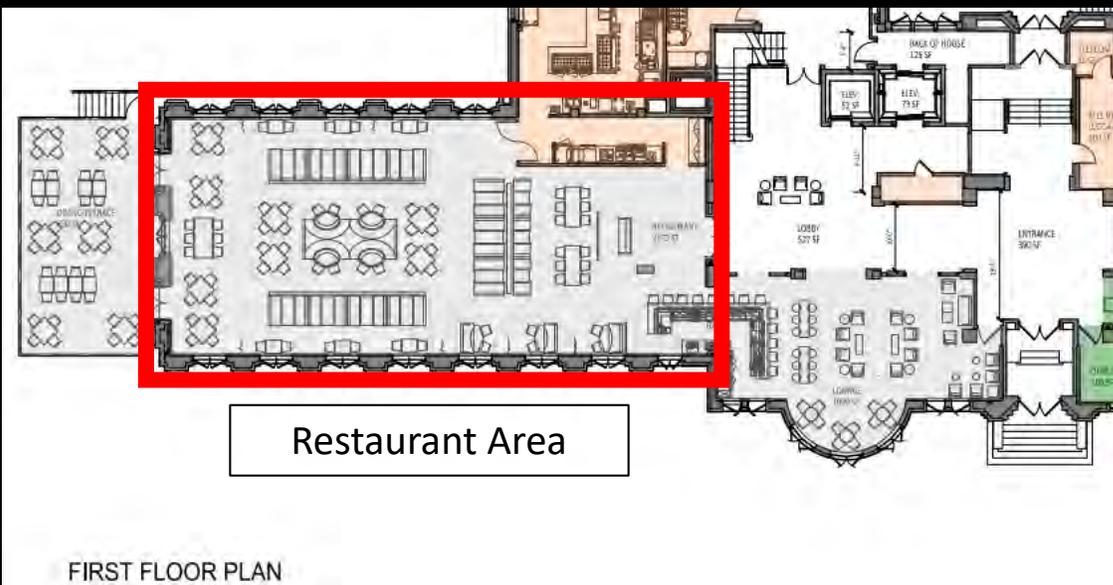
- 6,000 square feet
- Banquet Capacity: 287 guests

Description:

The facility offers 5 unique meeting spaces that serve groups of 10 to 287 and provide catering services. McMenamin's offers both indoor and outdoor event spaces and hosts small concerts, weddings, banquets and meetings.

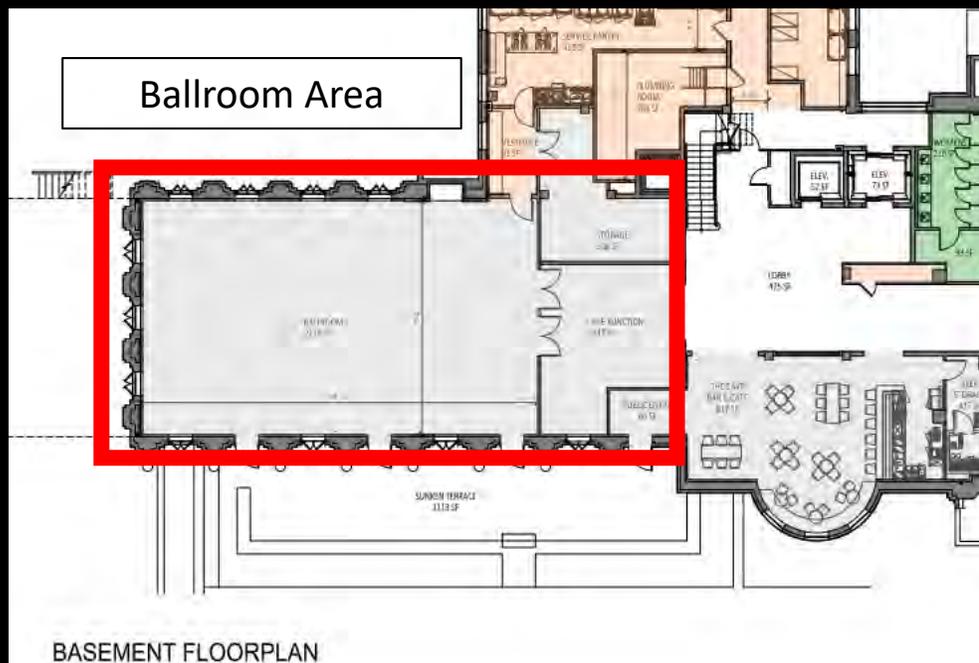
Proximity to Project Site: 1.5 miles





Restaurant Area

FIRST FLOOR PLAN



Ballroom Area

BASEMENT FLOORPLAN

The Lodge at Saint Edwards

Location: Kenmore

Event Space:

- Meeting: 6,354 square feet
- Capacity (per room): 30-80 guests
- Ballroom: 2,118 square feet
- Banquet Capacity: 140

Description:

The Lodge will have eight meeting rooms and a 2,100-square foot ballroom. Meetings rooms are spaced out across the basement and first floors. The Ballroom, the largest room in the hotel, is planned to host weddings, corporate events as well as other formal functions. The restaurant is planned to be 2,673 square-feet, which may also be used to host events.

Proximity to Project Site: 3.5 miles

Russell's Restaurant & Loft

Location: North of Downtown Bothell

Event Space:

- 4,000 square feet
- Capacity: 165

Description:

Russell's Restaurant & Loft is a renovated barn. This 4,000-square foot converted barn serves lunch and dinner and even offers their own cookbook. Russell's specializes around wedding ceremonies, but will hold a variety of other receptions. "The Loft" can hold up to 200 guests for a cocktail reception and 165 guests for a seated dinner.

Proximity to Project Site: 4.6 miles



Hilton Garden Inn

Location: North of Downtown Bothell

Event Space:

- 4,000 square feet
- Capacity: 140 guests

Description:

The event space at The Hilton Garden Inn is very versatile and can be used for business meetings or social events. The spaces can be used as one large function space or up to 10 breakout/meeting spaces. On-site catering is provided and WIFI is provided.

Proximity to Project Site: 3.8 miles



Willow's Lodge Resort

Location: Woodinville

Opened: 2014

Event Space:

- 5,000 total square feet
- Largest Room: 1,955 square feet
- Largest Room Capacity: 130 guests

Description:

Willow's Lodge offers a variety of reception, banquet and meeting space. A total of seven rooms for meeting and special event space offers several "right" size and options for small and large needs.

The Sammamish Room is recommended for weddings and intimate gatherings. Seating 192 it is the largest of the rooms. The Gilman Room fits 40. The smallest option is The Burke Room which holds up to 10.





Chateau Ste Michelle

Location: Woodinville

Open: 1976: Currently open

Event Space:

- 3,528 square feet (ballroom space)
- 7,182 square feet (meeting space)
- Capacity: 235 guests

Description:

Surrounded by 105 wooded acres, Chateau Ste Michelle is a winery/estate where visitors can tour, indulge in wine tastings, food-wine pairings, and hear live music during summer concerts. The Chateau has intimate dining rooms to large banquet rooms. The total event space totals to 10,710 square-feet. Options on the property range in size from 1,000 to roughly 5,800 square feet. These spaces range in capacity from 40 (seated) to 200 (seated).





Fremont Abbey Arts Center

Location: Seattle, WA

Event Space:

- Capacity: 267

Description:

Originally built in 1914 as a Lutheran Church, Fremont Abbey is a multi-use/multi-room venue that may accommodate up to 350 people for events that include nonprofit galas, private weddings, receptions, parties, meetings, workshops, classes and more. The facility also offers a small fireside meeting room, dressing rooms, and a full commercial kitchen. Proceeds from private rentals support local music through the Fremont Abbey Arts Center non-profit organization.





Meetings Market Feedback & Implications

- **The largest spaces in the market are offered by non-hotel facilities.** A few restaurant, wineries and other spaces offer the largest meeting/event spaces in the market. Beardslee Public House has the largest banquet space, which is able to host 400. The restaurants, etc. that are offering the largest meeting spaces in the market are only considered partially competitive with dedicated meeting spaces due to limited availability and often non-optimal layouts and amenities when compared to hotel and purpose-built meeting spaces. Other than the Embassy Suites Lynnwood and McMenamins Anderson School, hotels in the Bothell area do not offer spaces large enough to accommodate 150 for a seated banquet.
- **Competitive Hotels with meeting space believe the Project would be a great location for an event facility.** Other boutique hotels in the area believe that having meeting space, particularly combined with a hotel, would be great for the Bothell area. The Project is seen as an opportunity to heighten the ceiling of the market in terms of largest group able to be accommodated. The largest existing spaces in the market are able to host between 350 and 400 for a banquet. In order to be an impactful addition to the market, a new ballroom should be able to seat 500 and would also need supplemental meeting space.

Chapter 5: Entertainment Market Analysis

Bothell Competitive Venue Summary (2016 - 2018)

Venue	Location	Capacity	# of Events	Avg. Occupancy	Average Ticket Price
Nectar Lounge	Seattle	475	549	97%	\$17.52
Tractor Tavern	Seattle	400	691	84%	\$15.62
The Triple Door	Seattle	300	667	106%	\$25.64
Columbia City Theater	Seattle	300	79	60%	\$16.95
Sunset Tavern	Seattle	200	547	77%	\$11.26
Tony V's Garage	Everett	150	--	--	--
The Royal Room	Seattle	140	--	--	--
Average	--	281	507	85%	\$17.40

Source: Pollstar

Entertainment Venue Supply

The table above details the competitive supply for live music entertainment venues under 500 seats in the Bothell area. The majority of these venues have an average ticket price of less than \$18 and sold an average of 85% of available tickets. While the Columbia City Theater had less than 100 events during the period, the other venues hosted between 540 and 700 events.

Nectar Lounge

Location: Seattle, Washington

Opened in 2004 in the Fremont Neighborhood, Nectar Lounge is Seattle's largest indoor/outdoor live music venue. The facility offers a covered outdoor patio, mezzanine, three full-service bars, craft cocktails and a wide range of musical acts.

Nectar Lounge Event Summary (2016 - 2018)

Year	# of Events	Average Attendance	Average Occupancy %	Average Ticket Price
2018	176	495	104%	\$19.68
2017	182	449	95%	\$16.95
2016	191	441	93%	\$15.70
Average	183	463	97%	\$17.52

Source: Pollstar



The Tractor Tavern

Location: Seattle, Washington

The Tractor is a bar and live music venue with an Americana theme. The venue hosts a wide selection of live local and national alt-country, rockabilly, old-time, folk, blues, and bluegrass bands in town. Square dancing is hosted once a month as additional programming.

Tractor Tavern Event Summary (2016 - 2018)

Year	# of Events	Average Attendance	Average Occupancy %	Average Ticket Price
2018	223	385	96%	\$16.00
2017	236	392	98%	\$17.36
2016	232	293	73%	\$14.51
Average	230	335	84%	\$15.62

Source: Pollstar



The Triple Door

Location: Seattle, Washington

The Historic Mann building houses The Triple Door. The facility was originally a vaudeville house that opened in 1926. In 2002, renovation began and the ornate qualities of the old theatre, such as the original stage proscenium and ceiling fixtures, were kept to create a state of the art space for a new generation of music. The facility hosts live acts and can be rented for private events.

The Triple Door Event Summary (2016 - 2018)

Year	# of Events	Average Attendance	Average Occupancy %	Average Ticket Price
2018	214	295	98%	\$26.43
2017	220	332	111%	\$27.04
2016	233	326	109%	\$23.56
Average	222	318	106%	\$25.64

Source: Pollstar



Columbia City Theater

Location: Seattle, Washington

Located in the Columbia City neighborhood, Columbia City Theater's classic brick, wood and red velvet create a unique space for receptions, private events, parties and live entertainment. Live music focuses on folk, rock, hip-hop, burlesque, electronic and jazz.

Columbia City Event Summary (2016 - 2018)

Year	# of Events	Average Attendance	Average Occupancy %	Average Ticket Price
2018	29	172	57%	\$16.40
2017	17	242	81%	\$18.00
2016	33	158	53%	\$17.33
Average	26	179	60%	\$16.95

Source: Pollstar

The Sunset

Location: Seattle, Washington

Located in the Old Town Ballard district of Seattle, the Sunset Tavern is home to live music ranging from rock to punk to alternative music and more. The front bar area is named “Betty’s Room” where beverages and a photo booth offer patrons a place to relax before and after shows.

Columbia City Event Summary (2016 - 2018)

Year	# of Events	Average Attendance	Average Occupancy %	Average Ticket Price
2018	148	144	72%	\$10.00
2017	273	176	88%	\$10.40
2016	126	147	73%	\$11.75
Average	182	153	77%	\$11.26

Source: Pollstar



The Royal Room

Location: Seattle, Washington

Seating Capacity: 150

Stage Specs: 12.5 feet by 19.5 feet

Located in the Columbia City neighborhood in Seattle, the Royal Room offers live music seven nights per week, a restaurant that offers dinner and drinks, and space that is available for rentals for private events. With permanent backline, recording and video, a grand piano and a generous stage, the venue was designed with musicians and artists in mind and allows patrons of all ages to enjoy a wide variety of music, comedy shows, community events, and collaborative artistic events.



Tony V's Garage Saloon & Eatery

Location: Everett, Washington

Capacity: 70

Located in downtown Everett, a little over a block away from Angel of the Winds Arena, Tony V's is a small-stage live music venue that also offers happy hour food and drinks. Live entertainment ranges from stand-up comedy to indie and more.





Entertainment Feedback

- **There are several niche, small venues that can attract high profile acts in the Bothell area.** Chateau Ste. Michele is a winery that has a venue for 4,300 seats. The music series is seasonal; the winery puts on a summer concert series that plays from August through September and averages 4,597 tickets sold annually. The venue earns an average gross per show of \$244,893 and an average capacity of 95% tickets sold. Ticket prices on average are priced higher than most venues suggesting a reputable brand for music and a loyal consumer base for this venue. Top-tier acts still book their shows in Seattle.
- **Ticketed events in the Bothell area are priced much lower than in the Seattle and other metro areas.** While national, top-tier acts head to Seattle to play in big stadiums, the Bothell music scene offers smaller, more affordable options for acts that are not as prolific but still hold enough brand recognition to draw sizable demand. The average ticket price ranges between \$15 to \$25 regardless of genre. T
- **Successful music venues need ambience.** Substituting a meeting space or a large conference room to transform into a musical venue would lack the experience most concert goers seek. It would feel like a “big box” or bland experience according to a few promoters and encourage that if the idea is to include music as an enterprise, the commitment should be full-throated.
- **Costs can be high.** Promoters stated that production budgets alone could range between \$12,000-\$15,000 to rent the necessary equipment, staff and infrastructure required. Larger acts could charge up to \$10,000 per show.
- **A purpose built entertainment venue in Bothell is likely not feasible.** Bothell would have a difficult time competing with the Seattle and even Woodinville markets for live entertainment, and the site’s proximity to residential areas makes the feasibility of such a venue even less likely. Instead, the focus should be on low-cost atmospheric entertainment.

Chapter 7: Adult Beverage Market Analysis

Adult Beverage Experiences

Throughout of the State of Washington and concentrated in the King County and Snohomish County region, adult beverage experiences are driving tourism and providing local residents with leisure opportunities.

Wineries, breweries and distillers are tourism staples and account for a notable share of the tourism traffic in and around Bothell, and could provide an attractive experience for any future development.



Breweries

The brewery distribution in the region is concentrated in two main areas: Seattle and the Bothell-Woodinville area. In Woodinville, brewery experiences are paired with recreational activities, live concerts, and fine-dining.

Beer tourism is on the rise, and relative to wine tourism, is a new trend that has gained popularity over the last five years.

Regional Breweries - Supply List (6 miles)		
Names	Distance (Miles)	Location
Nine Yards Brewing	1.5	Kenmore
Cairn Brewing	1.5	Kenmore
192 Brewing	1.6	Kenmore
McMenamins Anderson School	2.1	Bothell
Beardslee Public House	3.2	Bothell
Crucible Brewing	4.7	Woodinville
Sumerian Brewing Co.	5.7	Woodinville
Locust Brewing Co.	5.7	Woodinville
Metier Brewing Co.	5.7	Woodinville
20 Corners Brewing	5.9	Woodinville
Bosk Brew Works	5.9	Woodinville
Triplehorn Brewing	6	Woodinville

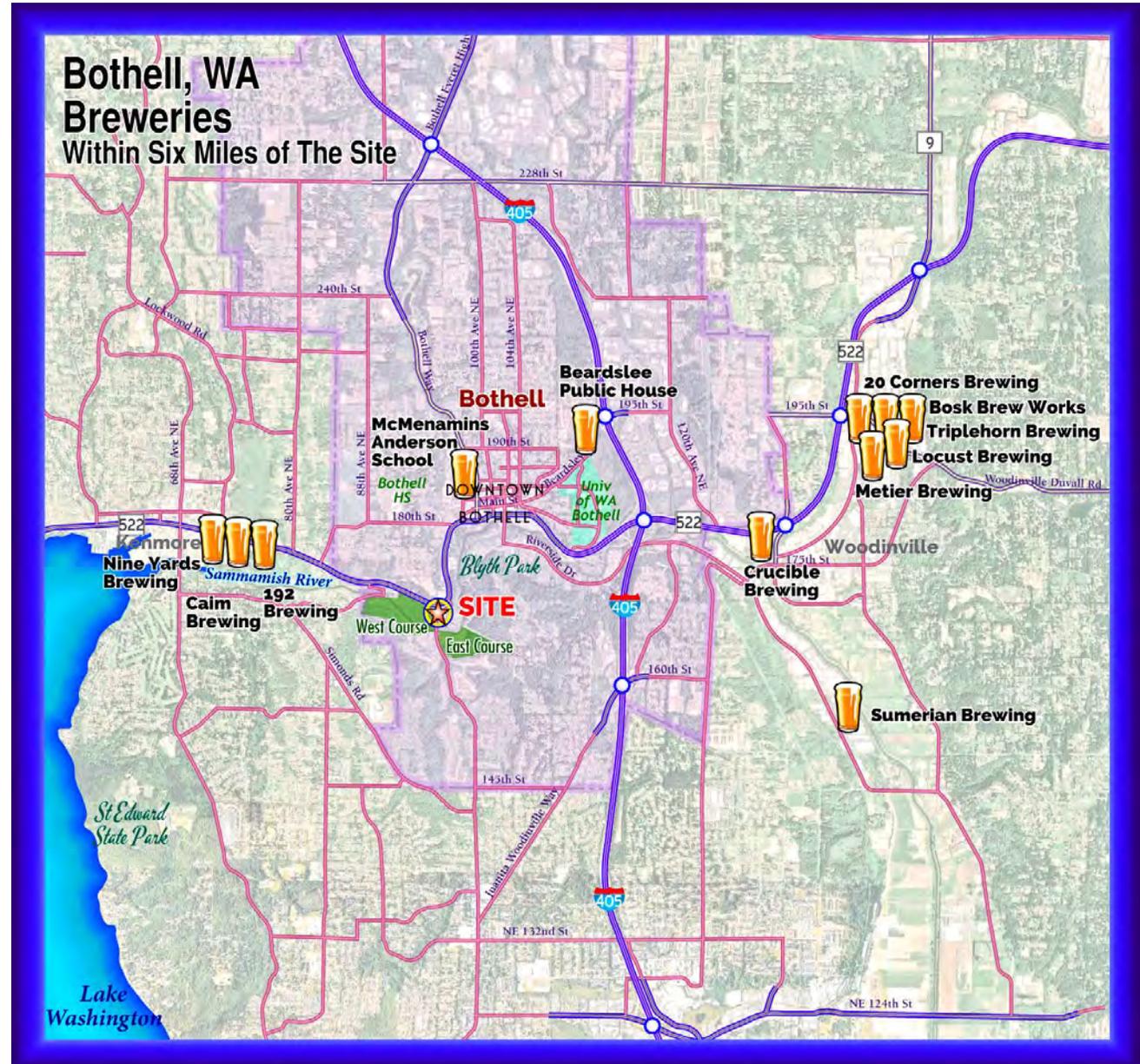
Source: Washington Beer

Breweries

The Seattle-Tacoma market is ranked as the number three destination on Travelocity's Beer Tourism Index.

On a basic level, beer tourism can simply mean going out of one's way to visit a local brewery when traveling for work or pleasure, but many people now plan a vacation to a city or region known for its beer and incorporate brewery visits into their travels.

The trend also extends beyond destinations widely known for beer, and therefore to those beyond the typical craft beer demographic, which skews slightly younger than the average tourist.



Distilleries

Like much of the brewery supply, most of the distilleries in the area are located in Woodinville.

The Bothell-Woodinville area is an established market with proof of concept that distilleries are in demand. Woodinville currently offers a greater supply of distilleries than Bothell, due to the momentum generated from existing wine tourism.

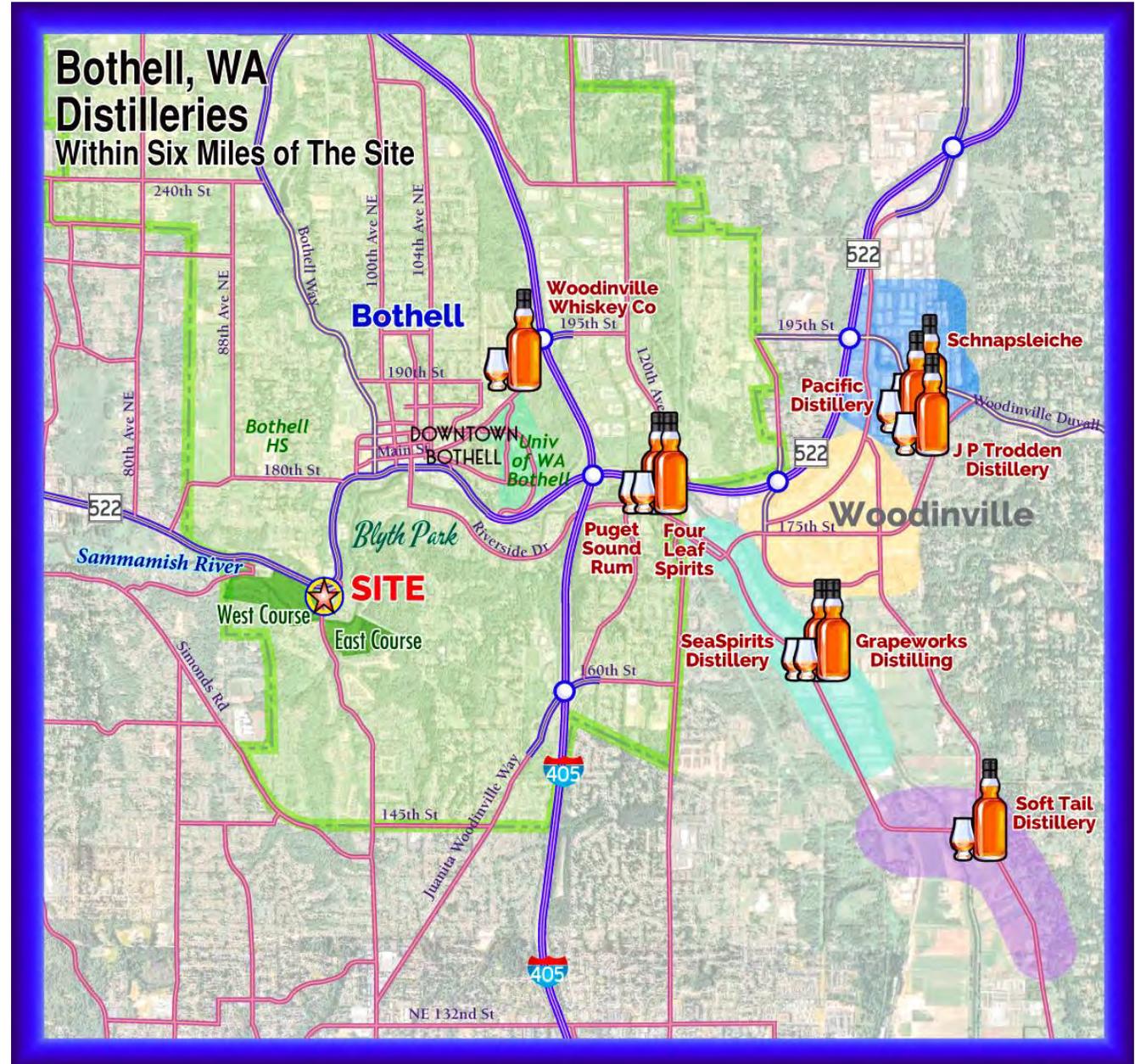
Regional Distilleries - Supply List (6 mile radius)

Names	Distance (Miles)	Location
Wildwood Spirits & Co.	3.2	Bothell
Puget Sound Rum	4.2	Woodinville
Four Leaf Spirits	4.2	Woodinville
SeaSpirits Distillery	5.2	Woodinville
Grapeworks Distilling	5.2	Woodinville
Pacific Distillery	5.7	Woodinville
Schnapsleiche	5.8	Woodinville
J.P. Trodden Distillery	5.8	Woodinville
Soft Tail Distillery	6.0	Woodinville
Woodinville Whiskey Co.	6.0	Woodinville

Source: American Distilling Institute

Distilleries

Craft distillery tourism is on the rise, though spirits movement still lags behind local wine or beer. This is due in part to the fact that it is still illegal to distill at home, which means honing the hobby before going pro is a major challenge. As a result, fewer start-ups are entering the market.



Wineries

Bothell does not have any wineries available to the public, and just a few wine retailers. However, Woodinville has more than 100 wineries, which gives it significant pull for tourists.

The table to the right reflects the density of the wine supply located in Woodinville – the competition – should Bothell decide to invest in bringing a winery to market.

Most of the wineries are located either in the Hollywood District or Warehouse District of Woodinville.

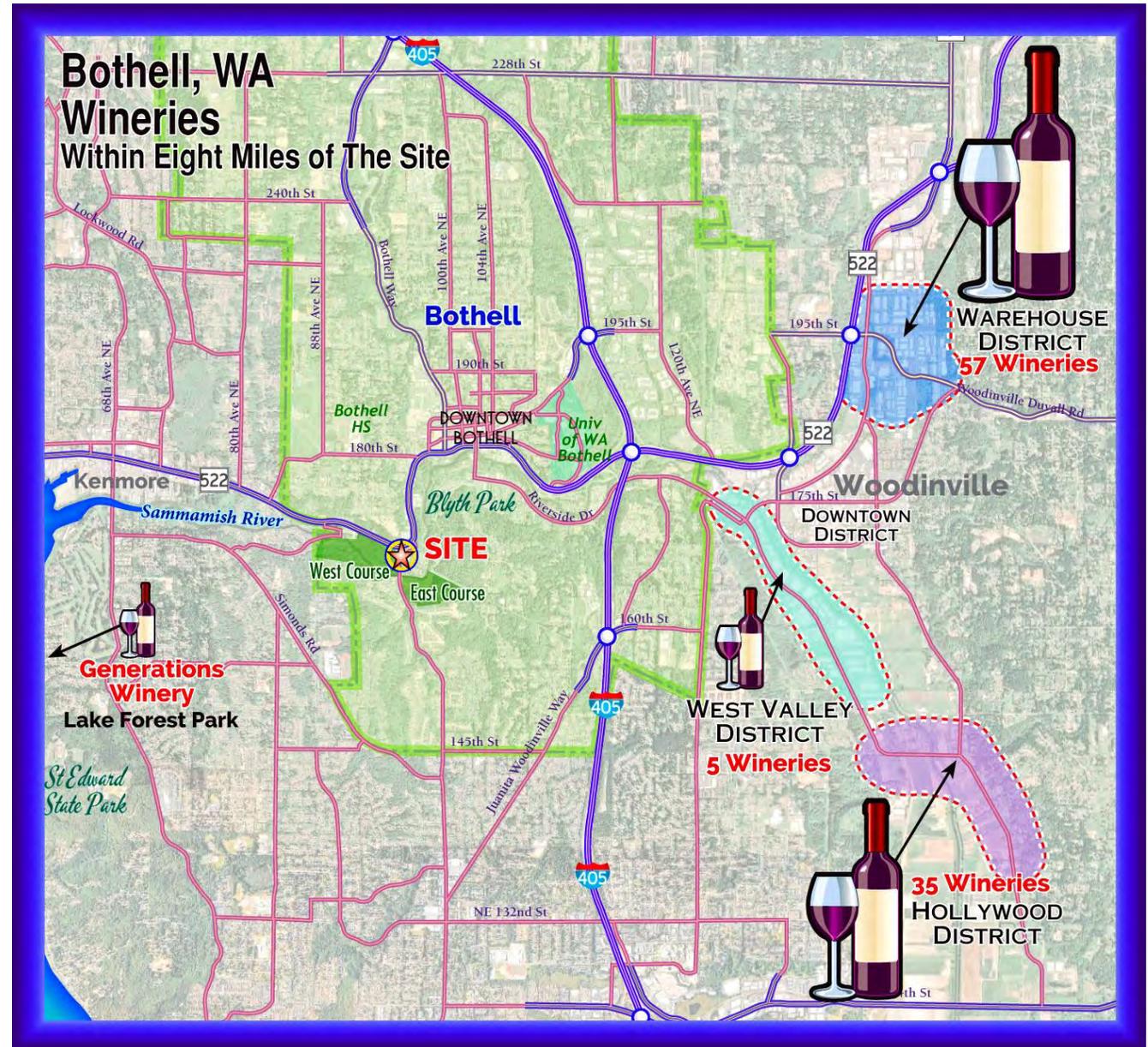
District Name	Number of Wineries	Distance (Miles)	Location
Downtown District	0	5	Woodinville
Hollywood District	43	6	Woodinville
Warehouse District	57	6.1	Woodinville
West Valley	7	7.1	Woodinville
Average	27	6.1	
Total	107	--	

Source: Visit Seattle

Wineries

Woodinville is home to more than one hundred wineries, with more expected to come to market in the next few years.

Wineries may not be the best fit to satisfy the highest and best use simply due to the supply that already exists to the east of Bothell.



Cairn Brewing

Location: Kenmore

Description:

Cairn Brewing designed to have a “woody” theme and has rotating beers on tap and a food truck schedule to keep a variety of food. Friends and families gather around long tables for flights and tastings.

The Burke Gilman Trail runs adjacent to Cairn Brewing, and the brewery is one of a few young companies that have begun to take advantage of trail users and cyclists who may stop off for a visit during a long ride.

Proximity to Project Site: 1.5 miles



Nine Yards Brewing

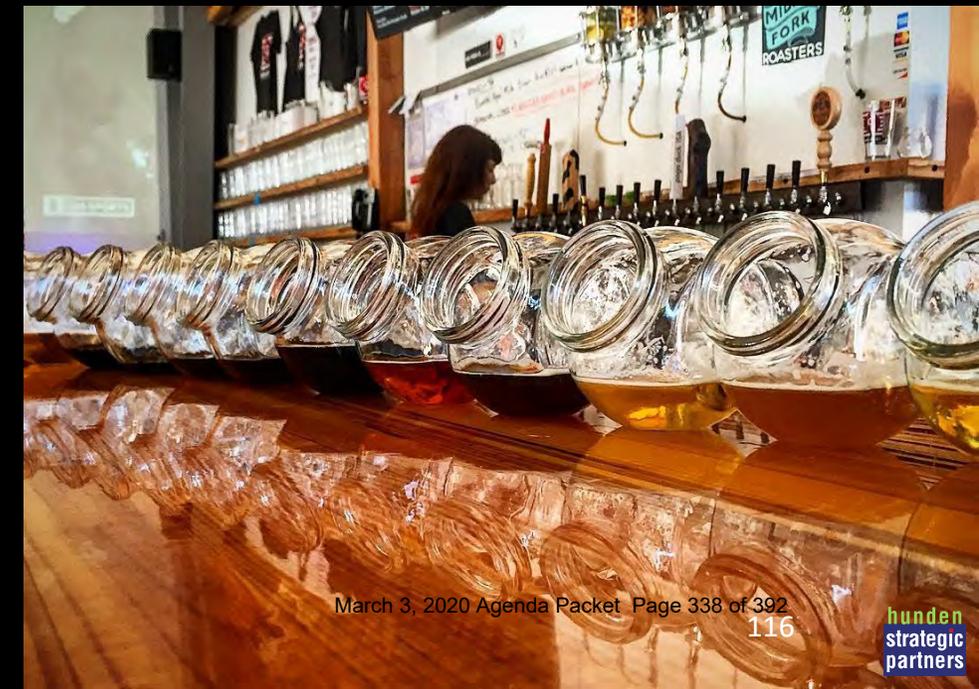
Location: Kenmore

Description:

Another addition to Kenmore's booming brewery scene, Nine Yards Brewing is located adjacent to the Burke Gilman Trail.

Nine Yards features an all-age taproom, which is located in a large, warehouse space that offers table seating. Vintage skee-ball and pinball machines add to the atmosphere that attracts young couples and active trail users.

Proximity to Project Site: 1.5 miles



192 Brewing

Location: Kenmore

Description:

The third relatively new brewery located off of the Burke Gilman Trail is 192 Brewing. The Lake Trail Taproom offers 18 different beers, and an outdoor patio garden offers additional seating.

Like Nine Yards, both spaces are all ages and dog-friendly, which reflects a larger trend in breweries to cater to young parents and families who might not otherwise frequent a traditional bar setting. It also allows for unplanned visits from trail users who happen upon the venue.

192 Brewing serves pub fare and regularly hosts Open Mic Nights and Trivia Nights as additional programming.

Proximity to Project Site: 1.5 miles



Woodinville Whiskey Co.

Location: Woodinville

Description:

Woodinville Whiskey Co. is a destination distillery that has an on-site tasting room open daily, as well as weekend distillery tours.

The distillery is focused on small batch spirits, and has been awarded “Craft Whiskey of the Year” and “Craft Rye Whiskey of the Year” two years in a row by the American Distilling Institute.

Proximity to Project Site: 6 miles



Wildwood Distillery Co.

Location: Bothell

Description:

Bothell's first distillery, which opened in 2015, is located under the Beardslee Public House. The Wildwood Distillery includes a small tasting room and wide-open windows to the distillery.

Taking advantage of the area's preference for local sources, Wildwood Spirits Co. blends 'farm to table' and 'vineyard to bottle' to create distillates in a unique & distinctive 'farm to distillery' fashion.

Proximity to Project Site: 1.5 miles



Four Leaf Spirits

Location: Woodinville

Description:

Four Leaf Spirits is a micro-distillery in Woodinville that is focused on producing sugar cane based rums and liqueurs using Pacific Northwest sourced ingredients.

The distillery has an on-site tasting room open to the public every Thursday through Sunday.

Proximity to Project Site: 1.5 miles



Patterson Cellars

Location: Woodinville

Description:

Patterson Cellars was founded in the year 2000 and now produces over 19,000 cases of wine each year in the Warehouse Winery District of Woodinville. The owners opened a second tasting room in Woodinville's Hollywood Hill Winery District in 2012.

Both locations offer tours and tastings, as well as a Wine Club.

Proximity to Project Site: 6.1 miles



Pondera Winery

Location: Woodinville

Description:

Pondera Winery is a family owned, boutique winery located in the Warehouse Winery District of Woodinville. Winemaker, The winery was officially launched with the Pondera brand in early 2005, and specializes in the production of high quality, well balanced red varietals and Bordeaux style blends. The grapes are sourced from six adjacent vineyards. Each wine is very limited and the entire production is currently 3000 cases annually.

On-site tasting room and tours are available to the public Wednesday through Saturday.

Proximity to Project Site: 6.1 miles



Obelisco Estate

Location: Woodinville

Description:

Obelisco Estate is a small 30 acre vineyard located on the southwest slope of Red Mountain. The winery officially launched in 2013, though the wine had been being produced since 2007 on a smaller scale. Though the winery does not have a public tasting room, it regularly hosts live music and entertainment events at on-site venues, as well as private dinners.

Proximity to Project Site: 6.1 miles





Adult Beverage Feedback & Implications

Breweries

- **Access to the trail has a large impact on small breweries.** Management of Kenmore breweries estimate anywhere from 50 to 90 percent of their business is cyclists from the Burke-Gilman during the spring and summer when the sun is out. During the cooler and wetter times of year it drops substantially. In order to better serve this target patron group, Nine Yards installed an indoor bike rack and lockers for its patrons.
- **All ages taprooms and dog-friendly spaces increase access for young families.** Most breweries profiled recognized that the craft beer market is largely made up of young professionals and their new families. Catering specifically to these groups by making establishments family friendly is an important aspect of the craft beer culture.
- **Successful breweries need additional programming.** Trivia nights, music, and games all provide added value to brewery customers and enhance the experience.
- **Microbreweries are more successful when clustered.** The City of Kenmore recognized that the Burke-Gilman was a major arterial for commuter traffic, and has used breweries as one method to tap into this traffic as a source of revenue. The Kenmore cluster is comprised of destination breweries – places where people will have to come to purchase the beer – and said that having multiple breweries in the area only makes it more of a destination.
- **Destination breweries are gaining popularity.** While a majority of craft breweries do not have the funds or even the desire to build a hotel or expand to “destination” proportions, many mid-sized breweries around the country are opening up their own concept hotels. Upcoming developments from Dogfish Brewing and Stone Brewing are coming to market soon.
- **Some brewery destinations are being planned by cities themselves.** The City of Madras, Oregon recently released a request for proposals from breweries interested in developing a destination development in their downtown revitalization district, and other cities are following suit.



Adult Beverage Feedback & Implications

Distilleries

- **Trend in distilleries still lags wine and beer.** The national spirits movement still lags behind local wine or beer. This is due in part to the fact that it is still illegal to distill at home, which means honing the hobby before going pro is a major challenge. As a result, fewer start-ups are entering the market.
- **Distilleries in Woodinville are benefitting from synergy with wineries.** Though opening Woodinville Whiskey Co. in the middle of a wine destination seemed risky to some, the wine tourists have embraced the distillery as part of what industry professionals refer to as the “grape-and-grain” tour.

Wineries

- **Woodinville dominates the market for wineries.** Home to over 100 wineries, Woodinville has a dense and saturated wine scene that would be difficult to compete with.
- **Capturing users from the trail is less important than for breweries, but efforts are still being made.** Woodinville tourism efforts have begun to market to cyclists along the Sammamish River Trail and the Burke-Gilman to capture a younger and more active demographic. While wineries are not as popular among trail users as the breweries are, outdoor events like summer concerts in the vineyards are helping to increase visitation among trail users.

Chapter 8: Spa & Wellness Market Analysis

Spa & Wellness Experiences

Though HSP does not recommend a standalone spa or wellness product for the Project site, one could be added as an amenity to the recommended boutique hotel product. Programming should cater to trail users as well as hotel guests.

In order to better understand the opportunity, HSP analyzed the current spa and wellness supply within a ten-mile radius from the Former Wayne Golf Course.



Local Spa Supply Overview

The local supply of spa and wellness establishments primarily consists of a range of full service spas and gyms. The adjacent table shows the local supply sorted by distance from the site.

The following slides profile local destination spa assets that may serve as competition to any developed project.

Bothell Local Spa, Wellness and Fitness Supply		
Name	Distance from Site (miles)	Notes
City Spa	1.3	Massage
Strength University	3.1	Gym
Progressive Performance	3.4	Fitness Training
Orangetheory Fitness	3.5	Fitness Training
24 Hour Fitness	3.7	Fitness Training
InSpa	3.8	Full Service Spa
Bobo Spa	3.9	Massage
Serenity Bliss Hollistic Spa	4.2	Full Service Spa
Oasis Spa & Salon	4.5	Full Service Spa
Kingsgate Foot Spa	4.5	Massage
LA Fitness	4.6	Gym
Sophia Spa	4.8	Full Service Spa
The Spa at Willows Lodge	5.1	Full Service Spa
Bayside Nail & Spa	5.6	Nails, Waxing, Facials
Mountain Sun Massage & Skin Care	6.2	Full Service Spa
Oriental Retreat Spa	6.9	Massage
425 Fitness	7.9	Gym
Janet Marie Skin Care	7.9	Skin Care, Day Spa
James Alan Salon & Spa	8.1	Nails, Waxing, Facials
Xtra Fitness	8.2	Fitness Training
The Armory	8.3	Gym
Amai Day Spa	8.3	Full Service Spa
Fit 4 Life	8.5	Fitness Training
Sugared	8.7	Waxing
Olympus Spa	8.8	Full Service Spa
Zen Massage Spa	9.1	Massage
Treat Yourself Day Spa	9.2	Massage
Spa Ten20	9.5	Nails
Still Spa at Woodmark	9.7	Full Service Spa
Gene Juarez Salons & Spas	10	Full Service Spa
Q Sauna & Spa	10	Full Service Spa

Source: ESRI, DataVU, Yelp



The Spa at Willow's Lodge

Location: Woodinville

Opened: September 2000

Annual revenue: \$482,394

Treatment rooms: 6

Services: Individual and couples massages, waxing and nail services, salt rubs, sports recovery massage, ancient healing Lomi massage, facials, and a private pool.

The Spa at Willow's Lodge is designed to incorporate all elements of a destination spa. A relaxation room with a fireplace, premium chairs and couches for luxury seating are a few of the items featured. The spa uses locally harvested ingredients like lavender and honey during massages and offers a range of massage services for the most experienced patron to those who seek lighter treatments. Tile walls and private, individual rooms are a focal point with 13 experienced employees on staff. The spa caters to both hotel guests and the public.

Distance from site: 5.1 miles





Olympus Spa

Location: Lynnwood

Opened: 2004

Annual revenue: \$2,4040,898

Treatment rooms: 8 heated rooms; at least 10 massage rooms

Services: Korean and other body scrubs, personal injury massages, prenatal massages, body wraps, mud wraps, seaweed detox wraps, foot massages, facials and nail care services.

Olympus Spa is a women's only spa. The 15,000 square-foot building sees 100 to 200 women a day (average). The spa has 55 employees on staff. Olympus offers premium spa services that cater to the female audience such as prenatal massages as well as brow and other waxing needs. Olympus Spa brands itself as a spa that incorporates Eastern medicinal techniques with Western relaxation techniques. There is a private pool available as well.

Distance from site: 8.8 miles





Still Spa at Woodmark

Location: Kirkland

Opened: 1989; 2019 renovated

Treatment rooms: 7

Services: Full body and targeted massages, body detox wraps, facial treatments, waxing and nail and hands and feet massage services.

Located within the Woodmark Hotel, the Still Spa caters to guests as well as the general public. Built in 1989 and renovated in 2019, the hotel has 9,000 square feet of meeting space in addition to the luxury spa services in the luxury hotel. The Still Spa is known for some of the best views in the area and is a top wedding destination.

Distance from site: 9.7 miles





Feedback

HSP conducted research to assess demand and consumer behavior of spa and wellness patrons. This research helps to inform and to determine potential feasibility.

- **Ideally, 50 percent of the spa demand is driven from the local community.** This will help keep a spa occupied during the day and during slow periods of tourism.
- **Spas should not be developed as “loss leaders.”** They are too expensive to build and to manage. Spas should be developed to fill hotel rooms, increase ADR (average daily rate) and increase the average spend per guest. A spa is not a community asset. Spas should function as an additional means to increase a hotel’s return.
- **Do not need to go overboard on treatment rooms.** Rooms may only be utilized 30 percent of the time during business hours. The optimal number of beds is 5 to 15, as any fewer cannot generate enough revenue.
- **Average spa treatment is about \$125 and product purchases may add \$5 to the total.** Most consumers have a fixed budget when it comes to spa services. Few will opt for year-round memberships, which might be a feature in a product line, but often are not the primary source of products purchased.
- **Ongoing expenses vs. contractor model.** Training takes time, preparation and if done, will lead to a profitable return on investment. What is also true is that these investments require capital and time. Training requires more of an investment and if demand is insufficient, the expenses could quickly outweigh the reward.

Chapter 9: Recommendations & Case Studies



Realities

A number of realities and conditions exist that may impact the overall feasibility of the project on the Wayne Golf Course.

- **The location is slightly removed and not surrounded by any commerce clusters.** The former Wayne Golf Course is located nearly one mile from Downtown Bothell, just slightly out of the range of walkability and downtown foot traffic.
- **The location offers sufficient access for motorists and trail users.** Situated off of State Route 522, the site draws a steady flow of vehicle traffic year round. The Sammamish River Trail and the Burke Gilman Trail pass through the site which adds access for residents and visitors by bike or by foot. While removed from the restaurant and retail cluster in Downtown Bothell by roughly three miles, the location still has potential due to the draw of the natural assets.
- **Population over the last five years is growing very quickly, but Bothell has maintained its unique image and charm.** Bothell has undergone a significant transformation in the downtown area in recent years, with redevelopments that have activated a central destination district but has kept the “charm” of a smaller community.
- **Project restrictions.** HSP understands that the site does not allow for residential, manufacturing or other industrial uses, office and/or storage uses or any other uses that restrict public access.
- **The site has sentimental value for many Bothell residents.** It is important to maintain the history of the community (keeping the name “Wayne” in the ultimate development, etc.) and to preserve the natural surroundings.



Headlines

- **Demand and likely success for additional destination hotel experiences in Bothell.** Interviews with industry professionals and local stakeholders yield favorable market indicators that an additional boutique hotel with meeting space and a beverage attraction would be viable.
- **There is little room in the market for an additional dedicated entertainment venue.** Limitations of the site, as well as proximity to the Seattle market, indicate that a performance venue would not be feasible at the Project site.
- A **distillery or brewery** would add to the destination appeal and viability of the project, especially on the Trail.
- **The market is missing a larger banquet/ballroom space for larger events.** HSP recommends this element to induce more demand and tourism to Bothell.
- **Bothell's downtown development, as well as the demographic data collected, has proven that there is a healthy market for retail and restaurants.** The key to drawing visitors to the project site will require a product that offers a unique and comprehensive experience.
- **Compelling, unique projects are typically harder to finance.** Generally, the more compelling/unique a project is the more expensive it is, which typically reduces financial feasibility, or makes lenders nervous due to lack of comparable projects. The City will likely need to provide some upfront incentive/inducement to attract the type of developer and development desired.
- **Location of the site remains a challenge, but wellness vibe provides synergy.** As the site is not easily walkable from the downtown cluster, the development must be able to survive as a standalone entity that is largely unsupported by surrounding amenities. However, its location on the Trail should be positive, especially for food and beverage offerings.



Recommendations

Based on the analysis to date, HSP recommends the following:

- A 80+ room boutique hotel should serve as the anchor development.
- The development should include flexible meeting space, including a 7,500-SF Ballroom to accommodate up to 500 for a banquet. The ballroom should be divisible for multiple simultaneous smaller events (the typically wedding reception needs 150 – 300 seats).
- At least 3-4 breakout meeting rooms for conferences and meetings. The ballroom divisibility will also help with breakouts.
- An indoor/outdoor food venue to take advantage of the surroundings and seasons.
- A wellness focus and potential spa with at least 5 treatment rooms.
- Onsite brewery or distillery. HSP believes a distillery will help differentiate the project.

Bothell Destination Development Recommendations

Boutique Resort-Style Hotel		80 - 90 Rooms
		Capacity*
Ballroom	7,500 SF	500
Meeting Rooms	2,400 SF	200
Bar/Speakeasy	1,000 SF	67
Indoor/Outdoor Restaurant	5,000 SF	200

Brewery/Distillery and Restaurant 6,000 SF 120

Estimated Cost: \$32 - \$40 million

Estimated Gap: \$3 - \$8 million

* Banquet Capacity for Ballroom; Classroom for Meeting Rooms

Estimated Seating at Food & Beverage Outlets

Source: Hunden Strategic Partners



Recommendations

Additionally, HSP recommends the following:

- On-site farming or gardening for use at the restaurant, as residents and visitors prefer locally sourced products.
- HSP does not recommend any entertainment venue model, but does suggest atmospheric entertainment in the on-site food and beverage venues.
- HSP assumed the brewery/distillery entity would be a separate leased element, but could be part of the larger hotel business plan as well.
- Trail usage should factor into the spa programming, as it will appeal to wellness focused consumers.
- These recommendations will require some upfront public support, but will also result in the most compelling destination development and a long-term asset that will generate revenue for the park system.

Case Studies

National Case Studies

The following case studies are examples of national comparable developments that have had success in integrating a lodging product with a larger “experience” to create a compelling destination.



The Journeyman

Location: Three Oaks, Michigan

The Journeyman is an excellent example of a experiential mixed-use development.

Adult Beverage Experience: The anchor of the development is the Journeyman Distillery, which features handcrafted, artisan spirits made from local, organic ingredients.

Food & Beverage: The on-site restaurant, Staymaker, is a full-service, family-friendly, 165 seat restaurant that utilizes local ingredients whenever possible.

Meeting Space: The development regularly hosts weddings and functions, and has four different event venues that range in capacity from 100 to 500.

Active/Outdoor Offerings: Behind the distillery is Welter's Folly, a 30,000 square foot putting green that features 18-holes and provide an active outlet for guests.

Lodging: The Flat at Journeyman is an industrial loft apartment that can accommodate up to 14 adults. The Farmhouse is a three bedroom house that accommodates up to 8. The Bunk House, their next lodging product, will be coming down the pipeline later this year.



The Doghouse

Location: Columbus, Ohio

The Doghouse is an example of a experiential mixed-use development that is brewery focused.

Adult Beverage Experience: The anchor of the development is the Doghouse Brewery, which features craft beers and sour ales.

Food & Beverage: The Doghouse does not feature an on-site restaurant, but does have a Marketplace for takeaway food.

Meeting Space: Doghouse offers various spaces for use as meeting or event venues, including a sensory and training room, observation deck, lounge, and BrewDog Beer Museum.

Other Offerings: The BrewDog Beer Museum is a 6,000 square foot interactive Craft Beer Museum on-site at The Doghouse. Rotating exhibits focus on the history of craft beer across the country.

Lodging: The Doghouse hotel features 32 rooms including 8 deluxe suites. Half of these rooms are dog-friendly, and all are beer themed.



Blackberry Farm

Location: Walland, Tennessee

Blackberry Farm is a concept-driven resort in the Smoky Mountains which features a mix of uses.

Adult Beverage Experience: Blackberry Farm Brewery offers “farm to table” brews ranging from table beers to Belgian inspired beers.

Food & Beverage: The property features three on-site restaurants, open for three meals a day. All restaurant concepts feature local ingredients and focus on foraging trends.

Events & Entertainment: Blackberry Farm regularly hosts wellness retreats, workshops and ticketed events like concerts.

Active/Outdoor Offerings: Outdoor activities offered including Farm tours, fishing, horseback riding, hiking, paddle sports, archery, and more.

Lodging: Accommodations range from private rooms and suites to cottages and private homes. Average daily pricing reflects that of a luxury resort.



Dogfish Inn

Location: Lewes, Delaware

Dogfish Inn is an example of a destination development undertaken by a mid-sized brewery as part of the new lodging trend in the industry.

Adult Beverage Experience: On-site brewing and a tasting room are featured on-site, including unique twists like outdoor fermenters. The outdoor tasting room also features a large-scale interactive art installation called “The TreeHouse”. In addition to the brewery, there is an on-site Distillery which specializes in gin and other clear spirits.

Food & Beverage: The property features three on-site restaurants, including Dogfish Head Brewings & Eats; Chesapeake & Maine; and light fare at the Tasting Room.

Active/Outdoor Offerings: The Inn offers complimentary bikes for guests, as well as bocce courts and bonfire pits in the outdoor courtyard.

Lodging: The Inn offers 16 modern rooms plus a Cottage Sweet for up to four people.



Chapter 10: Demand and Financial Projections

80-Room Boutique Hotel

Competitive Set Hotels Estimated Occupancy, Rate & Market Segmentation for 2018

Hotel	Rooms	Occupancy	Avg. Daily		RevPAR Yield	Market Segmentation		
			Rate	RevPAR		Corp. Transient	Group	Leisure
Anderson School Hotel	72	77%	\$187	\$144	124%	42%	18%	40%
Country Inn & Suites Seattle - Bothell	166	65%	\$150	\$98	84%	38%	9%	53%
Residence Inn Seattle Northeast Bothell	120	70%	\$166	\$116	100%	39%	6%	55%
Courtyard Seattle Kirkland	150	66%	\$177	\$117	101%	53%	17%	30%
Hilton Garden Inn Seattle Bothell	128	65%	\$171	\$111	96%	55%	13%	32%
Hampton Inn Seattle Woodinville	102	72%	\$172	\$124	107%	57%	12%	31%
Totem Lake Hotel	59	56%	\$121	\$67	58%	30%	16%	54%
Willows Lodge	84	73%	\$215	\$157	136%	28%	30%	42%
Total/Weighted Averages	881	67.8%	\$170.83	\$116	100%	44%	14%	42%

Source: Hunden Strategic Partners

Competitive Set Estimated Performance

HSP has estimated the 2018 performance of the competitive set of hotels that will compete with the recommended Boutique Hotel once constructed. The estimates are based upon conversations with various hotel managers and other stakeholders in Bothell.

The competitive set had an ADR of nearly \$171 and nearly 68% occupancy during 2018.

Estimated Competitive Set Segmentation	
Corporate Transient Group	44%
Leisure	42%
Total	<u>100%</u>

Source: Hunden Strategic Partners

Competitive Set Segmentation

Based on the same conversations mentioned on the previous slide, HSP has estimated the segmentation of the Bothell hotel market. Nearly 45% is corporate, another 42% is generated by leisure demand.

Estimated Competitive Set Demand Growth by Segment												
Year	Corporate Transient	% Change	Group	% Change	Leisure	% Change	Total Demand	% Change	Total Supply	% Change	Total Rooms	Occupancy
2018	96,445	—	30,980	—	90,616	—	218,041	—	321,565	—	881	67.8%
2019	104,643	0.0%	33,613	0.0%	98,318	0.0%	236,574	8.5%	362,871	12.8%	994	65.2%
2020	106,736	2.0%	34,285	2.0%	100,285	2.0%	241,306	2.0%	362,871	0.0%	994	66.5%
2021	108,871	2.0%	34,457	0.5%	101,789	1.5%	245,116	1.6%	362,871	0.0%	994	67.5%
2022	111,048	2.0%	37,558	9.0%	107,896	6.0%	256,502	4.6%	392,071	8.0%	1,074	65.4%
2023	112,714	1.5%	39,436	5.0%	112,212	4.0%	264,362	3.1%	392,071	0.0%	1,074	67.4%
2024	113,841	1.0%	40,224	2.0%	114,456	2.0%	268,522	1.6%	392,071	0.0%	1,074	68.5%
2025	114,979	1.0%	40,627	1.0%	115,601	1.0%	271,207	1.0%	392,071	0.0%	1,074	69.2%
2026	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%
2027	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%
2028	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%
2029	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%
2030	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%
2031	114,979	0.0%	40,627	0.0%	115,601	0.0%	271,207	0.0%	392,071	0.0%	1,074	69.2%

Source: Hunden Strategic Partners

Competitive Set Demand Growth

Demand growth for the competitive set is expected to grow from 218,000 room nights in 2018 to 271,000 in 2025, which is when the Boutique Hotel is expected to stabilize. Supply of hotel room nights is expected to jump from 322,000 to 392,000 during the same period.

Due to the additional supply and the time expected for the market to absorb these room nights, occupancy is expected to decrease from 67.8% in 2018 to 65.4% the year the Hotel opens before rebounding to 69% in 2025.

Estimated Market Penetration - 80-Room Boutique Hotel						
Year	Corporate			Total Penetration	Projected Set Occupancy	Subject Occupancy
	Transient	Group	Leisure			
2022	85%	125%	110%	101%	65%	66%
2023	87%	145%	125%	112%	67%	75%
2024	89%	150%	135%	118%	68%	81%
2025	89%	150%	135%	118%	69%	81%
2026	89%	150%	135%	118%	69%	81%
2027	89%	150%	135%	118%	69%	81%
2028	89%	150%	135%	118%	69%	81%
2029	89%	150%	135%	118%	69%	81%
2030	89%	150%	135%	118%	69%	81%
2031	89%	150%	135%	118%	69%	81%

Source: Hunden Strategic Partners

Boutique Hotel Market Penetration

The Boutique Hotel is projected to outperform the competitive set by 50% in group segmentation and 35% in leisure segmentation, while capturing 89% of the market's corporate segmentation. On an occupancy basis, the Boutique Hotel is expected to outperform the competitive set by 18% with a rate of 81% starting in 2024, while the competitive set is expected to support occupancy of 69%.

Projected Demand for Proposed 80-Room Boutique Hotel									
Year	Corporate Transient	% Change	Group	% Change	Leisure	% Change	Total Demand	% Change	Occupancy
2022	7,030	–	3,496	–	8,839	–	19,366	–	66%
2023	7,303	3.9%	4,259	21.8%	10,446	18.2%	22,008	13.6%	75%
2024	7,546	3.3%	4,494	5.5%	11,508	10.2%	23,547	7.0%	81%
2025	7,621	1.0%	4,539	1.0%	11,623	1.0%	23,783	1.0%	81%
2026	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%
2027	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%
2028	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%
2029	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%
2030	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%
2031	7,621	0.0%	4,539	0.0%	11,623	0.0%	23,783	0.0%	81%

Source: Hunden Strategic Partners

Boutique Hotel Demand

HSP projects that the Boutique Hotel will sell nearly 24,000 room nights each year upon stabilization, which implies an occupancy rate of 81%.

Nearly half of these room nights are expected to come from leisure travelers, while nearly one-third are expected to come from corporate transient guests.

**Projected Hotel
Stabilized Demand Mix vs. Comp Set**

Segment	Hotel at Stabilization	Comp Set
Corporate	32%	42%
Group	19%	15%
Leisure	49%	43%
Total	100%	100%

Source: Hunden Strategic Partners

Boutique Hotel Segmentation Mix

The Boutique Hotel is expected to have approximately 49% of its room nights generated by leisure travelers, while 32% comes from corporate. The competitive set's demand is projected to be more evenly distributed between corporate and leisure guests, while group demand will be similar to the Boutique Hotel's.

Boutique Hotel ADR

HSP projects that the Boutique Hotel will begin at \$246 ADR and increase to more than \$298 by 2031. These rates indicate a penetration of the market of 131%, meaning the Boutique Hotel will generate rates 31% higher than the competitive set.

Year	Comp. Set ADR	Annual Increase	Hotel Rate Penetration	Projected Hotel Rate	Annual Increase
2013	\$143	8.4%	--	--	--
2014	\$152	0.8%	--	--	--
2015	\$165	2.3%	--	--	--
2016	\$167	0.3%	--	--	--
2017	\$170	2.0%	--	--	--
2018	\$171	2.2%	--	--	--
2019	\$175	2.2%	--	--	--
2020	\$178	2.2%	--	--	--
2021	\$182	2.2%	--	--	--
2022	\$186	2.2%	132%	\$246	--
2023	\$190	2.2%	131%	\$250	1.8%
2024	\$195	2.2%	131%	\$256	2.3%
2025	\$199	2.2%	131%	\$261	2.2%
2026	\$203	2.2%	131%	\$267	2.2%
2027	\$208	2.2%	131%	\$273	2.2%
2028	\$212	2.2%	131%	\$279	2.2%
2029	\$217	2.2%	131%	\$285	2.2%
2030	\$222	2.2%	131%	\$291	2.2%
2031	\$227	2.2%	131%	\$298	2.2%

Source: Hunden Strategic Partners

Boutique Hotel Performance Summary

The Boutique Hotel is expected to increase its performance during the 10-year period shown from \$163 of revenue per available room (RevPAR) to \$243.

Performance Projections				
Year	Average Daily Rate	Occupancy	Revenue per Available Room	Annual Increase
Year 1	\$246	66%	\$163	–
Year 2	\$250	75%	\$188	15.7%
Year 3	\$256	81%	\$206	9.4%
Year 4	\$261	81%	\$213	3.2%
Year 5	\$267	81%	\$218	2.2%
Year 6	\$273	81%	\$222	2.2%
Year 7	\$279	81%	\$227	2.2%
Year 8	\$285	81%	\$232	2.2%
Year 9	\$291	81%	\$237	2.2%
Year 10	\$298	81%	\$243	2.2%

Source: Hunden Strategic Partners

Boutique Hotel Food & Beverage Assumptions

The Boutique Hotel is expected to produce food and beverage revenue through catering, a bar/speakeasy and an indoor/outdoor restaurant, which is separate from the brewery/distillery.

Altogether, these hotel-operated food and beverage services/outlets would be housed in nearly 16,000 SF of space, producing more than \$4 million in revenue in Year 1, which represents an average of more than \$250 per square foot in revenue.

Assumptions for Food, Beverage & Catering

Use	Capacity	SF	Revenue per SF	Revenue
Ballroom (Divisible)	500	7,500	\$250	\$ 1,875,000
Meeting Rooms	200	2,400	\$125	\$ 300,000
Bar/Speakeasy	56	1,000	\$400	\$ 400,000
Indoor/Outdoor Restaurant	333	5,000	\$300	\$ 1,500,000
		15,900	\$256	\$ 4,075,000

Source: Hunden Strategic Partners

Brewery/Distillery Demand and Financial Projections							
Projections	Base Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Gross Square Footage	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Occupancy %	100%	100%	100%	100%	100%	100%	100%
Occupied Space	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Rental Rate	\$ 30.00	\$ 30.00	\$ 30.75	\$ 31.52	\$ 32.31	\$ 33.11	\$ 36.56
Gross Rent	\$ 180,000	\$ 180,000	\$ 184,500	\$ 189,113	\$ 193,840	\$ 198,686	\$ 219,366
Expense % (Assumed)	5%	5%	5%	5%	5%	5%	5%
Expenses	\$ 9,000	\$ 9,000	\$ 9,225	\$ 9,456	\$ 9,692	\$ 9,934	\$ 10,968
Net Operating Income	\$ 171,000	\$ 171,000	\$ 175,275	\$ 179,657	\$ 184,148	\$ 188,752	\$ 208,397
Sales Per Square Foot	\$ 300	\$ 300	\$ 308	\$ 315	\$ 323	\$ 331	\$ 366
Total Sales	\$ 1,800,000	\$ 1,800,000	\$ 1,845,000	\$ 1,891,125	\$ 1,938,403	\$ 1,986,863	\$ 2,193,658
Value per SF (10% Cap Rate)	\$ 285.00	\$ 285.00	\$ 292.13	\$ 299.43	\$ 306.91	\$ 314.59	\$ 347.33
Market Value	\$ 1,710,000	\$ 1,710,000	\$ 1,752,750	\$ 1,796,569	\$ 1,841,483	\$ 1,887,520	\$ 2,083,975

Source: Hunden Strategic Partners

Boutique Hotel Brewery/Distillery Assumptions

Based upon rental rates in Bothell, the Brewery/Distillery is expected to pay \$30 per SF (NNN) in Year 1 , increasing to nearly \$36 per SF in Year 10. With 6,000 SF, the Brewery/Distillery is expected to produce between \$180,000 and \$220,000 in rent per year. Sales at the Brewery/Distillery are expected to increase from \$300 to \$366 per SF.

Expenses are projected at 5% of gross rent, which is approximately \$10,000 on average per year during the period shown. Netting out these expenses, the Project is expected to capture NOI from the lease of the space of up to nearly \$210,000 in Year 10.

Boutique Hotel Pro Forma

The Boutique Hotel is expected to generate \$9.8 million in revenue in Year 1, with this figure increasing to nearly \$14 million in Year 10. Room revenue is expected to be approximately 50% of total revenue with the hotel's food and beverage services (catering, restaurant) accounting for an additional 40% of revenue. Additionally, the experiential restaurant (brewery/distillery) is expected to generate between \$180,000 and \$220,000 per year in lease revenue each year.

Departmental expenses, including from rooms, hotel food & beverage services, other expenses and expenses related to the brewery/distillery lease are expected to be \$4 million in Year 1 and \$5.3 million in Year 10.

The bottom line shows a profit of nearly \$2.2 million in Year 1, increasing to nearly \$4.5 million by Year 10. These profits represent an operating profit margin of approximately 22% to 32% per year.

Projection of Income & Expense (in \$000, inflated) - 80-Room Boutique Hotel

	Year 1				Year 2		Year 3		Year 4		Year 5		Year 10
	\$	%	PAR	POR	\$	%	\$	%	\$	%	\$	%	
Room Count	80				80		80		80		80		80
Available Room Nights	29,200				29,200		29,200		29,200		29,200		29,200
Occupancy Rates	66%				75%		81%		81%		81%		81%
Occupied Room Nights	19,366				22,008		23,547		23,783		23,783		23,783
Average Daily Rate	\$246				\$250		\$256		\$261		\$267		\$298
RevPAR	\$163				\$188		\$206		\$213		\$218		\$243
Percent of Change from Prior Year	--				15.7%		9.4%		3.2%		2.2%		2.2%
REVENUE													
Rooms	\$4,758	48.7%	\$59,475	\$246	\$5,503	51.1%	\$6,021	52.4%	\$6,215	52.4%	\$6,352	53.1%	\$7,082
Hotel Food and Beverage/Catering	4,075	41.7%	\$50,938	\$210	4,197	39.0%	4,323	37.6%	4,453	37.6%	4,586	38.4%	5,317
Other Operated Departments	476	4.9%	\$5,947	\$25	550	5.1%	602	5.2%	622	5.2%	635	5.3%	708
Rentals and Other Income	285	2.9%	\$3,568	\$15	330	3.1%	361	3.1%	373	3.1%	381	3.2%	493
Lease Income	180	1.8%	\$2,250	\$9	185	1.7%	189	1.6%	194	1.6%	199	1.7%	219
Total Revenue	\$9,774	100.0%	\$122,178	\$505	\$10,765	100.0%	\$11,497	100.0%	\$11,856	100.0%	\$11,955	100.0%	\$13,819
DEPARTMENTAL EXPENSES													
Rooms	\$1,232	25.9%	\$15,404	\$64	\$1,315	23.9%	\$1,385	23.0%	\$1,429	23.0%	\$1,461	23.0%	\$1,629
Hotel Food and Beverage	2,730	67.0%	\$34,128	\$141	2,770	66.0%	2,853	66.0%	2,894	65.0%	2,981	65.0%	3,456
Other Operated Departments	100	21.0%	\$1,249	\$5	110	20.0%	120	20.0%	124	20.0%	127	20.0%	142
Rentals and Other Expense	17	6.0%	\$214	\$1	17	5.0%	18	5.0%	19	5.0%	19	5.0%	25
Lease Expense	9	5.0%	\$113	\$0	9	5.0%	9	5.0%	10	5.0%	10	5.0%	11
Total Departmental Expenses	\$4,089	41.8%	\$51,108	\$211	\$4,212	39.1%	\$4,377	38.1%	\$4,467	37.7%	\$4,588	38.4%	\$5,251
Gross Operating Income	\$5,686	58.2%	\$71,070	\$294	\$6,553	60.9%	\$7,120	61.9%	\$7,389	62.3%	\$7,366	61.6%	\$8,568
UNDISTRIBUTED OPERATING EXPENSES													
Administrative and General	\$811	8.3%	\$10,141	\$42	\$786	7.3%	\$724	6.3%	\$747	6.3%	\$753	6.3%	\$871
Marketing	\$704	7.2%	\$8,797	\$36	\$667	6.2%	\$598	5.2%	\$617	5.2%	\$622	5.2%	\$719
Utility Costs	\$577	5.9%	\$7,209	\$30	\$528	4.9%	\$448	3.9%	\$462	3.9%	\$466	3.9%	\$539
Property Operations and Maintenance	\$567	5.8%	\$7,086	\$29	\$517	4.8%	\$437	3.8%	\$451	3.8%	\$454	3.8%	\$525
Total Undistributed Expenses	\$2,659	27.2%	\$33,232	\$137	\$2,498	23.2%	\$2,207	19.2%	\$2,276	19.2%	\$2,295	19.2%	\$2,653
Gross Operating Profit	\$3,027	31.0%	\$37,838	\$156	\$4,056	37.7%	\$4,913	42.7%	\$5,113	43.1%	\$5,071	42.4%	\$5,915
Franchise Fees	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
FIXED EXPENSES													
Property Taxes	\$140	1.4%	\$1,750	\$7	280	2.6%	288	2.5%	297	2.5%	306	2.6%	355
Insurance	108	1.1%	\$1,344	\$6	108	1.0%	103	0.9%	107	0.9%	108	0.9%	124
Management Fee	342	3.5%	\$4,276	\$18	377	3.5%	402	3.5%	415	3.5%	418	3.5%	484
Reserve for Replacement	\$195	2.0%	\$2,444	\$10	\$215	2.0%	\$345	3.0%	\$415	3.5%	\$418	3.5%	\$484
Total Fixed Expenses	\$785	8.0%	\$9,814	\$41	\$980	9.1%	\$1,139	9.9%	\$1,234	10.4%	\$1,250	10.5%	\$1,446
Cash Flow from Operations	\$2,242	22.9%	\$28,024	\$116	\$3,076	28.6%	\$3,774	32.8%	\$3,879	32.7%	\$3,821	32.0%	\$4,469

Boutique Hotel ROI

The Boutique Hotel is expected to cost \$36 million.

Based on the assumptions in this model, the NOI would be able to support developer equity of \$9.1 million and an additional \$24 million in private debt.

This leaves a funding gap of \$2.9 million for the development of the Boutique Hotel & Brewery/Distillery, which will need to be subsidized by public funds.

ROI and Financial Structure Assumptions - 80-Room Boutique Hotel & Brewery/Distillery

	Constr. Yr1	Constr. Yr2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$0	\$0	\$2,242	\$3,076	\$3,774	\$3,879	\$3,821	\$3,951	\$4,038	\$4,126	\$4,216	\$4,469
Interest and Debt Reserve W/D	\$465	\$1,395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Payment	\$465	\$1,395	\$2,242	\$3,076	\$3,774	\$3,879	\$3,821	\$3,951	\$4,038	\$4,126	\$4,216	\$4,469
Net Income to Repay Equity	(\$465)	(\$1,395)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)
Princ. Amount***	\$6,000	\$18,000	\$24,000	\$23,660	\$23,293	\$22,900	\$22,563	\$22,201	\$21,812	\$21,393	\$20,943	\$20,460
Interest	\$465	\$1,395	\$1,860	\$1,834	\$1,805	\$1,718	\$1,692	\$1,665	\$1,636	\$1,604	\$1,571	\$1,534
Less Payment	(\$465)	(\$1,395)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)	(\$2,054)
Loan Balance	\$6,000	\$18,000	\$23,660	\$23,293	\$22,897	\$22,563	\$22,201	\$21,812	\$21,393	\$20,943	\$20,460	\$19,940
Assumptions												
Loan Amount (\$000's)	\$24,000											
Amortization Period (Years)	25											
Loan Interest Rate	7.75%											
Annual Debt Service Payment (\$000's)	(\$2,200)											
Equity:												
Developer's Equity (\$000's)	\$9,100	25%										
Private Debt	\$24,000	67%										
Total Supportable Private Financing	\$33,100	92%	\$414,000	per room								
Gap/Subsidy/Grants	\$2,900	8%	\$36,000	per room								
Project Amount (\$000's)	\$36,000	100%	\$450,000	per room								
Debt (Private) Coverage Ratio			1.02	1.40	1.71	1.89	1.86	1.92	1.97	2.01	2.05	2.18
Return on Private Equity*			0.5%	9.6%	17.3%	20.1%	19.4%	20.8%	21.8%	22.8%	23.8%	26.5%
Return on Assets**			6.2%	8.5%	10.5%	10.8%	10.6%	11.0%	11.2%	11.5%	11.7%	12.4%

*On developer's equity only.

**On project cost.

***Assumes 50% draw in Construction Year 1; 75% average during Construction Year 2

Source: Hunden Strategic Partners

Hotel Value Analysis (000s) - 80-Room Boutique Hotel

Calendar Year	<i>Construction</i>		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
	Constr. Yr1	Constr. Yr2												
Net Cash Flow	\$0	\$0	\$2,242	\$3,076	\$3,774	\$3,879	\$3,821	\$3,951	\$4,038	\$4,126	\$4,216	\$4,469		
												2031 Net Cash Flow	\$4,469	
													Terminal Cap Rate	9.25%
													2030 Residual Value	\$48,308
													Less Closing Costs (2.5%)	\$1,208
													Net Reversion Proceeds	\$47,101
Cash Flow to Investor	\$0	\$0	\$2,242	\$3,076	\$3,774	\$3,879	\$3,821	\$3,951	\$4,038	\$4,126	\$4,216	\$51,569		
Present Value	\$0	\$0	\$1,664	\$2,068	\$2,297	\$2,138	\$1,906	\$1,785	\$1,652	\$1,528	\$1,414	\$1,357		
Cash on Cash Return	0.0%	0.0%	6.4%	8.7%	10.7%	11.0%	10.8%	11.2%	11.5%	11.7%	12.0%	146.3%		
Discount Rate	10.4%													
Number of Rooms	80													
Present Value Summary	\$000s													
PV Residual	\$17,445													
PV Income Stream	\$17,808													
Present Value	\$35,254													
Present Value Per Room (\$)	\$440,670													

Boutique Hotel Value

Based on the cash flows expected for the Boutique Hotel & Brewery/Distillery and other assumptions shown in the table above, the present value of the Project is estimated at \$440,000 per room. The expected cost of the Project is \$450,000 per room, leaving a gap of nearly \$10,000 per room that is not economical for the private sector to support.

Chapter 11: Economic, Employment and Fiscal Impact Analysis

Net New Visitors and Room Nights								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
New Daytrippers	107,180	138,793	149,468	150,963	150,963	150,963	150,963	2,961,807
New Overnights	26,795	30,843	33,215	33,547	33,547	33,547	33,547	661,157
New Room Nights	19,366	22,008	23,547	23,783	23,783	23,783	23,783	469,228

Source: Hunden Strategic Partners

Net New Visitors & Room Nights

The Project is expected to attract nearly 3 million daytrippers, 661,000 overnights and 469,000 room nights during the first 20 years of operations.

This equates to approximately 150,000 daytrippers, 34,000 overnights and 24,000 room nights per year after the Project stabilizes.

Direct Net New/Recaptured Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Food & Beverage	\$6,784	\$8,726	\$9,603	\$9,913	\$10,131	\$11,295	\$14,041	\$226,819
Lodging	\$4,758	\$5,503	\$6,021	\$6,215	\$6,352	\$7,082	\$8,814	\$142,803
Retail	\$1,375	\$1,761	\$1,938	\$2,000	\$2,044	\$2,279	\$2,833	\$45,774
Transportation	\$839	\$1,074	\$1,182	\$1,220	\$1,247	\$1,390	\$1,728	\$27,917
Other	\$2,200	\$2,816	\$3,099	\$3,199	\$3,270	\$3,646	\$4,532	\$73,215
Total	\$15,956	\$19,879	\$21,844	\$22,547	\$23,043	\$25,692	\$31,948	\$516,528

Source: Hunden Strategic Partners

Direct Net New & Recaptured Spending

Direct net new, including recaptured spending, falls into five categories: food & beverage, lodging, retail, transportation and other. The total for these categories during the 20-year period shown is nearly \$516 million. \$227 million of this total is expected to come from food & beverage spending, while lodging is expected to generate approximately \$143 million during the period.

Direct, Indirect & Induced Net New Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Direct	\$15,956	\$19,879	\$21,844	\$22,547	\$23,043	\$25,692	\$31,948	\$516,528
Indirect	\$5,360	\$6,686	\$7,347	\$7,584	\$7,751	\$8,642	\$10,746	\$173,735
Induced	\$6,385	\$7,964	\$8,751	\$9,033	\$9,232	\$10,293	\$12,800	\$206,933
Total	\$27,701	\$34,529	\$37,943	\$39,165	\$40,027	\$44,628	\$55,494	\$897,196

Source: Hunden Strategic Partners

Direct, Indirect & Induced Net New Spending

All three levels of spending are expected to combine for nearly \$900 million during the Project's first 20 years. As mentioned on the previous slide, \$516 million of spending will come directly from net new visitation, while indirect and induced spending are projected to produce \$174 million and \$207 million, respectively.

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
From Direct	\$5,050	\$6,304	\$6,927	\$7,150	\$7,308	\$8,148	\$10,131	\$163,792
From Indirect	\$1,697	\$2,111	\$2,320	\$2,395	\$2,447	\$2,729	\$3,393	\$54,862
From Induced	\$1,932	\$2,409	\$2,647	\$2,732	\$2,792	\$3,113	\$3,871	\$62,584
Total	\$8,678	\$10,824	\$11,894	\$12,277	\$12,547	\$13,989	\$17,396	\$281,238
Net New FTE Jobs								Average
From Direct	160	197	212	214	214	214	214	210
From Indirect	54	66	71	72	72	72	72	71
From Induced	65	79	85	86	86	86	86	85
Total	279	342	368	372	372	372	372	366

Source: Hunden Strategic Partners

Net New Earnings & Net New Jobs

Jobs will be created from the direct, indirect and induced spending. Spending is expected to produce net new earnings of \$281 million during the period shown. \$163 million is projected to be the result of direct spending related to the Project.

Net new jobs are expected to be created directly on the Project's site, as well as direct, indirect and induced jobs from earnings offsite. During the 20-year period, the Project is expected to support an average of 366 full-time equivalent jobs.

Construction Impact	
	Impact
Direct Materials Spending	\$ 2,880,000
Indirect Spending	\$ 810,000
Induced Spending	\$ 1,280,000
Total	\$ 4,970,000
Direct Labor Spending	\$ 4,320,000
Employment (Job Years)	80
Source: Hunden Strategic Partners	

Construction Impact

Based on estimated construction costs of \$36 million from industry metrics, construction impact is expected to total nearly \$5 million for materials spending, \$4.3 million for labor spending and support 80 construction job-years in Bothell.

Fiscal Impact - Tax Impacts from Net New Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Hotel/Motel Tax - Bothell (1%)*	\$48	\$55	\$60	\$62	\$64	\$71	\$88	\$1,428
Sales Tax - Bothell (3.5%)*	\$833	\$560	\$615	\$634	\$648	\$723	\$899	\$14,920
Property Tax - Bothell**	\$65	\$67	\$68	\$70	\$71	\$80	\$99	\$1,621
Total	\$946	\$682	\$743	\$766	\$783	\$873	\$1,086	\$17,969

* Assessed on lodging spending
 ** Private improvements only
 Source: Hunden Strategic Partners

Fiscal Impact

HSP estimated the taxes that would be collected by the City of Bothell due to the spending related to the Project. Total fiscal impact on the City is projected at approximately \$18 million between sales tax, hotel tax and property taxes.

Local sales taxes are expected to produce the vast majority (83%) of fiscal impact from activity and spending due to the Project.

Summary of 20-Year Impacts

The Project is expected to generate nearly \$900 million in net new spending, \$281 million in net new earnings and 372 new full-time equivalent jobs at peak.

Fiscal impact is expected to be approximately \$18 million from sales, hotel tax and property taxes.

Construction impact is also expected to total \$9.3 million between spending on materials and labor, as well as support 80 job-years.

The expected fiscal impact outweighs the projected level of public funding needed to incentivize the private sector to develop the Project.

Summary of 20-Year Impacts	
Net New Spending	(millions)
Direct	\$517
Indirect	\$174
Induced	\$207
Total	\$897
Net New Earnings	(millions)
From Direct	\$164
From Indirect	\$55
From Induced	\$63
Total	\$281
Net New FTE Jobs	Actual
From Direct	214
From Indirect	72
From Induced	86
Total	372
Net New Taxes Collected	(millions)
Hotel/Motel Tax - Bothell (1%)*	\$1.43
Sales Tax - Bothell (3.5%)*	\$14.92
Property Tax - Bothell**	\$1.62
Total	\$17.97
Construction Impact	(millions)
New Materials Spending	\$5.0
New Labor Spending	\$4.3
Job-Years, Actual	80
* Assessed on lodging spending	
** Private improvements only	
Source: Hunden Strategic Partners	

Thank You



For further information about Hunden Strategic Partners, please contact:

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The firm and its principal have performed more than 700 studies over the past 20 years, with more than \$4.5 billion in built, successful projects.



City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Jennifer Phillips, City Manager
Laura Hathaway, City Clerk (Presenter)

DATE: March 3, 2020

SUBJECT: Board and Commission Appointments

BACKGROUND: On February 11, 2020, the City Council interviewed applicants for various open positions on the City's Boards and Commissions. Tonight, Council is asked to fill those vacancies as follows:

- Arts – 6 positions (2 youth) (5 full-term/1 partial-term)
- Landmark – 3 positions (2 full-term/1 partial-term)
- Library Board – 1 position (full-term)
- LTAC – 3 positions (all full-term, 2 Business, 1 Revenue)
- Parks and Recreation Board – 6 positions (2 youth) (5 full term/1 partial term)
- Planning Commission – 3 positions (2 full-term/1 partial-term)

DISCUSSION: Protocol Manual Section 2.08 outlines the process for casting votes to fill vacancies as follows:

A ballot sheet will be provided by the City Clerk. Council will cast their votes and submit their ballots to the Clerk. Council will take a brief recess while staff tallies the votes. The City Clerk will announce the results. Applicants must receive a majority vote of councilmembers present for appointment.

Council will cast ballots as many times as necessary until all positions have been appointed. Ballots will be retained in the City Clerk's Office with agenda materials. The City Clerk will assign position numbers and notify each applicant of Councils appointments.

Partial-term vacancies begin immediately upon appointment.
Full-term vacancies begin on April 1, 2020.

FISCAL IMPACTS: There are no fiscal impacts associated with this item.

ATTACHMENTS: | None.

RECOMMENDED ACTION: | After voting to fill Board and Commission vacancies, move to ratify the results.