

# City of Redmond



## Agenda

**Tuesday, October 28, 2025**

**4:30 PM**

**City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziplify Ch. 34,  
Facebook (@CityofRedmond), Redmond.gov/rctvlive, or 510-335-7371**

### **Committee of the Whole - Parks and Environmental Sustainability**

#### **Committee Members**

*Angie Nuevacamina, Presiding Officer*

*Jeraloe Anderson*

*Steve Fields*

*Jessica Forsythe*

*Vanessa Kritzer*

*Osman Salahuddin*

*Melissa Stuart*

*Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctlive), Comcast Channel 21/321, Ziply Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371*

### **AGENDA**

#### **ROLL CALL**

#### **A. Action Items - 15 minutes**

1. Amendment to the Operational Services Agreement between [CM 25-562](#)  
the City of Redmond and Wave Aquatics

[Attachment A: Contract Amendment](#)

[Attachment B: 2020-2025 Redmond Pool Contract](#)

*Department: Parks and Recreation, 10 minutes*

*Requested Action: Consent, November 18th*

2. Award Parks Impact Fee Study Contract to The FCS, a [CM 25-558](#)  
Bowman company, in the Amount of \$79,890

[Attachment A: Bid Submittal from the FCS, a Bowman Company](#)

*Department: Parks and Recreation, 5 minutes*

*Requested Action: Consent, November 18th*

#### **B. Feedback for Study Session - N/A**

#### **C. Informational - 30 minutes**

1. Environmental Sustainability Action Plan Implementation [CM 25-564](#)  
Update - October 2025

[Attachment A: Implementation Update](#)

*Department: Executive, 5 minutes*

*Requested Action: Informational*

2. Old Fire House Facility Recommendation Process Update [CM 25-559](#)

[Attachment A: Old Fire House Facility Recommendation Process \(1\)](#)

[Attachment B: Community and Stakeholder Outreach and Involvement](#)

*Department: Parks and Recreation, 10 minutes*

*Requested Action: Informational*

3. Volunteer Program Update [CM 25-555](#)

*Department: Parks and Recreation, 5 minutes*

*Requested Action: Informational*

4. Events Recap 2025 [CM 25-566](#)

[Attachment A: Event Permits and Derby Days Recap 2025](#)

*Department: Parks and Recreation, 5 minutes*

*Requested Action: Informational*

5. Redmond Lights 2025 Program Plan [CM 25-567](#)

[Attachment A: Redmond Lights Programming Plan 2025](#)

*Department: Parks and Recreation, 5 minutes*

*Requested Action: Informational*

**D. Read Only - N/A**

**E. Items from Other Committees - 15 minutes**

1. Mobile Command Post Tour for Council [CM 25-570](#)

**ADJOURNMENT**

*Meeting videos are usually posted by 12 p.m. the day following the meeting at [redmond.legistar.com](http://redmond.legistar.com), and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at [redmond.gov/OnDemand](http://redmond.gov/OnDemand)*



## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-562

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-556-2336 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |               |                       |
|-------|---------------|-----------------------|
| Parks | Zach Houvener | Parks Deputy Director |
| Parks | Erica Chua    | Recreation Manager    |

**TITLE:**

Amendment to the Operational Services Agreement between the City of Redmond and Wave Aquatics

**OVERVIEW STATEMENT:**

The City is looking to exercise the final renewal option from the 2020 Operational Services Agreement, extending Wave Aquatics' management of the Redmond Pool for five years from January 1, 2026 - December 31, 2030. This amendment enhances the 15-year partnership by strengthening community access provisions, updating operational standards, and modernizing compliance requirements to better serve Redmond residents.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**

PARCC Plan

- **Required:**

N/A

- **Council Request:**

N/A

- **Other Key Facts:**

While council approval is not legally required for this particular contract renewal, the substantive amendments warrant council and community awareness. These clarifications establish standards for customer service, resident priority access, fee assistance administration, operational reporting, and community programming allocation.



**OUTCOMES:**

**Enhanced Community Access:** 200 hours annually of guarded pool time for city programming (3 hours weekly, plus 3 additional hours weekly during June - August). Priority registration for Redmond Residents (98052 zip code) with one-week advanced registration periods, minimum of 55% of peak hours reserved for community-based programming, and alignment in fee assistance program administration.

**Customer Service / Quality Standards:** Customer Service training aligned with the City of Redmond customer service standards, Comprehensive operational reporting with detailed program allocation and utilization metrics, and quarterly revenue analysis.

**Operational Efficiency:** Responsibility for routine maintenance and day-to-day operations, maintenance obligations, clarity on communication protocols, etc.

**Revenue Share:** Wave will pay the City 50% of positive net income annually. This 50/50 split remains unchanged.

- Positive Net Income from previous years, paid to the City:
  - **2024:** \$20,461
  - **2023:** \$775
  - **2019-2022:** No positive net income, no payment received

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

N/A

**Approved in current biennial budget:**

☐ Yes

☐ No

☒ N/A

**Budget Offer Number:**

N/A

**Budget Priority:**

N/A

**Other budget impacts or additional costs:** ☐ Yes ☐ No ☐ N/A

**If yes, explain:**

N/A

**Funding source(s):**

N/A

**Budget/Funding Constraints:**

N/A

☐ Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

| Date | Meeting                                | Requested Action |
|------|----------------------------------------|------------------|
| N/A  | Item has not been presented to Council | N/A              |

**Proposed Upcoming Contact(s)**

| Date       | Meeting          | Requested Action |
|------------|------------------|------------------|
| 11/18/2025 | Business Meeting | Approve          |

**Time Constraints:**

Our current agreement expires December 31, 2025, if not renewed.

**ANTICIPATED RESULT IF NOT APPROVED:**

Without an approved agreement by January 1, 2026, the Redmond Pool would close immediately, requiring the City to develop an alternative operational plan. This would necessitate emergency budget amendments for direct operational costs, expedited hiring and FTE requests for staffing, significant interruptions to community members, etc.

**ATTACHMENTS:**

Attachment A - Amendment Wave Aquatics Contract

Attachment B - 2020 - 2025 Redmond Pool Contract

**AGREEMENT BETWEEN THE CITY OF REDMOND AND WAVE  
AQUATICS FOR THE OPERATION OF THE REDMOND POOL**

THIS OPERATING AGREEMENT ("the Operating Agreement") is entered by and between the City of Redmond, a Washington municipal corporation ("the City"), and Wave Aquatics, a 501(c)(3) private non-profit corporation ("Wave").

**RECITALS**

- A. The Redmond Pool ("the Pool"), located at 17535 NE 104th Street, Redmond, Washington, was built as part of the Forward Thrust Initiative in approximately 1974.
- B. From the date of its construction until April 1, 2003, the Pool was owned and operated by King County on land owned by the City, pursuant to a forty (40) year ground lease dated May 28, 1970.
- C. The ground lease expired on May 28, 2010 and the City took ownership of the Pool from King County. The City originally entered into an operating agreement for the Pool with Northwest Center, but that operating agreement was terminated in 2010 by mutual agreement.
- D. In October 2010, the City and Wave entered into an Operating Agreement under which Wave has operated the Pool. The initial October 2010 Operating Agreement expired on December 31, 2012, and was subsequently renewed to December 31, 2014 (first renewal, City Contract #7011), and was subsequently renewed again to December 31, 2016 (second renewal, City Contract #6351-3). In 2017, an amendment was executed to extend the agreement for a term of three (3) additional months, which expired March 31, 2017 (City Contract #6351-4); this amendment contained a renewal provision for up to six (6) three-month periods, which was acknowledged and affirmed by Wave and the City, by both parties having acted and performed upon the renewal provision, which expired September 30, 2018. A subsequent amendment was executed to extend the agreement to December 31, 2019 (City Contract #6351-5).
- E. Wave and the City acknowledge that the City made capital improvements to the Pool in 2010 and made essential improvements in 2019 - 2020. Repairs and improvements occurred in two phases over two years, resulting in better air and water quality, energy efficiencies, and operational savings that will help preserve the Pool for an estimated 25 to 30 years more.
- F. WAVE and the City entered into a new Operating Agreement for the Pool in September 2020 and agreed to set forth the terms and conditions of their agreement in writing. This Agreement shall run from September 1, 2020, or when construction is at substantial completion, thru December 31, 2025 for an initial term of 5 years, with one 5-year extension.

G. During the term of the 2020 agreement, both parties identified opportunities to enhance pool services, improve community access, and refine the operational framework to better serve community members in Redmond.

H. The City and Wave now desire to exercise the extension option provided in the 2020 Agreement. This amendment extends the operating agreement for an additional five (5) year term from January 1, 2026 through December 31, 2030, and incorporates the agreed upon modifications to the previous agreement.

I. Both parties acknowledge that Wave has successfully operated the pool in accordance with the 2020 agreement and this amendment represents a continuation and enhancement of their successful partnership to provide aquatic services to the Redmond community.

### **AGREEMENT**

NOW, THEREFORE, IN CONSIDERATION OF the terms and conditions set forth below, the parties agree as follows:

**1. Wave to Operate Pool.** Wave shall operate the Pool during the term of this Agreement. Operation includes providing the following at Wave's expense, in addition to any other duties prescribed in this Agreement:

A. Provide for the day-to-day operation, maintenance, and repair of the Pool in compliance with all federal, state, and local laws and regulations and in a clean, safe, and professional manner;

B. Community based programming is defined as aquatic programs and services designed to serve the public and promote community health, safety, and recreation. This **includes**:

- Water safety and drowning prevention programs (all ages)
- Learn-to-swim, Swim lessons, and aquatic instruction (all levels and ages)
- Adult (18-54) and senior (55+) aquatic fitness, therapy, masters, and recreational programs
- Lap swimming, family swim, and open/recreational swimming (all ages)
- Adaptive, inclusionary, or therapeutic programs (all ages)

Community based programming **excludes**:

- Facility rentals to private groups or organizations
- Competitive swim/dive team practices and meets
- School district use (high school teams, physical education classes, etc.) Private lessons or programs restricted to specific organizations

Community access will be granted under the following terms:

**Community Events, Programs, and Classes:**

Wave will provide a total of 200 hours of guarded pool time (3 hours per week, with an additional 3 hours per week June-August) annually for City of Redmond community events, summer camps, programs, and classes. Specific dates and times will be determined on a seasonal basis in coordination between Wave and the City. The City will provide the programming season schedule no later than September 30 of each calendar year for the upcoming year.

Guarded pool time may be scheduled during regular pool hours for shared use or during additional hours as mutually agreed upon by both parties. City registered participants (up to 40 per program session) will have access to the designated pool space during the agreed upon time slots. The City and Wave will partner on one community-based event each season, to be determined and agreed upon by both parties.

As defined in the [Activity and Facility Use Policy](#), Wave will provide priority access to Redmond Residents, (those living or working within the 98052 zip code), which will have at least one week to register for recreational activities before the opportunity is made available to Non-Resident users. Non-Resident users shall pay an additional program fee of at least 20% more than the stated Redmond Resident fee or charge when registering for activities. These requirements shall be in place and operational no later than June 1, 2026.

C. **Peak Hours Definition:** Peak Hours are defined as the times of highest community demand for aquatic facilities:

- Weekdays: Monday through Friday, 8:00 a.m. - 11:00 a.m. and 3:00 p.m. to 8:00 p.m.
- Saturdays: 8:00 a.m. to 4:00 p.m.
- Sundays: 9:00 a.m. to 3:30 p.m.

**Community Programming During Peak Hours:**

During peak hours, a minimum of 55% of all pool time and lane space shall be reserved for community-based programming. Community-based programming must be distributed throughout peak hours, and should be based on community needs assessments, questionnaires, regular feedback provided by program participants, etc.

- Wave shall implement and administer the City of Redmond's fee assistance program for all aquatics programs and services offered at the Redmond Pool. This program shall operate as follows:
- Wave Aquatics shall use Wave's standard fee assistance application which is aligned with the City of Redmond's eligibility criteria, and updated annually based on any City of Redmond changes. Wave Aquatics will submit their draft application form to the City of Redmond annually (no later than Dec. 1) for review and approval to ensure continued alignment with the City's current eligibility requirements.

- Wave Aquatics shall accept and process all fee assistance applications in accordance with policies and processes consistent with the City of Redmond's policies.
- Wave Aquatics shall maintain records of all fee assistance discounts provided, including participant information, discount amounts, and dates of service.
- Wave Aquatics may submit invoices to the City on a schedule of their choosing (monthly or quarterly) detailing fee assistance discounts provided and requesting reimbursement for the total amount. Only discounts actually used by customers towards programming purchases can be requested for reimbursement by Wave.
- Invoices shall include supporting documentation as required by the City.
- The City shall reimburse Wave for verified fee assistance discounts within thirty (30) days of receiving complete invoices and documentation.

D. Obtain all necessary licenses and permits for operation of the Pool;

E. Manage pool advertising and promotions, patron registrations, agreements with various user groups, drop-in use and instruction, and specialty programming provided by outside agencies, such as SCUBA training or Redmond Parks and Recreation, and provide content to the Recreation Supervisor to advertise Wave activities on City communication channels (social media, website, email newsletter, registration software platform, etc.;

F. Wave shall check each physical component of the pool facility routinely in order to ensure that the requirements of WAC 246-260-131 are met. Wave shall, at its sole cost and expense, maintain the water filtration system and maintain and repair the following pool equipment and components: chemical feed systems, diving boards, diving blocks, lane lines, pool deck equipment, starting platforms, timing systems, pool cleaning equipment, safety equipment, and other moveable equipment used for programming and daily operations. Wave shall promptly report all deficiencies or required repairs to the City of Redmond within 48 hours of discovery.

#### **Equipment Responsibility Matrix:**

- **Wave Responsibility:** All moveable equipment, pool water treatment systems, chemical equipment, diving equipment, safety equipment, pool accessories, and any equipment installed by Wave during the lease term.
- **City Responsibility:** Structural components including pool shell, permanent plumbing systems beyond pool equipment connections, pool deck structure, building envelope, fire and life safety equipment, electrical, and filtration system repair along with major mechanical systems serving the building.

Wave shall make no changes, improvements, or alterations to pool equipment or facilities without the prior written consent of the City, which consent shall not be unreasonably withheld. Any Wave-

installed equipment shall become the property of the City upon lease termination, unless the City requires removal and restoration to original condition at Wave's expense.

For deficiencies requiring City responsibility repairs, the City shall acknowledge and respond within three business days with an estimated repair timeline.

J. Provide, maintain, and repair pool depth markings and signage specifying user rules and safety information as required by WAC 246-260-131;

K. **Communication Protocol and Organizational Authority:**

Wave shall designate a single Primary Point of Contact (Primary POC) who serves as the official liaison between Wave and the City of Redmond for all matters relating to this Agreement. All official communications, policy interpretations, and contractual matters must be channeled through this designated Primary POC.

- **Primary Point of Contact:** Wave shall identify one individual with full authority to speak on behalf of the organization, make binding commitments, and receive official direction from the City.
- **Secondary Contact:** Wave may designate one backup contact who can act in the Primary POC's absence.
- **Operational Staff Communications:** Day-to-day operational communications (scheduling, routine maintenance, customer service issues) may be handled by on-site staff, but any requests that could impact contract terms, policies, or require City resources must be escalated to the Primary POC

**The City reserves the right to:**

- Respond only to communications from designated Wave representatives for all non-operational matters
- Request written confirmation from the Primary POC for any verbal requests or commitments made by other Wave personnel

L. Prepare and implement an emergency response plan as required by WAC 246-260-131. A copy of the emergency response plan shall be provided to the City;

M. Provide all uniforms, office equipment, office systems, and office supplies necessary for Wave to operate the Pool as required by this Agreement;

N. Provide ordinary, routine maintenance for the pool facility including but not limited to;

cleaning restrooms, offices, public spaces, electrical rooms, and equipment rooms, and performing minor maintenance and repairs;

O. Provide the necessary supplies for pool operations including but not limited to; pool chemicals.

P. Keep inventory and ensure adequate supply of common consumable supplies including but not limited to, paper towels, restroom supplies, and janitorial cleaning products. Consumable supplies of this nature shall be furnished by the City and orders shall be placed through the central warehouse. Wave will coordinate pickup of orders from the warehouse during normal business hours. The City will not provide delivery of consumable supplies to the Pool.

The City will schedule daily janitorial services, 5 days per week, to be completed by an outside contractor. Wave shall pay approximately \$1,699.59 per month for the first year of the operational agreement and CPI (Consumer Price Index) will be reflected annually thereafter. This amount will be paid monthly by Wave via an invoice furnished by the City each month (if Wave decides to use City janitorial services).

Wave at its discretion, can alternatively choose to arrange and schedule daily janitorial services at least five (5) days per week. Wave must work with the City of Redmond purchasing department and facilities division to ensure the janitorial services meet the standards for third party vendors operating in city-owned facilities including but not limited to:

1.) **Washington State Registration:** All vendors must meet Washington State Department of Labor & Industries (L&I) requirements and must be verifiable through the L&I's "Verify a Contractor" portal.

2.) **L&I Training Completion:** Vendor must complete all applicable Labor & Industries training requirements, including those related to prevailing wage, public works contracting, and worker safety as required by L&I.

3.) **Not Debarred:** Vendor and all subcontractors must not be currently debarred or otherwise ineligible to contract with public agencies in the State of Washington.

4.) **City of Redmond Business License:** Vendor must possess or obtain a valid City of Redmond business license, in compliance with the Washington Department of Revenue registration process.

5.) **Certificate of Insurance:** Vendor must provide a current Certificate of Insurance meeting the City of Redmond's insurance requirements. The certificate must name the City of Redmond as an *Additional Insured* and must conform to the minimum coverage limits and policy standards.

6.) **Prevailing Wage Compliance:** Vendor must pay all laborers, workers, and mechanics not less than the applicable prevailing wage rates as determined by the Washington State



Department of Labor & Industries. The applicable rates can be found at:  
<https://lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>.

**7.) Wage Documentation:** Vendor must file a *Statement of Intent to Pay Prevailing Wages* and an *Affidavit of Wages Paid* with the Washington State Department of Labor & Industries for themselves and each subcontractor, as required under state law. Copies must be submitted to the City upon request.

If Wave elects to provide its own janitorial services, Wave will not be charged the monthly janitorial fee. Wave must provide thirty (30) days written notice to the City before transitioning to its own janitorial services to stop the monthly fee payments.

Wave may request to resume city-provided janitorial services by providing thirty (30) days written notice. Upon resumption, the monthly janitorial fee will be reinstated and invoiced monthly for payment by Wave.

If Wave provided janitorial services fail to maintain adequate cleanliness, resulting in damage, excessive complaints, or safety issues, the City will take the following progressive actions:

- 1.) Issue a written notice via email detailing the issues. Wave agrees to provide specific corrective actions within 48 hours.
- 2.) Conduct an on-site meeting between the Wave Executive Director (or designee) and the City Facilities team to discuss issues in person and develop actions items to immediately address any concerns.
- 3.) If the issue(s) continue, the City will hire an outside contractor to address unresolved issues and bill Wave for these services. Wave shall be liable for all costs and liabilities incurred by the City for remedial services and shall remit payment within thirty (30) days of receiving an invoice from the City.

Q. Provide and display copies of SDS forms for all chemicals on the premises as required by law. SDS forms for products provided by the City are available upon request to the central warehouse;

R. Provide compliance with state law and City policies prohibiting use of tobacco or tobacco products/use of any alcohol or drugs or other controlled substances on the premises;

S. Provide appropriate personal protective equipment (PPE) for all pool employees for the nature of work assigned, and training on the use of PPE;

**T. Customer Service and Employee Training:**

**Customer Service Standards:** The City of Redmond has published comprehensive Customer Service Standards as part of its own policies, establishing a framework for excellence in public service delivery. Wave, as the contracted pool operator, shall adopt, implement, and maintain these same high standards throughout all Redmond pool facility operations, ensuring consistency with the City's commitment to creating people first environments where all customers are respected, welcomed, and connected to resources.

**Training and Development Requirements:**

- Customer service training is provided to customer service staff, with initial orientation completed within 30 days of initial hire.
  - The City of Redmond will provide annual training to Wave personnel twice yearly to ensure consistent implementation of the Customer Service Standards and alignment with the City's service delivery expectations.
- Staff are knowledgeable about pool operations, safety protocols, and directing customers to appropriate resources for specific needs
- Staff are proactive in seeking opportunities to assist all pool users and visitors
- Customers are greeted upon entry into the facility
- Staff utilize positive language, facial expressions, and body language with all customers.
- Customer inquiries are acknowledged and addressed within two business days
  - When more time is required for adequate response, staff acknowledge receipt and advise customers of resolution timeframe
- Provide supervisor training for all pool supervisors and head guards, and training of all employees on harassment and sexual harassment annually.

Wave shall provide trained lifeguards and other appropriate trained personnel to provide monitoring of the pool facilities and to perform other tasks required by this Agreement and WAC 246-260-131, and ensure that all such persons have been subjected to appropriate background checks for persons with access to children and vulnerable adults and possess any required certifications. Wave shall identify and meet minimum staffing requirements at all times during operational hours and have qualified supervisory staff are present during all operational hours.

U. Wave agrees to comply with:

1. Provide prompt and timely payment of all applicable taxes and remittance of all employee related withholdings, including but not limited to all personnel, employment, and sales taxes;
2. Maintain pool water quality standards pursuant to WAC 246-260-111, including arranging and paying for water quality sampling, laboratory analysis, and field testing of pool water as prescribed by WAC 246- 260-111 Copies of the results of such sampling and testing shall be provided to the City;
3. Comply with all monitoring, reporting, and recordkeeping requirements of under WAC 246-260-121.

V. Establish and implement standard operating procedures and develop and maintain a written operation manual as required by WAC 246-260-131. A copy of the procedures and written operations manual shall be provided to the City on an annual basis.

## **2. Pool Revenues.**

A. The positive net income from pool operations shall be split equally between the parties as follows: by mutual consent of the parties, Wave shall pay the City 50% of the positive net income for each fiscal year, which runs September 1 – August 31, by the 1st of October of the same year, unless another arrangement is agreed to, in writing, by the parties.

B. In the event that a City-led construction or improvement project to the Pool or surrounding environs extends the planned timeline or scope, resulting in Wave's inability to operate the Pool in a normal manner as per Section 8A, then upon written mutual agreement by both parties, Wave may apply all or a portion of the net losses from one fiscal year towards the net income of the subsequent fiscal year, in an effort to recapture unexpected lost income. In no event shall the offset of net losses from a prior year exceed 50% of the total amount owed, consistent with Section 2.A, the amount owed to the City by Wave in a subsequent, positive net income year. Should Wave experience net losses two or more years in a row, Wave may only carry forward the most recent year's net losses towards the net income of the subsequent fiscal year. Wave may request to carry forward net losses for any year within the contract term, for as many times as is necessary, except for the final year of the contract. At the end of the initial 5-year term, should the City and Wave execute the optional 5-year extension, the final year of the contract shall be considered the final year of the extension, unless sooner extended or terminated. Inflation and interest shall not be factored into the calculation of any offset. A request by Wave to apply net losses from a prior fiscal year towards the net income of the subsequent fiscal year must be made to the City by the 1st of February of the subsequent year, unless another arrangement is agreed to by the parties. Further, a request must be accompanied by Wave's income and expense statements and any other support documentation the City may require. Nothing in this Section shall relieve Wave of its obligations under Section 1.P, whereby Wave's annual payments shall continue to be added to the City's annual revenue owed by Wave for any year with positive net income. Nothing in this Section shall be construed to provide tax relief to Wave, for the purposes of Internal Revenue Service reporting.

**3. Capital Improvements and Major Repairs.** Except as provided in this section 3, the City shall be responsible for all capital improvements and major repairs to the Pool, including but not limited to, improvements and repairs to the building shell (building structure, exterior walls, doors, locks, and roof), pool drains, electrical system, plumbing system, pool liner, and HVAC system. Wave shall be responsible for repairs necessitated by the negligent acts, errors, or omissions of Wave in operating the Pool. Wave shall not make any alterations, additions, renovations, or capital improvements or major repairs to the Pool, or seek funding to make such capital improvements or major repairs to the Pool without the City's express written consent. Nothing in this Agreement obligates the City to make any capital improvement or major repair to the Pool which the City determines, in its sole discretion, is not financially prudent for the City. The City's responsibility to make capital

improvements and repairs under this Section is expressly subject to the City's right to terminate this Agreement as set forth in Section 12 below.

The City agrees to consult with Wave before making any final decision on whether to make any capital improvement or repair, but the City has the sole discretion as to whether to make such an improvement or repair. A good faith effort will be made to make repairs with a minimum disruption to the program schedule. Any improvements or repairs proposed to be made or constructed by Wave, and the funding proposed for such improvements or repairs, are subject to the City's review and approval. Wave shall provide the City with an estimated cost and verification of the actual cost to complete any agreed upon improvements.

All improvements made and trade fixtures installed by Wave shall become the property of the City at the expiration or termination of this Operating Agreement without further compensation to Wave.

**4. Utilities.** Wave shall be responsible for paying the monthly charges for water, sewer, storm water, electricity, and natural gas provided to the Pool facility. Wave will also be responsible for paying the monthly charges for telephone, internet, and cable television service, if any.

**5. Reporting.** Wave shall provide the following reports about the Redmond Pool to the City:

A. Wave shall immediately report all accidents, illnesses, and incidents at the Redmond Pool to the City, requiring emergency response, and shall provide the City with copies of all reports related to accident, illness, or incident as defined in WAC 246-260-110 and as required by WAC 246-260-121 as the reporting party and Wave shall comply with reporting requirements of illness and injury required by WAC 246-260-121.

B. Wave as the reporting party, shall immediately report any violation noted by the Department of Health to the City and shall provide the City with copies of any report or notice generated by the Department of Health and any response or report of corrective action generated by Wave.

C. Wave shall provide mutually agreed upon monthly reports to the City regarding usage, maintenance, and operation of the Pool. These reports shall be submitted in a mutually agreed upon format no later than the 15<sup>th</sup> day of each month following the reporting period. The City and Wave shall collaborate to establish standardized reporting templates and procedures within sixty (60) days of the operational agreement's effective date. Reports should include but not be limited to:

1.) Program Allocation Analysis

- Total Operating Hours:
  - Total hours the pool was open and operational during the month
- Pool Time Allocation:
  - Number of hours dedicated to each program category:
    1. Shallow End Lap Swim
    2. Deep End Lap Swim
    3. Deep Water Aerobics
    4. Shallow Water Aerobics
    5. Wave Swim Team
    6. Lake Washington Masters
    7. Family Swim
    8. Wave Rentals
    9. Swim Lessons (with breakdown by lesson type and skill level)
    10. Hours allocated to city programming
    11. Other programming (any additional programs not listed above)
- Utilization Metrics:
  - Percentage of total available pool hours used by each program category
  - Actual attendance numbers versus capacity for each program
  - Identification of peak hours
- Peak Hours Reporting:
  - Total Peak Hours available during reporting month
  - Total Peak Hours allocated to community based programming
  - Total hours allocated for city based programming
  - Percentage of Peak Hours dedicated to community based programming (must meet minimum 55% requirement)

## 2.) Revenue Analysis – Quarterly Reporting

- Total gross revenue generated during the reporting period
- Revenue breakdown by program category

## 3.) Residency Demographics

- Total number of individual registrations for each program category, separated by resident/non-resident status.

D. Wave shall maintain a logbook to record daily operational issues, including, but not limited to, customer complaints, staff concerns, actions/decisions, incidents, lifeguard assists, and shall make this log available to the City upon request.

E. Wave shall immediately report to the City any and all complaints made against Redmond Pool employees, including but not limited to, harassment, sexual harassment, and sex offenses, regardless of whether the complaint is made by a patron, staff, volunteer, contractor, or any other party.

F. Wave shall be required to document all complaints against Wave Pool employees,

and immediately report those complaints to the City.

**6. Inspections.** The City shall have the right to enter the Pool at any time in order to inspect the facility and to ensure the safety and health of customers and Wave employees, and that all provisions of this Agreement and all state, federal and local building, fire, and pool operation regulations are being complied with.

**7. Records-Audits.** Each party shall have the right, at any time during regular business hours, to review the books and records maintained by the other party with respect to pool operations, maintenance, revenues, and expenditures, including but not limited to, programming materials, maintenance logs, safety and accident reports, Department of Health reports, income and expense statements, inspection reports, and registration information and reports, in order to audit the same and determine compliance with this Agreement

**8. Pool Closures.**

A. The parties acknowledge that the Pool may have to be closed temporarily from time to time or for an extended time frame during the term of this Agreement in order to perform required maintenance or to make necessary repairs or improvements. If either party determines that closure is necessary for such purpose, the parties shall meet and confer regarding the need for such closure and the duration thereof. The final decision on any such closure shall rest with the City. Wave shall not be entitled to any compensation from the City for lost revenues as the result of a closure for required maintenance or repairs. However, all closures that impact revenue will be reflected in the “profit share” that is owed by Wave to the City at the end of each fiscal year.

B. In the event that the Department of Health orders the Pool closed because of any non-compliance by Wave with Department of Health requirements, or in the event that the Pool must otherwise be closed because of the failure of Wave to comply with any other term or condition of this Agreement, Wave shall be liable for all closure-related expenses, including but not limited to, any actual expenses incurred by the City in physically closing the Pool and any program or contract refunds. Wave shall not be held accountable for a Department of Health closure that is the result of the City not performing the necessary maintenance and repairs.

**9. Indemnity.**

A. Wave shall release, protect, save harmless, indemnify, and defend, at its own expense, the City, its officers, elected officials, agents, volunteers, and employees from any and all costs, claims, judgments or awards of damages of any kind (including attorney’s fees and costs) arising out of or in any way resulting from the negligent acts, errors, or omissions of Wave, its officers, employees, contractors, subcontractors, agents, and volunteers in performing this Agreement.

B. No liability shall be attached to either party by reason of entering into this Agreement except as expressly provided herein.

C. It is further specifically and expressly understood that Wave's indemnification provided herein constitutes such party's waiver of immunity under the Industrial Insurance Act, Title 51 RCW, solely for the purpose and solely to the extent required to provide the indemnification required in this Section.

D. The provisions of this Section 9 shall survive the expiration or termination of this Agreement.

**10. Insurance.** Throughout the term of this Agreement, Wave shall maintain a combination of commercial general liability, automobile insurance, and excess coverage of not less than \$5 million (\$5,000,000) per occurrence. A minimum coverage of \$1,000,000 per occurrence and \$1,000,000 aggregate specifically covering claims arising from actual or alleged sexual abuse, molestation, or harassment by Wave's employees, volunteers, or agents is required. Wave shall maintain workers' compensation insurance in amounts sufficient pursuant to the laws of the State of Washington. The City, its officers, elected officials, agents, volunteers, and employees shall be named as a Primary Noncontributory additional insured on all such policies, except for workers's compensation coverage. Wave shall provide certificates of insurance and an endorsement copy of such insurance concurrent with the execution of this Agreement. All insurance policies shall contain a clause or endorsement providing that they may not be terminated or materially amended during the term of this Agreement, except after thirty (30) days prior written notice to the City.

**11. Duration.** This Agreement and the obligations of the parties under it shall become effective on January 1, 2026 and shall be in effect for 5 years, expiring at the close of business for the Pool on December 31, 2030. The City of Redmond will initiate discussions with Wave Aquatics during the fourth quarter of 2029 regarding the future management of the Redmond Pool beyond the expiration of this Agreement. Such discussions will include the City's preliminary determination of whether to proceed with a competitive Request for Proposals process, negotiate a contract extension with Wave Aquatics, or pursue other alternatives for pool management. The City reserves the right to make the final determination regarding the process for selecting future pool management services in its sole discretion

**12. Termination.** This Agreement may be terminated as follows:

A. By mutual agreement of the parties;

B. By either party without cause upon the giving of thirty (30) days' written notice to the other party. All terms of the Agreement remain in effect until the stated termination date. Final cost settlement shall be made thirty (30) days after termination of this Agreement.

C. By either party for material breach of this Agreement's terms by the other party, provided, that no such termination shall become effective unless the non-breaching party provides at least thirty (30) days' written notice to the other party and an opportunity to cure the breach within that

thirty (30) day period. If the breach cannot reasonably be cured within thirty (30) days, this Agreement shall not terminate if the breaching party has commenced cure within thirty (30) days and diligently pursues the same to conclusion.

**13. Dispute Resolution.** The parties mutually agree to use a formal dispute resolution process, such as mediation, through an agreed upon mediator, if agreement cannot be reached regarding interpretation or implementation of any provision of this Agreement. All costs for mediation services will be divided equally among the parties to the dispute. Each party will be responsible for their own legal representation, provided, that nothing in this Section 13 shall be construed to limit or negate the parties' ability to indemnify and defend as set forth in Section 9 above. In the event that agreement cannot be reached through the formal dispute resolution process contemplated by this Section, the parties reserve the right to seek any available legal or equitable remedy, including litigation, to resolve the dispute.

**14. Notices.** Notices required by this Agreement shall be given to the parties at the following addresses:

**To the City:**

Loreen Hamilton  
Parks Director  
City of Redmond  
15670 N.E. 85th Street  
P.O. Box 97010  
Redmond, WA 98073-9710

**To WAVE:**

Christopher Geitz  
Board President  
Wave Aquatics  
P.O. Box 2953  
Kirkland, WA 98083-2953

Notices shall be deemed given upon either personal delivery or e-mail to the individuals named above mailed, three days after the written notice is placed in the United States Mail, postage prepaid, addressed to the individuals named above.

**15. Force Majeure.** Neither party shall be liable to the other or deemed in breach or default for any failure or delay in performance under this Agreement during the time and to the extent its performance is prevented by reasons of force majeure. For the purposes of this Agreement, force majeure means an occurrence that is beyond the reasonable control of and without fault or negligence of the party claiming force majeure and which, by exercise of due diligence of such party, could not have been prevented or overcome. Force majeure shall include natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials, including delays by or acts or orders of any governmental body or changes in laws or governmental regulations; acts of civil or military authority; freight embargoes; epidemics; quarantine restrictions; labor strikes; boycotts; terrorist acts; riots; insurrections; explosions; and nuclear accidents. A party claiming suspension or termination of its obligations due to force majeure shall



give the other party prompt written notice of the impediment and its effect on the ability to perform; failure to provide such notice shall preclude recovery under this provision; such notice shall release both parties from their future respective obligations under the Agreement, provided that written notice setting forth in detail the nature of any delay or suspension is given by such party to the other party within 72 hours of the order to cancel or reschedule the event or activity. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion may be extended by Agreement modification for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Agreement. The City reserves the right to cancel this Agreement in accordance with the "Termination" sections of this Agreement and/or purchase materials, equipment or services from the best available source during the time of force majeure, and Wave shall have no recourse against the City.

## **16. Miscellaneous Provisions.**

**A. Assignment and Subcontract.** Wave shall not assign or subcontract its rights or obligations under this Agreement without the express written consent of the City.

**B. No Waiver.** Waiver by any party of any breach of this Agreement shall not constitute a waiver of any subsequent breach or of a breach of any other provision.

**C. Severability.** If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision.

**D. Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Washington. Subject to the dispute resolution provisions of Section 13, venue for any action brought to enforce any provision of this Agreement or to seek redress for any breach thereof shall be in the superior court of King County, Washington.

**E. Attorney's Fees.** In the event that either party commences litigation against the other party to enforce any provision of this Agreement or to seek redress for any breach thereof, the prevailing party in any such litigation shall be entitled to recover its costs and reasonable attorney's fees incurred in the litigation from the other party.

**F. Construction.** Both parties participated equally in the drafting of this Agreement and this Agreement shall not be construed against either party as drafter.

**G. Amendment.** This Agreement may be amended only by a written instrument signed by both parties.

**H. Entire Agreement.** This Agreement constitutes the entire Agreement between the parties concerning its subject matter and supersedes all prior understandings and agreements.

EXECUTED by the parties on the dates hereinafter written.

Wave Aquatics:

\_\_\_\_\_  
Christopher Geitz, Board President

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

CITY OF REDMOND:

\_\_\_\_\_  
Angela Birney, Mayor

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

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
City Clerk, City of Redmond

APPROVED AS TO FORM:

\_\_\_\_\_  
Office of the City Attorney



## City Contract Routing Form

City Contract #: 9493

(To be assigned by the City Clerk's Office)

## Section 1 – Attach Contract Documents



(multiple files can be uploaded)

Is an insurance certificate attached?

☒ Yes☐ Not applicable

Comments: \_\_\_\_\_

## Section 2 – Fill Out Contract Details

Date: 08/25/2020 Department: Parks and Recreation Division: Recreation Mail Stop: 4NPKProject Administrator Name: Katie Fraser Extension: 2350

Project Manager Name (if different than above): \_\_\_\_\_ Extension: \_\_\_\_\_

Contract Type: General/Operating Services If other, please indicate: \_\_\_\_\_Contract Title: Redmond Pool Operations AgreementContractor/Consultant Name: Kfir Ami-adContract Description: WAVE AquaticsProject ID #: N/A Budget/Account #: 110.59000.34761Council Approval Date: N/A Council Agenda Memo #: N/A RFP/IFB/RFQ #: Sole Source NIGP #: 96100☒ New ContractTotal Amount: 50% of the positive net income report, if known (if contract is multi-year): N/AStart Date: 09/01/2020 End Date: 12/31/2025Renewal Option (Y/N): Y If yes, how many? 5 Years☐ Amendment/Renewal/Change Order #: \_\_\_\_\_ Original CC #: \_\_\_\_\_

New Start Date: \_\_\_\_\_ New End Date: \_\_\_\_\_

Current Contract Amount (including all previous amendments/change orders): \_\_\_\_\_

Amount of this Amendment/Change Order (proposed increase/decrease): \_\_\_\_\_

New/Cumulative Contract Amount: \_\_\_\_\_

## Section 3 – Route Contract for Signatures and Approvals

☒ Department Director: DocuSigned by: Carrie Hite Date: 8/25/2020 Comments: \_\_\_\_\_  
 168C48B12F7E41D...

☐ TIS Director: \_\_\_\_\_ Date: \_\_\_\_\_ Comments: \_\_\_\_\_

☒ City Attorney: DocuSigned by: Jim Haney Date: 8/31/2020 Comments: \_\_\_\_\_  
 85394CE9808994B5...

☒ Risk Manager: DocuSigned by: Malisa Files Date: 9/1/2020 Comments: \_\_\_\_\_  
 581CDD1AF085491...

☒ Mayor or Designee: DocuSigned by: Malisa Files (Mayor Designee) Date: 9/1/2020 Comments: \_\_\_\_\_  
 5D9FC872714C4E4...

☒ City Clerk's Office: DocuSigned by: Cheryl Xanthos Date: 9/2/2020 Comments: Electronic Original - in Hummingbird  
 E725E589818E4E1...
☐ Purchasing: no signature required – for copy only

(For Purchasing Use Only) PO/PA #: \_\_\_\_\_

# Operational Services Agreement [Non-Public Work]

|                                                                                                                                                                                      |                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PROJECT TITLE</b><br>Redmond Pool Operations Agreement between<br>WAVE Aquatics and City of Redmond                                                                               | <b>EXHIBITS</b><br><i>(List all attached exhibits - Scope of Work, Work<br/>         Schedule, Payment Schedule, Renewal Options, etc.)</i>                                             |
| <b>CONTRACTOR</b><br>WAVE Aquatics                                                                                                                                                   | <b>CITY OF REDMOND PROJECT ADMINISTRATOR</b><br><i>(Name, address, phone #)</i><br><br>City of Redmond<br>Katie Fraser<br>6505 176th Ave NE<br>Redmond, WA 98052<br>kfraser@redmond.gov |
| <b>CONTRACTOR'S CONTACT INFORMATION</b><br><i>(Name, address, phone #)</i><br>Kfir-Ami-ad, Board President<br>PO Box 2953<br>Kirkland, WA 98083<br>Kfir.ami-ad@waveaquaticsboard.org | <b>BUDGET OR FUNDING SOURCE</b>                                                                                                                                                         |
| <b>CONTRACT COMPLETION DATE</b><br>December 31, 2025                                                                                                                                 | <b>MAXIMUM AMOUNT PAYABLE</b><br>WAVE shall pay the City 50% of the positive<br>net income for each operational calendar year,<br>which runs January 1 – December 31,                   |

**AGREEMENT BETWEEN THE CITY OF REDMOND AND WAVE  
AQUATICS FOR THE OPERATION OF THE REDMOND POOL**

THIS OPERATING AGREEMENT ("the Operating Agreement") is entered by and between the City of Redmond, a Washington municipal corporation ("the City"), and WAVE Aquatics, a 501(c)(3) private non-profit corporation ("WAVE").

**RECITALS**

A. The Redmond Pool ("the Pool"), located at 17535 NE 104th Street, Redmond, Washington, was built as part of the Forward Thrust Initiative in approximately 1974.

B. From the date of its construction until April 1, 2003, the Pool was owned and operated by King County on land owned by the City, pursuant to a forty (40) year ground lease dated May 28, 1970.

C. The ground lease expired on May 28, 2010 and the City took ownership of the Pool from King County. The City originally entered into an operating agreement for the Pool with Northwest Center, but that operating agreement was terminated in 2010 by mutual agreement.

D. In October 2010, the City and WAVE entered into an Operating Agreement under which WAVE has operated the Pool. The initial October 2010 Operating Agreement expired on December 31, 2012, and was subsequently renewed to December 31, 2014 (first renewal, City Contract #7011), and was subsequently renewed again to December 31, 2016 (second renewal, City Contract #6351-3). In 2017, an amendment was executed to extend the agreement for a term of three (3) additional months, which expired March 31, 2017 (City Contract #6351-4); this amendment contained a renewal provision for up to six (6) three-month periods, which was acknowledged and affirmed by WAVE and the City, by both parties having acted and performed upon the renewal provision, which expired September 30, 2018. A subsequent amendment was executed to extend the agreement to December 31, 2019 (City Contract #6351-5).

E. WAVE and the City acknowledge that the City made capital improvements to the Pool in 2010 and made essential improvements in 2019 - 2020. Repairs and improvements occurred in two phases over two years, resulting in better air and water quality, energy efficiencies, and operational savings that will help preserve the Pool for an estimated 25 to 30 years more.

F. WAVE and the City have agreed to enter into a new Operating Agreement for the Pool and have agreed to set forth the terms and conditions of their agreement in writing. This Agreement shall run from September 1, 2020, or when construction is at substantial completion, thru December 31, 2025 for an initial term of 5 years, with one 5-year extension.

**AGREEMENT**

NOW, THEREFORE, IN CONSIDERATION OF the terms and conditions set forth below, the parties agree as follows:

**1. WAVE to Operate Pool.** WAVE shall operate the Pool during the term of this Agreement. Operation includes providing the following at WAVE's expense, in addition to any other duties prescribed in this Agreement:

A. Provide for the day-to-day operation, maintenance, and repair of the Pool in compliance with all federal, state, and local laws and regulations and in a clean, safe, and professional manner;

B. Provide programs and hours of operation that are reasonably similar to those programs and hours of operation provided under the October 2018 Operating Agreement; and working with the City of Redmond Parks and Recreation Department to assess program and event needs, and to address accommodation for persons with disabilities and other special needs; and providing timely information for City promotions and website. WAVE will increase community access to the Redmond pool by providing up to 96 hours of guarded pool time for City programs per operational calendar year, which runs January 1 – December 31. Community access will include providing space for up to 40 City registered participants during regular pool hours or providing additional guarded hours for City programs that are mutually agreed upon by both parties.

C. Provide fee assistance program consistent with City guidelines; apply up to 1% of gross revenue from Redmond Pool programs and activities toward fee assistance to Redmond residents participating in non-competitive swim activities, excluding rentals and competitive swim activities.

D. Obtain all necessary licenses and permits for operation of the Pool;

E. Manage pool advertising and promotions, patron registrations, agreements with various user groups, drop-in use and instruction, and specialty programming provided by outside agencies, such as SCUBA training or Redmond Parks and Recreation, and provide content to the Program Administrator to advertise WAVE activities on the City social media site, website, activity guide, and ActiveNet registration platform;

F. Maintain pool water quality standards and arranging and paying for water quality sampling, laboratory analysis, and field testing of pool water as prescribed by WAC 246-260-111. Copies of the results of such sampling and testing shall be provided to the City;

G. Comply with all monitoring, reporting, and recordkeeping requirements of a pool owner under WAC 246-260-121;

H. Establish and implement standard operating procedures and develop and maintain a written operation manual as required by WAC 246-260-131. A copy of the procedures and written operations manual shall be provided to the City;

I. Check each physical component of the pool facility routinely in order to ensure that the requirements of WAC 246-260-131 are met, and maintain and repair pool equipment, such as diving boards, diving blocks, and other equipment used for programming. Report any and all deficiencies or required repairs to City of Redmond;

J. Provide, maintain, and repair pool depth markings and signage specifying user rules and safety information as required by WAC 246-260-131;

K. Provide trained lifeguards and other appropriate trained personnel to provide monitoring of the pool facilities and to perform other tasks required by this Agreement and WAC 246-260-131, and ensure that all such persons have been subjected to appropriate background checks for persons with access to children and vulnerable adults and possess any required certifications, and schedule Redmond Pool WAVE employees to complete the City Customer Service training annually;

L. Provide prompt and timely payment of all applicable taxes and remittance of all employee-related withholdings, including but not limited to all personnel, employment, and sales taxes;

M. Prepare and implement an emergency response plan as required by WAC 246-260-131. A copy of the emergency response plan shall be provided to the City;

N. Provide all uniforms, office equipment, office systems, and office supplies necessary for WAVE to operate the Pool as required by this Agreement;

O. Provide ordinary, routine maintenance for the pool facility including but not limited to; cleaning restrooms, offices, public spaces, electrical rooms, and equipment rooms, and performing minor maintenance and repairs;

P. Provide the necessary supplies for pool operations including but not limited to; pool chemicals.

Q. Keep inventory and ensure adequate supply of common consumable supplies including but not limited to, paper towels, restroom supplies, and janitorial cleaning products. Consumable supplies of this nature shall be furnished by the City and orders shall be placed through the central warehouse. Wave will coordinate pickup of orders from the warehouse during normal business hours. The City will not provide delivery of consumable supplies to the Pool. The City will schedule daily janitorial services, 5 days per week, to be completed by an outside contractor. WAVE shall pay approximately \$1,500 per month for the first year of the operational agreement and CPI (Consumer Price Index) will be reflected annually thereafter. This amount will be taken out of the annual revenue owed by WAVE.

R. Provide and display copies of SDS forms for all chemicals on the premises as required by law. SDS forms for products provided by the City are available upon request to the central warehouse;

S. Provide compliance with state law and City policies prohibiting use of tobacco or tobacco products/use of any alcohol or drugs or other controlled substances on the premises;

T. Provide supervisor training for all pool supervisors and head guards, and training of all employees on harassment and sexual harassment annually;

U. Provide appropriate personal protective equipment (PPE) for all pool employees for the nature of work assigned, and training on the use of PPE;

## **2. Pool Revenues**

A. The positive net income from pool operations shall be split equally between the parties as follows: as provided in the October 2010 Operating Agreement and subsequent amendments, by mutual consent of the parties, WAVE shall pay the City 50% of the positive net income for each operational calendar year, which runs January 1 – December 31, by the 1st of February of the subsequent year, unless another arrangement is agreed to by the parties.

B. In the event that a City-led construction or improvement project to the Pool or surrounding environs extends the planned timeline or scope, resulting in WAVE's inability to operate the Pool in a normal manner as per Section 8A, then upon written mutual agreement by both parties, WAVE may apply all or a portion of the net losses from one fiscal year towards the net income of the subsequent fiscal year, in an effort to recapture unexpected lost income. In no event shall the offset of net losses from a prior year exceed 50% of the total amount owed, consistent with Section 2A, the amount owed to the City by WAVE in a subsequent, positive net income year. Should WAVE experience net losses two or more years in a row, WAVE may only carry forward the most recent year's net losses towards the net income of the subsequent fiscal year. WAVE may request to carry forward net losses for any year within the contract term, for as many times as is necessary, except for the final year of the contract. At the end of the initial 5-year term, should the City and WAVE execute the optional 5-year extension, the final year of the contract shall be considered the final year of the extension, unless sooner extended or terminated. Inflation and interest shall not be factored into the calculation of any offset. A request by WAVE to apply net losses from a prior fiscal year towards the net income of the subsequent fiscal year must be made to the City by the 1<sup>st</sup> of February of the subsequent year, unless another arrangement is agreed to by the parties. Further, a request must be accompanied by WAVE's income and expense statements and any other support documentation the City may require. Nothing in this Section shall relieve WAVE of its obligations under Section 1Q, whereby WAVE's annual payments shall continue to be added to the City's annual revenue owed by WAVE for any year with positive net income. Nothing in this Section shall be construed to provide tax relief to WAVE, for the purposes of Internal Revenue Service reporting.

**3. Capital Improvements and Major Repairs.** Except as provided in this section 3, the City shall be responsible for all capital improvements and major repairs to the Pool, including but not limited to, improvements and repairs to the building shell (building structure, exterior walls, doors, locks, and roof), pool drains, electrical system, plumbing system, pool liner, and HVAC system. WAVE shall be responsible for repairs necessitated by the negligent acts, errors, or omissions of WAVE in operating the Pool. WAVE shall not make any alterations, additions, renovations, or capital improvements or major repairs to the Pool, or seek funding to make such capital improvements or major repairs to the Pool without the City's express written consent. Nothing in this Agreement obligates the City to make any capital improvement or major repair to the Pool which the City determines, in its sole discretion, is not financially prudent for the City. The City's responsibility to make capital improvements and repairs under this Section is expressly subject to the City's right to terminate this Agreement as set forth in Section 12 below.

The City agrees to consult with WAVE before making any final decision on whether to make any capital improvement or repair, but the City has the sole discretion as to whether to make such an improvement or repair. A good faith effort will be made to make repairs with a minimum disruption to the program schedule. Any improvements or repairs proposed to be made or constructed by WAVE, and the funding proposed for such improvements or repairs, are subject to the City's review and approval. WAVE shall provide the City with an estimated cost and verification of the actual cost to complete any agreed upon improvements.

All improvements made and trade fixtures installed by WAVE shall become the property of the City at the expiration or termination of this Operating Agreement without further compensation to WAVE.

**4. Utilities.** WAVE shall be responsible for paying the monthly charges for water, sewer, storm water, electricity, and natural gas provided to the Pool facility. WAVE will also be responsible for paying the monthly charges for telephone, internet, and cable television service, if any.



**5. Reports.** WAVE shall provide the following reports about the Redmond Pool to the City:

A. WAVE shall immediately report any and all accidents and incidents at the Redmond Pool to the City, including those requiring 911 response, and shall provide the City with copies of all accident reports required by WAC 246-260-121: An incident is a pool-related event in which injury or ill-health occurred or could have occurred, either an accident or a near miss (meaning that no-injury or illness occurred).

B. WAVE shall immediately report any violation noted by the Department of Health to the City and shall provide the City with copies of any report or notice generated by the Department of Health and any response or report of corrective action generated by WAVE.

C. WAVE shall immediately report any maintenance, repair, or other emergency building response that will require the City to allocate staff or resources to resolve.

D. WAVE shall provide mutually agreed upon monthly reports to the City regarding usage, maintenance, and operation of the Pool, including but not limited to, usage and revenue there from, pool users, including location of residency, where available, repairs and improvements, fee schedules, utility costs, staffing costs, hours of operation, staff in-service training agendas and attendance logs, pool schedule and programs, and maintenance costs.

E. WAVE shall maintain a logbook to record daily operational issues, including, but not limited to, customer complaints, staff concerns, actions/decisions, incidents, lifeguard assists, and shall make this log available to the City upon request.

F. WAVE shall immediately report to the City any and all complaints made against Redmond Pool employees, including but not limited to, harassment, sexual harassment, and sex offenses.

G. WAVE shall immediately report to the City all WAVE Pool employee discipline, including written, suspension, or termination.

H. WAVE shall immediately report to the City the arrest of any WAVE Pool employee.

I. WAVE shall be required to document all complaints against WAVE Pool employees, and immediately report those complaints to the City.

**6. Inspections.** The City shall have the right to enter the Pool at any time in order to inspect the facility and to ensure the safety and health of customers and WAVE employees, and that all provisions of this Agreement and all state, federal and local building, fire, and pool operation regulations are being complied with.

**7. Records-Audits.** Each party shall have the right, at any time during regular business hours, to review the books and records maintained by the other party with respect to pool operations, maintenance, revenues, and expenditures, including but not limited to, programming materials, maintenance logs, safety and accident reports, Department of Health reports, income and expense statements, inspection reports, and registration information and reports, in order to audit the same and determine compliance with this Agreement.

## **8. Pool Closures.**

A. The parties acknowledge that the Pool may have to be closed temporarily from time to time or for an extended time frame during the term of this Agreement in order to perform required maintenance or to make necessary repairs or improvements. If either party determines that closure is necessary for such purpose, the parties shall meet and confer regarding the need for such closure and the duration thereof. The final decision on any such closure shall rest with the City. WAVE shall not be entitled to any compensation from the City for lost revenues as the result of a closure for required maintenance or repairs.

B. In the event that the Department of Health orders the Pool closed because of any non-compliance by WAVE with Department of Health requirements, or in the event that the Pool must otherwise be closed because of the failure of WAVE to comply with any other term or condition of this Agreement, WAVE shall be liable for all closure-related expenses, including but not limited to, any actual expenses incurred by the City in physically closing the Pool and any program or contract refunds. WAVE shall not be held accountable for a Department of Health closure that is the result of the City not performing the necessary maintenance and repairs.

## **9. Indemnity.**

A. WAVE shall release, protect, save harmless, indemnify, and defend, at its own expense, the City, its officers, elected officials, agents, volunteers, and employees from any and all costs, claims, judgments or awards of damages of any kind (including attorney's fees and costs) arising out of or in any way resulting from the negligent acts, errors, or omissions of WAVE, its officers, employees, contractors, subcontractors, agents, and volunteers in performing this Agreement.

B. No liability shall be attached to either party by reason of entering into this Agreement except as expressly provided herein.

C. It is further specifically and expressly understood that WAVE's indemnification provided herein constitutes such party's waiver of immunity under the Industrial Insurance Act, Title 51 RCW, solely for the purpose and solely to the extent required to provide the indemnification required in this Section.

D. The provisions of this Section 9 shall survive the expiration or termination of this Agreement.

**10. Insurance.** Throughout the term of this Agreement, WAVE shall maintain a combination of commercial general liability, automobile insurance, and excess coverage of not less than \$5 million (\$5,000,000) per occurrence. WAVE shall maintain workers' compensation insurance in amounts sufficient pursuant to the laws of the State of Washington. The City, its officers, elected officials, agents, volunteers, and employees shall be named as a Primary Noncontributory additional insured on all such policies, except for workers' compensation coverage. WAVE shall provide certificates of insurance and an endorsement copy of such insurance concurrent with the execution of this Agreement. All insurance policies shall contain a clause or endorsement providing that they may not be terminated or materially amended during the term of this Agreement, except after thirty (30) days prior written notice to the City.

**11. Duration.** This Agreement and the obligations of the parties under it shall become effective on September 1, 2020, or when construction is at substantial completion, and shall be in effect for 5 years,

expiring at the close of business for the Pool on December 31, 2025, unless sooner extended or terminated. The City reserves the right to extend the term of this Agreement for one (1) additional five-year period as necessary if mutually agreed by both parties, unless sooner extended or terminated, provided that 1) WAVE Aquatics is in compliance with the terms and conditions of the contract and, 2) that the annual payment is cost-effective as determined by the City and, 3) that sufficient funds have been appropriated by the City. Additional factors that will determine the 5-year term extension include the following for WAVE Aquatics; they are in good financial standing, they have upheld safety standards outlined in this agreement, and they have provided service in alignment with those of the City.

**12. Termination.** This Agreement may be terminated as follows:

- A. By mutual agreement of the parties;
- B. By either party without cause upon the giving of thirty (30) days' written notice to the other party. All terms of the Agreement remain in effect until the stated termination date. Final cost settlement shall be made thirty (30) days after termination of this Agreement.
- C. By either party for material breach of this Agreement's terms by the other party, provided, that no such termination shall become effective unless the non-breaching party provides at least thirty (30) days' written notice to the other party and an opportunity to cure the breach within that thirty (30) day period. If the breach cannot reasonably be cured within thirty (30) days, this Agreement shall not terminate if the breaching party has commenced cure within thirty (30) days and diligently pursues the same to conclusion.

**13. Dispute Resolution.** The parties mutually agree to use a formal dispute resolution process, such as mediation, through an agreed upon mediator, if agreement cannot be reached regarding interpretation or implementation of any provision of this Agreement. All costs for mediation services will be divided equally among the parties to the dispute. Each party will be responsible for their own legal representation, provided, that nothing in this Section 13 shall be construed to limit or negate the parties' ability to indemnify and defend as set forth in Section 9 above. In the event that agreement cannot be reached through the formal dispute resolution process contemplated by this Section, the parties reserve the right to seek any available legal or equitable remedy, including litigation, to resolve the dispute.

**14. Notices.** Notices required by this Agreement shall be given to the parties at the following addresses:

**To the City:**

Carrie Hite  
Parks Director  
City of Redmond  
15670 N.E. 85<sup>th</sup> Street  
P.O. Box 97010  
Redmond, WA 98073-9710

**To WAVE:**

Kfir Ami-ad  
Board President  
WAVE Aquatics  
P.O. Box 2953  
Kirkland, WA 98083-2953

Notices shall be deemed given upon either personal delivery or e-mail to the individuals named above mailed, three days after the written notice is placed in the United States Mail, postage prepaid, addressed to the individuals named above.

**15. Force Majeure.** Neither party shall be liable to the other or deemed in breach or default for any failure or delay in performance under this Agreement during the time and to the extent its performance is prevented by reasons of force majeure. For the purposes of this Agreement, force majeure means an

occurrence that is beyond the reasonable control of and without fault or negligence of the party claiming force majeure and which, by exercise of due diligence of such party, could not have been prevented or overcome. Force majeure shall include natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials, including delays by or acts or orders of any governmental body or changes in laws or governmental regulations; acts of civil or military authority; freight embargoes; epidemics; quarantine restrictions; labor strikes; boycotts; terrorist acts; riots; insurrections; explosions; and nuclear accidents. A party claiming suspension or termination of its obligations due to force majeure shall give the other party prompt written notice of the impediment and its effect on the ability to perform; failure to provide such notice shall preclude recovery under this provision; such notice shall release both parties from their future respective obligations under the Agreement, provided that written notice setting forth in detail the nature of any delay or suspension is given by such party to the other party within 72 hours of the order to cancel or reschedule the event or activity. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion may be extended by Agreement modification for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Agreement. The City reserves the right to cancel this Agreement in accordance with the "Termination" sections of this Agreement and/or purchase materials, equipment or services from the best available source during the time of force majeure, and WAVE shall have no recourse against the City.

#### **16. Miscellaneous Provisions.**

A. Assignment and Subcontract. WAVE shall not assign or subcontract its rights or obligations under this Agreement without the express written consent of the City.

B. No Waiver. Waiver by any party of any breach of this Agreement shall not constitute a waiver of any subsequent breach or of a breach of any other provision.

C. Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision.

D. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Subject to the dispute resolution provisions of Section 13, venue for any action brought to enforce any provision of this Agreement or to seek redress for any breach thereof shall be in the superior court of King County, Washington.

E. Attorney's Fees. In the event that either party commences litigation against the other party to enforce any provision of this Agreement or to seek redress for any breach thereof, the prevailing party in any such litigation shall be entitled to recover its costs and reasonable attorney's fees incurred in the litigation from the other party.

F. Construction. Both parties participated equally in the drafting of this Agreement and this Agreement shall not be construed against either party as drafter.

G. Amendment. This Agreement may be amended only by a written instrument signed by both parties.

H. Entire Agreement. This Agreement constitutes the entire Agreement between the parties concerning its subject matter and supersedes all prior understandings and agreements.

EXECUTED by the parties on the dates hereinafter written.

WAVE AQUATICS:

DocuSigned by:

*Kfir Ami-ad*

7BD1088A079A4CA

Kfir Ami-ad, Board President

Date: 8/25/2020

CITY OF REDMOND:

DocuSigned by:

*Malisa Files (Mayor Designee)*

5D9FC872714C4E4...

Angela Birney, Mayor

Date: 9/1/2020

ATTEST/AUTHENTICATED:

DocuSigned by:

*Cheryl Xanthos*

E725E589816E4E1...

City Clerk, City of Redmond

APPROVED AS TO FORM:

DocuSigned by:

*Jim Haney*

85394CE968994B5...

Office of the City Attorney



**Scottsdale Insurance Company**  
**National Casualty Company**  
**Scottsdale Indemnity Company**  
**Scottsdale Surplus Lines Insurance Company**

## CLAIM REPORTING INFORMATION

Your insurance policy has been placed with a Nationwide® insurance company.

Our commitment to you is to provide fast, fair claim service. Promptly reporting an event that could lead to a claim, as required by your policy, helps us fulfill this commitment to you. Please refer to your policy for this and all other terms and conditions.

To report a claim, you may contact us 24 hours a day, 7 days a week, by calling 1-800-423-7675 or via our website at [www.nationwideexcessandsurplus.com](http://www.nationwideexcessandsurplus.com).

Thank you for your business and as always, we appreciate the opportunity to serve you.

### HOW TO REPORT A CLAIM

Call **1-800-423-7675** or visit our website at [www.nationwideexcessandsurplus.com](http://www.nationwideexcessandsurplus.com).

In order to expedite this process, please be prepared to furnish as much of the following information as possible:

- Your policy number
- Date, time and location of the loss/accident
- Details of the loss/accident
- Name, address and phone number of any involved parties
- If applicable, name of law enforcement agency or fire department along with the incident number

**Please refer to your policy for specific claim reporting requirements.**



Underwritten by: Scottsdale Insurance Company  
Home Office: One Nationwide Plaza • Columbus, Ohio 43215  
Administrative Office: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258  
1-800-423-7675 • A Stock Company

In Witness Whereof, the Company has caused this policy to be executed and attested.

  
Secretary

  
President

The information contained herein replaces any similar information contained elsewhere in the policy.

**COMMON POLICY DECLARATIONS**

CPS3188660

Renewal of Number

Underwritten by: Scottsdale Insurance Company

Home Office:

One Nationwide Plaza • Columbus, Ohio 43215

Administrative Office:

8877 North Gainey Center Drive • Scottsdale, Arizona 85258

1-800-423-7675 • A Stock Company

Policy Number

**CPS7118636****ITEM 1. NAMED INSURED AND MAILING ADDRESS**

WAVE AQUATICS

17535 NE 104TH ST  
REDMOND WA 98052**This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, Title 48 RCW. It is not protected by any Washington state guaranty association law.****AGENT NAME AND ADDRESS**BURNS & WILCOX OVERLAND PARK, KS 7500 COLLEGE  
BLVD STE 1215 OVERLAND PARK KS 66210-4000

Agent No.: 15008

Program No.: IH

**ITEM 2. POLICY PERIOD**

From: 06/13/2020

To: 06/13/2021

Term: 365

12:01 A.M., Standard Time at the mailing address shown in ITEM 1.

Business Description: SWIMMING POOLS

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

| Coverage Part(s)                            | Premium Summary |
|---------------------------------------------|-----------------|
| Commercial General Liability Coverage Part  | \$ 4,725        |
| Commercial Property Coverage Part           | \$ NOT COVERED  |
| Commercial Crime And Fidelity Coverage Part | \$ NOT COVERED  |
| Commercial Inland Marine Coverage Part      | \$ NOT COVERED  |
| Commercial Auto Coverage Part               | \$ NOT COVERED  |
| Professional Liability Coverage Part        | \$ NOT COVERED  |
|                                             | \$              |
|                                             | \$              |
| <b>Total Policy Premium</b>                 | \$ 4,725.00     |
| TOTAL TAXES AND FEES                        | \$ 864.98       |
|                                             | \$              |
| <b>Policy Total</b>                         | \$ 5,589.98     |

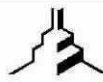
**NO FLAT CANCELLATION ALLOWED**

Form(s) and Endorsement(s) made a part of this policy at time of issue:

**See Schedule of Forms and Endorsements***Samuel Carson*

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORM(S) AND ENDORSEMENT(S), IF ANY, COMPLETE THE ABOVE-NUMBERED POLICY.





SCOTTSDALE INSURANCE COMPANY®

**SCHEDULE OF TAXES, SURCHARGES OR FEES**

Policy No. CPS7118636

Effective Date: 06/13/2020  
12:01 A.M., Standard Time

Named Insured WAVE AQUATICS

Agent No. 15008

|                                  |        |
|----------------------------------|--------|
| POLICY FEE                       | 750.00 |
| SURPLUS LINES TAX                | 109.50 |
| STAMP FEE                        | 5.48   |
| <hr/>                            |        |
| TOTAL TAXES, SURCHARGES OR FEES: | 864.98 |



SCOTTSDALE INSURANCE COMPANY®

**SCHEDULE OF FORMS AND ENDORSEMENTS**Policy No. CPS7118636Effective Date 06/13/2020

12:01 A.M. Standard Time

Named Insured WAVE AQUATICSAgent No. 15008**COMMON POLICY**

|            |       |                                                                  |
|------------|-------|------------------------------------------------------------------|
| NOTX0178CW | 03-16 | CLAIM REPORTING INFORMATION                                      |
| UTS-COVPG  | 06-19 | COVER PAGE                                                       |
| OPS-D-1    | 01-17 | COMMON POLICY DECLARATIONS                                       |
| UTS-126L   | 10-93 | SCHEDULE OF TAXES, SURCHARGES OR FEES                            |
| UTS-SP-2   | 12-95 | SCHEDULE OF FORMS AND ENDORSEMENTS                               |
| UTS-SP-3   | 08-96 | SCHEDULE OF LOCATIONS                                            |
| IL 00 17   | 11-98 | COMMON POLICY CONDITIONS                                         |
| UTS-496    | 06-19 | MINIMUM EARNED CANCELLATION PREMIUM                              |
| UTS-9g     | 05-96 | SERVICE OF SUIT CLAUSE                                           |
| NOTX0423CW | 02-19 | POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE |

**COMMERCIAL LIABILITY**

|           |       |                                                                                                                                                                 |
|-----------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CLS-SD-1L | 08-01 | COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS                                                                                            |
| CLS-SP-1L | 10-93 | COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS                                                                               |
| CG 00 01  | 04-13 | COMMERCIAL GENERAL LIABILITY COVERAGE FORM                                                                                                                      |
| CG 20 12  | 04-13 | ADDITIONAL INSURED-STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION-PERMITS OR AUTHORIZATIONS                                               |
| CG 21 06  | 05-14 | EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION                          |
| CG 21 47  | 12-07 | EMPLOYMENT-RELATED PRACTICES EXCLUSION                                                                                                                          |
| CG 21 67  | 12-04 | FUNGI OR BACTERIA EXCLUSION                                                                                                                                     |
| CG 21 73  | 01-15 | EXCLUSION OF CERTIFIED ACTS OF TERRORISM                                                                                                                        |
| CG 22 64  | 04-13 | PESTICIDE OR HERBICIDE APPLICATOR-LIMITED POLLUTION COVERAGE                                                                                                    |
| CG 24 26  | 04-13 | AMENDMENT OF INSURED CONTRACT DEFINITION                                                                                                                        |
| CG 24 45  | 01-19 | WASHINGTON - LIMITED COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE OR PERSONAL AND ADVERTISING INJURY INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS) |



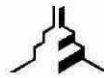
SCOTTSDALE INSURANCE COMPANY®

**SCHEDULE OF FORMS AND ENDORSEMENTS**Policy No. CPS7118636Effective Date 06/13/2020

12:01 A.M. Standard Time

Named Insured WAVE AQUATICSAgent No. 15008**COMMERCIAL LIABILITY**

|          |       |                                                                                                                                |
|----------|-------|--------------------------------------------------------------------------------------------------------------------------------|
| CG 40 12 | 12-19 | EXCLUSION - ALL HAZARDS IN CONNECTION WITH AN ELECTRONIC SMOKING DEVICE, ITS VAPOR, COMPONENT PARTS, EQUIPMENT AND ACCESSORIES |
| GLS-130s | 02-15 | LIMITED PARTICIPANT COVERAGE-SPORTS                                                                                            |
| GLS-152s | 08-16 | AMENDMENT TO OTHER INSURANCE CONDITION                                                                                         |
| GLS-172s | 11-19 | ERRORS AND OMISSIONS COVERAGE PART                                                                                             |
| GLS-289s | 11-07 | KNOWN INJURY OR DAMAGE EXCLUSION-PERSONAL AND ADVERTISING INJURY                                                               |
| GLS-30s  | 01-15 | CONTRACTORS SPECIAL CONDITIONS                                                                                                 |
| GLS-341s | 08-12 | HYDRAULIC FRACTURING EXCLUSION                                                                                                 |
| GLS-44s  | 09-16 | SEXUAL AND/OR PHYSICAL ABUSE LIABILITY COVERAGE FORM                                                                           |
| GLS-455s | 05-19 | MARIJUANA/CANNABIS LIABILITY EXCLUSION                                                                                         |
| GLS-457s | 10-14 | AIRCRAFT EXCLUSION                                                                                                             |
| GLS-45s  | 08-04 | SEXUAL AND/OR PHYSICAL ABUSE EXCLUSION                                                                                         |
| GLS-47s  | 10-07 | MINIMUM AND ADVANCE PREMIUM ENDORSEMENT                                                                                        |
| GLS-68s  | 03-12 | LOST KEY COVERAGE ENDORSEMENT                                                                                                  |
| IL 00 21 | 09-08 | NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT                                                                                 |
| UTS-180g | 10-08 | COMMUNICABLE DISEASE EXCLUSION                                                                                                 |
| UTS-266g | 05-98 | ASBESTOS EXCLUSION                                                                                                             |
| UTS-267g | 05-98 | LEAD CONTAMINATION EXCLUSION                                                                                                   |
| UTS-303g | 01-09 | FUNGI OR BACTERIA EXCLUSION                                                                                                    |
| UTS-365s | 02-09 | AMENDMENT OF NONPAYMENT CANCELLATION CONDITION                                                                                 |
| UTS-428g | 11-12 | PREMIUM AUDIT                                                                                                                  |
| UTS-74g  | 08-95 | PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION                                                                                         |



SCOTTSDALE INSURANCE COMPANY®

**SCHEDULE OF LOCATIONS**Policy No. CPS7118636 Effective Date 06/13/2020

12:01 A.M. Standard Time

Named Insured WAVE AQUATICS Agent No. 15008

| Prem.<br>No. | Bldg.<br>No. | Designated Premises<br>(Address, City, State, Zip Code) | Occupancy               |
|--------------|--------------|---------------------------------------------------------|-------------------------|
| 1            |              | 17535 NE 104TH ST REDMOND WA 98052                      | See Liability<br>Dec(s) |
| 2            |              | 10601 NE 132ND ST KIRKLAND WA 98034                     | See Liability<br>Dec(s) |
| 3            |              | 7616 139TH PL NE REDMOND WA 98052                       | See Liability<br>Dec(s) |

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Underwritten by Scottsdale Insurance Company

**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED CANCELLATION PREMIUM**

The following provision is added to the Cancellation Condition:

If You request cancellation of this policy, We will retain not less than 100% of the premium.\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT  
NO. \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SERVICE OF SUIT CLAUSE**

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The officer named below is authorized and directed to accept service of process on behalf of the Company:

\_\_\_\_\_  
COMMISSIONER OF INSURANCE

\_\_\_\_\_  
P. O. BOX 40257

\_\_\_\_\_  
OLYMPIA, WA 98504-0257

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to:

\_\_\_\_\_  
RECIPIENT NOT REQUIRED

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE



SCOTTSDALE INSURANCE COMPANY®

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy No. CPS7118636 Effective Date 06/13/2020  
12:01 A.M., Standard Time

Named Insured WAVE AQUATICS Agent No. 15008

| <b>Item 1. Limits of Insurance</b>                                                                                                                                                                                                                                                                                                                                      |                     |                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------|
| Coverage                                                                                                                                                                                                                                                                                                                                                                | Limit of Liability  |                                                                                                           |
| Aggregate Limits of Liability                                                                                                                                                                                                                                                                                                                                           | \$ <u>2,000,000</u> | Products/Completed Operations Aggregate                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                         | \$ <u>2,000,000</u> | General Aggregate (other than Products/Completed Operations)                                              |
| Coverage A—Bodily Injury and Property Damage Liability                                                                                                                                                                                                                                                                                                                  | \$ <u>1,000,000</u> | any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability |
| Damage to Premises Rented to You Limit                                                                                                                                                                                                                                                                                                                                  | \$ <u>100,000</u>   | any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability       |
| Coverage B—Personal and Advertising Injury Liability                                                                                                                                                                                                                                                                                                                    | \$ <u>1,000,000</u> | any one person or organization subject to the General Aggregate Limits of Liability                       |
| Coverage C—Medical Payments                                                                                                                                                                                                                                                                                                                                             |                     | any one person subject to the Coverage A occurrence and the General Aggregate Limits<br>\$ <u>5,000</u>   |
| <b>Item 2. Description of Business</b>                                                                                                                                                                                                                                                                                                                                  |                     |                                                                                                           |
| Form of Business:<br><input checked="" type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Venture <input type="checkbox"/> Trust <input type="checkbox"/> Limited Liability Company<br><input type="checkbox"/> Organization including a corporation (other than Partnership, Joint Venture or Limited Liability Company) |                     |                                                                                                           |
| Location of All Premises You Own, Rent or Occupy:<br>SEE SCHEDULE OF LOCATIONS                                                                                                                                                                                                                                                                                          |                     |                                                                                                           |
| <b>Item 3. Forms and Endorsements</b>                                                                                                                                                                                                                                                                                                                                   |                     |                                                                                                           |
| Form(s) and Endorsement(s) made a part of this policy at time of issue:<br><b>See Schedule of Forms and Endorsements</b>                                                                                                                                                                                                                                                |                     |                                                                                                           |
| <b>Item 4. Premiums</b>                                                                                                                                                                                                                                                                                                                                                 |                     |                                                                                                           |
| Coverage Part Premium:                                                                                                                                                                                                                                                                                                                                                  | \$                  | \$4,725                                                                                                   |
| Other Premium:                                                                                                                                                                                                                                                                                                                                                          | \$                  |                                                                                                           |
| Total Premium:                                                                                                                                                                                                                                                                                                                                                          | \$                  | \$4,725                                                                                                   |

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



SCOTTSDALE INSURANCE COMPANY<sup>®</sup>

## COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CPS7118636Effective Date: 06/13/2020

12:01 A.M., Standard Time

Named Insured WAVE AQUATICSAgent No. 15008

|                                                                                       |                |                     |               |                          |
|---------------------------------------------------------------------------------------|----------------|---------------------|---------------|--------------------------|
| Prem. No.<br>1                                                                        | Bldg. No.<br>1 | Class Code<br>48924 | Exposure<br>1 | Basis<br>PER POOL/EACH   |
| Class Description:<br>SWIMMING POOL MANAGEMENT AND LIFEGUARD SERVICES                 |                |                     |               | Premises/Operations      |
|                                                                                       |                |                     |               | Rate Premium             |
|                                                                                       |                |                     |               | \$1575.00 \$1,575        |
|                                                                                       |                |                     |               | Products/Comp Operations |
|                                                                                       |                |                     |               | Rate Premium             |
| Prem. No.<br>2                                                                        | Bldg. No.<br>1 | Class Code<br>48924 | Exposure<br>1 | Basis<br>PER POOL/EACH   |
| Class Description:<br>SWIMMING POOL MANAGEMENT AND LIFEGUARD SERVICES                 |                |                     |               | Premises/Operations      |
|                                                                                       |                |                     |               | Rate Premium             |
|                                                                                       |                |                     |               | \$1575.00 \$1,575        |
|                                                                                       |                |                     |               | Products/Comp Operations |
|                                                                                       |                |                     |               | Rate Premium             |
| Prem. No.<br>3                                                                        | Bldg. No.<br>1 | Class Code<br>48924 | Exposure<br>1 | Basis<br>PER POOL/EACH   |
| Class Description:<br>SWIMMING POOL MANAGEMENT AND LIFEGUARD SERVICES                 |                |                     |               | Premises/Operations      |
|                                                                                       |                |                     |               | Rate Premium             |
|                                                                                       |                |                     |               | \$1575.00 \$1,575        |
|                                                                                       |                |                     |               | Products/Comp Operations |
|                                                                                       |                |                     |               | Rate Premium             |
| Prem. No.                                                                             | Bldg. No.      | Class Code<br>44444 | Exposure      | Basis                    |
| Class Description:<br>SEXUAL AND/OR PHYSICAL ABUSE SUB-LIMIT PER FORM<br>GLS (HI) 44S |                |                     |               | Premises/Operations      |
|                                                                                       |                |                     |               | Rate Premium             |
|                                                                                       |                |                     |               |                          |
|                                                                                       |                |                     |               | Products/Comp Operations |
|                                                                                       |                |                     |               | Rate Premium             |

SCOTTSDALE INSURANCE COMPANY<sup>®</sup>

## COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CPS7118636Effective Date: 06/13/2020

12:01 A.M., Standard Time

Named Insured WAVE AQUATICSAgent No. 15008

|                                                                                             |           |                     |                      |                          |
|---------------------------------------------------------------------------------------------|-----------|---------------------|----------------------|--------------------------|
| Prem. No.                                                                                   | Bldg. No. | Class Code<br>44444 | Exposure<br>INCLUDED | Basis<br>INCLUDED        |
| <b>Class Description:</b><br>LOST KEY COVERAGE PER FORM GLS (HI) 68S                        |           |                     |                      | Premises/Operations      |
|                                                                                             |           |                     |                      | Rate Premium             |
|                                                                                             |           |                     |                      | INCLUDED INCLUDED        |
|                                                                                             |           |                     |                      | Products/Comp Operations |
|                                                                                             |           |                     |                      | Rate Premium             |
| Prem. No.                                                                                   | Bldg. No. | Class Code<br>73444 | Exposure             | Basis                    |
| <b>Class Description:</b><br>ERRORS & OMISSIONS COVERAGE PART PER FORM GLS (HI) 172S        |           |                     |                      | Premises/Operations      |
|                                                                                             |           |                     |                      | Rate Premium             |
|                                                                                             |           |                     |                      | INCLUDED INCLUDED        |
|                                                                                             |           |                     |                      | Products/Comp Operations |
|                                                                                             |           |                     |                      | Rate Premium             |
| Prem. No.                                                                                   | Bldg. No. | Class Code<br>44444 | Exposure<br>INCLUDED | Basis<br>INCLUDED        |
| <b>Class Description:</b><br>LIMITED PARTICIPANT COVERAGE PER FORM GLS (HI) 130S            |           |                     |                      | Premises/Operations      |
|                                                                                             |           |                     |                      | Rate Premium             |
|                                                                                             |           |                     |                      | INCLUDED INCLUDED        |
|                                                                                             |           |                     |                      | Products/Comp Operations |
|                                                                                             |           |                     |                      | Rate Premium             |
| Prem. No.                                                                                   | Bldg. No. | Class Code<br>44444 | Exposure<br>INCLUDED | Basis<br>INCLUDED        |
| <b>Class Description:</b><br>PESTICIDE OR HERBICIDE APPLICATOR COVERAGE PER APPLICABLE FORM |           |                     |                      | Premises/Operations      |
|                                                                                             |           |                     |                      | Rate Premium             |
|                                                                                             |           |                     |                      | INCLUDED INCLUDED        |
|                                                                                             |           |                     |                      | Products/Comp Operations |
|                                                                                             |           |                     |                      | Rate Premium             |

SCOTTSDALE INSURANCE COMPANY<sup>®</sup>

## COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CPS7118636Effective Date: 06/13/2020

12:01 A.M., Standard Time

Named Insured WAVE AQUATICSAgent No. 15008

|                                                                                                                                                                                  |           |                     |               |                          |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|---------------|--------------------------|----------|
| Prem. No.                                                                                                                                                                        | Bldg. No. | Class Code<br>49950 | Exposure<br>1 | Basis<br>INCLUDED        |          |
| <b>Class Description:</b><br>ADDITIONAL INSURED - STATE OR GOVERNMENTAL AGENCY<br>OR SUBDIVISION OR POLITICAL SUBDIVISION - PERMITS<br>OR AUTHORIZATIONS (OCP) PER FORM CG 20 12 |           |                     |               | Premises/Operations      |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               | INCLUDED                 | INCLUDED |
|                                                                                                                                                                                  |           |                     |               | Products/Comp Operations |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
| Prem. No.                                                                                                                                                                        | Bldg. No. | Class Code          | Exposure      | Basis                    |          |
| <b>Class Description:</b>                                                                                                                                                        |           |                     |               | Premises/Operations      |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
|                                                                                                                                                                                  |           |                     |               | Products/Comp Operations |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
| Prem. No.                                                                                                                                                                        | Bldg. No. | Class Code          | Exposure      | Basis                    |          |
| <b>Class Description:</b>                                                                                                                                                        |           |                     |               | Premises/Operations      |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
|                                                                                                                                                                                  |           |                     |               | Products/Comp Operations |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
| Prem. No.                                                                                                                                                                        | Bldg. No. | Class Code          | Exposure      | Basis                    |          |
| <b>Class Description:</b>                                                                                                                                                        |           |                     |               | Premises/Operations      |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |
|                                                                                                                                                                                  |           |                     |               | Products/Comp Operations |          |
|                                                                                                                                                                                  |           |                     |               | Rate                     | Premium  |
|                                                                                                                                                                                  |           |                     |               |                          |          |

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i)** Any insured; or
    - (ii)** Any person or organization for whom you may be legally responsible; or
- (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

#### h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

#### **p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or



- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III – Limits Of Insurance**.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## **2. Exclusions**

This insurance does not apply to:

### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:
- (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2.** If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b.** This insurance applies to such liability assumed by the insured;
  - c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f.** The indemnitee:
    - (1)** Agrees in writing to:
      - (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
      - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2)** Provides us with written authorization to:
      - (a)** Obtain records and other information related to the "suit"; and
      - (b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

- 1.** If you are designated in the Declarations as:
  - a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
    - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.



**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means the handling of property:**

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1)** Equipment designed primarily for:
  - (a)** Snow removal;
  - (b)** Road maintenance, but not construction or resurfacing; or
  - (c)** Street cleaning;
- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

**a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a)** When all of the work called for in your contract has been completed.
  - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

**b.** Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3)** Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

**c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

POLICY NUMBER: CPS7118636

COMMERCIAL GENERAL LIABILITY  
CG 20 12 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – STATE OR GOVERNMENTAL  
AGENCY OR SUBDIVISION OR POLITICAL  
SUBDIVISION – PERMITS OR AUTHORIZATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE****State Or Governmental Agency Or Subdivision Or Political Subdivision:**  
CITY OF KIRKLAND 123 5TH AVE KIRKLAND WA 98033

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### **2. Exclusions**

This insurance does not apply to:

#### **p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

#### **Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

#### **2. Exclusions**

This insurance does not apply to:

#### **Fungi Or Bacteria**

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

#### **Fungi Or Bacteria**

- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B.** The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- c. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.



POLICY NUMBER: CPS7118636

COMMERCIAL GENERAL LIABILITY  
CG 22 64 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PESTICIDE OR HERBICIDE APPLICATOR –  
LIMITED POLLUTION COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Description Of Operations:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to the operations shown in the Schedule, Paragraph **(1)(d)** of Exclusion **f.** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** does not apply if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those operations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

POLICY NUMBER: CPS7118636

COMMERCIAL GENERAL LIABILITY  
CG 24 45 01 19**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****WASHINGTON – LIMITED COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE OR PERSONAL AND ADVERTISING INJURY INVOLVING EFFICIENT PROXIMATE CAUSE (DEFENSE WITHIN LIMITS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE****Efficient Proximate Cause Aggregate Limit:** \$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**"Defense expense" is payable within, not in addition to, the Efficient Proximate Cause Aggregate Limit shown in the Schedule of this endorsement.****A. The following is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability, Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability and Paragraph 2. Exclusions of Section I – Coverage C – Medical Payments:**

1. If an exclusion under the terms of this Policy applies with respect to "bodily injury", "property damage" or "personal and advertising injury"; and
2. The efficient proximate cause, in accordance with the law of the State of Washington, of such "bodily injury", "property damage" or "personal and advertising injury" is not also excluded under the terms of this Policy;

then:

- a. The exclusion referenced in Paragraph **A.1.** above does not apply to such "bodily injury", "property damage" or "personal and advertising injury"; and
- b. Coverage provided under this Policy for such "bodily injury", "property damage" or "personal and advertising injury" is subject to the Efficient Proximate Cause Aggregate Limit as described in Paragraph **B.** of this endorsement.

**B. For purposes of the coverage provided under this endorsement, the following provisions are added to Section III – Limits Of Insurance:**

1. Subject to Paragraph 2. or 3. of Section III – Limits Of Insurance, whichever applies, the Efficient Proximate Cause Aggregate Limit shown in the Schedule is the most we will pay for the sum of:
  - a. Damages under Coverage **A**;
  - b. Damages under Coverage **B**;
  - c. Medical expenses under **Coverage C**; and
  - d. "Defense expense";
 because of all "bodily injury", "property damage" and "personal and advertising injury" described in Paragraph **A.** of this endorsement.
2. Paragraph 4., the Personal And Advertising Injury Limit, Paragraph 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III – Limits Of Insurance continue to apply to "bodily injury", "property damage" and "personal and advertising injury", as applicable, described in Paragraph **A.** of this endorsement but only if, and to the extent that, a limit of insurance is available under the Efficient Proximate Cause Aggregate Limit.

**C.** For purposes of the coverage provided under this endorsement, Paragraphs **1.a.**, **1.d.** and **1.e.** under **Supplementary Payments – Coverage A And B** do not apply.

**D.** For purposes of the coverage provided under this endorsement, the following definition is added:

"Defense expense":

**1.** Means:

Payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense.

**2.** Includes payments for:

- a.** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
- b.** Fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "suit".
- c.** All other litigation expenses.
- d.** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

**e.** Costs taxed against the insured in the "suit".

**3.** Does not include:

- a.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving "bodily injury", "property damage" or "personal and advertising injury" not described in Paragraph **A.** of this endorsement;
- b.** Salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **D.2.a.** and **D.2.d.** above) and does not include fees and expenses of independent adjusters we hire; and
- c.** Any payments described in Paragraph **D.1.** above allocated to that portion of a specific claim or "suit" involving medical expenses for "bodily injury" under Section **I – Coverage C – Medical Payments.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ALL HAZARDS IN CONNECTION WITH AN ELECTRONIC SMOKING DEVICE, ITS VAPOR, COMPONENT PARTS, EQUIPMENT AND ACCESSORIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. The following exclusion is added:**

This insurance does not apply to:

**Electronic Smoking Device**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the following:

- 1.** The design, manufacture, distribution, sale, maintenance, use or repair of:
  - a.** An "electronic smoking device"; or
  - b.** Any component part of, or equipment or accessory designed for use with an "electronic smoking device", including, but not limited to, a mouthpiece, tube, tank, connector, atomizer, cartomizer, clearomizer, coil, battery, charger, cartridge, liquid, flavoring, solutions of any kind, or ingredients therein;
- 2.** The actual, alleged, threatened or suspected inhalation of, contact with, exposure to, existence of, or presence of, vapor delivered from an "electronic smoking device"; or

- 3.** Any component part of, or equipment or accessory designed for use with an "electronic smoking device", including, but not limited to those items listed in Paragraph **A.1.b.** of this endorsement, and in connection with the actual, alleged, threatened or suspected inhalation of, contact with, exposure to, existence of, or presence of, vapor delivered from an "electronic smoking device".

**B. The following definition is added:**

"Electronic smoking device" means a battery-powered device that delivers a vaporized inhalable substance through a mouthpiece. "Electronic smoking devices" include, but are not limited to, battery-powered:

- 1.** Cigarettes;
- 2.** Pipes;
- 3.** Cigars;
- 4.** Hookahs; and
- 5.** Vaporizers, other than steam or mist inhalers.



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT  
NO. \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED PARTICIPANT COVERAGE—SPORTS**

This endorsement modified insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART****A. The following is added to subsection 2. Exclusions of SECTION I—COVERAGES COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

This insurance does not apply to "bodily injury" to "participant(s)."

We will have no duty to defend any "suit" against you seeking damages on account of any such injury unless coverage is provided by this endorsement.

**B. The following is added to subsection 2. Exclusions of COVERAGE C. MEDICAL PAYMENTS of SECTION I—COVERAGES:**

We will not pay expenses for "bodily injury" to "participant(s)."

**C. The coverage provided is described below:**The following is added to **SECTION I—COVERAGES:****COVERAGE—LIABILITY TO "PARTICIPANT(S)"****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" to any "participant(s)" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. of this endorsement;
- (2) Our right and duty to defend ends when we have used the applicable limit of insurance in payment of judgments or settlements; and
- (3) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS—COVERAGES A. AND B.**

**b.** This insurance applies to “bodily injury” only if:

- (1) The “bodily injury” is caused by an “occurrence” that takes place in the “coverage territory.”
- (2) The “bodily injury” occurs during the policy period.
- (3) Prior to the policy period, no insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “bodily injury” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “bodily injury” occurred, then any continuation, change or resumption of such “bodily injury” during or after the policy period will be deemed to have been known prior to the policy period.

**c.** “Bodily injury” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” after the end of the policy period.

**d.** “Bodily injury” will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim:

- (1) Reports all, or any part, of the “bodily injury” to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the “bodily injury”;  
or
- (3) Becomes aware by any other means that “bodily injury” has occurred or has begun to occur.

**e.** Damage because of “bodily injury” includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the “bodily injury.”

**2. Exclusions**

This insurance does not apply to:

- a.** “Bodily injury” that is excluded under **SECTION I—COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, subsection **2. Exclusions**, paragraphs **a., b., c., d., e., f., g., h., i., and o.**
- b.** “Bodily injury” arising from “brain injuries” sustained by any “participant” while practicing for or participating in any sports or athletic contest, event, or exhibition that you sponsor.

**D.** With respect to this endorsement, the following is added to **SECTION III—LIMITS OF INSURANCE:**

The Limits of Insurance are \$25,000 Each “Occurrence” and \$50,000 Aggregate per policy period, unless otherwise stated below:

\$ 25,000 Each “Occurrence”

\$ 50,000 Aggregate per policy period

The aggregate limit shown above is part of, and not in addition to, the General Aggregate limit shown on the Declarations.

This insurance does not apply to any claim for damages because of “bodily injury” or “property damage” brought by one “participant” against another “participant(s).”

**E. With respect to this endorsement, the following definitions are added to **SECTION V—DEFINITIONS:****

The term “brain injuries” includes concussions, Chronic Traumatic Encephalopathy (CTE) or any other injury to the brain as well as any symptoms, conditions, disorders or diseases resulting there from including, but not limited to amnesia and motor neuron disease.

“Participant(s)” means any person, including players, coaches, managers, staff members, team workers, officials, cheerleaders, students, customers and volunteers, who is instructing, supervising, training or practicing for, participating in or otherwise involved in any games, sports or athletic activity, contest or exhibition that you manage, operate or sponsor.

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AUTHORIZED REPRESENTATIVE

DATE




**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AMENDMENT TO OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE PART

Condition **4. Other Insurance** of **SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS** is deleted in its entirety and is replaced by the following:

#### **4. Other Insurance**

##### **a. Primary Insurance**

This insurance is primary except when **b.** below applies.

##### **b. Excess Insurance**

- (1)** This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:
  - (a)** That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b)** That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c)** That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;
  - (d)** If the loss arises out of the maintenance or use of aircraft, "auto" or watercraft to the extent not subject to Exclusion **g.** of Coverage **A (SECTION I)**; or
  - (e)** That is valid and collectible insurance available to any insured under any other policy.
- (2)** When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3)** When this insurance is excess over other insurance, we will pay only the amount of the loss, if any, that exceeds the sum of:
  - (a)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

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**(b)** The total of all deductible and self-insured amounts under all other insurance.

If a loss occurs involving two or more policies, each of which states that its insurance will be excess, then our policy will contribute on a pro rata basis.

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AUTHORIZED REPRESENTATIVE

DATE

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Underwritten by: Scottsdale Insurance Company  
 Home Office: One Nationwide Plaza • Columbus, Ohio 43215  
 Administrative Office: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258  
 1-800-423-7675 • A Stock Company

## ERRORS AND OMISSIONS COVERAGE PART

Various provisions in this Coverage Part restrict coverage. Read the entire Coverage Part carefully to determine rights, duties, and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we," "us," and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **WHO IS AN INSURED (SECTION II)**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS (SECTION VI)**.

### SCHEDULE

Description of Services:

| Coverage            | Limits of Insurance |             |
|---------------------|---------------------|-------------|
| Errors or Omissions | \$ 1,000,000        | Each Claim  |
|                     | \$ 2,000,000        | Aggregate   |
| Premium Basis       | Rate                | Premium     |
|                     | INCLUDED            | \$ INCLUDED |
|                     | INCLUDED            | \$ INCLUDED |
| Total Premium:      |                     | \$ INCLUDED |

### SECTION I—COVERAGE

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "damages" as a result of an "error or omission" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages." However, we will have no duty to defend the insured against any "suit" seeking "damages" for an "error or omission" to which this insurance does not apply. We may, at our discretion, investigate any "error or omission" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for "damages" is limited as described in **LIMITS OF INSURANCE (SECTION III)**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS**.

- b. This insurance applies to "errors or omissions" only if:
- (1) The "error or omission" takes place in the coverage territory;
  - (2) The "error or omission" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** and no employee authorized by you to give or receive notice of an occurrence or claim, knew that the "damages" had occurred, in whole or in part. If such a listed insured knew, prior to the policy period, that the "damages" occurred, then any continuation, change or resumption of such "damages" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Damages" which occurred during the policy period and were not, prior to the policy period, known to have occurred by any insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an occurrence or claim, includes any continuation, change or resumption of "damages" after the end of the policy period.
- d. "Damages" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of **SECTION II—WHO IS AN INSURED** or any employee authorized by you to give or receive notice of an occurrence or claim:
- (1) Reports all, or any part, of the "damages" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for "damages"; or
  - (3) Becomes aware by any other means that "damages" have occurred or have begun to occur.
- e. "Damages" because of "errors or omissions" include "damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "error or omission."

## 2. Exclusions

This insurance does not apply to:

- a. "Errors or omissions" for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.
- b. Any obligation of any insured under any workers' compensation, unemployment compensation, disability benefits law, Federal Securities Act of 1933, Employee Retirement Income Security Act of 1974 (ERISA) or under any similar law.
- c. Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto," or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."
- d. Injury arising out of a dishonest, fraudulent, malicious or criminal act by any insured.
- e. (1) Injury arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or sub-contractors working directly or indirectly on any insured's behalf are performing operations:
  - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
  - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
- (2) Any loss, cost, or expense arising out of any:
  - (a) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (b) "Claim" or "suit" by or on behalf of a government authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**f. "Damages" caused or arising, directly or indirectly, out of:**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Damage to:**

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the damage arises out of any part of those premises;
- (3) Property loaned to you, except property loaned to you and held as evidence;
- (4) Personal property in the care, custody or control of the insured, except when the property is being held as evidence;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the damage arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

**h. Damage to “your work” arising out of it or any part of it.**

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**i. Damage to “impaired property” or property that has not been physically injured, arising out of:**

- (1)** A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
- (2)** A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

**j. “Damages” claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:**

- (1)** “Your product”;
- (2)** “Your work”; or
- (3)** “Impaired property”;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**k. Injury to:**

- (1)** An employee of the insured arising out of and in the course of employment by the insured, including wrongful termination; or
- (2)** The spouse, child, parent, brother, sister of that employee as a consequence of **k.(1)** above;

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share “damages” with or repay someone else who must pay “damages” because of the injury.

**l. Injury to:**

- (1)** A person arising out of any:

- (a)** Refusal to employ that person;
- (b)** Termination of that person’s employment; or
- (c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2)** The spouse, child, parent, brother or sister of that person as a consequence of injury to that person at whom any of the employment-related practices described in paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share “damages” with or repay someone else who must pay “damages” because of the injury.

- m. Any injury arising out of any circumstances due to nuclear reaction, radiation, or contamination regardless of cause.
- n. Injury arising out of:
  - (1) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
  - (2) The use of asbestos in construction or manufacturing any good, product or structure;
  - (3) The removal of asbestos from any good, product or structure; or
  - (4) The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.
- o. Any "error or omission" arising out of the rendering or failure to render any service provided by any architect, engineer, accountant, land surveyor, actuary, insurance agent or broker, financial management consultant, physician or attorney.
- p. Any claims covered under the Commercial General Liability Coverage Part, Liquor Liability Coverage Part or any other coverages included in this policy.
- q. "Damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- r. Damages arising out of:
  - (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
  - (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury."

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

## **SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit," including actual loss of earnings up to two hundred fifty dollars (\$250) a day because of time off from work.
4. All costs taxed against the insured in the "suit."
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

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## **SECTION II—WHO IS AN INSURED**

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If you are designated in the Declarations as:

1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are sole owner.
2. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
4. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
5. An organization other than a partnership, joint venture, limited liability company or trust you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
6. Your employees are insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
7. Your "volunteer workers" and your employees are insureds, but only for acts within the scope of their employment for you or while performing duties related to the conduct of your business.

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## **SECTION III—LIMITS OF INSURANCE**

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1. The Limits of Insurance shown in the Schedule of this Coverage Part and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. "Claims" made or "suits" brought; or
  - c. Persons or organizations making "claims" or bringing "suits."



2. The Aggregate Limit is the most we will pay for all “damages” because of an “error or omission” under this insurance regardless of the number of “claims.”
3. Subject to the Aggregate Limit, the Each Claim Limit is the most we will pay for all “damages” arising out of any one “claim.”

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

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## **SECTION IV—COVERAGE PART CONDITIONS**

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### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties in the event of an “Error or Omission,” “Claim” or “Suit”**

- a. You must see to it that we are notified as soon as practicable of an “error or omission” which may result in a “claim.” To the extent possible, notice should include:

- (1) How, when and where the “error or omission” took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the “error or omission.”

- b. If a “claim” is made or “suit” is brought against any insured, you must:

- (1) Immediately record the specifics of the “claim” or “suit” and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the “claim” or “suit” as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the “claim” or “suit”; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a “suit” asking for “damages” from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover, our obligations are limited as follows:

##### **a. Primary Insurance**

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described below.

##### **b. Excess Insurance**

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis that is valid and collectible insurance available to you under any other policy.

When this insurance is excess, we have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against those other insurers.

When this insurance is excess over other insurance, we will pay only the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all other insurance.

If a loss occurs involving two or more policies, each of which states that its insurance will be excess, then our policy will contribute on a pro rata basis.

##### **c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### **5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, the insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

**8. Transfer of Rights of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under the Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

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**SECTION V—COVERAGE TERRITORY**


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This insurance applies to "damages" for injury caused by an "error or omission" anywhere in the world, so long as the original "claim" or "suit" for such "damages" is brought in the United States of America (including its territories and possessions), Puerto Rico and Canada.

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**SECTION VI—DEFINITIONS**


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- 1. "Auto" means a land motor vehicle, trailer or semi-trailer designated for travel on public roads, including any attached machinery or equipment.
- 2. "Claim" means an oral or written notice from any party that it is their intention to hold you responsible for any "error or omission."
- 3. "Damages" means monetary judgments, awards or settlements the insured is legally obligated to pay as a result of an "error or omission" to which this insurance applies.

"Damages" shall not include:

- a. Amounts paid to you as fees or expenses for services performed which are to be reimbursed or discharged as a part of the judgment or settlement; or
- b. Judgments or awards arising from acts deemed uninsurable by law.
- 4. "Error or omission" means any negligent act, error or omission while performing those services described in the Schedule of this Coverage Part under the Description of Services.

5. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
6. "Loading or unloading" means the handling of persons or property:
  - a. After being moved from the place where accepted for movement into or onto an aircraft, watercraft, or "auto";
  - b. While in or on an aircraft, watercraft, or "auto"; or
  - c. While being moved from an aircraft, watercraft or "auto" to the place of final delivery;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."
7. "Suit" means a civil proceeding in which "damages" for injury to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.
8. "Volunteer worker" means a person who is not your employee, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
9. "Your product" means:
  - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) You;
    - (2) Others trading under your name; or
    - (3) A person or organization whose business or assets you have acquired; and
  - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
10. "Your work" means:
  - a. Work or operations performed by you or on your behalf; and
  - b. Materials, parts or equipment furnished in connection with such work or operations.
11. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.


**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **KNOWN INJURY OR DAMAGE EXCLUSION— PERSONAL AND ADVERTISING INJURY**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following exclusion is added to Paragraph **2. Exclusions** of **SECTION I—COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Known Injury Or Damage**

This insurance does not apply to "personal and advertising injury" arising from an offense:

- a. That occurs during the policy period and, prior to the policy period, an insured listed under Paragraph **1. of SECTION II—WHO IS AN INSURED** or an "employee" authorized by you to give or receive notice of an offense or claim, knew that the "personal and advertising injury" had occurred prior to the policy period, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "personal and advertising injury" occurred, then any continuation, change or resumption of such offense during or after the policy period will be deemed to have been known prior to the policy period; or
- b. That occurs during the policy period and was, prior to the policy period, known to have

occurred by any insured listed under Paragraph **1. of SECTION II—WHO IS AN INSURED** or an "employee" authorized by you to give or receive notice of an offense or claim, includes any continuation, change or resumption of that "personal and advertising injury" after the end of the policy period.

A "personal and advertising injury" arising from an offense will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1. of SECTION II—WHO IS AN INSURED** or an "employee" authorized by you to give or receive notice of an offense or claim:

- (1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury"; or
- (3) Becomes aware by any other means that "personal and advertising injury" has occurred or has begun to occur.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE

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**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### CONTRACTORS SPECIAL CONDITIONS

This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following is added to **SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS:**

##### Contractors Special Conditions

You will obtain current certificates of insurance from all independent contractors providing evidence of:

1. "Bodily injury" and "property damage" liability Limits of Insurance equal to or greater than the limits provided by this policy;
2. Coverage equal to or greater than the coverage provided by this policy; and
3. Effective dates of coverage that "coincide" with the effective dates of coverage on this policy.

Failure to comply with this condition does not alter the coverage provided by this policy, but will result in an additional premium charge.

The following is added to **SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS**, paragraph **5. Premium Audit:**

Should you fail to provide current certificates of insurance from all independent contractors at such times as we request to complete a premium audit, a premium charge will be made. The premium charge will be computed by multiplying the "total cost" of all work sublet that fails to meet the above condition, by the rate per \$1,000 payroll for the applicable classification of the work performed. The premium charge will be computed by multiplying our usual and customary rate per \$1,000 payroll for that classification.

For purposes of this endorsement the following definitions apply:

"Total cost" means the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work and all fees, bonuses or commissions paid.

"Coincide" means that the effective dates of coverage for all policies of all independent contractors covers that period of time during which work was performed for you within the effective dates covered by this policy.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE


**ENDORSEMENT**  
**NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HYDRAULIC FRACTURING EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART ERRORS AND OMISSIONS COVERAGE PART

- A.** The following is added to Paragraph **2. Exclusions of Section I—Coverage A. Bodily Injury And Property Damage Liability** of the Commercial General Liability Coverage Part and Paragraph **2. Exclusions of SECTION I—COVERAGE** of the Errors And Omissions Coverage Part:

This insurance does not apply to:

#### Hydraulic Fracturing

- 1.** "Bodily injury," "property damage" or "error or omission":
  - a.** Arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing," "gas fracking" and/or the actual, alleged, threatened or suspected contact with, exposure to, existence of or presence of any "flowback" or the handling, transporting, storage, release or disposal of any "flowback" by any insured or by any other person or entity; or
  - b.** Caused, directly or indirectly or in whole or in part, by the movement, in any direction, of earth or land arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground

geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing" or "gas fracking."

- 2.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, remediating or disposing of, or in any way responding to or assessing the effects of "hydraulic fracturing," "gas fracking" or "flowback," by any insured or by any other person or entity.

We will have no duty to settle any claim or defend any "suit" against the insured arising out of or in any way related to items **1.** or **2.** above.

- B.** The following is added to Paragraph **2. Exclusions of Section I—Coverage B. Personal And Advertising Injury Liability** of the Commercial General Liability Coverage Part:

This insurance does not apply to:

#### Hydraulic Fracturing

- 1.** "Personal and advertising injury":
  - a.** Arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include,

but are not limited to, "hydraulic fracturing," "gas fracking" and/or the actual, alleged, threatened or suspected contact with, exposure to, existence of or presence of any "flowback" or the handling, transporting, storage, release or disposal of any "flowback" by any "insured" or by any other person or entity; or

- b. Caused, directly or indirectly or in whole or in part, by the movement, in any direction, of earth or land arising, in whole or in part, out of any operation involving substances under pressure being pumped underground with the objective of creating fractures in underground geologic formations to facilitate the release and extraction of hydrocarbons, including, but not limited to, oil or natural gas. Such operations include, but are not limited to, "hydraulic fracturing" or "gas fracking."
2. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, remediating or disposing of, or in any way responding to or assessing the effects of "hydraulic fracturing," "gas fracking" or "flowback," by any insured or by any other person or entity.

We will have no duty to settle any claim or defend any "suit" against the insured arising out of or in any way related to items **1.** or **2.** above.

For purposes of this endorsement, the following definitions apply:

1. "Hydraulic fracturing," or hydrofracking means the process by which water, "proppants," chemicals and/or other fluid additives are injected at high pressure into underground geologic formations to create fractures, to facilitate the extraction of any hydrocarbons including but not limited to natural gas and/or oil.
2. "Flowback" means any substance containing returned "hydraulic fracturing" fluid, including but not limited to water, "proppants," "hydraulic fracturing" fluid additives; and, any hydrocarbon compounds, salts, conventional pollutants, organics, metals, and naturally occurring radioactive material brought to the surface with the water.
3. "Gas fracking" or liquefied propane/butane gas fracturing means the waterless process by which propane gel and "proppants" are injected at high pressure into underground geologic formations to create fractures, to facilitate the release and extraction of natural gas.
4. "Proppant" means particles that are used to keep fractures open after a hydraulic fracturing treatment.

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AUTHORIZED REPRESENTATIVE

DATE





SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT  
NO. \_\_\_\_\_

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SEXUAL AND/OR PHYSICAL ABUSE LIABILITY COVERAGE FORM**

Designated Premises:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**INSURING AGREEMENT**

Sexual and/or Physical Abuse Liability is covered up to the limits of liability shown below. Coverage is subject to this coverage form and the exclusions, conditions and other terms of this policy.

| Limits of Liability  | Coverage                               |
|----------------------|----------------------------------------|
| \$ 25,000 each claim | Sexual and/or Physical Abuse Liability |
| \$ 50,000 aggregate  |                                        |

| Advance Premium          | Premium Bases | Rates | Description of Hazards |
|--------------------------|---------------|-------|------------------------|
| \$                       |               |       |                        |
| \$ TOTAL ADVANCE PREMIUM |               |       |                        |

**I. COVERAGES—SEXUAL AND/OR PHYSICAL ABUSE LIABILITY**

- A.** We will pay on your behalf all sums which you shall become legally obligated to pay as **DAMAGES** because of injury manifesting during the policy period to any person, and arising out of **SEXUAL AND/OR PHYSICAL ABUSE**, caused by one of your **EMPLOYEES**, or arising out of your failure to properly supervise. We shall have the right and duty to defend any suit against you seeking such **DAMAGES**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and such settlement of any claim or suit as we deem expedient, but we shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of our liability has been exhausted.
- B.** This insurance applies to **DAMAGES** from **SEXUAL AND/OR PHYSICAL ABUSE** only if the **SEXUAL AND/OR PHYSICAL ABUSE** takes place in the "coverage territory."

## II. EXCLUSIONS

This policy does not apply:

- A. To any actual or alleged **SEXUAL AND/OR PHYSICAL ABUSE** by you or **PERSONS INSURED** (see Section III. below);
- B. To liability of others assumed by you under any contract or agreement, either oral or in writing, unless specifically endorsed hereon;
- C. To any obligation for which you or any carrier as your insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- D. To bodily injury to, or **SEXUAL AND/OR PHYSICAL ABUSE**, sickness, disease or death sustained by any of your **EMPLOYEES** arising out of, and in the course of employment by you;
- E. To any loss or claim either directly or indirectly arising from your activities as an officer or director of any corporation, company or business other than that of the Named Insured;
- F. To any claim for punitive or exemplary damages; or
- G. To any loss or claim arising from corporal punishment.

## III. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- A. If the Named Insured is designated in the DECLARATIONS as an individual, the person so designated, but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the Named Insured with respect to the conduct of such a business;
- B. If the Named Insured is designated in the DECLARATIONS as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such; or
- C. If the Named Insured is designated in the DECLARATIONS as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

## IV. LIMITS OF LIABILITY

Regardless of the number of insureds under this policy, our liability is limited as follows:

The limit of liability stated in the schedule as applicable to each claim is the limit of our liability for all **DAMAGES** because of each claim or suit covered hereby. The limit of liability stated in the schedule as aggregate, subject to the above provision regarding each claim, is the total limit of our liability under this Coverage for all **DAMAGES**.

## V. SUPPLEMENTARY PAYMENTS

We will pay, in addition to the applicable limit of liability for **DAMAGES**, all interest on that amount of any judgment payable by us that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the amount available for the judgment.

## VI. DEFINITIONS

- A. **SEXUAL AND/OR PHYSICAL ABUSE** means sexual or physical injury or abuse, including assault and battery, negligent or deliberate touching. Any multiple, continuous, or related acts of **SEXUAL AND/OR PHYSICAL ABUSE** against a single claimant or victim shall be treated as a single **SEXUAL AND/OR PHYSICAL ABUSE** claim for determining the Each Claim limits of insurance available under this coverage form regardless of the number of acts, events, conditions, injuries,

perpetrators, claims, causes of action, theories of liability, lawsuits, or insurance policies in effect at any point during exposure to the **SEXUAL AND/OR PHYSICAL ABUSE**.

The **SEXUAL AND/OR PHYSICAL ABUSE** must have been manifested within the policy period. The **SEXUAL AND/OR PHYSICAL ABUSE** shall be deemed to have been manifested as of the earliest date that any element of the **SEXUAL AND/OR PHYSICAL ABUSE** took place, regardless of whether such **SEXUAL AND/OR PHYSICAL ABUSE** was continuous or progressive.

- B. EMPLOYEE** means any person, other than a **PERSON INSURED**, in your employment, including, but not limited to persons with child caring responsibilities, attendants, janitors, bus drivers and volunteer workers.
- C. DAMAGES** means all damages, including damages for death, which are payable because of injury to which this insurance applies.

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AUTHORIZED REPRESENTATIVE

DATE

Underwritten by Scottsdale Insurance Company

**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

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**MARIJUANA/CANNABIS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART**

**SCHEDULE****State(s):**

AK, CA, CO, DC, MA, ME, NV, OR, VT &amp; WA

(If no entry appears above, this endorsement will be applicable in all states.)

1. This insurance does not apply to "injury," "bodily injury," "property damage," "damages" or "personal and advertising injury" arising out of the sale, consumption, use or the exposure to the consumption or use of:
  - a. "Marijuana";
  - b. "Edible marijuana-infused product";
  - c. "Marijuana-infused product";
  - d. "Cannabis";
  - e. "Cannabis containing product"; or
  - f. Any material, substance or item containing tetrahydrocannabinol (THC).
2. This exclusion applies only if you are in the business of:
  - a. Growing or cultivating;
  - b. Acquiring;
  - c. Processing;
  - d. Dispensing;
  - e. Manufacturing;
  - f. Distributing;

- g.** Delivering;
- h.** Selling;
- i.** Serving; or
- j.** Furnishing;

"marijuana," "edible marijuana-infused products," "marijuana-infused products," "cannabis" or "cannabis containing products" or any material, substance or item containing tetrahydrocannabinol (THC).

**3.** This exclusion does not apply to:

- a.** Hemp, hemp containing products or products derived from hemp; or
- b.** Cannabidiol (CBD) oils or extracts;

that contain trace amounts of 0.3% or less of tetrahydrocannabinol (THC).

**4.** For the purposes of this exclusion, permitting, authorizing or otherwise condoning a person to bring "marijuana" or "cannabis containing products" on your premises for consumption on your premises is not by itself considered to be in the business of serving or furnishing "marijuana" or "cannabis containing products."

**5.** For purposes of this endorsement, the following definitions apply:

- a.** "Cannabis" means the following substances under whatever names they may be designated: the resin extracted from any part of a plant of the genus cannabis, and every compound, manufacture, salt, derivative, mixture or preparation of such plant, its seeds or its resin.
- b.** "Cannabis containing product" means a product containing "cannabis" that is intended for use or consumption, including but not limited to edible products, ointments, aerosols, oils and tinctures.
- c.** "Edible marijuana-infused product" means a "marijuana-infused product" that is to be consumed by eating or drinking.
- d.** "Marijuana" means all parts of the plant Cannabis sativa L., Cannabis indica or Cannabis ruderalis whether growing or not, including its seeds and resin extracted from any part of a plant and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. The term also includes "marijuana-infused product(s)."
- e.** "Marijuana-infused product" means a product infused with marijuana, including, but not limited to ointments, aerosols, oils, tinctures and edible products.

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NO. \_\_\_\_\_**

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|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **AIRCRAFT EXCLUSION**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following is added to paragraph **2. Exclusions** of **SECTION I—COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**:

This insurance does not apply to:

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft. Use includes operation and "loading and unloading."

This exclusion applies even if claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by any insured.

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AUTHORIZED REPRESENTATIVE

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NO. \_\_\_\_\_**

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### SEXUAL AND/OR PHYSICAL ABUSE EXCLUSION

This endorsement modifies insurance provided under:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART**

This policy does not apply to any injury sustained by any person arising out of or resulting from "Sexual and/or Physical abuse" by:

1. any insured;
2. any of your "Employees";
3. any person performing volunteer services for you or on your behalf; or
4. any other person.

We shall not have any duty to defend any suit against you seeking "damages" on account of any such injury.

The intent of this endorsement is to exclude all injury sustained by any person, including emotional distress, arising out of "Sexual and/or Physical abuse" including but not limited to "Sexual and/or Physical abuse" caused by negligent employment, investigation, supervision, or reporting to the proper authorities, or failure to so report, or retention of a person for whom any insured is or ever was legally responsible.

The following Definitions are added to the policy:

1. "Sexual and/or Physical abuse" means sexual or physical injury or abuse, including but not limited to assault and battery, negligent or deliberate touching, corporal punishment and mental abuse.
2. "Employee" means any person, other than a person insured, in your employment, including, but not limited to:
  - a. persons with child caring responsibilities;
  - b. attendants;
  - c. janitors;
  - d. bus drivers; and
  - e. volunteer workers.
3. "Damages" means all damages, including damages for death, which are payable because of injury to which this insurance applies.

All other terms and conditions remain unchanged.

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AUTHORIZED REPRESENTATIVE

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SCOTTSDALE INSURANCE COMPANY®

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**MINIMUM AND ADVANCE PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**  
**LIQUOR LIABILITY COVERAGE PART**  
**PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE****MINIMUM PREMIUM** 100 %

Item **5.b.** of the **Premium Audit** condition under **SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS**, **SECTION IV—LIQUOR LIABILITY CONDITIONS** and **SECTION IV—PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS** is amended to read:

- b.** The advance premium for this Coverage Part is a deposit premium only. The final premium shall be subject to audit. At the close of each audit period we will compute the earned premium for that period. Any audit premiums are due and payable to us on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to the minimum premium as defined below. In the event the first Named Insured fails or refuses to allow our representative to audit your books and records, we may unilaterally charge a final premium for the Policy Period at double the minimum or advance premium, whichever is greater, and such final premium shall be immediately due and payable on notice to the first Named Insured.

For purposes of this endorsement, the terms advance premium, earned premium, and minimum premium are defined as follows:

**Advance Premium**—the premium that is stated in the applicable initial policy Declarations or Renewal Certificate and payable in full by the first Named Insured at the inception of each Policy Period.

**Earned Premium**—the premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the audit period.

**Minimum Premium**—the lowest premium for which this insurance will be written for the Policy Period stated in **Item 2.** of the Declarations of the applicable initial policy or subsequent Renewal Certificate. This minimum premium is equal to 100% (unless a different percentage [%] is shown in the Schedule above) of the advance premium including any premium adjustments made by endorsement to this policy during the Policy Period. Premium adjustments do not include the audit premium developed for the Policy Period stated in **Item 2.** of the Declarations.

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AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
DATE





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**LOST KEY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

| Lost Key Coverage                                                                                                                                   |                          |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|
| Limits of Insurance                                                                                                                                 | Deductible               | Additional Premium |
| \$25,000 Each Occurrence<br>\$25,000 Aggregate,<br>unless otherwise stated below:<br>\$ <u>25,000</u> Each Occurrence<br>\$ <u>25,000</u> Aggregate | \$ _____ Each Occurrence | \$ Included        |

"Property damage" coverage provided under Coverage A (Section I—Coverages) also applies to the loss of keys which are in your possession or the possession of your "employees," agents or anyone acting on your behalf, subject to the following provisions:

1. Exclusion j.(4) of Coverage A (Section I—Coverages) relating to "property damage" to personal property in your care, custody or control does not apply.
2. Coverage does not apply to "property damage" caused by misappropriation, secretion, infidelity or dishonest acts by you or anyone acting on your behalf.
3. Our liability for all damages because of "property damage" to which this endorsement applies is limited

to the actual cost of keys, re-keying locks or, if required, replacement locks with like kind and quality, including cost of their installation, subject to the Each Occurrence and Aggregate Limits of Insurance shown in the Schedule of this endorsement for Lost Key Coverage.

4. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of the deductible amount as stated in the Schedule of this endorsement. The stated deductible amount shall apply to all damages sustained as the result of paragraph 3. above.
5. The Lost Key Coverage Aggregate limit of insurance is part of, and not in addition to, the General Aggregate Limit of Insurance shown on the Declarations.

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AUTHORIZED REPRESENTATIVE\_\_\_\_\_  
DATE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.


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### COMMUNICABLE DISEASE EXCLUSION

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury," error or omission, or other damages arising out of the actual or alleged transmission of or exposure to a "communicable disease," illness or condition related to any "communicable disease."

This exclusion applies even if claims against any insured allege negligence or other wrongdoing in the:

- a. Act or failure to act by any insured;
- b. Supervising, hiring, employing, training or monitoring of others or care of animals that may be infected with and spread a "communicable disease";
- c. Testing for a "communicable disease";
- d. Failure to prevent the spread of the disease; or
- e. Failure to report the disease to authorities as required by local, state or federal law, statute or regulation.

For purposes of this endorsement, the following definition applies:

"Communicable disease" means any infectious and/or contagious disease, including but not limited to, diseases caused by bacteria, fungi, protozoa, viruses, or any combination of the foregoing.

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### ASBESTOS EXCLUSION

This policy does not apply to:

- (1) Damages in any way or to any extent arising out of or involving asbestos, asbestos fibers, or any product containing asbestos or asbestos fibers.
- (2) Any economic loss, diminution of property value, abatement costs, or any other loss, cost or expense including equitable relief, in any way or to any extent arising out of or involving asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.
- (3) Any fees, fines, costs, or expenses of any nature whatsoever in the investigation or defense of any claim or suit arising out of or involving asbestos, asbestos fibers, or any product containing asbestos or asbestos fibers.

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AUTHORIZED REPRESENTATIVE

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### LEAD CONTAMINATION EXCLUSION

This policy does not apply to:

1. Any damages arising out of the ingestion, inhalation or absorption of lead in any form.
2. Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

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## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

**PROFESSIONAL LIABILITY INSURANCE COVERAGE PART  
DIRECTORS AND OFFICERS LIABILITY INCLUDING ENTITY REIMBURSEMENT AND  
ENTITY LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART**

A. The following exclusion is added to the coverage parts as indicated below. For those coverage parts only, this exclusion supercedes and replaces any conflicting policy provisions:

- The following applies to the **PROFESSIONAL LIABILITY INSURANCE COVERAGE PART**:

### SECTION III—EXCLUSIONS

This insurance does not apply to:

"Damages" due to any claim or loss based upon or arising out of any negligent act, error or omission in rendering or failing to render professional services which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage; or

Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

- The following applies to the **DIRECTORS AND OFFICERS LIABILITY INCLUDING ENTITY REIMBURSEMENT AND ENTITY LIABILITY COVERAGE PART**:

### IV. EXCLUSIONS

This insurance does not apply to:

**DAMAGES** due to any **CLAIM** or loss based upon or arising out of any **WRONGFUL ACT** which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage; or

Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

3. The following applies to the **ERRORS AND OMISSIONS COVERAGE PART**:

2. **Exclusions**

This insurance does not apply to:

"Damages" due to any "claim" or loss based upon or arising out of an "error or omission" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage; or

Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. For the purposes of this endorsement, the following definition is added to the **DEFINITIONS** Section of each Coverage Part:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE

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Copyright, ISO Properties, Inc., 2003




**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
|-------------------------------------------------------|----------------------------------------------------------|---------------|-----------|
| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **AMENDMENT OF NONPAYMENT CANCELLATION CONDITION**

Wherever a Cancellation Condition for nonpayment of premium is found in the policy, the following is added:

If the insured failed to pay premium charged on a prior policy we issued and payment was due during the current renewal policy term, we may cancel this policy by mailing or delivering to the first Named Insured and mortgagee, if any, written notice of cancellation at least ten (10) days before the effective date of cancellation.

---

 AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
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| CPS7118636                                            | 06/13/2020                                               | WAVE AQUATICS | 15008     |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PREMIUM AUDIT**

The following is added to the Premium Audit provision:

If the first Named Insured fails or refuses to provide documentation adequate to determine the apportionment of exposures by class code, we may unilaterally apply all exposures to the class code with the highest rate stated in the policy including any class code adjustments made by endorsement.

---

 AUTHORIZED REPRESENTATIVE

DATE


**ENDORSEMENT  
NO. \_\_\_\_\_**

| ATTACHED TO AND<br>FORMING A PART OF<br>POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE<br>(12:01 A.M. STANDARD TIME) | NAMED INSURED | AGENT NO. |
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION**

In consideration of the premium charged, it is agreed that this policy does not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble or other multiple damages in excess of compensatory damages.

If suit is brought against any insured for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action; however, the Company will have no obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

---

 AUTHORIZED REPRESENTATIVE

---

 DATE



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/19/2019

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

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

| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><br><b>CONTACT NAME:</b> Snyder Insurance Services, Inc<br><b>PHONE (A/C, No, Ext):</b> 800-874-6704 <b>FAX (A/C, No):</b> 913-498-0212<br><b>E-MAIL ADDRESS:</b> info@insureasset.com                                                                                                                                                                                                                                                                                                                            |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
| <b>INSURED</b><br><b>Wave Aquatics</b><br>P.O. Box 2953<br>Kirkland, WA 98083                                                 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td><b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b></td> <td></td> </tr> <tr> <td><b>INSURER B :</b></td> <td></td> </tr> <tr> <td><b>INSURER C :</b></td> <td></td> </tr> <tr> <td><b>INSURER D :</b></td> <td></td> </tr> <tr> <td><b>INSURER E :</b></td> <td></td> </tr> <tr> <td><b>INSURER F :</b></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b> |  | <b>INSURER B :</b> |  | <b>INSURER C :</b> |  | <b>INSURER D :</b> |  | <b>INSURER E :</b> |  | <b>INSURER F :</b> |  |
| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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

| INSR LTR                                  | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                          | ADDL INSD | SUBR WVD     | POLICY NUMBER     | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------|-------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------|-------------------------------------------|------------|------------------------------|-------------|--------------------------------|--------------|-------------------|--------------|------------------------|--------------|--|----|
| <b>A</b>                                  | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | <b>X</b>  |              | <b>CPS7118636</b> | <b>06/13/2020</b>       | <b>06/13/2021</b>       | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ Excluded</td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table> | EACH OCCURRENCE                     | \$ 1,000,000 | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000 | MED EXP (Any one person)     | \$ Excluded | PERSONAL & ADV INJURY          | \$ 1,000,000 | GENERAL AGGREGATE | \$ 2,000,000 | PRODUCTS - COMP/OP AGG | \$ 2,000,000 |  | \$ |
| EACH OCCURRENCE                           | \$ 1,000,000                                                                                                                                                                                                                                                                                                               |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000                                                                                                                                                                                                                                                                                                                 |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| MED EXP (Any one person)                  | \$ Excluded                                                                                                                                                                                                                                                                                                                |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PERSONAL & ADV INJURY                     | \$ 1,000,000                                                                                                                                                                                                                                                                                                               |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| GENERAL AGGREGATE                         | \$ 2,000,000                                                                                                                                                                                                                                                                                                               |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PRODUCTS - COMP/OP AGG                    | \$ 2,000,000                                                                                                                                                                                                                                                                                                               |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                                                                          |           |              |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                     | COMBINED SINGLE LIMIT (Ea accident) | \$           | BODILY INJURY (Per person)                | \$         | BODILY INJURY (Per accident) | \$          | PROPERTY DAMAGE (Per accident) | \$           |                   | \$           |                        |              |  |    |
| COMBINED SINGLE LIMIT (Ea accident)       | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| BODILY INJURY (Per person)                | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| BODILY INJURY (Per accident)              | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PROPERTY DAMAGE (Per accident)            | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                                                                                                                |           |              |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                      | EACH OCCURRENCE                     | \$           | AGGREGATE                                 | \$         |                              | \$          |                                |              |                   |              |                        |              |  |    |
| EACH OCCURRENCE                           | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| AGGREGATE                                 | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                               |           | <b>N / A</b> |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PER STATUTE</td> <td style="width: 50%;">OTH-ER</td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                               | PER STATUTE                         | OTH-ER       | E.L. EACH ACCIDENT                        | \$         | E.L. DISEASE - EA EMPLOYEE   | \$          | E.L. DISEASE - POLICY LIMIT    | \$           |                   |              |                        |              |  |    |
| PER STATUTE                               | OTH-ER                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. EACH ACCIDENT                        | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. DISEASE - EA EMPLOYEE                | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. DISEASE - POLICY LIMIT               | \$                                                                                                                                                                                                                                                                                                                         |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is listed as Additional Insured with respect to liability at leased premises 17535 NE 104th St, Redmond, WA, 98052.

**CERTIFICATE HOLDER****CANCELLATION**

|                                                                  |                                                                                                                                                                                                        |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>City of Redmond</b><br>15670 NE 85th St.<br>Redmond, WA 98052 | <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/19/2019

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| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><br><b>CONTACT NAME:</b> Snyder Insurance Services, Inc<br><b>PHONE (A/C, No, Ext):</b> 800-874-6704 <b>FAX (A/C, No):</b> 913-498-0212<br><b>E-MAIL ADDRESS:</b> info@insureasset.com                                                                                                                                                                                                                                                                                                                            |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
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| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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

| INSR     | LTR      | TYPE OF INSURANCE                                                                                                                                    | ADDL | SUBR | POLICY NUMBER     | POLICY EFF<br>(MM/DD/YYYY) | POLICY EXP<br>(MM/DD/YYYY) | LIMITS                                                               |
|----------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|-------------------|----------------------------|----------------------------|----------------------------------------------------------------------|
| <b>A</b> | <b>X</b> | <b>COMMERCIAL GENERAL LIABILITY</b>                                                                                                                  |      |      | <b>CPS7118636</b> | <b>06/13/2020</b>          | <b>06/13/2021</b>          | EACH OCCURRENCE \$ <b>1,000,000</b>                                  |
|          |          | CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR                                                                                                |      |      |                   |                            |                            | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>100,000</b>          |
|          |          |                                                                                                                                                      |      |      |                   |                            |                            | MED EXP (Any one person) \$ <b>Excluded</b>                          |
|          |          |                                                                                                                                                      |      |      |                   |                            |                            | PERSONAL & ADV INJURY \$ <b>1,000,000</b>                            |
|          |          | GEN'L AGGREGATE LIMIT APPLIES PER:                                                                                                                   |      |      |                   |                            |                            | GENERAL AGGREGATE \$ <b>2,000,000</b>                                |
|          |          | <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC                                            |      |      |                   |                            |                            | PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b>                           |
|          |          | OTHER:                                                                                                                                               |      |      |                   |                            |                            | \$                                                                   |
|          |          | <b>AUTOMOBILE LIABILITY</b>                                                                                                                          |      |      |                   |                            |                            | COMBINED SINGLE LIMIT (Ea accident) \$                               |
|          |          | ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS                                                                                   |      |      |                   |                            |                            | BODILY INJURY (Per person) \$                                        |
|          |          | HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                                                                                       |      |      |                   |                            |                            | BODILY INJURY (Per accident) \$                                      |
|          |          |                                                                                                                                                      |      |      |                   |                            |                            | PROPERTY DAMAGE (Per accident) \$                                    |
|          |          |                                                                                                                                                      |      |      |                   |                            |                            | \$                                                                   |
|          |          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR                                                                                                  |      |      |                   |                            |                            | EACH OCCURRENCE \$                                                   |
|          |          | <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE                                                                                              |      |      |                   |                            |                            | AGGREGATE \$                                                         |
|          |          | DED <input type="checkbox"/> RETENTION \$                                                                                                            |      |      |                   |                            |                            | \$                                                                   |
|          |          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>                                                                                                 |      |      |                   |                            |                            | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> |
|          |          | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N <input checked="" type="checkbox"/> N / A |      |      |                   |                            |                            | E.L. EACH ACCIDENT \$                                                |
|          |          | If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                               |      |      |                   |                            |                            | E.L. DISEASE - EA EMPLOYEE \$                                        |
|          |          |                                                                                                                                                      |      |      |                   |                            |                            | E.L. DISEASE - POLICY LIMIT \$                                       |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**\*\*\*Proof of Coverage Only\*\*\***  
**Locations:**  
 17535 NE 104th St, Redmond, WA, 98052  
 10601 NE 132nd St, Kirkland, WA, 98034  
 7616 139th PI NE, Redmond, WA, 98052

**CERTIFICATE HOLDER****CANCELLATION**

|                                     |                                                                                                                                                                                                     |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>***Proof of Coverage Only***</b> | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/19/2019

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

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

| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><b>CONTACT NAME:</b> Snyder Insurance Services, Inc<br><b>PHONE (A/C, No, Ext):</b> 800-874-6704 <b>FAX (A/C, No):</b> 913-498-0212<br><b>E-MAIL ADDRESS:</b> info@insureasset.com                                                                                                                                                                                                                                                                                                                                |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
| <b>INSURED</b><br><b>Wave Aquatics</b><br>P.O. Box 2953<br>Kirkland, WA 98083                                                 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td><b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b></td> <td></td> </tr> <tr> <td><b>INSURER B :</b></td> <td></td> </tr> <tr> <td><b>INSURER C :</b></td> <td></td> </tr> <tr> <td><b>INSURER D :</b></td> <td></td> </tr> <tr> <td><b>INSURER E :</b></td> <td></td> </tr> <tr> <td><b>INSURER F :</b></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b> |  | <b>INSURER B :</b> |  | <b>INSURER C :</b> |  | <b>INSURER D :</b> |  | <b>INSURER E :</b> |  | <b>INSURER F :</b> |  |
| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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| INSR<br>LTR                               | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                                                                                                | ADDL<br>INSD | SUBR<br>WVD  | POLICY NUMBER     | POLICY EFF<br>(MM/DD/YYYY) | POLICY EXP<br>(MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|-------------------|----------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------|-------------------------------------------|--------------------|------------------------------|-------------|--------------------------------|--------------|-------------------|-----------------------------|------------------------|--------------|--|----|
| <b>A</b>                                  | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><div style="margin-left: 20px;"> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br/>           GEN'L AGGREGATE LIMIT APPLIES PER:<br/> <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br/>           OTHER:         </div> | <b>X</b>     |              | <b>CPS7118636</b> | <b>06/13/2020</b>          | <b>06/13/2021</b>          | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ Excluded</td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table> | EACH OCCURRENCE                     | \$ 1,000,000 | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000         | MED EXP (Any one person)     | \$ Excluded | PERSONAL & ADV INJURY          | \$ 1,000,000 | GENERAL AGGREGATE | \$ 2,000,000                | PRODUCTS - COMP/OP AGG | \$ 2,000,000 |  | \$ |
| EACH OCCURRENCE                           | \$ 1,000,000                                                                                                                                                                                                                                                                                                                                                                                     |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000                                                                                                                                                                                                                                                                                                                                                                                       |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| MED EXP (Any one person)                  | \$ Excluded                                                                                                                                                                                                                                                                                                                                                                                      |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| PERSONAL & ADV INJURY                     | \$ 1,000,000                                                                                                                                                                                                                                                                                                                                                                                     |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| GENERAL AGGREGATE                         | \$ 2,000,000                                                                                                                                                                                                                                                                                                                                                                                     |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| PRODUCTS - COMP/OP AGG                    | \$ 2,000,000                                                                                                                                                                                                                                                                                                                                                                                     |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | <b>AUTOMOBILE LIABILITY</b><br><div style="margin-left: 20px;"> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br/> <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY         </div>                                                                                                                          |              |              |                   |                            |                            | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                     | COMBINED SINGLE LIMIT (Ea accident) | \$           | BODILY INJURY (Per person)                | \$                 | BODILY INJURY (Per accident) | \$          | PROPERTY DAMAGE (Per accident) | \$           |                   | \$                          |                        |              |  |    |
| COMBINED SINGLE LIMIT (Ea accident)       | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| BODILY INJURY (Per person)                | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| BODILY INJURY (Per accident)              | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| PROPERTY DAMAGE (Per accident)            | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                                                                                                                                                                                      |              |              |                   |                            |                            | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                      | EACH OCCURRENCE                     | \$           | AGGREGATE                                 | \$                 |                              | \$          |                                |              |                   |                             |                        |              |  |    |
| EACH OCCURRENCE                           | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| AGGREGATE                                 | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                                                                                               |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
|                                           | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                                                                                     |              | <b>N / A</b> |                   |                            |                            | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PER STATUTE</td> <td style="width: 50%;">OTH-ER</td> <td></td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td></td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td></td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                          | PER STATUTE                         | OTH-ER       |                                           | E.L. EACH ACCIDENT |                              | \$          | E.L. DISEASE - EA EMPLOYEE     |              | \$                | E.L. DISEASE - POLICY LIMIT |                        | \$           |  |    |
| PER STATUTE                               | OTH-ER                                                                                                                                                                                                                                                                                                                                                                                           |              |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| E.L. EACH ACCIDENT                        |                                                                                                                                                                                                                                                                                                                                                                                                  | \$           |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| E.L. DISEASE - EA EMPLOYEE                |                                                                                                                                                                                                                                                                                                                                                                                                  | \$           |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |
| E.L. DISEASE - POLICY LIMIT               |                                                                                                                                                                                                                                                                                                                                                                                                  | \$           |              |                   |                            |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |                    |                              |             |                                |              |                   |                             |                        |              |  |    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is listed as Additional Insured.

Location:  
10601 NE 132nd St, Kirkland, WA, 98034

**CERTIFICATE HOLDER****CANCELLATION**

|                                                                           |                                                                                                                                                                                                        |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Juanita Aquatic Center</b><br>10601 NE 132nd St.<br>Kirkland, WA 98034 | <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
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| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><b>CONTACT NAME: Snyder Insurance Services, Inc</b><br><b>PHONE (A/C, No, Ext): 800-874-6704</b><br><b>FAX (A/C, No): 913-498-0212</b><br><b>E-MAIL: info@insureasset.com</b><br><b>ADDRESS:</b>                                                                                                                                                                                                                                                                                                                  |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
| <b>INSURED</b><br><b>Wave Aquatics</b><br>P.O. Box 2953<br>Kirkland, WA 98083                                                 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td><b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b></td> <td></td> </tr> <tr> <td><b>INSURER B :</b></td> <td></td> </tr> <tr> <td><b>INSURER C :</b></td> <td></td> </tr> <tr> <td><b>INSURER D :</b></td> <td></td> </tr> <tr> <td><b>INSURER E :</b></td> <td></td> </tr> <tr> <td><b>INSURER F :</b></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b> |  | <b>INSURER B :</b> |  | <b>INSURER C :</b> |  | <b>INSURER D :</b> |  | <b>INSURER E :</b> |  | <b>INSURER F :</b> |  |
| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

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

| INSR | LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                  | ADDL | SUBR  | POLICY NUMBER | POLICY EFF<br>(MM/DD/YYYY) | POLICY EXP<br>(MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                                      |
|------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|---------------|----------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A    | X   | <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | X    |       | CPS7118636    | 06/13/2020                 | 06/13/2021                 | EACH OCCURRENCE \$ <b>1,000,000</b><br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>100,000</b><br>MED EXP (Any one person) \$ <b>Excluded</b><br>PERSONAL & ADV INJURY \$ <b>1,000,000</b><br>GENERAL AGGREGATE \$ <b>2,000,000</b><br>PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b><br>\$ |
|      |     | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                                                              |      |       |               |                            |                            | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$                                                                                                                                       |
|      |     | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                                                                        |      |       |               |                            |                            | EACH OCCURRENCE \$<br>AGGREGATE \$<br>\$                                                                                                                                                                                                                                                    |
|      |     | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                       |      | N / A |               |                            |                            | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/><br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$                                                                                                                            |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is listed as Additional Insured.

Location:  
17535 NE 104th St, Redmond, WA, 98052

## CERTIFICATE HOLDER

## CANCELLATION

|                                                                          |                                                                                                                                                                                                     |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Redmond Aquatic Center</b><br>17353 NE 104th St.<br>Redmond, WA 98052 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/14/2020

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

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

| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><b>CONTACT NAME:</b> Snyder Insurance Services, Inc<br><b>PHONE (A/C, No, Ext):</b> 800-874-6704<br><b>FAX (A/C, No):</b> 913-498-0212<br><b>E-MAIL ADDRESS:</b> info@insureasset.com                                                                                                                                                                                                                                                                                                                             |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
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| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

## COVERAGES

## CERTIFICATE NUMBER:

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| INSR LTR                                  | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                          | ADDL INSD | SUBR WVD | POLICY NUMBER     | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|-------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|-------------------------------------------|-------------------|------------------------------|--------------------|--------------------------------|---------------------|-------------------|---------------------|------------------------|---------------------|--|----|
| <b>A</b>                                  | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | <b>X</b>  |          | <b>CPS7118636</b> | <b>06/13/2020</b>       | <b>06/13/2021</b>       | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ <b>1,000,000</b></td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ <b>100,000</b></td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ <b>Excluded</b></td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ <b>1,000,000</b></td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ <b>2,000,000</b></td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ <b>2,000,000</b></td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table> | EACH OCCURRENCE                     | \$ <b>1,000,000</b> | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ <b>100,000</b> | MED EXP (Any one person)     | \$ <b>Excluded</b> | PERSONAL & ADV INJURY          | \$ <b>1,000,000</b> | GENERAL AGGREGATE | \$ <b>2,000,000</b> | PRODUCTS - COMP/OP AGG | \$ <b>2,000,000</b> |  | \$ |
| EACH OCCURRENCE                           | \$ <b>1,000,000</b>                                                                                                                                                                                                                                                                                                        |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ <b>100,000</b>                                                                                                                                                                                                                                                                                                          |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| MED EXP (Any one person)                  | \$ <b>Excluded</b>                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| PERSONAL & ADV INJURY                     | \$ <b>1,000,000</b>                                                                                                                                                                                                                                                                                                        |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| GENERAL AGGREGATE                         | \$ <b>2,000,000</b>                                                                                                                                                                                                                                                                                                        |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| PRODUCTS - COMP/OP AGG                    | \$ <b>2,000,000</b>                                                                                                                                                                                                                                                                                                        |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                                                                          |           |          |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                               | COMBINED SINGLE LIMIT (Ea accident) | \$                  | BODILY INJURY (Per person)                | \$                | BODILY INJURY (Per accident) | \$                 | PROPERTY DAMAGE (Per accident) | \$                  |                   | \$                  |                        |                     |  |    |
| COMBINED SINGLE LIMIT (Ea accident)       | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| BODILY INJURY (Per person)                | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| BODILY INJURY (Per accident)              | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| PROPERTY DAMAGE (Per accident)            | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                                                                                                                |           |          |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | EACH OCCURRENCE                     | \$                  | AGGREGATE                                 | \$                |                              | \$                 |                                |                     |                   |                     |                        |                     |  |    |
| EACH OCCURRENCE                           | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| AGGREGATE                                 | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
|                                           | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / <input checked="" type="checkbox"/> N / A<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                       |           |          |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PER STATUTE</td> <td style="width: 50%;">OTH-ER</td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                                                                         | PER STATUTE                         | OTH-ER              | E.L. EACH ACCIDENT                        | \$                | E.L. DISEASE - EA EMPLOYEE   | \$                 | E.L. DISEASE - POLICY LIMIT    | \$                  |                   |                     |                        |                     |  |    |
| PER STATUTE                               | OTH-ER                                                                                                                                                                                                                                                                                                                     |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| E.L. EACH ACCIDENT                        | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| E.L. DISEASE - EA EMPLOYEE                | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |
| E.L. DISEASE - POLICY LIMIT               | \$                                                                                                                                                                                                                                                                                                                         |           |          |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                     |                                           |                   |                              |                    |                                |                     |                   |                     |                        |                     |  |    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is listed as Additional Insured.

Location: 10601 NE 132nd St, Kirkland, WA, 98034.

## CERTIFICATE HOLDER

## CANCELLATION

|                                                                                    |                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Northshore School District</b><br>3330 Monte Villa Parkway<br>Bothell, WA 98021 | <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/14/2020

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

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

| <b>PRODUCER</b><br><b>Snyder Insurance Services Inc</b><br>7450 W. 130th Street - Ste 230<br>Overland Park, KS 66213<br>House | <b>800-874-6704</b><br><b>CONTACT NAME:</b> Snyder Insurance Services, Inc<br><b>PHONE (A/C, No, Ext):</b> 800-874-6704 <b>FAX (A/C, No):</b> 913-498-0212<br><b>E-MAIL ADDRESS:</b> info@insureasset.com                                                                                                                                                                                                                                                                                                                                |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|-------------------------------------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|
| <b>INSURED</b><br><b>Wave Aquatics</b><br>P.O. Box 2953<br>Kirkland, WA 98083                                                 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td><b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b></td> <td></td> </tr> <tr> <td><b>INSURER B :</b></td> <td></td> </tr> <tr> <td><b>INSURER C :</b></td> <td></td> </tr> <tr> <td><b>INSURER D :</b></td> <td></td> </tr> <tr> <td><b>INSURER E :</b></td> <td></td> </tr> <tr> <td><b>INSURER F :</b></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b> |  | <b>INSURER B :</b> |  | <b>INSURER C :</b> |  | <b>INSURER D :</b> |  | <b>INSURER E :</b> |  | <b>INSURER F :</b> |  |
| INSURER(S) AFFORDING COVERAGE                                                                                                 | NAIC #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER A : SCOTTSDALE INSURANCE COMPANY</b>                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER B :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER C :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER D :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER E :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |
| <b>INSURER F :</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |        |                                                 |  |                    |  |                    |  |                    |  |                    |  |                    |  |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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

| INSR LTR                                  | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                      | ADDL INSD | SUBR WVD     | POLICY NUMBER     | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------|-------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------|-------------------------------------------|------------|------------------------------|-------------|--------------------------------|--------------|-------------------|--------------|------------------------|--------------|--|----|
| <b>A</b>                                  | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: | <b>X</b>  |              | <b>CPS7118636</b> | <b>06/13/2020</b>       | <b>06/13/2021</b>       | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ Excluded</td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table> | EACH OCCURRENCE                     | \$ 1,000,000 | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000 | MED EXP (Any one person)     | \$ Excluded | PERSONAL & ADV INJURY          | \$ 1,000,000 | GENERAL AGGREGATE | \$ 2,000,000 | PRODUCTS - COMP/OP AGG | \$ 2,000,000 |  | \$ |
| EACH OCCURRENCE                           | \$ 1,000,000                                                                                                                                                                                                                                                                                                           |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 100,000                                                                                                                                                                                                                                                                                                             |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| MED EXP (Any one person)                  | \$ Excluded                                                                                                                                                                                                                                                                                                            |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PERSONAL & ADV INJURY                     | \$ 1,000,000                                                                                                                                                                                                                                                                                                           |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| GENERAL AGGREGATE                         | \$ 2,000,000                                                                                                                                                                                                                                                                                                           |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PRODUCTS - COMP/OP AGG                    | \$ 2,000,000                                                                                                                                                                                                                                                                                                           |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                                                                                                  |           |              |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                     | COMBINED SINGLE LIMIT (Ea accident) | \$           | BODILY INJURY (Per person)                | \$         | BODILY INJURY (Per accident) | \$          | PROPERTY DAMAGE (Per accident) | \$           |                   | \$           |                        |              |  |    |
| COMBINED SINGLE LIMIT (Ea accident)       | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| BODILY INJURY (Per person)                | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| BODILY INJURY (Per accident)              | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| PROPERTY DAMAGE (Per accident)            | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$                                                                                                                                                            |           |              |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                      | EACH OCCURRENCE                     | \$           | AGGREGATE                                 | \$         |                              | \$          |                                |              |                   |              |                        |              |  |    |
| EACH OCCURRENCE                           | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| AGGREGATE                                 | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
|                                           | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                           |           | <b>N / A</b> |                   |                         |                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PER STATUTE</td> <td style="width: 50%;">OTH-ER</td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td></tr> </table>                                                                                                                                                                                                                                                                               | PER STATUTE                         | OTH-ER       | E.L. EACH ACCIDENT                        | \$         | E.L. DISEASE - EA EMPLOYEE   | \$          | E.L. DISEASE - POLICY LIMIT    | \$           |                   |              |                        |              |  |    |
| PER STATUTE                               | OTH-ER                                                                                                                                                                                                                                                                                                                 |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. EACH ACCIDENT                        | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. DISEASE - EA EMPLOYEE                | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |
| E.L. DISEASE - POLICY LIMIT               | \$                                                                                                                                                                                                                                                                                                                     |           |              |                   |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |              |                                           |            |                              |             |                                |              |                   |              |                        |              |  |    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is listed as Additional Insured with respect to liability per pool management operations of the Named Insured at 10601 NE 132nd St, Kirkland, WA, 98052.

**CERTIFICATE HOLDER****CANCELLATION**

|                                                                        |                                                                                                                                                                                                        |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lake WA School District</b><br>10601 NE 132nd<br>Kirkland, WA 98052 | <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Certificate of Completion

|                                                                                                       |                           |
|-------------------------------------------------------------------------------------------------------|---------------------------|
| Envelope Id: 071C7F252DF44EFC9540D6FC6440E6A7                                                         | Status: Completed         |
| Subject: City of Redmond Contract - Fill Out City Contract Routing Form and Upload Contract Documents |                           |
| Source Envelope:                                                                                      |                           |
| Document Pages: 95                                                                                    | Signatures: 9             |
| Certificate Pages: 3                                                                                  | Initials: 0               |
| AutoNav: Enabled                                                                                      | Envelope Originator:      |
| Envelopeld Stamping: Enabled                                                                          | HOLMES, JULIE MARIE       |
| Time Zone: (UTC-08:00) Pacific Time (US & Canada)                                                     | 15670 Ne 85th St          |
|                                                                                                       | Redmond, WA 98052         |
|                                                                                                       | JMHOLMES@redmond.gov      |
|                                                                                                       | IP Address: 73.225.194.26 |

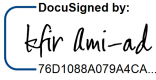
## Record Tracking

|                                      |                             |                    |
|--------------------------------------|-----------------------------|--------------------|
| Status: Original                     | Holder: HOLMES, JULIE MARIE | Location: DocuSign |
| 8/25/2020 3:32:52 PM                 | JMHOLMES@redmond.gov        |                    |
| Security Appliance Status: Connected | Pool: StateLocal            |                    |
| Storage Appliance Status: Connected  | Pool: City of Redmond, WA   | Location: DocuSign |

## Signer Events

| Signer Events                                        | Signature                       | Timestamp                    |
|------------------------------------------------------|---------------------------------|------------------------------|
| HOLMES, JULIE MARIE                                  | <b>Completed</b>                | Sent: 8/25/2020 3:35:05 PM   |
| jmolmes@redmond.gov                                  |                                 | Viewed: 8/25/2020 3:45:27 PM |
| City of Redmond                                      |                                 | Signed: 8/25/2020 4:01:57 PM |
| Security Level: Email, Account Authentication (None) | Using IP Address: 73.225.194.26 |                              |

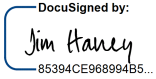
**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

|                                                      |                                                                                     |                              |
|------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------|
| Kfir Ami-ad                                          | DocuSigned by:                                                                      | Sent: 8/25/2020 4:06:54 PM   |
| Kfir.Ami-ad@waveaquaticsboard.org                    |  | Viewed: 8/25/2020 8:41:51 PM |
| Security Level: Email, Account Authentication (None) | 76D1088A079A4CA...                                                                  | Signed: 8/25/2020 8:47:05 PM |
|                                                      | Signature Adoption: Pre-selected Style                                              |                              |
|                                                      | Using IP Address: 73.157.44.233                                                     |                              |

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

|                                                      |                                                                                     |                              |
|------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------|
| Carrie Hite                                          | DocuSigned by:                                                                      | Sent: 8/25/2020 8:47:09 PM   |
| chite@redmond.gov                                    |  | Viewed: 8/25/2020 8:50:06 PM |
| Security Level: Email, Account Authentication (None) | 168C48B12F7E41D...                                                                  | Signed: 8/25/2020 8:50:38 PM |
|                                                      | Signature Adoption: Pre-selected Style                                              |                              |
|                                                      | Using IP Address: 24.113.148.23                                                     |                              |

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

|                                                      |                                                                                     |                              |
|------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------|
| Jim Haney                                            | DocuSigned by:                                                                      | Sent: 8/25/2020 8:50:47 PM   |
| jhaney@omwlaw.com                                    |  | Viewed: 8/31/2020 8:07:23 AM |
| Security Level: Email, Account Authentication (None) | 85394CE968994B5...                                                                  | Signed: 8/31/2020 8:19:42 AM |
|                                                      | Signature Adoption: Pre-selected Style                                              |                              |
|                                                      | Using IP Address: 40.78.46.168                                                      |                              |

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| Signer Events                                                                                     | Signature                                                                                                                                                                                                              | Timestamp                                                                                           |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Malisa Files<br>RiskContracts@redmond.gov<br>Security Level: Email, Account Authentication (None) | <p>DocuSigned by:<br/> <br/> 581CDD1AF985491...</p> <p>Signature Adoption: Pre-selected Style<br/>Using IP Address: 204.152.61.20</p> | <p>Sent: 8/31/2020 8:19:52 AM<br/>Viewed: 9/1/2020 11:17:50 AM<br/>Signed: 9/1/2020 11:20:45 AM</p> |

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

|                                                                                                                                         |                                                                                                                                                                                                                        |                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Malisa Files (Mayor Designee)<br>MayorContracts@redmond.gov<br>Finance Director<br>Security Level: Email, Account Authentication (None) | <p>DocuSigned by:<br/> <br/> 5D9FC672714C4E1...</p> <p>Signature Adoption: Pre-selected Style<br/>Using IP Address: 204.152.61.20</p> | <p>Sent: 9/1/2020 11:20:54 AM<br/>Viewed: 9/1/2020 12:55:52 PM<br/>Signed: 9/1/2020 12:56:14 PM</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

|                                                                                                       |                                                                                                                                                                                                                       |                                                                                                   |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Cheryl Xanthos<br>ClerksContracts@redmond.gov<br>Security Level: Email, Account Authentication (None) | <p>DocuSigned by:<br/> <br/> E725E689816E4E1...</p> <p>Signature Adoption: Pre-selected Style<br/>Using IP Address: 71.81.166.86</p> | <p>Sent: 9/1/2020 12:56:20 PM<br/>Viewed: 9/2/2020 3:07:21 PM<br/>Signed: 9/2/2020 3:38:35 PM</p> |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
|-------------------------|-----------|-----------|

| Editor Delivery Events | Status | Timestamp |
|------------------------|--------|-----------|
|------------------------|--------|-----------|

|                                                                                                                 |                                                             |                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Julie Holmes<br>jmholmes@redmond.gov<br>City of Redmond<br>Security Level: Email, Account Authentication (None) | <p><b>VIEWED</b></p> <p>Using IP Address: 73.225.194.26</p> | <p>Sent: 8/25/2020 4:02:01 PM<br/>Viewed: 8/25/2020 4:02:46 PM<br/>Completed: 8/25/2020 4:06:53 PM</p> |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| Agent Delivery Events | Status | Timestamp |
|-----------------------|--------|-----------|
|-----------------------|--------|-----------|

| Intermediary Delivery Events | Status | Timestamp |
|------------------------------|--------|-----------|
|------------------------------|--------|-----------|

| Certified Delivery Events | Status | Timestamp |
|---------------------------|--------|-----------|
|---------------------------|--------|-----------|

| Carbon Copy Events | Status | Timestamp |
|--------------------|--------|-----------|
|--------------------|--------|-----------|

|                                                                                                          |                      |                                  |
|----------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|
| Purchasing<br>purchasing@redmond.gov<br>My Title<br>Security Level: Email, Account Authentication (None) | <p><b>COPIED</b></p> | <p>Sent: 9/2/2020 3:38:46 PM</p> |
|----------------------------------------------------------------------------------------------------------|----------------------|----------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| Witness Events | Signature | Timestamp |
|----------------|-----------|-----------|
|----------------|-----------|-----------|

| Notary Events           | Signature        | Timestamp           |
|-------------------------|------------------|---------------------|
| Envelope Summary Events | Status           | Timestamps          |
| Envelope Sent           | Hashed/Encrypted | 9/2/2020 3:38:46 PM |
| Certified Delivered     | Security Checked | 9/2/2020 3:38:46 PM |
| Signing Complete        | Security Checked | 9/2/2020 3:38:46 PM |
| Completed               | Security Checked | 9/2/2020 3:38:46 PM |
| Payment Events          | Status           | Timestamps          |



## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-558

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-979-2820 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |                    |                        |
|-------|--------------------|------------------------|
| Parks | Lindsey Falkenburg | Parks Planning Manager |
| Parks | Cameron Zapata     | Senior Parks Planner   |

**TITLE:**

Award Parks Impact Fee Study Contract to The FCS, a Bowman company, in the Amount of \$79,890

**OVERVIEW STATEMENT:**

The City Council is being asked to award a contract to The FCS, a Bowman company, to provide professional services in the study of Parks impact fees. The contract is in the amount of \$79,890.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☐ **Receive Information**

☒ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
2023 Parks, Arts, Recreation, Culture and Conservation Plan, Redmond 2050
- **Required:**  
Council approval is required for contracts that exceed \$50,000.
- **Council Request:**  
N/A
- **Other Key Facts:**  
Parks last updated impact fees in 2017 and the existing methodology must be re-evaluated to ensure it remains consistent with best practice, anticipated growth patterns, and park system usage.

**OUTCOMES:**

The purpose of this project is to conduct a comprehensive review and update of the current Parks Impact Fee Schedule.

The FCS will be responsible for assessing the current approach, identifying and evaluating alternative methodologies, and recommending updates to the fee schedule that reflect changes in community demographics, land use, and recreational demand.

Additionally, the FCS will incorporate recent legislative changes (Middle Housing RCW 36.70A.636 and HB 5452) that have affected impact fee requirements since the last update. The scope also includes the development of a fee structure for "middle housing" types, in accordance with new housing policies and zoning amendments. With this study complete Parks will be able to update impact fees in 2026.

#### **COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
Timeline TBD.
- **Outreach Methods and Results:**  
FCS will deliver 4 on-site presentations to summarize findings and recommendations from 2-3 audiences of the City's choice.
- **Feedback Summary:**  
FCS will deliver a draft report that documents findings and recommendations and the City will have an opportunity to provide feedback on the draft report before delivery of the final version.

#### **BUDGET IMPACT:**

**Total Cost:**

\$79,890.00

**Approved in current biennial budget:**☒ **Yes**☐ **No**☐ **N/A****Budget Offer Number:**

0000271

**Budget Priority:**

Healthy and Sustainable

**Other budget impacts or additional costs:**☐ **Yes**☒ **No**☐ **N/A****If yes, explain:**

N/A

**Funding source(s):**

General Fund

**Budget/Funding Constraints:**

N/A

☐ **Additional budget details attached**

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**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-558

**Type:** Committee Memo

---

**COUNCIL REVIEW:**

**Previous Contact(s)**

| Date | Meeting                                | Requested Action |
|------|----------------------------------------|------------------|
| N/A  | Item has not been presented to Council | N/A              |

**Proposed Upcoming Contact(s)**

| Date      | Meeting          | Requested Action |
|-----------|------------------|------------------|
| 11/3/2025 | Business Meeting | Approve          |

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

If not approved, the Parks Planning division would be unable to update our impact fees and revenue would be lost.

**ATTACHMENTS:**

Attachment A: Bid Submittal from the FCS, a Bowman Company.



## BID RESPONSE

Responding To:

**Bid/Project Number: RFP 10877-25**

**Bid/Project Title: Park Impact Fees**

**Closing Date: 08/04/2025, 2pm PST**

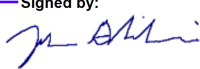
Submitted By:

Name of Company Submitting Response:  
FCS, a Bowman company

Printed Name of Person Submitting Response:  
John Ghilarducci

Email:  
john.ghilarducci@bowman.com

Signature of Person Submitting Response:

Signed by:  
  
658EF850124F4A2...

Date:  
8/4/2025

Attach Your Bid/Proposal:



Remember to sign your bid/proposal

Attach all pages of your response here





# City of Redmond

Proposal to Provide

## **Park Impact Fee Study**

August 4, 2025



[fcsgroup.com](https://fcsgroup.com) | [bowman.com](https://bowman.com)





August 4, 2025

Vivian Nguyen, Sr. Purchasing Agent  
15670 NE 85th Street  
PO Box 97010  
Redmond, WA 98073-9710

**RE: Park Impact Fee Study – RFP 10877-25**

Dear Ms. Nguyen:

The City of Redmond (City) seeks a qualified consultant to update the City's park impact fee (PIF). The FCS, a Bowman company (FCS), project team is well-suited to provide these services. First, we know the Growth Management Act as it pertains to impact fees, embodied in Revised Code of Washington (RCW) 82.02, 36.70A.636 and HB 5452. Further, the Washington state legislature recently (2023) passed additional requirements for imposing impact fees on residential development. Impact fees may no longer be imposed uniformly on a per-dwelling-unit basis but rather must be scaled by a factor such as square footage, number of bedrooms, or trip generation such that smaller dwelling units are subject to proportionally lower impact fees. In addition, the maximum impact fee for an accessory dwelling unit is one half the impact fee of its associated single-family residence. FCS already has proven approaches to helping clients comply with these new requirements.

**What can you expect from FCS?**

**Team Qualifications**

Impact fee expert John Ghilarducci will serve as principal-in-charge on this project. He will be supported by project manager Doug Gabbard, senior analyst Luke Nelson, and Steve Duh of Conservation Technix. All four individuals have recent and ongoing experience with multiple impact fee studies and parks plans throughout Washington.

John Ghilarducci has extensive impact fee consulting experience with Washington and Northwest municipalities and teaches courses on impact fees for regional associations and client forums. In addition, since 1993, John has worked on or led numerous projects for the City of Redmond and has a deep familiarity with its challenges and many attributes.

Doug Gabbard has worked with parks, fire, schools and transportation services to analyze impact fees throughout the Northwest. He is an experienced project manager and subject matter expert.

Steve Duh of Conservation Technix has extensive experience in developing parks master plans, recently for the City of Redmond, and the nearby cities of Sammamish, Mercer Island, and Edmonds, among others. Steve will bring invaluable knowledge of the City's existing and planned park system facilities.

**A Firm Understanding of Region-Specific Issues**

FCS has completed hundreds of impact fee studies throughout the Northwest, ranging from straightforward technical analyses to complex policy and sophisticated calculation frameworks.

Our recent work in Washington has included multiple park impact fees, and we have been and remain at the forefront of developing scaling methodologies that are compliant with RCW 82.02.060.

We recently completed or are in the process of completing park impact fee studies for Federal Way, Sammamish, Kirkland, Issaquah, Maple Valley, Bonney Lake, Camas, Fife, Bellevue, Duvall, Kent, Oak Harbor and Olympia. Most if not all of these have included scaling, and many have included nonresidential fees similar to the City of Redmond's existing PIF. Our team has a thorough understanding of the RCW as well as the policies and practices of local public agencies.

As recognized impact fee experts, we are committed to sharing knowledge for the good of Northwest communities and making sure that our solutions truly fit each city's needs. FCS served as a peer reviewer on the Department of Commerce *Residential Proportional Impact Fees and System Development Charges Guidebook*, providing substantive feedback on the document.

**Value**

We have the depth of knowledge and ability to meet the City's objectives for this project. Our project team has the availability and capacity to quickly and capably address your needs and soundly complete your project – backed by a 35-person firm. Time and again, our project team has realized favorable outcomes when working with citizen groups, boards, and city councils on highly technical and politically sensitive studies.

We look forward to the privilege of working with the City of Redmond. Please do not hesitate to contact me, John Ghilarducci, as the individual authorized to represent the firm at 425.336.1865 or [john.ghilarducci@bowman.com](mailto:john.ghilarducci@bowman.com).

Sincerely,

**John Ghilarducci**  
Principal-in-Charge  
425.336.1865  
[john.ghilarducci@bowman.com](mailto:john.ghilarducci@bowman.com)

**Doug Gabbard**  
Project Manager  
503.374.1707  
[doug.gabbard@bowman.com](mailto:doug.gabbard@bowman.com)

**FCS, a Bowman company**  
7525 166th Ave. NE, Ste. D-215  
Redmond, WA 98052  
[425.867.1802](tel:425.867.1802) | [fcsgroup.com](http://fcsgroup.com) | [bowman.com](http://bowman.com)

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## Executive Summary & Overall Approach

The City of Redmond (City) imposes a park impact fee to provide partial recovery of the cost of park facilities that are needed to accommodate new development. The City currently charges \$6,778 per single-family residence, \$4,706 per multi-family residence, and \$2,558 per residential suite. In addition, the City charges non-residential developments between \$815 and \$1,836 per 1,000 square feet of gross floor area.

Since park impact fees were last analyzed in 2017, the law has changed. The scaling of residential impact fees is now required by RCW 82.02.060, and impact fees on accessory dwelling units (ADUs) must be no greater than one half of the impact fee that would be charged to the principal residence. FCS will calculate a residential park impact fee that is scaled by dwelling unit size (square footage or bedrooms). This approach will apply not only to the dwelling unit types currently in the City's impact fee schedule, but also to middle housing and other new dwelling unit types.

FCS will also calculate impact fees for non-residential developments that recognize the differential burden that non-residential developments place upon the park system. Our differential demand model is transparent and flexible, so we can customize the calculation to reflect conditions specific to Redmond.

The graphic below outlines the steps of our Task Plan which are detailed on the following pages.



# Project Approach

## TASK PLAN

### *Task 1 – Project Kickoff*

Upon execution of the contract, FCS will draft and deliver a written data request with all the data items required to complete the project. Upon delivery of the data request, FCS will collaborate with City staff to schedule a kickoff meeting via video conference. During the kickoff meeting, we will review the scope of work, identify and agree on any policy issues to be addressed, clarify the project schedule, and discuss any questions on the data request.

### *Task 2 – Review of Assets and Projects*

With the assistance of our parks planning partner, Conservation Technix, FCS will review both existing assets and planned projects in the Park, Arts, Recreation Culture and Conservation (PARCC) Plan. The review of existing assets will include cost, geographic distribution, level of service, and an assessment of usage (based on available data). The review of planned projects will include any needed updating of cost estimates and identification of projects to be included in the impact fee cost basis. As needed, the team will prioritize planned projects and develop timelines consistent with population and development forecasts.

The evaluation of park usage will include the following steps:

- Analyze current and projected park usage trends.
- Assess service levels and capacity issues based on population growth, housing development, and user demographics.
- Evaluate the geographic distribution and accessibility of park resources.

FCS will meet with City staff up to two times via video conference to review and refine the review of assets and projects.



### *Task 3 – Impact Fee Calculation*

FCS will begin by updating the City's current method, which we understand to be the cash investment approach. Under this approach, the current value of parks infrastructure is divided by the current population to determine the parks investment per person. This result may serve as the park impact fee, once it is "right-sized" to ensure that forecasted fee revenue will not exceed the cost of planned projects.

FCS will also calculate alternative approaches for evaluation by the City. FCS will forecast the quantity of growth to be served by existing and future facilities. This calculation will include growth in both population and employment. Next, FCS will update the impact fee cost basis based on the list of planned projects. FCS will use a level-of-service analysis (begun in Task 2) to determine the eligible (or includable) cost of each planned project (identified in Task 2). After making any necessary



## Project Approach

adjustments to the cost basis, FCS will then divide the cost basis by the forecasted growth to determine the impact fee per residential equivalent.

For residential developments, FCS will use Census Bureau data on housing occupancy and City data on average home size to convert the impact fee per residential equivalent to an impact fee per square foot.

This calculated impact fee can then be used across all dwelling unit types, including middle housing. FCS will recommend a cap on chargeable square footage that represents the point at which an increase in home size is no longer associated with an increase in occupancy. If the City's preference is to scale the PIF by the number of bedrooms, FCS will apply a similar approach scale the residential fee(s) by number of bedrooms.



For non-residential developments, FCS will use data on employment density by land use to convert the impact fee per residential equivalent to an impact fee per square foot for each type of non-residential land use.

The funding plan will clarify what funding in addition to impact fees will be needed to complete the capital improvement plan.

FCS will meet with City staff up to two times via video conference to review and refine the impact fee analysis.

### ***Task 4 – Stakeholder Engagement***

FCS will deliver up to four on-site presentations to summarize findings and recommendations from Tasks 2-3 to audiences of the City's choice. PowerPoint slides will be provided in advance of each presentation.

### ***Task 5 – Documentation***

FCS will deliver a draft report that documents findings and recommendations from Tasks 2-3. The City will have an opportunity to provide feedback on the draft report before delivery of the final version.

### ***Task 6 – Project Management***

This task includes general project accounting, contract management, and monthly invoicing. Coordination with our park's planning partner is also part of this task.

# Project Management, QC/QA & Reporting



## Project Management Approach

Project Manager Doug Gabbard will serve as the primary point of contact for the FCS team, overseeing the project's budget, schedule, and milestones. His management approach emphasizes collaboration, education, and stakeholder engagement to foster the successful adoption of study recommendations. The process is structured around key project phases, referenced in the task plan, providing clear milestones for input and decision-making. FCS prioritizes cost control through task-specific staffing and proactive scope development, while schedule adherence is supported by detailed planning, early regulatory coordination, and strong team oversight. Upon project initiation, Doug will assess the schedule and develop a tailored project management plan including early identification of potential challenges. Check-in meetings will ensure alignment, accountability, and the timely achievement of project goals.

## QUALITY CONTROL & ASSURANCE MEASURES

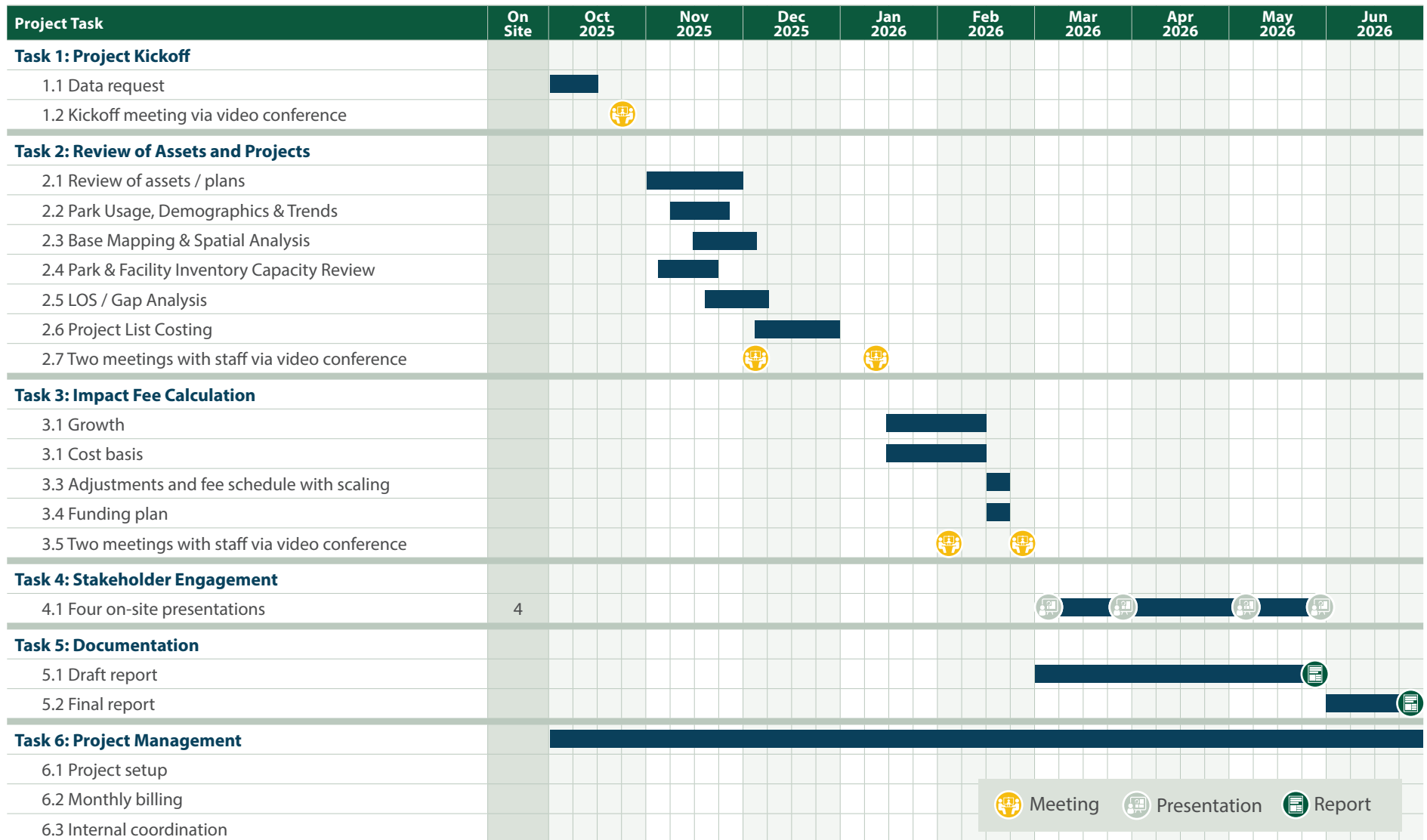
QA/QC is a continuous mindset that runs the course of the project and cannot be inserted intermittently or added at the end. Based on the scope of work, milestones will be tailored to exactly match the needs of each project, and for everyone involved with the project. All deliverables are reviewed first by the project manager and then by the project principal. These independent reviews ensure that the quality of our work product is maximized while errors and ambiguities are minimized. Before final delivery, a final technical and editorial review of each work product is made to ensure that the standard set at the beginning of the project has been achieved and goals have been reached.

## METHOD FOR PROJECT REPORTING

FCS prioritizes consistent communication with our clients, including the use of project reporting dashboards to provide timely updates on project status. These dashboards are updated at key milestones throughout the project and can be shared upon request at any time. Additionally, each invoice will include a progress summary for the billing period, while the five meetings outlined in Tasks 1–3 will provide structured opportunities to review progress and define next steps.

# Proposed Schedule

Assuming notice to proceed by the end of September and timely receipt of data, we expect to comfortably complete the task plan by the end of June, 2026. Below is a schedule by task. Please note that the schedule can be compressed if needed to meet City objectives.





# Pricing

FCS will complete the scope of work described above for a cost that will not exceed **\$79,890**. Below is a table showing a detailed derivation of this budget.

| Task Detail                                      | On Site | Ghilarducci Principal | Gabbard PM | Nelson Sr. Analyst | S. Duh PIC, PM, Lead Planner | J. Akers Planner, AICP, PLA | M. Kunec Park Planner | Admin Support | Total Hours | Budget Estimate |
|--------------------------------------------------|---------|-----------------------|------------|--------------------|------------------------------|-----------------------------|-----------------------|---------------|-------------|-----------------|
| <b>Task 1   Project Kickoff</b>                  |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 1.1 Data request                                 |         |                       | 1          | 2                  | 2                            |                             |                       |               | 5           | \$1,051         |
| 1.2 Kickoff meeting via video conference         |         | 2                     | 2          | 2                  | 4                            | 2                           |                       |               | 12          | \$2,760         |
| Task 1 Subtotal                                  |         | 2                     | 3          | 4                  | 6                            | 2                           |                       |               | 17          | \$3,811         |
| <b>Task 2   Review of Assets and Projects</b>    |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 2.1 Review of assets / plans                     |         |                       | 1          | 1                  | 6                            | 8                           |                       |               | 16          | \$3,260         |
| 2.2 Park Usage, Demographics & Trends            |         |                       |            |                    | 4                            | 5                           | 10                    |               | 19          | \$3,245         |
| 2.3 Base Mapping & Spatial Analysis              |         |                       |            |                    | 4                            |                             | 14                    |               | 18          | \$2,867         |
| 2.4 Park & Facility Inventory Capacity Review    |         |                       |            |                    | 4                            | 14                          |                       |               | 18          | \$3,528         |
| 2.5 LOS / Gap Analysis                           |         |                       |            |                    | 6                            | 10                          | 12                    |               | 28          | \$4,914         |
| 2.6 Project List Costing                         |         |                       |            |                    | 3                            | 5                           |                       |               | 8           | \$1,607         |
| 2.7 Two meetings with staff via video conference |         | 4                     | 4          | 4                  |                              |                             |                       |               | 12          | \$3,000         |
| Task 2 Subtotal                                  |         | 4                     | 5          | 5                  | 27                           | 42                          | 36                    |               | 119         | \$22,420        |
| <b>Task 3   Impact Fee Calculation</b>           |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 3.1 Growth                                       |         | 1                     | 2          | 8                  |                              |                             |                       |               | 11          | \$2,285         |
| 3.2 Cost basis                                   |         | 1                     | 2          | 12                 |                              |                             |                       |               | 15          | \$3,025         |
| 3.3 Adjustments and fee schedule with scaling    |         | 1                     | 1          | 4                  |                              |                             |                       |               | 6           | \$1,305         |
| 3.4 Funding plan                                 |         | 1                     | 1          | 4                  | 3                            | 5                           |                       |               | 14          | \$2,912         |
| 3.5 Two meetings with staff via video conference |         | 4                     | 4          | 4                  |                              |                             |                       |               | 12          | \$3,000         |
| Task 3 Subtotal                                  |         | 8                     | 10         | 32                 | 3                            | 5                           |                       |               | 58          | \$12,527        |
| <b>Task 4   Stakeholder Engagement</b>           |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 4.1 Four on-site presentations                   | 4       | 16                    | 48         | 32                 | 8                            | 8                           |                       |               | 112         | \$25,916        |
| Task 4 Subtotal                                  | 4       | 16                    | 48         | 32                 | 8                            | 8                           |                       |               | 112         | \$25,916        |

# Pricing

| Task Detail                          | On Site | Ghilarducci Principal | Gabbard PM      | Nelson Sr. Analyst | S. Duh<br>PIC, PM, Lead Planner | J. Akers<br>Planner, AICP, PLA | M. Kunec<br>Park Planner | Admin Support | Total Hours | Budget Estimate |
|--------------------------------------|---------|-----------------------|-----------------|--------------------|---------------------------------|--------------------------------|--------------------------|---------------|-------------|-----------------|
| <b>Task 5   Documentation</b>        |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| 5.1 Draft report                     |         | 1                     | 4               | 16                 | 4                               |                                |                          |               | 25          | \$5,127         |
| 5.2 Final report                     |         | 1                     | 2               | 4                  | 4                               |                                |                          |               | 11          | \$2,427         |
| Task 5 Subtotal                      |         | 2                     | 6               | 20                 | 8                               | 0                              | 0                        | 0             | 36          | \$7,554         |
| <b>Task 6   Project Management</b>   |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| 6.1 Project setup                    |         | 1                     | 2               | 1                  |                                 |                                |                          | 3             | 7           | \$1,320         |
| 6.2 Monthly billing                  |         |                       | 2               |                    |                                 |                                |                          | 3             | 5           | \$810           |
| 6.3 Internal coordination            |         | 1                     | 4               | 2                  | 4                               | 4                              |                          |               | 15          | \$3,293         |
| Task 6 Subtotal                      |         | 2                     | 8               | 3                  | 4                               | 4                              | 0                        | 6             | 27          | \$5,423         |
| <b>Labor Total</b>                   |         | <b>\$11,050</b>       | <b>\$19,200</b> | <b>\$17,760</b>    | <b>\$12,348</b>                 | <b>\$11,529</b>                | <b>\$5,103</b>           | <b>\$660</b>  |             | <b>\$77,650</b> |
| Expenses                             |         |                       |                 |                    |                                 |                                |                          |               |             | \$2,000         |
| Conservation Technix Direct Expenses |         |                       |                 |                    |                                 |                                |                          |               |             | \$240           |
| <b>Budget Estimate</b>               |         |                       |                 |                    |                                 |                                |                          |               |             | <b>\$79,890</b> |
| <b>Cost Summary</b>                  |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| <b>Total Hours</b>                   |         | <b>34</b>             | <b>80</b>       | <b>96</b>          | <b>56</b>                       | <b>61</b>                      | <b>36</b>                | <b>6</b>      | <b>342</b>  |                 |
| <b>Billing Rate</b>                  |         | <b>\$325</b>          | <b>\$240</b>    | <b>\$185</b>       | <b>231</b>                      | <b>198</b>                     | <b>149</b>               | <b>\$110</b>  |             |                 |

# Qualifications and Project Lead & Team

## FCS OVERVIEW

**FCS, a Bowman company is one of the country's oldest and most respected providers of financial, economic, and utility management services in the public sector. FCS, established in 1988, joined Bowman Consulting in 2024 and serves as the utility finance division for Bowman.**

With over 4,000 economic and public finance engagements for more than 650 government clients, FCS provides best-in-class analytical solutions that offer our clients the clarity they need to solve their most complex issues in ways that are tailored to their own communities.

Our 35-person utility finance and rate development team serve clients throughout the U.S. from four offices in Longmont, CO, Redmond and Spokane, WA and Portland, OR.

We are dedicated exclusively to state and local government issues and have accumulated the expertise and perspective that make a real difference for the clients we serve.

**4,000<sup>+</sup>**

**Local Government & Utility  
Finance Projects**

**650<sup>+</sup>**

**Public Agency Clients**

**35<sup>+</sup>**

**Public Finance & Utility Rate  
Development Specialists**

**4**

**FCS Offices**

As of July 18, 2024, FCS officially joined Bowman. Bowman is a national professional services firm offering multi-disciplinary engineering, planning, energy consulting, surveying, geomatics, construction management, environmental consulting, landscape architecture, right-of-way acquisition and financial and economic services. This change provides a strong foundation for our firms to merge our comprehensive skill sets while offering the same level of commitment to deliver outstanding project results, build long-lasting relationships and leverage the growth of our organization to serve the ever-changing needs of our clients.

# Qualifications and Project Lead & Team

## AREAS OF EXPERTISE

### Impact Fee and Rate Consulting

FCS has performed over 3,000 infrastructure-focused finance and rate development projects for local communities, including defining revenue requirements with comprehensive financial modeling tools, performing long-term capital management strategies, developing full cost-of-service rates, and legally defensible impact fees. We work with agencies large and small in urban and suburban areas, rural systems, regions with seasonal/climate sensitivities, and communities with special commercial/industrial needs. We are experts and educators in utility rate policies and practices and are attentive to legal constraints in every location we work.

We have invested time with agency staff, policymakers, stakeholders, and customers to improve your utility's long-term financial health and integrity.

### Utility Management

FCS offers tailored business management solutions. We assist with the formation and merger of utilities, perform cost-benefit analyses, develop strategic business plans and negotiate complicated wholesale agreements, helping your utility maintain its resiliency in an ever-changing environment.

### Economic and Funding Strategies

FCS economists help governments create vibrant sustainable communities. We model the fiscal and social return on public investments and provide creative ways of funding projects and services. Challenges turn into opportunities as we support goals aimed at fair housing and job creation.

### General Government Financial Analysis

FCS financial consultants specialize in helping local and state governments, regional agencies, and public safety entities address and solve issues involving policy objectives, public finance, cost recovery, facility financing and long-term facility reinvestment funding, and organizational performance. We have a broad understanding and specific expertise on local and state government policymaking; how the many different governmental functions are performed; and what role elected officials, the public, community organizations and employees have in making governments responsive to community needs.

## About Bowman

**100+** Offices Nationwide

**2,300+** Employees

**130+** Fully Equipped Field Survey Crews

**395+** Professional Engineers

**70+** Professional Surveyors

**75+** Right-of-Way and Land Professionals

**45+** Environmental Specialists

**40+** Planners and Designers

**35+** Financial/Economic Specialists

**25+** Registered Landscape Architects

- 
- Multi-Discipline, Multi-Market Capabilities
  - Vast Experience
  - National Footprint & Deep Bench of Talent and Resources
  - Regional Knowledge & Expertise
  - Adept & Energetic Leadership
  - Long-Standing Industry Relationships
  - Jurisdictional Requirements Expertise
  - Results-Oriented Attitude
  - Exceptional Responsiveness

## Qualifications and Project Lead & Team

### CONSERVATION TECHNIX OVERVIEW

Since 2006, Conservation Technix has assisted local government and non-profit organizations in efforts to finance and conserve greenspaces through innovative solutions and dynamic strategy development. Conservation Technix specializes in developing comprehensive park system master plans that address park and recreation facilities, open space and trails, programs and services, maintenance, and future staffing and funding strategies.

Through significant and relevant experience in public administration and management, Conservation Technix's staff have "on the ground" knowledge of plan implementation, marketing and finance strategy development, along with a keen understanding of the requisite integration of capital facility planning, budgeting and operations.

Conservation Technix's approach to open space planning enables substantial public involvement and engenders guidance from policymakers to ensure an implementable plan adapted to specific community goals. At our core, we are a planning firm that embraces and respects community-based public processes and aims to use public engagement to build community understanding for and support in client projects.

The firm is registered in Washington and has completed recent park system plan updates for Redmond, Sammamish, Mercer Island and Edmonds, among others.



# Qualifications and Project Lead & Team

FCS is promoting a small, focused team who will be available and committed to working on this engagement for its duration. John Ghilarducci, principal-in-charge, will anchor your team as a nationally recognized policy and impact fee development expert. He will be supported by project manager Doug Gabbard and a team of experienced analysts and project consultants. With a staff that includes over 30 rate and fee development experts, FCS maintains the necessary depth, breadth, and capacity to deliver this project on time and within budget. The following biographies summarize each individual’s experience and education and project role.



## John Ghilarducci | Principal-in-Charge

John is an FCS principal with over 37 years of professional experience – including 34 years with the firm. His practice focuses on all aspects of utility and general services system development charges (SDCs) and utility rate studies, from technical modeling and public involvement to ordinance drafting and implementation. He has formed stormwater and transportation utilities and has developed water, sewer, stormwater, transportation and parks rates and charges for hundreds of clients. John is a recognized technical rate and finance expert and offers litigation support/expert witness testimony throughout the Northwest.

### Role

As the principal-in-charge, John will be responsible for contract negotiation, technical vision, management and review of work products, commitment of resources, quality assurance, and deliverables.

John’s innovative rate making approaches have resulted in “level of service” stormwater rates, area-specific impact fees, sewer strength sub-classes, inverted block water rate structures, defensible stormwater rate credit methodologies, person-trip based transportation impact fees suitable for multi-modal transportation capital plans, and nonresidential and scaled residential park impact fees. He offers a broad knowledge of public policy and finance, and a thorough understanding of the institutional issues and options underlying the formation of utilities and the design of supporting rate and charge structures. **His project experience includes:**

- **City Of Kirkland, WA** – Parks, Transportation & Fire Impact Fees Study
- **City Of Fife, WA** – Park Impact Fee Study
- **City Of Camas, WA** – Park Impact Fee Study
- **City Of Pacific, WA** – Park Impact Fee Study
- **City Of Issaquah, WA** – Park, Transportation & Fire Impact Fees
- **City Of Kent, WA** – Park Impact Fee Study
- **City Of Federal Way** – Park Impact Fee
- **Pierce County, WA** – Park Impact Fee Work Group
- **City Of Olympia, WA** – Park Impact Fee Update
- **City Of Sammamish, WA** – Park & Transportation Impact Fees
- **City Of Astoria, OR** – Transportation, Parks, Water, Sewer & Stormwater Impact Fees

### Education

MPA, Organization and Management  
University of Washington  
  
BS, Economics  
University of Oregon

# Qualifications and Experience



 **Key Point of Contact**

### Role

Doug will be responsible for project management, technical direction, project oversight, and quality assurance. He will be involved with preparing for and presenting at key meetings.

### Doug Gabbard | Project Manager

Doug is an FCS, an Bowman company, project manager with 19 years of analytical experience in municipal and private sector positions. His comprehensive financial planning experience involves extensive water, wastewater, and stormwater utility rate development, long-term financial planning, and system development charges. Doug has created detailed, interactive models that facilitate sensitivity analysis and scenario testing to determine business direction in group decision-making environments. He has also conducted economic analyses, cost-of-service analyses, and business process improvement projects.

Doug has spent the last 13 years helping local governments in the Pacific Northwest to calculate and implement impact fees and system development charges that comply with state statutes and federal case law. In Washington, Doug has developed defensible, data-driven approaches to complying with recent changes in impact fee law that require residential scaling. In fact, his method for calculating the size cap for dwelling units has found its way into the guidance being developed by the Washington State Department of Commerce. **His project experience includes:**

- **City Of Kirkland, WA** – Parks, Transportation & Fire Impact Fees Study
- **City Of Pacific, WA** – Park Impact Fee Study
- **City Of Issaquah, WA** – Park, Transportation & Fire Impact Fees
- **City Of Kent, WA** – Park Impact Fee Study
- **Pierce County, WA** – Park Impact Fee Work Group
- **City Of Olympia, WA** – Park Impact Fee Update
- **City Of Sammamish, WA** – Park & Transportation Impact Fees

### Education

MBA, Finance  
University of Oregon  
  
BA, Classical Languages  
Santa Clara University



### Role

Luke will be responsible for data collection, financial modeling and reporting.

### Luke Nelson | Senior Analyst

Luke is an FCS, a Bowman company senior analyst specializing in data analysis and utility modeling. His previous experience includes financial reporting, budgeting, and database management. Luke played a key role in developing approaches to complying with recent changes in Washington impact fee law. **His project experience includes:**

- **Kirkland, WA** – Park, Transportation, and Fire Impact Fee Study
- **Pasco, WA** – Fire Impact Fee Update Study
- **Valley Regional Fire Authority, WA** – Fire Impact Fee Study
- **Pacific, WA** – Park Impact Fee
- **Sammamish, WA** – Transportation and Park Impact Fee Study

### Education

BS in Economics  
Washington State University

# Qualifications and Experience



## Steve Duh, CPRP | Conservation Technix

Steve is a Certified Park and Recreation Professional and has over 20 years of experience in public sector and non-profit program management. Steve brings six years of hands-on public agency experience as program manager for Vancouver-Clark Parks and Recreation Department where he helped establish a voter-approved parks district to enable a \$40 million program of park development, established an off-leash dog area program, managed the park impact fee program and led several interagency plans. Steve will lead the system planning, including policy frameworks, strategies and partnership opportunities. **His project experience includes:**

### Role

Steve will provide parks planning support.

- **Redmond, WA** – Park System Plan Update
- **Sammamish, WA** – Park System Plan Update
- **Edmonds, WA** – Parks, Recreation & Open Space Plan Update
- **Mercer Island, WA** – Parks, Recreation & Open Space Plan
- **Tacoma, WA** – Urban Forestry Management Plan Public Engagement
- **Happy Valley, OR** – Parks, Recreation & Open Space Plan

### Education

Master’s degree, Urban and Regional Planning  
Portland State University  
  
Bachelor of Science, Environmental Science  
SUNY College of Environmental Science & Forestry  
  
NRPA Rocky Mountain Revenue Management School

## FCS & Conservation Technix Teaming History

Since the establishment of their partnership in 2015, FCS Group and Conservation Technix have cultivated a strong and collaborative relationship grounded in mutual expertise and a shared commitment to serving communities across the Pacific Northwest. Over the past decade, both firms have worked together extensively to support a variety of municipalities, developing a deep understanding of regional planning needs and priorities.

Their collaboration has included joint efforts on multiple Parks and Recreation impact studies for cities such as Camas, Happy Valley, Medford, North Clackamas, and Tigard. These projects have involved coordinated assessments of parks infrastructure, service levels, and funding mechanisms, contributing to data-driven planning and long-term community benefits. Through this ongoing partnership, FCS and Conservation Technix have demonstrated their capacity to deliver cohesive, regionally informed solutions tailored to the unique needs of their clients.





# Project Experience

## Parks, Transportation and Fire Impact Fee Studies (2022 – 2024)

*City of Kirkland, WA*

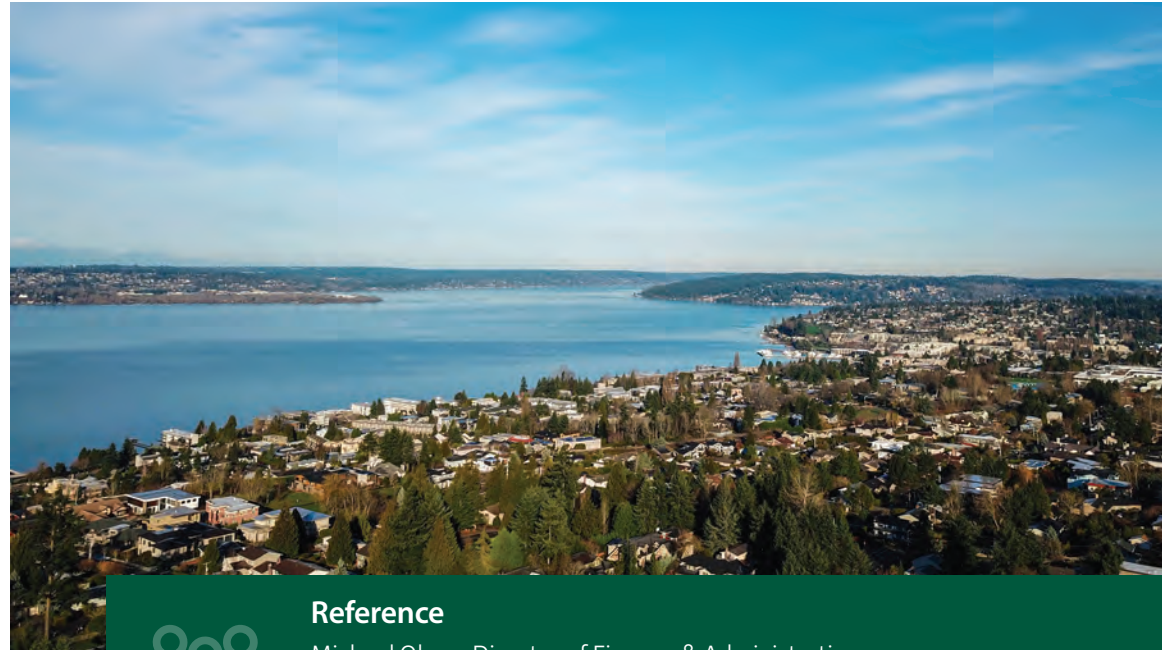
FCS recently completed a comprehensive parks, transportation, and fire impact fee update of a similar study FCS performed in 2020. FCS also completed a water, wastewater, and stormwater SDC update in 2022. **See Work Sample on page 23 for project report.**

### Project Highlights

- Updated the existing transportation and park impact fees and developed the City's first fire impact fee in 2020.
- Developed residential scaling options for parks, fire, and transportation impact fees in compliance with RCW 82.02.060.
- Wrote a policy memorandum that included analysis and recommendations on such issues as impact fee indexing, low-income housing exemptions, and methodology and adjustment options for all three services.
- Incorporated King County residential scaling into the wastewater SDC schedule, varying the number of RCEs by dwelling unit square footage.
- In all cases, calculated fee and SDC options and presented them to the City Council for consideration.

### Key Personnel

John Ghilarducci, Principal-in-Charge  
Doug Gabbard, Project Manager



### Reference

Michael Olson, Director of Finance & Administration  
425.587.3146, molson@kirklandwa.gov

# Project Experience

## Park Impact Fee Studies (2017 – 2022)

*City of Federal Way, WA*

FCS recently developed a scaled park impact fee to comply with RCW 82.02.060. Previously, in 2022, FCS performed a park impact fee study for the City. The City had never had a PIF before the study and was interested in incorporating the funding of over \$60 million worth of parks projects planned for the next twenty years. **See Work Sample on page 23 for project report.**

### Project Highlights

- Developed a flexible and well-documented PIF model that accommodated multiple revisions.
- Calculated a competitively low impact fee, reflecting the City's mature park system and limited existing facilities due to recent incorporation.
- Collaborated closely with City staff on comprehensive planning and ordinance drafting to support smooth adoption.
- Guided the ordinance through a multi-stage adoption process, including revisions and planning alignment.
- Presented to stakeholder groups and City Council, addressing questions and supporting successful ordinance adoption.

### Key Personnel

John Ghilarducci, Principal-in-Charge



### Reference

Jason Gerwen, Parks & Facilities Deputy Director  
253.835.6912, [jason.gerwen@cityoffederalway.com](mailto:jason.gerwen@cityoffederalway.com)

# Project Experience

## Park Impact Fee Study (2017 – 2022)

*City of Camas, WA*

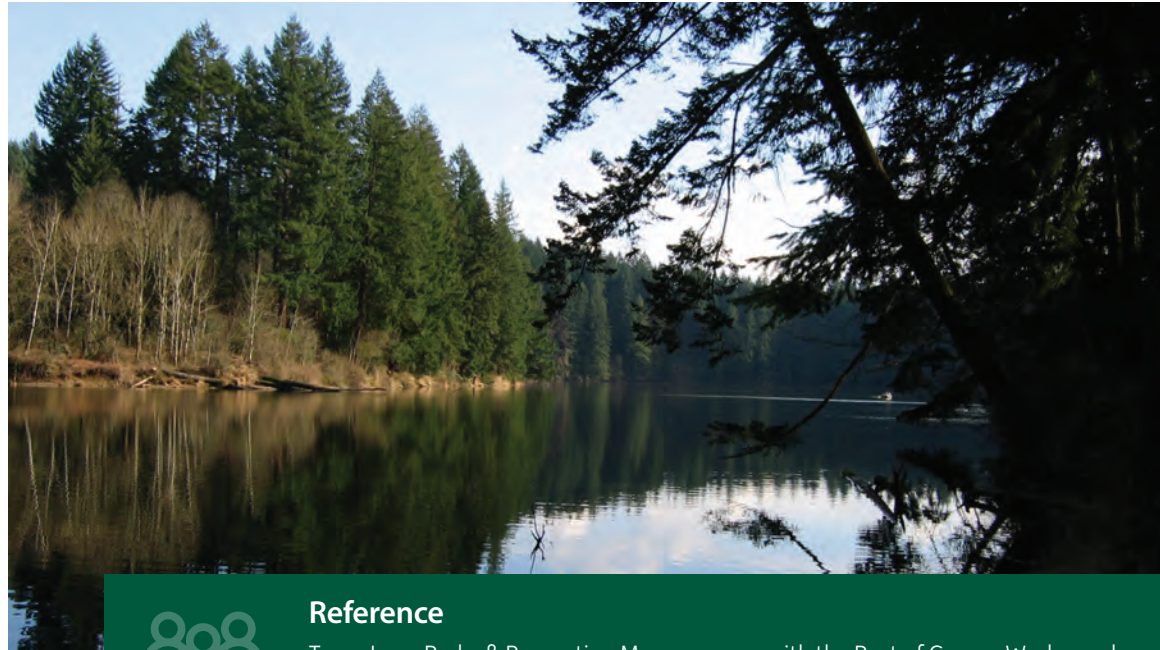
In 2022 and 2025, FCS led efforts to update the Camas Park Impact Fee. FCS wrote issue papers on impact fee calculation methodologies, nonresidential PIFs, scaling, and uniform versus area-specific impact fees. A recently completed Parks Master Plan provided a baseline projects list which was augmented by construction unit costs to determine a current impact fee cost basis. The updated cost basis was divided by the number of new residential equivalents to determine a per capita park impact fee. The per capita fee was converted to a schedule applied by dwelling unit type, scaled by dwelling unit size. Recommendations and the supporting methodology were adopted by the city. The resulting schedule included nonresidential fees and a scaled residential PIF.

### Project Highlights

- Refined the policy direction and analytical results with City Staff, the Parks and Recreation Commission, and the City Council across many meetings.
- Provided direction throughout the adoption process including:
  1. PIF ordinance language and adoption direction
  2. Specific credit-related code language and advice on how to implement credits to comply with state law
  3. PIF methodology report

### Key Personnel

John Ghilarducci, Principal-in-Charge



### Reference

Trang Lam, Parks & Recreation Manager, now with the Port of Camas-Washougal  
360.835.2196, [trang@portcw.com](mailto:trang@portcw.com)



# Project Experience

## Park Impact Fee Study (2023)

*City of Pacific, WA*

Seeking greater revenue for parks facilities than its existing impact fee of \$468 per dwelling unit could provide, the City sought the help of FCS to recalculate its parks impact fee based on updated project lists and growth assumptions.

### Project Highlights

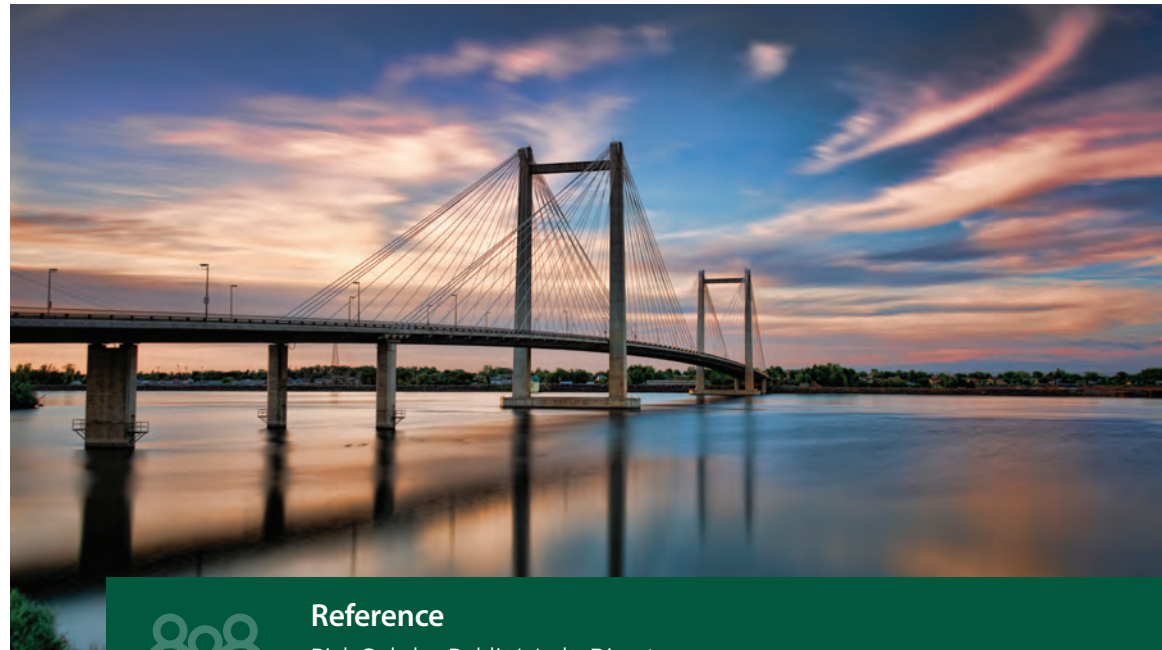
Not only did FCS calculate a maximum defensible impact fee of \$3,379 per dwelling unit, it guided the city council through a range of policy decisions:

- Should the maximum impact fee be implemented immediately, phased-in over a period of years, or discounted permanently?
- Should the City continue to impose a parks impact fee on non-residential development? If so, how does non-residential park demand compare with residential park demand?
- What is the best way to implement new state requirements on scaling impact fees based on the size of the dwelling unit?
- Provided clear explanations of options and helped councilors to weigh the trade-offs during an on-site presentation to City Council.
- Culminated in a 12-page report that documented not only the impact fee calculations, but also the policy issues raised by the City.

### Key Personnel

John Ghilarducci, Principal

Doug Gabbard, Project Manager



### Reference

Rick Gehrke, Public Works Director  
253.929.1113, [rgehrke@ci.pacific.wa.us](mailto:rgehrke@ci.pacific.wa.us)

# Project Experience

## Park Impact Fee Study (2020 – 2021)

*City of Kent, WA*

In 2021, FCS completed a park impact fee study for the City of Kent. As a rapidly growing city, with growth in residential housing and commercial development, Kent desired to implement an impact fee for its parks system to help fund future system expansion.

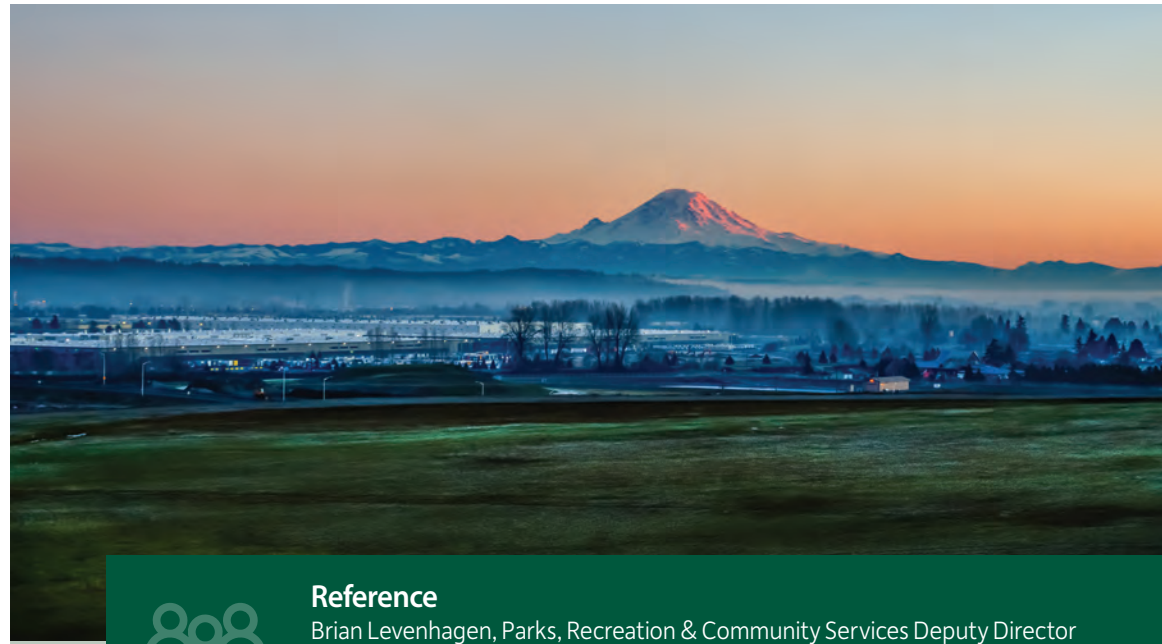
### Project Highlights

- Conducted a detailed legal analysis of Washington's impact fee laws, focusing on statutory restrictions and limitations.
- Authored a policy memo evaluating various impact fee approaches, including integration of non-residential development into park fees and potential effects on affordable housing.
- Incorporated the City's "Recreational Value" metric into the park impact fee level of service (LOS) analysis.
- Assessed multiple LOS methodologies to identify the most appropriate for the City's context.
- Collaborated with City staff to evaluate project eligibility based on park classifications (neighborhood, urban, community, etc.).
- Developed a fee schedule grounded in actual occupancy data from the City of Kent.
- Presented analysis and recommendations to City Council alongside City staff.
- Created a funding strategy for \$43M in park projects (2021–2026), with 28% of the CIP eligible for impact fee funding.
- Benchmarked proposed fees against neighboring jurisdictions, confirming alignment with regional norms.

### Key Personnel

John Ghilarducci, Principal

Doug Gabbard, Project Manager



### Reference

Brian Levenhagen, Parks, Recreation & Community Services Deputy Director  
253.856.5116  
bjlevenhagen@kentwa.gov

## References

1

### City of Kirkland, WA

Michael Olson  
Director of Finance & Administration  
425.587.3146  
molson@kirklandwa.gov

2

### City of Federal Way, WA

Jason Gerwen  
Parks & Facilities Deputy Director  
253.835.6912  
jason.gerwen@cityoffederalway.com

3

### City of Camas, WA

Trang Lam, Parks & Recreation Manager  
(now with the Port of Camas-Washougal)  
360.835.2196  
trang@portcw.com

4

### City of Pacific, WA

Rick Gehrke  
Public Works Director  
253.929.1113  
rgehrke@ci.pacific.wa.us

5

### City of Kent, WA

Brian Levenhagen  
Parks, Recreation & Community Services  
Deputy Director  
253.856.5116  
bjlevenhagen@kentwa.gov

# Client List

## SELECTION OF NORTHWEST IMPACT FEE CLIENTS

FCS and our proposed team have completed hundreds of impact fee studies throughout the Northwest. We have used this broad experience to inform and enhance the “best practices” we apply in Washington. The following are just a few examples of related engagements in Washington and other select states.

| Client               | Scaling | Parks | Transportation | EMS/ Police/ Fire | Utilities | Building/ Planning | Library/Schools |
|----------------------|---------|-------|----------------|-------------------|-----------|--------------------|-----------------|
| Airway Heights, WA   |         |       |                | •                 | •         |                    | •               |
| Algona, WA           |         |       | •              |                   |           |                    |                 |
| Auburn, WA           |         |       |                | •                 | •         | •                  |                 |
| Astoria, OR          | •       | •     |                | •                 | •         |                    |                 |
| Aurora, CO           |         |       |                |                   | •         |                    |                 |
| Bellevue, WA         | •       | •     |                |                   |           |                    |                 |
| Bellingham, WA       |         | •     |                | •                 | •         | •                  | •               |
| Bonney Lake, WA      | •       | •     | •              |                   |           |                    |                 |
| Bothell, WA          |         |       |                |                   | •         | •                  |                 |
| Camas, WA            | •       | •     |                | •                 |           |                    |                 |
| Canby, OR            |         | •     | •              |                   | •         | •                  | •               |
| Central Point, OR    |         | •     | •              |                   | •         |                    |                 |
| Cheyenne, WY         |         |       |                |                   | •         |                    |                 |
| Clackamas County, OR |         |       |                | •                 |           |                    |                 |
| Coburg, OR           |         | •     | •              |                   | •         |                    |                 |
| Coeur d' Alene, ID   |         | •     | •              | •                 | •         |                    |                 |
| Corvallis, OR        | •       | •     | •              |                   | •         |                    |                 |
| Cottage Grove, OR    |         | •     | •              |                   | •         |                    |                 |
| Duvall, WA           | •       | •     |                |                   |           |                    |                 |
| Evans, CO            |         |       |                |                   | •         |                    |                 |
| Federal Way, WA      | •       | •     |                |                   |           |                    |                 |
| Fife, WA             | •       | •     |                |                   |           |                    |                 |
| Forest Grove, OR     |         |       |                |                   | •         |                    | •               |
| Friday Harbor, WA    |         |       |                | •                 |           |                    |                 |
| Happy Valley, OR     |         | •     | •              |                   |           |                    |                 |
| Hayden, ID           |         | •     | •              | •                 | •         | •                  |                 |

## Client List

| Client                             | Scaling | Parks | Transportation | EMS/ Police/ Fire | Utilities | Building/Planning | Library/Schools |
|------------------------------------|---------|-------|----------------|-------------------|-----------|-------------------|-----------------|
| Hillsboro, OR                      |         |       | •              |                   |           |                   |                 |
| Hood River, OR                     |         | •     | •              |                   | •         |                   |                 |
| Issaquah, WA                       | •       | •     | •              | •                 |           | •                 |                 |
| Kennewick, WA                      |         |       |                | •                 |           |                   |                 |
| Kent, WA                           |         | •     |                |                   |           |                   |                 |
| Kirkland, WA                       | •       | •     | •              | •                 | •         | •                 |                 |
| Long Beach, CA                     |         |       |                | •                 |           |                   |                 |
| Maple Valley, WA                   | •       | •     |                |                   |           |                   |                 |
| Medford, OR                        |         | •     |                |                   |           |                   |                 |
| Nampa, ID                          |         |       |                |                   | •         |                   |                 |
| Newport, OR                        | •       | •     | •              |                   | •         |                   |                 |
| North Bend, WA                     | •       | •     | •              | •                 |           |                   |                 |
| Oak Harbor, WA                     | •       | •     | •              | •                 |           |                   | •               |
| Olympia, WA                        |         | •     |                |                   |           | •                 |                 |
| Oregon City, OR                    |         | •     | •              | •                 | •         |                   |                 |
| Pacific, WA                        | •       | •     |                |                   |           |                   |                 |
| Pasco, WA                          |         |       | •              | •                 |           |                   |                 |
| Pierce County, WA                  | •       | •     |                |                   |           |                   |                 |
| Post Falls, ID                     |         |       |                |                   | •         |                   |                 |
| Puyallup, WA                       |         | •     |                | •                 |           |                   |                 |
| Sammamish, WA                      | •       | •     | •              |                   |           |                   |                 |
| Seattle, WA                        |         | •     |                |                   |           |                   |                 |
| Shady Cove, OR                     |         | •     | •              |                   | •         |                   |                 |
| Silverton, OR                      | •       | •     | •              |                   | •         |                   |                 |
| St Helens, OR                      |         | •     | •              |                   | •         |                   |                 |
| Troutdale, OR                      |         |       | •              |                   | •         |                   |                 |
| University Place, WA               |         |       | •              |                   |           |                   |                 |
| Valley Regional Fire Authority, WA | •       |       |                | •                 |           |                   |                 |
| Vancouver, WA                      |         |       | •              | •                 |           | •                 |                 |
| Walla Walla, WA                    |         |       |                | •                 | •         | •                 |                 |
| Whitefish, MT                      |         | •     | •              | •                 | •         |                   |                 |



# Work Samples

Please reference **Appendix A** for these work samples in their entirety.

## SAMPLE REPORTS

City of Kirkland, WA

FIRE AND PARKS  
IMPACT FEE  
UPDATE  
Final Report  
December 2020

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.887.1802

Oregon  
5335 Meadows Road, Suite 330  
Lake Oswego, OR 97035  
503.641.6543

Colorado  
PO Box 19114  
Boulder, CO 80321-9998  
726.284.9168

www.fcsgroup.com

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FCS GROUP

Solutions-Oriented Consulting

### City of Federal Way Park Impact Fee Scaling

In 2023, the City of Federal Way (City) adopted a park impact fee (PIF) of \$2,200, applied uniformly to new dwelling units in the City. The corresponding methodology supported a maximum PIF of \$2,839 per dwelling unit, or \$1,048 per occupant. The Revised Code of Washington has since been amended to require the scaling of impact fees by dwelling unit size, number of bedrooms, or trips generated. To comply with these new requirements, the City engaged FCS, a Bowman company, to develop a scaling approach for the PIF. This memo provides a summary of the resulting proposed scaling approach.

#### Background

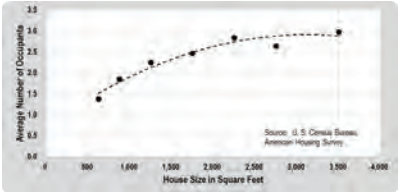
RCW 82.02.060(1) states that a park impact fee schedule "shall reflect the proportionate impact of new housing units... based on the square footage, number of bedrooms, or trips generated... in order to produce a proportionally lower impact fee for smaller housing units." Jurisdictions in Washington are responding to these new requirements in a variety of ways. Some, like the City of Everett, scale by the number of bedrooms. Many others, like the City of Camas, scale by the size of the dwelling unit in square feet.

The best measure of potential parks demand created by new residential units is the number of residents that will occupy each dwelling unit. Therefore, the question of how to scale residential SDCs is really a question of estimating the number of occupants per dwelling unit. The approach described herein incorporates the nexus between dwelling unit square footage and the average number of occupants. Note that additional new requirements in RCW 36.70A.681 place limits on charging impact fees to accessory dwelling units, stating that a city "may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit..."

#### Analysis

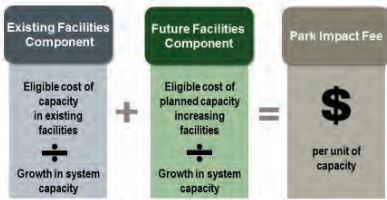
American Housing Survey data for the Seattle Metro region states that, to a point, square footage is positively correlated with the number of occupants. That point is calculated to be 3,124 square feet. The correlation is shown graphically in **Exhibit 1** below.

Exhibit 1: Occupancy by House Size in Seattle Metro Area (2021)



fcsgroup.com | bowman.com

The diagram below summarizes the basic outline of an impact fee calculation, and more detail is provided in the following bullets.



- **The eligible cost of capacity in existing facilities** is the cost of existing park facilities that will serve growth. For a parks impact fee, determining the capacity in the existing system available for growth starts with determining the amount of existing parks facilities that are required for existing users, commonly measured in park acres. One method for doing so first calculates the system's level-of-service after completion of the capital facilities plan. By applying that level-of-service target to the current population, the City can determine if it's currently meeting its level-of-service target. If the City has more park facilities (such as park acres) than needed based on its level-of-service target, the costs of such available facilities can be included in the existing facilities component of the impact fee.
- **The eligible portion of capacity increasing projects** is the cost of future projects that will serve growth. Some projects are intended to only serve growth, some projects do not serve to increase the capacity of the City's park system, and some serve the City's current and future populations. Determining how projects fall into each category can again be done with a level-of-service calculation to estimate how many park acres (for example) are needed to serve growth given the City's level-of-service target. Other projects that do not add a measurable number of parks facilities may still be eligible if they will serve both existing and future users.
- **The growth in system demand** is the anticipated growth in the City's population. However, as residents are not the only users of the City's park system, employees of businesses within will be included as well, at a separate rate that reflects the parks demand characteristics of commercial developments.

Finally, summing the existing facilities component with the future facilities component gives the fully calculated impact fee.

A large, dark green, stylized letter 'A' graphic that serves as a background element for the section header.

# Appendix A: Work Samples

# City of Kirkland, WA

## FIRE AND PARKS IMPACT FEE UPDATE

Final Report  
December 2020

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.867.1802

Oregon  
5335 Meadows Road, Suite 330  
Lake Oswego, OR 97035  
503.841.6543

Colorado  
PO Box 19114  
Boulder, CO 80301-9998  
719.284.9168

[www.fcsgroup.com](http://www.fcsgroup.com)

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Solutions-Oriented Consulting

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## Section I. INTRODUCTION

---

The City of Kirkland, Washington (City) is a growing city with increasing demands for parks facilities. To help offset the costs that these demands place upon the City, the City imposes a Parks Impact Fee of \$4,391 for a single-family home, and \$3,338 for a multi-family dwelling unit. This fee was intended to recover an equitable share of system costs from growth, recognizing both the investments in infrastructure that the City has made and the future investments that the City will have to make to provide capacity to serve growth. The parks impact fee was last studied in 2015, and the City Council adopted Park Impact fees based on this study, which became effective in 2016. The fees have been indexed to inflation over the intervening time period and have thus increased every year. In 2020, the City contracted with FCS GROUP to update the fee. In addition, the City requested an initial impact fee for its fire and emergency medical services, which is included in this report. The scope of work also included updating the City's Transportation Impact Fee, but finalizing that work has been put on hold pending updates to the City's Transportation Management Plan (TMP) expected in 2021. Those results will be summarized in a separate report when the new information has been incorporated.

Consistent with these objectives, this study included the following key elements:

- **Overview of Washington Laws and Methodology Alternatives.** We worked with City staff to examine previous impact fee methodologies and evaluate alternative approaches in compliance with Washington law.
- **Develop Policy Framework.** We worked with City staff to identify, analyze, and agree on key policy issues and direction.
- **Technical Analysis.** In this step, we worked with City staff to resolve technical issues, isolate the recoverable portion of existing and planned facilities costs, and calculate fee alternatives. The most important technical consideration involves the identification and inclusion of planned capacity-increasing project costs.
- **Documentation and Presentation.** In this step, we presented preliminary findings to the City Council and summarized findings and recommendations in this report.

## Section II. IMPACT FEE LEGAL OVERVIEW

---

Impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution. Impact fees allow cities to recover some of the cost of expanding public facilities necessitated by growth. These fees allow “growth to pay for growth” in a fair and equitable manner. Impact fees have a specific definition and associated constraints in the state of Washington. Impact fees are allowed under RCW 82.02.050 through 82.02.110 and are permitted for:

- Public streets and roads
- Publicly owned parks, open space, and recreation facilities
- School facilities
- Fire protection facilities

The statute provides specific guidance on the permissible methodology for calculating impact fees. This guidance can be broken down into three major categories:

**1. Eligibility Requirements.** RCW 82.02.050(3) states that impact fees:

- a. Shall only be imposed for system improvements that are reasonably related to the new development;
- b. Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and;
- c. Shall only be used for system improvements that will reasonably benefit the new development.

These requirements, which exist to protect developers, ensure that impact fees are based on—and spent for—capacity that will directly or indirectly serve new development. That is why careful scrutiny is given to the included project list. Moreover, the impact fee that a developer pays must represent that particular development’s fair share of required capacity. That is why developments pay a unique fee based on land use, anticipated occupancy, and size.

Additionally, RCW 82.02.050(5) states that “Impact fees may be collected and spent only for the public facilities . . . which are addressed by the capital facilities plan element of a comprehensive land use plan.” This means that if a project is not listed in the adopted capital facilities plan element, then it is not eligible to be included in impact fee calculations.

**2. Cost Basis.** RCW 82.02.060(1) outlines the cost basis of impact fee calculations, stating that the basis must consider:

- a. The cost of public facilities necessitated by new development;
- b. An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or pro-ratable to the particular system improvement;

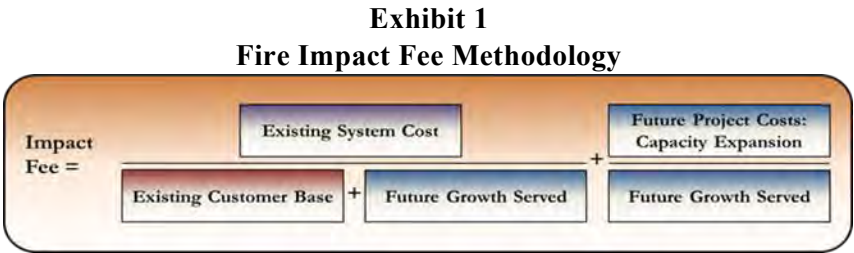
- c. The availability of other means of funding public facility improvements;
- d. The cost of existing public facilities improvements; and
- e. The methods by which public facilities improvements were financed.

This means that adjustments to the impact fee cost basis must be made for the amount of outstanding debt that was or will be used to pay for capital facility improvements, as well as other methods of funding public facilities improvements.

3. **Customer Base.** The costs determined to be eligible must be proportionately allocated across the projected customer base.

## Section III. FIRE IMPACT FEE

The City does not currently have a fire impact fee. Therefore, instead of an update using an existing methodology, a new methodology must be applied. This study uses the *buy in plus growth method*, meaning that the impact fee is comprised of two separate parts: the existing cost component and the future cost component. Conceptually, this recognizes that the new customer is not fully served by the existing system, as evidenced by the need to make additional expansion investments. An expansion charge is added to this existing system charge by dividing the expansion portion of future capacity investments by the projected growth. The existing cost component consists of the existing system cost, divided by the existing customer base *plus* the future growth served. The future cost component consists of the capacity expanding portion of future projects, divided by *only* future growth served. These two components are then added together to create the fire impact fee. This methodology is shown in **Exhibit 1**.



Each of these components requires explanation and is examined in detail below.

### III.A. EXISTING SYSTEM COST

The existing system cost is simply the cost of the City’s existing assets used to provide fire and EMS services. This primarily consists of fire apparatus (including engines, aid cars, and marine units), miscellaneous equipment, and fire stations that are currently in service. The included assets are shown in **Exhibit 2** and **3**.



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**Exhibit 2**  
**Fire Apparatus**

| Veh #          | Acquisition |             | Original Cost |
|----------------|-------------|-------------|---------------|
|                | Date        | Useful Life |               |
| F-612          | 2003        | 18          | \$ 355,048    |
| F-613A         | 2005        | 18          | 169,694       |
| F-213          | 2006        | 8           | 58,314        |
| F-613B         | 2006        | 18          | 233,605       |
| F403B          | 2007        | 17          | 4,814         |
| F-613C         | 2007        | 17          | 632           |
| F-216          | 2008        | 8           | 66,368        |
| F-318A         | 2010        | 8           | 188,990       |
| F-614A         | 2010        | 18          | 542,752       |
| F-614B         | 2010        | 18          | 244           |
| F-318B         | 2011        | 8           | 1,243         |
| F-614C         | 2011        | 18          | 2,163         |
| F-319A         | 2012        | 8           | 197,374       |
| F-615A         | 2012        | 18          | 269,200       |
| F-319B         | 2013        | 8           | 330           |
| F-615B         | 2013        | 18          | 311,091       |
| F-320          | 2014        | 8           | 211,243       |
| F-321          | 2014        | 8           | 211,455       |
| F-507A         | 2014        | 8           | 2,403         |
| F-615C         | 2014        | 17          | 2,947         |
| F-322A         | 2015        | 8           | 225,148       |
| F-323A         | 2015        | 8           | 225,148       |
| F-507B         | 2015        | 18          | 1,215,767     |
| F-616A         | 2015        | 18          | 603,529       |
| Marine-1       | 2015        | 10          | 38,690        |
| Marine-2       | 2015        | 10          | 38,690        |
| F-318C         | 2016        | 8           | 40,359        |
| F-319C         | 2016        | 8           | 40,359        |
| F-322B         | 2016        | 8           | 42,739        |
| F-323B         | 2016        | 8           | 42,769        |
| F-507C         | 2016        | 8           | 1,349         |
| F-616B         | 2016        | 8           | 23            |
| F-617          | 2017        | 18          | 665,441       |
| F 617          | 2018        | 18          | 22,418        |
| F214X          | 2006        | 8           | 26,964        |
| F222           | 2014        | 8           | 31,265        |
| F223           | 2014        | 8           | 31,265        |
| F224           | 2014        | 8           | 31,265        |
| F225           | 2014        | 8           | 31,265        |
| Included Total |             |             | \$ 6,184,368  |

The total apparatus cost is \$6.2 million. The other major component of the City's assets is its fire stations, which total \$8.5 million.

**Exhibit 3**  
**City Fire Stations**

| Station                     | Year Acquired | Original Cost       |
|-----------------------------|---------------|---------------------|
| Fire Station #21            | 1998          | \$ 1,352,826        |
| Fire Station #22            | 1980          | 662,700             |
| Fire Station #26            | 1994          | 1,588,088           |
| FS#25 (FD41 Annex)          | 2011          | 1,078,600           |
| Fire Station #25 Renovation | 2018          | 3,653,513           |
| FS#27 (FD41 Annex)          | 2011          | 213,700             |
| <b>Total</b>                |               | <b>\$ 8,549,428</b> |

Combined with \$379,317 in included miscellaneous equipment, the total existing cost component can be calculated as shown in **Exhibit 4** below and totaling \$15,113,113.

**Exhibit 4**  
**Existing Cost Component**

| Asset Category                 | Cost                 |
|--------------------------------|----------------------|
| Apparatus                      | \$ 6,184,368         |
| Miscellaneous Equip.           | 379,317              |
| Stations                       | 8,549,428            |
| <b>Existing Cost Component</b> | <b>\$ 15,113,113</b> |

### III.B. CUSTOMER BASE

The next step is to calculate the existing customer base. The City provided the number of dwelling units in the City in 2015, along with the area (in square feet) of various nonresidential land use types. Based on the City's comprehensive plan, anticipated development by 2035 and annual growth rates could be calculated as shown in **Exhibit 5**. Using the compound annual growth rate, the total amount of development in 2019 could be interpolated. Development in 2019 is the existing customer base, and the estimated development between 2020 and 2035 is the future customer base.

**Exhibit 5**  
**Development**

| Land Use            | Measurement   | 2015 Existing | Additional 2035 Development | Compound Annual Growth Rate | 2019 Development |
|---------------------|---------------|---------------|-----------------------------|-----------------------------|------------------|
| Commercial          | Sq. Ft.       | 4,063,759     | 889,766                     | 0.99%                       | 4,227,905        |
| Office & Industrial | Sq. Ft.       | 8,799,061     | 4,831,614                   | 2.21%                       | 9,604,008        |
| Schools             | Sq. Ft.       | 2,468,850     | 551,102                     | 1.01%                       | 2,570,371        |
| Health Care         | Sq. Ft.       | 2,017,135     | 450,269                     | 1.01%                       | 2,100,081        |
| Government          | Sq. Ft.       | 320,571       | 71,559                      | 1.01%                       | 333,753          |
| Single-Family       | Dwelling Unit | 20,451        | 3,511                       | 0.80%                       | 21,109           |
| Multifamily         | Dwelling Unit | 17,086        | 10,153                      | 2.36%                       | 18,756           |

The City provided response data from 2019, categorized by land use type. This was used to calculate the 2019 incident generation rate, or the number of incidents generated by each unit of development, as shown in **Exhibit 6**.

**Exhibit 6**  
**2019 Incident Generation Rate**

| Land Use            | Measurement   | 2019 Development | 2019 Incidents | 2019 Incident Generation Rate |
|---------------------|---------------|------------------|----------------|-------------------------------|
| Commercial          | Sq. Ft.       | 4,227,905        | 936            | 0.00022                       |
| Office & Industrial | Sq. Ft.       | 9,604,008        | 169            | 0.00002                       |
| Schools             | Sq. Ft.       | 2,570,371        | 220            | 0.00009                       |
| Health Care         | Sq. Ft.       | 2,100,081        | 1,092          | 0.00052                       |
| Government          | Sq. Ft.       | 333,753          | 162            | 0.00049                       |
| Single-Family       | Dwelling Unit | 21,109           | 2,903          | 0.13754                       |
| Multifamily         | Dwelling Unit | 18,756           | 2,157          | 0.11500                       |
| <b>Total</b>        |               |                  | <b>7,640</b>   |                               |

Assuming that incident generation rates across land use types remain the same, an incident forecast for 2035 can be prepared, as shown in **Exhibit 7**.

**Exhibit 7**  
**Incident Forecast**

| Land Use            | Measurement   | 2015 Existing | 2035 Development | 2019 Incident Generation Rate | 2035 Incident Forecast |
|---------------------|---------------|---------------|------------------|-------------------------------|------------------------|
| Commercial          | Sq. Ft.       | 4,063,759     | 4,953,525        | 0.00022                       | 1,097                  |
| Office & Industrial | Sq. Ft.       | 8,799,061     | 13,630,675       | 0.00002                       | 240                    |
| Schools             | Sq. Ft.       | 2,468,850     | 3,019,952        | 0.00009                       | 259                    |
| Health Care         | Sq. Ft.       | 2,017,135     | 2,467,404        | 0.00052                       | 1,283                  |
| Government          | Sq. Ft.       | 320,571       | 392,130          | 0.00049                       | 191                    |
| Single-Family       | Dwelling Unit | 20,451        | 23,962           | 0.13754                       | 3,296                  |
| Multifamily         | Dwelling Unit | 17,086        | 27,239           | 0.11500                       | 3,133                  |
| <b>Total</b>        |               |               |                  |                               | <b>9,497</b>           |

The annual number of incidents is expected to grow by 1,857 incidents between 2019 and 2035 ( $9,497 - 7,640 = 1,857$ ). This results in a *growth eligibility percentage* of 19.56 percent.

$$1,857 \div 9,497 = 19.56\%$$

Unlike other City services, it is difficult to assign future investments as 100 percent growth related. Apparatus are mobile, and most of the growth within the City is projected to be infill and redevelopment. Thus, future projects will be assumed to serve both existing development and future growth. This means that future system investments will only be 19.56 percent eligible for inclusion in the future cost component.

### III.C. FUTURE COST COMPONENT

The City provided a capital improvement plan (CIP) that included both funded and unfunded projects. However, after discussions with City staff, it was determined that the unfunded portion of the CIP should be included in the impact fee cost basis only if the City's Proposition #1 levy failed at

the November 2020 election. The levy passed, so the projects listed in the unfunded portion of the CIP will be funded with levy funds instead, and not included in the impact fee study. The included CIP projects are shown in **Exhibit 8**.

### Exhibit 8 Future Projects

| Project Number                      | Project Title                             | Prior Year(s)<br>(not included) | 2019-2024 Total | Impact Fee<br>Eligibility | Impact Fee<br>Eligible Cost |
|-------------------------------------|-------------------------------------------|---------------------------------|-----------------|---------------------------|-----------------------------|
| <b>FIRE</b>                         |                                           |                                 |                 |                           |                             |
| PSC 06300                           | Air Fill Station Replacement              |                                 | 86,200          | 19.56%                    | 16,857                      |
| PSC 06600                           | Thermal Imaging Cameras                   |                                 | 93,400          | 19.56%                    | 18,265                      |
| PSC 07100                           | Self Contained Breathing Apparatus (SCBA) |                                 | 1,017,600       | 19.56%                    | 198,999                     |
| PSC 07600                           | Personal Protective Equipment             |                                 | 1,320,500       | 19.56%                    | 258,233                     |
| PSC 08000                           | Emergency Generators                      | 120,000                         | 120,000         | 19.56%                    | 46,934                      |
| PSC 08100                           | Fire Station 26 Training Prop             |                                 | 290,000         | 19.56%                    | 56,712                      |
| PSC 08200                           | Water Rescue Craft Storage & Lift         |                                 | 87,900          | 19.56%                    | 17,189                      |
| <b>FACILITIES</b>                   |                                           |                                 |                 |                           |                             |
| PSC 30021                           | Fire Station 24 Land Acquisition          | 4,437,530                       | 5,737,530       | 19.56%                    | 1,989,804                   |
| PSC 30022                           | Fire Station 24 Replacement               | 10,133,300                      | 16,890,908      | 19.56%                    | 5,284,772                   |
| Total Funded Public Safety Projects |                                           | \$ 14,690,830                   | \$ 25,644,038   |                           | \$ 7,887,764                |

The future cost to be included is \$25.6 million. When multiplied by the growth eligibility percentage calculated above, the future cost basis is \$7.9 million.

## III.D. IMPACT FEE CALCULATION

All the cost bases of the impact fee have now been calculated. However, as the impact fee will be charged based on individual land use type, each cost component must be distributed across the various land use types. This is done on the percentage of incidents in the relevant year (2019 for the current cost basis and 2035 for the future cost basis). **Exhibit 9** shows the distribution and resulting impact fee for apparatus costs.

### Exhibit 9 Apparatus Fee Calculation

| Land Use Type       | Unit of<br>Development | 2019 Incidents | 2019 Incident<br>Breakdown | Cost Basis:<br>\$ 6,184,368 | 2035<br>Development | Fee     |
|---------------------|------------------------|----------------|----------------------------|-----------------------------|---------------------|---------|
| Commercial          | Sq. Ft.                | 936            | 12.25%                     | \$ 757,740                  | 4,953,525           | \$ 0.15 |
| Office & Industrial | Sq. Ft.                | 169            | 2.21%                      | 136,642                     | 13,630,675          | 0.01    |
| Schools             | Sq. Ft.                | 220            | 2.88%                      | 178,344                     | 3,019,952           | 0.06    |
| Health Care         | Sq. Ft.                | 1,092          | 14.29%                     | 883,735                     | 2,467,404           | 0.36    |
| Government          | Sq. Ft.                | 162            | 2.12%                      | 131,318                     | 392,130             | 0.33    |
| Single-Family       | Dwelling Unit          | 2,903          | 38.01%                     | 2,350,415                   | 23,962              | 98.09   |
| Multifamily         | Dwelling Unit          | 2,157          | 28.24%                     | 1,746,174                   | 27,239              | 64.11   |
| Total               |                        | 7,640          | 100.00%                    | \$ 6,184,368                |                     |         |

**Exhibit 10** shows the distribution and resulting impact fee for fire stations and miscellaneous equipment costs.

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**Exhibit 10**  
**Stations and Miscellaneous Equipment Fee Calculation**

| Land Use Type       | Unit of Development | 2019 Incidents | 2019 Incident Breakdown | Cost Basis \$8,928,745 | 2035 Development | Fee     |
|---------------------|---------------------|----------------|-------------------------|------------------------|------------------|---------|
| Commercial          | Sq. Ft.             | 936            | 12.25%                  | \$ 1,093,995           | 4,953,525        | \$ 0.22 |
| Office & Industrial | Sq. Ft.             | 169            | 2.21%                   | 197,278                | 13,630,675       | 0.01    |
| Schools             | Sq. Ft.             | 220            | 2.88%                   | 257,486                | 3,019,952        | 0.09    |
| Health Care         | Sq. Ft.             | 1,092          | 14.29%                  | 1,275,901              | 2,467,404        | 0.52    |
| Government          | Sq. Ft.             | 162            | 2.12%                   | 189,592                | 392,130          | 0.48    |
| Single-Family       | Dwelling Unit       | 2,903          | 38.01%                  | 3,393,435              | 23,962           | 141.62  |
| Multifamily         | Dwelling Unit       | 2,157          | 28.24%                  | 2,521,057              | 27,239           | 92.55   |
| <b>Total</b>        |                     | <b>7,640</b>   | <b>100.00%</b>          | <b>\$ 8,928,745</b>    |                  |         |

Finally, the future cost basis is distributed in **Exhibit 11**. As the future cost basis is divided only by future growth, the incidents, incident breakdown, and development are different than in **Exhibits 9** and **10**.

**Exhibit 11**  
**Future Projects Fee Calculation**

| Land Use Type       | Unit of Development | 2035 Projected Incidents | 2035 Incident Breakdown | Cost Basis \$ 7,887,764 | Growth by 2035 | Fee     |
|---------------------|---------------------|--------------------------|-------------------------|-------------------------|----------------|---------|
| Commercial          | Sq. Ft.             | 1,097                    | 11.55%                  | \$ 910,885              | 889,766        | \$ 1.02 |
| Office & Industrial | Sq. Ft.             | 240                      | 2.52%                   | 198,977                 | 4,831,614      | 0.04    |
| Schools             | Sq. Ft.             | 259                      | 2.73%                   | 214,989                 | 551,102        | 0.39    |
| Health Care         | Sq. Ft.             | 1,283                    | 13.51%                  | 1,065,320               | 450,269        | 2.37    |
| Government          | Sq. Ft.             | 191                      | 2.01%                   | 158,301                 | 71,559         | 2.21    |
| Single-Family       | Dwelling Unit       | 3,296                    | 34.70%                  | 2,737,444               | 3,511          | 779.68  |
| Multifamily         | Dwelling Unit       | 3,133                    | 32.99%                  | 2,601,849               | 10,153         | 256.26  |
| <b>Total</b>        |                     | <b>9,497</b>             | <b>100.00%</b>          | <b>\$ 7,887,764</b>     |                |         |

The total fire impact fee is the sum of these three calculated fees, shown below in **Exhibit 12**.

**Exhibit 12**  
**Fire Impact Fee Schedule**

| Land Use Type       | Existing Fee Component | Future Fee Component | Total Fee | Unit of Development |
|---------------------|------------------------|----------------------|-----------|---------------------|
| Commercial          | \$ 0.37                | \$ 1.02              | \$ 1.40   | per Sq. Ft.         |
| Office & Industrial | 0.02                   | 0.04                 | 0.07      | per Sq. Ft.         |
| Schools             | 0.14                   | 0.39                 | 0.53      | per Sq. Ft.         |
| Health Care         | 0.88                   | 2.37                 | 3.24      | per Sq. Ft.         |
| Government          | 0.82                   | 2.21                 | 3.03      | per Sq. Ft.         |
| Single-Family       | 239.71                 | 779.68               | 1,019.38  | per Dwelling Unit   |
| Multifamily         | 156.66                 | 256.26               | 412.92    | per Dwelling Unit   |

Finally, the calculated fire impact fees can be multiplied by anticipated growth to forecast the revenue the City will receive if it fully adopts the fire impact fee.

**Exhibit 13**  
**Fire Impact Fee Revenue Forecast**

| Land Use Type           | Total Fee | Unit of Development | Growth by 2035 | Existing Component Revenue | Future Component Revenue |
|-------------------------|-----------|---------------------|----------------|----------------------------|--------------------------|
| Commercial              | \$ 1.40   | per Sq. Ft.         | 889,766        | \$ 332,614                 | \$ 910,885               |
| Office & Industrial     | 0.07      | per Sq. Ft.         | 4,831,614      | 118,363                    | 198,977                  |
| Schools                 | 0.53      | per Sq. Ft.         | 551,102        | 79,533                     | 214,989                  |
| Health Care             | 3.24      | per Sq. Ft.         | 450,269        | 394,105                    | 1,065,320                |
| Government              | 3.03      | per Sq. Ft.         | 71,559         | 58,562                     | 158,301                  |
| Single-Family           | 1,019.38  | per Dwelling Unit   | 3,511          | 841,610                    | 2,737,444                |
| Multifamily             | 412.92    | per Dwelling Unit   | 10,153         | 1,590,558                  | 2,601,849                |
| Total Revenue Generated |           |                     |                | \$ 3,415,346               | \$ 7,887,764             |

The total revenue generated is \$11.3 million. This represents 44% of the 2019-24 CIP shown in **Exhibit 8**.

FCS GROUP also surveyed neighboring jurisdictions to determine how the City's calculated fire impact fees fit into a regional context. The results of this survey are shown in **Exhibit 14**. Fire impact fees are not as common as other types of impact fees, but Kirkland's calculated fee is in line with those imposed by other Western Washington jurisdictions.

**Exhibit 14**  
**Fire Impact Fee Survey**

| City      | SFR      | MFR      |
|-----------|----------|----------|
| Issaquah  | \$ 2,213 | \$ 2,485 |
| Shoreline | 2,187    | 1,895    |
| Kirkland  | 1,019    | 413      |
| Renton    | 830      | 965      |
| Redmond   | 125      | 149      |
| Sammamish | N/A      | N/A      |
| Bellevue  | N/A      | N/A      |
| Sammamish | N/A      | N/A      |
| Vancouver | N/A      | N/A      |

## Section IV. PARKS IMPACT FEE

This section provides the detailed calculations of the maximum defensible parks impact fee. As the City already has an existing parks impact fee, this study uses the same investment-based methodology as was previously used. This approach is based on the total value of the City's park system, divided by the total applicable customer base. One change was made to the previous calculation. This impact fee uses residential equivalents (described below) that is added to the city population to account for the impacts of nonresidential development on City infrastructure.

### IV.A. CUSTOMER BASE

The first step is to calculate the parks capital value per person, or the value of the existing system divided by the user base. The City currently defines the user base of its park system as the City's population. However, an alternative methodology is based on *residential equivalents*, which measures and includes the additional impact of employees of businesses within the City on the parks system. The calculation of residential equivalents is shown below.

#### IV.A.1. Residential Equivalents

To charge parks impact fees to both residential and non-residential developments, we must estimate both (1) how much availability non-residential occupants (i.e., employees) have to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent data for both population and employment in Kirkland. As shown below, in 2017 (the most recent year for which both population and employment data were available), 86,080 residents lived in Kirkland, and 47,834 employees worked in Kirkland. Of these, 5,484 people both lived and worked in Kirkland, as shown in **Exhibit 15**.

**Exhibit 15**  
**Residents and Employees in Kirkland (2017)**

|                          | Living Inside<br>Kirkland | Living Outside<br>Kirkland | Total  |
|--------------------------|---------------------------|----------------------------|--------|
| Working inside Kirkland  | 5,484                     | 42,350                     | 47,834 |
| Working outside Kirkland | 39,184                    |                            |        |
| Not working              | 41,412                    |                            |        |
| <b>Total</b>             | <b>86,080</b>             |                            |        |

Source: WA OFM Population Statistics, US Census Bureau: OnTheMap Application

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Kirkland. For example, a resident of the City who was not working would have 112 hours per week available to use park facilities (7 days x 16 hours per day). The table below shows FCS GROUP's estimate of maximum time available for use. It is not an estimate of actual use.

**Exhibit 16**  
**Available Hours by Category**

| Hours per Week of Park Availability per Person, Residential Demand     | Living Inside Kirkland | Living Outside Kirkland |
|------------------------------------------------------------------------|------------------------|-------------------------|
| Working inside Kirkland                                                | 72                     | N/A                     |
| Working outside Kirkland                                               | 72                     | N/A                     |
| Not working                                                            | 112                    | N/A                     |
| Hours per Week of Park Availability per Person, Non-Residential Demand | Living Inside Kirkland | Living Outside Kirkland |
| Working inside Kirkland                                                | 10                     | 10                      |
| Working outside Kirkland                                               | N/A                    | N/A                     |
| Not working                                                            | N/A                    | N/A                     |

Source: FCS GROUP

When the hours of availability above are multiplied by the population and employee counts presented earlier, we can determine the relative parks demand of residents and employees. As shown in **Exhibit 17**, the parks demand of one employee is equivalent to the parks demand of 0.11 resident. Another way of understanding this is that the parks demand of 9.12 employees is equivalent to the parks demand of one resident.

**Exhibit 17**  
**Total Available Hours by Class**

| Total Hours per Week of Park Availability, 2017 | Residential Hours | Non-Residential Hours | Total Hours      |
|-------------------------------------------------|-------------------|-----------------------|------------------|
| Working inside Kirkland                         | 394,848           | 478,340               | 873,188          |
| Working outside Kirkland                        | 2,821,248         |                       | 2,821,248        |
| Not working                                     | 4,638,144         |                       | 4,638,144        |
| <b>Total</b>                                    | <b>7,854,240</b>  | <b>478,340</b>        | <b>8,332,580</b> |
| Hours per resident                              | 91.24             |                       |                  |
| Hours per employee                              |                   | 10.00                 |                  |
| <b>Employee Residential Equivalent</b>          |                   |                       | <b>0.110</b>     |

Source: Previous tables

## IV.A.2. Growth

The current (2020) demand for parks facilities is 96,121 residential equivalents. That number is the sum of 90,660 residents (based on the Washington State Office of Financial Management's official state population projections), and 5,461 residential equivalents for 49,832 employees. The number of employees is based on the 2017 number of employees, inflated to 2020 based on the City's planning data.

During the forecast period from 2020 to 2024, chosen to match the capital plan, residential population is expected to grow by 983 residents to a total of 91,643 residents. Population growth was forecast at 0.27 percent annually, and growth in employees forecast at 1.37 percent annually. As



shown in **Exhibit 18**, residential equivalents will grow by 1,289 residential equivalents to a total of 97,410 residential equivalents.

**Exhibit 18**  
**Growth in Residential Equivalents**

|                                      | 2017          | 2020          | 2024          | Growth from<br>2020 to 2024 |
|--------------------------------------|---------------|---------------|---------------|-----------------------------|
| Population                           | 86,080        | 90,660        | 91,643        | 983                         |
| Employees                            | 47,834        | 49,832        | 52,627        | 2,795                       |
| Residential Equivalent Employees     | 5,242         | 5,461         | 5,768         | 306                         |
| <b>Total Residential Equivalents</b> | <b>91,322</b> | <b>96,121</b> | <b>97,410</b> | <b>1,289</b>                |

As of the time of this report, the City had not determined whether to use residential equivalents as the customer base, which would allow it to charge nonresidential development, or to retain its current approach and charge only residential development. This report shows each calculation in parallel, so the differences between the two approaches are clear.

## IV.B. IMPACT FEE CALCULATION

The next step is to calculate the capital value per person or residential equivalent. This study is based on the previous valuations of the City park system, inflated by the actual rise in property assessed values in Kirkland between 2014 and 2020 (80.74 percent). This is shown in **Exhibit 19**.

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### Exhibit 19a Park System Inventory

| Name                           | 2014       |                   |                  | 2020                |                            |                             |                  |
|--------------------------------|------------|-------------------|------------------|---------------------|----------------------------|-----------------------------|------------------|
|                                | Land Value | Improvement Value | 2014 Total Value | Inflated Land Value | Inflated Improvement Value | Additional CIP Improvements | 2020 Total Value |
| 132nd Square Park              | \$ 466,000 | \$ 2,462,121      | \$ 2,928,121     | \$ 842,264          | \$ 4,450,121               | \$ 9,058                    | \$ 5,301,444     |
| Beach Property                 | 45,000     | -                 | 45,000           | 81,335              | -                          |                             | 81,335           |
| Brookhaven Park                | 622,100    | 24,725            | 646,825          | 1,124,405           | 44,688                     |                             | 1,169,093        |
| Carillon Woods                 | 9,634,000  | 180,920           | 9,814,920        | 17,412,823          | 327,001                    |                             | 17,739,824       |
| Cedar View Park                | 465,500    | 101,500           | 567,000          | 841,361             | 183,455                    |                             | 1,024,815        |
| Cotton Hill Park               | 803,000    | -                 | 803,000          | 1,451,370           | -                          |                             | 1,451,370        |
| Crestwoods Park                | 13,784,500 | 2,457,493         | 16,241,993       | 24,914,579          | 4,441,756                  |                             | 29,356,336       |
| David E. Brink Park            | 15,379,000 | 648,124           | 16,027,124       | 27,796,534          | 1,171,442                  |                             | 28,967,975       |
| Edith Moulton Park             | 3,648,000  | 287,940           | 3,935,940        | 6,593,521           | 520,433                    | 1,878,356                   | 8,992,310        |
| Everest Park                   | 5,812,800  | 3,918,638         | 9,731,438        | 10,506,255          | 7,082,680                  | 409                         | 17,589,344       |
| Forbes Creek Park              | 2,852,000  | 524,875           | 3,376,875        | 5,154,803           | 948,677                    |                             | 6,103,480        |
| Forbes Lake Park               | 1,382,000  | -                 | 1,382,000        | 2,497,874           | -                          | 140,602                     | 2,638,476        |
| Heritage Park                  | 16,215,500 | 2,091,641         | 18,307,141       | 29,308,452          | 3,780,504                  |                             | 33,088,956       |
| Heronfield Wetlands            | 2,128,200  | 16,100            | 2,144,300        | 3,846,582           | 29,100                     |                             | 3,875,682        |
| Highlands Park                 | 1,271,000  | 351,584           | 1,622,584        | 2,297,249           | 635,465                    |                             | 2,932,714        |
| Houghton Beach Park            | 30,150,000 | 2,238,895         | 32,388,895       | 54,494,147          | 4,046,656                  |                             | 58,540,803       |
| Juanita Bay Park               | 25,880,200 | 4,886,922         | 30,767,122       | 46,776,764          | 8,832,790                  | 2,759                       | 55,612,312       |
| Juanita Beach Park             | 10,752,000 | 9,210,079         | 19,962,079       | 19,433,535          | 16,646,614                 | 688,569                     | 36,768,717       |
| Juanita Heights Park           | 1,168,000  | 5,600             | 1,173,600        | 2,111,083           | 10,122                     | 736,033                     | 2,857,238        |
| Kingsgate Park                 | 1,293,000  | 5,000             | 1,298,000        | 2,337,013           | 9,037                      |                             | 2,346,050        |
| Kiwanis Park                   | 8,282,000  | 16,000            | 8,298,000        | 14,969,172          | 28,919                     |                             | 14,998,091       |
| Lake Ave W Street End Park     | 5,513,278  | 12,700            | 5,525,978        | 9,964,888           | 22,954                     |                             | 9,987,843        |
| Marina Park                    | 12,000,000 | 5,573,669         | 17,573,669       | 21,689,213          | 10,074,040                 | 11,798                      | 31,775,051       |
| Mark Twain Park                | 624,000    | 874,062           | 1,498,062        | 1,127,839           | 1,579,810                  |                             | 2,707,649        |
| Marsh Park                     | 16,950,000 | 705,526           | 17,655,526       | 30,636,013          | 1,275,192                  | 18,937                      | 31,930,142       |
| McAuliffe Park                 | 2,888,800  | 523,408           | 3,412,208        | 5,221,316           | 946,026                    |                             | 6,167,342        |
| Neil-Landguth Wetland Park     | 140,000    | 5,000             | 145,000          | 253,041             | 9,037                      |                             | 262,077          |
| North Kirkland Com Ctr Park    | 3,172,800  | 7,196,029         | 10,368,829       | 5,734,628           | 13,006,349                 |                             | 18,740,977       |
| North Rose Hill Woodlands Park | 1,944,000  | 1,100,505         | 3,044,505        | 3,513,652           | 1,989,091                  |                             | 5,502,743        |
| Ohde Avenue Pea Patch          | 666,000    | 2,250             | 668,250          | 1,203,751           | 4,067                      |                             | 1,207,818        |
| Open Space 1138020240          | 189,000    | -                 | 189,000          | 341,605             | -                          |                             | 341,605          |
| Open Space 1437900440          | 1,000      | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3295730200          | 1,000      | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3326059150          | 988,000    | -                 | 988,000          | 1,785,745           | -                          |                             | 1,785,745        |
| Open Space 6639900214          | 177,000    | -                 | 177,000          | 319,916             | -                          |                             | 319,916          |
| Open Space 3326059136          | 1,060,900  | -                 | 1,060,900        | 1,917,507           | -                          |                             | 1,917,507        |
| Open Space 2426049132          | 651,000    | -                 | 651,000          | 1,176,640           | -                          |                             | 1,176,640        |
| Open Space 2540800430          | 1,000      | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3261020380          | 5,000      | -                 | 5,000            | 9,037               | -                          |                             | 9,037            |
| Open Space 3275740240          | 1,000      | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3754500950          | 476,000    | -                 | 476,000          | 860,339             | -                          |                             | 860,339          |
| Open Space 6619910290          | 240,000    | -                 | 240,000          | 433,784             | -                          |                             | 433,784          |

City of Kirkland  
December 2020

Fire and Parks Impact Fee Update  
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### Exhibit 19b Park System Inventory cont.

| Name                              | 2014           |                   |                  | 2020                |                            |                             |                  |
|-----------------------------------|----------------|-------------------|------------------|---------------------|----------------------------|-----------------------------|------------------|
|                                   | Land Value     | Improvement Value | 2014 Total Value | Inflated Land Value | Inflated Improvement Value | Additional CIP Improvements | 2020 Total Value |
| Open Space 7016100600             | 536,000        | -                 | 536,000          | 968,785             | -                          |                             | 968,785          |
| Open Space 7016300061             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 7955060320             | 164,000        | -                 | 164,000          | 296,419             | -                          |                             | 296,419          |
| Open Space 9527000610             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 1119000270             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3558910830             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Peter Kirk Park                   | 27,181,400     | 17,367,453        | 44,548,853       | 49,128,597          | 31,390,532                 | 78,596                      | 80,597,726       |
| Phyllis A Needy - Houghton Nbr    | 422,000        | 363,653           | 785,653          | 762,737             | 657,278                    |                             | 1,420,015        |
| Reservoir Park                    | 718,000        | 150,300           | 868,300          | 1,297,738           | 271,657                    |                             | 1,569,395        |
| Rose Hill Meadows                 | 1,888,000      | 452,044           | 2,340,044        | 3,412,436           | 817,040                    |                             | 4,229,476        |
| Settler's Landing                 | 1,800,000      | 506,400           | 2,306,400        | 3,253,382           | 915,285                    |                             | 4,168,667        |
| Snyders Corner Park               | 772,000        | -                 | 772,000          | 1,395,339           | -                          |                             | 1,395,339        |
| South Norway Hill Park            | 2,553,400      | -                 | 2,553,400        | 4,615,103           | -                          |                             | 4,615,103        |
| South Rose Hill Park              | 450,000        | 480,721           | 930,721          | 813,345             | 868,872                    |                             | 1,682,217        |
| Spinney Homestead Park            | 3,896,000      | 718,878           | 4,614,878        | 7,041,764           | 1,299,324                  |                             | 8,341,088        |
| Street End Park                   | 299,891        | -                 | 299,891          | 542,033             | -                          |                             | 542,033          |
| Terrace Park                      | 865,700        | 397,787           | 1,263,487        | 1,564,696           | 718,974                    | 815                         | 2,284,485        |
| Tot Lot Park                      | 763,000        | 138,205           | 901,205          | 1,379,072           | 249,796                    | 4,372                       | 1,633,241        |
| Van Aalst Park                    | 1,788,000      | 260,160           | 2,048,160        | 3,231,693           | 470,222                    |                             | 3,701,915        |
| Watershed Park                    | 10,248,900     | -                 | 10,248,900       | 18,524,214          | -                          |                             | 18,524,214       |
| Waverly Beach Park                | 6,605,500      | 1,761,240         | 8,366,740        | 11,939,008          | 3,183,325                  | 1,301,710                   | 16,424,042       |
| Windsor Vista Park                | 977,000        | -                 | 977,000          | 1,765,863           | -                          |                             | 1,765,863        |
| Wivott Property                   | 131,000        | -                 | 131,000          | 236,774             | -                          |                             | 236,774          |
| Yarrow Bay Wetlands               | 3,209,600      | -                 | 3,209,600        | 5,801,141           | -                          |                             | 5,801,141        |
| Cross Kirkland Corridor Trail     | 1,000,000      | 4,102,560         | 5,102,560        | 1,807,434           | 7,415,108                  |                             | 9,222,542        |
| 2015 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 106,060                     | 106,060          |
| 2017 Neighborhood Park Land Acq   | -              | -                 | -                | -                   | -                          | 1,683,120                   | 1,683,120        |
| 2013 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 344,061                     | 344,061          |
| Totem Lk/CKC Land Acquisition     | -              | -                 | -                | -                   | -                          | 181,569                     | 181,569          |
| 2016 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 300,184                     | 300,184          |
| OO Denny Park Improvements        | -              | -                 | -                | -                   | -                          | 150,605                     | 150,605          |
| Parks Maintenance Center          | -              | -                 | -                | -                   | -                          | 10,816,907                  | 10,816,907       |
| PK Pool Liner Replacement         | -              | -                 | -                | -                   | -                          | 214,855                     | 214,855          |
| 2017 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 212,341                     | 212,341          |
| 2018 Neighborhood Park Land Acqui | -              | -                 | -                | -                   | -                          | 65,124                      | 65,124           |
| 2015 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 328                         | 328              |
| Totem Lk/CKC Land Acquisition     | -              | -                 | -                | -                   | -                          | 125                         | 125              |
| Totem Lake Park Master Plan Ph. 1 | -              | -                 | -                | -                   | -                          | 996,231                     | 996,231          |
| 15/17/18 City School Partnership  | -              | -                 | -                | -                   | -                          | 161,253                     | 161,253          |
| 2018 City-School Partnership      | -              | -                 | -                | -                   | -                          | 161,253                     | 161,253          |
| Neighborhood Park Land Acquisi    | -              | -                 | -                | -                   | -                          | 3,000                       | 3,000            |
| [extra]                           | -              | -                 | -                | -                   | -                          | -                           | -                |
| Total                             | \$ 265,996,969 | \$ 72,120,702     | \$ 338,117,671   | \$ 480,772,071      | \$ 130,353,437             | \$ 20,269,029               | \$ 631,394,537   |

As shown, the value of the park system has increased from about \$338 million to \$631 million. This results in an increase in the capital value per person or residential equivalent, as shown in **Exhibit 20**.

### Exhibit 20 Capital Value per Person / Residential Equivalent

|                                      | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|--------------------------------------|----------------|------------------------------------|----------------------------------|
| Value of Parks Inventory             | \$ 338,118,273 | \$ 631,394,537                     | \$ 631,394,537                   |
| Population / Residential Equivalents | 82,590         | 90,660                             | 96,121                           |
| Capital Value Per Person / RE        | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |

Now that the capital value per resident or residential equivalent has been calculated, the next step is to calculate the value of parks needed for growth. This is the capital value calculated above,

multiplied by the forecasted growth. This represents the total investment that is eligible to be recovered through impact fees.

**Exhibit 21**  
**Value Needed for Growth**

|                               | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------------------|----------------|------------------------------------|----------------------------------|
| Capital Value per Person / RE | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |
| Growth of Population / REs    | 4,320          | 983                                | 1,289                            |
| Investment Needed for Growth  | \$ 17,685,809  | \$ 6,843,223                       | \$ 8,466,310                     |

The investment needed for growth has decreased from the previous study, due to the relatively short remaining planning period, and an anticipated decrease in the population growth rate. However, these values also need to be adjusted for consistency with the CIP. Under Washington state law, impact fees can only recover the growth-related cost of CIP projects that add capacity to the park system. The City provided a list of projects that would be completed through 2024, as well as an estimate of how much of each project would increase the capacity of the park system. This is shown in **Exhibit 22**.

**Exhibit 22**  
**Capital Improvement Program**

| Project Number             | Project Title                                         | 2019-2024 Total | Capacity Share | Eligible Cost |
|----------------------------|-------------------------------------------------------|-----------------|----------------|---------------|
| PKC 04900                  | Open Space, Park Land & Trail Acq Grant Match Program | 100,000         | 100%           | \$ 100,000    |
| PKC 06600                  | Parks, Play Areas & Accessibility Enhancements        | 1,115,000       | 0%             | -             |
| PKC 08711                  | Waverly Beach Park Renovation Phase II                | 515,000         | 0%             | -             |
| PKC 11901                  | Juanita Beach Park Bathhouse Replacement              | 1,208,311       | 13%            | 157,080       |
| PKC 11903                  | Juanita Beach Park Playground                         | 366,000         | 58%            | 212,280       |
| PKC 12100                  | Green Kirkland Forest Restoration Program             | 600,000         | 0%             | -             |
| PKC 13310                  | Dock & Shoreline Renovations                          | 1,660,000       | 0%             | -             |
| PKC 13330                  | Neighborhood Park Land Acquisition                    | 5,418,000       | 100%           | 5,418,000     |
| PKC 13400                  | 132nd Square Park Playfields Renovation               | 5,672,200       | 50%            | 2,836,100     |
| PKC 13420                  | 132nd Square Park Master Plan                         | 135,000         | 80%            | 108,000       |
| PKC 13530                  | Juanita Heights Park Trail                            | 243,800         | 100%           | 243,800       |
| PKC 13902                  | Totem Lake Park Development - Expanded Phase I        | 6,159,200       | 90%            | 5,543,280     |
| PKC 14200                  | Houghton Beach & Everest Park Restroom Repl. Design   | 85,000          | 0%             | -             |
| PKC 14700                  | Parks Maintenance Center                              | 2,958,351       | 14%            | 414,169       |
| PKC 15100                  | Park Facilities Life Cycle Projects                   | 950,000         | 0%             | -             |
| PKC 15400                  | Indoor Recreation & Aquatic Facility Study            | 160,000         | 100%           | 160,000       |
| PKC 15500                  | Finn Hill Neighborhood Green Loop Trail Master Plan   | 160,000         | 100%           | 160,000       |
| PKC 15600                  | Park Restrooms Renovation/Replacement Program         | 1,583,000       | 0%             | -             |
| PKC 15700                  | Neighborhood Park Development Program                 | 1,583,000       | 100%           | 1,583,000     |
| Total Funded Park Projects |                                                       | 30,671,862      | Total          | \$ 16,935,710 |

The total growth-related portion of the CIP is about \$16.9 million. As this value exceeds the investment needed for growth calculated in **Exhibit 21**, no adjustment is needed to reduce the investment needed for growth -- the adjustment percentage is 100 percent, as shown in **Exhibit 23**.

**Exhibit 23**  
**CIP Adjustment**

|                                        | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|----------------------------------------|----------------|------------------------------------|----------------------------------|
| Cost of CIP Projects that Add Capacity | \$ 6,857,400   | \$ 16,935,710                      | \$ 16,935,710                    |
| Investment Needed for Growth           | 17,685,809     | 6,843,223                          | 8,466,310                        |
| Adjustment Percentage                  | 39%            | 100%                               | 100%                             |

The penultimate step is to multiply the adjustment percentage by the capital value per person or residential equivalent calculated in **Exhibit 20**. This is the growth cost per person or residential equivalent, shown in **Exhibit 24**.

**Exhibit 24**  
**Growth Cost per Person / Residential Equivalent**

|                               | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------------------|----------------|------------------------------------|----------------------------------|
| Capital Value per Person / RE | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |
| Adjustment Percentage         | 39%            | 100%                               | 100%                             |
| Growth Cost per Person / RE   | \$ 1,587       | \$ 6,964                           | \$ 6,569                         |

Finally, the growth cost per person or residential equivalent is multiplied by the Kirkland-specific average occupancy rates of various residential units or the residential equivalence (if applicable) to determine the parks impact fee.

**Exhibit 25**  
**Occupancy Rates by Dwelling Unit**

|                         | Previous Study Value | Current Study |
|-------------------------|----------------------|---------------|
| Single-Family           | 2.5                  | 2.5           |
| Multi-Family            | 1.9                  | 1.7           |
| Residential Suite       | N/A                  | 0.9           |
| Residential Equivalence | N/A                  | 0.1           |

This results in the calculated impact fees shown below.

**Exhibit 26**  
**Impact Fee per Unit of Development**

|                   | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------|----------------|------------------------------------|----------------------------------|
| Single-Family     | \$ 3,968       | \$ 17,496                          | \$ 16,501                        |
| Multi-family      | 3,016          | 11,845                             | 11,172                           |
| Residential Suite | N/A            | 6,268                              | 5,912                            |
| Per Employee      | N/A            | N/A                                | 720                              |

The calculated impact fee represents a sizeable increase over the existing parks impact fee. This is driven primarily by the low growth forecasted within the city through 2024 (based on past projections), as well as the large increase in the assessed value of the parks system. Thus, the high impact fee appropriately reflects the high cost of developing new parks within Kirkland. It should be

reiterated that this represents the *maximum allowable impact fee*, and the City is not under any obligation to adopt the calculated fee.

Finally, FCS GROUP compared the calculated park impact fee to other regional jurisdictions.

**Exhibit 27**  
**Park Impact Fee Survey**

| Parks Impact Fee Comparison      | Single Family |              |
|----------------------------------|---------------|--------------|
|                                  | Residence     | Multi-Family |
| Kirkland (calculated maximum) \$ | 16,501        | \$ 11,172    |
| Issaquah                         | 9,107         | 5,591        |
| Sammamish                        | 6,739         | 4,362        |
| Redmond                          | 4,738         | 3,289        |
| Kirkland (existing)              | 4,391         | 3,338        |
| Shoreline                        | 4,090         | 2,683        |
| Renton                           | 3,946         | 2,801        |
| Vancouver                        | 2,379         | 1,739        |
| Bellevue                         | N/A           | N/A          |

The calculated maximum for the City (including non-residential) is significantly higher than any other surveyed jurisdiction.

## Section V. INDEXING

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The City already annually indexes its impact fees to the *Engineering News-Record* Construction Cost Index. We recommend that the City continue this practice for its parks impact fee and institute it for its fire and EMS impact fee, as it provides an adjustment which at least partially responds to the cost basis over time. We also recommend that the City continue its practice of periodically updating its impact fees to ensure that they recover the full cost of growth's impacts on City facilities.



## CITY OF FEDERAL WAY

# Park Impact Fee Scaling

### *Submitted by:*

FCS, a Bowman company  
7525 166<sup>th</sup> Ave NE  
Ste D-215  
Redmond, WA 98052  
P: 425.867.1802

### *Submitted to:*

City of Federal Way  
33325 8th Ave S  
Federal Way, WA 98003  
P: 253.835.7000

*December 2024*



## City of Federal Way Park Impact Fee Scaling

In 2023, the City of Federal Way (City) adopted a park impact fee (PIF) of \$2,200, applied uniformly to new dwelling units in the City. The corresponding methodology supported a maximum PIF of \$2,839 per dwelling unit, or \$1,048 per occupant. The Revised Code of Washington has since been amended to require the scaling of impact fees by dwelling unit size, number of bedrooms, or trips generated. To comply with these new requirements, the City engaged FCS, a Bowman company, to develop a scaling approach for the PIF. This memo provides a summary of the resulting proposed scaling approach.

### Background

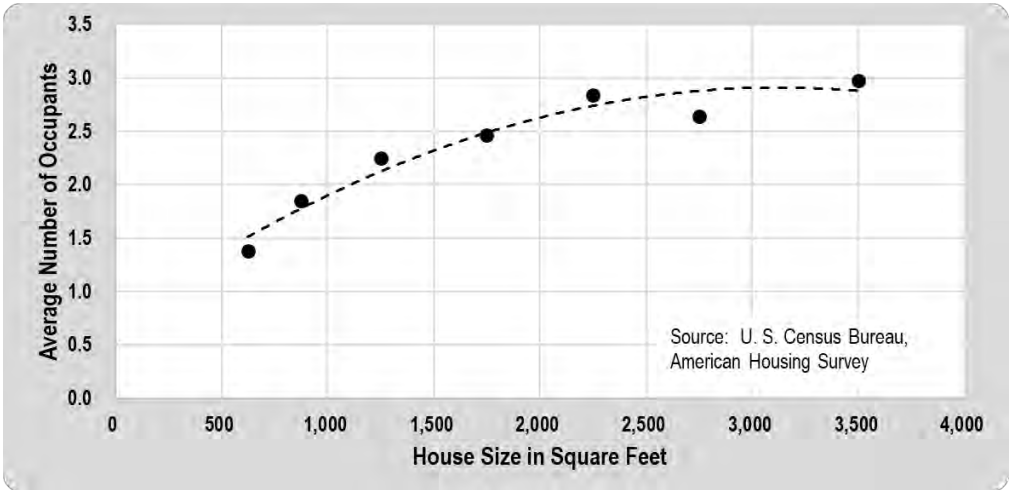
RCW 82.02.060(1) states that a park impact fee schedule “shall reflect the proportionate impact of new housing units... based on the square footage, number of bedrooms, or trips generated... in order to produce a proportionally lower impact fee for smaller housing units.” Jurisdictions in Washington are responding to these new requirements in a variety of ways. Some, like the City of Everett, scale by the number of bedrooms. Many others, like the City of Camas, scale by the size of the dwelling unit in square feet.

The best measure of potential parks demand created by new residential units is the number of residents that will occupy each dwelling unit. Therefore, the question of how to scale residential SDCs is really a question of estimating the number of occupants per dwelling unit. The approach described herein incorporates the nexus between dwelling unit square footage and the average number of occupants. Note that additional new requirements in RCW 36.70A.681 place limits on charging impact fees to accessory dwelling units, stating that a city “may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit...”.

### Analysis

American Housing Survey data for the Seattle Metro region states that, to a point, square footage is positively correlated with the number of occupants. That point is calculated to be 3,124 square feet. The correlation is shown graphically in **Exhibit 1** below.

**Exhibit 1: Occupancy by House Size in Seattle Metro Area (2021)**



To apply this data to local Federal Way conditions, the City provided permit data going back to its incorporation showing the dwelling unit sizes of its residential developments. These developments included both single-family and multi-family types. Square footage related to basement areas, decks, and garages were excluded for this analysis. The resulting average dwelling unit size in the City is 1,686 square feet (SF). City planning data indicated that the average occupancy in the City is 2.71 per dwelling unit. Therefore, the average occupancy per 1,000 SF is 1.61 occupants. These calculations are shown in **Exhibit 2** below.

**Exhibit 2: Federal Way Dwelling Unit Statistics**

| Dwelling Unit Statistics                         |       |
|--------------------------------------------------|-------|
| Average Dwelling Unit Size (all Dwellings Units) | 1,686 |
| Average Occupancy per Dwelling Unit              | 2.71  |
| Average Occupancy per 1,000 SF                   | 1.61  |

*Source: City staff (average dwelling unit size); PIF Methodology (occupancy per dwelling unit)*

The minimum expected number of occupants of a dwelling unit is 1. Based on the average occupancy per 1,000 SF of 1.61, the average dwelling unit size needed to support 1 occupant in Federal Way is 622 square feet. Furthermore, if occupancy scales in a manner like the data from the American Housing Survey for the Seattle Metro region, the occupancy at the maximum size of 3,124 SF is 5.02. Intermediate values can be calculated using the ratio described above of 1.61 occupants per 1,000 SF.

The PIF methodology supported a charge of \$2,839 per dwelling unit which when applied to the occupancy figures above results in a (rounded) charge of \$1.68 per square foot. This approach is summarized in **Exhibit 3** below. The City could also use the calculations described below to develop a schedule using square footage tiers.

**Exhibit 3: Federal Way PIF Scaling by Square Footage**

|                     | Square Footage | Occupancy | PIF     |
|---------------------|----------------|-----------|---------|
| PIF per Square Foot | 1              | 0.0016    | \$1.68  |
| Minimum PIF         | 622            | 1.0000    | \$1,045 |
| Maximum PIF         | 3124           | 5.0220    | \$5,248 |

*Source: Previous tables (occupancy); PIF Methodology (PIF per occupant)*

As an example of applying this charge, a dwelling unit of 1,500 square feet would pay  $1,500 \times \$1.68 = \$2,520$  for the PIF. A dwelling unit of 500 square feet would pay the minimum PIF of \$1,045. A dwelling unit of 4,000 square feet would pay the maximum PIF of \$5,248.

Conclusion

The analysis section provides one method for scaling the PIF by square footage that is tied to underlying statistics about average dwelling unit size and occupancy in the City of Federal Way. This scaling method will allow the City to comply with new legal requirements in the RCW by scaling the park impact fee with the size of the dwelling unit. Note that a further requirement in RCW 36.70A.681 states that the City “may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit...” The City will also need to comply with this statute when it imposes the scaling methodology. Finally, the City may in the future modify its established PIF per occupant (as for inflation) and use the scaling approach described above with the updated rate.

# City of Federal Way

## Park Impact Fee Study

Final Report  
May 10, 2023

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.867.1802

Oregon  
5335 Meadows Road, Ste 330  
Lake Oswego, OR 97035  
503.841.6543

Colorado  
PO Box 19114  
Boulder, CO 80301-9998  
719.284.9168

[www.fcsgroup.com](http://www.fcsgroup.com)

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Solutions-Oriented Consulting

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## Section I. INTRODUCTION

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The City of Federal Way (City) is looking to implement a parks impact fee (PIF) to provide partial funding for the capital needs of its parks system. In 2022, the City engaged FCS GROUP to calculate a PIF based on recent growth estimates, its parks project lists, and inventory data. The City provides parks and recreation services for all residents in its boundaries, and the City's park planning efforts extend throughout the same boundaries. Given the City-wide planning and provision of parks services, as well as the City's relatively limited geographic scope, the City park system is a single service area for the purposes of the PIF study. The following sections provide the policy background upon which the PIF is based, as well as a general overview of the PIF calculation. The rest of the report details the specific data inputs and results of the PIF calculation.

### I.A. POLICY

Park impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution.

#### I.A.1. State Statutes

Impact fees are authorized by state law in RCW 82.02.050 through 82.02.110. By law, revenue from park impact fees shall be used for park system improvements that will reasonably benefit new development. The money may not be used to address system deficiencies, or maintenance and repair costs. The fees cannot exceed new development's proportionate share of the improvement costs, and the revenue may be spent only for the public facilities which are addressed by the capital facilities plan element of an adopted comprehensive land use plan. Impact fee revenue must be spent within ten years after collection. In addition, the City cannot depend entirely on impact fees to fund capital costs; there must be some amount of funding from other local sources.

#### I.A.2. Local Ordinance

The City of Federal Way is implementing code updates to support the PIF calculated in this report.

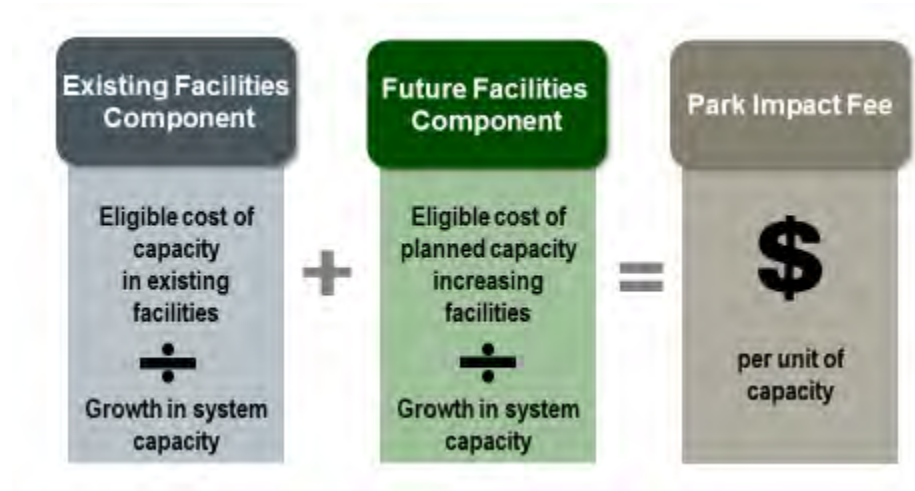
#### I.A.3. United States Constitution

The United States Supreme Court has determined that impact fees and other exactions that comply with state and/or local law may still violate the United States Constitution if they are not proportionate to the impact of the development. The PIF calculated in this report are designed to meet such constitutional and statutory requirements.

### I.B. CALCULATION OVERVIEW

In general, impact fees are calculated by adding an existing facilities fee component and a future facilities fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge.

The diagram below summarizes the basic outline of an impact fee calculation, and more detail is provided in the following bullets.



- **The eligible cost of capacity in existing facilities** is the cost of existing park facilities that will serve growth. For a parks impact fee, determining the capacity in the existing system available for growth starts with determining the amount of existing parks facilities that are required for existing users, commonly measured in park acres. One method for doing so first calculates the system's level-of-service after completion of the capital facilities plan. By applying that level-of-service target to the current population, the City can determine if it's currently meeting its level-of-service target. If the City has more park facilities (such as park acres) than needed based on its level-of-service target, the costs of such available facilities can be included in the existing facilities component of the impact fee.
- **The eligible portion of capacity increasing projects** is the cost of future projects that will serve growth. Some projects are intended to only serve growth, some projects do not serve to increase the capacity of the City's park system, and some serve the City's current and future populations. Determining how projects fall into each category can again be done with a level-of-service calculation to estimate how many park acres (for example) are needed to serve growth given the City's level-of-service target. Other projects that do not add a measurable number of parks facilities may still be eligible if they will serve both existing and future users.
- **The growth in system demand** is the anticipated growth in the City's population. However, as residents are not the only users of the City's park system, employees of businesses within will be included as well, at a separate rate that reflects the parks demand characteristics of commercial developments.

Finally, summing the existing facilities component with the future facilities component gives the fully calculated impact fee.

## Section II. PIF ANALYSIS

---

This section provides the detailed calculations of the maximum allowable PIF in the City of Federal Way.

### II.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the PIF calculations.

#### II.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for park facilities. A more precise unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

##### II.A.1.a Options

For parks impact fees, demand that can be attributed to individual developments is usually measured in the number of people who will occupy a development. For residential developments, the number of occupants means the number of residents. We use data from the U. S. Census Bureau to estimate the number of residents for different kinds of dwelling units. For non-residential developments, the number of occupants means the number of employees. We use industry data to estimate the number employees per square foot for different kinds of non-residential developments.

When an agency chooses to impose a PIF on both residential and non-residential developments, the demand of one additional resident must be carefully distinguished from the demand of one additional employee. This is usually accomplished by the calculation of a residential equivalent. One resident is equal to one residential equivalent, and one employee is typically less than one residential equivalent.

Non-residential developments are a source of demand for parks facilities in Federal Way, and the City is intending to charge PIFs for both residential and non-residential developments using residential equivalents as the unit of growth.

#### II.A.2. Demand Adjustment for Non-Residential Users

To charge PIFs to both residential and non-residential developments, we must estimate both (1) how much availability non-residential occupants (i.e., employees) have to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent counts for population and employment in Federal Way. As shown in **Exhibit 2.1** below, in 2019 (the most recent year for which both population and employment data were available), 96,526 residents lived in Federal Way, according to the Census



Bureau's American Community Survey. Also, according to the Census Bureau, 28,063 employees worked in Federal Way for their primary occupation. Of these, 4,320 people both lived and worked in Federal Way.

### Exhibit 2.1 – 2019 Population and Employment in Federal Way

| Population and<br>Employment, 2019 | Living                       |                        | Total  |
|------------------------------------|------------------------------|------------------------|--------|
|                                    | Living Inside<br>Federal Way | Outside<br>Federal Way |        |
| Working Inside Federal Way         | 4,320                        | 23,743                 | 28,063 |
| Working Outside Federal Way        | 37,152                       |                        |        |
| Not Working                        | 55,054                       |                        |        |
| <b>Total</b>                       | <b>96,526</b>                |                        |        |

**Source:** U.S. Census Bureau, OnTheMap Application, 2019

Inflow/Outflow analysis (employment); U.S. Census Bureau, 2019

American Community Survey 5-year estimates, Table B01003 (population)

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Federal Way. **Exhibit 2.2** below shows an estimate of maximum availability. It assumes that 8 hours each day are used for sleeping for all residents of the City. For those who are not working, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For workers, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, workers have 16 hours of residential demand each weekend day, for a total of 72 hours per week of residential demand. During work, 1 hour is assumed to be available for workers to use the parks system, giving 5 hours per week of non-residential demand. These estimates are not of actual use, but maximum availability.

### Exhibit 2.2 – Demand Estimates by Category of Parks User

| Hours per Week of Park<br>Availability Per Person,<br>Residential Demand | Living Inside<br>Federal Way |
|--------------------------------------------------------------------------|------------------------------|
| Working Inside Federal Way                                               | 72                           |
| Working Outside Federal Way                                              | 72                           |
| Not Working                                                              | 112                          |

**Source:** FCS GROUP.

| Hours per Week of Park<br>Availability Per Person, Non-<br>Residential Demand | Living                       |                        |
|-------------------------------------------------------------------------------|------------------------------|------------------------|
|                                                                               | Living Inside<br>Federal Way | Outside<br>Federal Way |
| Working Inside Federal Way                                                    | 5                            | 5                      |
| Working Outside Federal Way                                                   |                              |                        |
| Not Working                                                                   |                              |                        |

**Source:** FCS GROUP.



When the hours of availability above are multiplied by the counts presented earlier, we can determine the relative demand of residents and employees. As shown in **Exhibit 2.3** below, the parks demand of one employee is equivalent to the parks demand of about 0.05 residents. To put it another way, the parks demand of about 18.96 employees is equivalent to the parks demand of one resident.

**Exhibit 2.3 – Total Hours per Week of Park Availability**

| Total Hours per Week of<br>Park Availability, 2019 | Residential<br>hours | Non-<br>residential<br>hours | Total Hours    |
|----------------------------------------------------|----------------------|------------------------------|----------------|
| Working Inside Federal Way                         | 311,040              | 140,315                      | 451,355        |
| Working Outside Federal Way                        | 2,674,944            |                              |                |
| Not Working                                        | 6,313,216            |                              |                |
| <b>Total</b>                                       | <b>9,299,200</b>     | <b>140,315</b>               | <b>451,355</b> |
| Hours per resident                                 | 95                   |                              |                |
| Hours per employee                                 |                      | 5                            |                |
| Residents per employee                             |                      |                              | 0.05           |

**Source:** Previous tables

### II.A.3. Growth in Demand

The current (2023) demand for parks facilities is 103,385 residential equivalents. That number is the sum of 101,534 residents and 1,851 residential equivalents for 35,092 employees according to the Puget Sound Research Council (PSRC). Note that these 2019 population and employment estimates differ from the Census Bureau estimates. This is acceptable because the 2019 Census Bureau data is used only to determine the residential equivalency factor.

During the forecast period from 2023 to 2044, the residential population is expected to grow by 21,808 residents. If total residential equivalents remain proportionate to the residential population, then residential equivalents will grow by 22,774 to a total of 126,159 residential equivalents. Therefore, 22,774 residential equivalents will be the denominator for the PIF calculations later in this report.

**Exhibit 2.4** below summarizes these calculations:

**Exhibit 2.4 – Growth in Demand**

|                                  | 2019   | 2023    | 2044    | Growth<br>(2023-2044) | CAGR  | Growth<br>Share |
|----------------------------------|--------|---------|---------|-----------------------|-------|-----------------|
| Population                       | 97,840 | 101,534 | 123,342 | 21,808                | 0.93% | 17.68%          |
| Employees                        | 32,394 | 35,092  | 53,412  | 18,320                | 2.02% | 34.30%          |
| Residential-equivalent employees | 1,708  | 1,851   | 2,817   | 966                   | 2.02% | 34.30%          |
| Residential equivalents          | 99,548 | 103,385 | 126,159 | <b>22,774</b>         | 0.95% | 18.05%          |

**Source:** Puget Sound Research Council (population and employee estimates); Previous tables (residential-equivalent employee factor)

## II.B. FUTURE FACILITIES FEE

The future facilities fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the future facilities fee cost basis (numerator).

### II.B.1. Eligibility

A project's eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For park impact fees, eligibility is often determined by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in the future facilities cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, community, or open space, or by considering their respective units of measurement (e.g., acres). Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

#### II.B.1.a Current Level of Service (By Category and by Unit of Measurement)

Determining PIF eligibility for parks projects using the current level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any projects that add facilities in excess of that quantity are ineligible.

The City has five relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in **Exhibit 2.5**. Each category receives its own level of service. Using community parks as an example, the City currently has 486.94 acres of community parks. Using the 2023 population discussed above, this implies that there is 4.80 acres of community parks per 1,000 residents. The parks project list, when completed, will add 7.00 acres of community parks. Based on the 2044 population and the current level of service, 63.67 additional acres of community parks are needed. So, all the additional park acres can be used to accommodate growth, and therefore are eligible for inclusion in the parks impact fee.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement (e.g., acres, miles), instead of by park type, also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of **Exhibit 2.5**.

**Exhibit 2.5 – Eligibility under the Current Level of Service**

|                                | Units  | 2023<br>Quantity | 2023 Units<br>per 1,000<br>Residents | Change in<br>Quantity | Additional<br>Needed to<br>Maintain LoS | Eligibility |
|--------------------------------|--------|------------------|--------------------------------------|-----------------------|-----------------------------------------|-------------|
| <b>By Category:</b>            |        |                  |                                      |                       |                                         |             |
| Community Park                 | Acres  | 486.94           | 4.80                                 | 7.00                  | 63.67                                   | 100.00%     |
| Neighborhood Park              | Acres  | 108.05           | 1.06                                 | 0.00                  | 14.13                                   | 0.00%       |
| Open Space                     | Acres  | 436.16           | 4.30                                 | 0.00                  | 57.03                                   | 0.00%       |
| Special Use Facilities         | Number | 6.00             | 0.06                                 | 0.00                  | 0.78                                    | 0.00%       |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 1.58                                    | 0.00%       |
| <b>By Unit of Measurement:</b> |        |                  |                                      |                       |                                         |             |
| Park or Natural Area           | Acres  | 1031.15          | 10.16                                | 7.00                  | 134.83                                  | 100.00%     |
| Special Use Facility           | Number | 6.00             | 0.06                                 | 0.00                  | 0.78                                    | 0.00%       |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 1.58                                    | 0.00%       |

**Source:** 2019 PROS Plan Table 3.1, City staff

**II.B.1.b Future Level of Service (By Category and Unit of Measurement)**

To determine PIF eligibility using the future level of service, the proposed additional quantity of planned parks facilities is added to the current quantity of parks facilities. Using the future population, a future level of service is then calculated. That level of service is compared to the current parks system to determine if any deficiencies exist against the current population. Only the portions of parks projects that do not cure existing deficiencies are considered eligible for the future facilities fee cost basis under this method.

As in the previous section, calculating PIF eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement.

**Exhibit 2.6** below outlines both methods using the future level of service. Using community parks as an example again, the City currently has 486.94 acres of community parks. The parks project list, when completed, will add 7.00 acres of community parks. This results in a future level of service of 4.30 acres of community parks per 1,000 residents in 2044. If that level of service was applied to the 2023 population, a minimum of 436.82 acres would be needed. However, there are already 486.94 acres of community parks. So, the additional acres added by the project list are not needed for existing users, and therefore 100 percent are includable in the future facilities fee.

The same approach is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement (e.g., acres, miles), instead of by park type, follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of **Exhibit 2.6** below.

### Exhibit 2.6 – Eligibility under the Future Level of Service

|                                | Units  | 2023<br>Quantity | 2023 Units<br>per 1,000<br>Residents | Change in<br>Quantity | 2044 Units<br>per 1,000<br>Residents | 2023<br>Minimum<br>Quantity | Eligibility | Reimbursable<br>Quantity |
|--------------------------------|--------|------------------|--------------------------------------|-----------------------|--------------------------------------|-----------------------------|-------------|--------------------------|
| <b>By Category:</b>            |        |                  |                                      |                       |                                      |                             |             |                          |
| Community Park                 | Acres  | 486.94           | 4.80                                 | 7.00                  | 4.30                                 | 436.82                      | 100.00%     | 50.12                    |
| Neighborhood Park              | Acres  | 108.05           | 1.06                                 | 0.00                  | 0.94                                 | 95.56                       | 0.00%       | 12.49                    |
| Open Space                     | Acres  | 436.16           | 4.30                                 | 0.00                  | 3.80                                 | 385.72                      | 0.00%       | 50.44                    |
| Special Use Facilities         | Number | 6.00             | 0.06                                 | 0.00                  | 0.05                                 | 5.31                        | 0.00%       | 0.69                     |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 0.11                                 | 10.67                       | 0.00%       | 1.40                     |
| <b>By Unit of Measurement:</b> |        |                  |                                      |                       |                                      |                             |             |                          |
| Park or Natural Area           | Acres  | 1031.15          | 10.16                                | 7.00                  | 9.04                                 | 918.10                      | 100.00%     | 113.05                   |
| Special Use Facility           | Number | 6.00             | 0.06                                 | 0.00                  | 0.05                                 | 5.31                        | 0.00%       | 0.69                     |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 0.11                                 | 10.67                       | 0.00%       | 1.40                     |

Source: 2019 PROS Plan Table 3.1, City staff

The final column of **Exhibit 2.6** shows the reimbursable quantity of each park category and unit of measurement. The quantity of such park facilities exceeds the existing needs of the park system when measuring by the future level of service, and as such, can be used to provide capacity for future users. Since those facilities will benefit future users, a share of their cost can be included in the existing facilities cost basis.

### II.B.2. Expansion Projects

The first of the City's two project lists includes projects that will expand the inventory of the parks system and are therefore subject to the eligibility calculations described above. The total cost of these projects is \$16.5 million, and eligibility is based on the level-of-service calculation chosen. These projects are summarized in **Exhibit 2.7** below. The eligibility percentage and eligible cost columns assume the future-by-unit approach to level of service.

### Exhibit 2.7 – Expansion Projects

| Location                      | Type           | Year      | Cost                 | Eligibility<br>(Future by<br>Unit) | Eligible Cost        | Additional<br>Acres |
|-------------------------------|----------------|-----------|----------------------|------------------------------------|----------------------|---------------------|
| Downtown Park Expansion       | Community Park | 2027-2031 | \$ 5,500,000         | 100%                               | \$ 5,500,000         | 3.00                |
| South Light Rail Station Park | Community Park | 2027-2031 | 11,000,000           | 100%                               | 11,000,000           | 4.00                |
| <b>Total</b>                  |                |           | <b>\$ 16,500,000</b> |                                    | <b>\$ 16,500,000</b> | <b>7.00</b>         |

Source: City staff

### II.B.3. Infill List

The second of the City's two project lists includes projects that will not expand the inventory of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. The project list is shown in **Appendix A** and has a total cost of \$44.3 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets and 18.05 percent if the project adds new amenities. That 18.05 percent represents the share of total future users made up of new users (in 2044), and assigning a project that percent recognizes that existing and future users are expected to share new amenities in existing parks proportionately. The total eligible cost of the infill list is approximately \$6.3 million.

## II.B.4. Calculated Future Facilities Fee Cost Basis

After determining the costs dedicated to expanding capacity, the future facilities fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the project list were determined through level-of-service calculations, and projects on the infill list were assigned either 0 or 18.05 percent. As all methods of determining level-of-service result in the same eligibility percentages, the future facilities cost basis is \$22.8 million under all scenarios.

## II.C. EXISTING FACILITIES FEE

The existing facilities fee is the eligible cost of the park facilities available for future users per unit of growth that such facilities will serve. Growth was calculated in Section II.A and **Exhibit 2.6** shows the quantity of facilities available for inclusion in the existing facilities fee. The remaining piece of the fee calculation is the original cost of eligible park facilities.

### II.C.1. Existing Facilities Fee Cost Basis

The City provided records for historical expenditures on its parks system going back to 1991, which are totaled by category and unit of measurement in the fourth column of **Exhibit 2.10** below. Dividing those historical expenditures by the quantity of park acres and trail miles yields a calculation of investment per unit. By multiplying that investment per unit by the number of eligible units shown in **Exhibit 2.6**, the eligible cost of those park facilities is calculated to be approximately \$2.3 million when measuring by category and approximately \$3.4 million when measuring by unit of measurement. However, an adjustment must be made for growth's share of outstanding debt related to that investment. Such an adjustment is necessary to make sure that growth isn't paying twice for the same capacity; once in the PIF, and once through property taxes. Growth's share of outstanding principal is estimated to be \$2.4 million, and so the total eligible amount is either \$0 or \$1.0 million depending on the method used for determining level of service.

**Exhibit 2.10 – Existing Facilities Fee Cost Basis**

|                         |        | Historical City<br>Investment per<br>Unit | Eligible<br>Number of<br>Units | Unadjusted<br>Eligible<br>Amount | Growth's Share of<br>Outstanding Principal<br>on Parks-related Debt | Total Eligible<br>Amount |
|-------------------------|--------|-------------------------------------------|--------------------------------|----------------------------------|---------------------------------------------------------------------|--------------------------|
| By Category:            |        |                                           |                                |                                  |                                                                     |                          |
| Community Park          | Acres  | \$ 24,293                                 | 50.12                          | \$ 1,217,495                     |                                                                     |                          |
| Neighborhood Park       | Acres  | 15,345                                    | 12.49                          | 191,732                          |                                                                     |                          |
| Open Space              | Acres  | 1,294                                     | 50.44                          | 65,262                           |                                                                     |                          |
| Special Use Facilities  | Number | 1,253,616                                 | 0.69                           | 869,772                          |                                                                     |                          |
| Trail                   | Miles  | -                                         | 1.40                           | -                                |                                                                     |                          |
| <b>Total</b>            |        |                                           |                                | \$ 2,344,261                     | \$ 2,400,184                                                        | \$ -                     |
| By Unit of Measurement: |        |                                           |                                |                                  |                                                                     |                          |
| Park or Natural Area    | Acres  | \$ 22,668                                 | 113.05                         | \$ 2,562,570                     |                                                                     |                          |
| Special Use Facility    | Number | 1,253,616                                 | 0.69                           | 869,772                          |                                                                     |                          |
| Trail                   | Miles  | -                                         | 1.40                           | -                                |                                                                     |                          |
| <b>Total</b>            |        |                                           |                                | \$ 3,432,341                     | \$ 2,400,184                                                        | \$ 1,032,158             |

*Source: City staff (historical investment, outstanding debt); previous tables*

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## II.D. CALCULATED PIF

This section combines the eligible cost from the future facilities fee cost basis and the existing facilities fee cost basis. **Exhibit 2.11** below summarizes the PIF calculation for all four measures of level of service.

**Exhibit 2.11 – Calculated PIF**

| Calculated PIF                                           |      | Current by<br>Category     | Future by<br>Category | Current by<br>Unit | Future by<br>Unit |
|----------------------------------------------------------|------|----------------------------|-----------------------|--------------------|-------------------|
| Cost Basis:                                              |      |                            |                       |                    |                   |
| Future Facilities                                        |      | \$ 22,825,243              | \$ 22,825,243         | \$ 22,825,243      | \$ 22,825,243     |
| Existing Facilities                                      |      | -                          | -                     | -                  | 1,032,158         |
| Total Cost Basis                                         |      | \$ 22,825,243              | \$ 22,825,243         | \$ 22,825,243      | \$ 23,857,401     |
| Growth in Residential Equivalents                        |      | 22,774                     | 22,774                | 22,774             | 22,774            |
| Future Facilities Fee per Residential Equivalent         |      | \$ 1,002                   | \$ 1,002              | \$ 1,002           | \$ 1,002          |
| Existing Facilities Fee per Residential Equivalent       |      | -                          | -                     | -                  | 45                |
| <b>Total Parks Impact Fee per Residential Equivalent</b> |      | <b>\$ 1,002</b>            | <b>\$ 1,002</b>       | <b>\$ 1,002</b>    | <b>\$ 1,048</b>   |
| Fee Schedule:                                            |      |                            |                       |                    |                   |
|                                                          |      | Residential<br>Equivalents |                       |                    |                   |
| Dwelling Unit                                            | 2.71 | \$ 2,716                   | \$ 2,716              | \$ 2,716           | \$ 2,839          |
| Employee                                                 | 0.05 | 53                         | 53                    | 53                 | 55                |

**Source:** Census Bureau, 2021 American Community Survey, Tables B25024 and B25033 (residents per dwelling unit); previous tables

As shown above, the maximum allowable PIF is \$1,048 per residential equivalent under the future level of service by unit of measurement. The resulting PIF is \$2,839 for a residential dwelling unit, based on an average occupancy of 2.71 residents per Census data.

The rate per employee is \$55 based on the equivalency calculated in **Section II.A**. The non-residential PIF can be charged using an estimate of employee density per 1,000 square feet. **Exhibit 2.12** below provides a schedule for the non-residential PIF for all four level-of-service calculations based on employee density estimates from the Portland Metro regional government.

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### Exhibit 2.12 – Calculated Non-residential PIF

| Employment Density                           |                        |                      |                             | By Category                     |                                | By Unit of Measurement          |                       |
|----------------------------------------------|------------------------|----------------------|-----------------------------|---------------------------------|--------------------------------|---------------------------------|-----------------------|
|                                              | Industry Type<br>(SIC) | S.F. per<br>Employee | Employees per<br>1,000 S.F. | Current (PIF<br>per 1,000 S.F.) | Future (PIF<br>per 1,000 S.F.) | Current (PIF<br>per 1,000 S.F.) | PIF per 1,000<br>S.F. |
| Ag., Fish & Forest Services; Constr.; Mining | 1-19                   | 590                  | 1.695                       | \$ 89.58                        | \$ 89.58                       | \$ 89.58                        | \$ 93.63              |
| Food & Kindred Projects                      | 20                     | 630                  | 1.587                       | 83.89                           | 83.89                          | 83.89                           | 87.69                 |
| Textile & Apparel                            | 22, 23                 | 930                  | 1.075                       | 56.83                           | 56.83                          | 56.83                           | 59.40                 |
| Lumber & Wood                                | 24                     | 640                  | 1.563                       | 82.58                           | 82.58                          | 82.58                           | 86.32                 |
| Furniture; Clay, Stone & Glass; Misc.        | 25, 32, 39             | 760                  | 1.316                       | 69.54                           | 69.54                          | 69.54                           | 72.69                 |
| Paper & Allied                               | 26                     | 1,600                | 0.625                       | 33.03                           | 33.03                          | 33.03                           | 34.53                 |
| Printing, Publishing & Allied                | 27                     | 450                  | 2.222                       | 117.45                          | 117.45                         | 117.45                          | 122.76                |
| Chemicals, Petroleum, Rubber, Leather        | 28-31                  | 720                  | 1.389                       | 73.41                           | 73.41                          | 73.41                           | 76.73                 |
| Primary & Fabricated Metals                  | 33, 34                 | 420                  | 2.381                       | 125.84                          | 125.84                         | 125.84                          | 131.53                |
| Machinery Equipment                          | 35                     | 300                  | 3.333                       | 176.18                          | 176.18                         | 176.18                          | 184.14                |
| Electrical Machinery, Equipment              | 36, 38                 | 400                  | 2.500                       | 132.13                          | 132.13                         | 132.13                          | 138.11                |
| Transportation Equipment                     | 37                     | 700                  | 1.429                       | 75.50                           | 75.50                          | 75.50                           | 78.92                 |
| TCPU--Transportation and Warehousing         | 40-42, 44, 45, 47      | 3,290                | 0.304                       | 16.06                           | 16.06                          | 16.06                           | 16.79                 |
| TCPU--Communications and Public Utilities    | 43, 46, 48, 49         | 460                  | 2.174                       | 114.90                          | 114.90                         | 114.90                          | 120.09                |
| Wholesale Trade                              | 50, 51                 | 1,390                | 0.719                       | 38.02                           | 38.02                          | 38.02                           | 39.74                 |
| Retail Trade                                 | 52-59                  | 470                  | 2.128                       | 112.45                          | 112.45                         | 112.45                          | 117.54                |
| Finance, Insurance & Real Estate             | 60-68                  | 370                  | 2.703                       | 142.85                          | 142.85                         | 142.85                          | 149.31                |
| Non-Health Services                          | 70-79                  | 770                  | 1.299                       | 68.64                           | 68.64                          | 68.64                           | 71.74                 |
| Health Services                              | 80                     | 350                  | 2.857                       | 151.01                          | 151.01                         | 151.01                          | 157.84                |
| Educational, Social, Membership Services     | 81-89                  | 740                  | 1.351                       | 71.42                           | 71.42                          | 71.42                           | 74.65                 |
| Government                                   | 90-99                  | 530                  | 1.887                       | 99.72                           | 99.72                          | 99.72                           | 104.23                |

Source: Metro, "1999 Employment Density Study," Table 4.

# Section III. IMPLEMENTATION

This section addresses practical aspects of implementing PIFs and provides comparisons to other jurisdictions.

## III.A. INDEXING

We recommend that the City index its charges to the Engineering News Record Construction Cost Index for the City of Seattle and adjust its charges annually.

## III.B. FUNDING PLAN

Even if the City implements the parks impact fees calculated previously, impact fee revenues will not be sufficient to fund the project list. An additional \$36.9 million will need to be raised from other, non-impact fee, sources. This is shown in **Exhibit 3.1**.

**Exhibit 3.1 – Funding Plan**

| Funding Plan              |                      |
|---------------------------|----------------------|
| <b>Resources</b>          |                      |
| Beginning Fund Balance    | \$ -                 |
| Impact Fee Revenue        | 23,857,401           |
| Other Needed Revenue      | 36,899,266           |
| Total Resources:          | <b>\$ 60,756,667</b> |
| <b>Requirements</b>       |                      |
| Project List (Total Cost) | \$ 60,756,667        |
| Ending Fund Balance       | -                    |
| Total Requirements:       | <b>\$ 60,756,667</b> |

## III.C. COMPARISONS

**Exhibit 3.2** below shows a comparison of PIFs calculated for single-family homes for some relevant jurisdictions.



**Exhibit 3.2 – PIF Comparisons**

| Jurisdiction                  | PIF for a SFR* |
|-------------------------------|----------------|
| Issaquah                      | \$10,533       |
| Kirkland                      | \$6,822        |
| Sammamish                     | \$6,739        |
| Redmond                       | \$5,884        |
| Shoreline                     | \$5,227        |
| Kent                          | \$3,904        |
| Auburn                        | \$3,500        |
| Renton                        | \$3,276        |
| Everett**                     | \$3,180        |
| <b>Federal Way (Proposed)</b> | <b>\$2,839</b> |

**Source:** FCS GROUP Survey, 3/27/2023

\*SFR = Single-family residence

\*\*Assumes a three-bedroom house

## APPENDIX A: INFILL PROJECT LIST

| Location            | Type                                               | Year      | Cost       | PIF Eligibility | PIF-Eligible |
|---------------------|----------------------------------------------------|-----------|------------|-----------------|--------------|
|                     |                                                    |           |            |                 | Cost         |
| Adelaide            | Formalize picnic areas/install picnic shelters (2) | 2033      | \$ 167,000 | 18.05%          | \$ 30,147    |
| Alderbrook Park     | Playground Replacement                             | 2023      | 150,000    | 18.05%          | 27,078       |
| Alderdale park      | Playground Replacement                             | 2027      | 150,000    | 18.05%          | 27,078       |
| BPA                 | Add a fitness trail and equipment                  | 2026      | 143,000    | 18.05%          | 25,814       |
| BPA                 | Repair asphalt trail                               | 2030-2040 | -          | 0.00%           | -            |
| BPA                 | Install monument sign                              | 2028      | 7,000      | 18.05%          | 1,264        |
| BPA                 | Install directional signage/wayfinding             | 2030      | 12,000     | 18.05%          | 2,166        |
| Brooklake           | Demo Hall & Green Storage Buildings                | 2023      | 8,000      | 0.00%           | -            |
| Brooklake           | Electrical upgrades                                | 2023      | 20,000     | 18.05%          | 3,610        |
| Brooklake           | Facility/Feasibility Assessment - Master Plan      | 2023      | 4,000      | 18.05%          | 722          |
| Cedar Grove Park    | Playground Replacement                             | 2031      | 175,000    | 18.05%          | 31,591       |
| Celebration         | Convert To Artificial Turf                         | 2032      | 11,500,000 | 18.05%          | 2,075,971    |
| Celebration         | Sand based turf replacement                        | 2026      | 500,000    | 18.05%          | 90,260       |
| Celebration         | Replace field fence                                | 2035      | 119,000    | 0.00%           | -            |
| Celebration park    | Playground Replacement                             | 2024      | 450,000    | 18.05%          | 81,234       |
| City Hall           | add ADA door control @ Court Entry                 | 2023      | 60,000     | 18.05%          | 10,831       |
| City Hall           | Card control replacement/upgrade                   | 2027      | 125,000    | 18.05%          | 22,565       |
| City Hall           | Carpet replacement                                 | 2027      | 250,000    | 0.00%           | -            |
| City Hall           | City Hall Water Heaters (5)                        | 2028      | 75,000     | 0.00%           | -            |
| City Hall           | Court bench refurbish                              | 2025      | 8,500      | 0.00%           | -            |
| City Hall           | Elevator                                           | 2024      | 185,000    | 0.00%           | -            |
| City Hall           | HVAC                                               | 2025      | 400,000    | 0.00%           | -            |
| City Hall           | Reception Counters - replace Formica               | 2026      | 10,000     | 0.00%           | -            |
| City Hall           | Roof replacement                                   | 2026      | 500,000    | 0.00%           | -            |
| City Hall           | Security Fence Around Entire P/E Parcel/Lot        | 2024      | 75,000     | 18.05%          | 13,539       |
| City Hall           | Sidewalk ADA upgrades                              | 2023-2027 | 240,000    | 0.00%           | -            |
| Coronado Park       | Playground Replacement                             | 2028      | 150,000    | 18.05%          | 27,078       |
| Fisher Pond         | Prepare master plan                                | 2028      | 12,000     | 18.05%          | 2,166        |
| Fisher Pond         | Install picnic shelter                             | 2030      | 83,000     | 18.05%          | 14,983       |
| Fisher Pond         | Decommission on-site well                          | 2030      | 12,000     | 0.00%           | -            |
| French Lake         | Develop/Install Shelter                            | 2028      | 60,000     | 18.05%          | 10,831       |
| FWCC                | Exercise Equipment (full replace)                  | 2026      | 150,000    | 0.00%           | -            |
| FWCC                | Locker Rooms/Cabanas Restoration                   | 2023      | 250,000    | 0.00%           | -            |
| FWCC                | Replace Pool Water Slide/Play Equipment            | 2023      | 1,200,000  | 0.00%           | -            |
| FWCC                | Re-plaster Lap Pool                                | 2027      | 400,000    | 0.00%           | -            |
| FWCC                | Pool/slide repairs                                 | 2023      | 298,000    | 0.00%           | -            |
| FWCC                | Replace pool and play equipment                    | 2023      | 60,000     | 0.00%           | -            |
| FWCC                | Outdoor areas                                      | 2033      | 119,000    | 18.05%          | 21,482       |
| Heritage Woods park | Playground Replacement                             | 2029      | 175,000    | 18.05%          | 31,591       |
| Lake Grove Park     | Playground Replacement                             | 2032      | 200,000    | 18.05%          | 36,104       |
| Lakota              | Parking Lot Replacement                            | 2023      | 170,000    | 0.00%           | -            |
| Lakota              | Upgrade soccer field to artificial turf            | 2021      | 1,489,000  | 18.05%          | 268,793      |
| Lakota              | Upgrade running track to rubber                    | 2021      | 238,000    | 18.05%          | 42,964       |
| Lakota              | Upgrade field lighting                             | 2032      | 893,000    | 18.05%          | 161,204      |
| Lakota              | Upgrade restrooms and increase parking             | 2032      | 953,000    | 18.05%          | 172,035      |

(continued next page)

City of Federal Way  
May 2023

Park Impact Fee Study  
page 15

| Location          | Type                                                  | Year      | Cost                 | PIF Eligibility | PIF-Eligible        |
|-------------------|-------------------------------------------------------|-----------|----------------------|-----------------|---------------------|
|                   |                                                       |           |                      |                 | Cost                |
| Laurelwood        | Prepare master plan                                   | 2025      | 36,000               | 18.05%          | 6,499               |
| Laurelwood        | Perform master plan improvements                      | 2027-2037 | -                    | 18.05%          | -                   |
| Laurelwood        | Install 1/2 basketball court                          | 2030      | 60,000               | 18.05%          | 10,831              |
| Madrona Park      | Playground Replacement                                | 2030      | 175,000              | 18.05%          | 31,591              |
| Mirror Lake       | Replace and improve playground                        | 2020      | 143,000              | 18.05%          | 25,814              |
| Monument Signs    | Complete sign implementation program                  | 2023-2033 | 48,000               | 18.05%          | 8,665               |
| Olympic View      | Formalize Joe's Creek social trail                    | 2035      | -                    | 18.05%          | -                   |
| Olympic View      | Improve neighborhood entrances (6)                    | 2035      | 36,000               | 18.05%          | 6,499               |
| Olympic View      | Install 1/2 basketball court                          | 2030      | 60,000               | 18.05%          | 10,831              |
| Olympic View Park | Playground Replacement                                | 2025      | 125,000              | 18.05%          | 22,565              |
| Palisades         | Repair/replace asphalt basketball court               | 2028      | 6,000                | 0.00%           | -                   |
| Palisades         | Install picnic shelter                                | 2030      | 83,000               | 18.05%          | 14,983              |
| Palisades Park    | Playground Replacement                                | 2026      | 200,000              | 18.05%          | 36,104              |
| Sacajawea         | Artificial turf replacement - SAC                     | 2026      | 700,000              | 0.00%           | -                   |
| Sacajawea         | Natural Turf Replacement (ballfields)                 | 2023      | 300,000              | 0.00%           | -                   |
| Sacajawea         | Renovate Ballfield Drainage                           | 2024      | 50,000               | 0.00%           | -                   |
| Sacajawea         | Replace Rubber running track                          | 2024      | 340,000              | 0.00%           | -                   |
| Sacajawea         | Tennis Court Replacement                              | 2025      | 200,000              | 0.00%           | -                   |
| Sacajawea         | Wood Pole Replacement                                 | 2029      | 150,000              | 0.00%           | -                   |
| Sacajawea         | Replace water service line                            | 2028      | 18,000               | 0.00%           | -                   |
| Sacajawea         | New restroom - sewer lift station                     | 2035      | 89,000               | 18.05%          | 16,066              |
| Sacajawea         | Install picnic shelter                                | 2030      | 83,000               | 18.05%          | 14,983              |
| Safety & Security | Parking lot lighting improvements (LED) at Sacajawea  | 2028      | -                    | 18.05%          | -                   |
| Safety & Security | Install security cameras in parking lots at Sacajawea | 2028      | -                    | 18.05%          | -                   |
| Saghalie          | Artificial turf replacement - Soccer Field            | 2032      | 600,000              | 0.00%           | -                   |
| Saghalie          | Tennis Court Renovation/Resurface                     | 2025      | 40,000               | 0.00%           | -                   |
| Saghalie          | Replace Rubber running track                          | 2023-2032 | 505,000              | 18.05%          | 91,162              |
| Saghalie          | Install artificial turf on football field             | 2035      | 1,429,000            | 18.05%          | 257,962             |
| Saghalie          | Renovate basketball courts                            | 2026      | 71,000               | 0.00%           | -                   |
| Saghalie          | Overlay parking lot                                   | 2028      | 48,000               | 0.00%           | -                   |
| Steel Lake        | Develop a master plan                                 | 2033      | 149,000              | 18.05%          | 26,897              |
| Steel Lake        | Install new shelters (Sites 2-5)                      | 2028-2033 | 292,000              | 18.05%          | 52,712              |
| Steel Lake        | Re-pipe annex and beach house restrooms               | 2026      | 238,000              | 0.00%           | -                   |
| Steel Lake Annex  | Artificial Turf Replacement - Karl Grosch             | 2032      | 700,000              | 0.00%           | -                   |
| Steel Lake Annex  | Parking Lot Repairs                                   | 2024      | 10,000               | 0.00%           | -                   |
| Steel Lake Park   | Artificial turf - Site #5                             | 2032      | 1,300,000            | 18.05%          | 234,675             |
| Steel Lake Park   | Dock Replacement                                      | 2027      | 1,250,000            | 0.00%           | -                   |
| Steel Lake Shop   | New Maintenance Shop (Parks Share, 33%)               | 2032      | 11,666,667           | 18.05%          | 2,106,058           |
| Steel Lake Shop   | Shop - Backup power generator                         | 2025      | 40,000               | 18.05%          | 7,221               |
| Steel Lake Shop   | Shop - Electrical Service - new panel                 | 2024      | 7,500                | 18.05%          | 1,354               |
| Steel Lake Shop   | Shop Roof                                             | 2026      | 75,000               | 18.05%          | 13,539              |
| Steel Lake Shop   | Storage House - New Garage Doors                      | 2024      | 7,000                | 18.05%          | 1,264               |
| Steel Lake Shop   | Storage House Roof                                    | 2024      | 20,000               | 18.05%          | 3,610               |
| Town Square       | Install shade covers                                  | 2025      | 89,000               | 18.05%          | 16,066              |
| Town Square       | Install 2nd shelter                                   | 2030      | 83,000               | 18.05%          | 14,983              |
| Town Square       | Band shell                                            | 2028      | -                    | 18.05%          | -                   |
| Town Square       | Veteran memorial                                      | 2025      | -                    | 18.05%          | -                   |
| Wayfinding Signs  | Implementation of wayfinding signage program          | 2030-2040 | -                    | 18.05%          | -                   |
| Wedgewood         | Replace and improve playground                        | 2019      | 167,000              | 18.05%          | 30,147              |
| West Hylebos      | Renovate caretaker access road                        | 2033      | 12,000               | 0.00%           | -                   |
| West Hylebos      | Make parking lots repairs                             | 2025      | 48,000               | 0.00%           | -                   |
| West Hylebos      | Expand parking lot                                    | 2033      | 149,000              | 18.05%          | 26,897              |
| West Hylebos      | Replace maintenance garage                            | 2030      | 89,000               | 0.00%           | -                   |
| Wildwood          | Repair asphalt trail                                  | 2026      | 12,000               | 0.00%           | -                   |
| Wildwood          | Upgrade park fixture                                  | 2035      | 12,000               | 18.05%          | 2,166               |
| <b>Total</b>      |                                                       |           | <b>\$ 44,256,667</b> |                 | <b>\$ 6,325,243</b> |

Source: 2019 PROS Plan Table 7.2, City staff

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john.ghilarducci@bowman.com

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## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-564

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|           |                             |              |
|-----------|-----------------------------|--------------|
| Executive | Lisa Maher, Deputy Director | 425-556-2427 |
|-----------|-----------------------------|--------------|

**DEPARTMENT STAFF:**

|           |              |                        |
|-----------|--------------|------------------------|
| Executive | Jenny Lybeck | Sustainability Manager |
|-----------|--------------|------------------------|

**TITLE:**

Environmental Sustainability Action Plan Implementation Update - October 2025

**OVERVIEW STATEMENT:**

This report includes an informational update on implementation activities completed over the past quarter in support of the 2020 Environmental Sustainability Action Plan (ESAP) and Climate Emergency Declaration (Attachment A).

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Environmental Sustainability Action Plan, Climate Emergency Declaration, City of Redmond Operations Zero Carbon Strategy, Community Strategic Plan, Tree Canopy Strategic Plan
- **Required:**  
N/A
- **Council Request:**  
Council requested monthly updates at the Parks and Environmental Sustainability Committee of the Whole meetings.
- **Other Key Facts:**  
The Environmental Sustainability Action Plan was adopted in September 2020 and serves as the community's strategy to reduce greenhouse gas emissions (GHG) and preserve natural resources. Council also adopted a Climate Emergency Declaration, which was integrated into the ESAP and identifies key sustainability objectives for the City's work.

**OUTCOMES:**

See Attachment A for a summary of implementation highlights.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:****Total Cost:**

N/A

**Approved in current biennial budget:**☐ Yes☐ No☒ N/A**Budget Offer Number:**

The memo includes updates across multiple departments and divisions.

**Budget Priority:**

Healthy and Sustainable

**Other budget impacts or additional costs:**☐ Yes☐ No☒ N/A**If yes, explain:**

N/A

**Funding source(s):**

The memo includes updates across multiple departments and divisions.

**Budget/Funding Constraints:**

N/A

☐ Additional budget details attached

**COUNCIL REVIEW:****Previous Contact(s)**

| Date      | Meeting                                                         | Requested Action    |
|-----------|-----------------------------------------------------------------|---------------------|
| 1/24/2023 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-564

**Type:** Committee Memo

|            |                                                                 |                     |
|------------|-----------------------------------------------------------------|---------------------|
| 3/28/2023  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 5/23/2023  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 6/27/2023  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 9/26/2023  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 10/24/2023 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 1/23/2024  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 3/26/2024  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 5/28/2024  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 7/23/2024  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 10/22/2024 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 4/22/2025  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |
| 7/22/2025  | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |

**Proposed Upcoming Contact(s)**

| Date      | Meeting                                                         | Requested Action    |
|-----------|-----------------------------------------------------------------|---------------------|
| 1/26/2026 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: Environmental Sustainability Action Plan Implementation Update



## Background

This document provides a high-level update of monthly implementation activities for the [Environmental Sustainability Action Plan \(ESAP\)](#). The ESAP is the City's strategic roadmap to reduce greenhouse gas (GHG) emissions and enhance Redmond's natural resources for future generations.

Key priorities for the 2020 ESAP include:

- **High Impact Initiatives:** Implement high impact programs and policies that advance progress towards ESAP goals.
- **Lead by Example:** Continue to drive rapid progress towards the Climate Emergency Declaration goals.
- **Sustainability Programming:** Run a transparent and inclusive sustainability program.

## Updates

The following are key updates from August through October.

### High Impact Initiatives

- **New Commercial Technical Assistance:** The City is launching a clean buildings incentive program in partnership with the cities of Bellevue and Issaquah. The program will provide technical support to commercial and multifamily property owners as they pursue compliance with the state's Clean Buildings Performance Standard. Contracting is nearly complete, and the program is expected to launch in Q1 of 2026.
- **Air Purifier Distribution Pilot:** The City completed a pilot air purifier distribution during the month of August to build community resilience against wildfire and smoke events. 100 [Winix](#) air purifiers and 2 [Lasko box fan and filters](#) were distributed to income-qualified individuals. Staff conducted targeted outreach to Avon Villa, Friendly Village, Martin's Mobile Villa, and through community partners. 70 purifiers were distributed at City-run distribution events, and 30 were distributed through community organizations. Staff anticipates expanding the pilot during the 2026 wildfire season.
- **Grid Capacity Study:** The cities of Redmond and Bellevue have partnered on a joint grid capacity study. The goal of the study is to understand constraints and opportunities with the local distribution grid as it relates to growth targets, building and transportation electrification, and the transition to 100% renewable energy by 2045. The project is being led by the City of Bellevue with consultant support and is anticipated to be complete by Q2 2026. The analysis



will inform next steps for coordination with PSE and identify other strategies to support reliable access to clean electricity as Redmond grows.

- Policy Advocacy: The Mayor submitted a public comment letter in opposition to the proposed repeal of the US Environmental Protection Agency Endangerment Finding, which is the legal basis for regulating greenhouse gas emissions. Review the full letter in Attachment A.
- 2025 ESAP Refresh: The ESAP Refresh is in the final phase of development, with the draft plan being released for public comment on Oct. 31.
  - *Next steps*: Staff will present the draft plan to Council on Nov. 12 (rescheduled from Oct. 28). The comment period on the full draft will be open from Oct. 31 through Nov. 16. The 2025 ESAP is on track for Council adoption at the Dec. 2 Council Business meeting. Community members can learn more at [LetsConnect](#).
  - *Partner Events*: The Sustainability team partnered with community organizations to connect a broader audience to the 2025 ESAP Refresh for feedback and to support sustainability programming around the city. Recent events include:
    - *United Hub* hosted two focus groups with ~25 community members to get feedback on proposed goals and actions, and 3 community events to activate the community around climate action. The events included a park restoration event with Green Redmond (~30 participants), a “Thrift and Threads” reuse fair at the Redmond Senior & Community Center (~250 attendees), and a heat pump workshop hosted in Chinese in partnership with Energy Smart Eastside (~20 participants).
    - *El Centro Cultural Mexicano* hosted two focus groups on Safe and Sustainable Transportation at the center with 40 total participants and one creative workshop on Zero Waste of Resources at the center’s Makerspace with 30 participants.
    - *Redmond Library* set up four library displays through the month of September focused on climate change and sustainability. The displays included fiction, non-fiction, visual media, children’s stories, climate activism stories.
- Solarize Campaign Recap: Redmond and the Eastside Climate Partnership, in collaboration with Olympia Community Solar, launched the [Solarize Eastside](#) campaign in March. The goal of Solarize Eastside is to help Eastside community members install solar panels on their homes and businesses by providing education, vetted installers, a group purchasing discount, and technical support. 66 solar assessments were completed in Redmond through the program, resulting in 8 systems installed.
- Energy Smart Eastside: Energy Smart Eastside reached a critical milestone, surpassing 700 installs across the six partner cities since the program launched in 2023. In total, Redmond has seen 115 heat pump installations through Energy Smart Eastside. The City also created [this video](#), which features two Redmond residents who received heat pumps through ESE. One of those residents has in turn become an enthusiastic volunteer for the program.
- Tree Giveaway: In September the Parks Department partnered with 300 Trees to give away 521 trees and bags of mulch to residents, local businesses, and organizations to plant on private property to help meet the City’s 40% tree canopy goal.
  - Over 100 participants picked up trees at the distribution event on Sept. 27.
  - Redmond’s Washington Conservation Corps Crew provided planting assistance to recipients throughout the week of Oct. 6.

- The City will continue work with Plant Amnesty to provide tree-care workshops to recipients in the Spring of 2026.

#### Lead by Example:

- City Hall Lighting Upgrade: The City completed a lighting upgrade at City Hall in August. The new fixtures are energy efficient LEDS and include automated controls that dim or turn off lights when spaces aren't in use, which will help reduce unnecessary energy use. The project is anticipated to reduce energy use and support compliance with the state Clean Buildings Performance Standard.

#### Sustainability Programming

- ESAC Meet & Green Drop In Hours: The City hosted monthly drop-in hours through an [ongoing outreach series](#) to engage community members.
  - July 24 at Downtown Park
  - August 21 at El Centro Cultural Mexicano
  - September 18 at the Redmond Public Library
  - October 23 at the Redmond Public Library
- Sustainability eNewsletters: The Environmental Sustainability newsletters get published at the start of each month. These newsletters highlight progress and stories related to the City's sustainability efforts and provide ways for community members to get involved in various efforts.
  - July eNews can be accessed [here](#)
  - August eNews can be accessed [here](#)
  - September eNews can be accessed [here](#)
  - October eNews can be accessed [here](#)



**Connected Community  
Enhanced Livability  
Environmental Sustainability  
Leadership**

September 20, 2025  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington DC 20460

**VIA ELECTRONIC SUBMISSION**

Subject: Proposed Rule, Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards, "90 Fed. Reg. 36,288 (Aug. 1, 2025)  
Docket No.: EPA-HQ-OAR-2025-0194; FRL-12715-01-OAR

To Whom It May Concern:

On behalf of the City of Redmond, I write to submit this comment letter in strong opposition to EPA's proposal to reconsider or rescind the Endangerment Finding for greenhouse gases (GHGs) and to eliminate federal GHG standards for motor vehicles. As a mayor charged with protecting the health, safety, and welfare of over 80,000 residents, I urge EPA to maintain its longstanding and scientifically based Endangerment Finding and the vehicle GHG standards that are critical to lessening the impacts of GHG-induced climate change in our communities. Repealing the Endangerment Finding exposes the general public, particularly youth, seniors, and other members of our vulnerable communities, to avoidable harm.

The Fifth National Climate Assessment, published in 2023, states, "Cities are experiencing increased risks from climate hazards, including extreme heat, flooding, sea level rise, drought, and wildfires," and that "infrastructure designed for past climate conditions is increasingly vulnerable, leading to rising costs for municipalities and residents." The City of Redmond is already experiencing the consequences of climate change, which is caused, in significant part, by GHG emissions. We have experienced flooding from extreme rain events, extreme heat (most notable a "heat dome" in 2021, which killed at least 112 people in Washington), and increased wildfire smoke.

In 2022 our City completed a Climate Vulnerability Risk Assessment and Strategy, which determined that Redmond is at risk of increased wet season precipitation due to climate change, leading to more frequent flooding, erosion, and landslides. Increasing summer temperatures will at the same time, lead to decreases in snowpack which affects surface water and public water supplies for our drinking

**City Hall**

PO Box 97010  
15670 NE 85th Street  
Redmond, WA  
98073-9710



**Redmond**  
WASHINGTON

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water system. As average temperatures rise, summer soil moisture and stream flow will decrease causing more risk of wildfires in the region. This will cause more smoke events impacting air quality which is especially dangerous for our most vulnerable populations. Already, significant regional wildfire events in 2017, 2018, 2020, and 2022 created hazardous air quality for our residents. Emergency events have cascading impacts on our City, including the endangerment of first responders, the impact to our municipal infrastructure and grid, and the ability to keep lights on and businesses and households running.

Rolling back the Endangerment Finding and vehicle GHG standards would undermine our ability to protect residents from these escalating harms caused by poor air quality. For all of the above reasons, I strongly oppose any effort to revoke the EPA's Endangerment Finding on GHG emissions and urge the agency to uphold and enforce strong federal GHG vehicle standards.

Sincerely,

Angela Birney  
Mayor

**City Hall**

PO Box 97010  
15670 NE 85th Street  
Redmond, WA  
98073-9710



## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-559

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-979-8280 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |                    |                        |
|-------|--------------------|------------------------|
| Parks | Lindsey Falkenburg | Parks Planning Manager |
|-------|--------------------|------------------------|

**TITLE:**

Old Fire House Facility Recommendation Process Update

**OVERVIEW STATEMENT:**

The Parks and Recreation Department, with support from Stepherson & Associates, has launched a community engagement process to shape a recommendation for City Council regarding the future of the Old Fire House facility. This process brings together a diverse Stakeholder Group to develop a recommendation, informed by feedback gathered through public Focus Groups. Staff will present an update on the overall process.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**

The Parks, Arts, Recreation, Culture, and Conservation Plan (PARCC)

Teen Services Engagement Report (2025)

Community Priorities for the Future of Redmond's Community Centers (2017)

- **Required:**

N/A

- **Council Request:**

N/A

- **Other Key Facts:**

To keep Council apprised of the Old Fire House Facility Recommendation community engagement process.

**OUTCOMES:**

At the conclusion of this community engagement process, Council will receive a recommendation from the Stakeholder Group to help guide the decision on the future of the Old Fire House. The Stakeholder Group will evaluate options and recommend either a renovation of the existing facility or a rebuild. The final report will summarize the rationale for the recommendation, highlight key community priorities, and provide Council with insight into the benefits, challenges, and trade-offs of each option to support an informed decision.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**

- Stakeholder Group Meeting 1: September 10, 2025
- Stakeholder Group Meeting 2: September 17, 2025
- Focus Group Meeting 1: September 22, 2025
- Focus Group Meeting 2: September 24, 2025
- Stakeholder Group Meeting 3: October 1, 2025
- Stakeholder Group Meeting 4: October 8, 2025
- Stakeholder Group Meeting 4: October 22, 2025
- Stakeholder Group Meeting 6: October 29, 2025

- **Outreach Methods and Results:**

The Stakeholder Group was formed through a collaborative process with input from City Staff and the City Council Teen Center Subcommittee and ultimately approved by City Leadership.

The Focus Groups were open to the public - information was shared with the public through targeted emails, social media, eNews, online updates, flyers, etc.

- **Feedback Summary:**

Takeaways from the community engagement process will be summarized in the final report.

**BUDGET IMPACT:****Total Cost:**

\$115,000

**Approved in current biennial budget:**

☒ **Yes**

☐ **No**

☐ **N/A**

**Budget Offer Number:**

100.50100.00410.57121.9023-100-85

**Budget Priority:**

Vibrant and Connected

**Other budget impacts or additional costs:**

☐ **Yes**

☒ **No**

☐ **N/A**

**If yes, explain:**

N/A

**Funding source(s):**

One-time general fund 2025-2026 budget

---

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-559

**Type:** Committee Memo

---

**Budget/Funding Constraints:**

N/A

☐ **Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

| Date      | Meeting                                                         | Requested Action    |
|-----------|-----------------------------------------------------------------|---------------------|
| 7/22/2025 | Study Session                                                   | Provide Direction   |
| 9/23/2025 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |

**Proposed Upcoming Contact(s)**

| Date       | Meeting          | Requested Action    |
|------------|------------------|---------------------|
| 11/12/2025 | Study Session    | Receive Information |
| 11/18/2025 | Business Meeting | Approve             |

**Time Constraints:**

Current facility conditions - including the roof - will necessitate facility investments in the next 6 months. A proactive decision is necessary to invest where appropriate and should be made by the end of 2025 if possible.

**ANTICIPATED RESULT IF NOT APPROVED:**

The facility will continue to deteriorate, and investment will need to be made in a reactive manner.

**ATTACHMENTS:**

Attachment A - Old Fire House Facility Recommendation Process

Attachment B - Stakeholder, Focus Group, and Community Engagement and Outreach



# Attachment A - Old Fire House Facility Recommendation Process

## October 28, 2025 Update

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview | Below are pertinent details regarding the Stakeholder Group Process.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Elements | <ul style="list-style-type: none"> <li>• Image 1: An updated description of how Stakeholder Groups and Focus Groups interact and how they form a recommendation to inform City Council's decision.</li> <li>• Image 2: Outlines the Multi-Objective Decision Analysis (MODA) process by which the Stakeholder Group will consider various factors.</li> <li>• Image 3: Updated list and detail for the factors the Stakeholder Group has discussed and used to determine their recommendation.</li> </ul> |

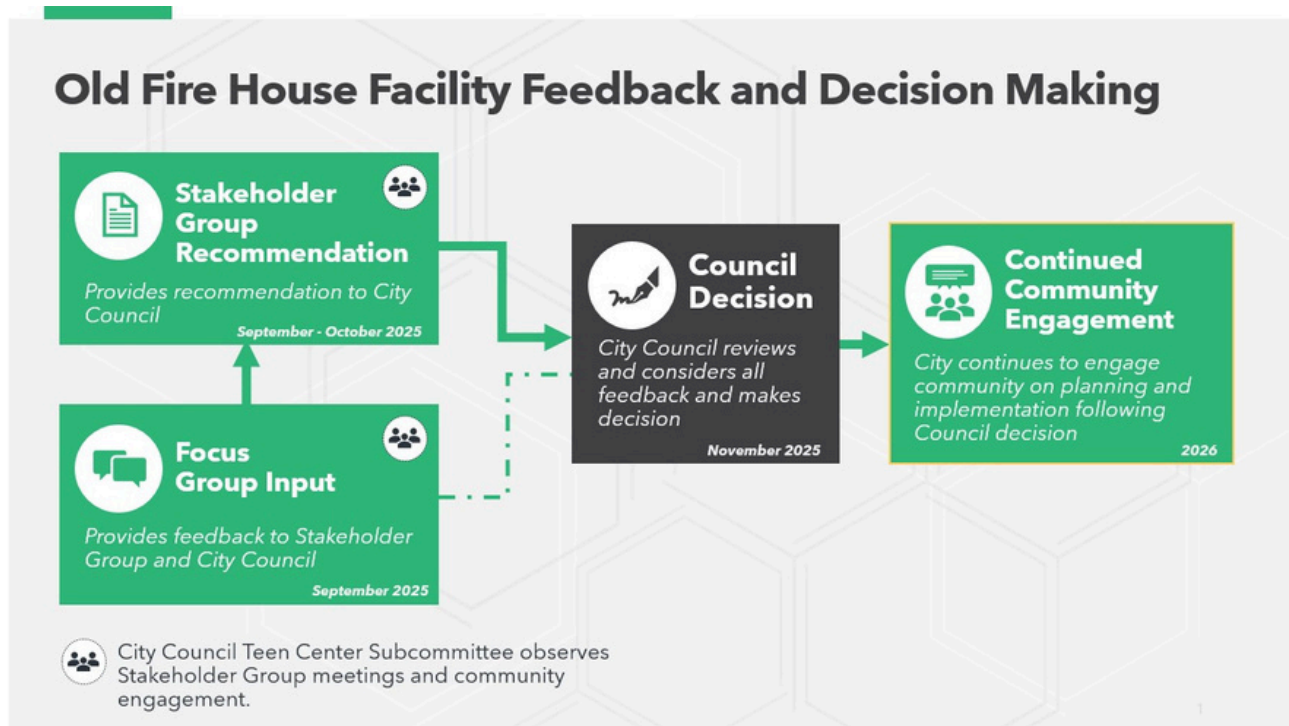


Image 1



Image 2

| Factor                           | Definition                                                                                                                                                                                      |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accessibility                    | How each option addresses building accessibility requirements and community access needs.                                                                                                       |
| Community sentiment              | Community attitudes towards each option, including appreciation for history/legacy, and affection for the space.                                                                                |
| Environmental sustainability     | How well each option supports the City's goals of reducing environmental footprint of City facilities.                                                                                          |
| Estimated costs                  | Estimated costs of each option (includes potential expansion).                                                                                                                                  |
| Equity and inclusion             | How each option promotes access for underserved residents.                                                                                                                                      |
| Expansion                        | Potential of each option to expand or reconfigure the facility.                                                                                                                                 |
| Functionality and user needs     | How each option meets the community's evolving and future needs in capacity, layout, programming, etc.                                                                                          |
| Lifespan of facility             | How long each option could be used by the community.                                                                                                                                            |
| Location                         | How each option meets the community's location needs.                                                                                                                                           |
| Maintenance and operations       | Each option's expected annual and long-term operations/upkeep/maintenance needs and costs.                                                                                                      |
| Safety and regulatory compliance | Each option's safety and regulatory compliance needs (e.g., ADA, seismic).                                                                                                                      |
| Strategic planning               | How each option aligns with the City's long-term strategic planning (e.g., Parks Plan, RSCC process) and previous feedback gathered from the strategic planning's community engagement efforts. |
| Timeline to open                 | How long it would take for each option to begin operations and be used by the public.                                                                                                           |

Image 3

## Old Fire House Facility Recommendation Process Update

### Attachment B – Community/Stakeholder Outreach and Involvement

- **Old Fire House Facility Recommendation Engagement Timeline (previous and planned)**

|            |                              |
|------------|------------------------------|
| 7/22/2025  | Study Session - OFH          |
| 9/10/2025  | Stakeholder Group Meeting 1  |
| 9/17/2025  | Stakeholder Group Meeting 2  |
| 9/22/2025  | Focus Group Meeting          |
| 9/23/2025  | Committee of the Whole - PES |
| 9/24/2025  | Focus Group Meeting          |
| 10/1/2025  | Stakeholder Group Meeting 3  |
| 10/8/2025  | Stakeholder Group Meeting 4  |
| 10/22/2025 | Stakeholder Group Meeting 4  |
| 10/28/2025 | Committee of the Whole - PES |
| 10/29/2025 | Stakeholder Group Meeting 6  |
| 11/12/2025 | Study Session - OFH          |
| 12/9/2025  | Study Session - OFH          |

- **Outreach Methods and Results**

**Digital:**

- Parks Social Media
  - Parks Facebook on 9/15
  - Parks Facebook on 9/20
  - Parks Facebook on 9/22
- City Facebook:
  - [Sept. 22](#)
  - [Sept. 22](#)
  - [Sept. 17](#)
- City News:
  - [Sept. 22](#)
- OFH Instagram
  - Three posts on the OFH Instagram
- Parks eNew
  - Parks eNews on 9/17
- Parks Facebook
- News Release
- Direct email outreach
- Print flyers for focus groups

**Additional Outreach:** Direct emails to community members that had expressed interest or engaged on the topic prior.

- **Teen Services Engagement Timeline (previous)**

|               |                                                                                     |
|---------------|-------------------------------------------------------------------------------------|
| 03/06/2025    | RYPAC meeting                                                                       |
| 03/10/2025    | Meeting regarding relocation of Teen Services                                       |
| 03/18/2025    | Staff Report on relocation of Teen Services                                         |
| 03/20/2025    | Senior Advisory Committee                                                           |
| 04/03/2025    | RYPAC/Teen Poster Co-Creation Workshop                                              |
| 04/03/2025    | Parks, Trails, Recreation Commission                                                |
| 04/04/2025    | Tour the new space at Redmond Community Center at Marymoor Village                  |
| 04/10/2025    | Redmond Arts & Culture Commission                                                   |
| 04/12/2025    | Beat the Bunny                                                                      |
| 04/22/2025    | Study Session                                                                       |
| 04/25/2025    | Anderson Park Planting Event                                                        |
| 04/26/2025    | Parks, Trails, Recreation Commission Youth Advocate/Teen Work Party at Perrigo Park |
| 04/28/2025    | Community Listening Session                                                         |
| 04/29/2025    | Tabling at Rose Hill Middle School                                                  |
| 05/02/2025    | Tabling at Redmond High School                                                      |
| 05/04/2025    | Cinco de Mayo                                                                       |
| 05/06/2025    | Tabling at Evergreen Middle School                                                  |
| 05/08/2025    | Tabling at Redmond Middle School                                                    |
| 05/10/2025    | Sound Transit Link Opening                                                          |
| 05/17/2025    | RSCC turns one                                                                      |
| 05/19/2025    | Shape the Space - RCCMV                                                             |
| 05/23/2025    | Live Music at RSCC                                                                  |
| 05/27/2025    | Committee of the Whole - PES                                                        |
| 05/28/2025    | Community Meeting - Services                                                        |
| 05/30/2025    | Redmond High School Jazz Band Concert – Downtown Park                               |
| 06/06/2025    | Middle School Field Trip – City Hall                                                |
| 06/07/2025    | Promenade at the Park                                                               |
| 06/22/2025    | Vegfest                                                                             |
| 06/23/2025    | Club World Cup Watch Party - RTC                                                    |
| 06/24/2025    | KCLS RedTab                                                                         |
| 06/27/2025    | Battle of the Bands - RSCC                                                          |
| 06/28/2025    | Youth4Us Children's Business Fair                                                   |
| 07/11-12/2025 | Derby Days                                                                          |
| 07/22/2025    | Committee of the Whole - PES                                                        |
| 07/22/2025    | Study Session - OFH                                                                 |
| 09/09/2025    | Study Session – Teen Engagement Report                                              |

- **Outreach Methods and Results**

**Digital:**

- Parks Social Media:
  - 3/11 News release of program relocation
  - 3/31 Lets Connect
  - 4/9 Teen programs at RCCMV (may not apply)

- 4/14 Lets Connect
  - 4/17 Community Listening Session and Lets Connect
  - 4/19 Lets Connect
  - 4/24 Lets Connect
  - 4/25 Lets Connect and Community Listening Session
  - 5/1 Teen Activities for the month of May
  - 5/2 Lets Connect
  - 5/9 Community Listening Sessions and Let's Connect
  - 5/14 Let's Connect
  - 5/24 Listening Session and Let's Connect
- City Facebook:
    - [Sept. 22](#)
    - [Sept. 22](#)
    - [Sept. 17](#)
    - [June 13](#)
    - [June 9](#)
    - [May 21](#)
    - [May 13](#)
    - [April 25](#)
    - [April 24](#)
    - [April 21](#)
    - [April 21](#)
    - [April 9](#)
    - [April 9](#)
    - [April 7](#)
    - [April 5](#)
    - [April 1](#)
    - [March 31](#)
    - [March 18](#)
    - [March 17](#)
    - [March 11](#)
  - OFH Instagram:
    - 3/20 Program Relocation
    - 3/31 Lets Connect
    - 4/1 Teen activities at RCCMV in April
    - 4/17 community Listening session and Lets Connect
    - 4/17 let's connect in stories (also pinned to highlights on IG page)
    - 4/18 community listening session and lets connect in stores
    - 4/21 Lets Connect
    - 4/28 Lets Connect and Community Listening Session
    - 4/29 Teen activities at RCCMV in May
    - 5/1 Community Listening Session

- Parks eNews:
  - 4/23 Listening Session
  - 4/16 Lets Connect
  - 4/9 Teen activities at RCCMV
  - 4/2 Lets Connect
  - 3/12 Initial announcement of program relocation
- City News:
  - [Sept. 22](#)
  - [May 29](#)
  - [April 21](#)
  - [April 7](#)
  - [March 31](#)
  - [March 17](#)
- News Releases:
  - [March 31](#)
  - [March 11](#)
- Q-alert Service Tickets
  - Staff received and responded to 28 tickets

**Additional Outreach:**

- Utility bill insert sent to 7,800 customers, plus a digital version for those who don't receive mailed bills
- Teen programming calendar (April/May) with activities and QR code to take questionnaire
- Posters with QR code to website distributed to:
  - Redmond Library
  - Brightmont Academy
  - Willows Preparatory School
  - The Bear Creek School
  - The Overlake School
  - Redmond Community Center at Marymoor Village
  - Redmond Town Center
  - Old Redmond Schoolhouse Community Center
  - Redmond Senior & Community Center
  - Hopelink Redmond – Food Distribution Center
  - Anderson Park
  - Luke McRedmond Park
  - Downtown Park
  - Redmond City Hall

- Staff have reached out to the following organizations with an explanation of the Teen Services project, a communications toolkit to share on our behalf, and an open offer for city staff to table at events, meetings, gatherings, etc.
  - Redmond Library
  - Youth Eastside Services
  - Friends of Youth
  - Washington Teen Link
  - King County Teen Health Clinics
  - Lambert House
  - 4 Tomorrow
  - YMCA
  - Boys and Girls Club
  - Together Center
  - King County Housing Authority
  - A Regional Coalition for Housing (ARCH)
  - Consejo Counseling
  - Hopelink
  - Pride Across the Bridge
  - Eastside Pride
  - YWCA
  - Open Doors for Multicultural Families
  - Lake Washington School District
  - Bellevue School District
  - King County Metro
  - Sound Transit
  - Muslim Association of Puget Sound
  - Centro Cultural Mexicano
  - Islamic Center of Redmond



## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-555

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-979-2820 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |                    |                                                     |
|-------|--------------------|-----------------------------------------------------|
| Parks | Maya Klem          | Volunteer and Green Redmond Partnership Coordinator |
| Parks | Lindsey Falkenburg | Parks Planning Manager                              |

**TITLE:**

Volunteer Program Update

**OVERVIEW STATEMENT:**

In 2025, the City hired a Volunteer and Green Redmond Partnership Coordinator in order to streamline volunteer opportunities, improve reporting, increase visibility of volunteer opportunities, and tell the story of volunteers in Redmond. We will brief City Council on the current state of volunteerism at the City and share goals for increasing engagement, improving reporting, and streamlining systems.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
PARCC plan, Redmond 2050 Plan
- **Required:**  
n/a
- **Council Request:**  
n/a
- **Other Key Facts:**  
n/a



**OUTCOMES:**

Before hiring a Volunteer and Green Redmond Partnership Coordinator, it was not always clear for community members what volunteer opportunities were available at the City, and how to get involved. The tracking and reporting for volunteer work was inconsistent and unorganized. Through this position, we've increased capacity to streamline and organize the volunteer program, while streamlining systems and procedures for volunteer programs. In 2026, there are plans to launch a new volunteer management platform, Volunteer Matters, to bring consistency to the volunteer experience.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
n/a
- **Outreach Methods and Results:**  
n/a
- **Feedback Summary:**  
n/a

**BUDGET IMPACT:****Total Cost:**

n/a

**Approved in current biennial budget:**☐ Yes☐ No☒ N/A**Budget Offer Number:**

n/a

**Budget Priority:**

n/a

**Other budget impacts or additional costs:**☐ Yes☐ No☒ N/A***If yes, explain:***

n/a

**Funding source(s):**

n/a

**Budget/Funding Constraints:**

n/a

☐ Additional budget details attached**COUNCIL REVIEW:****Previous Contact(s)**

---

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-555

**Type:** Committee Memo

---

| Date | Meeting                                | Requested Action    |
|------|----------------------------------------|---------------------|
| n/a  | Item has not been presented to Council | Receive Information |

**Proposed Upcoming Contact(s)**

| Date       | Meeting                                                         | Requested Action    |
|------------|-----------------------------------------------------------------|---------------------|
| 10/28/2025 | Committee of the Whole - Parks and Environmental Sustainability | Receive Information |

**Time Constraints:**

n/a

**ANTICIPATED RESULT IF NOT APPROVED:**

n/a

**ATTACHMENTS:**

n/a



## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-566

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-556-2336 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |                |                                 |
|-------|----------------|---------------------------------|
| Parks | Lindsey Tusing | Marketing and Events Supervisor |
| Parks | Brittany Pratt | Recreation Business Manager     |
| Parks | Zach Houvener  | Deputy Parks Director           |

**TITLE:**

Events Recap 2025

**OVERVIEW STATEMENT:**

Staff will share information and data collected from the 2025 special event and miscellaneous use permit season. Highlights, data, and sustainability metrics for Derby Days 2025 will also be shared with Council as part of the annual event recap.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
PARCC Plan, Cost of Service Methodology
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

Date: 10/28/2025

Meeting of: Committee of the Whole - Parks and Environmental Sustainability

File No. CM 25-566

Type: Committee Memo

N/A

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

N/A

**Approved in current biennial budget:**

☐ Yes

☐ No

☒ N/A

**Budget Offer Number:**

N/A

**Budget Priority:**

Vibrant & Connected

**Other budget impacts or additional costs:**

☐ Yes

☐ No

☒ N/A

*If yes, explain:*

N/A

**Funding source(s):**

N/A

**Budget/Funding Constraints:**

N/A

☐ Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

| Date | Meeting                                | Requested Action |
|------|----------------------------------------|------------------|
| N/A  | Item has not been presented to Council | N/A              |

**Proposed Upcoming Contact(s)**

| Date | Meeting | Requested Action |
|------|---------|------------------|
|------|---------|------------------|

---

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-566

**Type:** Committee Memo

---

|     |                            |     |
|-----|----------------------------|-----|
| N/A | None proposed at this time | N/A |
|-----|----------------------------|-----|

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A - Event Permits and Derby Days Recap 2025

# DERBY DAYS RECAP 2025



## 2025 Overview

Derby Days is Redmond's beloved annual summer tradition. In 2025, the event featured a bubble party, biking, live music, parades, cooling centers, carnival rides, a drone show, food vendors, and much more. The goals were revisited this year to assure alignment with the PARCC Plan, as well as to optimize the safety and experience of all attendees and partnering organizations.

## Event Goals

- Build strong communities: Bring residents, tourists, businesses, and City officials together while promoting ways for them to stay connected beyond Derby Days
- Expand access for all: Remove potential barriers for involvement by providing free activities and improving accessibility of event layout
- Protect the natural environment: Create a human, EV and RNG powered parade and divert event waste from landfills

## Measuring Success

- >35,000 people in attendance, including 114 volunteers and 136 businesses/community orgs
- 550 participants in the Kids Bike Parade
- 28 Grand Parade entries
- 88.8% of attendees stated that they are likely or very likely to attend again
- 88% of vendors reported a positive ROI
- \$109,500 raised in sponsorship dollars
- 100% human, EV and RNG powered parade
- >3,851 items diverted from landfills
- 185lbs of waste diverted





# Events Recap 2025

## Event Season Highlights

- 2025 saw the greatest number of events permitted in recent years
- New event permit application dashboard succeeded in expediting permit approval and easing the process for applicants

## 2025 Permitted Events

- **41 Special Event Permits Issued:**
  - 12 Festivals
  - 9 Runs
  - 6 Gatherings
  - 4 Performances
  - 4 Bicycle Events
  - 3 Expressive Activities
  - 3 Vendors
- **36 Miscellaneous Use Permits Issued:**
  - 22 Gatherings
  - 9 Runs
  - 2 Classes
  - 1 Parking Event
  - 1 Sporting Event
  - 1 Parade
- **24 Busker Permits Issued**

## Permit Trends

| Permit Type   | 2025 | 2024 | 2023 |
|---------------|------|------|------|
| Misc Use      | 36   | 39   | 33   |
| Special Event | 41   | 36   | 46   |
| Total         | 77   | 75   | 79   |





## Memorandum

**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-567

**Type:** Committee Memo

**TO:** Committee of the Whole - Parks and Environmental Sustainability

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

|       |                 |              |
|-------|-----------------|--------------|
| Parks | Loreen Hamilton | 425-556-2336 |
|-------|-----------------|--------------|

**DEPARTMENT STAFF:**

|       |                 |                                 |
|-------|-----------------|---------------------------------|
| Parks | Laurel Williams | Events Program Coordinator      |
| Parks | Lindsey Tusing  | Marketing and Events Supervisor |
| Parks | Brittany Pratt  | Recreation Business Manager     |
| Parks | Zach Houvener   | Deputy Director                 |

**TITLE:**

Redmond Lights 2025 Program Plan

**OVERVIEW STATEMENT:**

Redmond Lights is an annual winter celebration of art and light. It features holiday lights and public art installations at Downtown Park (and for the first time this year), Esterra Park from Saturday, Dec. 6 to Monday, Jan. 5. There will be a kick-off event on the first night that will include live performances, a luminary trail, and other free activities.

☐ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
PARCC Plan
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A



**OUTCOMES:**

Residents and tourists alike will benefit from this free, community event. The City of Redmond and partnering organizations will build lasting connections that continue beyond the event.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**

Sept. 2025 to Nov. 2025 - Outreach to local businesses and community organizations

Oct. 2025 to Dec. 2025 - Outreach to perspective attendees

- **Outreach Methods and Results:**

- In-person outreach to nearby businesses, organizations, and apartments
- Print communications
  - Banners
  - Posters
  - Utility bill inserts
  - Postcards
- Digital communications
  - Social media campaigns
  - Email newsletters
  - News release
  - Kick-off video
  - Dedicated website

- **Feedback Summary:**

As of Friday, Oct. 3, outreach efforts have prompted 25 applications to host an activity booth and 8 committed sponsors.

**BUDGET IMPACT:****Total Cost:**

\$135,000 not including public art installations

**Approved in current biennial budget:**☒ **Yes**☐ **No**☐ **N/A****Budget Offer Number:**

000249 - Arts & Community Events

**Budget Priority:**

Vibrant & Connected

**Other budget impacts or additional costs:**☐ **Yes**☐ **No**☒ **N/A*****If yes, explain:***

N/A

**Funding source(s):**

- Community Events Fund (013) - staffing costs

**Date:** 10/28/2025

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- Sponsorships - \$60,000
- LTAC Grant - \$50,000
- Event fees - \$25,000

**Budget/Funding Constraints:**

N/A

☐ **Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

| Date | Meeting                                | Requested Action    |
|------|----------------------------------------|---------------------|
| N/A  | Item has not been presented to Council | Receive Information |

**Proposed Upcoming Contact(s)**

| Date | Meeting                    | Requested Action |
|------|----------------------------|------------------|
| N/A  | None proposed at this time | N/A              |

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A - Redmond Lights Programming Plan 2025

# Redmond Lights Program Plan 2025

## Overview

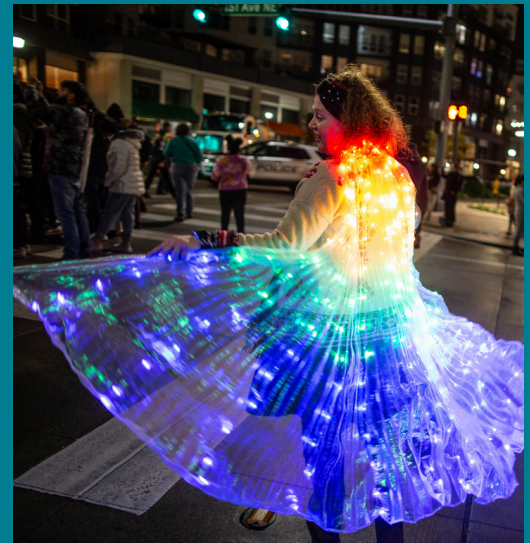
Redmond Lights is a winter celebration featuring temporary public art and light displays from Dec. 6, 2025 - Jan. 5, 2026 at Downtown Park and Esterra Park. The festivities begin with a Kick-off Event that will feature live performances, an LED fashion show, eco-friendly "snow," and a variety of glowing activities on Dec. 6 from 4 - 8 p.m. at Downtown Park.

## Stakeholder Engagement

Redmond Lights is made possible by local artists, the Arts & Culture Commission, and sponsors (Experience Redmond, Amazon, Microsoft, Cirque Du Soleil, Key Bank, Lake Washington Pediatric Dentistry, and more). Local businesses and community organizations will bring the Kick-off Event to life by hosting activity booths and providing live entertainment.

## Features

Outreach began in September and will continue into December. Print and digital channels will be utilized to inform local organizations and prospective attendees about Redmond Lights, how they may be impacted and how they can get involved. The cost is estimated at \$135,000. Funding sources include sponsorships (\$62,500 as of 10/3), the LTAC Grant (\$50,000), and event funds (\$25,000).



Event attendee wearing a glowing rainbow cape



Performers holding lanterns



A child walking under an illuminated art installation



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

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**Date:** 10/28/2025

**Meeting of:** Committee of the Whole - Parks and Environmental Sustainability

**File No.** CM 25-570

**Type:** Committee Memo

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Mobile Command Post Tour for Council



## BID RESPONSE

Responding To:

**Bid/Project Number: RFP 10877-25**

**Bid/Project Title: Park Impact Fees**

**Closing Date: 08/04/2025, 2pm PST**

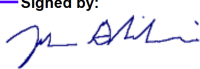
Submitted By:

Name of Company Submitting Response:  
FCS, a Bowman company

Printed Name of Person Submitting Response:  
John Ghilarducci

Email:  
john.ghilarducci@bowman.com

Signature of Person Submitting Response:

Signed by:  
  
658EF850124F4A2...

Date:  
8/4/2025

Attach Your Bid/Proposal:



Remember to sign your bid/proposal

Attach all pages of your response here





# City of Redmond

Proposal to Provide

## **Park Impact Fee Study**

August 4, 2025



[fcsgroup.com](https://fcsgroup.com) | [bowman.com](https://bowman.com)





August 4, 2025

Vivian Nguyen, Sr. Purchasing Agent  
15670 NE 85th Street  
PO Box 97010  
Redmond, WA 98073-9710

**RE: Park Impact Fee Study – RFP 10877-25**

Dear Ms. Nguyen:

The City of Redmond (City) seeks a qualified consultant to update the City's park impact fee (PIF). The FCS, a Bowman company (FCS), project team is well-suited to provide these services. First, we know the Growth Management Act as it pertains to impact fees, embodied in Revised Code of Washington (RCW) 82.02, 36.70A.636 and HB 5452. Further, the Washington state legislature recently (2023) passed additional requirements for imposing impact fees on residential development. Impact fees may no longer be imposed uniformly on a per-dwelling-unit basis but rather must be scaled by a factor such as square footage, number of bedrooms, or trip generation such that smaller dwelling units are subject to proportionally lower impact fees. In addition, the maximum impact fee for an accessory dwelling unit is one half the impact fee of its associated single-family residence. FCS already has proven approaches to helping clients comply with these new requirements.

**What can you expect from FCS?**

**Team Qualifications**

Impact fee expert John Ghilarducci will serve as principal-in-charge on this project. He will be supported by project manager Doug Gabbard, senior analyst Luke Nelson, and Steve Duh of Conservation Technix. All four individuals have recent and ongoing experience with multiple impact fee studies and parks plans throughout Washington.

John Ghilarducci has extensive impact fee consulting experience with Washington and Northwest municipalities and teaches courses on impact fees for regional associations and client forums. In addition, since 1993, John has worked on or led numerous projects for the City of Redmond and has a deep familiarity with its challenges and many attributes.

Doug Gabbard has worked with parks, fire, schools and transportation services to analyze impact fees throughout the Northwest. He is an experienced project manager and subject matter expert.

Steve Duh of Conservation Technix has extensive experience in developing parks master plans, recently for the City of Redmond, and the nearby cities of Sammamish, Mercer Island, and Edmonds, among others. Steve will bring invaluable knowledge of the City's existing and planned park system facilities.

**A Firm Understanding of Region-Specific Issues**

FCS has completed hundreds of impact fee studies throughout the Northwest, ranging from straightforward technical analyses to complex policy and sophisticated calculation frameworks.

Our recent work in Washington has included multiple park impact fees, and we have been and remain at the forefront of developing scaling methodologies that are compliant with RCW 82.02.060.

We recently completed or are in the process of completing park impact fee studies for Federal Way, Sammamish, Kirkland, Issaquah, Maple Valley, Bonney Lake, Camas, Fife, Bellevue, Duvall, Kent, Oak Harbor and Olympia. Most if not all of these have included scaling, and many have included nonresidential fees similar to the City of Redmond's existing PIF. Our team has a thorough understanding of the RCW as well as the policies and practices of local public agencies.

As recognized impact fee experts, we are committed to sharing knowledge for the good of Northwest communities and making sure that our solutions truly fit each city's needs. FCS served as a peer reviewer on the Department of Commerce *Residential Proportional Impact Fees and System Development Charges Guidebook*, providing substantive feedback on the document.

**Value**

We have the depth of knowledge and ability to meet the City's objectives for this project. Our project team has the availability and capacity to quickly and capably address your needs and soundly complete your project – backed by a 35-person firm. Time and again, our project team has realized favorable outcomes when working with citizen groups, boards, and city councils on highly technical and politically sensitive studies.

We look forward to the privilege of working with the City of Redmond. Please do not hesitate to contact me, John Ghilarducci, as the individual authorized to represent the firm at 425.336.1865 or [john.ghilarducci@bowman.com](mailto:john.ghilarducci@bowman.com).

Sincerely,

**John Ghilarducci**  
Principal-in-Charge  
425.336.1865  
[john.ghilarducci@bowman.com](mailto:john.ghilarducci@bowman.com)

**Doug Gabbard**  
Project Manager  
503.374.1707  
[doug.gabbard@bowman.com](mailto:doug.gabbard@bowman.com)

**FCS, a Bowman company**  
7525 166th Ave. NE, Ste. D-215  
Redmond, WA 98052  
[425.867.1802](tel:425.867.1802) | [fcsgroup.com](http://fcsgroup.com) | [bowman.com](http://bowman.com)

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## Executive Summary & Overall Approach

The City of Redmond (City) imposes a park impact fee to provide partial recovery of the cost of park facilities that are needed to accommodate new development. The City currently charges \$6,778 per single-family residence, \$4,706 per multi-family residence, and \$2,558 per residential suite. In addition, the City charges non-residential developments between \$815 and \$1,836 per 1,000 square feet of gross floor area.

Since park impact fees were last analyzed in 2017, the law has changed. The scaling of residential impact fees is now required by RCW 82.02.060, and impact fees on accessory dwelling units (ADUs) must be no greater than one half of the impact fee that would be charged to the principal residence. FCS will calculate a residential park impact fee that is scaled by dwelling unit size (square footage or bedrooms). This approach will apply not only to the dwelling unit types currently in the City's impact fee schedule, but also to middle housing and other new dwelling unit types.

FCS will also calculate impact fees for non-residential developments that recognize the differential burden that non-residential developments place upon the park system. Our differential demand model is transparent and flexible, so we can customize the calculation to reflect conditions specific to Redmond.

The graphic below outlines the steps of our Task Plan which are detailed on the following pages.



# Project Approach

## TASK PLAN

### *Task 1 – Project Kickoff*

Upon execution of the contract, FCS will draft and deliver a written data request with all the data items required to complete the project. Upon delivery of the data request, FCS will collaborate with City staff to schedule a kickoff meeting via video conference. During the kickoff meeting, we will review the scope of work, identify and agree on any policy issues to be addressed, clarify the project schedule, and discuss any questions on the data request.

### *Task 2 – Review of Assets and Projects*

With the assistance of our parks planning partner, Conservation Technix, FCS will review both existing assets and planned projects in the Park, Arts, Recreation Culture and Conservation (PARCC) Plan. The review of existing assets will include cost, geographic distribution, level of service, and an assessment of usage (based on available data). The review of planned projects will include any needed updating of cost estimates and identification of projects to be included in the impact fee cost basis. As needed, the team will prioritize planned projects and develop timelines consistent with population and development forecasts.

The evaluation of park usage will include the following steps:

- Analyze current and projected park usage trends.
- Assess service levels and capacity issues based on population growth, housing development, and user demographics.
- Evaluate the geographic distribution and accessibility of park resources.

FCS will meet with City staff up to two times via video conference to review and refine the review of assets and projects.



### *Task 3 – Impact Fee Calculation*

FCS will begin by updating the City's current method, which we understand to be the cash investment approach. Under this approach, the current value of parks infrastructure is divided by the current population to determine the parks investment per person. This result may serve as the park impact fee, once it is "right-sized" to ensure that forecasted fee revenue will not exceed the cost of planned projects.

FCS will also calculate alternative approaches for evaluation by the City. FCS will forecast the quantity of growth to be served by existing and future facilities. This calculation will include growth in both population and employment. Next, FCS will update the impact fee cost basis based on the list of planned projects. FCS will use a level-of-service analysis (begun in Task 2) to determine the eligible (or includable) cost of each planned project (identified in Task 2). After making any necessary

## Project Approach

adjustments to the cost basis, FCS will then divide the cost basis by the forecasted growth to determine the impact fee per residential equivalent.

For residential developments, FCS will use Census Bureau data on housing occupancy and City data on average home size to convert the impact fee per residential equivalent to an impact fee per square foot.

This calculated impact fee can then be used across all dwelling unit types, including middle housing. FCS will recommend a cap on chargeable square footage that represents the point at which an increase in home size is no longer associated with an increase in occupancy. If the City's preference is to scale the PIF by the number of bedrooms, FCS will apply a similar approach scale the residential fee(s) by number of bedrooms.



For non-residential developments, FCS will use data on employment density by land use to convert the impact fee per residential equivalent to an impact fee per square foot for each type of non-residential land use.

The funding plan will clarify what funding in addition to impact fees will be needed to complete the capital improvement plan.

FCS will meet with City staff up to two times via video conference to review and refine the impact fee analysis.

### ***Task 4 – Stakeholder Engagement***

FCS will deliver up to four on-site presentations to summarize findings and recommendations from Tasks 2-3 to audiences of the City's choice. PowerPoint slides will be provided in advance of each presentation.

### ***Task 5 – Documentation***

FCS will deliver a draft report that documents findings and recommendations from Tasks 2-3. The City will have an opportunity to provide feedback on the draft report before delivery of the final version.

### ***Task 6 – Project Management***

This task includes general project accounting, contract management, and monthly invoicing. Coordination with our park's planning partner is also part of this task.



# Project Management, QC/QA & Reporting



## Project Management Approach

Project Manager Doug Gabbard will serve as the primary point of contact for the FCS team, overseeing the project's budget, schedule, and milestones. His management approach emphasizes collaboration, education, and stakeholder engagement to foster the successful adoption of study recommendations. The process is structured around key project phases, referenced in the task plan, providing clear milestones for input and decision-making. FCS prioritizes cost control through task-specific staffing and proactive scope development, while schedule adherence is supported by detailed planning, early regulatory coordination, and strong team oversight. Upon project initiation, Doug will assess the schedule and develop a tailored project management plan including early identification of potential challenges. Check-in meetings will ensure alignment, accountability, and the timely achievement of project goals.

## QUALITY CONTROL & ASSURANCE MEASURES

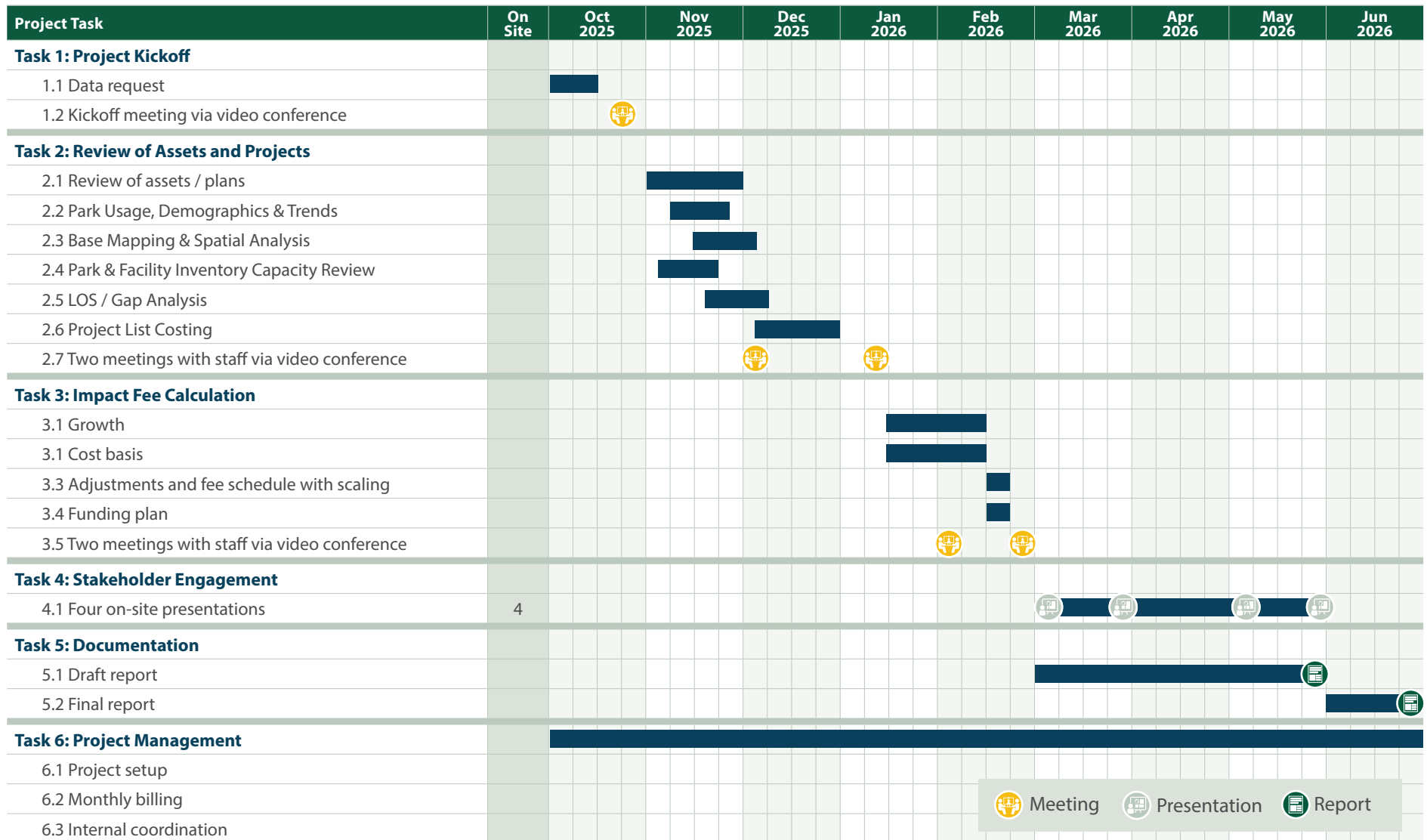
QA/QC is a continuous mindset that runs the course of the project and cannot be inserted intermittently or added at the end. Based on the scope of work, milestones will be tailored to exactly match the needs of each project, and for everyone involved with the project. All deliverables are reviewed first by the project manager and then by the project principal. These independent reviews ensure that the quality of our work product is maximized while errors and ambiguities are minimized. Before final delivery, a final technical and editorial review of each work product is made to ensure that the standard set at the beginning of the project has been achieved and goals have been reached.

## METHOD FOR PROJECT REPORTING

FCS prioritizes consistent communication with our clients, including the use of project reporting dashboards to provide timely updates on project status. These dashboards are updated at key milestones throughout the project and can be shared upon request at any time. Additionally, each invoice will include a progress summary for the billing period, while the five meetings outlined in Tasks 1–3 will provide structured opportunities to review progress and define next steps.

# Proposed Schedule

Assuming notice to proceed by the end of September and timely receipt of data, we expect to comfortably complete the task plan by the end of June, 2026. Below is a schedule by task. Please note that the schedule can be compressed if needed to meet City objectives.



# Pricing

FCS will complete the scope of work described above for a cost that will not exceed **\$79,890**. Below is a table showing a detailed derivation of this budget.

| Task Detail                                      | On Site | Ghilarducci Principal | Gabbard PM | Nelson Sr. Analyst | S. Duh PIC, PM, Lead Planner | J. Akers Planner, AICP, PLA | M. Kunec Park Planner | Admin Support | Total Hours | Budget Estimate |
|--------------------------------------------------|---------|-----------------------|------------|--------------------|------------------------------|-----------------------------|-----------------------|---------------|-------------|-----------------|
| <b>Task 1   Project Kickoff</b>                  |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 1.1 Data request                                 |         |                       | 1          | 2                  | 2                            |                             |                       |               | 5           | \$1,051         |
| 1.2 Kickoff meeting via video conference         |         | 2                     | 2          | 2                  | 4                            | 2                           |                       |               | 12          | \$2,760         |
| Task 1 Subtotal                                  |         | 2                     | 3          | 4                  | 6                            | 2                           |                       |               | 17          | \$3,811         |
| <b>Task 2   Review of Assets and Projects</b>    |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 2.1 Review of assets / plans                     |         |                       | 1          | 1                  | 6                            | 8                           |                       |               | 16          | \$3,260         |
| 2.2 Park Usage, Demographics & Trends            |         |                       |            |                    | 4                            | 5                           | 10                    |               | 19          | \$3,245         |
| 2.3 Base Mapping & Spatial Analysis              |         |                       |            |                    | 4                            |                             | 14                    |               | 18          | \$2,867         |
| 2.4 Park & Facility Inventory Capacity Review    |         |                       |            |                    | 4                            | 14                          |                       |               | 18          | \$3,528         |
| 2.5 LOS / Gap Analysis                           |         |                       |            |                    | 6                            | 10                          | 12                    |               | 28          | \$4,914         |
| 2.6 Project List Costing                         |         |                       |            |                    | 3                            | 5                           |                       |               | 8           | \$1,607         |
| 2.7 Two meetings with staff via video conference |         | 4                     | 4          | 4                  |                              |                             |                       |               | 12          | \$3,000         |
| Task 2 Subtotal                                  |         | 4                     | 5          | 5                  | 27                           | 42                          | 36                    |               | 119         | \$22,420        |
| <b>Task 3   Impact Fee Calculation</b>           |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 3.1 Growth                                       |         | 1                     | 2          | 8                  |                              |                             |                       |               | 11          | \$2,285         |
| 3.2 Cost basis                                   |         | 1                     | 2          | 12                 |                              |                             |                       |               | 15          | \$3,025         |
| 3.3 Adjustments and fee schedule with scaling    |         | 1                     | 1          | 4                  |                              |                             |                       |               | 6           | \$1,305         |
| 3.4 Funding plan                                 |         | 1                     | 1          | 4                  | 3                            | 5                           |                       |               | 14          | \$2,912         |
| 3.5 Two meetings with staff via video conference |         | 4                     | 4          | 4                  |                              |                             |                       |               | 12          | \$3,000         |
| Task 3 Subtotal                                  |         | 8                     | 10         | 32                 | 3                            | 5                           |                       |               | 58          | \$12,527        |
| <b>Task 4   Stakeholder Engagement</b>           |         |                       |            |                    |                              |                             |                       |               |             |                 |
| 4.1 Four on-site presentations                   | 4       | 16                    | 48         | 32                 | 8                            | 8                           |                       |               | 112         | \$25,916        |
| Task 4 Subtotal                                  | 4       | 16                    | 48         | 32                 | 8                            | 8                           |                       |               | 112         | \$25,916        |

# Pricing

| Task Detail                          | On Site | Ghilarducci Principal | Gabbard PM      | Nelson Sr. Analyst | S. Duh<br>PIC, PM, Lead Planner | J. Akers<br>Planner, AICP, PLA | M. Kunec<br>Park Planner | Admin Support | Total Hours | Budget Estimate |
|--------------------------------------|---------|-----------------------|-----------------|--------------------|---------------------------------|--------------------------------|--------------------------|---------------|-------------|-----------------|
| <b>Task 5   Documentation</b>        |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| 5.1 Draft report                     |         | 1                     | 4               | 16                 | 4                               |                                |                          |               | 25          | \$5,127         |
| 5.2 Final report                     |         | 1                     | 2               | 4                  | 4                               |                                |                          |               | 11          | \$2,427         |
| Task 5 Subtotal                      |         | 2                     | 6               | 20                 | 8                               | 0                              | 0                        | 0             | 36          | \$7,554         |
| <b>Task 6   Project Management</b>   |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| 6.1 Project setup                    |         | 1                     | 2               | 1                  |                                 |                                |                          | 3             | 7           | \$1,320         |
| 6.2 Monthly billing                  |         |                       | 2               |                    |                                 |                                |                          | 3             | 5           | \$810           |
| 6.3 Internal coordination            |         | 1                     | 4               | 2                  | 4                               | 4                              |                          |               | 15          | \$3,293         |
| Task 6 Subtotal                      |         | 2                     | 8               | 3                  | 4                               | 4                              | 0                        | 6             | 27          | \$5,423         |
| <b>Labor Total</b>                   |         | <b>\$11,050</b>       | <b>\$19,200</b> | <b>\$17,760</b>    | <b>\$12,348</b>                 | <b>\$11,529</b>                | <b>\$5,103</b>           | <b>\$660</b>  |             | <b>\$77,650</b> |
| Expenses                             |         |                       |                 |                    |                                 |                                |                          |               |             | \$2,000         |
| Conservation Technix Direct Expenses |         |                       |                 |                    |                                 |                                |                          |               |             | \$240           |
| <b>Budget Estimate</b>               |         |                       |                 |                    |                                 |                                |                          |               |             | <b>\$79,890</b> |
| <b>Cost Summary</b>                  |         |                       |                 |                    |                                 |                                |                          |               |             |                 |
| <b>Total Hours</b>                   |         | <b>34</b>             | <b>80</b>       | <b>96</b>          | <b>56</b>                       | <b>61</b>                      | <b>36</b>                | <b>6</b>      | <b>342</b>  |                 |
| <b>Billing Rate</b>                  |         | <b>\$325</b>          | <b>\$240</b>    | <b>\$185</b>       | <b>231</b>                      | <b>198</b>                     | <b>149</b>               | <b>\$110</b>  |             |                 |

# Qualifications and Project Lead & Team

## FCS OVERVIEW

**FCS, a Bowman company is one of the country's oldest and most respected providers of financial, economic, and utility management services in the public sector. FCS, established in 1988, joined Bowman Consulting in 2024 and serves as the utility finance division for Bowman.**

With over 4,000 economic and public finance engagements for more than 650 government clients, FCS provides best-in-class analytical solutions that offer our clients the clarity they need to solve their most complex issues in ways that are tailored to their own communities.

Our 35-person utility finance and rate development team serve clients throughout the U.S. from four offices in Longmont, CO, Redmond and Spokane, WA and Portland, OR.

We are dedicated exclusively to state and local government issues and have accumulated the expertise and perspective that make a real difference for the clients we serve.

**4,000<sup>+</sup>**

**Local Government & Utility  
Finance Projects**

**650<sup>+</sup>**

**Public Agency Clients**

**35<sup>+</sup>**

**Public Finance & Utility Rate  
Development Specialists**

**4**

**FCS Offices**

As of July 18, 2024, FCS officially joined Bowman. Bowman is a national professional services firm offering multi-disciplinary engineering, planning, energy consulting, surveying, geomatics, construction management, environmental consulting, landscape architecture, right-of-way acquisition and financial and economic services. This change provides a strong foundation for our firms to merge our comprehensive skill sets while offering the same level of commitment to deliver outstanding project results, build long-lasting relationships and leverage the growth of our organization to serve the ever-changing needs of our clients.



# Qualifications and Project Lead & Team

## AREAS OF EXPERTISE

### Impact Fee and Rate Consulting

FCS has performed over 3,000 infrastructure-focused finance and rate development projects for local communities, including defining revenue requirements with comprehensive financial modeling tools, performing long-term capital management strategies, developing full cost-of-service rates, and legally defensible impact fees. We work with agencies large and small in urban and suburban areas, rural systems, regions with seasonal/climate sensitivities, and communities with special commercial/industrial needs. We are experts and educators in utility rate policies and practices and are attentive to legal constraints in every location we work.

We have invested time with agency staff, policymakers, stakeholders, and customers to improve your utility's long-term financial health and integrity.

### Utility Management

FCS offers tailored business management solutions. We assist with the formation and merger of utilities, perform cost-benefit analyses, develop strategic business plans and negotiate complicated wholesale agreements, helping your utility maintain its resiliency in an ever-changing environment.

### Economic and Funding Strategies

FCS economists help governments create vibrant sustainable communities. We model the fiscal and social return on public investments and provide creative ways of funding projects and services. Challenges turn into opportunities as we support goals aimed at fair housing and job creation.

### General Government Financial Analysis

FCS financial consultants specialize in helping local and state governments, regional agencies, and public safety entities address and solve issues involving policy objectives, public finance, cost recovery, facility financing and long-term facility reinvestment funding, and organizational performance. We have a broad understanding and specific expertise on local and state government policymaking; how the many different governmental functions are performed; and what role elected officials, the public, community organizations and employees have in making governments responsive to community needs.

## About Bowman

**100+** Offices Nationwide

**2,300+** Employees

**130+** Fully Equipped Field Survey Crews

**395+** Professional Engineers

**70+** Professional Surveyors

**75+** Right-of-Way and Land Professionals

**45+** Environmental Specialists

**40+** Planners and Designers

**35+** Financial/Economic Specialists

**25+** Registered Landscape Architects

- 
- Multi-Discipline, Multi-Market Capabilities
  - Vast Experience
  - National Footprint & Deep Bench of Talent and Resources
  - Regional Knowledge & Expertise
  - Adept & Energetic Leadership
  - Long-Standing Industry Relationships
  - Jurisdictional Requirements Expertise
  - Results-Oriented Attitude
  - Exceptional Responsiveness

## Qualifications and Project Lead & Team

### CONSERVATION TECHNIX OVERVIEW

Since 2006, Conservation Technix has assisted local government and non-profit organizations in efforts to finance and conserve greenspaces through innovative solutions and dynamic strategy development. Conservation Technix specializes in developing comprehensive park system master plans that address park and recreation facilities, open space and trails, programs and services, maintenance, and future staffing and funding strategies.

Through significant and relevant experience in public administration and management, Conservation Technix's staff have "on the ground" knowledge of plan implementation, marketing and finance strategy development, along with a keen understanding of the requisite integration of capital facility planning, budgeting and operations.

Conservation Technix's approach to open space planning enables substantial public involvement and engenders guidance from policymakers to ensure an implementable plan adapted to specific community goals. At our core, we are a planning firm that embraces and respects community-based public processes and aims to use public engagement to build community understanding for and support in client projects.

The firm is registered in Washington and has completed recent park system plan updates for Redmond, Sammamish, Mercer Island and Edmonds, among others.

# Qualifications and Project Lead & Team

FCS is promoting a small, focused team who will be available and committed to working on this engagement for its duration. John Ghilarducci, principal-in-charge, will anchor your team as a nationally recognized policy and impact fee development expert. He will be supported by project manager Doug Gabbard and a team of experienced analysts and project consultants. With a staff that includes over 30 rate and fee development experts, FCS maintains the necessary depth, breadth, and capacity to deliver this project on time and within budget. The following biographies summarize each individual’s experience and education and project role.



## John Ghilarducci | Principal-in-Charge

John is an FCS principal with over 37 years of professional experience – including 34 years with the firm. His practice focuses on all aspects of utility and general services system development charges (SDCs) and utility rate studies, from technical modeling and public involvement to ordinance drafting and implementation. He has formed stormwater and transportation utilities and has developed water, sewer, stormwater, transportation and parks rates and charges for hundreds of clients. John is a recognized technical rate and finance expert and offers litigation support/expert witness testimony throughout the Northwest.

### Role

As the principal-in-charge, John will be responsible for contract negotiation, technical vision, management and review of work products, commitment of resources, quality assurance, and deliverables.

John’s innovative rate making approaches have resulted in “level of service” stormwater rates, area-specific impact fees, sewer strength sub-classes, inverted block water rate structures, defensible stormwater rate credit methodologies, person-trip based transportation impact fees suitable for multi-modal transportation capital plans, and nonresidential and scaled residential park impact fees. He offers a broad knowledge of public policy and finance, and a thorough understanding of the institutional issues and options underlying the formation of utilities and the design of supporting rate and charge structures. **His project experience includes:**

- **City Of Kirkland, WA** – Parks, Transportation & Fire Impact Fees Study
- **City Of Fife, WA** – Park Impact Fee Study
- **City Of Camas, WA** – Park Impact Fee Study
- **City Of Pacific, WA** – Park Impact Fee Study
- **City Of Issaquah, WA** – Park, Transportation & Fire Impact Fees
- **City Of Kent, WA** – Park Impact Fee Study
- **City Of Federal Way** – Park Impact Fee
- **Pierce County, WA** – Park Impact Fee Work Group
- **City Of Olympia, WA** – Park Impact Fee Update
- **City Of Sammamish, WA** – Park & Transportation Impact Fees
- **City Of Astoria, OR** – Transportation, Parks, Water, Sewer & Stormwater Impact Fees

### Education

MPA, Organization and Management  
University of Washington  
  
BS, Economics  
University of Oregon

# Qualifications and Experience



## Doug Gabbard | Project Manager

Doug is an FCS, an Bowman company, project manager with 19 years of analytical experience in municipal and private sector positions. His comprehensive financial planning experience involves extensive water, wastewater, and stormwater utility rate development, long-term financial planning, and system development charges. Doug has created detailed, interactive models that facilitate sensitivity analysis and scenario testing to determine business direction in group decision-making environments. He has also conducted economic analyses, cost-of-service analyses, and business process improvement projects.

Doug has spent the last 13 years helping local governments in the Pacific Northwest to calculate and implement impact fees and system development charges that comply with state statutes and federal case law. In Washington, Doug has developed defensible, data-driven approaches to complying with recent changes in impact fee law that require residential scaling. In fact, his method for calculating the size cap for dwelling units has found its way into the guidance being developed by the Washington State Department of Commerce. **His project experience includes:**

- **City Of Kirkland, WA** – Parks, Transportation & Fire Impact Fees Study
- **City Of Pacific, WA** – Park Impact Fee Study
- **City Of Issaquah, WA** – Park, Transportation & Fire Impact Fees
- **City Of Kent, WA** – Park Impact Fee Study
- **Pierce County, WA** – Park Impact Fee Work Group
- **City Of Olympia, WA** – Park Impact Fee Update
- **City Of Sammamish, WA** – Park & Transportation Impact Fees

### Education

MBA, Finance  
University of Oregon  
  
BA, Classical Languages  
Santa Clara University



## Luke Nelson | Senior Analyst

Luke is an FCS, a Bowman company senior analyst specializing in data analysis and utility modeling. His previous experience includes financial reporting, budgeting, and database management. Luke played a key role in developing approaches to complying with recent changes in Washington impact fee law. **His project experience includes:**

- **Kirkland, WA** – Park, Transportation, and Fire Impact Fee Study
- **Pasco, WA** – Fire Impact Fee Update Study
- **Valley Regional Fire Authority, WA** – Fire Impact Fee Study
- **Pacific, WA** – Park Impact Fee
- **Sammamish, WA** – Transportation and Park Impact Fee Study

### Education

BS in Economics  
Washington State University

### Role

Doug will be responsible for project management, technical direction, project oversight, and quality assurance. He will be involved with preparing for and presenting at key meetings.

### Role

Luke will be responsible for data collection, financial modeling and reporting.

# Qualifications and Experience



## Steve Duh, CPRP | Conservation Technix

Steve is a Certified Park and Recreation Professional and has over 20 years of experience in public sector and non-profit program management. Steve brings six years of hands-on public agency experience as program manager for Vancouver-Clark Parks and Recreation Department where he helped establish a voter-approved parks district to enable a \$40 million program of park development, established an off-leash dog area program, managed the park impact fee program and led several interagency plans. Steve will lead the system planning, including policy frameworks, strategies and partnership opportunities. **His project experience includes:**

### Role

Steve will provide parks planning support.

- **Redmond, WA** – Park System Plan Update
- **Sammamish, WA** – Park System Plan Update
- **Edmonds, WA** – Parks, Recreation & Open Space Plan Update
- **Mercer Island, WA** – Parks, Recreation & Open Space Plan
- **Tacoma, WA** – Urban Forestry Management Plan Public Engagement
- **Happy Valley, OR** – Parks, Recreation & Open Space Plan

### Education

Master’s degree, Urban and Regional Planning  
Portland State University  
  
Bachelor of Science, Environmental Science  
SUNY College of Environmental Science & Forestry  
  
NRPA Rocky Mountain Revenue Management School

## FCS & Conservation Technix Teaming History

Since the establishment of their partnership in 2015, FCS Group and Conservation Technix have cultivated a strong and collaborative relationship grounded in mutual expertise and a shared commitment to serving communities across the Pacific Northwest. Over the past decade, both firms have worked together extensively to support a variety of municipalities, developing a deep understanding of regional planning needs and priorities.

Their collaboration has included joint efforts on multiple Parks and Recreation impact studies for cities such as Camas, Happy Valley, Medford, North Clackamas, and Tigard. These projects have involved coordinated assessments of parks infrastructure, service levels, and funding mechanisms, contributing to data-driven planning and long-term community benefits. Through this ongoing partnership, FCS and Conservation Technix have demonstrated their capacity to deliver cohesive, regionally informed solutions tailored to the unique needs of their clients.





# Project Experience

## Parks, Transportation and Fire Impact Fee Studies (2022 – 2024)

*City of Kirkland, WA*

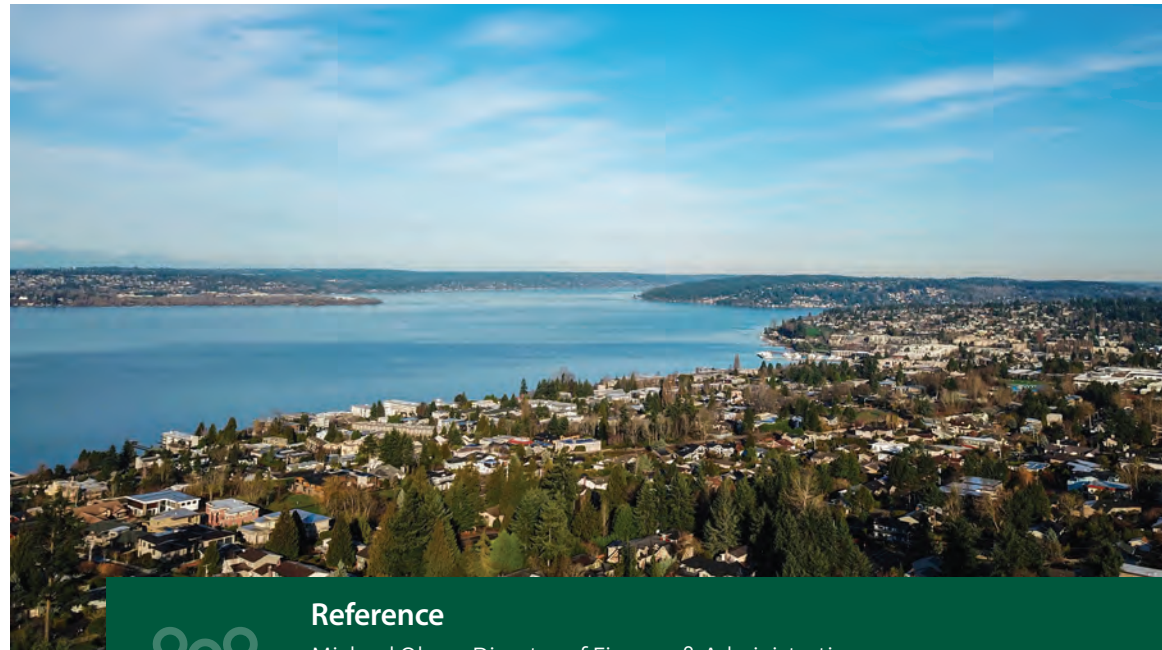
FCS recently completed a comprehensive parks, transportation, and fire impact fee update of a similar study FCS performed in 2020. FCS also completed a water, wastewater, and stormwater SDC update in 2022. **See Work Sample on page 23 for project report.**

### Project Highlights

- Updated the existing transportation and park impact fees and developed the City's first fire impact fee in 2020.
- Developed residential scaling options for parks, fire, and transportation impact fees in compliance with RCW 82.02.060.
- Wrote a policy memorandum that included analysis and recommendations on such issues as impact fee indexing, low-income housing exemptions, and methodology and adjustment options for all three services.
- Incorporated King County residential scaling into the wastewater SDC schedule, varying the number of RCEs by dwelling unit square footage.
- In all cases, calculated fee and SDC options and presented them to the City Council for consideration.

### Key Personnel

John Ghilarducci, Principal-in-Charge  
Doug Gabbard, Project Manager



### Reference

Michael Olson, Director of Finance & Administration  
425.587.3146, molson@kirklandwa.gov

# Project Experience

## Park Impact Fee Studies (2017 – 2022)

*City of Federal Way, WA*

FCS recently developed a scaled park impact fee to comply with RCW 82.02.060. Previously, in 2022, FCS performed a park impact fee study for the City. The City had never had a PIF before the study and was interested in incorporating the funding of over \$60 million worth of parks projects planned for the next twenty years. **See Work Sample on page 23 for project report.**

### Project Highlights

- Developed a flexible and well-documented PIF model that accommodated multiple revisions.
- Calculated a competitively low impact fee, reflecting the City's mature park system and limited existing facilities due to recent incorporation.
- Collaborated closely with City staff on comprehensive planning and ordinance drafting to support smooth adoption.
- Guided the ordinance through a multi-stage adoption process, including revisions and planning alignment.
- Presented to stakeholder groups and City Council, addressing questions and supporting successful ordinance adoption.

### Key Personnel

John Ghilarducci, Principal-in-Charge



### Reference

Jason Gerwen, Parks & Facilities Deputy Director  
253.835.6912, [jason.gerwen@cityoffederalway.com](mailto:jason.gerwen@cityoffederalway.com)

## Project Experience

### Park Impact Fee Study (2017 – 2022)

*City of Camas, WA*

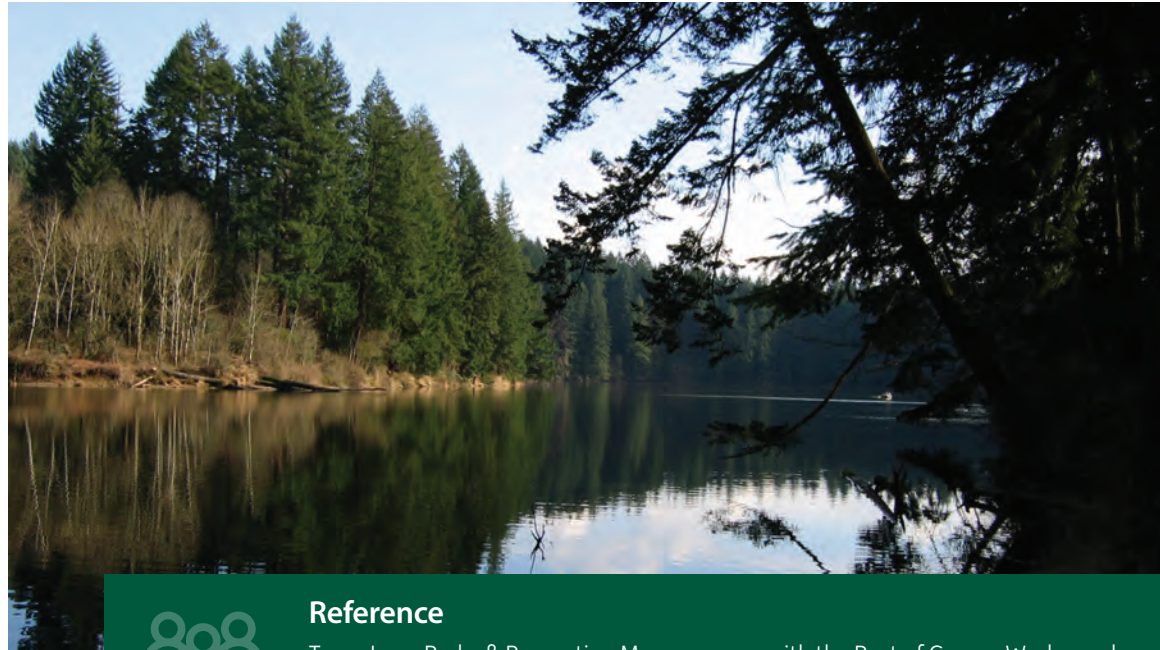
In 2022 and 2025, FCS led efforts to update the Camas Park Impact Fee. FCS wrote issue papers on impact fee calculation methodologies, nonresidential PIFs, scaling, and uniform versus area-specific impact fees. A recently completed Parks Master Plan provided a baseline projects list which was augmented by construction unit costs to determine a current impact fee cost basis. The updated cost basis was divided by the number of new residential equivalents to determine a per capita park impact fee. The per capita fee was converted to a schedule applied by dwelling unit type, scaled by dwelling unit size. Recommendations and the supporting methodology were adopted by the city. The resulting schedule included nonresidential fees and a scaled residential PIF.

#### Project Highlights

- Refined the policy direction and analytical results with City Staff, the Parks and Recreation Commission, and the City Council across many meetings.
- Provided direction throughout the adoption process including:
  1. PIF ordinance language and adoption direction
  2. Specific credit-related code language and advice on how to implement credits to comply with state law
  3. PIF methodology report

#### Key Personnel

John Ghilarducci, Principal-in-Charge



#### Reference

Trang Lam, Parks & Recreation Manager, now with the Port of Camas-Washougal  
360.835.2196, [trang@portcw.com](mailto:trang@portcw.com)



# Project Experience

## Park Impact Fee Study (2023)

*City of Pacific, WA*

Seeking greater revenue for parks facilities than its existing impact fee of \$468 per dwelling unit could provide, the City sought the help of FCS to recalculate its parks impact fee based on updated project lists and growth assumptions.

### Project Highlights

Not only did FCS calculate a maximum defensible impact fee of \$3,379 per dwelling unit, it guided the city council through a range of policy decisions:

- Should the maximum impact fee be implemented immediately, phased-in over a period of years, or discounted permanently?
- Should the City continue to impose a parks impact fee on non-residential development? If so, how does non-residential park demand compare with residential park demand?
- What is the best way to implement new state requirements on scaling impact fees based on the size of the dwelling unit?
- Provided clear explanations of options and helped councilors to weigh the trade-offs during an on-site presentation to City Council.
- Culminated in a 12-page report that documented not only the impact fee calculations, but also the policy issues raised by the City.

### Key Personnel

John Ghilarducci, Principal

Doug Gabbard, Project Manager



### Reference

Rick Gehrke, Public Works Director  
253.929.1113, [rgehrke@ci.pacific.wa.us](mailto:rgehrke@ci.pacific.wa.us)

# Project Experience

## Park Impact Fee Study (2020 – 2021)

*City of Kent, WA*

In 2021, FCS completed a park impact fee study for the City of Kent. As a rapidly growing city, with growth in residential housing and commercial development, Kent desired to implement an impact fee for its parks system to help fund future system expansion.

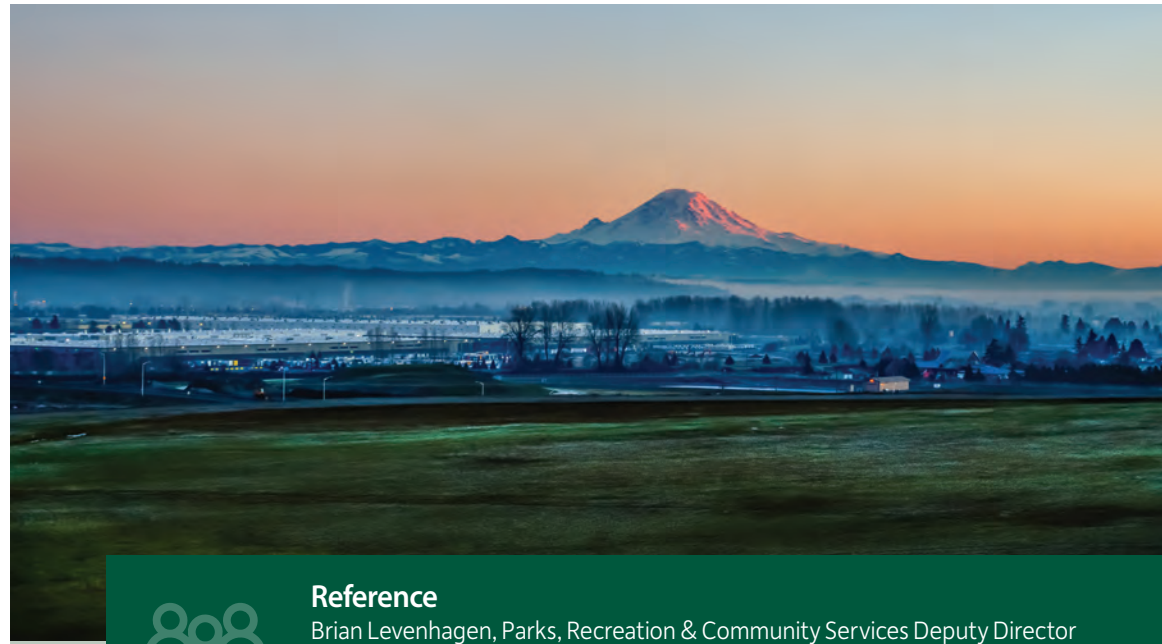
### Project Highlights

- Conducted a detailed legal analysis of Washington's impact fee laws, focusing on statutory restrictions and limitations.
- Authored a policy memo evaluating various impact fee approaches, including integration of non-residential development into park fees and potential effects on affordable housing.
- Incorporated the City's "Recreational Value" metric into the park impact fee level of service (LOS) analysis.
- Assessed multiple LOS methodologies to identify the most appropriate for the City's context.
- Collaborated with City staff to evaluate project eligibility based on park classifications (neighborhood, urban, community, etc.).
- Developed a fee schedule grounded in actual occupancy data from the City of Kent.
- Presented analysis and recommendations to City Council alongside City staff.
- Created a funding strategy for \$43M in park projects (2021–2026), with 28% of the CIP eligible for impact fee funding.
- Benchmarked proposed fees against neighboring jurisdictions, confirming alignment with regional norms.

### Key Personnel

John Ghilarducci, Principal

Doug Gabbard, Project Manager



### Reference

Brian Levenhagen, Parks, Recreation & Community Services Deputy Director  
253.856.5116  
bjlevenhagen@kentwa.gov

## References

1

### City of Kirkland, WA

Michael Olson  
Director of Finance & Administration  
425.587.3146  
molson@kirklandwa.gov

2

### City of Federal Way, WA

Jason Gerwen  
Parks & Facilities Deputy Director  
253.835.6912  
jason.gerwen@cityoffederalway.com

3

### City of Camas, WA

Trang Lam, Parks & Recreation Manager  
(now with the Port of Camas-Washougal)  
360.835.2196  
trang@portcw.com

4

### City of Pacific, WA

Rick Gehrke  
Public Works Director  
253.929.1113  
rgehrke@ci.pacific.wa.us

5

### City of Kent, WA

Brian Levenhagen  
Parks, Recreation & Community Services  
Deputy Director  
253.856.5116  
bjlevenhagen@kentwa.gov

# Client List

## SELECTION OF NORTHWEST IMPACT FEE CLIENTS

FCS and our proposed team have completed hundreds of impact fee studies throughout the Northwest. We have used this broad experience to inform and enhance the “best practices” we apply in Washington. The following are just a few examples of related engagements in Washington and other select states.

| Client               | Scaling | Parks | Transportation | EMS/ Police/ Fire | Utilities | Building/ Planning | Library/Schools |
|----------------------|---------|-------|----------------|-------------------|-----------|--------------------|-----------------|
| Airway Heights, WA   |         |       |                | •                 | •         |                    | •               |
| Algona, WA           |         |       | •              |                   |           |                    |                 |
| Auburn, WA           |         |       |                | •                 | •         | •                  |                 |
| Astoria, OR          | •       | •     |                | •                 | •         |                    |                 |
| Aurora, CO           |         |       |                |                   | •         |                    |                 |
| Bellevue, WA         | •       | •     |                |                   |           |                    |                 |
| Bellingham, WA       |         | •     |                | •                 | •         | •                  | •               |
| Bonney Lake, WA      | •       | •     | •              |                   |           |                    |                 |
| Bothell, WA          |         |       |                |                   | •         | •                  |                 |
| Camas, WA            | •       | •     |                | •                 |           |                    |                 |
| Canby, OR            |         | •     | •              |                   | •         | •                  | •               |
| Central Point, OR    |         | •     | •              |                   | •         |                    |                 |
| Cheyenne, WY         |         |       |                |                   | •         |                    |                 |
| Clackamas County, OR |         |       |                | •                 |           |                    |                 |
| Coburg, OR           |         | •     | •              |                   | •         |                    |                 |
| Coeur d' Alene, ID   |         | •     | •              | •                 | •         |                    |                 |
| Corvallis, OR        | •       | •     | •              |                   | •         |                    |                 |
| Cottage Grove, OR    |         | •     | •              |                   | •         |                    |                 |
| Duvall, WA           | •       | •     |                |                   |           |                    |                 |
| Evans, CO            |         |       |                |                   | •         |                    |                 |
| Federal Way, WA      | •       | •     |                |                   |           |                    |                 |
| Fife, WA             | •       | •     |                |                   |           |                    |                 |
| Forest Grove, OR     |         |       |                |                   | •         |                    | •               |
| Friday Harbor, WA    |         |       |                | •                 |           |                    |                 |
| Happy Valley, OR     |         | •     | •              |                   |           |                    |                 |
| Hayden, ID           |         | •     | •              | •                 | •         | •                  |                 |

## Client List

| Client                             | Scaling | Parks | Transportation | EMS/ Police/ Fire | Utilities | Building/Planning | Library/Schools |
|------------------------------------|---------|-------|----------------|-------------------|-----------|-------------------|-----------------|
| Hillsboro, OR                      |         |       | •              |                   |           |                   |                 |
| Hood River, OR                     |         | •     | •              |                   | •         |                   |                 |
| Issaquah, WA                       | •       | •     | •              | •                 |           | •                 |                 |
| Kennewick, WA                      |         |       |                | •                 |           |                   |                 |
| Kent, WA                           |         | •     |                |                   |           |                   |                 |
| Kirkland, WA                       | •       | •     | •              | •                 | •         | •                 |                 |
| Long Beach, CA                     |         |       |                | •                 |           |                   |                 |
| Maple Valley, WA                   | •       | •     |                |                   |           |                   |                 |
| Medford, OR                        |         | •     |                |                   |           |                   |                 |
| Nampa, ID                          |         |       |                |                   | •         |                   |                 |
| Newport, OR                        | •       | •     | •              |                   | •         |                   |                 |
| North Bend, WA                     | •       | •     | •              | •                 |           |                   |                 |
| Oak Harbor, WA                     | •       | •     | •              | •                 |           |                   | •               |
| Olympia, WA                        |         | •     |                |                   |           | •                 |                 |
| Oregon City, OR                    |         | •     | •              | •                 | •         |                   |                 |
| Pacific, WA                        | •       | •     |                |                   |           |                   |                 |
| Pasco, WA                          |         |       | •              | •                 |           |                   |                 |
| Pierce County, WA                  | •       | •     |                |                   |           |                   |                 |
| Post Falls, ID                     |         |       |                |                   | •         |                   |                 |
| Puyallup, WA                       |         | •     |                | •                 |           |                   |                 |
| Sammamish, WA                      | •       | •     | •              |                   |           |                   |                 |
| Seattle, WA                        |         | •     |                |                   |           |                   |                 |
| Shady Cove, OR                     |         | •     | •              |                   | •         |                   |                 |
| Silverton, OR                      | •       | •     | •              |                   | •         |                   |                 |
| St Helens, OR                      |         | •     | •              |                   | •         |                   |                 |
| Troutdale, OR                      |         |       | •              |                   | •         |                   |                 |
| University Place, WA               |         |       | •              |                   |           |                   |                 |
| Valley Regional Fire Authority, WA | •       |       |                | •                 |           |                   |                 |
| Vancouver, WA                      |         |       | •              | •                 |           | •                 |                 |
| Walla Walla, WA                    |         |       |                | •                 | •         | •                 |                 |
| Whitefish, MT                      |         | •     | •              | •                 | •         |                   |                 |

# Work Samples

Please reference **Appendix A** for these work samples in their entirety.

## SAMPLE REPORTS

City of Kirkland, WA

FIRE AND PARKS  
IMPACT FEE  
UPDATE  
Final Report  
December 2020

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.887.1802

Oregon  
5335 Meadows Road, Suite 330  
Lake Oswego, OR 97035  
503.641.6543

Colorado  
PO Box 19114  
Boulder, CO 80321-9998  
726.284.9168

www.fcsgroup.com

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FCS GROUP

Solutions-Oriented Consulting

City of Federal Way Park Impact Fee Scaling

In 2023, the City of Federal Way (City) adopted a park impact fee (PIF) of \$2,200, applied uniformly to new dwelling units in the City. The corresponding methodology supported a maximum PIF of \$2,839 per dwelling unit, or \$1,048 per occupant. The Revised Code of Washington has since been amended to require the scaling of impact fees by dwelling unit size, number of bedrooms, or trips generated. To comply with these new requirements, the City engaged FCS, a Bowman company, to develop a scaling approach for the PIF. This memo provides a summary of the resulting proposed scaling approach.

Background

RCW 82.02.060(1) states that a park impact fee schedule "shall reflect the proportionate impact of new housing units... based on the square footage, number of bedrooms, or trips generated... in order to produce a proportionally lower impact fee for smaller housing units." Jurisdictions in Washington are responding to these new requirements in a variety of ways. Some, like the City of Everett, scale by the number of bedrooms. Many others, like the City of Camas, scale by the size of the dwelling unit in square feet.

The best measure of potential parks demand created by new residential units is the number of residents that will occupy each dwelling unit. Therefore, the question of how to scale residential SDCs is really a question of estimating the number of occupants per dwelling unit. The approach described herein incorporates the nexus between dwelling unit square footage and the average number of occupants. Note that additional new requirements in RCW 36.70A.681 place limits on charging impact fees to accessory dwelling units, stating that a city "may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit..."

Analysis

American Housing Survey data for the Seattle Metro region states that, to a point, square footage is positively correlated with the number of occupants. That point is calculated to be 3,124 square feet. The correlation is shown graphically in **Exhibit 1** below.

Exhibit 1: Occupancy by House Size in Seattle Metro Area (2021)

| House Size (sq ft) | Average Number of Occupants |
|--------------------|-----------------------------|
| 1,000              | 1.5                         |
| 1,200              | 1.7                         |
| 1,400              | 1.9                         |
| 1,600              | 2.1                         |
| 1,800              | 2.3                         |
| 2,000              | 2.4                         |
| 2,200              | 2.5                         |
| 2,400              | 2.6                         |
| 2,600              | 2.7                         |
| 2,800              | 2.8                         |
| 3,000              | 2.9                         |
| 3,200              | 3.0                         |
| 3,400              | 3.1                         |
| 3,600              | 3.2                         |
| 3,800              | 3.3                         |
| 4,000              | 3.4                         |

fcsgroup.com | bowman.com

The diagram below summarizes the basic outline of an impact fee calculation, and more detail is provided in the following bullets.

Existing Facilities Component

Eligible cost of capacity in existing facilities

+

Growth in system capacity

Future Facilities Component

Eligible cost of planned capacity increasing facilities

+

Growth in system capacity

Park Impact Fee

\$

=

per unit of capacity

The eligible cost of capacity in existing facilities is the cost of existing park facilities that will serve growth. For a parks impact fee, determining the capacity in the existing system available for growth starts with determining the amount of existing parks facilities that are required for existing users, commonly measured in park acres. One method for doing so first calculates the system's level-of-service after completion of the capital facilities plan. By applying that level-of-service target to the current population, the City can determine if it's currently meeting its level-of-service target. If the City has more park facilities (such as park acres) than needed based on its level-of-service target, the costs of such available facilities can be included in the existing facilities component of the impact fee.

The eligible portion of capacity increasing projects is the cost of future projects that will serve growth. Some projects are intended to only serve growth, some projects do not serve to increase the capacity of the City's park system, and some serve the City's current and future populations. Determining how projects fall into each category can again be done with a level-of-service calculation to estimate how many park acres (for example) are needed to serve growth given the City's level-of-service target. Other projects that do not add a measurable number of parks facilities may still be eligible if they will serve both existing and future users.

The growth in system demand is the anticipated growth in the City's population. However, as residents are not the only users of the City's park system, employees of businesses within will be included as well, at a separate rate that reflects the parks demand characteristics of commercial developments.

Finally, summing the existing facilities component with the future facilities component gives the fully calculated impact fee.

A large, dark green, stylized letter 'A' graphic that serves as a background element for the section header.

## Appendix A: Work Samples

# City of Kirkland, WA

## FIRE AND PARKS IMPACT FEE UPDATE

Final Report  
December 2020

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.867.1802

Oregon  
5335 Meadows Road, Suite 330  
Lake Oswego, OR 97035  
503.841.6543

Colorado  
PO Box 19114  
Boulder, CO 80301-9998  
719.284.9168

[www.fcsgroup.com](http://www.fcsgroup.com)

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**FCS GROUP**  
Solutions-Oriented Consulting



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## Section I. INTRODUCTION

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The City of Kirkland, Washington (City) is a growing city with increasing demands for parks facilities. To help offset the costs that these demands place upon the City, the City imposes a Parks Impact Fee of \$4,391 for a single-family home, and \$3,338 for a multi-family dwelling unit. This fee was intended to recover an equitable share of system costs from growth, recognizing both the investments in infrastructure that the City has made and the future investments that the City will have to make to provide capacity to serve growth. The parks impact fee was last studied in 2015, and the City Council adopted Park Impact fees based on this study, which became effective in 2016. The fees have been indexed to inflation over the intervening time period and have thus increased every year. In 2020, the City contracted with FCS GROUP to update the fee. In addition, the City requested an initial impact fee for its fire and emergency medical services, which is included in this report. The scope of work also included updating the City's Transportation Impact Fee, but finalizing that work has been put on hold pending updates to the City's Transportation Management Plan (TMP) expected in 2021. Those results will be summarized in a separate report when the new information has been incorporated.

Consistent with these objectives, this study included the following key elements:

- **Overview of Washington Laws and Methodology Alternatives.** We worked with City staff to examine previous impact fee methodologies and evaluate alternative approaches in compliance with Washington law.
- **Develop Policy Framework.** We worked with City staff to identify, analyze, and agree on key policy issues and direction.
- **Technical Analysis.** In this step, we worked with City staff to resolve technical issues, isolate the recoverable portion of existing and planned facilities costs, and calculate fee alternatives. The most important technical consideration involves the identification and inclusion of planned capacity-increasing project costs.
- **Documentation and Presentation.** In this step, we presented preliminary findings to the City Council and summarized findings and recommendations in this report.

## Section II. IMPACT FEE LEGAL OVERVIEW

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Impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution. Impact fees allow cities to recover some of the cost of expanding public facilities necessitated by growth. These fees allow “growth to pay for growth” in a fair and equitable manner. Impact fees have a specific definition and associated constraints in the state of Washington. Impact fees are allowed under RCW 82.02.050 through 82.02.110 and are permitted for:

- Public streets and roads
- Publicly owned parks, open space, and recreation facilities
- School facilities
- Fire protection facilities

The statute provides specific guidance on the permissible methodology for calculating impact fees. This guidance can be broken down into three major categories:

**1. Eligibility Requirements.** RCW 82.02.050(3) states that impact fees:

- a. Shall only be imposed for system improvements that are reasonably related to the new development;
- b. Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and;
- c. Shall only be used for system improvements that will reasonably benefit the new development.

These requirements, which exist to protect developers, ensure that impact fees are based on—and spent for—capacity that will directly or indirectly serve new development. That is why careful scrutiny is given to the included project list. Moreover, the impact fee that a developer pays must represent that particular development’s fair share of required capacity. That is why developments pay a unique fee based on land use, anticipated occupancy, and size.

Additionally, RCW 82.02.050(5) states that “Impact fees may be collected and spent only for the public facilities . . . which are addressed by the capital facilities plan element of a comprehensive land use plan.” This means that if a project is not listed in the adopted capital facilities plan element, then it is not eligible to be included in impact fee calculations.

**2. Cost Basis.** RCW 82.02.060(1) outlines the cost basis of impact fee calculations, stating that the basis must consider:

- a. The cost of public facilities necessitated by new development;
- b. An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or pro-ratable to the particular system improvement;

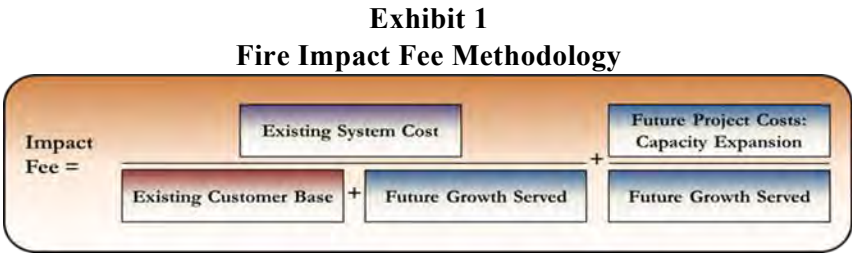
- c. The availability of other means of funding public facility improvements;
- d. The cost of existing public facilities improvements; and
- e. The methods by which public facilities improvements were financed.

This means that adjustments to the impact fee cost basis must be made for the amount of outstanding debt that was or will be used to pay for capital facility improvements, as well as other methods of funding public facilities improvements.

3. **Customer Base.** The costs determined to be eligible must be proportionately allocated across the projected customer base.

# Section III. FIRE IMPACT FEE

The City does not currently have a fire impact fee. Therefore, instead of an update using an existing methodology, a new methodology must be applied. This study uses the *buy in plus growth method*, meaning that the impact fee is comprised of two separate parts: the existing cost component and the future cost component. Conceptually, this recognizes that the new customer is not fully served by the existing system, as evidenced by the need to make additional expansion investments. An expansion charge is added to this existing system charge by dividing the expansion portion of future capacity investments by the projected growth. The existing cost component consists of the existing system cost, divided by the existing customer base *plus* the future growth served. The future cost component consists of the capacity expanding portion of future projects, divided by *only* future growth served. These two components are then added together to create the fire impact fee. This methodology is shown in **Exhibit 1**.



Each of these components requires explanation and is examined in detail below.

## III.A. EXISTING SYSTEM COST

The existing system cost is simply the cost of the City’s existing assets used to provide fire and EMS services. This primarily consists of fire apparatus (including engines, aid cars, and marine units), miscellaneous equipment, and fire stations that are currently in service. The included assets are shown in **Exhibit 2** and **3**.

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**Exhibit 2**  
**Fire Apparatus**

| Veh #          | Acquisition |             | Original Cost |
|----------------|-------------|-------------|---------------|
|                | Date        | Useful Life |               |
| F-612          | 2003        | 18          | \$ 355,048    |
| F-613A         | 2005        | 18          | 169,694       |
| F-213          | 2006        | 8           | 58,314        |
| F-613B         | 2006        | 18          | 233,605       |
| F403B          | 2007        | 17          | 4,814         |
| F-613C         | 2007        | 17          | 632           |
| F-216          | 2008        | 8           | 66,368        |
| F-318A         | 2010        | 8           | 188,990       |
| F-614A         | 2010        | 18          | 542,752       |
| F-614B         | 2010        | 18          | 244           |
| F-318B         | 2011        | 8           | 1,243         |
| F-614C         | 2011        | 18          | 2,163         |
| F-319A         | 2012        | 8           | 197,374       |
| F-615A         | 2012        | 18          | 269,200       |
| F-319B         | 2013        | 8           | 330           |
| F-615B         | 2013        | 18          | 311,091       |
| F-320          | 2014        | 8           | 211,243       |
| F-321          | 2014        | 8           | 211,455       |
| F-507A         | 2014        | 8           | 2,403         |
| F-615C         | 2014        | 17          | 2,947         |
| F-322A         | 2015        | 8           | 225,148       |
| F-323A         | 2015        | 8           | 225,148       |
| F-507B         | 2015        | 18          | 1,215,767     |
| F-616A         | 2015        | 18          | 603,529       |
| Marine-1       | 2015        | 10          | 38,690        |
| Marine-2       | 2015        | 10          | 38,690        |
| F-318C         | 2016        | 8           | 40,359        |
| F-319C         | 2016        | 8           | 40,359        |
| F-322B         | 2016        | 8           | 42,739        |
| F-323B         | 2016        | 8           | 42,769        |
| F-507C         | 2016        | 8           | 1,349         |
| F-616B         | 2016        | 8           | 23            |
| F-617          | 2017        | 18          | 665,441       |
| F 617          | 2018        | 18          | 22,418        |
| F214X          | 2006        | 8           | 26,964        |
| F222           | 2014        | 8           | 31,265        |
| F223           | 2014        | 8           | 31,265        |
| F224           | 2014        | 8           | 31,265        |
| F225           | 2014        | 8           | 31,265        |
| Included Total |             |             | \$ 6,184,368  |

The total apparatus cost is \$6.2 million. The other major component of the City's assets is its fire stations, which total \$8.5 million.

**Exhibit 3**  
**City Fire Stations**

| Station                     | Year Acquired | Original Cost       |
|-----------------------------|---------------|---------------------|
| Fire Station #21            | 1998          | \$ 1,352,826        |
| Fire Station #22            | 1980          | 662,700             |
| Fire Station #26            | 1994          | 1,588,088           |
| FS#25 (FD41 Annex)          | 2011          | 1,078,600           |
| Fire Station #25 Renovation | 2018          | 3,653,513           |
| FS#27 (FD41 Annex)          | 2011          | 213,700             |
| <b>Total</b>                |               | <b>\$ 8,549,428</b> |

Combined with \$379,317 in included miscellaneous equipment, the total existing cost component can be calculated as shown in **Exhibit 4** below and totaling \$15,113,113.

**Exhibit 4**  
**Existing Cost Component**

| Asset Category                 | Cost                 |
|--------------------------------|----------------------|
| Apparatus                      | \$ 6,184,368         |
| Miscellaneous Equip.           | 379,317              |
| Stations                       | 8,549,428            |
| <b>Existing Cost Component</b> | <b>\$ 15,113,113</b> |

**III.B. CUSTOMER BASE**

The next step is to calculate the existing customer base. The City provided the number of dwelling units in the City in 2015, along with the area (in square feet) of various nonresidential land use types. Based on the City's comprehensive plan, anticipated development by 2035 and annual growth rates could be calculated as shown in **Exhibit 5**. Using the compound annual growth rate, the total amount of development in 2019 could be interpolated. Development in 2019 is the existing customer base, and the estimated development between 2020 and 2035 is the future customer base.

**Exhibit 5**  
**Development**

| Land Use            | Measurement   | 2015 Existing | Additional 2035 Development | Compound Annual Growth Rate | 2019 Development |
|---------------------|---------------|---------------|-----------------------------|-----------------------------|------------------|
| Commercial          | Sq. Ft.       | 4,063,759     | 889,766                     | 0.99%                       | 4,227,905        |
| Office & Industrial | Sq. Ft.       | 8,799,061     | 4,831,614                   | 2.21%                       | 9,604,008        |
| Schools             | Sq. Ft.       | 2,468,850     | 551,102                     | 1.01%                       | 2,570,371        |
| Health Care         | Sq. Ft.       | 2,017,135     | 450,269                     | 1.01%                       | 2,100,081        |
| Government          | Sq. Ft.       | 320,571       | 71,559                      | 1.01%                       | 333,753          |
| Single-Family       | Dwelling Unit | 20,451        | 3,511                       | 0.80%                       | 21,109           |
| Multifamily         | Dwelling Unit | 17,086        | 10,153                      | 2.36%                       | 18,756           |

The City provided response data from 2019, categorized by land use type. This was used to calculate the 2019 incident generation rate, or the number of incidents generated by each unit of development, as shown in **Exhibit 6**.

**Exhibit 6**  
**2019 Incident Generation Rate**

| Land Use            | Measurement   | 2019 Development | 2019 Incidents | 2019 Incident Generation Rate |
|---------------------|---------------|------------------|----------------|-------------------------------|
| Commercial          | Sq. Ft.       | 4,227,905        | 936            | 0.00022                       |
| Office & Industrial | Sq. Ft.       | 9,604,008        | 169            | 0.00002                       |
| Schools             | Sq. Ft.       | 2,570,371        | 220            | 0.00009                       |
| Health Care         | Sq. Ft.       | 2,100,081        | 1,092          | 0.00052                       |
| Government          | Sq. Ft.       | 333,753          | 162            | 0.00049                       |
| Single-Family       | Dwelling Unit | 21,109           | 2,903          | 0.13754                       |
| Multifamily         | Dwelling Unit | 18,756           | 2,157          | 0.11500                       |
| <b>Total</b>        |               |                  | <b>7,640</b>   |                               |

Assuming that incident generation rates across land use types remain the same, an incident forecast for 2035 can be prepared, as shown in **Exhibit 7**.

**Exhibit 7**  
**Incident Forecast**

| Land Use            | Measurement   | 2015 Existing | 2035 Development | 2019 Incident Generation Rate | 2035 Incident Forecast |
|---------------------|---------------|---------------|------------------|-------------------------------|------------------------|
| Commercial          | Sq. Ft.       | 4,063,759     | 4,953,525        | 0.00022                       | 1,097                  |
| Office & Industrial | Sq. Ft.       | 8,799,061     | 13,630,675       | 0.00002                       | 240                    |
| Schools             | Sq. Ft.       | 2,468,850     | 3,019,952        | 0.00009                       | 259                    |
| Health Care         | Sq. Ft.       | 2,017,135     | 2,467,404        | 0.00052                       | 1,283                  |
| Government          | Sq. Ft.       | 320,571       | 392,130          | 0.00049                       | 191                    |
| Single-Family       | Dwelling Unit | 20,451        | 23,962           | 0.13754                       | 3,296                  |
| Multifamily         | Dwelling Unit | 17,086        | 27,239           | 0.11500                       | 3,133                  |
| <b>Total</b>        |               |               |                  |                               | <b>9,497</b>           |

The annual number of incidents is expected to grow by 1,857 incidents between 2019 and 2035 (9,497 – 7,640 = 1,857). This results in a *growth eligibility percentage* of 19.56 percent.

$$1,857 \div 9,497 = 19.56\%$$

Unlike other City services, it is difficult to assign future investments as 100 percent growth related. Apparatus are mobile, and most of the growth within the City is projected to be infill and redevelopment. Thus, future projects will be assumed to serve both existing development and future growth. This means that future system investments will only be 19.56 percent eligible for inclusion in the future cost component.

### III.C. FUTURE COST COMPONENT

The City provided a capital improvement plan (CIP) that included both funded and unfunded projects. However, after discussions with City staff, it was determined that the unfunded portion of the CIP should be included in the impact fee cost basis only if the City's Proposition #1 levy failed at



the November 2020 election. The levy passed, so the projects listed in the unfunded portion of the CIP will be funded with levy funds instead, and not included in the impact fee study. The included CIP projects are shown in **Exhibit 8**.

### Exhibit 8 Future Projects

| Project Number                      | Project Title                             | Prior Year(s)<br>(not included) | 2019-2024 Total | Impact Fee<br>Eligibility | Impact Fee<br>Eligible Cost |
|-------------------------------------|-------------------------------------------|---------------------------------|-----------------|---------------------------|-----------------------------|
| <b>FIRE</b>                         |                                           |                                 |                 |                           |                             |
| PSC 06300                           | Air Fill Station Replacement              |                                 | 86,200          | 19.56%                    | 16,857                      |
| PSC 06600                           | Thermal Imaging Cameras                   |                                 | 93,400          | 19.56%                    | 18,265                      |
| PSC 07100                           | Self Contained Breathing Apparatus (SCBA) |                                 | 1,017,600       | 19.56%                    | 198,999                     |
| PSC 07600                           | Personal Protective Equipment             |                                 | 1,320,500       | 19.56%                    | 258,233                     |
| PSC 08000                           | Emergency Generators                      | 120,000                         | 120,000         | 19.56%                    | 46,934                      |
| PSC 08100                           | Fire Station 26 Training Prop             |                                 | 290,000         | 19.56%                    | 56,712                      |
| PSC 08200                           | Water Rescue Craft Storage & Lift         |                                 | 87,900          | 19.56%                    | 17,189                      |
| <b>FACILITIES</b>                   |                                           |                                 |                 |                           |                             |
| PSC 30021                           | Fire Station 24 Land Acquisition          | 4,437,530                       | 5,737,530       | 19.56%                    | 1,989,804                   |
| PSC 30022                           | Fire Station 24 Replacement               | 10,133,300                      | 16,890,908      | 19.56%                    | 5,284,772                   |
| Total Funded Public Safety Projects |                                           | \$ 14,690,830                   | \$ 25,644,038   |                           | \$ 7,887,764                |

The future cost to be included is \$25.6 million. When multiplied by the growth eligibility percentage calculated above, the future cost basis is \$7.9 million.

## III.D. IMPACT FEE CALCULATION

All the cost bases of the impact fee have now been calculated. However, as the impact fee will be charged based on individual land use type, each cost component must be distributed across the various land use types. This is done on the percentage of incidents in the relevant year (2019 for the current cost basis and 2035 for the future cost basis). **Exhibit 9** shows the distribution and resulting impact fee for apparatus costs.

### Exhibit 9 Apparatus Fee Calculation

| Land Use Type       | Unit of<br>Development | 2019 Incidents | 2019 Incident<br>Breakdown | Cost Basis:<br>\$ 6,184,368 | 2035<br>Development | Fee     |
|---------------------|------------------------|----------------|----------------------------|-----------------------------|---------------------|---------|
| Commercial          | Sq. Ft.                | 936            | 12.25%                     | \$ 757,740                  | 4,953,525           | \$ 0.15 |
| Office & Industrial | Sq. Ft.                | 169            | 2.21%                      | 136,642                     | 13,630,675          | 0.01    |
| Schools             | Sq. Ft.                | 220            | 2.88%                      | 178,344                     | 3,019,952           | 0.06    |
| Health Care         | Sq. Ft.                | 1,092          | 14.29%                     | 883,735                     | 2,467,404           | 0.36    |
| Government          | Sq. Ft.                | 162            | 2.12%                      | 131,318                     | 392,130             | 0.33    |
| Single-Family       | Dwelling Unit          | 2,903          | 38.01%                     | 2,350,415                   | 23,962              | 98.09   |
| Multifamily         | Dwelling Unit          | 2,157          | 28.24%                     | 1,746,174                   | 27,239              | 64.11   |
| Total               |                        | 7,640          | 100.00%                    | \$ 6,184,368                |                     |         |

**Exhibit 10** shows the distribution and resulting impact fee for fire stations and miscellaneous equipment costs.

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**Exhibit 10**  
**Stations and Miscellaneous Equipment Fee Calculation**

| Land Use Type       | Unit of Development | 2019 Incidents | 2019 Incident Breakdown | Cost Basis \$8,928,745 | 2035 Development | Fee     |
|---------------------|---------------------|----------------|-------------------------|------------------------|------------------|---------|
| Commercial          | Sq. Ft.             | 936            | 12.25%                  | \$ 1,093,995           | 4,953,525        | \$ 0.22 |
| Office & Industrial | Sq. Ft.             | 169            | 2.21%                   | 197,278                | 13,630,675       | 0.01    |
| Schools             | Sq. Ft.             | 220            | 2.88%                   | 257,486                | 3,019,952        | 0.09    |
| Health Care         | Sq. Ft.             | 1,092          | 14.29%                  | 1,275,901              | 2,467,404        | 0.52    |
| Government          | Sq. Ft.             | 162            | 2.12%                   | 189,592                | 392,130          | 0.48    |
| Single-Family       | Dwelling Unit       | 2,903          | 38.01%                  | 3,393,435              | 23,962           | 141.62  |
| Multifamily         | Dwelling Unit       | 2,157          | 28.24%                  | 2,521,057              | 27,239           | 92.55   |
| <b>Total</b>        |                     | <b>7,640</b>   | <b>100.00%</b>          | <b>\$ 8,928,745</b>    |                  |         |

Finally, the future cost basis is distributed in **Exhibit 11**. As the future cost basis is divided only by future growth, the incidents, incident breakdown, and development are different than in **Exhibits 9** and **10**.

**Exhibit 11**  
**Future Projects Fee Calculation**

| Land Use Type       | Unit of Development | 2035 Projected Incidents | 2035 Incident Breakdown | Cost Basis \$ 7,887,764 | Growth by 2035 | Fee     |
|---------------------|---------------------|--------------------------|-------------------------|-------------------------|----------------|---------|
| Commercial          | Sq. Ft.             | 1,097                    | 11.55%                  | \$ 910,885              | 889,766        | \$ 1.02 |
| Office & Industrial | Sq. Ft.             | 240                      | 2.52%                   | 198,977                 | 4,831,614      | 0.04    |
| Schools             | Sq. Ft.             | 259                      | 2.73%                   | 214,989                 | 551,102        | 0.39    |
| Health Care         | Sq. Ft.             | 1,283                    | 13.51%                  | 1,065,320               | 450,269        | 2.37    |
| Government          | Sq. Ft.             | 191                      | 2.01%                   | 158,301                 | 71,559         | 2.21    |
| Single-Family       | Dwelling Unit       | 3,296                    | 34.70%                  | 2,737,444               | 3,511          | 779.68  |
| Multifamily         | Dwelling Unit       | 3,133                    | 32.99%                  | 2,601,849               | 10,153         | 256.26  |
| <b>Total</b>        |                     | <b>9,497</b>             | <b>100.00%</b>          | <b>\$ 7,887,764</b>     |                |         |

The total fire impact fee is the sum of these three calculated fees, shown below in **Exhibit 12**.

**Exhibit 12**  
**Fire Impact Fee Schedule**

| Land Use Type       | Existing Fee Component | Future Fee Component | Total Fee | Unit of Development |
|---------------------|------------------------|----------------------|-----------|---------------------|
| Commercial          | \$ 0.37                | \$ 1.02              | \$ 1.40   | per Sq. Ft.         |
| Office & Industrial | 0.02                   | 0.04                 | 0.07      | per Sq. Ft.         |
| Schools             | 0.14                   | 0.39                 | 0.53      | per Sq. Ft.         |
| Health Care         | 0.88                   | 2.37                 | 3.24      | per Sq. Ft.         |
| Government          | 0.82                   | 2.21                 | 3.03      | per Sq. Ft.         |
| Single-Family       | 239.71                 | 779.68               | 1,019.38  | per Dwelling Unit   |
| Multifamily         | 156.66                 | 256.26               | 412.92    | per Dwelling Unit   |

Finally, the calculated fire impact fees can be multiplied by anticipated growth to forecast the revenue the City will receive if it fully adopts the fire impact fee.

**Exhibit 13**  
**Fire Impact Fee Revenue Forecast**

| Land Use Type           | Total Fee | Unit of Development | Growth by 2035 | Existing Component Revenue | Future Component Revenue |
|-------------------------|-----------|---------------------|----------------|----------------------------|--------------------------|
| Commercial              | \$ 1.40   | per Sq. Ft.         | 889,766        | \$ 332,614                 | \$ 910,885               |
| Office & Industrial     | 0.07      | per Sq. Ft.         | 4,831,614      | 118,363                    | 198,977                  |
| Schools                 | 0.53      | per Sq. Ft.         | 551,102        | 79,533                     | 214,989                  |
| Health Care             | 3.24      | per Sq. Ft.         | 450,269        | 394,105                    | 1,065,320                |
| Government              | 3.03      | per Sq. Ft.         | 71,559         | 58,562                     | 158,301                  |
| Single-Family           | 1,019.38  | per Dwelling Unit   | 3,511          | 841,610                    | 2,737,444                |
| Multifamily             | 412.92    | per Dwelling Unit   | 10,153         | 1,590,558                  | 2,601,849                |
| Total Revenue Generated |           |                     |                | \$ 3,415,346               | \$ 7,887,764             |

The total revenue generated is \$11.3 million. This represents 44% of the 2019-24 CIP shown in **Exhibit 8**.

FCS GROUP also surveyed neighboring jurisdictions to determine how the City's calculated fire impact fees fit into a regional context. The results of this survey are shown in **Exhibit 14**. Fire impact fees are not as common as other types of impact fees, but Kirkland's calculated fee is in line with those imposed by other Western Washington jurisdictions.

**Exhibit 14**  
**Fire Impact Fee Survey**

| City      | SFR      | MFR      |
|-----------|----------|----------|
| Issaquah  | \$ 2,213 | \$ 2,485 |
| Shoreline | 2,187    | 1,895    |
| Kirkland  | 1,019    | 413      |
| Renton    | 830      | 965      |
| Redmond   | 125      | 149      |
| Sammamish | N/A      | N/A      |
| Bellevue  | N/A      | N/A      |
| Sammamish | N/A      | N/A      |
| Vancouver | N/A      | N/A      |

## Section IV. PARKS IMPACT FEE

This section provides the detailed calculations of the maximum defensible parks impact fee. As the City already has an existing parks impact fee, this study uses the same investment-based methodology as was previously used. This approach is based on the total value of the City's park system, divided by the total applicable customer base. One change was made to the previous calculation. This impact fee uses residential equivalents (described below) that is added to the city population to account for the impacts of nonresidential development on City infrastructure.

### IV.A. CUSTOMER BASE

The first step is to calculate the parks capital value per person, or the value of the existing system divided by the user base. The City currently defines the user base of its park system as the City's population. However, an alternative methodology is based on *residential equivalents*, which measures and includes the additional impact of employees of businesses within the City on the parks system. The calculation of residential equivalents is shown below.

#### IV.A.1. Residential Equivalents

To charge parks impact fees to both residential and non-residential developments, we must estimate both (1) how much availability non-residential occupants (i.e., employees) have to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent data for both population and employment in Kirkland. As shown below, in 2017 (the most recent year for which both population and employment data were available), 86,080 residents lived in Kirkland, and 47,834 employees worked in Kirkland. Of these, 5,484 people both lived and worked in Kirkland, as shown in **Exhibit 15**.

**Exhibit 15**  
**Residents and Employees in Kirkland (2017)**

|                          | Living Inside<br>Kirkland | Living Outside<br>Kirkland | Total  |
|--------------------------|---------------------------|----------------------------|--------|
| Working inside Kirkland  | 5,484                     | 42,350                     | 47,834 |
| Working outside Kirkland | 39,184                    |                            |        |
| Not working              | 41,412                    |                            |        |
| <b>Total</b>             | <b>86,080</b>             |                            |        |

Source: WA OFM Population Statistics, US Census Bureau: OnTheMap Application

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Kirkland. For example, a resident of the City who was not working would have 112 hours per week available to use park facilities (7 days x 16 hours per day). The table below shows FCS GROUP's estimate of maximum time available for use. It is not an estimate of actual use.

**Exhibit 16**  
**Available Hours by Category**

| Hours per Week of Park Availability per Person, Residential Demand     | Living Inside Kirkland | Living Outside Kirkland |
|------------------------------------------------------------------------|------------------------|-------------------------|
| Working inside Kirkland                                                | 72                     | N/A                     |
| Working outside Kirkland                                               | 72                     | N/A                     |
| Not working                                                            | 112                    | N/A                     |
| Hours per Week of Park Availability per Person, Non-Residential Demand | Living Inside Kirkland | Living Outside Kirkland |
| Working inside Kirkland                                                | 10                     | 10                      |
| Working outside Kirkland                                               | N/A                    | N/A                     |
| Not working                                                            | N/A                    | N/A                     |

Source: FCS GROUP

When the hours of availability above are multiplied by the population and employee counts presented earlier, we can determine the relative parks demand of residents and employees. As shown in **Exhibit 17**, the parks demand of one employee is equivalent to the parks demand of 0.11 resident. Another way of understanding this is that the parks demand of 9.12 employees is equivalent to the parks demand of one resident.

**Exhibit 17**  
**Total Available Hours by Class**

| Total Hours per Week of Park Availability, 2017 | Residential Hours | Non-Residential Hours | Total Hours      |
|-------------------------------------------------|-------------------|-----------------------|------------------|
| Working inside Kirkland                         | 394,848           | 478,340               | 873,188          |
| Working outside Kirkland                        | 2,821,248         |                       | 2,821,248        |
| Not working                                     | 4,638,144         |                       | 4,638,144        |
| <b>Total</b>                                    | <b>7,854,240</b>  | <b>478,340</b>        | <b>8,332,580</b> |
| Hours per resident                              | 91.24             |                       |                  |
| Hours per employee                              |                   | 10.00                 |                  |
| <b>Employee Residential Equivalent</b>          |                   |                       | <b>0.110</b>     |

Source: Previous tables

## IV.A.2. Growth

The current (2020) demand for parks facilities is 96,121 residential equivalents. That number is the sum of 90,660 residents (based on the Washington State Office of Financial Management's official state population projections), and 5,461 residential equivalents for 49,832 employees. The number of employees is based on the 2017 number of employees, inflated to 2020 based on the City's planning data.

During the forecast period from 2020 to 2024, chosen to match the capital plan, residential population is expected to grow by 983 residents to a total of 91,643 residents. Population growth was forecast at 0.27 percent annually, and growth in employees forecast at 1.37 percent annually. As

shown in **Exhibit 18**, residential equivalents will grow by 1,289 residential equivalents to a total of 97,410 residential equivalents.

**Exhibit 18**  
**Growth in Residential Equivalents**

|                                      | 2017          | 2020          | 2024          | Growth from<br>2020 to 2024 |
|--------------------------------------|---------------|---------------|---------------|-----------------------------|
| Population                           | 86,080        | 90,660        | 91,643        | 983                         |
| Employees                            | 47,834        | 49,832        | 52,627        | 2,795                       |
| Residential Equivalent Employees     | 5,242         | 5,461         | 5,768         | 306                         |
| <b>Total Residential Equivalents</b> | <b>91,322</b> | <b>96,121</b> | <b>97,410</b> | <b>1,289</b>                |

As of the time of this report, the City had not determined whether to use residential equivalents as the customer base, which would allow it to charge nonresidential development, or to retain its current approach and charge only residential development. This report shows each calculation in parallel, so the differences between the two approaches are clear.

## IV.B. IMPACT FEE CALCULATION

The next step is to calculate the capital value per person or residential equivalent. This study is based on the previous valuations of the City park system, inflated by the actual rise in property assessed values in Kirkland between 2014 and 2020 (80.74 percent). This is shown in **Exhibit 19**.

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### Exhibit 19a Park System Inventory

| Name                           | 2014       |                   |                  | 2020                |                            |                             |                  |
|--------------------------------|------------|-------------------|------------------|---------------------|----------------------------|-----------------------------|------------------|
|                                | Land Value | Improvement Value | 2014 Total Value | Inflated Land Value | Inflated Improvement Value | Additional CIP Improvements | 2020 Total Value |
| 132nd Square Park              | \$ 466,000 | \$ 2,462,121      | \$ 2,928,121     | \$ 842,264          | \$ 4,450,121               | \$ 9,058                    | \$ 5,301,444     |
| Beach Property                 | 45,000     | -                 | 45,000           | 81,335              | -                          | -                           | 81,335           |
| Brookhaven Park                | 622,100    | 24,725            | 646,825          | 1,124,405           | 44,688                     | -                           | 1,169,093        |
| Carillon Woods                 | 9,634,000  | 180,920           | 9,814,920        | 17,412,823          | 327,001                    | -                           | 17,739,824       |
| Cedar View Park                | 465,500    | 101,500           | 567,000          | 841,361             | 183,455                    | -                           | 1,024,815        |
| Cotton Hill Park               | 803,000    | -                 | 803,000          | 1,451,370           | -                          | -                           | 1,451,370        |
| Crestwoods Park                | 13,784,500 | 2,457,493         | 16,241,993       | 24,914,579          | 4,441,756                  | -                           | 29,356,336       |
| David E. Brink Park            | 15,379,000 | 648,124           | 16,027,124       | 27,796,534          | 1,171,442                  | -                           | 28,967,975       |
| Edith Moulton Park             | 3,648,000  | 287,940           | 3,935,940        | 6,593,521           | 520,433                    | 1,878,356                   | 8,992,310        |
| Everest Park                   | 5,812,800  | 3,918,638         | 9,731,438        | 10,506,255          | 7,082,680                  | 409                         | 17,589,344       |
| Forbes Creek Park              | 2,852,000  | 524,875           | 3,376,875        | 5,154,803           | 948,677                    | -                           | 6,103,480        |
| Forbes Lake Park               | 1,382,000  | -                 | 1,382,000        | 2,497,874           | -                          | 140,602                     | 2,638,476        |
| Heritage Park                  | 16,215,500 | 2,091,641         | 18,307,141       | 29,308,452          | 3,780,504                  | -                           | 33,088,956       |
| Heronfield Wetlands            | 2,128,200  | 16,100            | 2,144,300        | 3,846,582           | 29,100                     | -                           | 3,875,682        |
| Highlands Park                 | 1,271,000  | 351,584           | 1,622,584        | 2,297,249           | 635,465                    | -                           | 2,932,714        |
| Houghton Beach Park            | 30,150,000 | 2,238,895         | 32,388,895       | 54,494,147          | 4,046,656                  | -                           | 58,540,803       |
| Juanita Bay Park               | 25,880,200 | 4,886,922         | 30,767,122       | 46,776,764          | 8,832,790                  | 2,759                       | 55,612,312       |
| Juanita Beach Park             | 10,752,000 | 9,210,079         | 19,962,079       | 19,433,535          | 16,646,614                 | 688,569                     | 36,768,717       |
| Juanita Heights Park           | 1,168,000  | 5,600             | 1,173,600        | 2,111,083           | 10,122                     | 736,033                     | 2,857,238        |
| Kingsgate Park                 | 1,293,000  | 5,000             | 1,298,000        | 2,337,013           | 9,037                      | -                           | 2,346,050        |
| Kiwanis Park                   | 8,282,000  | 16,000            | 8,298,000        | 14,969,172          | 28,919                     | -                           | 14,998,091       |
| Lake Ave W Street End Park     | 5,513,278  | 12,700            | 5,525,978        | 9,964,888           | 22,954                     | -                           | 9,987,843        |
| Marina Park                    | 12,000,000 | 5,573,669         | 17,573,669       | 21,689,213          | 10,074,040                 | 11,798                      | 31,775,051       |
| Mark Twain Park                | 624,000    | 874,062           | 1,498,062        | 1,127,839           | 1,579,810                  | -                           | 2,707,649        |
| Marsh Park                     | 16,950,000 | 705,526           | 17,655,526       | 30,636,013          | 1,275,192                  | 18,937                      | 31,930,142       |
| McAuliffe Park                 | 2,888,800  | 523,408           | 3,412,208        | 5,221,316           | 946,026                    | -                           | 6,167,342        |
| Neil-Landguth Wetland Park     | 140,000    | 5,000             | 145,000          | 253,041             | 9,037                      | -                           | 262,077          |
| North Kirkland Com Ctr Park    | 3,172,800  | 7,196,029         | 10,368,829       | 5,734,628           | 13,006,349                 | -                           | 18,740,977       |
| North Rose Hill Woodlands Park | 1,944,000  | 1,100,505         | 3,044,505        | 3,513,652           | 1,989,091                  | -                           | 5,502,743        |
| Ohde Avenue Pea Patch          | 666,000    | 2,250             | 668,250          | 1,203,751           | 4,067                      | -                           | 1,207,818        |
| Open Space 1138020240          | 189,000    | -                 | 189,000          | 341,605             | -                          | -                           | 341,605          |
| Open Space 1437900440          | 1,000      | -                 | 1,000            | 1,807               | -                          | -                           | 1,807            |
| Open Space 3295730200          | 1,000      | -                 | 1,000            | 1,807               | -                          | -                           | 1,807            |
| Open Space 3326059150          | 988,000    | -                 | 988,000          | 1,785,745           | -                          | -                           | 1,785,745        |
| Open Space 6639900214          | 177,000    | -                 | 177,000          | 319,916             | -                          | -                           | 319,916          |
| Open Space 3326059136          | 1,060,900  | -                 | 1,060,900        | 1,917,507           | -                          | -                           | 1,917,507        |
| Open Space 2426049132          | 651,000    | -                 | 651,000          | 1,176,640           | -                          | -                           | 1,176,640        |
| Open Space 2540800430          | 1,000      | -                 | 1,000            | 1,807               | -                          | -                           | 1,807            |
| Open Space 3261020380          | 5,000      | -                 | 5,000            | 9,037               | -                          | -                           | 9,037            |
| Open Space 3275740240          | 1,000      | -                 | 1,000            | 1,807               | -                          | -                           | 1,807            |
| Open Space 3754500950          | 476,000    | -                 | 476,000          | 860,339             | -                          | -                           | 860,339          |
| Open Space 6619910290          | 240,000    | -                 | 240,000          | 433,784             | -                          | -                           | 433,784          |

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### Exhibit 19b Park System Inventory cont.

| Name                              | 2014           |                   |                  | 2020                |                            |                             |                  |
|-----------------------------------|----------------|-------------------|------------------|---------------------|----------------------------|-----------------------------|------------------|
|                                   | Land Value     | Improvement Value | 2014 Total Value | Inflated Land Value | Inflated Improvement Value | Additional CIP Improvements | 2020 Total Value |
| Open Space 7016100600             | 536,000        | -                 | 536,000          | 968,785             | -                          |                             | 968,785          |
| Open Space 7016300061             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 7955060320             | 164,000        | -                 | 164,000          | 296,419             | -                          |                             | 296,419          |
| Open Space 9527000610             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 1119000270             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Open Space 3558910830             | 1,000          | -                 | 1,000            | 1,807               | -                          |                             | 1,807            |
| Peter Kirk Park                   | 27,181,400     | 17,367,453        | 44,548,853       | 49,128,597          | 31,390,532                 | 78,596                      | 80,597,726       |
| Phyllis A Needy - Houghton Nbr    | 422,000        | 363,653           | 785,653          | 762,737             | 657,278                    |                             | 1,420,015        |
| Reservoir Park                    | 718,000        | 150,300           | 868,300          | 1,297,738           | 271,657                    |                             | 1,569,395        |
| Rose Hill Meadows                 | 1,888,000      | 452,044           | 2,340,044        | 3,412,436           | 817,040                    |                             | 4,229,476        |
| Settler's Landing                 | 1,800,000      | 506,400           | 2,306,400        | 3,253,382           | 915,285                    |                             | 4,168,667        |
| Snyders Corner Park               | 772,000        | -                 | 772,000          | 1,395,339           | -                          |                             | 1,395,339        |
| South Norway Hill Park            | 2,553,400      | -                 | 2,553,400        | 4,615,103           | -                          |                             | 4,615,103        |
| South Rose Hill Park              | 450,000        | 480,721           | 930,721          | 813,345             | 868,872                    |                             | 1,682,217        |
| Spinney Homestead Park            | 3,896,000      | 718,878           | 4,614,878        | 7,041,764           | 1,299,324                  |                             | 8,341,088        |
| Street End Park                   | 299,891        | -                 | 299,891          | 542,033             | -                          |                             | 542,033          |
| Terrace Park                      | 865,700        | 397,787           | 1,263,487        | 1,564,696           | 718,974                    | 815                         | 2,284,485        |
| Tot Lot Park                      | 763,000        | 138,205           | 901,205          | 1,379,072           | 249,796                    | 4,372                       | 1,633,241        |
| Van Aalst Park                    | 1,788,000      | 260,160           | 2,048,160        | 3,231,693           | 470,222                    |                             | 3,701,915        |
| Watershed Park                    | 10,248,900     | -                 | 10,248,900       | 18,524,214          | -                          |                             | 18,524,214       |
| Waverly Beach Park                | 6,605,500      | 1,761,240         | 8,366,740        | 11,939,008          | 3,183,325                  | 1,301,710                   | 16,424,042       |
| Windsor Vista Park                | 977,000        | -                 | 977,000          | 1,765,863           | -                          |                             | 1,765,863        |
| Wivott Property                   | 131,000        | -                 | 131,000          | 236,774             | -                          |                             | 236,774          |
| Yarrow Bay Wetlands               | 3,209,600      | -                 | 3,209,600        | 5,801,141           | -                          |                             | 5,801,141        |
| Cross Kirkland Corridor Trail     | 1,000,000      | 4,102,560         | 5,102,560        | 1,807,434           | 7,415,108                  |                             | 9,222,542        |
| 2015 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 106,060                     | 106,060          |
| 2017 Neighborhood Park Land Acq   | -              | -                 | -                | -                   | -                          | 1,683,120                   | 1,683,120        |
| 2013 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 344,061                     | 344,061          |
| Totem Lk/CKC Land Acquisition     | -              | -                 | -                | -                   | -                          | 181,569                     | 181,569          |
| 2016 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 300,184                     | 300,184          |
| OO Denny Park Improvements        | -              | -                 | -                | -                   | -                          | 150,605                     | 150,605          |
| Parks Maintenance Center          | -              | -                 | -                | -                   | -                          | 10,816,907                  | 10,816,907       |
| PK Pool Liner Replacement         | -              | -                 | -                | -                   | -                          | 214,855                     | 214,855          |
| 2017 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 212,341                     | 212,341          |
| 2018 Neighborhood Park Land Acqui | -              | -                 | -                | -                   | -                          | 65,124                      | 65,124           |
| 2015 Dock Shoreline               | -              | -                 | -                | -                   | -                          | 328                         | 328              |
| Totem Lk/CKC Land Acquisition     | -              | -                 | -                | -                   | -                          | 125                         | 125              |
| Totem Lake Park Master Plan Ph. 1 | -              | -                 | -                | -                   | -                          | 996,231                     | 996,231          |
| 15/17/18 City School Partnership  | -              | -                 | -                | -                   | -                          | 161,253                     | 161,253          |
| 2018 City-School Partnership      | -              | -                 | -                | -                   | -                          | 161,253                     | 161,253          |
| Neighborhood Park Land Acquisi    | -              | -                 | -                | -                   | -                          | 3,000                       | 3,000            |
| [extra]                           | -              | -                 | -                | -                   | -                          | -                           | -                |
| Total                             | \$ 265,996,969 | \$ 72,120,702     | \$ 338,117,671   | \$ 480,772,071      | \$ 130,353,437             | \$ 20,269,029               | \$ 631,394,537   |

As shown, the value of the park system has increased from about \$338 million to \$631 million. This results in an increase in the capital value per person or residential equivalent, as shown in **Exhibit 20**.

### Exhibit 20 Capital Value per Person / Residential Equivalent

|                                      | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|--------------------------------------|----------------|------------------------------------|----------------------------------|
| Value of Parks Inventory             | \$ 338,118,273 | \$ 631,394,537                     | \$ 631,394,537                   |
| Population / Residential Equivalents | 82,590         | 90,660                             | 96,121                           |
| Capital Value Per Person / RE        | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |

Now that the capital value per resident or residential equivalent has been calculated, the next step is to calculate the value of parks needed for growth. This is the capital value calculated above,



multiplied by the forecasted growth. This represents the total investment that is eligible to be recovered through impact fees.

**Exhibit 21**  
**Value Needed for Growth**

|                               | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------------------|----------------|------------------------------------|----------------------------------|
| Capital Value per Person / RE | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |
| Growth of Population / REs    | 4,320          | 983                                | 1,289                            |
| Investment Needed for Growth  | \$ 17,685,809  | \$ 6,843,223                       | \$ 8,466,310                     |

The investment needed for growth has decreased from the previous study, due to the relatively short remaining planning period, and an anticipated decrease in the population growth rate. However, these values also need to be adjusted for consistency with the CIP. Under Washington state law, impact fees can only recover the growth-related cost of CIP projects that add capacity to the park system. The City provided a list of projects that would be completed through 2024, as well as an estimate of how much of each project would increase the capacity of the park system. This is shown in **Exhibit 22**.

**Exhibit 22**  
**Capital Improvement Program**

| Project Number             | Project Title                                         | 2019-2024 Total | Capacity Share | Eligible Cost |
|----------------------------|-------------------------------------------------------|-----------------|----------------|---------------|
| PKC 04900                  | Open Space, Park Land & Trail Acq Grant Match Program | 100,000         | 100%           | \$ 100,000    |
| PKC 06600                  | Parks, Play Areas & Accessibility Enhancements        | 1,115,000       | 0%             | -             |
| PKC 08711                  | Waverly Beach Park Renovation Phase II                | 515,000         | 0%             | -             |
| PKC 11901                  | Juanita Beach Park Bathhouse Replacement              | 1,208,311       | 13%            | 157,080       |
| PKC 11903                  | Juanita Beach Park Playground                         | 366,000         | 58%            | 212,280       |
| PKC 12100                  | Green Kirkland Forest Restoration Program             | 600,000         | 0%             | -             |
| PKC 13310                  | Dock & Shoreline Renovations                          | 1,660,000       | 0%             | -             |
| PKC 13330                  | Neighborhood Park Land Acquisition                    | 5,418,000       | 100%           | 5,418,000     |
| PKC 13400                  | 132nd Square Park Playfields Renovation               | 5,672,200       | 50%            | 2,836,100     |
| PKC 13420                  | 132nd Square Park Master Plan                         | 135,000         | 80%            | 108,000       |
| PKC 13530                  | Juanita Heights Park Trail                            | 243,800         | 100%           | 243,800       |
| PKC 13902                  | Totem Lake Park Development - Expanded Phase I        | 6,159,200       | 90%            | 5,543,280     |
| PKC 14200                  | Houghton Beach & Everest Park Restroom Repl. Design   | 85,000          | 0%             | -             |
| PKC 14700                  | Parks Maintenance Center                              | 2,958,351       | 14%            | 414,169       |
| PKC 15100                  | Park Facilities Life Cycle Projects                   | 950,000         | 0%             | -             |
| PKC 15400                  | Indoor Recreation & Aquatic Facility Study            | 160,000         | 100%           | 160,000       |
| PKC 15500                  | Finn Hill Neighborhood Green Loop Trail Master Plan   | 160,000         | 100%           | 160,000       |
| PKC 15600                  | Park Restrooms Renovation/Replacement Program         | 1,583,000       | 0%             | -             |
| PKC 15700                  | Neighborhood Park Development Program                 | 1,583,000       | 100%           | 1,583,000     |
| Total Funded Park Projects |                                                       | 30,671,862      | Total          | \$ 16,935,710 |

The total growth-related portion of the CIP is about \$16.9 million. As this value exceeds the investment needed for growth calculated in **Exhibit 21**, no adjustment is needed to reduce the investment needed for growth -- the adjustment percentage is 100 percent, as shown in **Exhibit 23**.

**Exhibit 23**  
**CIP Adjustment**

|                                        | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|----------------------------------------|----------------|------------------------------------|----------------------------------|
| Cost of CIP Projects that Add Capacity | \$ 6,857,400   | \$ 16,935,710                      | \$ 16,935,710                    |
| Investment Needed for Growth           | 17,685,809     | 6,843,223                          | 8,466,310                        |
| Adjustment Percentage                  | 39%            | 100%                               | 100%                             |

The penultimate step is to multiply the adjustment percentage by the capital value per person or residential equivalent calculated in **Exhibit 20**. This is the growth cost per person or residential equivalent, shown in **Exhibit 24**.

**Exhibit 24**  
**Growth Cost per Person / Residential Equivalent**

|                               | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------------------|----------------|------------------------------------|----------------------------------|
| Capital Value per Person / RE | \$ 4,094       | \$ 6,964                           | \$ 6,569                         |
| Adjustment Percentage         | 39%            | 100%                               | 100%                             |
| Growth Cost per Person / RE   | \$ 1,587       | \$ 6,964                           | \$ 6,569                         |

Finally, the growth cost per person or residential equivalent is multiplied by the Kirkland-specific average occupancy rates of various residential units or the residential equivalence (if applicable) to determine the parks impact fee.

**Exhibit 25**  
**Occupancy Rates by Dwelling Unit**

|                         | Previous Study Value | Current Study |
|-------------------------|----------------------|---------------|
| Single-Family           | 2.5                  | 2.5           |
| Multi-Family            | 1.9                  | 1.7           |
| Residential Suite       | N/A                  | 0.9           |
| Residential Equivalence | N/A                  | 0.1           |

This results in the calculated impact fees shown below.

**Exhibit 26**  
**Impact Fee per Unit of Development**

|                   | Previous Study | Current Study (w/o nonresidential) | Current Study (w/nonresidential) |
|-------------------|----------------|------------------------------------|----------------------------------|
| Single-Family     | \$ 3,968       | \$ 17,496                          | \$ 16,501                        |
| Multi-family      | 3,016          | 11,845                             | 11,172                           |
| Residential Suite | N/A            | 6,268                              | 5,912                            |
| Per Employee      | N/A            | N/A                                | 720                              |

The calculated impact fee represents a sizeable increase over the existing parks impact fee. This is driven primarily by the low growth forecasted within the city through 2024 (based on past projections), as well as the large increase in the assessed value of the parks system. Thus, the high impact fee appropriately reflects the high cost of developing new parks within Kirkland. It should be

reiterated that this represents the *maximum allowable impact fee*, and the City is not under any obligation to adopt the calculated fee.

Finally, FCS GROUP compared the calculated park impact fee to other regional jurisdictions.

**Exhibit 27**  
**Park Impact Fee Survey**

| Parks Impact Fee Comparison      | Single Family |              |
|----------------------------------|---------------|--------------|
|                                  | Residence     | Multi-Family |
| Kirkland (calculated maximum) \$ | 16,501        | \$ 11,172    |
| Issaquah                         | 9,107         | 5,591        |
| Sammamish                        | 6,739         | 4,362        |
| Redmond                          | 4,738         | 3,289        |
| Kirkland (existing)              | 4,391         | 3,338        |
| Shoreline                        | 4,090         | 2,683        |
| Renton                           | 3,946         | 2,801        |
| Vancouver                        | 2,379         | 1,739        |
| Bellevue                         | N/A           | N/A          |

The calculated maximum for the City (including non-residential) is significantly higher than any other surveyed jurisdiction.

## Section V. INDEXING

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The City already annually indexes its impact fees to the *Engineering News-Record* Construction Cost Index. We recommend that the City continue this practice for its parks impact fee and institute it for its fire and EMS impact fee, as it provides an adjustment which at least partially responds to the cost basis over time. We also recommend that the City continue its practice of periodically updating its impact fees to ensure that they recover the full cost of growth's impacts on City facilities.



## CITY OF FEDERAL WAY

# Park Impact Fee Scaling

### *Submitted by:*

FCS, a Bowman company  
7525 166<sup>th</sup> Ave NE  
Ste D-215  
Redmond, WA 98052  
P: 425.867.1802

### *Submitted to:*

City of Federal Way  
33325 8th Ave S  
Federal Way, WA 98003  
P: 253.835.7000

*December 2024*

## City of Federal Way Park Impact Fee Scaling

In 2023, the City of Federal Way (City) adopted a park impact fee (PIF) of \$2,200, applied uniformly to new dwelling units in the City. The corresponding methodology supported a maximum PIF of \$2,839 per dwelling unit, or \$1,048 per occupant. The Revised Code of Washington has since been amended to require the scaling of impact fees by dwelling unit size, number of bedrooms, or trips generated. To comply with these new requirements, the City engaged FCS, a Bowman company, to develop a scaling approach for the PIF. This memo provides a summary of the resulting proposed scaling approach.

### Background

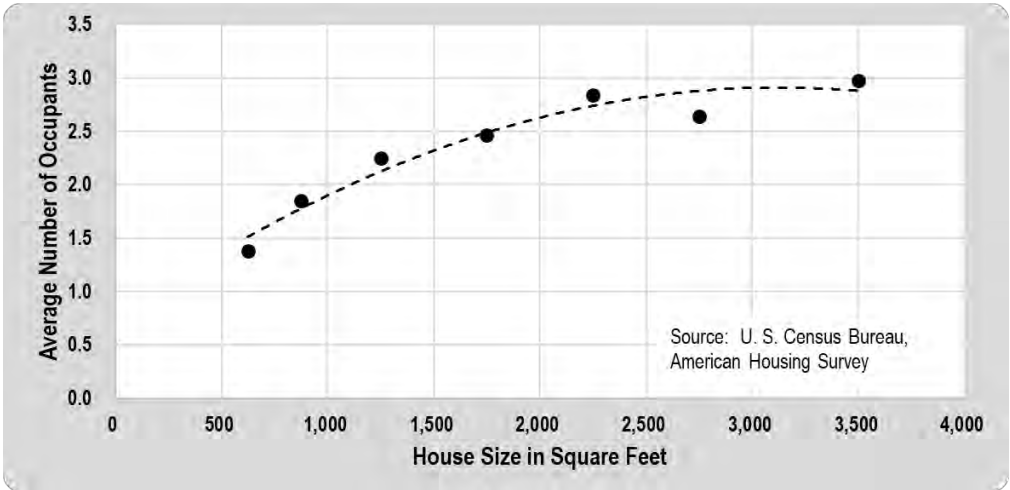
RCW 82.02.060(1) states that a park impact fee schedule “shall reflect the proportionate impact of new housing units... based on the square footage, number of bedrooms, or trips generated... in order to produce a proportionally lower impact fee for smaller housing units.” Jurisdictions in Washington are responding to these new requirements in a variety of ways. Some, like the City of Everett, scale by the number of bedrooms. Many others, like the City of Camas, scale by the size of the dwelling unit in square feet.

The best measure of potential parks demand created by new residential units is the number of residents that will occupy each dwelling unit. Therefore, the question of how to scale residential SDCs is really a question of estimating the number of occupants per dwelling unit. The approach described herein incorporates the nexus between dwelling unit square footage and the average number of occupants. Note that additional new requirements in RCW 36.70A.681 place limits on charging impact fees to accessory dwelling units, stating that a city “may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit...”.

### Analysis

American Housing Survey data for the Seattle Metro region states that, to a point, square footage is positively correlated with the number of occupants. That point is calculated to be 3,124 square feet. The correlation is shown graphically in **Exhibit 1** below.

**Exhibit 1: Occupancy by House Size in Seattle Metro Area (2021)**



To apply this data to local Federal Way conditions, the City provided permit data going back to its incorporation showing the dwelling unit sizes of its residential developments. These developments included both single-family and multi-family types. Square footage related to basement areas, decks, and garages were excluded for this analysis. The resulting average dwelling unit size in the City is 1,686 square feet (SF). City planning data indicated that the average occupancy in the City is 2.71 per dwelling unit. Therefore, the average occupancy per 1,000 SF is 1.61 occupants. These calculations are shown in **Exhibit 2** below.

**Exhibit 2: Federal Way Dwelling Unit Statistics**

| Dwelling Unit Statistics                         |       |
|--------------------------------------------------|-------|
| Average Dwelling Unit Size (all Dwellings Units) | 1,686 |
| Average Occupancy per Dwelling Unit              | 2.71  |
| Average Occupancy per 1,000 SF                   | 1.61  |

*Source: City staff (average dwelling unit size); PIF Methodology (occupancy per dwelling unit)*

The minimum expected number of occupants of a dwelling unit is 1. Based on the average occupancy per 1,000 SF of 1.61, the average dwelling unit size needed to support 1 occupant in Federal Way is 622 square feet. Furthermore, if occupancy scales in a manner like the data from the American Housing Survey for the Seattle Metro region, the occupancy at the maximum size of 3,124 SF is 5.02. Intermediate values can be calculated using the ratio described above of 1.61 occupants per 1,000 SF.

The PIF methodology supported a charge of \$2,839 per dwelling unit which when applied to the occupancy figures above results in a (rounded) charge of \$1.68 per square foot. This approach is summarized in **Exhibit 3** below. The City could also use the calculations described below to develop a schedule using square footage tiers.

**Exhibit 3: Federal Way PIF Scaling by Square Footage**

|                     | Square Footage | Occupancy | PIF     |
|---------------------|----------------|-----------|---------|
| PIF per Square Foot | 1              | 0.0016    | \$1.68  |
| Minimum PIF         | 622            | 1.0000    | \$1,045 |
| Maximum PIF         | 3124           | 5.0220    | \$5,248 |

*Source: Previous tables (occupancy); PIF Methodology (PIF per occupant)*

As an example of applying this charge, a dwelling unit of 1,500 square feet would pay  $1,500 \times \$1.68 = \$2,520$  for the PIF. A dwelling unit of 500 square feet would pay the minimum PIF of \$1,045. A dwelling unit of 4,000 square feet would pay the maximum PIF of \$5,248.

Conclusion

The analysis section provides one method for scaling the PIF by square footage that is tied to underlying statistics about average dwelling unit size and occupancy in the City of Federal Way. This scaling method will allow the City to comply with new legal requirements in the RCW by scaling the park impact fee with the size of the dwelling unit. Note that a further requirement in RCW 36.70A.681 states that the City “may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit...” The City will also need to comply with this statute when it imposes the scaling methodology. Finally, the City may in the future modify its established PIF per occupant (as for inflation) and use the scaling approach described above with the updated rate.

# City of Federal Way

## Park Impact Fee Study

Final Report  
May 10, 2023

Washington  
7525 166th Avenue NE, Ste. D215  
Redmond, WA 98052  
425.867.1802

Oregon  
5335 Meadows Road, Ste 330  
Lake Oswego, OR 97035  
503.841.6543

Colorado  
PO Box 19114  
Boulder, CO 80301-9998  
719.284.9168

[www.fcsgroup.com](http://www.fcsgroup.com)

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## Section I. INTRODUCTION

---

The City of Federal Way (City) is looking to implement a parks impact fee (PIF) to provide partial funding for the capital needs of its parks system. In 2022, the City engaged FCS GROUP to calculate a PIF based on recent growth estimates, its parks project lists, and inventory data. The City provides parks and recreation services for all residents in its boundaries, and the City's park planning efforts extend throughout the same boundaries. Given the City-wide planning and provision of parks services, as well as the City's relatively limited geographic scope, the City park system is a single service area for the purposes of the PIF study. The following sections provide the policy background upon which the PIF is based, as well as a general overview of the PIF calculation. The rest of the report details the specific data inputs and results of the PIF calculation.

### I.A. POLICY

Park impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution.

#### I.A.1. State Statutes

Impact fees are authorized by state law in RCW 82.02.050 through 82.02.110. By law, revenue from park impact fees shall be used for park system improvements that will reasonably benefit new development. The money may not be used to address system deficiencies, or maintenance and repair costs. The fees cannot exceed new development's proportionate share of the improvement costs, and the revenue may be spent only for the public facilities which are addressed by the capital facilities plan element of an adopted comprehensive land use plan. Impact fee revenue must be spent within ten years after collection. In addition, the City cannot depend entirely on impact fees to fund capital costs; there must be some amount of funding from other local sources.

#### I.A.2. Local Ordinance

The City of Federal Way is implementing code updates to support the PIF calculated in this report.

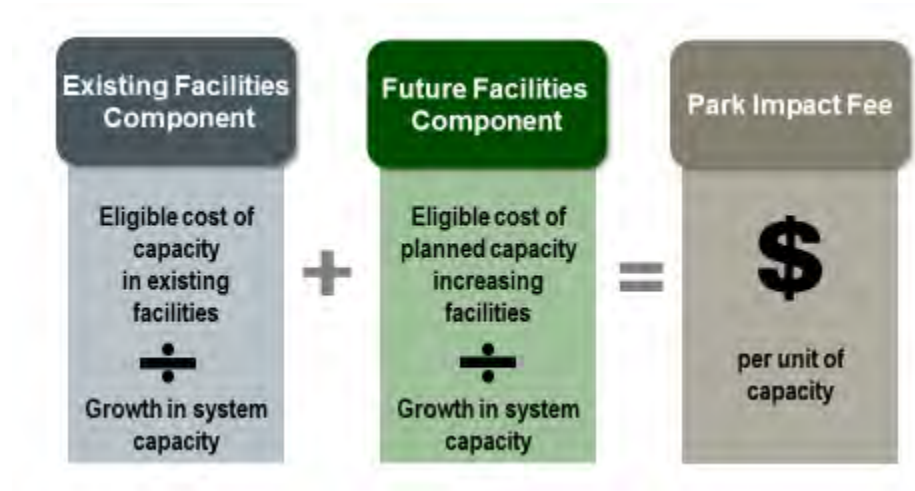
#### I.A.3. United States Constitution

The United States Supreme Court has determined that impact fees and other exactions that comply with state and/or local law may still violate the United States Constitution if they are not proportionate to the impact of the development. The PIF calculated in this report are designed to meet such constitutional and statutory requirements.

### I.B. CALCULATION OVERVIEW

In general, impact fees are calculated by adding an existing facilities fee component and a future facilities fee component—both with potential adjustments. Each component is calculated by dividing the eligible cost by growth in units of demand. The unit of demand becomes the basis of the charge.

The diagram below summarizes the basic outline of an impact fee calculation, and more detail is provided in the following bullets.



- **The eligible cost of capacity in existing facilities** is the cost of existing park facilities that will serve growth. For a parks impact fee, determining the capacity in the existing system available for growth starts with determining the amount of existing parks facilities that are required for existing users, commonly measured in park acres. One method for doing so first calculates the system's level-of-service after completion of the capital facilities plan. By applying that level-of-service target to the current population, the City can determine if it's currently meeting its level-of-service target. If the City has more park facilities (such as park acres) than needed based on its level-of-service target, the costs of such available facilities can be included in the existing facilities component of the impact fee.
- **The eligible portion of capacity increasing projects** is the cost of future projects that will serve growth. Some projects are intended to only serve growth, some projects do not serve to increase the capacity of the City's park system, and some serve the City's current and future populations. Determining how projects fall into each category can again be done with a level-of-service calculation to estimate how many park acres (for example) are needed to serve growth given the City's level-of-service target. Other projects that do not add a measurable number of parks facilities may still be eligible if they will serve both existing and future users.
- **The growth in system demand** is the anticipated growth in the City's population. However, as residents are not the only users of the City's park system, employees of businesses within will be included as well, at a separate rate that reflects the parks demand characteristics of commercial developments.

Finally, summing the existing facilities component with the future facilities component gives the fully calculated impact fee.

## Section II. PIF ANALYSIS

---

This section provides the detailed calculations of the maximum allowable PIF in the City of Federal Way.

### II.A. GROWTH

The calculation of projected growth begins with defining the units by which current and future demand will be measured. Then, using the best available data, we quantify the current level of demand and estimate a future level of demand. The difference between the current level and the future level is the growth in demand that will serve as the denominator in the PIF calculations.

#### II.A.1. Unit of Measurement

A good unit of measurement allows an agency to quantify the incremental demand of development or redevelopment that creates additional demand for park facilities. A more precise unit of measurement allows an agency to distinguish different levels of demand added by different kinds of development or redevelopment.

##### II.A.1.a Options

For parks impact fees, demand that can be attributed to individual developments is usually measured in the number of people who will occupy a development. For residential developments, the number of occupants means the number of residents. We use data from the U. S. Census Bureau to estimate the number of residents for different kinds of dwelling units. For non-residential developments, the number of occupants means the number of employees. We use industry data to estimate the number employees per square foot for different kinds of non-residential developments.

When an agency chooses to impose a PIF on both residential and non-residential developments, the demand of one additional resident must be carefully distinguished from the demand of one additional employee. This is usually accomplished by the calculation of a residential equivalent. One resident is equal to one residential equivalent, and one employee is typically less than one residential equivalent.

Non-residential developments are a source of demand for parks facilities in Federal Way, and the City is intending to charge PIFs for both residential and non-residential developments using residential equivalents as the unit of growth.

#### II.A.2. Demand Adjustment for Non-Residential Users

To charge PIFs to both residential and non-residential developments, we must estimate both (1) how much availability non-residential occupants (i.e., employees) have to use parks facilities and (2) how that availability differs from residential occupants (i.e., residents).

The calculation begins with the most recent counts for population and employment in Federal Way. As shown in **Exhibit 2.1** below, in 2019 (the most recent year for which both population and employment data were available), 96,526 residents lived in Federal Way, according to the Census

Bureau's American Community Survey. Also, according to the Census Bureau, 28,063 employees worked in Federal Way for their primary occupation. Of these, 4,320 people both lived and worked in Federal Way.

### Exhibit 2.1 – 2019 Population and Employment in Federal Way

| Population and<br>Employment, 2019 | Living                       |                        | Total  |
|------------------------------------|------------------------------|------------------------|--------|
|                                    | Living Inside<br>Federal Way | Outside<br>Federal Way |        |
| Working Inside Federal Way         | 4,320                        | 23,743                 | 28,063 |
| Working Outside Federal Way        | 37,152                       |                        |        |
| Not Working                        | 55,054                       |                        |        |
| <b>Total</b>                       | <b>96,526</b>                |                        |        |

**Source:** U.S. Census Bureau, OnTheMap Application, 2019

Inflow/Outflow analysis (employment); U.S. Census Bureau, 2019

American Community Survey 5-year estimates, Table B01003 (population)

Next, we estimate the number of hours per week that each category of person would be available to use the parks facilities in Federal Way. **Exhibit 2.2** below shows an estimate of maximum availability. It assumes that 8 hours each day are used for sleeping for all residents of the City. For those who are not working, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For workers, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, workers have 16 hours of residential demand each weekend day, for a total of 72 hours per week of residential demand. During work, 1 hour is assumed to be available for workers to use the parks system, giving 5 hours per week of non-residential demand. These estimates are not of actual use, but maximum availability.

### Exhibit 2.2 – Demand Estimates by Category of Parks User

| Hours per Week of Park<br>Availability Per Person,<br>Residential Demand | Living Inside<br>Federal Way |
|--------------------------------------------------------------------------|------------------------------|
| Working Inside Federal Way                                               | 72                           |
| Working Outside Federal Way                                              | 72                           |
| Not Working                                                              | 112                          |

**Source:** FCS GROUP.

| Hours per Week of Park<br>Availability Per Person, Non-<br>Residential Demand | Living                       |                        |
|-------------------------------------------------------------------------------|------------------------------|------------------------|
|                                                                               | Living Inside<br>Federal Way | Outside<br>Federal Way |
| Working Inside Federal Way                                                    | 5                            | 5                      |
| Working Outside Federal Way                                                   |                              |                        |
| Not Working                                                                   |                              |                        |

**Source:** FCS GROUP.

When the hours of availability above are multiplied by the counts presented earlier, we can determine the relative demand of residents and employees. As shown in **Exhibit 2.3** below, the parks demand of one employee is equivalent to the parks demand of about 0.05 residents. To put it another way, the parks demand of about 18.96 employees is equivalent to the parks demand of one resident.

**Exhibit 2.3 – Total Hours per Week of Park Availability**

| Total Hours per Week of<br>Park Availability, 2019 | Residential<br>hours | Non-<br>residential<br>hours | Total Hours    |
|----------------------------------------------------|----------------------|------------------------------|----------------|
| Working Inside Federal Way                         | 311,040              | 140,315                      | 451,355        |
| Working Outside Federal Way                        | 2,674,944            |                              |                |
| Not Working                                        | 6,313,216            |                              |                |
| <b>Total</b>                                       | <b>9,299,200</b>     | <b>140,315</b>               | <b>451,355</b> |
| Hours per resident                                 | 95                   |                              |                |
| Hours per employee                                 |                      | 5                            |                |
| Residents per employee                             |                      |                              | 0.05           |

**Source:** Previous tables

### II.A.3. Growth in Demand

The current (2023) demand for parks facilities is 103,385 residential equivalents. That number is the sum of 101,534 residents and 1,851 residential equivalents for 35,092 employees according to the Puget Sound Research Council (PSRC). Note that these 2019 population and employment estimates differ from the Census Bureau estimates. This is acceptable because the 2019 Census Bureau data is used only to determine the residential equivalency factor.

During the forecast period from 2023 to 2044, the residential population is expected to grow by 21,808 residents. If total residential equivalents remain proportionate to the residential population, then residential equivalents will grow by 22,774 to a total of 126,159 residential equivalents. Therefore, 22,774 residential equivalents will be the denominator for the PIF calculations later in this report.

**Exhibit 2.4** below summarizes these calculations:

**Exhibit 2.4 – Growth in Demand**

|                                  | 2019   | 2023    | 2044    | Growth<br>(2023-2044) | CAGR  | Growth<br>Share |
|----------------------------------|--------|---------|---------|-----------------------|-------|-----------------|
| Population                       | 97,840 | 101,534 | 123,342 | 21,808                | 0.93% | 17.68%          |
| Employees                        | 32,394 | 35,092  | 53,412  | 18,320                | 2.02% | 34.30%          |
| Residential-equivalent employees | 1,708  | 1,851   | 2,817   | 966                   | 2.02% | 34.30%          |
| Residential equivalents          | 99,548 | 103,385 | 126,159 | <b>22,774</b>         | 0.95% | 18.05%          |

**Source:** Puget Sound Research Council (population and employee estimates); Previous tables (residential-equivalent employee factor)

## II.B. FUTURE FACILITIES FEE

The future facilities fee is the eligible cost of planned projects per unit of growth that such projects will serve. Since we have already calculated growth (denominator) above, we will focus here on the future facilities fee cost basis (numerator).

### II.B.1. Eligibility

A project's eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that creates capacity for future users.

For park impact fees, eligibility is often determined by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in the future facilities cost basis). Park facilities can be measured by sorting them into categories such as neighborhood, community, or open space, or by considering their respective units of measurement (e.g., acres). Further, in either approach, the current or future level of service may be targeted. These two separate choices create four distinct and equally defensible ways of calculating the eligibility percentage of each project.

Each method will be examined in the sections below.

#### II.B.1.a Current Level of Service (By Category and by Unit of Measurement)

Determining PIF eligibility for parks projects using the current level of service requires determining the quantity of parks facilities needed to maintain the current level of service. Any projects that add facilities in excess of that quantity are ineligible.

The City has five relevant parks categories for determining its level of service by category. These are shown in the upper panel of the first column in **Exhibit 2.5**. Each category receives its own level of service. Using community parks as an example, the City currently has 486.94 acres of community parks. Using the 2023 population discussed above, this implies that there is 4.80 acres of community parks per 1,000 residents. The parks project list, when completed, will add 7.00 acres of community parks. Based on the 2044 population and the current level of service, 63.67 additional acres of community parks are needed. So, all the additional park acres can be used to accommodate growth, and therefore are eligible for inclusion in the parks impact fee.

The same line of reasoning is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement (e.g., acres, miles), instead of by park type, also follows the same approach. The eligibility percentage for each parks category or unit of measurement is shown in the last column of **Exhibit 2.5**.



**Exhibit 2.5 – Eligibility under the Current Level of Service**

|                                | Units  | 2023<br>Quantity | 2023 Units<br>per 1,000<br>Residents | Change in<br>Quantity | Additional<br>Needed to<br>Maintain LoS | Eligibility |
|--------------------------------|--------|------------------|--------------------------------------|-----------------------|-----------------------------------------|-------------|
| <b>By Category:</b>            |        |                  |                                      |                       |                                         |             |
| Community Park                 | Acres  | 486.94           | 4.80                                 | 7.00                  | 63.67                                   | 100.00%     |
| Neighborhood Park              | Acres  | 108.05           | 1.06                                 | 0.00                  | 14.13                                   | 0.00%       |
| Open Space                     | Acres  | 436.16           | 4.30                                 | 0.00                  | 57.03                                   | 0.00%       |
| Special Use Facilities         | Number | 6.00             | 0.06                                 | 0.00                  | 0.78                                    | 0.00%       |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 1.58                                    | 0.00%       |
| <b>By Unit of Measurement:</b> |        |                  |                                      |                       |                                         |             |
| Park or Natural Area           | Acres  | 1031.15          | 10.16                                | 7.00                  | 134.83                                  | 100.00%     |
| Special Use Facility           | Number | 6.00             | 0.06                                 | 0.00                  | 0.78                                    | 0.00%       |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 1.58                                    | 0.00%       |

*Source: 2019 PROS Plan Table 3.1, City staff***II.B.1.b Future Level of Service (By Category and Unit of Measurement)**

To determine PIF eligibility using the future level of service, the proposed additional quantity of planned parks facilities is added to the current quantity of parks facilities. Using the future population, a future level of service is then calculated. That level of service is compared to the current parks system to determine if any deficiencies exist against the current population. Only the portions of parks projects that do not cure existing deficiencies are considered eligible for the future facilities fee cost basis under this method.

As in the previous section, calculating PIF eligibility based on future level of service can be done both when measuring parks facilities by category and when measuring by unit of measurement.

**Exhibit 2.6** below outlines both methods using the future level of service. Using community parks as an example again, the City currently has 486.94 acres of community parks. The parks project list, when completed, will add 7.00 acres of community parks. This results in a future level of service of 4.30 acres of community parks per 1,000 residents in 2044. If that level of service was applied to the 2023 population, a minimum of 436.82 acres would be needed. However, there are already 486.94 acres of community parks. So, the additional acres added by the project list are not needed for existing users, and therefore 100 percent are includable in the future facilities fee.

The same approach is used to develop the eligibility percentages for other parks categories. Calculating eligibility using level of service by unit of measurement (e.g., acres, miles), instead of by park type, follows the same logic. The eligibility percentage for each parks category or unit of measurement is shown in the “Eligibility” column of **Exhibit 2.6** below.



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### Exhibit 2.6 – Eligibility under the Future Level of Service

|                                | Units  | 2023<br>Quantity | 2023 Units<br>per 1,000<br>Residents | Change in<br>Quantity | 2044 Units<br>per 1,000<br>Residents | 2023<br>Minimum<br>Quantity | Eligibility | Reimbursable<br>Quantity |
|--------------------------------|--------|------------------|--------------------------------------|-----------------------|--------------------------------------|-----------------------------|-------------|--------------------------|
| <b>By Category:</b>            |        |                  |                                      |                       |                                      |                             |             |                          |
| Community Park                 | Acres  | 486.94           | 4.80                                 | 7.00                  | 4.30                                 | 436.82                      | 100.00%     | 50.12                    |
| Neighborhood Park              | Acres  | 108.05           | 1.06                                 | 0.00                  | 0.94                                 | 95.56                       | 0.00%       | 12.49                    |
| Open Space                     | Acres  | 436.16           | 4.30                                 | 0.00                  | 3.80                                 | 385.72                      | 0.00%       | 50.44                    |
| Special Use Facilities         | Number | 6.00             | 0.06                                 | 0.00                  | 0.05                                 | 5.31                        | 0.00%       | 0.69                     |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 0.11                                 | 10.67                       | 0.00%       | 1.40                     |
| <b>By Unit of Measurement:</b> |        |                  |                                      |                       |                                      |                             |             |                          |
| Park or Natural Area           | Acres  | 1031.15          | 10.16                                | 7.00                  | 9.04                                 | 918.10                      | 100.00%     | 113.05                   |
| Special Use Facility           | Number | 6.00             | 0.06                                 | 0.00                  | 0.05                                 | 5.31                        | 0.00%       | 0.69                     |
| Trail                          | Miles  | 12.07            | 0.12                                 | 0.00                  | 0.11                                 | 10.67                       | 0.00%       | 1.40                     |

Source: 2019 PROS Plan Table 3.1, City staff

The final column of **Exhibit 2.6** shows the reimbursable quantity of each park category and unit of measurement. The quantity of such park facilities exceeds the existing needs of the park system when measuring by the future level of service, and as such, can be used to provide capacity for future users. Since those facilities will benefit future users, a share of their cost can be included in the existing facilities cost basis.

### II.B.2. Expansion Projects

The first of the City's two project lists includes projects that will expand the inventory of the parks system and are therefore subject to the eligibility calculations described above. The total cost of these projects is \$16.5 million, and eligibility is based on the level-of-service calculation chosen. These projects are summarized in **Exhibit 2.7** below. The eligibility percentage and eligible cost columns assume the future-by-unit approach to level of service.

### Exhibit 2.7 – Expansion Projects

| Location                      | Type           | Year      | Cost                 | Eligibility<br>(Future by<br>Unit) | Eligible Cost        | Additional<br>Acres |
|-------------------------------|----------------|-----------|----------------------|------------------------------------|----------------------|---------------------|
| Downtown Park Expansion       | Community Park | 2027-2031 | \$ 5,500,000         | 100%                               | \$ 5,500,000         | 3.00                |
| South Light Rail Station Park | Community Park | 2027-2031 | 11,000,000           | 100%                               | 11,000,000           | 4.00                |
| <b>Total</b>                  |                |           | <b>\$ 16,500,000</b> |                                    | <b>\$ 16,500,000</b> | <b>7.00</b>         |

Source: City staff

### II.B.3. Infill List

The second of the City's two project lists includes projects that will not expand the inventory of the parks system by adding acres but that will nevertheless add capacity for future users by adding amenities. The project list is shown in **Appendix A** and has a total cost of \$44.3 million. Each project is assigned one of two eligibility percentages: zero percent if the project is for repair or replacement of existing assets and 18.05 percent if the project adds new amenities. That 18.05 percent represents the share of total future users made up of new users (in 2044), and assigning a project that percent recognizes that existing and future users are expected to share new amenities in existing parks proportionately. The total eligible cost of the infill list is approximately \$6.3 million.

## II.B.4. Calculated Future Facilities Fee Cost Basis

After determining the costs dedicated to expanding capacity, the future facilities fee cost basis is calculated by multiplying those costs by their respective eligibility percentages. As discussed above, eligibility for capacity-expanding costs on the project list were determined through level-of-service calculations, and projects on the infill list were assigned either 0 or 18.05 percent. As all methods of determining level-of-service result in the same eligibility percentages, the future facilities cost basis is \$22.8 million under all scenarios.

## II.C. EXISTING FACILITIES FEE

The existing facilities fee is the eligible cost of the park facilities available for future users per unit of growth that such facilities will serve. Growth was calculated in Section II.A and **Exhibit 2.6** shows the quantity of facilities available for inclusion in the existing facilities fee. The remaining piece of the fee calculation is the original cost of eligible park facilities.

### II.C.1. Existing Facilities Fee Cost Basis

The City provided records for historical expenditures on its parks system going back to 1991, which are totaled by category and unit of measurement in the fourth column of **Exhibit 2.10** below. Dividing those historical expenditures by the quantity of park acres and trail miles yields a calculation of investment per unit. By multiplying that investment per unit by the number of eligible units shown in **Exhibit 2.6**, the eligible cost of those park facilities is calculated to be approximately \$2.3 million when measuring by category and approximately \$3.4 million when measuring by unit of measurement. However, an adjustment must be made for growth's share of outstanding debt related to that investment. Such an adjustment is necessary to make sure that growth isn't paying twice for the same capacity; once in the PIF, and once through property taxes. Growth's share of outstanding principal is estimated to be \$2.4 million, and so the total eligible amount is either \$0 or \$1.0 million depending on the method used for determining level of service.

**Exhibit 2.10 – Existing Facilities Fee Cost Basis**

|                         |        | Historical City Investment per Unit | Eligible Number of Units | Unadjusted Eligible Amount | Growth's Share of Outstanding Principal on Parks-related Debt | Total Eligible Amount |
|-------------------------|--------|-------------------------------------|--------------------------|----------------------------|---------------------------------------------------------------|-----------------------|
| By Category:            |        |                                     |                          |                            |                                                               |                       |
| Community Park          | Acres  | \$ 24,293                           | 50.12                    | \$ 1,217,495               |                                                               |                       |
| Neighborhood Park       | Acres  | 15,345                              | 12.49                    | 191,732                    |                                                               |                       |
| Open Space              | Acres  | 1,294                               | 50.44                    | 65,262                     |                                                               |                       |
| Special Use Facilities  | Number | 1,253,616                           | 0.69                     | 869,772                    |                                                               |                       |
| Trail                   | Miles  | -                                   | 1.40                     | -                          |                                                               |                       |
| <b>Total</b>            |        |                                     |                          | \$ 2,344,261               | \$ 2,400,184                                                  | \$ -                  |
| By Unit of Measurement: |        |                                     |                          |                            |                                                               |                       |
| Park or Natural Area    | Acres  | \$ 22,668                           | 113.05                   | \$ 2,562,570               |                                                               |                       |
| Special Use Facility    | Number | 1,253,616                           | 0.69                     | 869,772                    |                                                               |                       |
| Trail                   | Miles  | -                                   | 1.40                     | -                          |                                                               |                       |
| <b>Total</b>            |        |                                     |                          | \$ 3,432,341               | \$ 2,400,184                                                  | \$ 1,032,158          |

*Source: City staff (historical investment, outstanding debt); previous tables*

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## II.D. CALCULATED PIF

This section combines the eligible cost from the future facilities fee cost basis and the existing facilities fee cost basis. **Exhibit 2.11** below summarizes the PIF calculation for all four measures of level of service.

**Exhibit 2.11 – Calculated PIF**

| Calculated PIF                                           | Current by<br>Category     | Future by<br>Category | Current by<br>Unit | Future by<br>Unit |
|----------------------------------------------------------|----------------------------|-----------------------|--------------------|-------------------|
| Cost Basis:                                              |                            |                       |                    |                   |
| Future Facilities                                        | \$ 22,825,243              | \$ 22,825,243         | \$ 22,825,243      | \$ 22,825,243     |
| Existing Facilities                                      | -                          | -                     | -                  | 1,032,158         |
| Total Cost Basis                                         | \$ 22,825,243              | \$ 22,825,243         | \$ 22,825,243      | \$ 23,857,401     |
| Growth in Residential Equivalents                        | 22,774                     | 22,774                | 22,774             | 22,774            |
| Future Facilities Fee per Residential Equivalent         | \$ 1,002                   | \$ 1,002              | \$ 1,002           | \$ 1,002          |
| Existing Facilities Fee per Residential Equivalent       | -                          | -                     | -                  | 45                |
| <b>Total Parks Impact Fee per Residential Equivalent</b> | <b>\$ 1,002</b>            | <b>\$ 1,002</b>       | <b>\$ 1,002</b>    | <b>\$ 1,048</b>   |
| Fee Schedule:                                            |                            |                       |                    |                   |
|                                                          | Residential<br>Equivalents |                       |                    |                   |
| Dwelling Unit                                            | 2.71                       | \$ 2,716              | \$ 2,716           | \$ 2,839          |
| Employee                                                 | 0.05                       | 53                    | 53                 | 55                |

**Source:** Census Bureau, 2021 American Community Survey, Tables B25024 and B25033 (residents per dwelling unit); previous tables

As shown above, the maximum allowable PIF is \$1,048 per residential equivalent under the future level of service by unit of measurement. The resulting PIF is \$2,839 for a residential dwelling unit, based on an average occupancy of 2.71 residents per Census data.

The rate per employee is \$55 based on the equivalency calculated in **Section II.A**. The non-residential PIF can be charged using an estimate of employee density per 1,000 square feet. **Exhibit 2.12** below provides a schedule for the non-residential PIF for all four level-of-service calculations based on employee density estimates from the Portland Metro regional government.

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### Exhibit 2.12 – Calculated Non-residential PIF

| Employment Density                           |                        |                      |                             | By Category                     |                                | By Unit of Measurement          |                       |
|----------------------------------------------|------------------------|----------------------|-----------------------------|---------------------------------|--------------------------------|---------------------------------|-----------------------|
|                                              | Industry Type<br>(SIC) | S.F. per<br>Employee | Employees per<br>1,000 S.F. | Current (PIF<br>per 1,000 S.F.) | Future (PIF<br>per 1,000 S.F.) | Current (PIF<br>per 1,000 S.F.) | PIF per 1,000<br>S.F. |
| Ag., Fish & Forest Services; Constr.; Mining | 1-19                   | 590                  | 1.695                       | \$ 89.58                        | \$ 89.58                       | \$ 89.58                        | \$ 93.63              |
| Food & Kindred Projects                      | 20                     | 630                  | 1.587                       | 83.89                           | 83.89                          | 83.89                           | 87.69                 |
| Textile & Apparel                            | 22, 23                 | 930                  | 1.075                       | 56.83                           | 56.83                          | 56.83                           | 59.40                 |
| Lumber & Wood                                | 24                     | 640                  | 1.563                       | 82.58                           | 82.58                          | 82.58                           | 86.32                 |
| Furniture; Clay, Stone & Glass; Misc.        | 25, 32, 39             | 760                  | 1.316                       | 69.54                           | 69.54                          | 69.54                           | 72.69                 |
| Paper & Allied                               | 26                     | 1,600                | 0.625                       | 33.03                           | 33.03                          | 33.03                           | 34.53                 |
| Printing, Publishing & Allied                | 27                     | 450                  | 2.222                       | 117.45                          | 117.45                         | 117.45                          | 122.76                |
| Chemicals, Petroleum, Rubber, Leather        | 28-31                  | 720                  | 1.389                       | 73.41                           | 73.41                          | 73.41                           | 76.73                 |
| Primary & Fabricated Metals                  | 33, 34                 | 420                  | 2.381                       | 125.84                          | 125.84                         | 125.84                          | 131.53                |
| Machinery Equipment                          | 35                     | 300                  | 3.333                       | 176.18                          | 176.18                         | 176.18                          | 184.14                |
| Electrical Machinery, Equipment              | 36, 38                 | 400                  | 2.500                       | 132.13                          | 132.13                         | 132.13                          | 138.11                |
| Transportation Equipment                     | 37                     | 700                  | 1.429                       | 75.50                           | 75.50                          | 75.50                           | 78.92                 |
| TCPU--Transportation and Warehousing         | 40-42, 44, 45, 47      | 3,290                | 0.304                       | 16.06                           | 16.06                          | 16.06                           | 16.79                 |
| TCPU--Communications and Public Utilities    | 43, 46, 48, 49         | 460                  | 2.174                       | 114.90                          | 114.90                         | 114.90                          | 120.09                |
| Wholesale Trade                              | 50, 51                 | 1,390                | 0.719                       | 38.02                           | 38.02                          | 38.02                           | 39.74                 |
| Retail Trade                                 | 52-59                  | 470                  | 2.128                       | 112.45                          | 112.45                         | 112.45                          | 117.54                |
| Finance, Insurance & Real Estate             | 60-68                  | 370                  | 2.703                       | 142.85                          | 142.85                         | 142.85                          | 149.31                |
| Non-Health Services                          | 70-79                  | 770                  | 1.299                       | 68.64                           | 68.64                          | 68.64                           | 71.74                 |
| Health Services                              | 80                     | 350                  | 2.857                       | 151.01                          | 151.01                         | 151.01                          | 157.84                |
| Educational, Social, Membership Services     | 81-89                  | 740                  | 1.351                       | 71.42                           | 71.42                          | 71.42                           | 74.65                 |
| Government                                   | 90-99                  | 530                  | 1.887                       | 99.72                           | 99.72                          | 99.72                           | 104.23                |

Source: Metro, "1999 Employment Density Study," Table 4.

# Section III. IMPLEMENTATION

This section addresses practical aspects of implementing PIFs and provides comparisons to other jurisdictions.

## III.A. INDEXING

We recommend that the City index its charges to the Engineering News Record Construction Cost Index for the City of Seattle and adjust its charges annually.

## III.B. FUNDING PLAN

Even if the City implements the parks impact fees calculated previously, impact fee revenues will not be sufficient to fund the project list. An additional \$36.9 million will need to be raised from other, non-impact fee, sources. This is shown in **Exhibit 3.1**.

**Exhibit 3.1 – Funding Plan**

| Funding Plan              |                      |
|---------------------------|----------------------|
| <b>Resources</b>          |                      |
| Beginning Fund Balance    | \$ -                 |
| Impact Fee Revenue        | 23,857,401           |
| Other Needed Revenue      | 36,899,266           |
| Total Resources:          | <b>\$ 60,756,667</b> |
| <b>Requirements</b>       |                      |
| Project List (Total Cost) | \$ 60,756,667        |
| Ending Fund Balance       | -                    |
| Total Requirements:       | <b>\$ 60,756,667</b> |

## III.C. COMPARISONS

**Exhibit 3.2** below shows a comparison of PIFs calculated for single-family homes for some relevant jurisdictions.

**Exhibit 3.2 – PIF Comparisons**

| Jurisdiction                  | PIF for a SFR* |
|-------------------------------|----------------|
| Issaquah                      | \$10,533       |
| Kirkland                      | \$6,822        |
| Sammamish                     | \$6,739        |
| Redmond                       | \$5,884        |
| Shoreline                     | \$5,227        |
| Kent                          | \$3,904        |
| Auburn                        | \$3,500        |
| Renton                        | \$3,276        |
| Everett**                     | \$3,180        |
| <b>Federal Way (Proposed)</b> | <b>\$2,839</b> |

**Source:** FCS GROUP Survey, 3/27/2023

\*SFR = Single-family residence

\*\*Assumes a three-bedroom house

## APPENDIX A: INFILL PROJECT LIST

| Location            | Type                                               | Year      | Cost       | PIF Eligibility | PIF-Eligible |
|---------------------|----------------------------------------------------|-----------|------------|-----------------|--------------|
|                     |                                                    |           |            |                 | Cost         |
| Adelaide            | Formalize picnic areas/install picnic shelters (2) | 2033      | \$ 167,000 | 18.05%          | \$ 30,147    |
| Alderbrook Park     | Playground Replacement                             | 2023      | 150,000    | 18.05%          | 27,078       |
| Alderdale park      | Playground Replacement                             | 2027      | 150,000    | 18.05%          | 27,078       |
| BPA                 | Add a fitness trail and equipment                  | 2026      | 143,000    | 18.05%          | 25,814       |
| BPA                 | Repair asphalt trail                               | 2030-2040 | -          | 0.00%           | -            |
| BPA                 | Install monument sign                              | 2028      | 7,000      | 18.05%          | 1,264        |
| BPA                 | Install directional signage/wayfinding             | 2030      | 12,000     | 18.05%          | 2,166        |
| Brooklake           | Demo Hall & Green Storage Buildings                | 2023      | 8,000      | 0.00%           | -            |
| Brooklake           | Electrical upgrades                                | 2023      | 20,000     | 18.05%          | 3,610        |
| Brooklake           | Facility/Feasibility Assessment - Master Plan      | 2023      | 4,000      | 18.05%          | 722          |
| Cedar Grove Park    | Playground Replacement                             | 2031      | 175,000    | 18.05%          | 31,591       |
| Celebration         | Convert To Artificial Turf                         | 2032      | 11,500,000 | 18.05%          | 2,075,971    |
| Celebration         | Sand based turf replacement                        | 2026      | 500,000    | 18.05%          | 90,260       |
| Celebration         | Replace field fence                                | 2035      | 119,000    | 0.00%           | -            |
| Celebration park    | Playground Replacement                             | 2024      | 450,000    | 18.05%          | 81,234       |
| City Hall           | add ADA door control @ Court Entry                 | 2023      | 60,000     | 18.05%          | 10,831       |
| City Hall           | Card control replacement/upgrade                   | 2027      | 125,000    | 18.05%          | 22,565       |
| City Hall           | Carpet replacement                                 | 2027      | 250,000    | 0.00%           | -            |
| City Hall           | City Hall Water Heaters (5)                        | 2028      | 75,000     | 0.00%           | -            |
| City Hall           | Court bench refurbish                              | 2025      | 8,500      | 0.00%           | -            |
| City Hall           | Elevator                                           | 2024      | 185,000    | 0.00%           | -            |
| City Hall           | HVAC                                               | 2025      | 400,000    | 0.00%           | -            |
| City Hall           | Reception Counters - replace Formica               | 2026      | 10,000     | 0.00%           | -            |
| City Hall           | Roof replacement                                   | 2026      | 500,000    | 0.00%           | -            |
| City Hall           | Security Fence Around Entire P/E Parcel/Lot        | 2024      | 75,000     | 18.05%          | 13,539       |
| City Hall           | Sidewalk ADA upgrades                              | 2023-2027 | 240,000    | 0.00%           | -            |
| Coronado Park       | Playground Replacement                             | 2028      | 150,000    | 18.05%          | 27,078       |
| Fisher Pond         | Prepare master plan                                | 2028      | 12,000     | 18.05%          | 2,166        |
| Fisher Pond         | Install picnic shelter                             | 2030      | 83,000     | 18.05%          | 14,983       |
| Fisher Pond         | Decommission on-site well                          | 2030      | 12,000     | 0.00%           | -            |
| French Lake         | Develop/Install Shelter                            | 2028      | 60,000     | 18.05%          | 10,831       |
| FWCC                | Exercise Equipment (full replace)                  | 2026      | 150,000    | 0.00%           | -            |
| FWCC                | Locker Rooms/Cabanas Restoration                   | 2023      | 250,000    | 0.00%           | -            |
| FWCC                | Replace Pool Water Slide/Play Equipment            | 2023      | 1,200,000  | 0.00%           | -            |
| FWCC                | Re-plaster Lap Pool                                | 2027      | 400,000    | 0.00%           | -            |
| FWCC                | Pool/slide repairs                                 | 2023      | 298,000    | 0.00%           | -            |
| FWCC                | Replace pool and play equipment                    | 2023      | 60,000     | 0.00%           | -            |
| FWCC                | Outdoor areas                                      | 2033      | 119,000    | 18.05%          | 21,482       |
| Heritage Woods park | Playground Replacement                             | 2029      | 175,000    | 18.05%          | 31,591       |
| Lake Grove Park     | Playground Replacement                             | 2032      | 200,000    | 18.05%          | 36,104       |
| Lakota              | Parking Lot Replacement                            | 2023      | 170,000    | 0.00%           | -            |
| Lakota              | Upgrade soccer field to artificial turf            | 2021      | 1,489,000  | 18.05%          | 268,793      |
| Lakota              | Upgrade running track to rubber                    | 2021      | 238,000    | 18.05%          | 42,964       |
| Lakota              | Upgrade field lighting                             | 2032      | 893,000    | 18.05%          | 161,204      |
| Lakota              | Upgrade restrooms and increase parking             | 2032      | 953,000    | 18.05%          | 172,035      |

(continued next page)

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| Location          | Type                                                  | Year      | Cost                 | PIF Eligibility | PIF-Eligible        |
|-------------------|-------------------------------------------------------|-----------|----------------------|-----------------|---------------------|
|                   |                                                       |           |                      |                 | Cost                |
| Laurelwood        | Prepare master plan                                   | 2025      | 36,000               | 18.05%          | 6,499               |
| Laurelwood        | Perform master plan improvements                      | 2027-2037 | -                    | 18.05%          | -                   |
| Laurelwood        | Install 1/2 basketball court                          | 2030      | 60,000               | 18.05%          | 10,831              |
| Madrona Park      | Playground Replacement                                | 2030      | 175,000              | 18.05%          | 31,591              |
| Mirror Lake       | Replace and improve playground                        | 2020      | 143,000              | 18.05%          | 25,814              |
| Monument Signs    | Complete sign implementation program                  | 2023-2033 | 48,000               | 18.05%          | 8,665               |
| Olympic View      | Formalize Joe's Creek social trail                    | 2035      | -                    | 18.05%          | -                   |
| Olympic View      | Improve neighborhood entrances (6)                    | 2035      | 36,000               | 18.05%          | 6,499               |
| Olympic View      | Install 1/2 basketball court                          | 2030      | 60,000               | 18.05%          | 10,831              |
| Olympic View Park | Playground Replacement                                | 2025      | 125,000              | 18.05%          | 22,565              |
| Palisades         | Repair/replace asphalt basketball court               | 2028      | 6,000                | 0.00%           | -                   |
| Palisades         | Install picnic shelter                                | 2030      | 83,000               | 18.05%          | 14,983              |
| Palisades Park    | Playground Replacement                                | 2026      | 200,000              | 18.05%          | 36,104              |
| Sacajawea         | Artificial turf replacement - SAC                     | 2026      | 700,000              | 0.00%           | -                   |
| Sacajawea         | Natural Turf Replacement (ballfields)                 | 2023      | 300,000              | 0.00%           | -                   |
| Sacajawea         | Renovate Ballfield Drainage                           | 2024      | 50,000               | 0.00%           | -                   |
| Sacajawea         | Replace Rubber running track                          | 2024      | 340,000              | 0.00%           | -                   |
| Sacajawea         | Tennis Court Replacement                              | 2025      | 200,000              | 0.00%           | -                   |
| Sacajawea         | Wood Pole Replacement                                 | 2029      | 150,000              | 0.00%           | -                   |
| Sacajawea         | Replace water service line                            | 2028      | 18,000               | 0.00%           | -                   |
| Sacajawea         | New restroom - sewer lift station                     | 2035      | 89,000               | 18.05%          | 16,066              |
| Sacajawea         | Install picnic shelter                                | 2030      | 83,000               | 18.05%          | 14,983              |
| Safety & Security | Parking lot lighting improvements (LED) at Sacajawea  | 2028      | -                    | 18.05%          | -                   |
| Safety & Security | Install security cameras in parking lots at Sacajawea | 2028      | -                    | 18.05%          | -                   |
| Saghalie          | Artificial turf replacement - Soccer Field            | 2032      | 600,000              | 0.00%           | -                   |
| Saghalie          | Tennis Court Renovation/Resurface                     | 2025      | 40,000               | 0.00%           | -                   |
| Saghalie          | Replace Rubber running track                          | 2023-2032 | 505,000              | 18.05%          | 91,162              |
| Saghalie          | Install artificial turf on football field             | 2035      | 1,429,000            | 18.05%          | 257,962             |
| Saghalie          | Renovate basketball courts                            | 2026      | 71,000               | 0.00%           | -                   |
| Saghalie          | Overlay parking lot                                   | 2028      | 48,000               | 0.00%           | -                   |
| Steel Lake        | Develop a master plan                                 | 2033      | 149,000              | 18.05%          | 26,897              |
| Steel Lake        | Install new shelters (Sites 2-5)                      | 2028-2033 | 292,000              | 18.05%          | 52,712              |
| Steel Lake        | Re-pipe annex and beach house restrooms               | 2026      | 238,000              | 0.00%           | -                   |
| Steel Lake Annex  | Artificial Turf Replacement - Karl Grosch             | 2032      | 700,000              | 0.00%           | -                   |
| Steel Lake Annex  | Parking Lot Repairs                                   | 2024      | 10,000               | 0.00%           | -                   |
| Steel Lake Park   | Artificial turf - Site #5                             | 2032      | 1,300,000            | 18.05%          | 234,675             |
| Steel Lake Park   | Dock Replacement                                      | 2027      | 1,250,000            | 0.00%           | -                   |
| Steel Lake Shop   | New Maintenance Shop (Parks Share, 33%)               | 2032      | 11,666,667           | 18.05%          | 2,106,058           |
| Steel Lake Shop   | Shop - Backup power generator                         | 2025      | 40,000               | 18.05%          | 7,221               |
| Steel Lake Shop   | Shop - Electrical Service - new panel                 | 2024      | 7,500                | 18.05%          | 1,354               |
| Steel Lake Shop   | Shop Roof                                             | 2026      | 75,000               | 18.05%          | 13,539              |
| Steel Lake Shop   | Storage House - New Garage Doors                      | 2024      | 7,000                | 18.05%          | 1,264               |
| Steel Lake Shop   | Storage House Roof                                    | 2024      | 20,000               | 18.05%          | 3,610               |
| Town Square       | Install shade covers                                  | 2025      | 89,000               | 18.05%          | 16,066              |
| Town Square       | Install 2nd shelter                                   | 2030      | 83,000               | 18.05%          | 14,983              |
| Town Square       | Band shell                                            | 2028      | -                    | 18.05%          | -                   |
| Town Square       | Veteran memorial                                      | 2025      | -                    | 18.05%          | -                   |
| Wayfinding Signs  | Implementation of wayfinding signage program          | 2030-2040 | -                    | 18.05%          | -                   |
| Wedgewood         | Replace and improve playground                        | 2019      | 167,000              | 18.05%          | 30,147              |
| West Hylebos      | Renovate caretaker access road                        | 2033      | 12,000               | 0.00%           | -                   |
| West Hylebos      | Make parking lots repairs                             | 2025      | 48,000               | 0.00%           | -                   |
| West Hylebos      | Expand parking lot                                    | 2033      | 149,000              | 18.05%          | 26,897              |
| West Hylebos      | Replace maintenance garage                            | 2030      | 89,000               | 0.00%           | -                   |
| Wildwood          | Repair asphalt trail                                  | 2026      | 12,000               | 0.00%           | -                   |
| Wildwood          | Upgrade park fixture                                  | 2035      | 12,000               | 18.05%          | 2,166               |
| <b>Total</b>      |                                                       |           | <b>\$ 44,256,667</b> |                 | <b>\$ 6,325,243</b> |

Source: 2019 PROS Plan Table 7.2, City staff



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## Timestamp

## Carbon Copy Events

## Status

## Timestamp

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