



**WENATCHEE CITY COUNCIL**  
**Thursday, March 9, 2023**  
Wenatchee City Hall Council Chambers  
301 Yakima Street  
Wenatchee, WA 98801  
**AGENDA**

*"To create community through responsive leadership and services for the citizens and visitors of the Apple Capital of the World."*

**5:15 p.m. Regular Meeting**

**1. Call to Order, Pledge of Allegiance, and Roll Call**

**2. Citizen Requests/Comments**

The "Citizen Comments" period is to provide the opportunity for members of the public to address the Council on any matter, including items on the agenda. Comments on public hearing items will be taken during the public hearing. The Mayor will ask if there are any citizens wishing to address the Council. When recognized, please step up to the microphone, give your name and mailing address, and state the matter of your interest. Citizen comments will be limited to three minutes.

**3. Consent Items:**

- Motion to approve agenda, vouchers, and minutes from previous meetings.

Vouchers:

Claim checks #206552 through #206636 in the amount of \$816,955.43 for February 16, 2023  
Claim checks #206637 through #206649 in the amount of \$58,370.35 for February 23, 2023  
Claim checks #206650 through #206741 in the amount of \$544,140.53 for February 23, 2023  
Claim checks #206742 and #206743 in the amount of \$400.00 for February 24, 2023  
Wires #1581 and 1582 in the amount of \$24,275.04 for February 27, 2023  
Wire #1583 in the amount of \$10.00 for February 27, 2023  
Benefits/deductions in the amount of \$1,031,234.60 for February 28, 2023  
Payroll distribution (retirees) in the amount of \$12,753.53 for February 28, 2023  
Payroll distribution in the amount of \$599,991.80 for March 3, 2023

**4. Presentations**

- Red Cross Month Proclamation
- Apple Blossom Royalty Proclamation

## 5. Action Items

### A. Angle Parking by Washington Park

Presented by Parks, Recreation & Cultural Services Director David Erickson

**Action Requested:** *Motion for City Council to approve Ordinance No. 2023-03, amending Wenatchee City Code Section 6B.06.155 to authorize angle parking adjacent to Washington Park.*

### B. Appointment of Rosa Pulido to the Lodging Tax Advisory Committee and Tourism Promotion Area Advisory Committee

Presented by Executive Services Director Laura Gloria

**Action Requested:** *Motion for City Council to approve Resolution No. 2023-05 for the appointment of Rosa Pulido to the Lodging Tax Advisory Committee to fill an unexpired two-year term ending December 31, 2023, and Resolution No. 2023-06 for the appointment of Rosa Pulido to the Tourism Promotion Area Advisory Committee to fill an unexpired three-year term ending December 31, 2023.*

### C. Third Amended and Restated Management Agreement between the City of Wenatchee and Coast Wenatchee, LLC

Presented by Executive Services Director Laura Gloria

**Action Requested:** *Motion for City Council to approve the Third Amended and Restated Management Agreement in substantially similar form between the City of Wenatchee and Coast Wenatchee, LLC, and authorize the Mayor's signature.*

### D. City Project No. 2002 – Pershing & Poplar Sewer Extension

Change Order for Roadway Rebuild of Pershing Street/New City Tax Rate

Presented by Project Engineer Ryan Harmon

**Action Requested:** *Motion for City Council to authorize the Mayor to execute Change Order 9 with Matia Contractors, Inc., for the Pershing & Poplar Sewer Extension, City Project No. 2002.*

## 6. Reports

- a. Mayor's Report
- b. Reports/New Business of Council Committees

## 7. Announcements

## 8. Close of Meeting

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Mayor's office at (509) 888-6204 (TTY 711). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1).*



**WENATCHEE CITY COUNCIL**  
**Thursday, February 23, 2023**  
Wenatchee City Hall Council Chambers  
301 Yakima Street  
Wenatchee, WA 98801  
**MINUTES**

**DRAFT**

*"To create community through responsive leadership and services for the citizens and visitors of the Apple Capital of the World."*

**Present:** Mayor Frank Kuntz; Councilmember Position 1 Jose Cuevas; Councilmember Position 2 Mike Poirier, Councilmember Position 3 Top Rojanasthien; Councilmember Position 4 Travis Hornby; Councilmember Position 5 Mark Kulaas; Councilmember At-Large "B" Keith Huffaker

**Staff Present:** Executive Services Director Laura Gloria; City Attorney Danielle Marchant; City Clerk Tammy Stanger; IS Support Tim McCord; Finance Director Brad Posenjak; Police Chief Steve Crown; Police Captain Brian Chance; Operations Manager Aaron Kelly; WWTP Supervisor Mike Hodgson; Deputy Public Works Director-Utilities Jessica Shaw; Community Development Director Glen DeVries

**4:45 p.m. Executive Session.** Executive Session to consider the acquisition of real estate when public knowledge regarding such consideration would cause a likelihood of increased price. RCW 42.30.110(1)(b)

Mayor Frank J. Kuntz called the meeting to order at 4:45 p.m. for the purpose of meeting in executive session.

*Motion by Councilmember Mark Kulaas to convene in executive session, with legal counsel present for a time not to exceed 5:15 p.m., to consider the acquisition of real estate when public knowledge regarding such consideration would cause a likelihood of increased price. RCW 42.30.110(1)(b). Councilmember Travis Hornby seconded the motion. Motion carried (6-0).*

Council adjourned from executive session at 5:12 p.m. Mayor Kuntz left the meeting to attend an awards ceremony where he is being honored.

**5:15 p.m. Regular Meeting**

**1. Call to Order, Pledge of Allegiance, and Roll Call.** Mayor Pro Tem Jose Cuevas called the regular meeting to order. Councilmember Travis Hornby led the Pledge of Allegiance. The excused absence of Councilmember Linda Herald and Mayor Frank Kuntz was noted for the record.

## 2. Citizen Requests/Comments. None.

## 3. Consent Items:

- *Motion to approve agenda, vouchers, and minutes from previous meetings.*

Vouchers:

Claim checks #206423 through #206489 in the amount of \$498,179.57 for February 2, 2023

Payroll distribution in the amount of \$5,210.08 for February 3, 2023

Claim checks #206490 through #206548 in the amount of \$1,001,882.27 for February 9, 2023

Claim checks #206549 through #206551 in the amount of \$2,182.61 for February 9, 2023

Payroll distribution in the amount of \$446,205.00 for February 17, 2023

- *Motion for City Council to accept the work performed by the contractor, Rudnick and Sons, LLC, on the Washington Street Traffic Calming, City Project No. 2005.03, and further authorize the Mayor to sign the Final Contract Voucher.*
- *Motion for City Council to accept the work performed by the contractor, Central Washington Asphalt, on the 2020 Pavement Preservation, City Project No. 1913, and further authorize the Mayor to sign the Final Contract Voucher.*

*Motion by Councilmember Mark Kulaas to approve agenda, vouchers, and minutes from previous meetings, to accept the work performed by the contractor, Rudnick and Sons, LLC, on the Washington Street Traffic Calming, City Project No. 2005.03, and further authorize the Mayor to sign the Final Contract Voucher, and to accept the work performed by the contractor, Central Washington Asphalt, on the 2020 Pavement Preservation, City Project No. 1913, and further authorize the Mayor to sign the Final Contract Voucher. Councilmember Mike Poirier seconded the motion. Motion carried (6-0).*

## 4. Presentations

- Annual Point in Time Count – Chelan County Housing Coordinator Sasha Sleiman presented a Power Point presentation overview of the Winter 2023 Point In Time Count Results.

## 5. Action Items

- A. Ordinance No. 2023-02 of the City of Wenatchee designating the North Wenatchee Avenue Tax Increment Financing Area

Executive Services Director Laura Gloria provided the staff report and Power Point presentation. Council asked questions.

*Motion by Councilmember Keith Huffaker for City Council to adopt Ordinance No. 2023-02, designating the North Wenatchee Avenue Tax Increment Financing Area, fixing the boundaries thereof, and providing for related matters. Councilmember Mark Kulaas seconded the motion. Motion carried (6-0).*



**B. Wastewater Treatment Plant Drying Bed Expansion, Project No. 2211  
Authorization to Award Construction Contract**

Presented by Wastewater Treatment Plant Supervisor Mike Hodgson presented the staff report.

*Motion by Councilmember Travis Hornby for City Council to award the construction contract for the Wastewater Treatment Plant Drying Bed Expansion, Project No. 2211, to the lowest responsive bidder, Hurst Construction, and authorize the Mayor to sign the contract documents. Councilmember Top Rojanasthien seconded the motion. Motion carried (6-0).*

**C. Contract Award for the Parkside Renovation Project No. 2206**

Operations Manager Aaron Kelly presented the staff report.

*Motion by Councilmember Top Rojanasthien for City Council to approve the contract with Rudnick & Sons LLC and authorize the Mayor's signature for City Project No. 2206, Parkside Renovation Project. Councilmember Travis Hornby seconded the motion. Motion carried (6-0).*

**6. Reports**

a. Mayor's Report. Executive Services Director Laura Gloria provided the following in the Mayor's absence:

1. The WDA appreciation dinner was last evening and well attended. Parks employee Jarred Gardner was recognized with the Heart of Downtown Award. It was Linda Haglund's last event and welcoming for new Executive Director Rosa Pulido.
2. The WVCC banquet is next week.
3. The "MegaKittrick" groundbreaking is scheduled for March 7<sup>th</sup>.
4. Rails & Ales is set for March 10. This event is supported by LTAC funds and has been a great event.

b. Reports/New Business of Council Committees

Councilmember Mark Kulaas reported that he attended the Link Transit Board meeting this week and they are planning for a strategy session in March. He also attended the Museum Board meeting and they are working through the capital campaign's design phase and working closely with the city on the project and inter-phasing the improvements with city owned facilities. He also attended the LTAC meeting yesterday, and reminded everyone of the World's 2<sup>nd</sup> Shortest Parade, the St. Patrick's Day Parade on March 17 at 7ish.

Councilmember Keith Huffaker reported on the Public Safety Committee he attended last week: Wenatchee Valley Fire Chief Brian Brett is working on getting the insurance rating lower for the valley. Chelan County Sgt. Reinfeld of Chelan County Emergency Management provided an update and continues work on updating the emergency management plan. Wenatchee Police Department Captain Edgar Reinfeld, Captain Brian Chance and Records Supervisor Tammy Patterson provided an update from the police department. The initial offer has been made for the new Parking Enforcement Officer. They are still hiring for police officers (3 and some upcoming retirements next year).

Councilmember Travis Hornby reported that Rivercom will be searching for an Executive Director. The interim Executive Director's role will end on October 1.

Councilmember Mike Poirier reported on the Finance Committee meeting today. The 2022 departmental budgets were reviewed. He was surprised that the costs for public disclosure requests at the police department were so high, and also the snow budget had been exceeded due to the snow in the beginning of 2022 and at the end of 2022. The salaries budget was down due to unfilled positions.

Mayor Pro Tem Jose Cuevas reported that he attended both the city and county's homeless task force meetings recently. He also attended the Public Safety Committee meeting last week. The LEOFF 1 Disability Board meets on Monday, February 27. He has a meeting scheduled with Scott Johnson, the Executive Director for the Wenatchee Rescue Mission, next week to see where the pallet shelters are going and to get more information. He asked Captain Chance to provide information on the speed measuring device on Russell Street. Captain Chance reported that they currently have one speed measuring device deployed on Russell Street near Pioneer Middle School and Corporal Mark Ward will be pulling data from it soon.

Councilmember Mark Kulaas requested a study session on March 16 for a discussion about his memo he provided a month ago regarding a salary commission.

**7. Announcements.** None.

**8. Close of Meeting.** With no further business, the meeting closed at 6:07 p.m.

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Frank J. Kuntz, Mayor

Attest:

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Tammy L. Stanger, City Clerk



## AMERICAN RED CROSS MONTH, 2023 A Proclamation

**WHEREAS,** During American Red Cross Month in March, we celebrate the humanitarian spirit of Wenatchee and reaffirm our commitment to help ensure no one faces a crisis alone.

**WHEREAS,** Caring for one another is at the heart of our community and exemplified by the people of Wenatchee, whose simple acts of kindness through the Red Cross provide help and hope in people's most difficult moments — continuing the lifesaving legacy of Clara Barton, who founded the organization more than 140 years ago to prevent and alleviate human suffering.

**WHEREAS,** Every day, these ordinary individuals lend a helping hand to make an extraordinary difference for neighbors in need — whether it's providing emergency shelter, food and comfort for families displaced by home fires and other disasters; donating lifesaving blood for cancer patients, accident victims, and people with sickle cell disease and other life-threatening conditions; supporting military members and veterans, along with their families and caregivers, through the unique challenges of service; or delivering international humanitarian aid and reconnecting loved ones separated by crises around the world.

**WHEREAS,** Their support, volunteerism and generous donations are critical to our community's resilience. We hereby recognize this month of March in honor of all those who fulfill Clara Barton's noble words, "You must never think of anything except the need and how to meet it," and ask everyone to join in this commitment.

**NOW, THEREFORE,** I, Mayor Frank Kuntz of Wenatchee, hereby proclaim **March 2023** as **Red Cross Month**. I encourage all citizens of Wenatchee to reach out and support its humanitarian mission.



**IN WITNESS WHEREOF,** I have caused the seal of the City of Wenatchee to be affixed on this 9<sup>th</sup> day of March, 2023.

  
\_\_\_\_\_  
FRANK J. KUNTZ, Mayor



# Proclamation

**WHEREAS:** The Washington State Apple Blossom Festival has been a Wenatchee community tradition since 1920, and

**WHEREAS:** The Washington State Apple Blossom Festival is a premier, family-oriented festival that showcases our people, community, heritage, and fruit industry, and

**WHEREAS:** The Washington State Apple Blossom Festival Royalty help promote this ongoing community celebration and act as ambassadors of our community at local, state and international celebrations, and

**WHEREAS:** Scarlette Cron has been selected as the 2023 Festival Queen, with Dylan Schmitten and Natalie Pearson selected as the 2023 Festival Princesses.

**NOW, THEREFORE,** I, Frank J. Kuntz, on behalf of the Wenatchee City Council, do hereby formally congratulate and bestow our appreciation to the 2023 Washington State Apple Blossom Festival Queen Scarlette Cron and Princesses Dylan Schmitten and Natalie Pearson.



IN WITNESS WHEREOF, I hereby set my hand and cause the seal of the City of Wenatchee to be affixed on this 9<sup>th</sup> day of March, 2023.

  
\_\_\_\_\_  
Mayor Frank J. Kuntz





## CITY COUNCIL AGENDA REPORT

**TO:** Frank Kuntz, Mayor  
City Council

**FROM:** David Erickson, Parks, Recreation and Cultural Services Director

**MEETING DATE:** March 9, 2023

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**I. SUBJECT**

Angle Parking by Washington Park

**II. ACTION REQUESTED**

Move approval of Ordinance 2023-03 amending Wenatchee City Code Section 6B.06.155 to authorize angle parking adjacent to Washington Park.

**III. OVERVIEW**

To lessen impacts to the surrounding neighborhood from park and picnic shelter uses and increase parking capacity, angled parking is proposed to be designed and eventually constructed along Wilson Street to replace the parallel parking. Preliminary estimates indicate that approximal 8-10 additional spots would be created. This number would be refined during project engineering. The project would also replace the sidewalk along Wilson Street, reduce liability exposure and provide ADA parking and access.



To facilitate the addition of angled parking in this location, a code change would be required. Staff is requesting the change to occur prior to beginning engineering of this project to efficiently utilize resources. The attached ordinance adds subsection "c" to accommodate the change. The rest of the code section is unchanged.

This item was presented at the February 21 Public Works Committee meeting and Arts, Recreation and Parks Commission meeting. It was also discussed with engineering staff who had no issues with the proposed change. It is recommended approval.

**IV. FISCAL IMPACT**

None at this time. In a future year, a capital request would be made to implement the physical changes.

**V. PROPOSED PROJECT SCHEDULE**

If City Council approves the agenda item, the code change would take effect in 30 days however the physical changes wouldn't take effect until construction is completed.

**I. REFERENCE(S)**

**VII. ADMINISTRATIVE ROUTING**

Tammy Stanger, City Clerk  
Laura Merrill, Executive Services Director  
Brad Posenjak, Finance Director

**ORDINANCE NO. 2023-03**

**AN ORDINANCE**, of the City of Wenatchee amending Wenatchee City Code Section 6B.06.155 entitled “Angle Parking Authorized.”

**WHEREAS**, on-street angle parking is allowed by the Wenatchee City Code (“WCC”) in certain areas of the City; and

**WHEREAS**, it is proposed that angle parking be designed and eventually constructed along Wilson Street adjacent to Washington Park to replace the parallel parking in order to lessen the impacts to the surrounding neighborhood from park and picnic shelter uses; and

**WHEREAS**, angle parking will increase the parking capacity in the Washington Park area; and

**WHEREAS**, to facilitate allowing angle parking along Wilson Street, WCC 6B.06.155 needs to be amended.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WENATCHEE DO ORDAIN** as follows:

**SECTION I**

WCC 6B.06.155 entitled “Angle Parking Authorized,” shall be and is hereby amended to read in its entirety as follows:

6B.06.155 Angle parking authorized.

- (a) Angle Parking shall be permitted on the westerly side of South Columbia Street in the 500 block.
- (b) Angle parking shall be permitted on the easterly side of the 200 block of South Methow Street, the northerly side of the 300 block

of Kittitas Street, and the southerly side of the 300 block of Yakima Street.

- (c) Angle parking shall be permitted on the easterly side of South Wilson Street in the 100-block adjacent to Washington Park.
- (d) Final design and the improvement configurations shall be reviewed and approved by the public works department prior to implementation of angle parking authorized herein.

## **SECTION II**

If any section, subsection, sentence, clause or phrase of this Ordinance is declared or judged by a court of competent jurisdiction to be invalid or unconstitutional, such adjudication shall in no manner affect the remaining portions of this Ordinance which shall be in full force and effect as if said section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally a part hereof.

## **SECTION III**

Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this Ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules or regulations; or ordinance numbering and section/subsection numbering.

## **SECTION IV**

This Ordinance shall take effect thirty (30) days from and after its passage and publication as provided by law.

**PASSED BY THE CITY COUNCIL OF THE CITY WENATCHEE,**

at a regular meeting thereof, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF WENATCHEE, a Municipal corporation

By: \_\_\_\_\_  
FRANK J. KUNTZ, Mayor



ATTEST:

By: \_\_\_\_\_  
TAMMY STANGER, City Clerk

Approved as to form:  
OFFICE OF THE CITY ATTORNEY

By: \_\_\_\_\_  
DANIELLE MARCHANT, City Attorney

Summary of Changes:

6B.06.155 Angle parking authorized.

(a) Angle parking shall be permitted on the westerly side of South Columbia Street in the 500 block.

(b) Angle parking shall be permitted on the easterly side of the 200 block of South Methow Street, the northerly side of the 300 block of Kittitas Street, and the southerly side of the 300 block of Yakima Street.

(c) Angle parking shall be permitted on the easterly side of South Wilson Street in the 100-block adjacent to Washington Park.

(d) Final design and the improvement configurations shall be reviewed and approved by the public works department prior to implementation of angle parking authorized herein.



## CITY COUNCIL AGENDA REPORT

**TO:** Frank Kuntz, Mayor  
City Council

**FROM:** Laura Gloria, Executive Services Director  
Mayor's Office

**MEETING DATE:** March 10, 2022

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**I. SUBJECT**

Adoption of Resolution No. 2023-05 for the appointment of Rosa Pulido to the Lodging Tax Advisory Committee to fill an unexpired two-year term ending December 31, 2023.  
Adoption of Resolution No. 2023-06 for the appointment of Rosa Pulido to the Tourism Promotion Area Advisory Committee to fill an unexpired three-year term ending December 31, 2023.

**II. ACTION REQUESTED**

Staff recommends the City Council pass Resolution No. 2023-05 for the appointment of Rosa Pulido to the Lodging Tax Advisory Committee to fill an unexpired two-year term ending December 31, 2023, and Resolution No. 2023-06 for the appointment of Rosa Pulido to the Tourism Promotion Area Advisory Committee to fill an unexpired three-year term ending December 31, 2023.

**III. OVERVIEW**

At the regular joint meeting of the Lodging Tax Advisory Committee and Tourism Promotion Area Advisory Committee held on February 22, 2023, both of the committees recommended appointment of Rosa Pulido to fill the vacant positions formerly held by Linda Haglund, who recently retired as Executive Director of the Wenatchee Downtown Association. Rosa Pulido is the new Executive Director of the Wenatchee Downtown Association.

**IV. FISCAL IMPACT**

Not applicable.

**V. REFERENCE(S)**

1. Resolution No. 2023-05
2. Resolution No. 2023-06

**VI. ADMINISTRATIVE ROUTING**

Tammy Stanger, City Clerk  
Laura Gloria, Executive Services Director

## RESOLUTION NO. 2023-05

**A RESOLUTION,** appointing a member to the Lodging Tax Advisory Committee to fill an unexpired two (2) year term.

**WHEREAS,** a vacancy exists on the Lodging Tax Advisory Committee;

and

**WHEREAS,** Rosa Pulido was recommended for appointment to the Lodging Tax Advisory Committee;

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE** makes the following appointment to the Lodging Tax Advisory Committee with a term ending on December 31, 2023:

**NAME & ADDRESS**

**TERM EXPIRES**

Rosa Pulido  
Wenatchee Downtown Association  
103 Palouse Street, Suite 35  
Wenatchee, WA 98801

December 31, 2023

**PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE** at a regular meeting thereof this 9<sup>th</sup> day of March, 2023.

CITY OF WENATCHEE, a Municipal  
Corporation

By \_\_\_\_\_  
FRANK KUNTZ, Mayor

ATTEST:

By \_\_\_\_\_  
TAMMY L. STANGER  
City Clerk

APPROVED:

By \_\_\_\_\_  
DANIELLE MARCHANT, City Attorney

## **RESOLUTION NO. 2023-06**

**A RESOLUTION,** appointing a member to the Tourism Promotion Area Advisory Committee to fill an unexpired three (3) year term.

**WHEREAS,** a vacancy exists on the Tourism Promotion Area Advisory Committee; and

**WHEREAS,** Rosa Pulido was recommended for appointment to the Tourism Promotion Area Advisory Committee;

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE** makes the following appointment to the Tourism Promotion Area Advisory Committee with a term ending on December 31, 2023:

**NAME & ADDRESS**

Rosa Pulido  
Wenatchee Downtown Association  
103 Palouse Street, Suite 35  
Wenatchee, WA 98801

**TERM EXPIRES**

December 31, 2023

**PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE** at a regular meeting thereof this 9<sup>th</sup> day of March, 2023.

CITY OF WENATCHEE, a Municipal  
Corporation

By \_\_\_\_\_  
FRANK KUNTZ, Mayor

ATTEST:

By \_\_\_\_\_  
TAMMY L. STANGER  
City Clerk

APPROVED:

By \_\_\_\_\_  
DANIELLE MARCHANT, City Attorney



## CITY COUNCIL AGENDA REPORT

**TO:** Frank Kuntz, Mayor  
City Council

**FROM:** Laura Gloria, Executive Services Director  
Mayor's Office

**MEETING DATE:** March 9, 2023

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**I. SUBJECT**

Third Amended and Restated Management Agreement between the City of Wenatchee and Coast Wenatchee, LLC

**II. ACTION REQUESTED**

Motion requested for the City Council to approve the Third Amended and Restated Management Agreement between the City of Wenatchee and Coast Wenatchee, LLC and authorize the Mayor's signature

**III. OVERVIEW**

The City of Wenatchee contracts with Coast Wenatchee, LLC (Contractor) for management and operation of the Wenatchee Convention Center. The current Management Agreement for these services is active through the end of 2024. The Contractor also owns and operates the adjacent Coast Hotel which is attached to the WCC by a walking bridge.

Currently, the City and Contractor anticipate spending a several millions of dollars of investments in each of the corresponding facilities. As such both parties have negotiated the proposed Third Amended and Restated Agreement that considers the investment projects and provides corresponding extensions and terms.

The following terms are proposed as part of the Restated Agreement:

Extensions:

- The Management Agreement is set to expire at the end of 2024, the Restated Agreement will extend the timeline through December 31, 2026.
  - The Contractor will need to complete the Hotel Renovation project and finalize expenditures before December 31, 2026
- If the Hotel Renovation project is completed per the above timeline, the Restated Agreement grants the Contractor two extension paths:
  - If the Contractor spends between \$3 and \$4.9 million on the Hotel Renovation project, the Restated Agreement will extend 5 years beyond December 31, 2026
  - If the Contractor spends more than \$5 million, the Restated Agreement will extend 10 years beyond December 31, 2026



- If the Hotel Renovation project does not move forward, the Restated Agreement will expire in 2026.
- Additionally, if the Contractor completes the Hotel Renovation project and once the extension timeline has occurred, the Restated Agreement includes an additional five-year term upon mutual agreement by both parties.

Commission:

- Initial Term. During the Initial Term of this Agreement, Contractor will pay the City an 8% commission on all Facility Gross Revenues after Contractor annually earns the first \$750,000.99 of Facility Gross Revenues. The commission begins when the Facility Gross Revenues reach \$750,001.00.
- Renewal Term. During any Renewal Term of this Agreement, the Contractor will pay the City an 8% commission on the total Facility Gross Revenues.
- During Facility Renovation, the Contractor will pay no commission to the City.
- City will pay Contractor a “Contractor Commission” equal to 8.0% of the Facility Gross Revenues received by the City for any Facility bookings for 180 days after the Agreement termination or expiration date; provided that the signed contract for the Facility booking was entered into prior to the termination or expiration date of the Agreement.

**IV. FISCAL IMPACT**

Two items in the Restated Agreement have financial impacts:

- Commission during construction: The City will not collect commission during this time period, it is anticipated that the WCC project will impact the Contractor’s ability to use the facility and as such hampers the Contractor’s ability to generate revenue. The anticipated impact of this item is \$130,000
- Revenue share after termination: This action provides the Contractor the ability to collect revenue that was produced when the contract was active but after termination for up to 180 days. The anticipated fiscal impact of this item is \$50,000

**VI. REFERENCE(S)**

1. Third Amended and Restated Agreement

**VII. ADMINISTRATIVE ROUTING**

Tammy Stanger, City Clerk  
Brad Posenjak, Finance Director  
Rob Jammerman, Public Works Director  
Elisa Schafer, Facilities Manager

THIRD AMENDED AND RESTATED  
MANAGEMENT AGREEMENT  
BETWEEN  
CITY OF WENATCHEE  
AND  
COAST WENATCHEE, LLC

THIS THIRD AMENDED AND RESTATED MANAGEMENT AGREEMENT (“Agreement”) is made and entered into by and between the City of Wenatchee, a municipal corporation, (“City”) and Coast Wenatchee LLC, a Washington limited liability company (“Contractor”). The City and the Contractor are collectively referred to as the “parties” or individually as the “party.”

WHEREAS, the City owns the Wenatchee Convention Center (“Facility”) as identified in Exhibit A, which is attached hereto and incorporated herein by this reference;

WHEREAS, the City is considering a ten million dollar renovation project to enhance or expand the Facility in 2024; and

WHEREAS, Coast Hospitality, LLC, an affiliate of the Contractor, owns and operates the hotel building that is attached to the Facility and is currently undergoing a similar effort to remodel the Coast Wenatchee Center Hotel located at 201 N Wenatchee Ave, Wenatchee, Washington (“Hotel”).

WHEREAS, NorthCoast Washington, LLC, another affiliate of the Contractor, has an agreement with the City, that is effective through December 31, 2024, and where that agreement has been assigned by NorthCoast Washington, LLC to Contractor as of December 10, 2018; and

WHEREAS, the City and the Contractor wish to enter into a new agreement where the Contractor will be responsible for all management and operational responsibility of the Facility and that will supersede and replace all existing agreements between the parties relating to the Facility as of the effective date of this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, or in the Agreement documents specified herein and incorporated and made a part hereof, the City and Contractor mutually agree as follows:

1. Effective Date.

The date upon which the last of both of the parties have executed a counterpart of this Agreement shall be the “date of mutual execution” hereof, and shall be construed as the “effective date” of the Agreement.

2. Management Services.

The City hereby retains Contractor as an independent contractor for the purpose of performing the management and operational services described in this Agreement (collectively “Services”). Subject to the terms and conditions set forth herein, Contractor agrees to provide Services for the operation of the Facility, in accordance with the terms of this Agreement. Contractor shall use its commercially reasonable efforts to maximize revenues from use of the Facility, including, without limitation, marketing and sales, and overall management of the Facility in accordance with this Agreement.

The parties to this Agreement acknowledge that the City will retain ownership and control of the Facility and that this Agreement does not confer on Contractor any title to, or any interest in, the Facility or its assets.

3. Relationship of Parties.

The parties intend that an independent contractor-client relationship will be created by this Agreement. The City and the Contractor are not creating a joint venture or partnership under this Agreement. As the Contractor is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, or representative of the Contractor shall be or shall be deemed to be the employee, agent, or representative of the City. In the performance of the Services, the Contractor has the ability to control and direct the performance and details of the Services, the City being interested only in the results obtained under this Agreement. The authority of Contractor shall be limited to those matters which are specifically addressed in this Agreement.

4. Contractor Responsibilities.

4.1. Contractor Management Responsibilities. City hereby grants to Contractor the exclusive rights to manage, market, promote, and operate the Facility or any replacement or temporary facility if the Facility is being renovated. Contractor hereby agrees to perform the management responsibilities described within this Agreement. This does not prohibit the City from contracting for additional marketing support for the Facility through a city-wide tourism marketing agreement at no additional expense to the Contractor.

4.2. Marketing and Promotion. Contractor shall engage in direct marketing activities with the objective of maximizing the use of the Facility in order to generate revenue from operations of the Facility with a goal of attracting “city-wide” events, in coordination with the City’s overall tourism marketing effort and which generate hotel stays at multiple hotel facilities. Contractor will conduct a promotional campaign for the Facility in accordance with a plan for promotion which shall be prepared and submitted to the City Lodging Tax Advisory Committee prior to the end of each year.

4.3. Scheduling. Contractor will develop and maintain an active website to include a schedule for events held at the Facility. Such schedules shall be accessible to the public 30 days prior to the events. In addition, for those groups without scheduled meal service, Contractor shall notify area restaurants of the potential business/impact by such postings.

4.4. Annual Budget and Annual Report. Contractor will prepare and deliver to the City, by September 1st of each year during the term of this Agreement an Annual Budget of topline revenues that can be used for the City budget process, which will detail expectations for overall Facility revenues and anticipated commission for the City. Prior to February 1st of each year during the term of this Agreement, the Contractor and City will meet to go over the annual report of activities at the Facility (revenue). The annual report shall provide sufficient detail on bookings and occupancy of the Facility to comply with state laws regarding the use of lodging tax dollars as defined in Exhibit C, which is attached hereto and incorporated herein by this reference. The Contractor shall also provide monthly reports so the City may determine if actual sales/bookings are less than budget by 20% or more in any calendar quarter, which would trigger a City budget amendment.

4.5. Operational Services. Contractor will direct all services required to stage (set up and tear down) the Facility for each event, including but not limited to, services involving the set-up, audio/video presentation equipment, lighting system, exhibitions, stage equipment, loading in and loading out, janitorial, cleaning, and minor operational maintenance. Janitorial, cleaning and minor operational maintenance are further defined in Exhibit B, which is attached hereto and incorporated herein by this reference. Use of the Facility or Facility equipment for purposes other than events hosted at the Facility must be reimbursed and shown as revenue of the Facility as provided for in Section 5.1. Contractor will hire and manage all management staff and other personnel required for the operation of the Facility as an operating expense of the Facility. No staff or other personnel hired or managed by the Contractor shall be considered employees of the City.

4.6. Security. Contractor will arrange for reasonable levels of security for events at the Facility and for general security when events are not in progress. Such security may be provided by Contractor or by agreement with an appropriately licensed security provider, in its discretion as an operating expense of the Facility. Facility rental agreements should indicate appropriate security coverage by type of event to protect the Facility and its contents.

4.7. Staffing and Employee Conduct. The Contractor is responsible for supervision, training, appearance, and direction of all personnel staffing at the Facility. All personnel staffing shall maintain a high level of customer service, working to exceed customer expectations. All Facility staff will be in the employment of Contractor or an affiliate. The Contractor agrees that it will not allow key positions in staff to become vacant for a period of more than sixty (60) days without the Contractor arranging for temporary qualified and knowledgeable replacement for these positions until suitable full-time employees can be hired. Contractor shall require that personnel staffing represent the Facility professionally and conduct themselves respectfully while working at a function at the Facility. Employee smoking areas should be provided out of view of the public and in compliance with state laws.

4.8. Food and Beverage Service Coordination. The Contractor will manage and operate the food and beverage services at the Facility on a basis consistent with the service and quality standards set forth in this Agreement.

4.9. Quality of Goods and Services. Recognizing that food and beverage service is the essence of the Agreement, Contractor recognizes that the City views the quality of the operations

of the Facility as a reflection on the City. Accordingly, Contractor agrees to use its professional experience and commercially reasonable efforts, in good faith, to cause the food and beverage operations at the Facility to:

4.9.1 Meet or exceed all legal requirements;

4.9.2 Be comparable in quality and pricing with other similar facilities located in similarly sized metropolitan areas in Washington State;

4.9.3 Meet or exceed a quality standard of above average 75% of the time based upon periodic independent customer surveys using a scale of “poor, average, above average, superior;”

4.9.4 Use local food products when they are available at a reasonable cost; and

4.9.5 Take into consideration any suggestions the City may have from time to time to improve the food and beverage operations at the Facility.

4.10. Days and Hours of Operations. The Contractor will provide the Services as defined in Section 4.4 during such hours as may be required for providing the Services at events booked at the Facility. When a particular space is not booked for an event, the Contractor will employ energy efficient measures, i.e., lowering heating/cooling, turning off lights, etc.

4.11. Clean and Sanitary Conditions. The Contractor shall maintain all spaces it occupies at the Facility in a clean and sanitary condition in accordance and consistent with industry standards, all applicable rules, demands and requirements of law, pertinent health and sanitary codes, and requirements of duly authorized health authorities of the City and Chelan County, and with any other health department having jurisdiction over the Facility. A copy of all health inspections will be provided to the City within the 24 hours of receipt of a report regarding said inspection. The Janitorial and Maintenance Standards which govern the type and frequency of cleaning activities are attached as Exhibit B.

4.12. Supervision and Compliance with Laws. Contractor agrees to use its professional expertise and commercially reasonable efforts to supervise and direct the implementation and completion of all Agreement requirements specified herein. The Contractor will at all times comply with all applicable workers’ compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable.

4.13. Permits, Licenses, Food and Beverage Laws. The Contractor will comply with all valid requirements of state and local law and regulation pertinent to or affecting the handling and disposal of food, beverages, and other goods, or merchandise served or sold, and the Contractor will procure and keep in force all permits and licenses required by such laws and regulations for existing food service facilities. All employees of Contractor who handle food shall be required to meet all State or County Department of Health Standards.

The parties acknowledge that the Contractor shall obtain and maintain in full force the liquor license for the Facility, issued pursuant to the laws of the State of Washington for the service of alcoholic beverages. The Contractor agrees to abide by the liquor license issued pursuant to the

laws of the State of Washington, including carrying out the mandatory trainings required for alcohol service. Contractor will draft and provide to the proper regulatory agency the Alcohol Operating Policy and Management Plan that will be followed for the Facility. The Contractor acknowledges that the mandatory trainings and the Alcohol Operating Policy and Management Plan are required to maintain and abide by the liquor license for the Facility.

4.14. Waste Material. All refuse and waste material created by the Contractor's operations in all public areas shall be promptly disposed of by the Contractor during and after each event. Waste foods shall be kept in closed containers until removed from the Facility. Such removal shall be made promptly during and after each event. The entire area within a radius of twenty-five (25) feet of each stand, commissary and work area shall be kept free and clear of all debris. Contractor shall employ the necessary personnel before, during and after any event to comply with this Section 4.13. Contractor shall make commercially reasonable efforts to incorporate a program for recycling and make it available throughout the Facility.

4.15. Advertising. Contractor shall not advertise or publish information concerning the terms of this Agreement in any form or media without prior written consent from the City, except that Contractor shall be allowed to list the Facility on its website and promotional materials, including any response to a Request For Proposals for other food and beverage service accounts. Within the Facility, including on the wayfinding monitors in the Facility common areas, there shall be no advertising of outside businesses or activities, including other business endeavors of the Contractor, without the prior written agreement of the City. Notwithstanding the foregoing, Contractor may disclose this Agreement and its terms to lenders, equity investors, perspective purchasers, and its own agents.

4.16. OSHA and WISHA Requirements. Contractor agrees to comply with applicable requirements of the federal Occupational Safety and Health Acts of 1970 (OSHA), as it may be amended, the Washington Industrial Safety and Health Act of 1973 (WISHA), as it may be amended, and "Employee Right to Know" regulations under WAC 296-800-170, as it may be amended, and the standards and regulations issued thereunder, and certifies that all items furnished and purchased under this Agreement will conform to and comply with in all material respects said standards and regulations.

4.17. Right of Inspection. Upon twenty-four (24) hours advanced notice, the Contractor shall provide right of access to the Facility to the City or to any other authorized agent of the City at all reasonable times, in order to monitor and evaluate performance compliance, and/or quality assurance under this Agreement.

4.18. Additional Duties. The Contractor will provide, on a timely basis, information, data, and proposed solutions to project issues as may be reasonably requested by the City.

4.19. Relationship to Performing Arts Center of Wenatchee (PAC). Through a ground lease with the City, the PAC occupies their facility that shares common entrances with the Facility. The lease specifies that the City will provide the use of the Facility restrooms for the benefit of the PAC. In addition to ensuring the restrooms are clean and prepared for PAC events, it is expected that the Contractor will work cooperatively with the management of the PAC to explore opportunities to enhance the viability of both facilities; examples include joint marketing, jointly

bidding for events, dinner offerings prior to PAC shows, etc. When an event at the PAC necessitates cleaning of the restrooms when no other Facility event is taking place, the Contractor will bill the City for the direct and contracted labor and materials required to provide this service for the PAC. Restrooms should be cleaned before and after a PAC event.

## 5. Compensation Structure.

### 5.1 Commission.

5.1.1 Initial Term. During the Initial Term of this Agreement, Contractor will pay the City an 8% commission on all Facility Gross Revenues after Contractor annually earns the first \$750,000.00 of Facility Gross Revenues. The commission begins when the Facility Gross Revenues reach \$750,001.00.

5.1.2 Renewal Term. During any Renewal Term of this Agreement, the Contractor will pay the City an 8% commission on the total Facility Gross Revenues.

5.1.3 Facility Renovation. Notwithstanding Sections 5.1.1 and 5.1.2, during Facility Renovation, the Contractor will pay no commission to the City. For purposes of this Agreement, "Facility Renovation" begins on the first day that the City's physical construction project starts including any general conditions or staging work. It shall not include any preconstruction meetings that the City may have with its construction contractors, engineers or architects related to the construction project. The Facility Renovation ends on the date when the Facility's renovated space is fully available for events, which shall mean that the City's general contractor and any subcontractors have fully completed their work including any punch list items, and the renovated space has been inspected and cleared for usage by the building department and by the fire department.

5.1.4 Payment Date. The Contractor shall pay the City's the commission stated in Section 5.1 no later than the 20th day of the month for the previous month's commission. The Contractor is entitled to retain the remaining amounts of Facility Gross Revenues after commissions are paid to the City; provided that Contractor shall pay the Leasehold Excise Tax stated in Section 5.2 of this Agreement if applicable. The commission payment shall be provided to the City's Finance Department.

5.1.5 Commission Reports. The Contractor shall provide the City with commission reports at the time that commission payment is made that include at a minimum [insert contents of report].

5.1.6 Facility Gross Revenues. For purposes of this Agreement, "Facility Gross Revenues" includes all amounts earned or received as a result of the use of the Facility or the use of the Facility's equipment and facilities for the sale of goods and services from the Facility or for offsite events. If Facility is used to prepare products for events in the Contractor's Hotel, including its meeting rooms, this Commission shall also apply to revenues from those events for the products prepared in the Facility. Facility Gross Revenue excludes sales tax, use tax or other pass through taxes or government fees.

5.2 Leasehold Excise Tax. The parties acknowledge that if the structure of this Agreement requires the payment by Contractor of 12.84% Leasehold Excise Tax to the Washington State Department of Revenue which shall be paid by Contractor in addition to the commission payment, if any, required by Section 5.1. This Agreement is subject to any changes in Leasehold Excise Tax that are determined by the Washington State Department of Revenue.

5.3 Public Ownership. The parties acknowledge the Facility is a public facility and subject to State and Federal law. If any part of this Agreement is determined to be out of compliance, the parties agree to meet immediately to renegotiate for the purposes of complying with State and Federal Laws.

5.4 Audit. All revenues and all supporting documentation are subject to annual review and audit by the City upon reasonable notification at the City's expense.

6. City Responsibilities.

6.1 Utilities.

6.1.1 City Responsibility. City shall be responsible to pay for the provision of broadband internet service and solid waste disposal service for the Facility. Additionally, the City shall be responsible for the payment of storm water facility fees for the Facility.

6.1.2 Contractor Responsibility. For any utility services not stated in Section 6.1.1, Contractor shall be responsible to pay for the provision of these other utility services, including, but not limited to, domestic water, sanitary sewer, natural gas, electric power and telephone service.

6.2. Adjustment. It is intended by the parties that Contractor shall not be responsible for any indirect costs related to the Facility Renovation. On the date of mutual execution of this Agreement, it is not possible to reasonably determine what indirect costs may impact Contractor. As a result, Contractor and City shall meet within 30 days of Facility Renovation City Council Capital Budget approval to determine the indirect costs that may impact Contractor and to negotiate appropriate adjustments. In addition, Contractor may request a meeting with the City with 10 days written notice at any time during the Facility Renovation to discuss an adjustment for indirect costs that it believes that it has incurred due to the Facility Renovation; provided that Contractor has provided documentation to the City with the written notice that establishes the indirect costs that it alleges that it has incurred. Contractor will not be responsible for the cost of construction related utilities and site security directly associated with the renovation project

6.3. Fire Protection Systems. The City, at the City's expense, shall provide for periodic inspection and servicing by a qualified company of all fire extinguishers and fire protection systems in the Facility, including kitchen food preparation areas, and shall insure that the same are kept in a usable, serviceable condition to the satisfaction of the local fire authority.

7. Term.

7.1 Initial Term. The initial term of this Agreement will begin on the date of mutual execution and will continue through December 31, 2026 ("Initial Term").



## 7.2 Renewal Term.

7.2.1 First Renewal Term. Provided that Contractor is not in default of this Agreement, Contractor may automatically extend the term of this Agreement one time dependent upon the total Hotel Renovation Capital spent by the Contractor on the Hotel as stated below (“First Renewal Term”):

- a. If Contractor’s Hotel Renovation Capital is between \$3,000,000 and \$4,999,999, then Contractor shall have the right to renew this Agreement for an additional 5 years after the end of the Initial Term;  
or
- b. If Contractor’s Hotel Renovation Capital is \$5,000,000 or more, then Contractor shall have the right to renew this Agreement for an additional 10 years after the end of the Initial Term.

“Hotel Renovation Capital” is defined as the dollar amount spent by Contractor on capital improvements as detailed by an architect, project manager, designer, or engineer’s cost detail based on a permitted plan. Additionally, Hotel Renovation Capital will include any dollar amounts spent in connection with a Product Improvement Plan (“PIP”) executed with a hotel brand. Hotel Renovation Capital spending needs to be completed by the Contractor prior to the Contractor issuing its notice of intent to exercise the extension of the First Renewal Term, as stated in Section 7.3. Renovation Capital receipts must be provided by the Contractor to the City with the Contractor’s notice of intent to exercise. To the extent permitted by law, the City shall keep all Renovation Capital receipts confidential and not share them with any third parties.

7.2.2 Second Renewal Term. If Contractor exercises the First Renewal Term, then either party may request to exercise an additional 5 year extension (“Second Renewal Term”); provided that neither party is required to enter into the Second Renewal Term unless both parties consent in writing to the Second Renewal Term. The notice of intent to exercise the Second Renewal Term shall be made pursuant to Section 7.3, and may only be exercised by a party that is not in default of the Agreement. The non-requesting party must provide a response to the requesting party as to whether the non-requesting party intends to agree to a Second Renewal Term no later than 60 days after it receives the requesting party’s notice of intent to exercise. If the non-requesting party does not respond within the 60 day timeline, the requesting parties request is deemed granted. The Second Renewal Term shall begin at the end of the First Renewal Term.

7.2.3 Terms and Conditions During Renewal Term. Unless otherwise agreed to by the parties in writing, the First Renewal Term and the Second Renewal Term shall be under the same terms and conditions of this Agreement.

7.3 Notice. Notice of intent to exercise the First Renewal Term must be provided by Contractor to the City at least six (6) months prior to expiration of the Initial Term. The notice of intent to exercise the Second Renewal Term must be provided by one party to the other party at least six (6) months prior to the expiration of the First Renewal Term.

7.4 Waiver. If a party does not timely serve the notice of intent to exercise for a renewal term, as provided for in Section 7.3, then that party's the ability to extend this Agreement is waived.

## 8. Repair, Replacement, Improvement and Maintenance

8.1 Capital Improvements. The City shall be responsible for capital improvements to the Facility unless it is damage that falls under the Contractor's responsibility under Section 8.2. The City will annually budget the commission received from Contractor, as stated in Section 5.1, for capital improvements. The City and Contractor shall meet prior to October 1st of each year to determine the use of capital funds in the following year; provided that the use of such funds shall ultimately be in the sole discretion of the City. For purposes of this Agreement, "capital improvements" means improvements to the Facility building structure that are permanent improvements or betterments made to increase the value of the Facility, or improvements that restore or replace the key building systems, which are plumbing, electrical, HVAC, elevator, fire protection and alarms, gas distribution, and security. Capital improvements does not include general maintenance or repairs.

8.2 Facility Repairs. All damage, other than normal wear and tear, done to floors, walls, windows, other structural parts of the Facility or its key building systems by reason of gross negligence or willful misconduct on the part of the Contractor, its employees or its clients, shall be repaired by the City and such repair shall be invoiced to the Contractor. Contractor shall pay the invoice within 30 days of the date that the City sends the invoice to Contractor.

8.3 Inventory Repair or Replacement. The Contractor shall notify the City of any inventory damage within three (3) days of when the Contractor becomes aware of the damage. The City shall be responsible for the repair and replacement of the Facility's inventory; provided that if the damage, other than normal wear and tear, is caused by the Contractor, its employees or its clients, then the Contractor shall be responsible to pay the City for the actual value of the repair or the replacement of the inventory based on its age and remaining useful life. If the Contractor is responsible to pay the City for the damage, the City shall invoice the Contractor. Contractor shall pay the invoice within 30 days of the date that the City sends the invoice to Contractor. For purposes of this Agreement, "inventory" means, personal property owned or leased by the City within the Facility that is not defined as equipment, and is not party of the Facility building structure or key building systems. Examples of inventory would include chairs, tables, dishes, silverware, utensils, linens, décor, shelving, other furniture, etc.

8.4 Equipment Repair or Replacement. The Contractor shall notify the City of any equipment damage within three (3) days of when the Contractor becomes aware of the damage. The City shall be responsible for the repair and replacement of the Facility's equipment as a capital expense of the Facility; provided that if the damage, other than normal wear and tear, is caused by the Contractor, its employees or its clients, then the Contractor shall be responsible to pay the City for the actual value of the repair or the replacement of the equipment based on its age and remaining useful life. If the Contractor is responsible to pay the City for the damage, the City shall invoice the Contractor. Contractor shall pay the invoice within 30 days of the date that the City sends the invoice to Contractor.

If the Contractor desires to replace equipment prior to the end of useful life, it may do so at its own expense and upon written consent of the City. If Contractor replaces equipment as provided by this Section 8.4, the Contractor shall retain ownership rights of the new equipment and the City shall retain ownership rights of the old equipment.

For purposes of this Agreement, “equipment” means personal property owned or leased by the City within the Facility that consists of refrigerators, freezers, food preparation items, ice machines, small kitchen appliances (e.g. blenders, coffee makers, mixers, food processors, etc.), oven/cooking appliances, warming equipment, dishwashers, and wired and wireless internet hardware and computers.

8.5 List of Inventory and Equipment. The City hereby grants to the Contractor the right to use all equipment and inventory located in the Facility required to perform the Services in accordance with this Agreement. A list of inventory and equipment is to be provided to the Contractor by the City and will be updated by the City, in coordination with the Contractor, by December 31st of each year. The City will take into consideration during the Facility Renovation the inventory and equipment with the selected architect to address needs of new spaces which will be added to the list of inventory and equipment.

8.6 Maintenance.

8.6.1 Contractor’s Responsibilities. The Contractor, at its expense, shall be responsible for providing routine maintenance of the Facility in accordance with the provisions of Exhibit B to this Agreement.

8.6.2 City’s Responsibilities. The City, at the City’s expense, shall be responsible for providing the following maintenance services:

- a. Maintenance of the exterior of the building and its amenities (roofing, lighting, flashing, paint), planting areas and parking lots: sweeping, cleaning, snow removal, area policing, routine landscape upkeep, shrub watering, weeding, fertilizing and general aesthetic maintenance, with the exception of exterior window cleaning.
- b. Maintenance of the Facility grease interceptor located in the loading area parking lot in accordance with local codes.
- c. Maintenance, upkeep, monitoring, and preventive maintenance of the Facility’s physical plant. The “physical plant” consists of but is not limited to the structural building (walls, roofs, ceilings, etc.), electrical system, alarm system, Plaza Fountain and heating, ventilating, and air conditioning (HVAC) system.
- d. Maintenance of the Facility’s equipment per manufacturer’s specifications.
- e. Perform an annual inspection of the water lines annually and immediately address any leaks or other deficiencies.

8.7 Facility Use Agreements. Contractor’s facility use agreements shall provide liability protection both for the Contractor and the City to ensure Contractor and City have a means of recovering expense if damage, other than normal wear and tear, is done to the Facility, inventory or equipment by a third party using the Facility. For purposes of this Agreement, Contractor’s “clients” include any of Contractor’s caterers, agents, individuals or entities that book events or attend such booked events, subcontractors, business invitees, or any other individual or entity that was invited to the Facility by the Contractor.

9. Agreement Representatives.

9.1 The City’s Director of Public Works, or other designee of City, shall be responsible for monitoring the performance of the Contractor, the approval of actions by the Contractor and the acceptance of any reports by the Contractor. The Finance Director of the City shall monitor the financial compliance with this Agreement.

9.2. The Contractor’s on-site Facility manager, or such other person as may be designated by the Contractor by written notice to the City, will be the contact person for all communications regarding the Services under this Agreement or the Hotel Renovation Capital. Contractor’s representative, or designee, shall be available to the City at reasonable times during normal working hours throughout the term of this Agreement. The Contractor, where possible, will give to the City a 30-day notice of any change in the on-site Facility manager.

9.3 All notices required to be given by either party to the other under this Agreement shall be in writing and shall be given in person or by mail to the addresses set forth below. Notice by mail shall be deemed given three (3) business days after the same is deposited in the United States mail, postage prepaid, addressed as provided in this Section.

To City:

City of Wenatchee  
Attn: Mayor  
301 Yakima St.  
P.O. Box 519  
Wenatchee, WA 98807-0519

To Contractor:

Coast Hospitality LLC  
Attn: President  
600 Stewart Street, Suite 1920  
Seattle, WA 98101

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With a copy to:

City of Wenatchee  
Attn: Finance Director  
301 Yakima St.  
P.O. Box 519

With a copy to:

Coast Wenatchee LLC  
Attn: General Manager  
201 North Wenatchee Avenue  
Wenatchee, WA 98801

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Wenatchee, WA 98807-0519

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10. Non-solicitation.

During the term of this Agreement, except with Contractor's prior written consent, the City will not, for any reason, directly solicit for employment, the Convention Center Manager, Convention Center Chef or Director of Sales employed by the Contractor at the Facility. In addition to any other remedies which Contractor may have, specific performance in the form of injunctive relief shall be available for the enforcement of this provision.

11. Insurance Coverages.

11.1 City Insurance Coverages. The City, at its expense, shall be responsible for providing its own property and casualty and liability insurance coverages relating to the Facility and such other insurance coverages as it may decide to obtain and maintain. In the event that the City and the Contractor agree that any or all of such coverages shall be provided under programs in which Contractor participates, the parties shall agree on a reasonable allocation of premium costs for such coverages between them.

11.2. Contractor Insurance Coverages. The Contractor, at its expense, shall be responsible for the following:

11.2.1 Commercial General Liability Insurance. Contractor shall maintain general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage).

11.2.2 Property Insurance. The Contractor is responsible for maintaining coverage on any personal property that it owns at the Facility. The City will provide property coverage only for the Facility itself and personal property under its ownership.

11.2.3 Business Auto Policy. Contractor shall maintain business auto liability on a primary or commercial umbrella liability insurance basis, with a limit not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of "Any Auto." Business auto coverage shall be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

11.2.4 Workers Compensation Coverage. The Contractor shall insure and keep insured at all times during the term of this Agreement, the personnel engaged by it in the operation of the Facility, pursuant to the industrial insurance laws of the State of Washington, Title 51 RCW.

12. Indemnity.

12.1 Contractor indemnifies City. To the fullest extent permitted by law, Contractor shall indemnify, defend, and save harmless the City, and all officers, elected or appointed officials and employees of the City, from and against any and all claims for property damage, personal injuries or death, including claims by Contractor's employees, or for damages (collectively, "Losses") arising out of, resulting from, or incident to Contractor's willful breach or grossly negligent performance of the duties under this Agreement. Contractor waives its immunity under Title 51 RCW to the extent required to indemnify, defend, and save harmless City and its agencies, officers, or employees. **This waiver of immunity under Title 51 RCW has been mutually negotiated by the parties.**

12.2. Exclusions. The foregoing indemnification by Contractor shall not, however, extend to Losses to the extent such Losses (a) arise from any breach or default by the City of its respective obligations contained herein; (b) are of the type that are or would normally be covered by commercial insurance covering (i) the Facility and its premises for physical damage or other Loss and (ii) business interruption and extra expenses, irrespective of the decision of the City to carry or not to carry such insurance; (c) are caused by or arise out of the services provided by the architects, engineers and other agents (excluding Contractor) retained by the City in connection with the operation of the Facility; (d) the fact that at any time prior to, as of, or after the commencement of any term hereunder the Facility, and its premises are not or have not been, in compliance with all applicable federal, state, local and municipal laws, regulations and ordinances (collectively, the "Laws"), including, but limited to, the Americans with Disabilities Act, 42 U.S.C. Sections 12101-12213 as amended by the Civil Rights Act of 1991 (42 U.S. C. Section 1981(a)), as it now exists and as it may be amended in the future by statute or judicial interpretation, to the extent that such condition of the premises was not caused by Contractor; (e) the fact that prior to, as of, or after the commencement of the term hereunder there is any condition on, above, beneath or arising from the premises occupied by the Facility which might, under any Law, give rise to liability or which would or may require any "response," "removal" or "remedial action" (as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act), to the extent that such condition was not caused by Contractor; or (f) any structural defect or unsound operating condition with respect to the Facility or the premises occupied by the Facility prior to, as of or after the commencement of the term hereunder, to the extent that such defect or condition was not caused by Contractor.

12.3. City Indemnifies Contractor. To the fullest extent permitted by law, the City shall indemnify, defend and save harmless the Contractor, from and against any and all claims for property damage, physical injuries or death, including claims by City employees or for damages arising out of, resulting from or incident to City's willful breach or grossly negligent performance of its duties under this Agreement, except to the extent such claims arise out of Contractor's willful breach or grossly negligent performance of its duties under this Agreement.

12.4 Survival. The obligations stated in this Section 12 survive termination or expiration of this Agreement.

13. Breach, Default, Termination.

13.1 Breach. Any one or more of the following events shall constitute a default:

13.1.1 Either party fails to perform its obligations under this Agreement as provided herein;

13.1.2 Contractor makes any general assignment for the benefit of creditors;

13.1.3 Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;

13.1.4 Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors;

13.1.5 Any receiver, trustee, or similar official is appointed for Contractor; or

13.1.6 Contractor is determined to be in violation of federal, state, or local laws or regulations which renders the Contractor unable to perform any aspect of the Agreement.

13.2 Termination for Breach and/or Default. If either party fails to cure a default within the cure period as stated in Section 14.4.1, the non-breaching party shall be entitled to immediately terminate this Agreement through a written notice to the breaching party. The non-breaching party shall have all rights against the breaching party by reason of the breaching party's uncured breach as provided by law.

13.3. Termination by Mutual Agreement. City or the Contractor may terminate this Agreement in whole or in part, at any time, by mutual agreement in writing, signed by both parties.

13.4. Contractor Commission Upon Termination. City will pay Contractor a "Contractor Commission" upon termination or expiration of this Agreement unless Contractor was in default of the Agreement on the termination or expiration date. The Contractor Commission will be equal to 8.0% of the Facility Gross Revenues received by the City for any Facility bookings for 180 days after the Agreement termination or expiration date; provided that the signed contract for the Facility booking was entered into prior to the termination or expiration date of the Agreement. The City shall pay the Contractor Commission to Contractor no later than 30 days after the City receives payment for the Facility booking.

13.5. Termination Procedures. Upon termination or expiration of this Agreement, and except as otherwise directed by the City, the Contractor shall:

13.5.1 Stop work under this Agreement on the termination date, and to the extent specified, in the termination notice; or upon the expiration date of this Agreement;

13.5.2 Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the Services under this Agreement as is not terminated;

13.5.3 Assign to the City, in the manner, at the times, and to the extent directed by the City, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the City has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

13.5.4 Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the City to the extent that the City may require, which approval or ratification shall be final for all the purposes of this subsection;

13.5.5 Transfer title to the City and deliver in the manner, at the times, and to the extent directed by the City any property which, if the Agreement has been completed would have been required to be furnished to the City;

13.5.6 Complete performance of such part of the Services as shall not have been terminated by the City, and

13.5.7 Take such action as may be necessary, or as the City may direct, for the protection and preservation of the Facility and other property related to this Agreement, which is in the possession of the Contractor, and in which the City has or may acquire an interest.

13.5.8 Not take any action that would result in the City breaching any term of a contract for a Facility booking where the contract for the Facility booking was entered into prior to the termination or expiration date of this Agreement.

#### 14. General Provisions.

14.1 Non-Disturbance Agreement and Estoppel. Upon request, the City shall provide a non-disturbance agreement to Contractor or its lenders in a customary format. Additionally, either party may, in writing, request estoppel letters for financing purposes in a customary format. Any estoppel letters shall be delivered to the requesting party within 10 business days of request.

14.2. Entire Agreement. The recitals are incorporated into this Agreement by this reference. This Agreement and any attached exhibits, which are part of this Agreement, constitute all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. The parties agree that this Agreement supersedes and replaces the agreement between the City and NorthCoast Washington, LLC, and it assigns as referenced in the recitals. The Contractor also acknowledges and represents that it has the authority to supersede and replace the agreement between the City and NorthCoast Washington, LLC, and it assigns with this Agreement.

14.3. Governing Law. This Agreement shall be governed by the laws of the State of Washington. If any provision of this Agreement violates any applicable statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law. Any court litigation shall be filed in Chelan County Superior Court and the parties agree that this Court



shall have jurisdiction over the subject matter of and the parties to this Agreement to compel arbitration or enforce any arbitration award.

#### 14.4. Disputes.

14.4.1 If there is any dispute or alleged default with respect to performance under this Agreement, either party shall notify the other in writing, stating with reasonable specificity the nature of the dispute or alleged default. Within seven days of its receipt of such notice, the receiving party shall provide written response acknowledging receipt of such notice and stating its intentions with respect to how it shall respond to such notice. The receiving party shall further have 30 days (the “cure period”) from its receipt of such notice to:

- a. Respond to the notice by contesting the complainant’s assertions(s) as to the dispute or any alleged default and requesting a meeting in accordance with Section 14.4.2; or
- b. Resolve the dispute or cure the default, and provide the complainant a written notice of resolution or cure; or
- c. Notify the complainant in writing that it cannot resolve the dispute or cure the default within 30 days, due to the nature of the dispute or alleged default. Notwithstanding such notice, the receiving party shall promptly take all reasonable steps to begin to resolve the dispute or cure the default and notify the complainant in writing detailing the actions that will be taken by the receiving party and the projected completion date.

14.4.2 If any dispute is not resolved or any alleged default is not timely cured then either party may require a meeting to discuss the dispute or any alleged default. The meeting shall take place not less than 10 days after the delivery and receipt of notice of the meeting. Each party shall appoint a representative who shall attend the meeting and be responsible for representing the party’s interests. The representatives shall exercise good faith efforts to resolve the dispute or reach agreement on any alleged default and/or any corrective action to be taken. In the event the dispute is not resolved within 10 days following the conclusion of the meeting, either party may pursue resolution of the dispute or any alleged default through other legal means consistent with Section 13 of this Agreement. All negotiations pursuant to these procedures for the resolution of disputes shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the state and federal rules of evidence.

14.4.3 Unless otherwise agreed by the City and the Contractor in writing, the City and the Contractor shall, as may reasonably be practicable, continue to perform their respective obligations under this Agreement during the pendency of any dispute.

14.4.4 If the dispute or alleged default has not been resolved by the steps described in the prior provisions of this Section 14, any unresolved dispute or alleged default, will be settled by arbitration pursuant to chapter 7.04 RCW, except as herein modified, and

judgment upon the award rendered by the arbitrator may be entered in the Chelan County Superior Court as provided in Section 14.3.

14.4.5 Any arbitration shall be before one disinterested arbitrator. If the parties have not agreed on a single arbitrator within 15 days after demand for arbitration, then either side may apply to the Chelan County Superior Court, upon 10 days' written notice to the other, for appointment of the necessary arbitrator, and the judicial appointment shall be binding and final. The arbitrator shall determine the controversy in accordance with the laws of the State of Washington as applied to the facts found. The arbitrator may grant injunctions or other equitable relief in such controversy or claims. Each party shall bear an equal share of the cost of the single arbitrator.

14.4.6 No provision of this Agreement shall be deemed to bar the right of the City or the Contractor to recover monetary damages for violation of this Agreement by the other party, or to seek and obtain judicial enforcement in Chelan County Superior Court of the other party's obligations by means of specific performance or injunctive relief.

14.5. Severability. Any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.

14.6. Approval. Whenever this Agreement calls for the consent or approval of either party, such approval shall not be unreasonably withheld, conditioned or delayed. This Section shall not apply to Section 7.2.2.

14.7. Attorneys' Fees. In the event of a dispute and/or litigation over this Agreement, each party shall be responsible for its own attorney's fees and costs incurred therein.

14.8. Captions. Section or paragraph titles or other headings contained in this Agreement are for convenience only and shall not be part of this Agreement or considered in its interpretation.

14.9. Time of Essence. Time is of the essence in each and every portion of this Agreement.

14.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall constitute one and the same Instrument.

14.11. Assignment. The City reserves the right to assign this Agreement to any public entity in the State of Washington which is its successor in interest. Contractor shall not assign its rights and/or obligations under this Agreement without the prior written consent of the City, which may not be unreasonably withheld.

14.12. Limitation on Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE OR RESPONSIBLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), WHETHER BASED UPON BREACH OF AGREEMENT OR WARRANTY, NEGLIGENCE, STRICT TORT LIABILITY OR OTHERWISE, AND EACH PARTY'S LIABILITY FOR

DAMAGES OR LOSSES HEREUNDER SHALL BE STRICTLY LIMITED TO DIRECT DAMAGES THAT ARE ACTUALLY INCURRED BY THE OTHER PARTY. IN NO EVENT SHALL ANY OFFICIAL, EMPLOYEE, MEMBER, MANAGER, OFFICER OR EMPLOYEE OF EITHER PARTY BE LIABLE FOR THE ACTS OR OMISSIONS OF EITHER PARTY UNDER THIS AGREEMENT.

14.13 Day. Unless otherwise stated, “day” shall mean a calendar day. If the last day of any deadline stated in this Agreement is on a Saturday, Sunday or legal holiday, the deadline shall run until the next business day.

14.14 Amendments. This Agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto.

IN WITNESS WHEREOF, this Agreement is executed by the persons signing below, who warrant and represent that they have the authority to execute this Agreement.

CITY OF WENATCHEE:

COAST WENATCHEE, LLC:

By: \_\_\_\_\_  
Frank Kuntz, Mayor

By: \_\_\_\_\_  
Douglas Rigoni

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

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

**EXHIBIT A**

**WENATCHEE CONVENTION CENTER  
FACILITY DESCRIPTION**

**[DESCRIPTION OF CURRENT FACILITY TO BE INCLUDED AS WELL AS ANY EXPANSION OR ADDITION AS MAY BE ADDED IN THE FUTURE]**

**[FACILITY TO INCLUDE USAGE IF LEGALLY PERMISSIBLE OF THE OUTDOOR GROUNDS INCLUDING PLAZA, THOUGH UNLESS SUCH USAGE IS EXCLUSIVE TO THE CONVENTION CENTER, CITY SHALL PAY FOR ALL OUTDOORS SECURITY COSTS, MAINTENANCE COSTS, LANDSCAPING COSTS, UTILITY COSTS, AND SHALL PROCURE INSURANCE COVERAGES FOR THE OUTDOOR SPACE]**

**DRAFT**

## **EXHIBIT B**

### **WENATCHEE CONVENTION CENTER FACILITY MAINTENANCE**

#### **1. QUALITY**

All work and services shall be performed and completed in accordance with best modern practices, and no detail necessary therefore shall be omitted, although specific mention thereof may not be made in the specifications.

#### **2. EQUIPMENT**

The Contractor shall furnish all tools and equipment normally used by the janitorial service field. Equipment includes but is not limited to the following:

- 2.1. Scrubbers, buffers, vacuum cleaners, carpet shampooers, extractors, and such other special equipment as may be required. Equipment currently in use will remain onsite for use by contractor.
- 2.2. Mops and mop heads, mop pails, wringers, squeegees, brooms, dust tools and covers, brushes, dust pans, buckets and cleaning rags, abrasive pads, sponges and sprayers, etc.

The City shall furnish all tools and equipment necessary to fulfill its building maintenance responsibilities contained in this Agreement. The City shall also provide a scissor lift on each floor of the Facility for the use of both the City and the Contractor. Any Contractor staff member needing to use the lift to perform maintenance or janitorial service shall be trained in the proper and safe use of the lift. Such training shall be documented on a form provided by the City prior to the use of the lift by Contractor's staff.

The City shall provide all labor and parts to maintain said equipment in good repair. The Contractor shall utilize the work order system that as it currently exists or is changed in the future to make the City aware of any maintenance items needing attention. The City shall affect repairs within 5 business days unless parts or contractor availability require additional time. The City will make the Contractor aware of the expected completion for items taking more than 5 days.

#### **3. SUPPLIES**

- 3.1 The Contractor shall furnish all cleaning and janitorial supplies normally used in the janitorial service field to include but not limited to the following:
  - 3.1.1 Detergents, strippers, sealers, wax and/or floor finish agents.
  - 3.1.2 Furniture polish, glass cleaner, stainless steel polish, general purpose cleaner, and bowl cleaner.

- 3.1.3 Plastic liners for all trash receptacles in restrooms, lobbies, meeting rooms, kitchen, storage areas and offices.
- 3.1.3 Hand soap, toilet tissue, bleached paper hand towels, seat covers (if required), and other similar consumable materials required for direct public use.
- 3.1.4 Walk-off or entrance carpets or pads.
- 3.2 Maintenance supplies and items to be furnished by the Contractor are:
  - 3.2.1 All lamps, light bulbs, florescent tubes, light emitting diodes (LED's) etc.
  - 3.2.2 Soap dispensers, towel dispensers, and tissue dispensers. If the Contractor desires to change or replace the dispensers which are in place at the execution of this Agreement, the City must provide approval of the dispensers to be used and the Contactor will be responsible for any wall/surface repair necessitated by the removal of the existing dispenser and/or the installation of the new dispenser.
- 3.3 The Contractor shall be responsible for the security of all supplies and materials which it furnishes under the Agreement.
- 3.4 The Contractor shall be responsible for utilizing materials and supplies so as not to be harmful or detrimental to the surfaces, or to any other part of the building, or to its contents or equipment to which it may be applied.
- 3.5 Maintenance supplies and items to be furnished by the City which are not considered an expense of the Facility are:
  - 3.5.1 All filters and filter equipment used in air handling equipment.
  - 3.5.2 All repair parts or replacement parts necessary to carry out its responsibilities contained in this Agreement excepting, however, repair parts or replacement parts resulting from Contractor's negligence.
  - 3.5.3 All refrigerate gases used in air conditioning equipment.
  - 3.5.3 All deicer for snow and ice control.
  - 3.5.4 All insecticides and fertilizers used in landscaping.
  - 3.5.5 City will be responsible for all ice machines.

#### 4. CONTRACTOR'S DUTIES AND RESPONSIBILITIES

The Contractor shall furnish the following services:

- 4.1 Full janitorial services for the entire Facility.

- 4.2 All exterior and interior faces of windows, glass, and entrance doors will be cleaned at least two (2) times per year.
- 4.3 Maintenance of the entries and common areas within the perimeter sidewalk of the facility. This includes emptying trash receptacles and ash trays and monitoring/sweeping between the public sidewalk and the building. This shall not include the outdoor areas including the fountain.
- 4.4 Repairs, servicing, maintenance, upkeep, for the entire building excluding those items detailed in Section 8 of the Agreement.
- 4.5 The Contractor shall deposit all trash, refuse, and solid waste in a refuse container provided by the City's solid waste contractor in the exterior service yard.

## 5. CITY'S DUTIES AND RESPONSIBILITIES

The City will perform a detailed study and survey of the existing audio/video presentation equipment and technology systems with a plan to align systems with similar level of local competitors and shall bring it up to full working condition at which time the Contractor will assume operational and maintenance responsibility for the system. Any repairs and maintenance of such equipment shall be the responsibility of the City. The detailed study and survey shall be coordinated with Contractor and when complete shall be provided to Contractor for input and comment. The City shall regularly update Contractor on status of each item identified on the study and survey.

## 6. CLEANING REQUIREMENTS

This Section outlines the minimum acceptable standards:

### 6.1 Floor Maintenance.

- 6.1.1 General. For all operations where furniture and equipment must be moved, no chairs, wastepaper baskets, or other similar items shall be stacked on desks, tables, or window sills.

Baseboards, walls, stair risers, furniture, and equipment shall, in no way, be splashed, disfigured or damaged during these operations.

Proper precautions shall be taken to advise building occupants of wet and/or slippery floor conditions. This applies during inclement weather, as well as during cleaning operations.

- 6.1.2 Carpet – Vacuuming and deep cleaning. Contractor shall be responsible for maintaining the carpet in accordance with manufacturer's recommendations in order to keep the carpet clean, eliminate staining and prolong the life of the carpet. The Contractor shall have the following responsibilities:

- a. The carpet shall be vacuumed after each event in each space.

- b. Stains shall be treated/cleaned immediately according to manufacturer's recommendations and not be allowed to set into the carpet after an event.
- c. Carpet shall be deep cleaned, according to manufacturer's recommendations at least two times per year, or more if needed to appear clean.

6.1.2 Sweeping, Dust Mopping, and Damp Mopping. After sweeping, dust mopping and damp mopping operations, all floors shall be clean and free of dirt streaks. No dirt shall be left in corners, behind radiators, under furniture, behind doors, on stair landings and treads.

There shall be no dirt, trash, or unnecessary material under tables or chairs.

6.1.3 Wet Mopping and Scrubbing. The floors shall be properly prepared, thoroughly swept or dust mopped to remove visible dirt and debris; removal of wads of gum, tar, and similar substances from the floor surface. Upon completion of the mopping and scrubbing, the floors shall be clean and free of dirt, water streaks, mop marks, string, etc., properly rinsed and dry mopped, to present an overall appearance of cleanliness. All surfaces shall be dry, and corners and cracks clean after the wet mopping or scrubbing. When scrubbing is designated, it shall be performed by machine, or by hand with a brush.

6.1.4 Waxing and Buffing. Proper preparation of a floor prior to re-waxing is considered the most important procedure in floor maintenance; therefore, special attention shall be given to the following requirements:

- a. Apply proper wax removers, stripping agents or synthetic detergents to the floor.
- b. Scrub with a floor scrubbing machine or agitate with a mop to remove all dead wax, soap film, dirt and stains.
- c. Pick up dirty solutions with mop, squeegee or wet vacuum, and thoroughly rinse with clean water, and dry.
- d. After stripping and rinsing, all stripping solution shall be removed from all furniture and equipment prior to applying new waxes or sealants.
- e. Wax shall be applied in a thin, even coat, and machine buffed immediately after drying. The number of coats applied will depend upon the type and condition of floor as determined by contractor.

6.1.5 Damp Mopping and Buffing. At the stated frequencies, floors shall be damp mopped and buffed between regular waxing operations. The floor shall be prepared by sweeping to remove all visible dirt and debris, and damp



mopping with a clean mop that has been dampened in clean cold rinse water. The floor area shall then be machine buffed to a polished appearance.

6.1.6 Miscellaneous.

- a. Rugs. After each thorough vacuuming, all rugs shall be clean, free from dust balls, dirt, and other debris.
- b. Elevators. Interior of elevators are to be vacuumed, cleaned, dusted, and polished; and shall be maintained in a neat and clean appearance.
- c. Toilets. Special attention shall be given to floors around urinals and commodes for elimination of odors and stains, and to provide a uniformly clean appearance throughout.
- d. Walk-off or Entrance Carpets. Walk-off or entrance carpets shall be maintained neatly in the proper positions, free of wrinkles and bunching. Soiled carpets shall be replaced.
- e. Restroom Cleanliness. The restrooms shall be maintained in a clean and presentable condition at all times. The refuse containers shall be emptied before they reach an overflowing state, and all of the dispensers of paper products and soaps shall be stocked on a regular basis.

6.2 Dusting. Dust shall not be moved from spot to spot, but removed directly from the areas in which it lies by the most effective means – appropriately treated dusting cloths, vacuum tools, etc. When doing high cleaning, dust shall not be allowed to fall from high areas onto furniture and equipment below. The following conditions shall exist after the completion of each dusting task:

6.2.1 There shall be no dust streaks;

6.2.2 Corners, crevices, molding, and ledges shall be free of all dust;

6.2.3 There shall be no oils, spots, or smudges on dusted surfaces caused by dusting tools;

6.3 Damp Wiping. This task consists of using a clean damp cloth or sponge to remove all dirt, spots, streaks, and smudges from walls, glass and other specified surfaces; and then drying to provide a polished appearance. The wetting solution shall contain an appropriate cleaning agent. When damp wiping in toilet areas, a multi-purpose (disinfectant-deodorizer) cleaner shall be used.

6.4 Bright Metal Polishing. Bright metal polishing may be performed by damp wiping and drying with a suitable cloth if a polished appearance is attained.

- 6.5 Policing. This job includes the performance of the following tasks at the required frequencies:
- 6.5.1 Picking up and removing from areas as designated in the building all paper, trash, rubbish, empty bottles, and other discarded materials;
  - 6.5.2 Maintaining wall hung and floor type ash receptacles in a neat and presentable condition;
  - 6.5.3 Picking up and removing from areas inside the building wads of gum, spots of tar, and other foreign substances;
  - 6.5.4 Tidying up drinking fountains and glass surfaces;
  - 6.5.5 Mopping up wet areas caused by spillages, accidents, or inclement weather.
- 6.6 Window Washing and Glass Cleaning. All Interior and exterior windows surfaces shall be cleaned semiannually. After each washing operation, all glass shall be clean and free of dirt, grime, streaks, excessive moisture, and shall not be cloudy.
- Glassware moved during the operation shall be returned to its original position. Window sash, sills, woodwork about interior glass, and other such surroundings shall be thoroughly wiped free of drippings and other marks. In addition to the semiannual cleaning, Contractor shall clean interior glass surfaces as needed to maintain a first-class appearance.
- 6.7 Porcelain Ware Cleaning. Porcelain fixtures (drinking fountains, wash basins, urinals, toilets, etc.) shall be clean and bright. There shall be no dirt, spots, stains, rust, green mold, encrustation or excess moisture. Walls and floor adjacent to fixtures shall be kept free of spots, drippings, and water marks. Drinking fountains shall be kept free of trash, ink, coffee grounds, etc., and nozzles free of encrustations.
- 6.8 Spot Cleaning. Following this cleaning operation, smudges, marks, or spots shall have been removed from the designated areas without causing unsightly discolorations.

## 7. CLEANING FREQUENCIES

General minimum cleaning of the Center shall be accomplished at whatever frequency is required to maintain the Facility in a first-class condition. When the Facility is in use, the restrooms must be cleaned, stocked and have garbage receptacles emptied at least dally.

The kitchen area and related food preparation and storage areas are to be maintained in a clean and sanitary condition at all times so as to comply with local health and sanitary regulations. The contractor shall be responsible for periodically cleaning all grease hoods, ovens, deep fat fryers, kettles, mixers, grills, etc., used in the food preparation process. The

Contractor shall use no cleaning products in the washing of dishes that will cause fats, oils or grease to bypass the grease interceptor.

DRAFT

**EXHIBIT C**  
**REPORTING REQUIREMENTS FOR USE OF**  
**LODGING TAX FUNDS**

According to Section 4.3 of this Agreement, by September 1 of each year, the City will need an estimate of convention attendance for the coming year defined by the table below:

<b>As a direct result of your proposed tourism-related service, provide an estimate of:</b>	
a. Overall attendance at your proposed event/activity/facility:	
b. Number of people who will travel more than 50 miles for your event/activity:	
c. Of the people who travel more than 50 miles, the number of people who will travel from another country or state:	
d. Of the people who travel more than 50 miles, the number of people who will stay overnight in Wenatchee or the Wenatchee area:	
e. Of the people staying overnight, the number of people who will stay in PAID accommodations (hotel/motel/bed-breakfast) in Wenatchee or the Wenatchee area:	
f. Number of paid lodging room nights resulting from your proposed event/activity/facility: <i>(Example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights)</i>	

By February 1 of the year following, the following table of results will need to be provided to the City:

<b>As a direct result of your proposed tourism-related service, provide an estimate of:</b>	
a. Overall attendance at your proposed event/activity/facility:	
b. Number of people who will travel more than 50 miles for your event/activity:	
c. Of the people who travel more than 50 miles, the number of people who will travel from another country or state:	
d. Of the people who travel more than 50 miles, the number of people who stayed overnight in Wenatchee or the Wenatchee area:	
e. Of the people staying overnight, the number of people who stayed in PAID accommodations (hotel/motel/bed-breakfast) in Wenatchee or the Wenatchee area:	
f. Number of paid lodging room nights resulting from your proposed event/activity/facility: <i>(Example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights)</i>	

## APPENDIX 1

### DEFINITIONS

The following terms are defined in this Agreement:

<b>Term</b>	<b>Agreement Section</b>
<b>Agreement</b>	Preamble
<b>Capital Improvement</b>	8.1
<b>City</b>	Preamble
<b>Clients</b>	4.15
<b>Commission</b>	5.1
<b>Contractor</b>	Preamble
<b>Contractor Commission</b>	13.4
<b>Cure Period</b>	14.4.1
<b>Date of Mutual Execution</b>	1
<b>Day</b>	14.13
<b>Effective Date</b>	1
<b>Equipment</b>	8.4
<b>Facility</b>	Recital
<b>Facility Gross Revenues</b>	5.1
<b>Facility Renovation</b>	5.1
<b>First Renewal Term</b>	7.2.1
<b>Hotel</b>	Recital
<b>Hotel Renovation Capital</b>	7.2.1
<b>Initial Term</b>	7.2.1
<b>Inventory</b>	8.3
<b>Laws</b>	12.2
<b>Losses</b>	12.1
<b>Party or Parties</b>	Preamble
<b>Physical Plant</b>	8.6.2
<b>Product Improvement Plan (PIP)</b>	7.2.1
<b>Second Renewal Term</b>	7.2.2
<b>Services</b>	2



## CITY COUNCIL AGENDA REPORT

**TO:** Frank Kuntz, Mayor  
City Council

**FROM:** Ryan Harmon, Project Engineer  
Public Works Department

**MEETING DATE:** March 9, 2023

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**I. SUBJECT**

City Project No. 2002 – Pershing & Poplar Sewer Extension  
Change Order for Roadway Rebuild of Pershing Street / New City Tax Rate

**II. ACTION REQUESTED**

Motion requested for the City Council to authorize the Mayor to execute Change Order 9 with Matia Contractors, Inc. for the Pershing & Poplar Sewer Extension, City Project # 2002.

**III. OVERVIEW**

The City awarded the construction contract to Matia Contractors, Inc. in December 2021. Through the course of the construction, the contractor has encountered gravelly sand that has led to the trenches caving in and rebuild widths extending well beyond the anticipated limits. This has not only resulted in additional time needed to complete this project, but has also added to the reconstruction requirements for this project.

Pershing Street, for a majority of this project, lies within Chelan County right-of-way. The existing Franchise Agreement for Sewer indicates specific roadway rebuild requirements. The original construction documents specified a 5-7ft pavement rebuild with a half-street overlay. Now that the trench widths for the sewer installation have encroached over the roadway centerline, this project will need to rebuild the trench section for widths up to 20ft and also construct a 2-inch overlay for the limits of the project on Pershing Street.

Additionally, this change order will set the City's sales tax rate to 8.7% for the remaining work of the contract.

**IV. FISCAL IMPACT**

The 2022 budget included \$1,349,000 for construction of this project through the Sewer Utility Fund (Fund 405). The estimated cost of Change Order 9 is \$112,667.35. This will bring the total contract amount to \$1,048,449.34.

**V. PROPOSED PROJECT SCHEDULE**

Construction went into a winter shut down this past November and is expected to resume

March 13<sup>th</sup>. Based on the schedule provided by the contractor, this project will be wrapped up mid-April.

VI. **REFERENCE(S)**

1. Project Photos
2. Change Order 9 – Roadway Rebuild of Pershing Street / New City Tax Rate

**2. ADMINISTRATIVE ROUTING**

Rob Jammerman, Public Works Director  
Jessica Shaw, Deputy Public Works Director  
Jake Lewing, City Engineer  
Jacob Huylar, Engineering Services Manager  
Natalie Thresher, Financial Analyst  
Tammy Stanger, City Clerk  
Laura Gloria, Executive Services Director  
Brad Posenjak, Finance Director



### Project Photos







# Change Order

Contract Number 2002	Contract Title Pershing and Poplar Sewer Extension	Federal Aid Number N/A
Change Order Number 9	Change Description Roadway Rebuild of Pershing Street / New City Tax Rate	Date 3/1/2023
Prime Contractor / Design-Builder Matia Contractors		

Ordered by Engineer under the terms of Section 1-04.4 of the Standard Specifications

Change proposed by Contractor / Design-Builder

Change Description

1) DESCRIPTION OF CHANGE ORDER


During the contract work the Contractor encountered gravelly sand that has led to the trench width extending beyond the roadway centerline on Pershing Street. As this portion of Work takes place on Chelan County ROW, Pershing Street shall now include a full street overlay for the extents of the project. This change order is created to capture the changed rebuild limits and overlay limits. Also included in this change order is the revision of City Sales Tax from 8.6% to 8.7%.

2) BID ITEMS MODIFIED BY THIS CHANGE ORDER

- Item No. 12 - Roadway Excavation Incl. Haul: Quantity is increased by 819 CY
- Item No. 13 - Crushed Surfacing Base Course: Quantity is increased by 947 TON
- Item No. 14 - Crushed Surfacing Top Course: Quantity is increased by 189 TON
- Item No. 15 - Planing Bituminous Pavement: Quantity is increased by 284 SY
- Item No. 16 - HMA Cl. 1/2" PG 64-28: Quantity is increased by 405 TON

Verbal Approval Given By	Verbal Approval Date	Working Days +/- 2
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Original Contract Amount \$892,192.49	Current Contract Amount \$935,781.99	Est. Net Change This C.O. \$112,667.35	Est. Contract Amount \$1,048,449.34
------------------------------------------	-----------------------------------------	-------------------------------------------	----------------------------------------

Approval Recommended  Project Engineer 3/1/2023 Date	<input checked="" type="checkbox"/> Approved	Approved _____ Approving Authority per C.A. Agreement _____ Date
Approval Recommended _____ By Prime Contractor _____ Date		Other Approval As Required _____ Signature _____ Date _____ Representing

Contract Number 2002	Contract Title Pershing and Poplar Sewer Extension	Change Order Number 9
-------------------------	-------------------------------------------------------	--------------------------

Change Description Cont.

**3) WORKING DAYS ADDED/ SUBTRACTED**

2 Working days are added as a part of this Change Order. Working days were added for the rebuild section in Change Order 7. These 2 working days are added for the additional overlay work.

**4) COST OF CHANGE ORDER**

The total cost of Change Order 9 is \$112,667.35 before taxes. The cost is based on the following calculations.

- Item No. 12 - Roadway Excavation Incl. Haul: 819 CY x \$25.45 = \$20,843.55
- Item No. 13 - Crushed Surfacing Base Course: 947 TON x \$37.45 = \$35,465.15
- Item No. 14 - Crushed Surfacing Top Course: 189 TON x \$38.10 = \$7,200.90
- Item No. 15 - Planing Bituminous Pavement: 284 SY x \$1.75 = \$497.00
- Item No. 16 - HMA Cl. 1/2: PG 64-28: 405 TON x \$120.15 = \$48,660.75

**5) PLAN SHEETS MODIFIED BY THIS CHANGE ORDER**

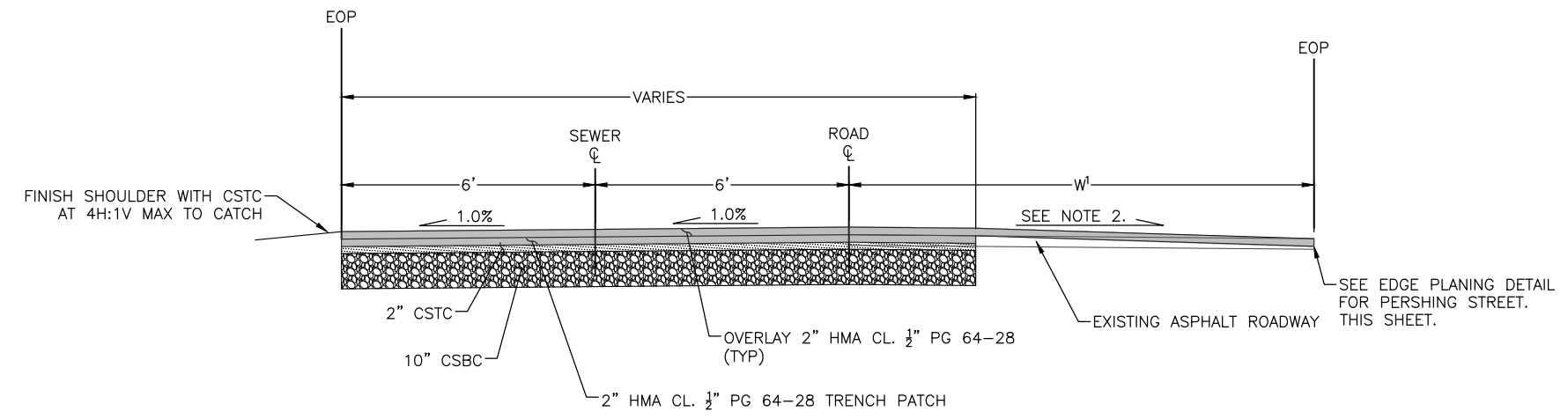
Sheet MD4 is added to the plan set. Sheets SP3 and SP4 are modified by this change order.

**6) SPECIFICATIONS MODIFIED BY THIS CHANGE ORDER**

No specifications are modified by this change order.

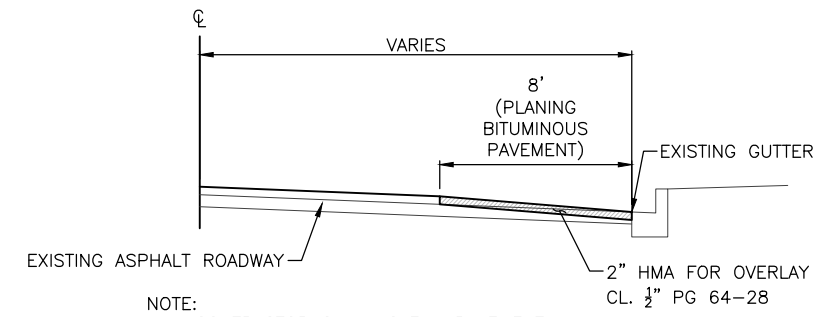
**7) SALES TAX MODIFIED BY THIS CHANGE ORDER**

City Sales Tax is now 8.7% by this change order.



**5 ROADWAY REBUILD - PERSHING ST**  
Scale: N.T.S.

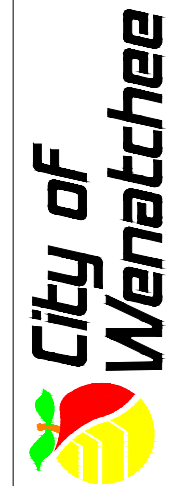
- NOTES:
- C 101+30 TO C104+75: W=10'  
C 104+75 TO C107+60: W=12'  
C 107+60 TO C112+10: W=18'  
C 112+10 TO C112+49: W=12'
  - SLOPE SHALL BE 1.0% TYP WHERE THERE IS NO CURB. SLOPE TO MATCH GUTTER LINE WHERE APPLICABLE.
  - OVERLAY NOTE:  
WHERE EXISTING ASPHALT DRIVEWAYS MEET NEW ROADWAY OVERLAY, CONTRACTOR SHALL OVERLAY AND FEATHER NEW PAVEMENT ONTO DRIVEWAY TO PROVIDE A SMOOTH TRANSITION FROM EXISTING TO PROPOSED PAVING. APPLICATION OF A THIN TACK COAT OF EMULSIFIED ASPHALT SHALL BE APPLIED TO ENSURE PROPER BONDING.



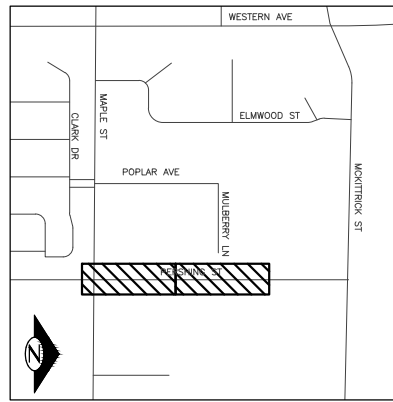
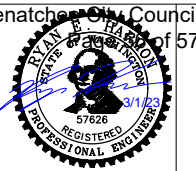
- NOTE:
- CONTRACTOR SHALL CLEAN PAVEMENT WITH STREET SWEEPER PRIOR TO PLACING TACK COAT. DRIVEWAYS AND SIDEWALKS SHALL ALSO RECEIVE SWEEPING.

**2 EDGE PLANING DETAIL FOR PERSHING**  
Scale: N.T.S.

**PERSHING & POPLAR  
SEWER EXTENSION  
ROADWAY REBUILD - PERSHING ST**



SCALE: N/A	DESIGNED: REH	DRAWN: REH	DATE DRAWN: 10/11/2021	REVISIONS: CO #9
APPROVED BY:	APPROVED BY:	CHECKED: JUH	DATE APPROVED:	
DRAWING NAME: 2002_p-def1.dwg				
PROJECT NO. 2002		SHEET 18.1 OF 27		
MD4		NEW SHEET		



KEYMAP

LEGEND:

- CEMENT CONC. TRAFFIC CURB AND GUTTER
- 4" HMA CL. 1/2" PG 64-28 OVER 2" CSTC OVER 10" CSBC
- 2" HMA CL. 1/2" PG 64-28 OVERLAY
- CEMENT CONC. SIDEWALK PER CITY OF WENATCHEE DETAILS R-100 AND R-101
- 4" CSTC DRIVEWAY
- LANDSCAPE RESTORATION PER SPECIAL PROVISIONS

NOTES:

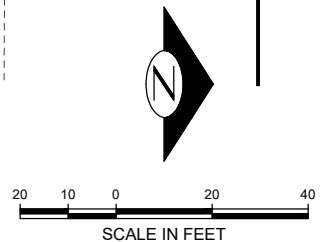
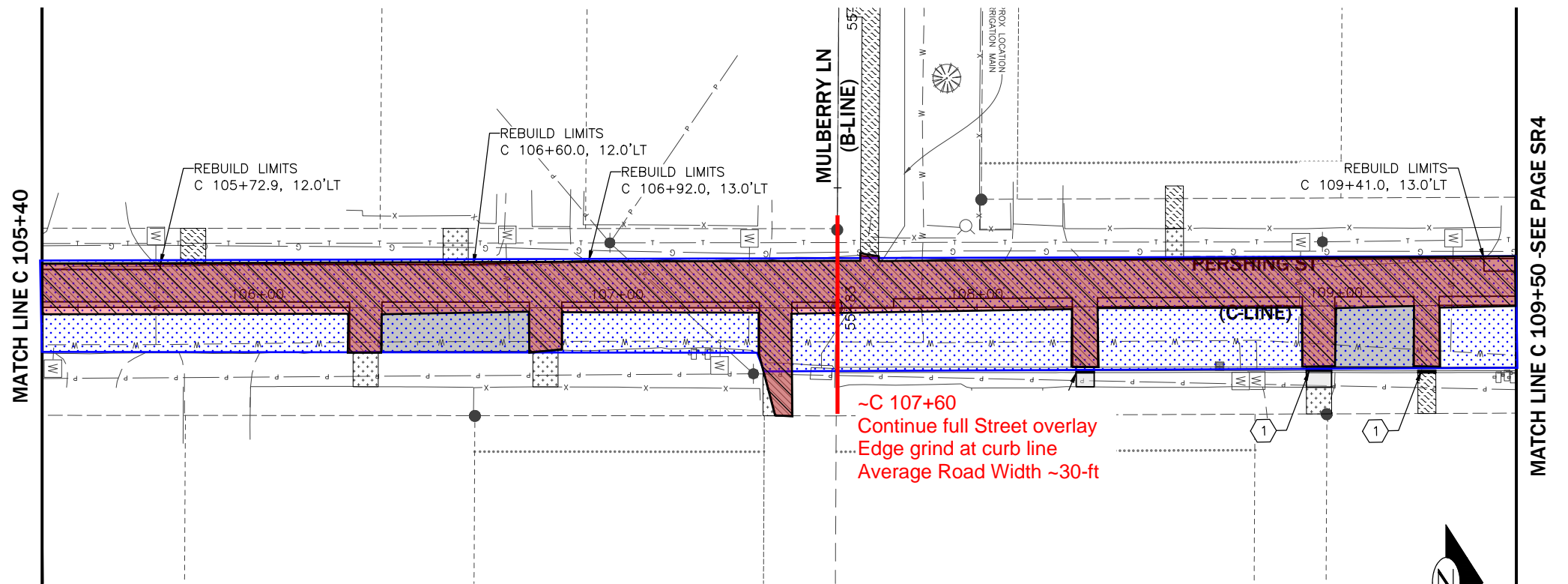
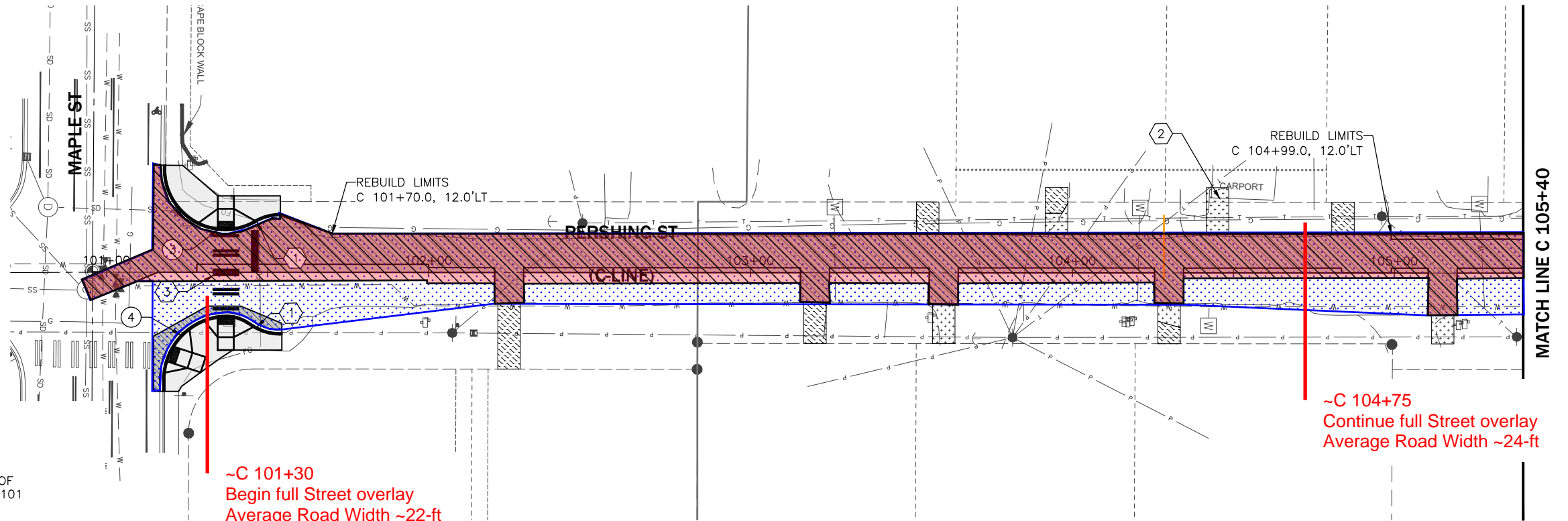
1. SEE DRAWING HC1 FOR ALIGNMENT AND CONTROL DATA.
2. FULL BUILD AND OVERLAY LIMITS SHALL MATCH TRENCH DETAILS ON SHEET MD1 AND MD2.
3. SEE SP SHEETS FOR UTILITY ADJUSTMENTS.
4. WHERE CEMENT CONC. SIDEWALK IS BEING PLACED IN DRIVEWAYS, THE CONCRETE SHALL BE 6 INCHES THICK CL. 4000.

CONSTRUCTION NOTES:

1. CONSTRUCT CEMENT CONC. TRAFFIC CURB AND GUTTER PER WSDOT STD. PLAN F-10.12. MATCH SAWCUT LIMITS ON SHEETS SP1-SP4.
2. CEMENT CONC. PEDESTRIAN CURB PER WSDOT STD. PLAN F-10.12. CURB WIDTH AND HEIGHT TO MATCH EXISTING.
3. INSTALL PLASTIC WHITE CROSSWALK MARKING AND PLASTIC WHITE STOP BAR PER DETAIL ON SHEET SR4.

CURB RETURN NOTES:

- X SEE DRAWING CR1-CR3 FOR CURB RETURN AND CURB RAMP DETAILS.



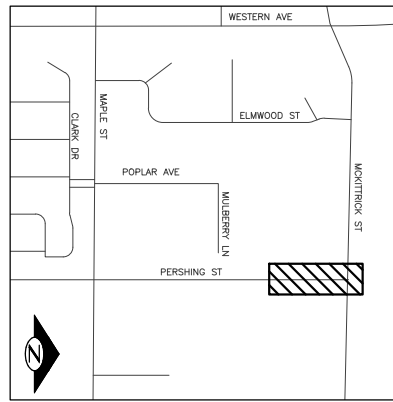
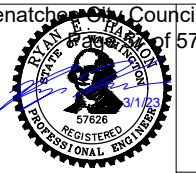
Mar 01, 2023 - 8:44am rharmon X:\Engineering\City Projects\2020 Projects\2002 - Pershing & Poplar Sewer Extension\CAD\02-Design Drawings\B-Sheets\2002\_P\_PAVE.dwg Layout Name: SR3

PERSHING & POPLAR  
SEWER EXTENSION  
SITE RESTORATION PLAN - PERSHING



SCALE: AS SHOWN	DATE DRAWN: 10/11/2021	REVISIONS
DESIGNED: REH	CHECKED: JAH	CO #9
APPROVED BY:	DATE APPROVED:	
DRAWING NAME: 2002_p-pave.dwg		
PROJECT NO. 2002		
SR3		
SHEET 21	OF 27	





KEYMAP

**LEGEND:**

- CEMENT CONC. TRAFFIC CURB AND GUTTER
- 4" HMA CL. 1/2" PG 64-28 OVER 2" CSTC OVER 10" CSBC
- 2" HMA CL. 1/2" PG 64-28 OVERLAY
- CEMENT CONC. SIDEWALK PER CITY OF WENATCHEE DETAILS R-100 AND R-101
- 4" CSTC DRIVEWAY
- LANDSCAPE RESTORATION PER SPECIAL PROVISIONS

**NOTES:**

1. SEE DRAWING HC1 FOR ALIGNMENT AND CONTROL DATA.
2. FULL BUILD AND OVERLAY LIMITS SHALL MATCH TRENCH DETAILS ON SHEET MD1 AND MD2.
3. SEE SP SHEETS FOR UTILITY ADJUSTMENTS.
4. WHERE CEMENT CONC. SIDEWALK IS BEING PLACED IN DRIVEWAYS, THE CONCRETE SHALL BE 6 INCHES THICK CL. 4000.

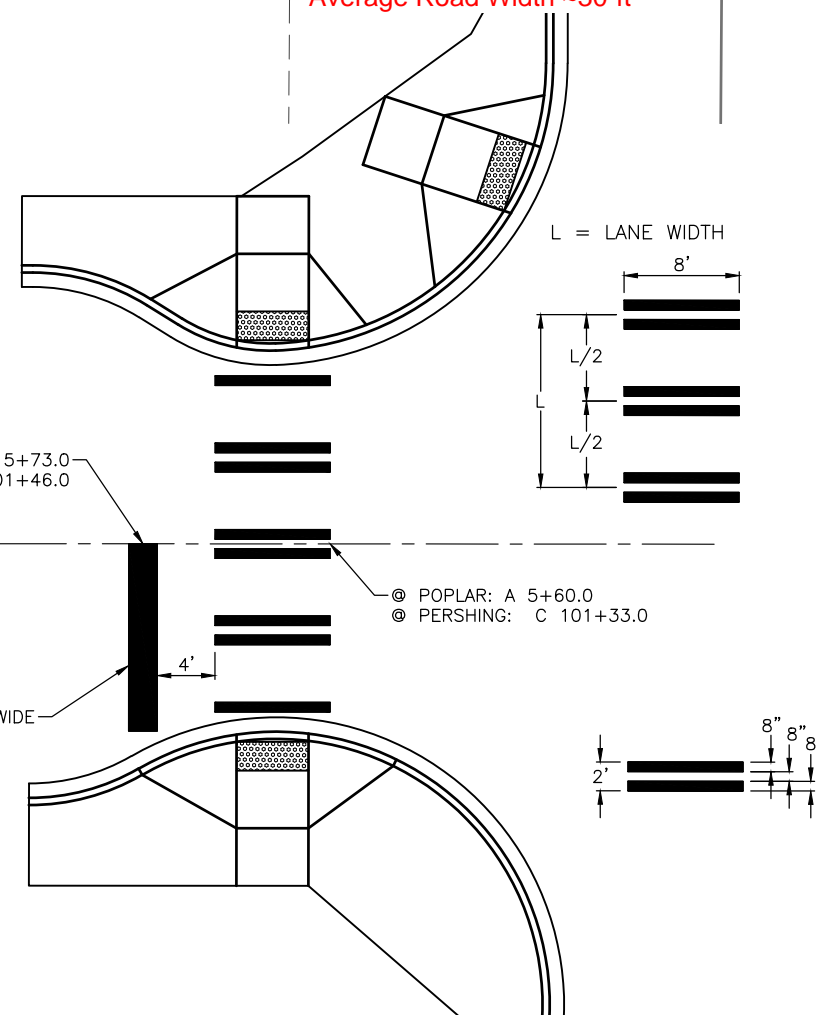
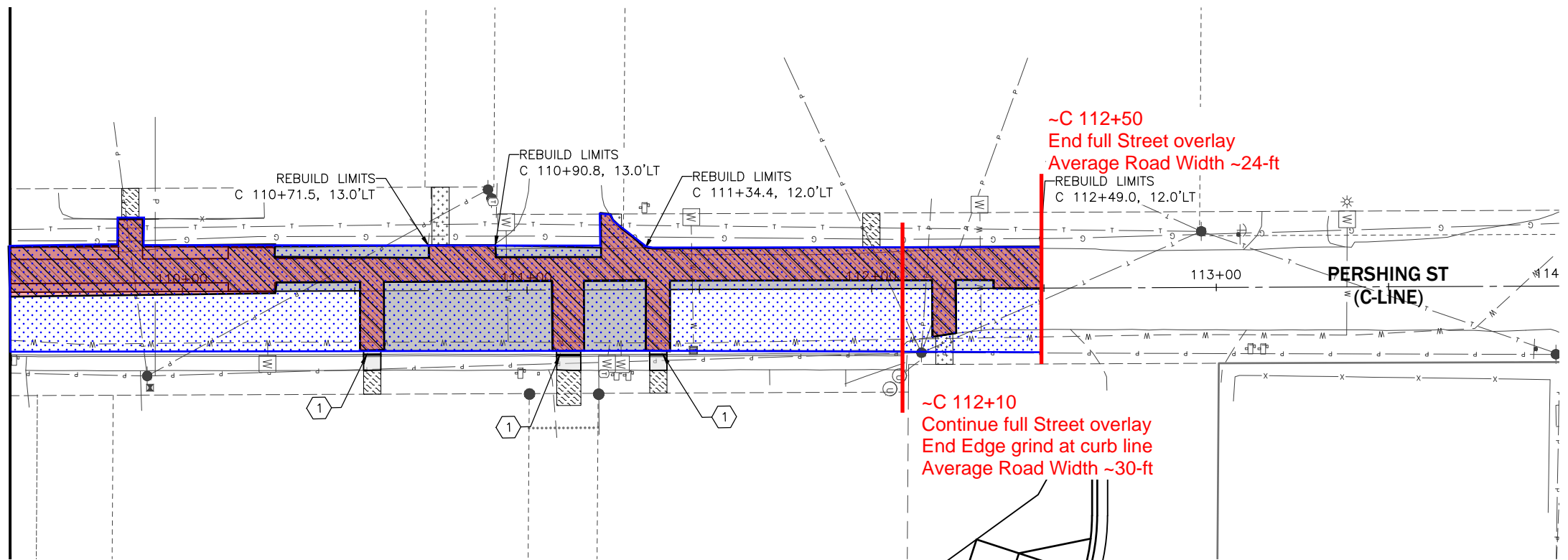
**CONSTRUCTION NOTES:**

1. CONSTRUCT CEMENT CONC. TRAFFIC CURB AND GUTTER PER WSDOT STD. PLAN F-10.12. MATCH SAWCUT LIMITS ON SHEETS SP1-SP4.
2. CEMENT CONC. PEDESTRIAN CURB PER WSDOT STD. PLAN F-10.12. CURB WIDTH AND HEIGHT TO MATCH EXISTING.
3. INSTALL PLASTIC WHITE CROSSWALK MARKING AND PLASTIC WHITE STOP BAR PER DETAIL ON SHEET SR4.

**CURB RETURN NOTES:**

- (X) SEE DRAWING CR1-CR3 FOR CURB RETURN AND CURB RAMP DETAILS.

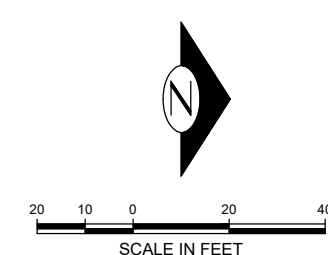
MATCH LINE C 109+50 - SEE PAGE SR3



**NOTES:**

1. LOWER LANDING OF CURB RAMP SHALL FALL WHOLLY WITHIN CROSSWALK LINES.
2. EXACT LOCATION OF CROSSWALK SHALL BE APPROVED BY THE CITY OF WENATCHEE.
3. EXISTING CROSSWALK MARKINGS THAT CONFLICT WITH NEW CROSSWALK MARKINGS SHALL BE REMOVED BY GRINDING.

1 STANDARD CROSSWALK AND STOP BAR DETAIL  
Scale: N.T.S.



**PERSHING & POPLAR  
SEWER EXTENSION  
SITE RESTORATION PLAN - PERSHING**



DATE DRAWN 10/11/2021	DESIGNED REH	DRAWN REH	CHECKED JUH	REVISIONS CO #9
DATE APPROVED	APPROVED BY	DRAWING NAME 2002_p-pave.dwg		
PROJECT NO. 2002				
SHEET 22				
OF 27				