August 11, 2026
5:15 PM

CITY OF CHELAN
CITY COUNCIL AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

2. AGENDA CHANGES

3. CITIZEN COMMENTS

   Items not on the agenda. Time limited per the Mayor.

4. CONSENT AGENDA

   All items under the Consent Agenda are approved with one motion. Suggested Motion: I move to approve the Consent Agenda.

   A. Approve August 11, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s (Councilmember Higgins)

   B. Approve the July 28, 2026 Regular Council Meeting Minutes (Deputy City Clerk Couch)

   C. Approve the August 4, 2026 Special Workshop Council Meeting Minutes (Deputy City Clerk Couch)

5. SPECIAL PRESENTATIONS, PROCLAMATIONS, AND AWARDS

   A. Housing Authority of Chelan County & the City of Wenatchee Presentation (Vicki Carr & President Sasha Sleiman / Mayor McCardle)

6. PUBLIC HEARINGS

   A. None

7. MOTION CONSIDERATIONS

   A. U.S. Department of Transportation Federal Aviation Administration Grant Offer for Airport Improvement Program (AIP) Project No. 3-53-0013-019-2026 (City Administration McAloon)

   B. Resolution No. 2026-1486 Education Service Center has The Interlocal Purchasing System (TIPS) Purchasing Co-op Interlocal (Parks and Recreation Director Cooper)

8. ADMINISTRATIVE REPORTS

   A. Resolution No. 2026-14XX Affordable Housing Grant Funding Policy (Finance Director Evans)

   B. Life Safety Inspection Vault Fire Professional Services Agreement for Fire Protection Inspections (Community Development Director Ajax)

9. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

A. Tentative Advanced Agenda (City Administrator McAloon)

B. Contract Intake Report (City Clerk Gallucci)

10. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

11. MAYOR AND COUNCIL COMMENTS

12. EXECUTIVE SESSION

13. ADJOURNMENT

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.
Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.
Healthy & Sustainable - A flourishing city that supports an active community.
Accessible & Welcoming - A safe city where everyone can find community.

The next meeting will be a City Council Regular Meeting on August 25, 2026, beginning at 5:15 p.m. in Council Chambers,
135 E. Johnson Avenue, Chelan, Washington.
A City Council meeting packet is available for review on the City's Website:
cityofchelan.gov/meetings

City of Chelan

City Council Meeting
July 28, 2026

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor:
Erin McCardle

Councilmembers:
Agustin Benegas
Brad Chitty
Shane Collins
Jon Higgins
Tim Hollingsworth
Cesar Rivera-Vargas
Terry Sanders

Administrative Personnel:
City Administrator Laura McAloon (via Zoom)
City Attorney Quentin Batjer
City Clerk Peri Gallucci
Deputy City Clerk Cailey Couch
Community Development Director John Ajax
Finance Director Heidi Evans
HR/Communication Director Chad Coltman
Parks & Recreation Director Audrey Cooper
Public Works Director Jake Youngren

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

The meeting was called to order at 5:15 p.m.

2. AGENDA CHANGES

None.

3. CITIZEN COMMENTS
   Items not on the agenda. Time limited per the Mayor.

None.

4. CONSENT AGENDA
   All items under the Consent Agenda are approved with one motion. Suggested Motion: I move to approve the Consent Agenda.

   A. July 28, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s

July 28, 2026 Payroll Checks No. 103299 - 103306 EFT's & Director Deposits totaling $334,253.47 and Accounts Payable Checks No. 213300 - 213384 & EFT's totaling $2,186,441.45.

B. July 14, 2026 Regular Council Meeting Minutes

C. City of Chelan Special Meeting on August 4, 2026 beginning at 5:15 p.m.

MOTION:	Move to approve the Consent Agenda.
MOVER:	Councilmember Terry Sanders
SECONDER:	Councilmember Shane Collins
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

5. SPECIAL PRESENTATIONS, PROCLAMATIONS, AND AWARDS

A. None

6. PUBLIC HEARINGS

A. None

7. MOTION CONSIDERATIONS

A. Resolution No. 2026-1485 Pilot Program for Outdoor Seating

Community Development Director Ajax presented Resolution No. 2026-1485, proposing an 18-month pilot program that would allow an alternative method for marking alcohol-service boundaries. The pilot would provide staff with sufficient time to evaluate its effectiveness before bringing a recommendation back to Council.

MOTION:	Move to adopt Resolution No. 2026-1485.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Cesar Rivera-Vargas
AYES:	Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Shane Collins
NAYS:	Councilmember Terry Sanders, Councilmember Jon Higgins

RESULT:	Passed

B. BOSS Construction Bid Award and Contract Documents for CC-1 Lift Station

Public Works Director Youngren presented the recommendation to award the CC-1 Lift Station Upgrade Project to BOSS Construction, Inc. The project is intended to replace the aging infrastructure and support future park and plaza improvements by removing existing above-ground facilities.

MOTION:	Move to award the contract for the CC-1 Lift Station Upgrade Project to BOSS Construction, Inc. in the amount of $3,555,083.52, and authorize the Mayor to finalize and execute the contract documents.
MOVER:	Councilmember Shane Collins
SECONDER:	Councilmember Tim Hollingsworth
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	Councilmember Cesar Rivera-Vargas
RESULT:	Passed

C. Shea, Carr & Jewell, Inc dba SCJ Alliance Amendment No. 6 to the Professional Services Agreement for the Lakeside Trail Project

Public Works Director Youngren presented a proposed contract amendment for the Lakeside Trail Project to support project completion and closeout activities. The amendment addresses additional administrative and coordination needs resulting from project schedule extensions and staffing changes, helping ensure the project's successful completion and acceptance by funding partners.

MOTION:	Move to authorize the Mayor to finalize and execute Shea, Carr & Jewell, Inc dba SCJ Alliance Amendment No. 6 to the Professional Services Agreement for the Lakeside Trail Project.

MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Agustin Bengas
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

8. ADMINISTRATIVE REPORTS

A. Washington State Department of Transportation United States Highway 97A Chelan Multimodal Improvements

Public Works Director Youngren continued the discussion regarding the Washington State Department of Transportation's (WSDOT) Multimodal Trail project. He presented a concept that would convert the proposed bike lanes in the Lakeside area into approximately 12 to 15 parking stalls. Following discussion, Council expressed interest in exploring additional parking opportunities in the Lakeside area and indicated a lack of support for the trail improvements currently proposed by WSDOT.

B. Second Quarter Financial Report

Finance Director Evans presented the second quarter financial report, highlighting the City's overall financial position, revenue and expenditure trends, sales and lodging tax performance, implementation of the 2026 Interfund transfer policy, Tax Increment Financing (TIF) revenues, and the status of utility operations and capital projects. Staff reported that the City remains on track to meet its adopted 2026 budget while continuing to address operational challenges and monitor economic conditions and utility fund performance.

C. 2026 Comprehensive Plan Update: Chapter 3 Sub-Area Plans & Chapter 4 Housing and ESHB 2266 STEP Housing Code Amendments

Community Development Director Ajax shared an update on the 2026–2046 Comprehensive Plan periodic update process, including a summary of the Planning Commission's public hearing held on July 15, 2026 regarding Chapters 3 (Sub-Area Plans) and 4 (Housing). Discussion focused on long-range planning strategies, housing needs and affordability, future growth areas, and public feedback received during the review process. He also outlined upcoming review milestones, including state agency review and future public hearings as work on the Comprehensive Plan update continues.

9. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

A. Tentative Advanced Agenda

B. Council Liaison Report

C. Contract Intake Report

D. Lake Chelan Chamber of Commerce Financial Report

E. Lake Chelan Airport Quarterly Report

10. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

<u>City Administrator McAloon</u>
None.

<u>City Attorney Batjer</u>
None.

<u>City Clerk Gallucci</u>
None.

<u>Community Development Director Ajax</u>
Provided a recap of the Hearing Examiner Public Hearing held on Wednesday, July 22, 2026 regarding the use of 503 E. Highland Avenue, Chelan, Washington. The applicant would like to amend Conditional Use Permit CUP2024-02 to authorize senior housing as an additional and replacement use within the adaptive re-use of the former Lake Chelan Hospital, including independent living, assisted living, and memory care.

<u>Finance Director Evans</u>
Took a moment to answer Councilmember Collins's question earlier regarding the second quarter financial update, noting sales tax revenue had increased 5% more than the same period in 2025. However, lodging tax is down about 8%. The City is still on track to meet budget. She also announced the hiring of Chelsea Potter, formerly with the City of Entiat, as the City's new Receptionist/Administrative Assistant in the Finance Department. Additionally, she stated that the Affordable Housing Policy would be brought back for Council discussion at the August 4, 2026 Special Meeting, with adoption anticipated at the August 11, 2026 regular meeting.

<u>HR/Communications Director Coltman</u>
Reported that mailings for the Safe Streets for All Action Plan had been distributed. Staff

from the Public Works and Community Development Departments have been working on the project, including the development of an interactive map that allows residents to identify locations where pedestrian safety improvements are needed. The initiative is being promoted through the City's website and social media channels.

Parks and Recreation Director Cooper

Reported the smoky conditions have negatively impacted revenue at the parks, campground, and golf course. She also shared that approximately twenty (20) volunteers removed an estimated fifty (50) cubic yards of driftwood and debris in a two-hour cleanup effort; however, much of the area had refilled within two (2) days, and the issue remains ongoing. She concluded by recognizing Parks and Recreation Month and expressing appreciation for the Parks Department crew and their continued efforts.

Public Works Director Youngren

Shared Capital Project Manager Hoskins stepped down, and the position has been filled by Kris Perry from Chelan County. He informed everyone City Engineer Denham is out on leave at this time.

11. MAYOR AND COUNCIL COMMENTS

Mayor McCardle

Reported the City received confirmation from the Community Economic Revitalization Board (CERB) that its application had met the required threshold and would move forward in the process. She also stated the City is working with the Chelan County Sheriff's Office to identify potential enforcement solutions to address the bridge jumping.

Councilmember Benegas

Commented on litter, including discarded life jackets and towels located downtown and noted traffic congestion on Johnson Avenue.

Councilmember Chitty

Thanked the Finance Department for their work and expressed support for conducting a citywide traffic study, noting ongoing congestion issues on Johnson Avenue.

Councilmember Collins

Thanked City staff for their department reports and acknowledged the impact of smoke on the community and local businesses. He expressed appreciation for efforts being made to clean public trash receptacles, looked forward to reviewing the upcoming golf course report, and shared comments regarding bridge jumping enforcement and safety concerns.

Councilmember Higgins

Provided a summary of a recent Lake Chelan Health Board meeting, including discussion of the 2026-2027 budget and the decision to discontinue livestreaming meetings due to limited public participation. He also reported that the Chelan Valley Housing Trust is reviewing and updating their strategic plan. In addition, he expressed appreciation for efforts to clean and maintain public trash receptacles and commented on several maintenance concerns, including uneven brick surfaces downtown, sidewalk conditions, obstructed visibility from hanging flower baskets, and the pedestrian crossing beacons at Johnson Avenue and Emerson Street.

Councilmember Hollingsworth
Expressed concern regarding bridge jumping and other unsafe activities occurring along the trail system, including the use of electric scooters and electric bicycles. He stated that he would like the City to continue working with law enforcement to address these issues and noted that, overall, the community has experienced a positive summer season.

Councilmember Rivera-Vargas
Encouraged the City to continue pursuing contracts and partnerships that support workforce development and educational opportunities while maintaining fair and competitive bidding practices.

Councilmember Sanders
Complimented the installation of the new parking delineators along the Lakeside Trail and thanked staff for the information provided during the meeting. He also thanked Finance Director Evans for compiling financial information for Council review, requested an update on the timeline for the Apple Blossom Trail project, and inquired about the street sweeper schedule. City staff reported that the sweeper had experienced a mechanical breakdown and was currently undergoing repairs on the west side of the state.

12. EXECUTIVE SESSION

    A. None

13. ADJOURNMENT

MOTION:	Move to adjourn the meeting.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Brad Chitty
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 6:38 P.M.

Date Approved:

____

Cailey Couch
Deputy City Clerk

____

Erin McCardle
Mayor

City Council Workshop Meeting
August 4, 2026

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor Pro Tem:
Tim Hollingsworth

Councilmembers:
Agustin Benegas
Brad Chitty
Shane Collins
Jon Higgins
Cesar Rivera-Vargas
Terry Sanders

Administrative Personnel:
City Administrator Laura McAloon
Deputy City Clerk Cailey Couch
Community Development Director John Ajax
Finance Director Heidi Evans
Parks & Recreation Director Audrey Cooper
Public Works Director Jake Youngren

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:15 p.m.

2. AGENDA CHANGES

None.

3. WORKSHOP DISCUSSION TOPICS

   A. 2027 Budget Workshop No. 1

Finance Director Heidi Evans presented the 2027 economic outlook and revenue projections, highlighting national, state, and local economic trends, inflationary pressures, housing market conditions, and potential impacts on City revenues. Discussion included proposed revenue assumptions for the General Fund, Lodging Tax, Parks Fund, Golf Fund, and utility funds, as well as economic challenges facing municipalities statewide. Council reviewed the projections and directed staff to take a conservative approach in developing the proposed 2027 budget.

   B. Resolution No. 2026-14XX Affordable Housing Grant Funding Policy

Finance Director Evans continued discussion regarding the Housing Grant Funding Policy and presented a revised policy and application incorporating feedback from Council, affordable housing organizations, and the City Attorney. The proposed updates clarify eligible funding sources, applicable restrictions, and potential protections for the City, such as deed restrictions and performance measures. Staff also reviewed the Affordable Housing Fund's primary revenue sources and noted that state-shared housing tax revenues are the most restricted, while developer and Council-designated contributions offer greater flexibility under the Council's final policy.

C. Short Term Rental Discussion

Community Development Director Ajax provided a follow up from Council's direction during the June 2, 2026 meeting regarding a potential cap on short-term rental licenses within the Downtown Mixed Use (DMU), Tourist Mixed Use (TMU), and Highway Service Commercial (C-HS) zoning districts. He reported there are currently approximately 28 active licenses across the three (3) districts and presented a preliminary option to establish a cap of 50 licenses. Outlined considerations supporting a cap of 50, including creating a defined limit while allowing for future growth and avoiding impacts on existing operators, as well as concerns that a cap at that level would permit significant expansion beyond current license counts.

D. Public Works Project Status Update

Public Works Director Youngren presented a project status update with the City's StoryMap platform and reviewed the status of the following projects: State Route 150 Highway Sewer Mainline Replacement, Sanders Street Pedestrian Improvements, Lift Station No. 1 Improvements, Anderson Road Sewer Line Installation, Submarine Waterline Replacement, Recycle Center, Washington Street Booster Pump Station, Farnham Street and Webster Avenue Pedestrian Improvements, Woodin Ave and Center Street pedestrian Improvements, East Chelan Reservoir Design.

4. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon
Reported Sheriff Morrison authorized overtime patrols on the Woodin Avenue bridge as a response to the community's concerns regarding the bridge jumping, which resulted in several citations. She also recognized City directors and Finance Director Evans for their work as the City begins the 2027 budget process.

Community Development Director Ajax
None.

Finance Director Evans
Echoed the City Administrator's appreciation for City staff support through the budget process and noted that August 5, 2026, marked her one-year anniversary with the City.

Parks and Recreation Director Cooper
Recognized Parks staff for their continued work in these smoky conditions and reported final work at Lakeside Park is nearing completion.

Public Works Director Youngren
None.

5. MAYOR AND COUNCIL COMMENTS

Mayor Pro Tem Hollingsworth
Expressed appreciation for the opportunity to serve in the Mayor's absence and thanked City staff for their reports and fellow Councilmembers for the dialogue on the evening's agenda topics. He provided a recap of a recent meeting in Entiat regarding fire preparedness and noted that fire response resources are expected to remain in the region throughout the season. He also thanked the Chelan County Sheriff's Office for its continued community patrol efforts.

Councilmember Benegas
Thanked Public Works Director Youngren for the recent water and wastewater treatment plant tour and congratulated Finance Director Evans on reaching one-year with the City.

Councilmember Chitty
Thanked City staff and expressed appreciation for the upcoming budget process.

Councilmember Collins
Thanked City staff for their work and presentations.

Councilmember Higgins
Echoed appreciation to City staff and firefighters for their continued efforts.

Councilmember Rivera-Vargas
None.

Councilmember Sanders
Expressed gratitude to firefighters and first responders for their service and thanked City staff and fellow Councilmembers for the dialogue on the evening's agenda topics. Also commended Mayor Pro Tem Hollingsworth for his leadership during the meeting.

6. ADJOURNMENT

MOTION:	Move to adjourn the meeting.
MOVER:	Councilmember Shane Collins

SECONDER:	Councilmember Terry Sanders
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 6:48 P.M.

Date Approved:

Cailey Couch
Deputy City Clerk

Erin McCardle
Mayor

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE

Opening Doors to Safe, Affordable Homes in Chelan and Douglas Counties

Why We Exist

Mission

- We provide access to safe, affordable rental homes for families in need of housing assistance across Chelan & Douglas Counties.

Vision

- A community where housing is not the barrier that keeps people from stability, dignity, and opportunity.

Purpose

- We exist because housing is a fundamental right and the foundation for a safe, healthy community.

Our History:

Built Through Partnership

The organization began in response to a real community need for affordable housing, particularly among agricultural workers and families in the Wenatchee area.

- Established in **1981** by the City of Wenatchee (Mayor Jim Lynch) under RCW 35.82 for the purpose of developing housing for year-round agricultural workers living in Wenatchee.
- **1984** – Washington Square, 36 units year-round agricultural housing in Wenatchee, completed.
- **1987** – Wenatchee II, 34 units year-round agricultural housing in Wenatchee, completed.
- **1990** – Acquired the Section 8 Tenant Based Rental Assistance Program from the dissolving Chelan/Douglas Housing Association.
- **1993** – Purchased Man*Sun Villa, 21 units of existing senior housing in Manson from dissolving Chelan/Douglas Housing Association.
- **1995** - Applewood Apartments, 35 units year-round agricultural housing in Wenatchee completed.
- **1998** - Under Chelan County Resolution #98-01, the Housing Authority of Chelan County and the City of Wenatchee was created as a Joint Housing Authority.
  - New board structure includes representatives from Chelan County, cities of Wenatchee, Cashmere, Leavenworth, Entiat, Chelan.
- **2002** – Board structure changed to include representatives from Douglas County and City of East Wenatchee.

Current Housing Authority Commissioners

Your Representation in the work we do

- City of Wenatchee, Board Chair, **Laura Jaecks**
- Chelan County District 1, Board Vice Chair, **Garth Donald**
- Chelan County District 2, **John Bryant**
- Chelan County District 3, **Scott Meyers**
- City of Cashmere, **Steve Vradenburg**
- City of Chelan, **Vicki Carr**
- City of Entiat, Councilmember **John DeFrees**
- City of East Wenatchee, Councilmember **Shayne Magdoff**
- City of Leavenworth, **Kaylin Bettinger**
- City of Wenatchee, **Mona Lopez**
- Douglas County, **Al Schuster**

Interlocal Agreements

LOCAL ENTITY	DATE ESTABLISHED	PURPOSE
Chelan County	July 21, 1992	Full authorization to develop, own and operate affordable housing in unincorporated Chelan County.
Douglas County	July 14, 1992	Full authorization to develop, own and operate affordable housing in unincorporated Douglas County.
City of Chelan	February 11, 1993	Full authorization to function as a Housing Authority in the City of Chelan.
City of Leavenworth	September, 1998	Authorization to operate Der Garten Haus.
City of Cashmere	March 13, 2000	Full authorization to function as a Housing Authority in the City of Cashmere.
City of Entiat	April 12, 2001	Full authorization to function as a Housing Authority in the City of Entiat.
City of East Wenatchee	February 20, 2024	Full authorization to function as a Housing Authority in the City of East Wenatchee in 2024 repealed the initial interlocal agreement from 2002 that was limited in scope.
City of Leavenworth	March 13, 2007	Full authorization to function as a Housing Authority in the City of Leavenworth.

Development History – Post Restructure

LOCATION	DATE	TYPE OF DEVELOPMENT	NUMBER OF UNITS	HOUSING TYPE
Leavenworth	1998	Purchase/Rehab	32	Senior
Chelan Co. (Manson)	2000	New Development	19	Year-Round Ag
Cashmere	2000	Purchase/Rehab	18	Low Income Family
Douglas Co. (EW)	2002	New Development	35	Seasonal/Year-Round Ag
Chelan	2003	Purchase/Rehab	16	Senior
Chelan	2003	Purchase/Rehab	20	Low Income Family
Entiat	2003	Purchase/Rehab	26	Low Income Family
Chelan	2007	New Development	22	Year-Round Ag
Douglas Co.	2007	New Development	26	Year-Round Ag
Douglas Co.	2008	New Development	24	Seasonal Ag
Chelan Co. (Malaga)	2009	New Development	24	Seasonal Ag
Wenatchee	2014	Purchase/Rehab	35	Senior
Wenatchee	2014	Purchase/Rehab	50	Senior
Chelan	2015	Purchase/Rehab	28	Senior
Leavenworth	2021	Purchase/Rehab	24	Low Income Family
Leavenworth	2023	New Development	8	Senior
Entiat	2023	New Development	66	Year-Round Ag Low Income Family

Today's Impact

Affordable Housing Units Owned

Type of Housing	Number of Units
Low-Income Multi Family	94
Senior	190
Year-Round Agriculture	268
Seasonal Agriculture	48
Total Portfolio	600

Today’s Impact

Housing Choice Voucher Program

- In addition to the development of housing, the Housing Authority also administers the HUD Section 8 Housing Choice Voucher Program. This program currently serves **448 families** across Chelan and Douglas Counties providing around **$400,000** per month in rental assistance directly to approximately **150** private landlords.
- VA Supportive Housing Program (HUD-VASH)
  - 74 Participants
- Foster Youth to Independence
  - 4 participants
- Stability Vouchers
  - 5 Participants

Funding Sources

Partners who enable us to do the work through financial support

- Federal:
  - USDA Rural Development 514/516 Agricultural Housing
  - USDA Rural Development 515 Agricultural Housing
  - HUD Project Based Rental Assistance
  - HUD Tenant Based Rental Assistance
- State:
  - Washington State Housing Finance Commission – Tax Credit Program
  - Washington State Housing Trust Fund
- Local:
  - Chelan and Douglas County 2060 Grant funding

What's Next

Continuing to Evolve

- Improving Access & Customer Experience
  - RentCafe Platform launching this Fall
    - Online application, rent payment, waitlist management
- Investing in the Community
  - Awarded significant federal dollars from USDA-RD in the last 2 years to rehabilitate aging properties improving living conditions for tenants and supporting local employment through contracts with local contractors
    - $4.2 Million awarded end of 2024 – largest federal award in the country that cycle
    - $2.1 Million awarded in 2026
- Preserving affordable housing
  - Awarded Housing Trust Fund grant to acquire existing affordable senior housing in Cashmere keeping 24 senior households affordably housed.
- Housing Choice Voucher
  - Contacted 280 families in the last 12 months, exhausting the existing waitlist
  - New waitlist to open in early 2027
  - Housing Choice Voucher Admin Plan
    - Available to the Public by **August 10th** online and at the office
    - Public Comment **September 24th** at 8:30 AM

Preparing for Future Housing Needs

- Thank you for being part of this shared mission
  - The Housing Authority’s Board of Commissioners and leadership wants to improve communication and collaboration with each municipality in Chelan & Douglas Counties. Please let us know how frequently you would like presentations or correspondence and how we can best improve our partnership with you.
- Continuing to make internal improvements
  - Working as a team to strengthen our connection to our Mission / Vision and better serve the community. 2027 will be a big year for the agency with a lot of change and we ask for patience as we continue to evolve to show up best for the community.
- Workforce Housing
  - Workforce housing is a critical issue in Chelan & Douglas Counties, particularly in our tourism communities Chelan, Leavenworth. We are exploring how we can best grow to meet that need while staying true to our Mission.

Questions?

- Contact information:
  - Sasha Sleiman, Executive Director
  - Email: sasha@ccwha.com
  - Phone: 509-663-7421

City of Chelan

2026-066

CITY COUNCIL August 11, 2026

Subject/Title:	U.S. Department of Transportation Federal Aviation Administration Grant Offer for Airport Improvement Program (AIP) Project No. 3-53-0013-019-2026 (City Administration McAloon)
Department:	Airport
Staff Contact:	Laura McAloon
Guiding Principles:	Visionary & Strategic
Initiatives:	Establish a Long-Range Economic Strategy Modernize Resource Strengthen Strategic Partnership
Reviewed By:	City Administrator, Finance Director
Number of Looks:	Look No. 1 of 1

PREVIOUS ACTION TAKEN

None.

OVERVIEW

With the funding support of the Federal Aviation Adminsitration (FAA), the City and Chelan Douglas Regional Port (Port) engaged in a planning process to update the Lake Chelan Airport - S10 Master Plan and approved the Airport Master Plan in 2021. The Airport Master Plan provides the City and Port with a determination of the critical aircraft that are anticipated to maintain operations of the Airport and a Preferred Alternative that defines the future Airport Layout Plan and runway alignment necessary to meet those operational needs. It is notable that the Master Planning process was started prior to the COVID-19 pandemic and a significant amount of work, including the public outreach and data gathering, was conducted under those constrained conditions.

Subsequently, starting in 2022, an Environmental Assessment was conducted by the City and Port, also with FAA grant funding assistance. The Environmental Assessment concluded in the second quarter of 2026 and the parties received additional public comment following the publication of the Draft Environmental Assessment Report.

Feedback received during the final outreach period caused the FAA to recommend further analysis of the appropriate aircraft operating needs and a robust outreach effort to current users, adjoining property owners and the public as stakeholders in the future growth and development of Lake Chelan Airport - S10. The Environmental Assessment was left in draft form and no final Determination was issued by the FAA, so that the work and environmental data developed during the assessment process could continue to be utilized for planning and development purposes in the next five (5) to ten (10) years. This approach allows the City to undertake additional planning work to update the 2021 Airport Master Plan, critical aircraft usage data and develop a final updated Airport Layout Plan that accounts for current FAA regulations for obstructions surrounding the Lake Chelan Airport and displaced thresholds. This will enable the City to prepare a runway alignment and redevelopment plan that complies with current FAA guidance and is operationally feasible in light of the geography, structures and anticipated use of the our Airport in the future.

Based on the guidance from the FAA, the City has applied for additional FAA Airport Improvement Program funding in the total amount of $418,000 to pay for the estimated cost of a supplemental update to the Airport Master Plan, which totals $459,800. The local match for this grant will be 10% of the total project cost, or $41,800. We anticipate the matching funds to be shared with WSDOT-Aviation Division (50% or $20,900) and the remaining 50% split equally between the Port ($10,450) and City ($10,450).

FINANCIAL IMPLICATIONS

Total Project Cost: $459,800
FAA AIP Grant: $418,000
WSDOT Grant: $ 20,900
Port Match: $ 10,450
City Match: $ 10,450

The City's Match funds will come from the capital budget authority previously designated for Runway Rehabilitation in the amount of $200,000. That work will not be performed in FY26 due to the FAA's direction to undertake this update of the Airport Master Plan prior to funding additional capital improvements to the existing Airport layout.

ATTACHMENTS

1. Grant Offer for Airport Improvement Program (AIP) Project No. 3-53-0013-019-2026

SUGGESTED MOTION

I move to authorize the City Administrator as Airport Manager to execute and accept FAA Grant Offer for Airport Improvement Program (AIP) Project No. 3-53-0013-019-2026.

U.S. Department of Transportation Federal Aviation Administration

Airports Division Northwest Mountain Region Oregon, Washington

Seattle Airports District Office:
2200 S 216th St
Des Moines, WA 98198

August 6, 2026

Ms. Laura McAloon
Airport Director
City of Chelan & Port of Chelan County
135 E Johnson St
Chelan, WA 98816-1669

Dear Ms. McAloon:

The Grant Offer for Airport Improvement Program (AIP) Project No. 3-53-0013-019-2026 at Lake Chelan Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the Grant Offer carefully.

You may not make any modification to the text, terms or conditions of the Grant Offer.

***Steps You Must Take to Enter Into Agreement*.**

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **August 26, 2026**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (federal payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this system.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date four (4) years from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in "inactive" status if you do not make draws on a regular basis, which will affect your ability to receive future Grant Offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
  1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
  2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit FAA Form 5100-140, Performance Report within 30 days of the end of the federal fiscal year.
- For construction projects, you must submit FAA Form 5370-1, Construction Progress and Inspection Report, within 30 days of the end of each federal fiscal quarter.

Audit Requirements. As a condition of receiving federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-federal entities that expend $1,000,000 or more in federal awards to conduct a single or program specific audit for that year. Note that this includes federal expenditures made under other federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Agnes Fisher, (206) 231-3984, Agnes.Fisher@faa.gov, is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

Ryan C. Zulauf
Manager, Seattle Airports District Office

U.S. Department of Transportation Federal Aviation Administration

FEDERAL AVIATION ADMINISTRATION

FY 2026

AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date	August 6, 2026
Airport/Planning Area	Lake Chelan Airport
Airport Grant Number	3-53-0013-019-2026, (Contract number: DOT-FA26NM-131)
Unique Entity Identifier	Q97JHJNST437

TO: City of Chelan & Port of Chelan County, Washington
(herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the sponsor has submitted to the FAA a Project Application dated April 21, 2026, for a grant of federal funds for a project at or associated with the Lake Chelan Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Lake Chelan Airport (herein called the “Project”) consisting of the following:

Airport Master Plan Update

which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out Title 49, United States Code (USC), Chapters 471 and 475; 49 USC §§ 40101 et seq. and 48103; Consolidated Appropriations Act, 2024

(Public Law Number (P.L.) 118-42); Consolidated Appropriations Act, 2025 (P.L. 119-4); Consolidated Appropriations Act, 2026 (P.L. 119-75); FAA Reauthorization Act of 2024 (P.L. 118-63); Infrastructure Investment and Jobs Act of 2021 (IIJA) (P.L. 117-58) (as applicable); and the representations contained in the Project Application; and in consideration of: (a) the sponsor's adoption and ratification of the most recently published Grant Assurances; (b) the sponsor's acceptance of this offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the project, and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (95) % of the allowable costs incurred accomplishing the Project as the United States' share of the Project.

Assistance Listings Number(s): 20.116**.**

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $418,000.

   The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 USC § 47108(b):
   $418,000 for planning
   $0 for airport development or noise program implementation; and,
   $0 for land acquisition.

2. **Grant Performance.** This agreement is subject to the following federal award requirements:

   a. Period of Performance:

      i. Start Date: The date the recipient formally accepts this agreement and the date signed by the last signatory to the agreement.

      ii. End Date: Four (4) years to the calendar day from the date of acceptance.

      iii. Extension of the Period of Performance (PoP): The recipient may request a one-time extension of up to one year after the PoP end date by submitting a request to the FAA. The request must include, at a minimum, supporting justification for the request and the amount of additional time requested. The request must be submitted at least 10 calendar days before the PoP end date. This one-time extension may not be exercised for the sole purpose of using unobligated balances.

   The PoP end date, or any extension as approved by FAA, shall not affect, relieve, or reduce recipient obligations and assurances that extend beyond the closeout of this agreement.

   b. Budget Period:

      i. For a single year grant offer, the budget period follows the same start and end date as the PoP provided in paragraph 2(a), and any extension of the PoP end date.

      ii. For a multi-year grant offer, per the authority provided in 49 USC § 47108 and § 47114, the budget period is from the initial PoP start date through the end of the final fiscal year identified on a multi-year grant offer (See Multi-Year Grant Special Condition, if applicable).

   c. Appropriation Period of Availability and Expenditure:

i. The FAA must obligate appropriated funds within the period of availability identified in the appropriation.

ii. In accordance with 31 USC § 1552, by September 30th of the fifth fiscal year after the period of availability, FAA must liquidate and close expired appropriations, and any remaining balance (whether obligated or unobligated) must be canceled and thereafter shall not be available for obligation or expenditure for any purpose.

iii. IIJA and Supplemental AIP funding are subject to this condition.

d. Close Out:

Recipients shall begin the closeout process upon physical completion of the project(s) identified in this agreement. Closeout shall proceed expeditiously and without delay, even if the PoP end date has not been reached. In accordance with 2 Code of Federal Regulations (CFR) 200, unless the FAA authorizes a written extension, the recipient must submit all grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the PoP end date. If the recipient does not submit all required closeout documentation within this period, the FAA will proceed to close out the grant within one year of the PoP end date with the information available at the end of 120 days.

e. Termination:

The FAA may terminate this agreement and all of its obligations under this agreement if any of the following occur:

i. The recipient fails to comply with the terms and conditions of this agreement;

ii. The recipient fails to obtain or provide any recipient grant contribution as required by the agreement;

iii. There is a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the recipient;

iv. Any project changes that the FAA determines are inconsistent with the FAA's basis for selecting the project to receive a grant;

v. Continued grant payment inactivity, generally defined as no drawdowns over a 12-month period;

vi. The recipient requests that the FAA terminate the agreement under this section; or

vii. The FAA determines that termination of this agreement is in the public interest.

In terminating this agreement under this section, the FAA may elect to consider only the interests of the FAA.

3. **Ineligible or Unallowable Costs.** In accordance with 49 USC § 47110, the sponsor is prohibited from including any costs in the grant funded portions of the project that the FAA has determined to be ineligible or unallowable, including costs incurred to carry out airport development implementing policies and initiatives repealed by Executive Order 14148, provided such costs are not otherwise permitted by statute.

4. **Indirect Costs - Sponsor.** The sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application, as accepted by the FAA, to allowable costs for sponsor direct salaries and wages.

5. **<u>Determining the Final Federal Share of Costs</u>.** The United States' share of allowable project costs will be made in accordance with 49 USC § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the federal share of costs.
6. **<u>Completing the Project Without Delay and in Conformance with Requirements</u>.** The sponsor must carry out and complete the project without undue delay, and in accordance with this agreement, 49 USC Chapters 471 and 475, IIJA (P.L. 117-58) (as appropriate), and the regulations, policies, and procedures of the Secretary. Per 2 CFR § 200.308, the sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months, or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The sponsor also agrees to comply with the grant assurances, which are part of this agreement.
7. **<u>Amendments or Withdrawals before Grant Acceptance</u>.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the sponsor.
8. **<u>Offer Expiration Date</u>.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project(s) unless this offer has been accepted by the sponsor on or before August 26, 2026, or such subsequent date as may be prescribed in writing by the FAA.
9. **<u>Improper Use of Federal Funds and Mandatory Disclosure</u>.**
   a. The sponsor must take all steps, including litigation, if necessary, to recover federal funds spent fraudulently, wastefully, or in violation of federal antitrust statutes, or misused in any other manner for any project upon which federal funds have been expended. For the purposes of this grant agreement, the term "federal funds" means funds however used or dispersed by the sponsor, that were originally paid pursuant to this or any other federal grant agreement. The sponsor must obtain the approval of the Secretary as to any determination of the amount of the federal share of such funds. The sponsor must return the recovered federal share, including funds recovered by settlement, order, or judgment, to the Secretary. Upon request, the sponsor must furnish to the Secretary all documents and records pertaining to the determination of the amount of the federal share, or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the sponsor, in court or otherwise, involving the recovery of such federal share require advance approval by the Secretary.
   b. The sponsor, a recipient, and a subrecipient under this federal grant must promptly comply with the mandatory disclosure requirements as established under 2 CFR § 200.113, including reporting requirements related to recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200.
10. **<u>United States Not Liable for Damage or Injury</u>.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this agreement.
11. **<u>System for Award Management (SAM) Registration and Unique Entity Identifier (UEI)</u>.**
    a. Requirement for System for Award Management (SAM): Unless the sponsor is exempted from this requirement under 2 CFR § 25.110, the sponsor must maintain the currency of its information in the SAM until the sponsor submits the final financial report required under this

grant, or receives the final payment, whichever is later. This requires that the sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit, or governmental entity. A UEI may be obtained from SAM.gov at https://sam.gov/content/entity-registration.

12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the sponsor by $25,000 or five percent, whichever is greater, the FAA can issue a letter amendment to the sponsor unilaterally reducing the maximum obligation.

    The FAA can also issue a letter to the sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun, provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

    The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous, and in the best interests of the United States.

    An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Environmental Standards.** The sponsor is required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.

15. **Financial Reporting and Payment Requirements.** The sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 USC § 50101, the sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this grant. The sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this grant.

17. **Build America, Buy America.** The sponsor must comply with the requirements under the Build America, Buy America Act (P.L. 117-58).

18. **Maximum Obligation Increase.** In accordance with 49 USC § 47108(b)(2), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this grant:

    a. May not be increased for a planning project;

    b. May be increased by not more than 15 percent for development projects, if funds are available;

c. May be increased by not more than the greater of the following for a land project, if funds are available:

    i. 15 percent; or

    ii. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 USC § 47109, or IIJA (P.L. 17-58), or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the federal share as applicable through an informal letter of amendment.

19. Audits for Sponsors.

PUBLIC SPONSORS. The sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at http://harvester.census.gov/facweb/. Upon request of the FAA, the sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than $1,000,000 in federal awards and are exempt from federal audit requirements must make records available for review or audit by the appropriate federal agency officials, state, and Government Accountability Office. The FAA and other appropriate federal agencies may request additional information to meet all federal audit requirements.

20. Suspension or Debarment. When entering into a "covered transaction" as defined by 2 CFR § 180.200, the sponsor must:

a. Verify the non-federal entity is eligible to participate in this federal program by:

    i. Checking the System for Award Management (SAM.gov) exclusions to determine if the non-federal entity is excluded or disqualified; or

    ii. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or

    iii. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.

b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.

c. Immediately disclose in writing to the FAA whenever (1) the sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the public sponsor suspends or debars a contractor, person, or entity.

21. Ban on Texting While Driving.

a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the sponsor is encouraged to:

    i. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal Government, including work relating to a grant or subgrant.

ii. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:

a) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
b) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

f. The sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this grant.

22. Trafficking in Persons.

a. *Posting of contact information.*

i. The sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.

b. *Provisions applicable to a sponsor that is a private entity.*

i. Under this grant, the sponsor, its employees, subrecipients under this grant, and subrecipient's employees must not engage in:

a) Severe forms of trafficking in persons;

b) The procurement of a commercial sex act during the period of time that the grant or cooperative agreement is in effect;

c) The use of forced labor in the performance of this grant; or any subaward; or

d) Acts that directly support or advance trafficking in persons, including the following acts:

1. Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;

2. Failing to provide return transportation of pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:

   a. Exempted from the requirement to provide or pay for such return transportation by the federal department or agency providing or entering into the grant; or

   b. The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or witness in a human trafficking enforcement action;

3. Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;

4. Charging recruited employees a placement or recruitment fee; or

5. Providing or arranging housing that fails to meet the host country's housing and safety standards.

ii. The FAA may unilaterally terminate this grant or take any remedial actions authorized by 22 USC § 7104b(c), without penalty, if any private entity under this grant:

a) is determined to have violated a prohibition in paragraph 2.a. (PoP) of this grant; or

b) has an employee that is determined to have violated a prohibition in paragraph 2.a. (PoP) of this grant through conduct that is either:

1. Associated with the performance under this grant; or
2. Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

c. *Provisions applicable to a sponsor other than a private entity.*

i. The FAA may unilaterally terminate this award or take any remedial actions authorized by 22 USC § 7104b(c), without penalty, if subrecipient is a private entity under this grant:

a) is determined to have violated a prohibition in paragraph 2.a. (PoP) of this grant or

b) has an employee that is determined to have violated a prohibition in paragraph 2.a. (PoP) of this grant through conduct that is either:

1. Associated with the performance under this grant; or

2. Imputed to the sponsor or subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

d. Provisions applicable to any sponsor or subrecipient.

i. The sponsor or subrecipient must inform the FAA and the DOT Inspector General immediately of any information you receive from any source alleging a violation of a prohibition in paragraph 2.a. (PoP) of this grant.

ii. The FAA's right to unilaterally terminate this grant as described in paragraphs 2.b. (Budget Period) or 3.a. (Close Out and Termination) of this grant, implements the requirements of 22 USC Chapter 78, and is in addition to all other remedies for noncompliance that are available to the FAA under this grant.

iii. The sponsor must include the requirements of paragraph 2.a. (PoP) of this grant award term in any subaward it makes to a private entity.

iv. If applicable, the sponsor must also comply with the compliance plan and certification requirements in 2 CFR § 175.105(b).

e. *Definitions. For purposes of this grant award, term:*

i. "Employee" means either:

a) An individual employed by the sponsor or a subrecipient who is engaged in the performance of the project or program under this grant; or

b) Another person engaged in the performance of the project or program under this grant and not compensated by the sponsor or a subrecipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing requirements.

ii. “Private Entity” means:

a) Any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR § 200.1.

b) The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “abuse or threatened abuse of law or legal process,” “coercion,” “debt bondage,” and “involuntary servitude” have the meanings given at section 103 of the Victims of Trafficking and Violence Protection Act of 2000, as amended (22 USC § 7102).

23. Grant Funded Work Included in a PFC Application. Within 120 days of acceptance of this Grant Agreement, the sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.

24. Exhibit “A” Property Map. The Exhibit “A” Property Map dated August 20, 2021, is incorporated herein by reference, or is submitted with the project application and made part of this Grant Agreement.

25. Employee Protection from Reprisal. In accordance with 2 CFR § 200.217 and 41 USC § 4701, an employee of a grantee, subgrantee contractor, recipient, or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in 41 USC § 4712(a)(2) information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. The grantee, subgrantee, contractor, recipient, or subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 USC § 4712. See statutory requirements for whistleblower protections at 10 USC § 4701, 41 USC § 4712, 41 USC § 4304, and 10 USC § 4310.

26. Prohibited Telecommunications and Video Surveillance Services and Equipment. The sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [P.L. 115-232 § 889] and 2 CFR § 200.216.

27. Critical Infrastructure Security and Resilience. The sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in its project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.

28. Title VI of the Civil Rights Act. As a condition of a grant award, the sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC §§ 2000d et seq.) and implementing regulations (49 CFR Part 21), the Airport and Airway Improvement Act of 1982 (49 USC § 47123), the Age Discrimination Act of 1975 (42 USC § 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. The sponsor shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin, sex, creed, age, disability, and genetic information, in consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

29. <u>Applicable Federal Anti-Discrimination Laws.</u> The sponsor agrees:

a. That its compliance in all respects with all applicable federal anti-discrimination laws is material to the government's payment decisions for purposes of 31 USC § 3729(b)(4) and

b. To certify that it does not operate any programs promoting Diversity, Equity, and Inclusion (DEI) that violate any applicable federal anti-discrimination laws.

30. <u>National Airspace System Requirements.</u>

a. The sponsor shall cooperate with FAA activities installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System, including waiving permitting requirements and other restrictions affecting those activities to the maximum extent possible, and assisting the FAA in securing waivers of permitting or other restrictions from other authorities. The sponsor shall not take actions that frustrate or prevent the FAA from installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System.

b. If FAA determines that the sponsor has violated subsection a., the FAA may impose a remedy, including:

   i. Additional conditions on the award;

   ii. Consistent with 49 USC Chapter 471, any remedy permitted under 2 CFR §§ 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the recipient to the DOT; suspension or termination of the award; or suspension and debarment under 2 CFR part 180; or

   iii. Any other remedy legally available.

c. In imposing a remedy under this condition, the FAA may elect to consider the interests of only the FAA.

d. The sponsor acknowledges that amounts that the FAA requires the sponsor to refund to the FAA due to a remedy under this condition constitute a debt to the Federal Government that the FAA may collect under 2 CFR 200.346 and the Federal Claims Collection Standards (31 CFR Parts 900–904).

31. **<u>Signage Costs for Construction Projects.</u>** The sponsor agrees that it will require the prime contractor of a federally-assisted airport improvement project to post signs consistent with a DOT/FAA-prescribed format, as may be requested by the DOT/FAA, and further agrees to remove any signs posted in response to requests received prior to February 1, 2025.

SPECIAL CONDITIONS

32. **<u>Airport Layout Plan (ALP)</u>.** The sponsor understands and agrees to update the ALP to reflect the construction to standards satisfactory to the FAA, and submit it in final form to the FAA as prescribed by 49 USC § 47107(a)(16). It is further mutually agreed that the reasonable cost of developing said ALP is an allowable cost within the scope of this project, if applicable. Airport Sponsors Grant Assurance 29 further addresses the sponsor's statutory obligations to maintain an ALP in accordance with 49 USC § 47107(a)(16).
33. **<u>Update Accepted Exhibit "A" Property Map for Land in Project</u>.** The sponsor understands and agrees to update the Exhibit "A" Property Map to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an allowable cost within the scope of this project.
34. **<u>Master Plan Coordination</u>.** The sponsor agrees to coordinate this master planning study with metropolitan planning organizations, other local planning agencies, and with the State Airport System Plan prepared by the State's Department of Transportation, and consider any pertinent information, data, projections, and forecasts which are currently available or as will become available. The sponsor agrees to consider any State Clearinghouse comments and to furnish a copy of the final report to the State's Department of Transportation.
35. **<u>Airport Layout Plan (ALP) Coordination</u>.** The sponsor has made available to (or will make available to) and has provided (or will provide) upon request to the metropolitan planning organization, if any, in the area in which the airport is located, a copy of the proposed ALP or ALP amendment to depict the project, and a copy of any airport master plan in which the project is described or depicted.
36. **<u>Airports Geographic Information System (GIS) Survey</u>.** If the airport's GIS survey is not reflected in the Airports Data Information Portal (ADIP) meeting FAA requirements within four (4) years from the date of grant execution, then the sponsor may be required to repay that portion of this grant related to survey work.
37. **<u>Grants Issued on Estimates</u>.** The sponsor understands and agrees that this Grant Offer is made and accepted based on estimates for Update Airport Master Plan; and the parties agree that within 180 days from the date of acceptance of this Grant Offer, the sponsor will receive bids for Update Airport Master Plan contained within the project description, which is more fully described in the Project Application. If, after the sponsor has received bids, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the sponsor by $25,000.00 or five percent, whichever is greater based on the actual bid prices received, the FAA can issue a letter to the sponsor unilaterally reducing the maximum obligation. The sponsor understands that amendment calculations will then be limited by this reduced maximum obligation.

The sponsor's acceptance of this offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the sponsor, as hereinafter provided, and this offer and acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the sponsor with respect to the accomplishment of the project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the sponsor's acceptance of this offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[1]

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

(Signature)

Ryan C. Zulauf

Ryan C. Zulauf

Manager

Manager, Seattle Airports District Office

[1] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing offer, and does hereby accept this offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[2]

Dated ______________________________

City of Chelan & Port of Chelan County
(Name of Sponsor)

____
(Signature of Sponsor's Authorized Official)

By: ______________________________
(Typed Name of Sponsor's Authorized Official)

Title: ______________________________
(Title of Sponsor's Authorized Official)

[2] Knowingly and willfully providing false information to the Federal Government is a violation of 18 USC § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, , acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Washington. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (USC), Chapters 471 and 475; 49 USC §§ 40101 et seq., and 48103; Consolidated Appropriations Act, 2024 (P.L. 118-42); Consolidated Appropriations Act, 2025 (P.L. 119-4); Consolidated Appropriations Act, 2026 (P.L. 119-75); FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[3]

Dated at ______________________________

By: ______________________________
(Signature of Sponsor's Attorney)

[3] Knowingly and willfully providing false information to the Federal Government is a violation of 18 USC § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

ASSURANCES
AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, USC, subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this Grant Offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a Grant Offer of federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of federal funds for this grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

FEDERAL LEGISLATION

a. 49 USC subtitle VII, as amended.

b. Davis-Bacon Act, as amended — 40 USC §§ 3141-3144, 3146, and 3147, et seq.[1]

c. Federal Fair Labor Standards Act – 29 USC § 201, et seq.

d. Hatch Act – 5 USC § 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 USC § 4601, et seq.[1, 2]

f. National Historic Preservation Act of 1966 – Section 106 – 54 USC § 306108.[1]

g. Archeological and Historic Preservation Act of 1974 – 54 USC § 312501, et seq.[1]

h. Native Americans Grave Repatriation Act – 25 USC § 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended – 42 USC § 7401, et seq.

j. Coastal Zone Management Act, P.L. 92-583, as amended – 16 USC § 1451, et seq.

k. Flood Disaster Protection Act of 1973 – Section 102(a) - 42 USC § 4012a.[1]

l. 49 USC § 303, (formerly known as Section 4(f)).

m. Rehabilitation Act of 1973 – 29 USC § 794.

n. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq.) (prohibits discrimination on the basis of race, color, national origin).

o. Americans with Disabilities Act of 1990, as amended, (42 USC § 12101 et seq.) (prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 – 42 USC § 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968, as amended – 42 USC § 4151, et seq.[1]

s. Powerplant and Industrial Fuel Use Act of 1978 – Section 403 – 42 USC § 8373.[1]

t. Contract Work Hours and Safety Standards Act – 40 USC § 3701, et seq.[1]

u. Copeland Anti-kickback Act – 18 USC § 874.[1]

v. National Environmental Policy Act of 1969 – 42 USC § 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 USC § 1271, et seq.

x. Single Audit Act of 1984 – 31 USC § 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 – 41 USC §§ 8101 through 8105.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).

aa. Civil Rights Restoration Act of 1987, P.L. 100-259.

bb. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.

cc. Build America, Buy America Act, P.L. 117-58, Title IX.

dd. Endangered Species Act – 16 USC 1531, et seq.

ee. Title IX of the Education Amendments of 1972, as amended – 20 USC 1681–1683 and 1685–1687.

ff. Drug Abuse Office and Treatment Act of 1972, as amended – 21 USC 1101, et seq.

gg. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 USC § 4541, et seq.

hh. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 USC § 4541, et seq.

ii. Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 USC § 1352.

EXECUTIVE ORDERS

a. Executive Order 11990 – Protection of Wetlands

b. Executive Order 11988 – Floodplain Management

c. Executive Order 12372 – Intergovernmental Review of Federal Programs

d. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction[1]

e. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers

f. Executive Order 14149 – Restoring Freedom of Speech and Ending Federal Censorship

g. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing

h. Executive Order 14154 – Unleashing American Energy

i. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government

j. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

FEDERAL REGULATIONS

a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).

b. 2 CFR Part 200 and 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [3, 4, 5]

c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.

d. 14 CFR Part 13 – Investigative and Enforcement Procedures.

e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.

f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.

h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.

i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.[1]

j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.[1]

k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).[1]

l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).[1]

m. 49 CFR Part 20 – New Restrictions on Lobbying.

n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.[1, 2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.[1]

s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.

t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.

u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

x. 49 CFR Part 41 – Seismic Safety.

Footnotes to Assurance (C)(1)

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 2 CFR Part 200 contains requirements for state and local governments receiving federal assistance. Any requirement levied upon state and local governments by this regulation shall apply where applicable to private sponsors receiving federal assistance under Title 49, United States Code.
[4] Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
[5] Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal Government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. Subject to 49 USC § 47107(a)(16) and (x), it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the state in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance-Management.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 USC § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of $2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 USC §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 USC § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a federal airport grant.

19. Operation and Maintenance.

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

   1. Operating the airport's aeronautical facilities whenever required;

   2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

   3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions

interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to ensure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

   1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

   2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

   1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

   2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

   3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 USC § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 USC § 47107.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

   1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

   2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

a. The airport owner or operator will maintain a current airport layout plan of the airport showing:

1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

b. Subject to subsection 49 USC § 47107(x), the Secretary will review and approve or disapprove the plan and any revision or modification of the plan before the plan, revision, or modification takes effect.

c. The owner or operator will not make or allow any alteration in the airport or any of its facilities unless the alteration—

1. is outside the scope of the Secretary's review and approval authority as set forth in subsection (x); or

2. complies with the portions of the plan approved by the Secretary.

d. When the airport owner or operator makes a change or alteration in the airport or the facilities which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:

1. eliminate such adverse effect in a manner approved by the Secretary; or
2. bear all costs of relocating such property or its replacement to a site acceptable to the Secretary and of restoring the property or its replacement to the level of safety, utility, efficiency, and cost of operation that existed before the alteration was made, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC §§ 2000d to 2000d-4); creed and sex per 49 USC § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.

b. Applicability

   1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

   2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

   3. Real Property. Where the sponsor receives a grant or other federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

   The sponsor agrees that it is obligated to this assurance for the period during which federal financial assistance is extended to the program, except where the federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

   1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

   2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

   "The (**City of Chelan & Port of Chelan County**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex , age, or disability in consideration for an award."

e. Required Contract Provisions.

   1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in federally-assisted programs of the DOT acts and regulations.

   2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
   a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

   1. Reinvestment in an approved noise compatibility project;
   2. Reinvestment in an approved project that is eligible for grant funding under 49 USC § 47117(e);
   3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 USC §§ 47114, 47115, or 47117;
   4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
   5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

   If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United

States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 USC § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 USC §§ 47114, 47115, or 47117;
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received federal funds under Chapter 471 subchapter 1 of Title 49 USC, it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (https://www.faa.gov/airports/aip/aip_pfc_checklist) for AIP projects as of April 21, 2026.

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under state law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises (DBE)/Airport Concessions Disadvantage Business Enterprise (ACDBE) Program.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 USC § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 USC §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

a. If the airport owner or operator of a medium or large hub airport (as defined in 49 USC § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:

1. Describes the requests;

2. Provides an explanation as to why the requests could not be accommodated; and
3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

40. Access to Leaded Aviation Gasoline

a. If 100-octane low lead aviation gasoline (100LL) was made available at an airport, at any time during calendar year 2022, an airport owner or operator may not restrict or prohibit the sale of, or self-fueling with, 100-octane low lead aviation gasoline.

b. This requirement remains until the earlier of December 31, 2030, or the date on which the airport or any retail fuel seller at the airport makes available an unleaded aviation gasoline that has been authorized for use by the FAA as a replacement for 100-octane low lead aviation gasoline for use in nearly all piston-engine aircraft and engine models; and meets either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline, as determined appropriate by the FAA.

c. An airport owner or operator understands and agrees, that any violation of this grant assurance is subject to civil penalties as provided for in 49 USC § 46301(a)(8).

City of Chelan

2026-064

CITY COUNCIL August 11, 2026

Subject/Title:	Resolution No. 2026-1486 Education Service Center has The Interlocal Purchasing System (TIPS) Purchasing Co-op Interlocal (Parks and Recreation Director Cooper)
Department:	Parks and Recreation
Staff Contact:	Audrey Cooper
Guiding Principles:	Visionary & Strategic
Initiatives:	Establish a Long-Range Economic Strategy
Reviewed By:	City Administrator and Finance Director
Number of Looks:	Look No. 1 of 1

PREVIOUS ACTION TAKEN

None.

OVERVIEW

The Interlocal Purchasing System (TIPS) is a cooperative purchasing program administered by Region 8 Education Service Center in Texas. The purpose of the program is to improve procurement efficiencies and assist participating public agencies in achieving the best value through competitively solicited cooperative purchasing contracts. Under the agreement, TIPS provides purchasing services and access to vendor contracts that have been publicly solicited and awarded through a competitive procurement process.

Cooperative purchasing provides several advantages to public agencies, such as access to competitively solicited contracts, reduced administrative costs and staff time associated with advertising, evaluating proposals, and awarding contracts, improved purchasing efficiency, and stronger purchasing power. It also provides flexibility to utilize cooperative contracts when it is in the best interest of the City and consistent with applicable state procurement requirements.

There is no membership fee associated with joining TIPS. Membership does not obligate the CIty to make purchases through the program. Rather, it provides another procurement avenue that staff may utilize when it offers the best value and complies with procurement requirements.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

1. Resolution No. 2026-1486

SUGGESTED MOTION

I move to adopt Resolution No. 2026-1486.

RESOLUTION NO. 2026-1486

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, APPROVING AN INTERLOCAL AGREEMENT WITH REGION 8 EDUCATION SERVICE CENTER FOR MEMBERSHIP IN THE INTERLOCAL PURCHASING SYSTEM (TIPS), APPROVING A WASHINGTON ADDENDUM, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT.

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes public agencies to enter into agreements for joint or cooperative action, including cooperative purchasing;

WHEREAS, RCW 39.34.020 includes a political subdivision of another state within the definition of a public agency eligible to enter an interlocal agreement under chapter 39.34 RCW;

WHEREAS, Region 8 Education Service Center ("Region 8") administers The Interlocal Purchasing System ("TIPS"), a cooperative purchasing program through which participating public entities may make purchases under contracts solicited and awarded by Region 8;

WHEREAS, under the proposed Washington Addendum, Region 8 will represent that it is a political subdivision of the State of Texas within the meaning of RCW 39.34.020 and that it is authorized under chapter 791 of the Texas Government Code to enter into and perform the proposed interlocal agreement;

WHEREAS, membership in TIPS is offered at no cost to the City and may improve procurement efficiency and assist the City in obtaining best value through cooperative purchasing;

WHEREAS, RCW 39.34.030(2) requires appropriate action by the governing body of each participating public agency before an interlocal agreement may enter into force;

WHEREAS, the City and Region 8 desire to supplement the standard TIPS interlocal agreement with a Washington Addendum addressing governing law, venue, administration, financing, property, and other requirements of Washington law;

WHEREAS, RCW 39.34.040 requires an interlocal agreement to be filed with the county auditor or listed by subject on a public agency's website or other electronically retrievable public source before the agreement enters into force;

WHEREAS, the City Council finds that membership in TIPS, subject to the Washington Addendum, is in the best interests of the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Incorporation of Recitals. The recitals set forth above are incorporated into this Resolution as if fully set forth.

Section 2. Approval of Agreement. The City Council approves the standard TIPS Interlocal Agreement attached as **Exhibit A** and the Washington Addendum attached as **Exhibit B**, both incorporated by this reference and collectively referred to as the "Agreement." The Agreement is approved substantially in the attached forms, subject only to nonmaterial revisions approved by the City Attorney.

Section 3. Authorization. The Mayor is authorized to execute the Agreement on behalf of the City and to take actions reasonably necessary to effectuate the City's membership in TIPS, provided that Region 8 executes the Washington Addendum substantially in the form attached as Exhibit B. The Mayor is authorized to approve nonmaterial revisions to the Agreement upon approval as to form by the City Attorney.

Section 4. No Purchase Commitment. Approval of the Agreement does not obligate the City to make any purchase or approve any expenditure. Each proposed purchase through a TIPS contract remains subject to City authorization, available appropriations, and all applicable federal, state, and local procurement requirements, including RCW 39.34.030(5)(b).

Section 5. Filing and Effective Date of Agreement. The City Clerk is directed to file the fully executed Agreement with the Chelan County Auditor or, alternatively, list the Agreement by subject on the City's website or another electronically retrievable public source in accordance with RCW 39.34.040. The Agreement shall not enter into force unless Region 8 has executed the Washington Addendum and the City has completed the required filing or listing.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon passage and signing.

ADOPTED by the City Council of the City of Chelan, Washington, this 11th day of August, 2026.

APPROVED**:**

By:

____

Erin McCardle, Mayor

AUTHENTICATED:

By: _____________________________________

Peri Gallucci, City Clerk

APPROVED AS TO FORM:

By: _____________________________________

Quentin D. Batjer, City Attorney

EXHIBIT A

[TIPS Interlocal Agreement]

INTERLOCAL AGREEMENT
Region 8 Education Service Center

____   _________ - ___________

PUBLIC ENTITY (TIPS MEMBER)   Control Number (TIPS will Assign)

and

Region 8 Education Service Center   225 - 950
Pittsburg, Texas   Region 8 Texas County-District Number

The Texas Education Code §8.002 permits Regional Education Service Centers, at the direction of the Commissioner of Education, to provide services to assist school districts, colleges and universities in improving student performance and increasing the efficiency and effectiveness of school, college and university financial operations. Region 8 Education Service Center is an Education Service Center which is defined as a "political subdivision" in Texas Education Code 8.009 and falls under the definition of "Unit of State Government" in Chapter 2260 of the Texas Government Code.[1] Pursuant to Section 791 of the Texas Government Code (The Interlocal Cooperation Act) to increase the efficiency and effectiveness of local governments, Region 8 Education Service Center may enter into an interlocal agreement with any political subdivision or local government of this state or any other state to provide purchasing functions and services.[2]

Vision:
TIPS will continue to become the premier purchasing cooperative in North America through the qualifying and procurement of quality vendors and through serving all public entities and qualifying non-profits.

Purpose:
The purpose of this Agreement shall be to improve procurement process efficiencies and assist in achieving best value for the participating public entities through cooperative purchasing.

Duration:
This Agreement is effective immediately and shall be in effect for one (1) year and automatically renews for an additional year annually. The Agreement may be terminated without cause immediately if the public entity Member provides written notice of termination to Region 8 Education Service Center or if Region 8 Education Service Center provides the public entity Member Sixty (60) days prior written notice of termination.

Statement of Services to be Performed:
Region 8 Education Service Center, by this Agreement, agrees to provide cooperative purchasing services to the above-named public entity through a program known as The Interlocal Purchasing System ("TIPS") Program.

Role of the TIPS Purchasing Cooperative:

- Provide for the organizational structure of the program.
- Provide staff for efficient operation of the program.
- Promote marketing of the TIPS Program.
- Coordinate the Solicitation Process for all Vendor Awarded Contracts.
- Provide members with procedures for placing orders through TIPS PO System.

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1 Tex. Edu. Code Sec. 8.009; Tex. Gov. Code Sec. 2260.001.
2 Tex. Gov. Code Chapter 791, The Interlocal Cooperation Act.

- Maintain filing system for Due Diligence Documentation.
- Collect fees from vendors as the method of financing this undertaking and supporting the operational costs of TIPS.

Role of the Public Entity:

- Commit to participate in the program by an authorized signature on membership forms.
- Designate and keep current a Primary Contact and Secondary Contact for entity.
- Commit to purchase products and services from TIPS Vendors when in the best interest of the entity.
- Submit Purchase Orders and/or Vendor Contracts through the TIPS PO System by emailing the pdf document to tipspo@tips-usa.com.
- Accept shipments of products ordered from Awarded Vendors.
- Process Payments to Awarded Vendors in a timely manner.
- Report all TIPS purchases to TIPS through TIPS authorized methods.
- Determine when a TIPS purchase is legal and appropriate under Federal, State, and Local law and policy before proceeding with a TIPS purchase.

General Provisions:

The Parties agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations in connection with the programs contemplated under this Agreement. This Agreement is subject to all applicable present and future valid laws governing such programs.

No joint agency or joint real property ownership is created by this Agreement.

This Agreement shall be governed by the law of the State of Texas and venue shall be in the county in which the administrative offices of RESC 8 are located which is Camp County, Texas.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.

The Parties to this Agreement expressly acknowledge and agree that all monies paid pursuant to this Agreement shall be paid from legally appropriated and budgeted available funds for the current fiscal year of each such entity.

Before any party may resort to litigation, any claims, disputes or other matters in question between the Parties to this Agreement shall be submitted to nonbinding mediation. The site of the mediation shall be in Camp County, Texas or a site mutually agreed by the parties. The selection of the mediator shall be mutually agreed. The cost of mediation shall be shared equally.

No Party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their directors, officers, employees, and agents as a result of its execution of this Agreement and performance of the functions and obligations described herein.

The Parties agree that the Public Entity TIPS Member is solely responsible for identifying when utilization of a TIPS Contract for procurement is legal and appropriate under Federal, State, and Local law and policy. TIPS contracts are available for TIPS Member use when the TIPS Member determines that such a procurement is appropriate and legal. TIPS cannot and does not analyze TIPS Member procurements for legality. The Parties agree that TIPS shall not be responsible or liable for any claims, challenges, audit findings, legal holdings, or damages resulting from the TIPS Member's decision to utilize a TIPS Contract when it is not appropriate to do so under the laws and policies applicable to the purchase.

This Agreement may be negotiated and transmitted between the Parties by electronic means and the terms and conditions agreed to are binding upon the Parties.

Authorization:

Region 8 Education Service Center and The Interlocal Purchasing System (TIPS) Program have entered into an Agreement to provide cooperative purchasing opportunities to entities as outlined above through awarded vendor agreements procured by public solicitation in accordance with applicable Texas statutes.

This Interlocal Agreement process was approved by the governing boards of the respective parties at meetings that were posted and held in accordance with the respective state.

The individuals signing below are authorized to do so by the respective parties to this Agreement.

Membership Entity-	**Region 8 Education Service Center**
____	
By:____________________________________ Authorized Signature	By: ____________________________________ Authorized Signature
Title:__________________________________	Title: Executive Director, Texas Region 8 ESC
Date ___________________	Date ___________________

Public Entity Contact Information

____

Primary Purchasing Person's Name   Primary Person's Email Address

____

Entity Address   City   State   Zip

____

Secondary Person's Name   Secondary Person's Email Address

____

Entity Phone Number   Entity Fax Number

EXHIBIT B

WASHINGTON ADDENDUM TO TIPS INTERLOCAL AGREEMENT

This Washington Addendum ("Addendum") is entered into by and between the City of Chelan, Washington ("City"), and Region 8 Education Service Center ("Region 8"), and supplements and modifies the TIPS Interlocal Agreement between the parties for membership in The Interlocal Purchasing System ("TIPS"), dated __________________ and assigned TIPS Control Number __________________ ("Interlocal Agreement"). The Interlocal Agreement and this Addendum are collectively referred to as the "Agreement." This Addendum is authorized under chapter 39.34 RCW and is incorporated into and made part of the Interlocal Agreement.

1. **Authority and Public-Agency Status.** Region 8 represents that it is a political subdivision of the State of Texas within the meaning of RCW 39.34.020 and that it possesses authority under chapter 791 of the Texas Government Code to enter into and perform the Agreement.

2. **Governing Law and Venue.** Notwithstanding any contrary provision of the Interlocal Agreement, the Interlocal Agreement and this Addendum are governed by and construed under the laws of the State of Washington. Venue for any action arising out of or relating to the Agreement shall lie in a state court of competent jurisdiction located in Chelan County, Washington, or, if federal jurisdiction applies, in the United States District Court for the Eastern District of Washington.

3. **Mediation.** Notwithstanding any contrary provision of the Interlocal Agreement, any required nonbinding mediation shall be held in Chelan County, Washington, or at another location mutually agreed upon by the parties. The parties shall mutually agree upon the mediator, and the cost of mediation shall be shared equally.

4. **Administrator.** For purposes of RCW 39.34.030(4)(a), Region 8, acting through the TIPS program, is designated as the administrator responsible for administering the cooperative purchasing undertaking, including organizing the program, soliciting and awarding cooperative contracts, and maintaining program records.

5. **Financing and Budget.** Region 8 shall finance administration of TIPS through the vendor fees described in the Interlocal Agreement. The parties shall not establish or maintain a joint budget. Each party is responsible for its own costs, appropriations, and budgetary obligations arising from the Agreement.

6. **No Separate Legal Entity; Property.** The Agreement does not create a separate legal or administrative entity or a joint agency. Neither party shall acquire, hold, or dispose of jointly owned real or personal property in connection with the cooperative undertaking. Each party retains sole ownership of its own property, and there shall be no jointly owned property to dispose of upon termination of the Agreement.

7. **No Purchase Commitment; Procurement Compliance.** Membership in TIPS creates no obligation for the City to make any purchase or approve any expenditure. Each City purchase remains subject to City authorization, available and budgeted appropriations, and all applicable federal, state, and local procurement laws, regulations, and policies. The City retains sole responsibility for determining whether a particular TIPS contract may lawfully be used for a proposed procurement, including whether the conditions in RCW 39.34.030(5)(b) are satisfied.

8. **Filing and Effectiveness.** The Agreement shall not enter into force unless both parties have executed the Interlocal Agreement and this Addendum and the City has filed the fully executed Agreement with the Chelan County Auditor or listed it by subject on the City's website or another electronically retrievable public source in accordance with RCW 39.34.040.

9. **Control.** If a conflict or inconsistency exists between this Addendum and the standard terms of the Interlocal Agreement, this Addendum controls. Except as modified by this Addendum, the Interlocal Agreement remains in full force and effect.

10. **Counterparts and Electronic Signatures.** This Addendum may be executed in counterparts, each of which is deemed an original and all of which together constitute one instrument. Electronic and scanned signatures shall have the same effect as original signatures.

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

CITY OF CHELAN, WASHINGTON	REGION 8 EDUCATION SERVICE CENTER
By: ______________________________	By: ______________________________
Erin McCardle, Mayor	Name: ____________________________
Date: ____________________________	Title: Executive Director
	Date: ____________________________

City of Chelan

2026-050C

CITY COUNCIL August 11, 2026

Subject/Title:	Resolution No. 2026-14XX Affordable Housing Grant Funding Policy (Finance Director Evans)
Department:	Finance
Staff Contact:	Heidi Evans
Guiding Principles:	Accessible & Welcoming
Initiatives:	Diversify Housing Options
Reviewed By:	City Administrator and Finance Director
Number of Looks:	Look No. 2 of 3

PREVIOUS ACTION TAKEN

The Affordable Housing Policy and application was originally adopted on June 23, 2020. Council discussed this item during the June 2, and August 4, 2026 Council Workshop.

OVERVIEW

This is a continued discussion by the Council regarding the parameters of the City's Housing Grant Funding Program and builds on the discussion had by Council during the June 2, 2026 workshop. Between feedback provided by City Council, area affordable housing agencies, and the City Attorney, staff is presenting a complete overhaul of the policy and application than what was previously reviewed in June. This newly proposed policy aims to better explain to applicants that funding may come from multiple sources that have varying levels of restrictions to be able to award from and lastly, depending upon how the funding is utilized, may come with additional protections for the City, such as deed restrictions for capital awards and measurable deliverables for supporting initiatives such as rental assistance, first time homebuyer classes and other such programs that support area housing initiatives.

To recap the funding side of this conversation: the Affordable Housing Fund (Fund 105) receives funding from three (3) main sources: state shared tax revenue, developer contributions, and council designated contributions during the budget cycle. The City receives approximately $15,500 a year from affordable & supportive housing state shared tax revenue, and those funds can be spent in accordance with RCW 82.14.540 and Chapters 3.84 & 3.86 of Chelan Municipal Code. These are the most restricted dollars in Fund 105. Funds received from developer or Council-driven contributions are more flexible and will be governed by the Council's final policy.

FINANCIAL IMPLICATIONS

The total fund balance as of May 28, 2026 is $133,214.72 of available funding it could award; $16,805.81 is restricted as it originates from the state tax revenue and the remaining $116,408.91 could potentially be awarded under the Affordable Housing Policy. The City has approximately $15,500 of state shared tax funds they could award each year, but Council did not designate any funding contributions in 2026, nor are there any developer contributions anticipated for the year. Council will need to determine if/how much of that funding should be awarded for 2026.

ATTACHMENTS

1. Resolution No. 2026-14XX Version No. 2
2. Capital Award Agreement & Covenant Worksheet
3. Program Services Agreement Worksheet

SUGGESTED MOTION

None.

RESOLUTION NO. 2026-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, ADOPTING AN AMENDED AFFORDABLE HOUSING FUND POLICY AND APPLICATION, ESTABLISHING CAPITAL AND PROGRAM AWARD CATEGORIES, AND SUPERSEDING THE POLICY AND APPLICATION PREVIOUSLY ADOPTED.

WHEREAS, in 2019, the City Council adopted the original affordable housing policy and application process; and

WHEREAS, amendments were made earlier in 2026 to Chapter 3.84 — Housing Fund 105 and Chapter 3.86 — Sales or Use Tax for Affordable Housing to bring language consistent with legislative changes that have occurred since the inception of the 2019 affordable housing policy; and

WHEREAS, in addition to the affordable and supporting housing sales and use tax proceeds collected under Chapter 3.86 and RCW 82.14.540, the City may receive developer contributions earmarked for affordable housing purposes and/or City Council may designate funding during the budget adoption or amendment process to allocate towards affordable housing, making a policy on how to award such funding necessary; and

WHEREAS, the City has identified that affordable housing needs in the community are served both by real property development and by programs and services—including rental assistance, housing counseling, and case management—that do not involve the development or ownership of real property, and the City Council finds it in the public interest to make Housing Fund 105 available to support both; and

WHEREAS, the City Council finds that awards involving real property shall continue to be secured by a recorded deed restriction, and that awards for programs and services shall instead be secured by a written grant or service agreement providing for defined performance terms, reporting, and a right of recapture, so that the City receives a defined and enforceable public benefit in exchange for any award made under this Policy; and

WHEREAS, monies collected under Chapter 3.86 and RCW 82.14.540 are subject to income limitations established by that statute, and the City Council finds it necessary to confirm that those limitations continue to apply to any award funded from that source regardless of the general eligibility standard otherwise established in the Policy; and

WHEREAS, the City Council has adopted a conflict of interest procedure, consistent with chapter 42.23 RCW, to address circumstances in which a City officer has a remote interest in an Applicant organization.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHELAN AS FOLLOWS:

Section 1. The City Council hereby adopts and approves the Affordable Housing Fund Policy attached hereto as Exhibit 1, and the Application for Affordable Housing Funds (Appendix A) attached hereto as Exhibit 2, each as amended.

Section 2. The Affordable Housing Fund Policy and Application adopted by this Resolution supersede and replace the Affordable Housing Fund Policy and Application previously adopted by the City Council.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED by the City Council of the City of Chelan, Washington, this 11th day of August, 2026.

APPROVED:

By: ___________________________
Erin McCardle, Mayor

AUTHENTICATED:

By: ___________________________
Peri Gallucci, City Clerk

APPROVED AS TO FORM:

By: ___________________________
Quentin Batjer, City Attorney

Exhibit A

City of Chelan Affordable Housing Fund Policy

1. Purpose and scope

Housing Fund 105 supports affordable housing within the City of Chelan. The fund receives money from multiple sources, which may include document-recording surcharge distributions, affordable-housing sales and use tax proceeds, grants, donations, Council appropriations, general facilities charge allocations, and developer contributions. Deposit into Fund 105 does not alter a restriction attached to a source.

This Policy establishes a single process for considering proposals involving real property and proposals for housing programs, services, or assistance. It does not expand the lawful uses of any funding source or create an entitlement to an award.

2. Definitions

"*AMI*" means area median income for the geographic area and methodology specified by the applicable funding source, adjusted for household size. When a source does not specify a measure, AMI means the current HUD median family income for the Wenatchee metropolitan statistical area, adjusted for household size.

"*Applicant*" means a nonprofit organization, public agency, housing authority, or for-profit organization submitting an application.

"*Capital Award*" means an award that finances acquisition, construction, conversion, rehabilitation, preservation, infrastructure, general facilities charges, or another cost associated with identified real property.

"*Program Services Award*" means an award for defined housing assistance, rental assistance, education, counseling, stabilization, case management, operations, maintenance, or other services that does not finance an interest in identified real property.

"*Restricted Money*" means money subject to a statutory, ordinance, grant, donor, contractual, interlocal, development-agreement, or other legal restriction.

"*Unrestricted Money*" means money for which staff has documented that no source-specific restriction applies, but which remains subject to constitutional and general municipal-law requirements.

3. General eligibility

An eligible proposal must advance an identified affordable-housing objective in the City's Comprehensive Plan and provide, preserve, support, or facilitate housing or housing-related assistance for income-eligible households. An applicant may propose to serve households at or below 120% of AMI. That outer application threshold does not determine whether a particular source or award structure may lawfully fund the proposal.

The City may approve, reject, reduce, condition, defer, or request modification of any proposal. The City may give priority to lower-income households, proposals that leverage other resources, urgent local needs, and proposals providing the greatest documented public benefit per City dollar.

4. Funding-source determination

Before scoring or recommending an award, Finance staff shall complete a Funding-Source Compliance Worksheet identifying each proposed source and its authorized uses, income limits, administrative-cost limits, geographic limits, award-recipient restrictions, duration, reporting duties, and available balance. The City Attorney shall review any unresolved authority or restriction issue.

Restricted Money may be used only for purposes and beneficiaries authorized by that source. If more than one source funds an award, the City shall separately account for the expenditures attributable to each source unless every expenditure satisfies every applicable restriction.

Without limiting the required source review:

- Money received under CMC chapter 3.86 and RCW 82.14.540 may be used only for the purposes authorized by RCW 82.14.540(6), subject to its income limits and administrative-cost limitation.
- Document-recording surcharge money may be used only as permitted by RCW 36.22.250, other applicable law, and the governing Chelan County interlocal agreement.
- Grant proceeds, donations, and developer contributions remain subject to all accepted conditions and agreement terms.
- General municipal funds used as a loan or grant for development or preservation of housing under RCW 35.21.685 may serve only households within that statute's income limit.

5. Award tracks

5.2 Capital Awards

Capital Awards may offset specific, documented project costs, including acquisition, construction, conversion, rehabilitation, preservation, accessibility improvements, eligible infrastructure, construction financing costs, and general facilities charges, if lawful for the selected source. Unless the City approves a documented closing disbursement or another protected method, payment shall be by reimbursement after the recipient incurs the approved cost. Payment may be conditioned on completion, issuance of required approvals, availability of other committed financing, and commencement of service to eligible households.

A loan or grant of general municipal funds for development or preservation of housing under RCW 35.21.685 shall serve households at or below ~~80% of~~ the applicable metropolitan-area median income thresholds established within RCW 35.21.685. A Capital Award serving households above that limit may be considered only with Unrestricted Money and only if, before approval, the City Attorney determines that another lawful structure and authority applies and the Council finds that the City is purchasing reasonably commensurate, enforceable value. The application threshold of 120% AMI is not independent authority for such an award.

5.2 Program Services Awards

A Program Services Award purchases defined services or assistance that advance the City's affordable-housing objectives. Examples may include rental assistance, eviction prevention, housing navigation, homeownership education, counseling, income-qualified housing stabilization, and eligible housing operations or maintenance. An example is not an eligible use of every funding source.

Each Program Services Award shall be governed by a written agreement executed before disbursement. The agreement shall state the services, eligible population, source-specific restrictions, measurable deliverables, approved budget, payment method, documentation, reporting, records retention, monitoring, and recapture remedies. Payment shall be by reimbursement or documented milestone unless the City approves another method supported by adequate controls.

6. Recorded security for Capital Awards

Before disbursement of a Capital Award, the recipient and all persons whose consent is needed to bind the property shall execute and record a City-approved affordability covenant, deed of trust, loan instrument, or other recorded security. The instrument must run with the land or otherwise bind the owner and successors for the stated term; identify the assisted units or property; state the occupancy, income, rent, sale-price, and use restrictions; require compliance reporting; permit City monitoring; and provide enforceable remedies, including repayment or recapture.

The award resolution or motion and recorded instrument shall state a definite commencement date and term. The term shall be at least the longest period required by a funding source or other applicable law. If no source establishes a term, the term shall not be less than five years. A term shorter than fifteen years requires express Council findings addressing the amount and type of assistance, number of assisted units, useful life of the funded improvement, other recorded restrictions, anticipated duration of the public benefit, and why the shorter term provides reasonably commensurate value. Council may require a longer term.

The recorded instrument shall include a repayment schedule appropriate to the award. Unless Council approves a different schedule supported by findings, the repayable amount shall decline in equal annual increments over the required term. Misrepresentation, unauthorized transfer, failure to record or maintain required priority, or use for an ineligible purpose may make the full unpaid amount immediately due.

7. Program agreement controls

A Program Services Award does not require a deed restriction unless the award is later used to finance identified real property. The agreement must provide the City enforceable consideration and, at minimum:

- define the services or assistance to be delivered and the public benefit purchased by the City;
- identify the source, eligible uses, eligible population, and applicable income measure and limit;
- state the number of households or other measurable outputs and the performance period;

- require a lawful and documented method for verifying eligibility while protecting confidential personal information;

- separate direct assistance, direct service-delivery costs, and general administrative overhead;

- require invoices, expenditure support, periodic performance reports, and a final report;

- retain City monitoring and audit access and require records retention for at least six years after final payment, or longer if the source requires; and

- permit the City to suspend payment and recapture amounts that are ineligible, undocumented, unearned, misused, or attributable to an uncured failure to perform.

8. Administrative and operational costs

Unless a funding source imposes a lower limit, general administrative overhead should not exceed 25% of the requested award. Council may approve a higher percentage when the applicant separately identifies the costs and Council makes written findings that the costs are necessary, reasonable, allocable to the funded work, and consistent with the source. Personnel costs for employees who directly deliver funded services are direct program costs to the extent supported by time or other allocation records.

9. Application and review

The annual application period is January 1 through March 1, unless Council or the City Administrator establishes an additional application period. Applicants shall use the current application and provide all requested authority, budget, project, conflict, and eligibility-verification information. Staff may reject an incomplete application or request clarification.

After the funding-source determination, staff shall evaluate proposals for legal eligibility, Comprehensive Plan consistency, need, feasibility, organizational capacity, leverage, public benefit, cost reasonableness, readiness, monitoring capacity, and risk. Staff shall recommend the source, award track, amount, term, payment method, security, performance measures, and conditions. Final approval rests with Council unless Council has lawfully delegated the decision.

10. Conflicts of interest

Each applicant shall disclose any financial, employment, management, officer, director, board, family, or other material relationship with a City officer or employee. A City officer or employee with a relationship to an applicant shall disclose it to the City Clerk and City Attorney before participating in review or consideration.

The City Attorney shall determine whether the relationship presents a prohibited beneficial interest, a remote interest under RCW 42.23.040, another statutory exception, or an appearance issue. A connected Councilmember shall not review, score, deliberate, recommend, vote on, or attempt to influence the application. Any disclosure, legal disposition, and required nonparticipation shall occur before contract formation and be noted in the official minutes. Nothing in this Policy expands an exception under chapter 42.23 RCW; service as a nonprofit director is not automatically deemed a statutory remote interest.

11. Reporting, records, and audit

Every recipient shall provide the reports required by the award documents and funding source. The City may inspect the funded work, review eligibility and expenditure support, and audit compliance. Recipients shall maintain records for at least six years after final payment or the end of the affordability term, whichever is later, unless a longer period applies. Personally identifying eligibility records shall be collected, transmitted, stored, and disclosed only as permitted by law and the agreement.

12. Nondiscrimination and legal compliance

Every recipient shall comply with applicable fair housing, civil rights, nondiscrimination, accessibility, public works, prevailing wage, licensing, permitting, environmental, records, and other laws. The City will determine which requirements apply to a particular award. An award does not represent that a project is exempt from otherwise applicable law.

13. Remedies

The City may withhold or suspend payment, require corrective action, terminate an award, recover overpayments, recapture ineligible or unearned amounts, enforce recorded restrictions, and pursue any contractual or legal remedy. The award documents shall state notice and cure rights appropriate to the risk, except that fraud, intentional misrepresentation, unlawful expenditure, or unauthorized transfer may permit immediate relief.

14. Administration and amendments

The City Administrator may approve administrative forms and nonsubstantive revisions consistent with this Policy. Council approval is required to change applicant eligibility, permitted uses, income limits, Council approval authority, minimum security, or conflict procedures. This Policy remains effective until amended or repealed.

Exhibit B

Application for Affordable Housing Funds

IMPORTANT
Applicants may propose to serve households at or below 120% AMI, but the City will determine which funding source and legal award structure, if any, may be used. A source may require a lower income limit or narrower use.

Application period and submission

Annual applications are accepted January 1 through March 1 unless the City announces an additional period. Submit a signed application and attachments to Chelan City Hall, P.O. Box 1669, 135 E. Johnson Avenue, Chelan, WA 98816. The City may request clarification, reject an incomplete application, or approve, deny, reduce, defer, or condition a request.

Applicant information

1. Legal name of applicant

____

2. Entity type and state of formation

____

3. Mailing address and website

____

4. Primary contact, title, phone, and email

____

____

5. Authorized signatory and title

____

6. List governing board members, officers, partners, members, or owners, as applicable

____

____

____

7. Describe the applicant's mission, history, and experience delivering the proposed work

____

____

____

____

Award requested

Select one primary track:

☐ Capital Award: acquisition, construction, conversion, rehabilitation, preservation, infrastructure, or costs tied to identified real property

☐ Program Services Award: housing assistance, rental assistance, education, counseling, stabilization, operations, maintenance, or other defined services not financing identified real property

☐ Combined proposal: complete both Capital and Program sections and provide separate budgets

8. Amount requested from the City

____

9. Brief project or program name and summary

____

____

____

____

10. Requested performance period and proposed payment schedule

____

____

Section A
Public benefit and beneficiaries (all applicants)

A1. Describe the housing need and the specific public benefit the City would receive

____

____

____

____

____

A2. Identify the geographic area served and explain the connection to the City of Chelan

____

____

____

A3. Check every household-income tier the proposal will serve:

☐ ≤30% AMI ☐ ≤50% AMI ☐ ≤60% AMI ☐ ≤80% AMI ☐ ≤100% AMI ☐ ≤120% AMI

A4. State the number of households or units expected in each checked tier

____

____

____

A5. Describe how household eligibility will be verified, documented, protected, and reported

____

____

____

A6. Identify measurable outputs and outcomes, including the number served, units produced or preserved, assistance delivered, and completion dates

A7. Explain consistency with the City's Comprehensive Plan, including the Housing Element

A8. Explain what will occur if the City provides less than the amount requested or no award

Section B
Budget and funding (all applicants)

Cost category	Total cost	City request	% of City request
Direct assistance to households	$	$	
Direct service-delivery personnel	$	$	
Property acquisition/construction/rehabilitation	$	$	
General facilities charges/infrastructure	$	$	
Other direct project or program costs	$	$	
General administrative overhead	$	$	%
Total	$	$	100%

B1. Provide a detailed budget narrative. Explain allocation methods for shared personnel or overhead

B2. List all other funding sources, amounts, status, restrictions, and expected commitment dates

____

____

____

____

____

B3. Describe procurement or cost-comparison methods that will be used

____

____

____

Section C
Capital Award details

Complete this section for any proposal involving identified real property, including acquisition, construction, rehabilitation, preservation, infrastructure, or general facilities charges.

C1. Property address, parcel number, and legal description

____

____

____

____

C2. Current owner and applicant's legal interest in the property. Attach the vesting deed, purchase agreement, lease, or site-control document

____

____

____

C3. Total units at completion, assisted units, tenure (rental or ownership), bedrooms, rents or sale prices, and income limits by unit

____

____

____

____

____

C4. Detailed development schedule, permits, financing commitments, and conditions remaining

____

____

____

____

____

C5. Specific costs to be paid or reimbursed with City funds

C6. Assessed value, any appraisal, existing debt, proposed debt, and lien priority

C7. Other affordability covenants or regulatory agreements, including term and priority. Attach copies

C8. Proposed affordability term and explanation of how it reasonably preserves the City's investment

C9. Describe the applicant's capacity to monitor tenant, purchaser, rent, resale, and other compliance throughout the term

Capital Award acknowledgment

A Capital Award requires City-approved recorded security before disbursement. If no source requires a longer period, the minimum term is five years. A term shorter than fifteen years requires express Council findings. The final instrument and remedies are determined by the City at award.

Section D
Program Services Award details

Complete this section for housing programs, services, or assistance not financing identified real property.

D1. Describe each service or form of assistance and the amount or frequency to be delivered

D2. State the number of households to be served and the proposed performance milestones

D3. Describe intake, eligibility verification, duplication-of-benefits controls, payment controls, and supervisory review

D4. Explain how expenditures and staff time will be documented

D5. Describe reporting systems and the applicant's ability to retain records for at least six years

D6. Identify any direct payment to or on behalf of an individual and explain how payment will be verified and safeguarded

Program Services Award acknowledgment

A Program Services Award is governed by a written agreement with defined deliverables, reimbursement or milestone payments, eligibility and expenditure documentation, reporting, *monitoring, and recapture. No deed restriction is required unless City funds are used for identified real property.*

Section E
Relationships and conflicts

E1. Does any City elected official, officer, employee, or immediate family member have a financial, employment, management, officer, director, board, ownership, or other material relationship with the applicant or proposed subcontractor? ☐ No ☐ Yes

E2. If yes, identify each person, relationship, compensation if any, and dates of service

____

____

____

____

Disclosure does not determine eligibility. The City will review the relationship under chapter 42.23 RCW and City policy before the application is evaluated or a contract is formed.

Required attachments

☐ Entity formation and good-standing information;

☐ Board or governing-body authorization to apply and sign;

☐ Detailed budget and committed/pending funding documentation;

☐ Most recent financial statements and current operating budget;

☐ Policies or procedures for income verification, confidentiality, payments, and internal controls, if applicable;

☐ For Capital Awards: site control, legal description, plans, schedule, sources and uses, pro forma, existing covenants, title information, and any appraisal; and

☐ For Program Services Awards: implementation plan, milestones, sample eligibility documentation, and reporting format.

Certification

The undersigned certifies that: (1) the information submitted is true and complete to the best of the signer's knowledge; (2) the signer is authorized to submit the application; (3) the applicant has reviewed the Affordable Housing Fund Policy; (4) the applicant understands that the City may apply a lower income limit or narrower use based on the selected funding source; (5) no award exists until Council or an authorized delegate approves it and all required documents are executed; and (6) the applicant will disclose any material change before award or payment.

______________________________	______________________________	______________________________
AUTHORIZED SIGNATURE	PRINTED NAME AND TITLE	DATE

For a nonprofit or public entity, one authorized officer signs. For a partnership, limited liability company, or other private entity, attach evidence that the signer may bind the applicant. All owners and lienholders whose consent is needed to record required security must sign the final award documents, not necessarily this application.

CAPITAL AWARD AGREEMENT

For Fund 105 awards tied to identified real property

Agreement No. __________ Council Approval: __________ Effective Date: __________

This Agreement is between the City of Chelan, a Washington municipal corporation (City), and ______________________________, a ______________________________ (Recipient). The completed Award Schedule and recorded Affordable Housing Covenant are part of the award.

1. Project, Award, and Eligible Costs

Recipient shall complete the Project on the Property identified in the Award Schedule and provide the assisted units and affordability required by the Covenant. The City will pay no more than the Award Amount and only for eligible, documented costs in the approved budget. Costs outside the eligible period are not payable unless the City approves them in writing and the funding source permits.

2. Conditions and Disbursement

Before disbursement, Recipient shall provide evidence satisfactory to the City of site control, authority to sign, required permits, committed financing, approved plans and budget, insurance, acceptable title condition, and recording of the Covenant and any additional security. The City may require lienholder consent, subordination, or a deed of trust.

Payment will be by reimbursement after Recipient pays an eligible cost, unless the Award Schedule authorizes a documented escrow or closing disbursement. Each request must include invoices, proof of payment, completion or inspection evidence, and certification that the cost is eligible and not paid by another source.

3. Completion and Compliance

Recipient shall complete the Project and place the assisted units in service by the date in the Award Schedule. Recipient shall promptly report any material delay, cost overrun, financing change, casualty, lien, or other risk. The City is not responsible for cost overruns unless it approves a written amendment.

Recipient shall comply with the Covenant and all Special Funding Requirements throughout the Compliance Period. Recipient shall submit required reports, retain relevant records through six years after the Compliance Period or longer if required, and permit reasonable City and auditor inspection of the Property and records.

4. Default and Remedies

A default includes failure to complete the Project, use funds for eligible costs, place assisted units in service, provide required records, or comply with the Covenant or Award Schedule. The City may suspend payment, require cure, terminate, recover disbursed amounts, enforce the Covenant, seek injunctive relief, or exercise any security remedy. Repayment will be calculated under the Covenant unless a Special Funding Requirement provides a stricter lawful remedy.

5. Transfers, Liens, and Legal Compliance

Recipient shall not transfer, refinance, further encumber, or change control of the Property or Recipient except as permitted by the Covenant and Special Funding Requirements. Recipient is responsible for permits, land use, building and fire codes, environmental review, accessibility, fair housing, nondiscrimination, contractor licensing, insurance, and applicable public works, procurement, and prevailing-wage requirements.

6. General Terms

To the extent permitted by law, Recipient shall defend, indemnify, and hold the City harmless from claims arising from Recipient’s negligent acts or omissions, construction, ownership, operation, or breach. Recipient is an independent entity. This Agreement, the Award Schedule, and Covenant are the entire agreement. Amendments must be written and authorized. Washington law governs and venue lies in Chelan County. No waiver is continuing, no third party is a beneficiary, and an invalid provision does not affect the remainder.

CITY OF CHELAN	**RECIPIENT**
By: ______________________________	By: ______________________________
Name/Title: ______________________	Name/Title: ______________________
Date: ____________________________	Date: ____________________________

CAPITAL AWARD SCHEDULE

Also serves as Covenant Exhibit B and must be recorded with the Covenant.

Item	**Award Term**
Project and public benefit	[Describe the Project and the public benefit purchased or preserved by the City.]
Property	*Address: __________ Parcel No.: __________ Legal description: Covenant Exhibit A.*
Assisted units	[Identify all assisted units and whether the restrictions apply to all or specified units.]
Award Amount	*Not to exceed $__________.*
Eligible period	*From __________ through __________.*
Approved budget	[List eligible cost categories and amounts.]
Milestones and completion	[State milestones and the placed-in-service deadline.]
Disbursement	[State reimbursement, escrow, retainage, and supporting-document requirements.]
Reports	[State construction, final, and annual compliance reports.]
Funding source and authority	[Identify the specific Fund 105 revenue and controlling authority.]
Affordability requirements	*Income limit: ____% AMI. Rental or ownership restrictions: __________. Compliance Period: fifteen (15) years beginning on the Commencement Date defined in the Covenant, or any longer period stated under Special Funding Requirements.*
Security and priority	[State Covenant priority, lienholder consents, deed of trust, and permitted subordination.]
Insurance	[State required coverages and endorsements.]
Special funding requirements	[State source-specific use, cost, income, reporting, retention, remedy, and other requirements.]

AFFORDABLE HOUSING COVENANT

After recording, return to: City of Chelan, 135 E. Johnson Avenue, Chelan, WA 98816

Recording instruction: Record this Covenant together with Covenant Exhibit A (Legal Description) and Covenant Exhibit B (Capital Award Schedule).

Recording Information

Grantor/Owner	________________________________
Grantee/Beneficiary	City of Chelan
Abbreviated legal description	________________________________
Assessor parcel number	________________________________
Related agreement	Capital Award Agreement No. ___________

This Affordable Housing Covenant (Covenant) is made by ________________________________ (Owner) for the benefit of the City of Chelan (City). Owner owns the property legally described in Exhibit A (Property). In consideration of a City award of $____________ for the Project, Owner covenants as follows:

1. Assisted Housing and Compliance Period

The Covenant encumbers the Property and the following assisted units: ________________________________. The units shall be used for the approved affordable-housing purpose and maintained in safe, habitable condition. The Compliance Period begins on the later of (a) the date this Covenant is recorded or (b) the date the City confirms in writing that the Project has been placed in service (Commencement Date). The Compliance Period continues for fifteen (15) years after the Commencement Date, or for any longer period required by Covenant Exhibit B.

2. Occupancy, Rent, and Sale Requirements

During the Compliance Period, assisted units may be occupied only by households meeting the income limit and eligibility method in Covenant Exhibit B. Rental units are subject to the stated rent, utility-allowance, increase, and recertification requirements. Ownership units are subject to the stated purchaser, price, resale, appreciation, equity-sharing, and recapture requirements. Owner may not use a fee or alternate arrangement to evade a restriction or convert an assisted unit to an inconsistent use, including short-term rental.

3. Reporting, Records, and Inspection

By __________ each year, Owner shall provide the City's compliance certification and supporting schedule. Owner shall retain eligibility, lease, rent, sale, expense, and transfer records as required by the Agreement and permit reasonable inspection of the Property and relevant records, subject to lawful privacy protections.

4. Running with the Land; Transfers and Liens

This Covenant runs with the land and binds Owner and every successor. A transfer does not release the Property. Owner shall give the City at least 30 days' written notice before transfer and obtain a written assumption from the successor in a City-approved form. Owner shall not permit a lien or encumbrance to extinguish or impair this Covenant except as the City expressly agrees in a recorded instrument consistent with the funding source.

5. Default, Cure, and Repayment

Default includes an ineligible occupant or use, excessive rent or sale price, false certification, failure to report, prohibited transfer, impairment of priority, or breach of the Agreement. Except for fraud, intentional misrepresentation, unlawful transfer, imminent loss, or a source requiring immediate action, the City shall give written notice and at least 30 days to cure, with reasonable additional time if cure requires and Owner diligently proceeds.

Unless Covenant Exhibit B requires a different remedy, the Repayable Amount equals the City award multiplied by the full months remaining in the Compliance Period divided by the total months in the Compliance Period. The full award may be due for fraud, intentional misrepresentation, failure to record or preserve required priority, failure to complete or place the Project in service, or ineligible use of funds. Repayment does not prevent equitable relief needed to preserve affordability.

6. Enforcement; Casualty; Amendment

The City may seek specific performance, injunction, repayment, damages, or another lawful remedy. Remedies are cumulative. Owner shall promptly notify the City of material casualty or condemnation. Proceeds shall be used to restore the assisted housing unless the City approves another lawful disposition consistent with the public investment. Any amendment or release must be authorized, signed, and recorded, and may not violate a funding-source restriction. After all obligations end, the City will provide or record an appropriate release.

OWNER/GRANTOR	**CITY ACCEPTANCE**
By: ________________________________	By: ________________________________
Name/Title: ________________________	Name/Title: ________________________
Date: ______________________________	Date: ______________________________

Notary Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF _________ _)

I certify that I know or have satisfactory evidence that ________________________________ signed this instrument, on oath stated that the signer was authorized to execute it, and acknowledged it as the ___________________ of ________________________________ to be the free and voluntary act of that entity for the uses and purposes stated.

Dated: ___________________

____
Notary Public in and for the State of Washington
My appointment expires: ___________________

COVENANT EXHIBIT A

LEGAL DESCRIPTION

[Insert a title- or surveyor-confirmed complete legal description.]

AFFORDABLE HOUSING PROGRAM SERVICES AGREEMENT

For noncapital awards from Fund 105

Agreement No. __________ Council Approval: __________ Effective Date: __________

This Agreement is between the City of Chelan, a Washington municipal corporation (City), and ______________________________, a ______________________________ (Provider). The completed Award Schedule is part of this Agreement.

1. Services, Term, and Payment

Provider shall deliver the services and public benefit stated in the Award Schedule during the Performance Period. The City will pay no more than the Award Amount and only for eligible, documented performance. Payment will be by reimbursement or completed milestone as stated in the Award Schedule. Unspent or unearned funds remain with the City.

Each payment request must include an invoice, supporting cost and performance records, and Provider's certification that the request is for eligible, nonduplicative costs incurred during the Performance Period and that the related services were delivered to eligible households. The City may reject unsupported, ineligible, unreasonable, duplicative, or improperly allocated costs.

2. Use of Funds and Eligibility

Provider shall use City funds only for the approved services and budget. Provider shall comply with the Special Funding Requirements in the Award Schedule, including eligible uses, household-income limits, geography, cost limits, reporting, and record retention. If a requirement conflicts with this Agreement, the more restrictive lawful requirement controls.

Provider shall verify eligibility before counting a household or service for payment, using the method in the Award Schedule. Shared costs must be allocated by a consistent, documented method. Provider may not charge the City for a cost paid by another source. Direct personnel costs and administrative costs must be supported by appropriate allocation records.

3. Reports, Records, and City Review

Provider shall submit the reports stated in the Award Schedule and a final report and invoice within ____ days after the Performance Period. Provider shall maintain complete eligibility, service, expenditure, payment, and allocation records for six years after final payment, or longer if the Award Schedule requires. Provider shall permit the City and authorized auditors to inspect relevant records on reasonable notice, subject to lawful privacy protections.

The City may monitor performance, request supporting information, require reasonable corrective action, and suspend payment while a material compliance issue remains unresolved. Acceptance of a payment or report does not waive a later-discovered error.

4. Default, Repayment, and Termination

Provider shall repay amounts that are ineligible, unsupported, duplicative, unearned, misused, or attributable to a material failure to perform. The City will give written notice. Except where immediate action is warranted by fraud, intentional misrepresentation, unlawful expenditure, or risk of loss, Provider has 15 days to respond and 30 days to cure. Amounts finally due must be repaid within 30 days.

The City may terminate for an uncured material breach. Either party may terminate for convenience on 30 days' written notice unless a funding restriction requires otherwise. The City owes only for eligible, documented performance accepted through the termination date.

5. General Terms

Provider is an independent contractor and is responsible for its personnel, taxes, supervision, and subcontractors. Provider shall comply with applicable law, including fair housing, nondiscrimination, accessibility, licensing, confidentiality, and any source-specific requirements in the Award Schedule. Provider shall disclose any material change to relationships identified in its application and shall apply written eligibility criteria consistently.

To the extent permitted by law, Provider shall defend, indemnify, and hold the City harmless from claims arising from Provider's negligent acts or omissions or breach of this Agreement. Required insurance, if any, is stated in the Award Schedule. This provision will be conformed if Provider is a public agency.

Notices must be sent to the City Administrator, City of Chelan, 135 E. Johnson Avenue, Chelan, WA 98816, and to Provider at the address in the Award Schedule. This Agreement and the Award Schedule are the entire agreement. Amendments, assignments, and material subcontracts require written City approval. Washington law governs and venue lies in Chelan County. No waiver is continuing, no third party is a beneficiary, and an invalid provision does not affect the remainder.

CITY OF CHELAN	**PROVIDER**
By: ______________________________	By: ______________________________
Name/Title: ______________________	Name/Title: ______________________
Date: ____________________________	Date: ____________________________

AWARD SCHEDULE

Item	Award Term
Program and public benefit	*[Identify the services the City is purchasing and the resulting public benefit.]*
Eligible population	*[State who may receive services, including geography and applicable income limit.]*
Services and deliverables	*[State the services, quantities, milestones, and how performance will be measured.]*
Eligibility method	*[State how eligibility will be verified and documented.]*
Performance Period	From __________ through __________.
Award Amount	Not to exceed $__________.
Approved budget	*[List eligible cost categories and any category limits.]*
Payment terms	*[State reimbursement or milestone terms and required support.]*
Reports	*[State contents and due dates.]*
Provider notice address	*[Insert mailing and email address.]*
Key personnel/subcontractors	*[Identify if material to the award.]*
Funding source and authority	*[Identify the specific Fund 105 revenue and controlling statute, agreement, or other authority.]*
Special funding requirements	*[State eligible uses, income methodology and limit, geographic or recipient limits, administrative-cost limit, separate accounting, retention period, insurance, and other source requirements.]*

Invoice certification. By submitting an invoice, Provider certifies that the requested amount is eligible, documented, nonduplicative, incurred during the Performance Period, associated with services delivered to eligible households, and supported by retained records.

City of Chelan

2026-062

CITY COUNCIL August 11, 2026

Subject/Title:	Life Safety Inspection Vault Fire Professional Services Agreement for Fire Protection Inspections (Community Development Director Ajax)
Department:	Community Development
Staff Contact:	John Ajax
Guiding Principles:	Healthy & Sustainable
Initiatives:	Modernize Resource
Reviewed By:	City Administrator
Number of Looks:	Look No.1 of 2

PREVIOUS ACTION TAKEN

The City has previously worked with TEGRIS for fire protection inspections through the Chelan County Fire District No. 7.

OVERVIEW

The City currently uses a system called Tegris to receive and track fire and life safety inspection reports. In July 2026, a company called LIV (Life Safety Inspection Vault) acquired Tegris and is migrating Tegris's customers, including Chelan, onto its own platform. The agreement before Council tonight is that migration: the City would move from the Tegris system to the LIV system. The function is the same as today. Commercial property owners are required under fire code to have certain building systems inspected and tested periodically, and they hire licensed third-party inspection companies to do that work. Those companies submit their reports to the City's Building/Fire Code Official through the software. The reports fall into a few categories: standard system reports for fixed life safety equipment such as fire sprinklers, fire alarms, fire pumps, and commercial kitchen suppression systems; fire extinguisher reports; and specialty reports such as sprinkler backflow tests and new-system acceptance tests. The inspection companies, not the City, pay a per-report fee to use the platform, so there is no direct subscription cost to the City under the proposed terms. A representative from LIV will be present to describe the platform and answer questions.

No action is requested tonight. This item is informational, to introduce the platform and give Council the opportunity to hear from LIV's representative and ask questions. Staff will complete its review of the agreement, including legal review by the City Attorney, and return at a future meeting with a final contract and a request for Council authorization for the Mayor to sign.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS

None

SUGGESTED MOTION

None.

City of Chelan

DRAFT

TENTATIVE ADVANCED AGENDA

For Planning Discussion Purposes Only - this is a work in progress;
items are tentative and subject to change.

August 06, 2026

August 25, 2026 City Council Meeting

1. Consent Agenda
    a. Voucher / Minutes
    b. Resolution No. 2026-14XX Washington State Department of Health Water Use and Efficiency Goals (Youngren) (L2-2)
2. Special Presentations, Proclamations, and Awards
    a. Our Valley Our Future Update Re: Insights from our Community Input Report (McCardle/Rachel Evey)
3. Public Hearings
    a.
4. Motion Considerations
    a. Resolution No. 2026-14XX Affordable Housing Policy (Evans) (L3-3)
    b. Ardurra Group Construction Management Agreement for CC-1 Lift Station (Youngren) (L1-1)
    c. Noble Strategies LLC dba Tower Consulting Additional Services Addendum No. 4 to the Master Client Services Agreement for Assistance with Grants and Funding Applications (McAloon) (L1-1)
    d. Chelan County Regional Justice Center Interlocal Agreement for Inmate Housing (McAloon) (L1-1)
    e. Life Safety Inspection Vault Fire Professional Services Agreement for Fire Protection Inspections (Ajax) (L2-2)
5. Administrative Reports
    a. Comprehensive Plan Update from the August 19th Planning Commission
        Economy & Climate:
        Chapter 5 (Economic Development)
        Chapter 10 (Climate Change and Resiliency)
    b. End of Summer Recap / Lakeside Lodge Parking Discussion (McAloon) (L2-2)
    c. Council Guidance on Legislative Priorities (McAloon) (L2-3)
    d. Facility Use Fee Waiver Policy (Cooper) (L1-2)
    e. Artificial Intelligence (AI) Use Policy (Coltman) (L1-X)
    f. Employee End of Season Award Policy (Coltman) (L1-1X)
    g. TIPS Interlocal Cooperative Purchasing Agreement (Cooper) (L1-2)
    h. 2027 Legislative Priorities (McAloon) (L1-X)
    i. Living Stone Church Lease Agreement Extension (McAloon) (L1-2)
6. Informational Items
    a. Tentative Advanced Agenda (McAloon)
    b. Council Committee Reports (Various Councilmembers)
    c. Contract Intake Log (Gallucci)
    d. Lake Chelan Chamber of Commerce Financial Report (Evans)

September 1, 2026 City Council Workshop

1. Budget Workshop No. 2 (Evans)

- Presentation of interfund transfer models proposed for 2027. Council provides staff with direction.

2. Lake Chelan Chamber of Commerce Quarterly Update (Steele / McAloon) CONFIRMED

<u>September 8, 2026 City Council Meeting</u>

1. Consent Agenda
    a. Voucher / Minutes
    b. Living Stone Church Lease Agreement Extension (McAloon) (L2-2)
2. Special Presentations, Proclamations, and Awards
    a. Boys & Girls Club of Snohomish County Recap of Summer Program (Chavez/Evans) (CONFIRMED)
3. Public Hearings
    a.
4. Motion Considerations
    a. Resolution No. 2026-14XX Legislative Priorities (McAloon) (L3-3)
    b. Facility Use Fee Waiver Policy (Cooper) (L2-2)
    c. TIPS Interlocal Cooperative Purchasing Agreement (Cooper) (L2-2)
5. Administrative Reports
    a.
6. Informational Items
    a. Tentative Advanced Agenda (McAloon)
    b. Council Committee Reports (Various Councilmembers)
    c. Contract Intake Log (Gallucci)

<u>September 22, City Council Meeting</u>

1. Consent Agenda
    a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
    a. Finance & Account Week Proclamation – September 23 – 27, 2026 (Mayor)
3. Public Hearings
    a.
4. Motion Considerations
    a.
5. Administrative Reports
    a. Comprehensive Plan Update from the September 16th Planning Commission Meeting
        Infrastructure & Services:
        Chapter 6 (Utilities)
        Chapter 7 (Capital Facilities)
        Chapter 8 (Parks and Recreation)
6. Informational Items
    a. Tentative Advanced Agenda (McAloon)
    b. Council Committee Reports (Various Councilmembers)
    c. Contract Intake Log (Gallucci)
    d. Lake Chelan Chamber of Commerce Financial Report (Evans)

<u>October 6, 2026 City Council Workshop</u>

1.

October 8, 2026 City Council Workshop – SPECIAL MEETING // THURSDAY
1. Budget Workshop No. 3 (Evans)
- Presentation of City Hall Departments & "Other" funds (lodging, housing, etc.) operating to City Council.

October 13, 2026 City Council Meeting
1. Consent Agenda
   a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
   a. Arbor Day Proclamation (Mayor)
   b. Breast Cancer Awareness Month (Mayor)
3. Public Hearings
   a.
4. Motion Considerations
   a.
5. Administrative Reports
   a.
6. Informational Items
   a. Tentative Advanced Agenda (McAloon)
   b. Council Committee Reports (Various Councilmembers)
   c. Contract Intake Log (Gallucci)

October 15, 2026 City Council Workshop – SPECIAL MEETING // THURSDAY
1. Budget Workshop No. 4 (Evans)
- Presentation of Parks and Public Works Operating and Enterprise fund budgets to City Council.

October 20, 2026 City Council Workshop – SPECIAL MEETING // TUESDAY
1. Budget Workshop No. 5 (Evans)
- Review of operating budgets. Presentation of Personnel scenarios, Rates & Fees, along with 301 General Fund capital requests to City Council.

October 27, 2026 City Council Meeting
1. Consent Agenda
   a. Voucher / Minutes
2. Special Presentations, Proclamations, and Awards
   a.
3. Public Hearings
   a. Preliminary Budget (Evans)
4. Motion Considerations
   a.
5. Administrative Reports
   a. Comprehensive Plan Update from the October 21st Planning Commission
      Mobility & Final Comment:
      Chapter 9 (Transportation)

6. Informational Items
    a. Tentative Advanced Agenda (McAloon)
    b. Council Committee Reports (Various Councilmembers)
    c. Lake Chelan Chamber of Commerce Financial Report (Evans)
    d. Lake Chelan Airport Q3 Report (Evans)
    d. Contract Intake Log (Gallucci)

Upcoming Topics:
1. CDRPA / City Joint Meeting (McAloon)
    – September 2026
2. Chelan Fire Protection District No. 7 Interlocal Agreement for Fire Protection (McAloon)
3. Public Works Project Status Quarterly Update (Youngren)
4. Lake Chelan Airport Quarterly Reports (Evans)
    -- January 27 – Q4 Report
5. Lake Chelan Chamber of Commerce Quarterly Update (Steele) December 1 (CONFIRMED)
6. Boys & Girls Club of Snohomish County (Evans) (CONFIRMED Months)
    -November (Recap of Fall and into Winter)
7. Comprehensive Plan (CONFIRMED)
    - November 10 – Briefing
    - November 24 – Public Hearing
    - December 8 – Adoption
8. [Company Name] Bid Award for Library Moisture Mitigation Project (McAloon) (L1-1)
9. Ordinance No. 2026-16XX Title 2 Administration and Personnel (McAloon) (L1-X)
    -- Fix November 3 meeting or have motion to hold on 11/3
10. 2027 Budget Calendar – CONFIRMED

MONTH	DATE	TASK	DESIRED OUTCOME
November	11/3/2026	Council Budget Workshop #6	Presentation of Capital Budgets
November	11/3/2026	Revenue Public Hearing	Required public hearing for revenue sources for the coming year; includes consideration of possible increase in property tax.
November	11/10/2026	Adoption of Tax Ordinance & Levy Certification	City Council votes to adopt the tax ordinance and levy certification.
November	11/12/2026	Council Budget Workshop #7	Final review of operating, capital, personnel, rates and fees and other funds to City Council for final feedback. Budget
November	11/13/2026	Final Draft Made Public	Final/complete draft of budget made available for public viewing.
November	11/24/2026	Final Budget Public Hearing	Required public hearing
December	12/1/2026	Council Budget Workshop #8	Review projected year-end fund balances.
December	12/8/2026	Adoption of Final Budget	City Council votes to adopt 2027 Budget

December	12/8/2026	Adoption of Rates and Fees	City Council votes to adopt 2027 Rate & Fee Schedule.

Submission Date	City Point of Contact	Company Name	Phone Number	Is this	Project Name, Project Number and Document Name if applicable	Term Start Date	Term End Date	Select a Contract Term:	Dollar Value
8/5/2026	Laura McAloon	Impel Construction	(509) 679-0967	No	Exploratory Work Agreement for the Moisture Mitigation Project	2026-08-05	2026-08-31	Original End Date	$5,000.00
7/24/2026	Peri Gallucci	Kimley Horn	(206) 413-6563	No	Professional Services Agreement to Prepare an Independent Fee Estimate for the Planning Services – 2026 – ALP - CIP for the Lake Chelan Municipal	2026-07-24	2026-07-24	Original End Date	$7,500.00
7/23/2026	Chad Coltman	Placer.ai	(848) 305-2809	No	Extension of software subscription agreement	2026-09-24	2027-09-23	Extended End Date	$17,280.00