DATE: March 2, 2021

TO: Anne McEnerny-Ogle, Mayor
City Council

FROM: Eric J. Holmes, City Manager

RE: COVID-19 Pandemic Emergency Response & Management Update

The March 8 COVID-19 Emergency Response Workshop will provide a comprehensive update on the status of the City's emergency response as well as an overview of the current and prospective environment as the region emerges from the depths of the pandemic.

This memorandum provides current information on several aspects of the City's overall response and is provided as background. The workshop time is anticipated to be focused on issues that have policy implications.

STATE OF EMERGENCY

State-wide: Governor Inslee declared a state of emergency on February 29, 2020. In the intervening year, the Governor has, under his emergency authority, issued an evolving set of recovery and reopening frameworks reflecting the evolving nature of the pandemic. The current framework, Healthy Washington – Roadmap to Recovery, manages the emergence from the pandemic by regions across the state. Clark County, part of the Southwest region, transitioned to Phase 2 of reopening on February 14. There are dozens of state-wide emergency orders issued by Governor Inslee, some of which impact the City's operations, such as the Open Public Meetings Act (OPMA).

The City declared a state of emergency on March 13, 2020, and in the ensuing months the Council ratified seventeen emergency orders issued by the City Manager under that declaration. Since then, all but three of them have been permitted to naturally expire as they either were no longer relevant or had been replaced by orders issued at a state level. The three EO's remaining in effect are:

2020-01	Declaration of Emergency	Active
2020-14, Sec. 4	Temp. Employment Policies (e.g., Telework)	Active
2020-17	City Manager Budget / Purchasing Authority	Active

A detailed list of EO's is included in the attached memorandum from the City Attorney's office.

PENDING POLICY ISSUES

There are two pending policy issues that need Council attention and direction. They are:

- Business License Surcharge:
  In recognition of the exceptional economic impacts of the pandemic response, the Council adopted a one-year suspension of the Business License Surcharge (BLS) program on April 20, 2020, which is set to expire at the end of March 2021. The original suspension used a blanket approach to providing business and economic relief at the onset of the pandemic when our community was experiencing major business disruption and exceptionally high unemployment. In the intervening months, it has become clear that the breadth and depth of economic impact – while still significant – is not as encompassing as a year ago. There remain, however, some business sectors that are exceptionally hard hit due to statewide emergency orders. Generally, these are places of public gathering, such as restaurants, bars, social venues, gyms and similar businesses.

  In recognition of this, the City leadership has prepared an updated policy approach for Council's consideration that would extend the BLS relief to specific business sectors that are directly impacted by gubernatorial emergency orders. A memorandum outlining the approach to doing this is attached for Council's reference. Contingent on Council and direction, a draft ordinance is ready for consideration on first reading March 15 and hearing March 22 for an effective date prior to the expiration of the current BLS suspension.

  Attached for Council's reference is a more detailed memorandum describing the recommended approach.

- Street Eats Program:
  To reduce the impact of the Governor's occupancy restrictions on restaurants due to COVID-19, City Council temporarily expanded the existing downtown Sidewalk Seating program to allow restaurants, coffee shops and pubs to expand their seating and dining areas on the sidewalk and into certain public parking spaces citywide through Emergency Order No. 2020-14, Section 7, which expired July 31, 2020. The program, which City staff titled "Street Eats," was administratively extended as a no-fee pilot program until March 31, 2021, to allow for further assessment. The program has been jointly administered by staff in Economic Development, Transportation and Streets, and Development Review.

  The program has been very popular with business owners and patrons. Currently there are 17 installations in the Downtown, 10 in Uptown (some are sidewalk seating only), and 21 in other areas of the City. A total of 63 businesses are featured in the newly created Street Eats app (15 are for takeout only). In addition to providing an economic "lifeline" to many restaurants, coffee shops and pubs during COVID-19 restrictions, the Street Eats installations have added interest and activity to business districts, and in some cases have showcased the artistic talents of the business owners, employees, architects and designers.

  Due the popularity of the program, the fact that demand for on-street parking has remained low, and to support restaurants and consumer safety as we emerge from COVID-19 restrictions, City staff would like to extend the program for three years (to March 31, 2024) with the following planned adjustments:
  - For the first six months following the lifting of all restaurant occupancy restrictions by the Governor, there shall be no charge for the use of parking spaces in the downtown for approved Street Eats installations;

- Beginning the seventh month following the lifting of all restaurant occupancy restrictions by the Governor, the monthly charge for use of the parking spaces in the downtown for approved Street Eats installations shall be 100% of the applicable monthly permit parking fee (currently $70/month per space, increasing to $75/space in 2022);
- No more than two parallel parking spaces or three angled parking spaces per block face may be occupied by a Street Eats installation in the downtown, except as allowed by the Transportation Manager under special circumstances;
- No more than 50 total parking spaces in the downtown and uptown may be utilized for Street Eats installations at any given time, except as allowed by the Transportation Manager for special circumstances;
- Any Street Eats installation that is discontinued by the owner or otherwise directed to be removed by the Transportation Manager shall be removed at the sole expense of the business owner;
- City Parking Staff have been monitoring the occupancy of on-street parking spaces on a monthly basis during the pandemic and will continue to assess if parking pressures might warrant adjustments to the Street Eats program in certain areas.

Staff would appreciate hearing any feedback Council has regarding the proposed extension of this program for three years, including charging fees to offset lost parking revenue.

STATE & FEDERAL RESPONSE

- Federal Response:
  On February 27th, the House of Representatives passed the $1.9 trillion America Rescue Plan. The federal package seeks to extend the eviction and foreclosure moratoriums and continue applications for forbearance on federally guaranteed mortgages until September 30, 2021, to prevent evictions and loss of homes during the pandemic. The package provides $30 billion in rental and energy and water assistance for families, in addition to the $25 billion already allocated by Congress for emergency rental assistance to meet the need for families. This includes an additional $25 billion for the emergency rental assistance program and $5 billion to cover home energy and water costs and arrears through programs like the Low-Income Home Energy Assistance Program (LIHEAP), for struggling renters. This program includes a competitive set-aside of funding for states to invest in clean energy and energy efficiency projects that reduce electricity bills for families in disadvantaged communities. Finally, the proposal provides $5 billion in emergency assistance to help secure housing for people experiencing or at risk of homelessness. This funding will allow states and localities to help approximately 200,000 individuals and families obtain stable housing, provide flexibility for both congregate and non-congregate housing options, help jurisdictions purchase and convert hotels and motels into permanent housing.

- State Response:
  Earlier this year the legislature passed and the Governor signed a $2.2 billion COVID-19 pandemic relief package that included $365 million to assist tenants with rent payments. $325 million was provided to the Department of Commerce (Commerce) to administer an emergency rental and utility assistance program. The department is instructed to distribute funding in the form of grants to local housing providers. In making distributions, the department must consider the number of unemployed persons and renters in each jurisdiction served by the provider as

well as account for any funding that jurisdictions, including cities within each county, received directly from the federal government. Commerce was also provided an additional $30 million to administer an eviction rental assistance program with the same distribution instructions as the emergency rental and utility assistance program. Commerce also received $4 million to assist homeowners at risk of foreclosure with funding limited to activities to prevent mortgage or tax lien foreclosures, housing counselors, foreclosure prevention hotlines, low-income legal services, mediation, and other activities that promote homeownership. The package also provided $2 million for grants to eligible landlords who have encountered a significant financial hardship due to loss of rental income from elective nonpayer tenants during the state's eviction moratorium pursuant to the governor's proclamation.

2020 BUSINESS ASSISTANCE

At the beginning of COVID-19 in March 2020, approximately 30% of small businesses closed their doors in each of the four regional counties (*Greater Portland Economic Recovery Plan*). While some small businesses began to recover when the initial COVID-19 shutdown was eased, as the pandemic continued it was recognized that more small businesses would be likely to fail. Additionally, it was observed that the business recovery assistance was in some cases inequitable, partially due to the unbalanced distribution of federal emergency relief funds. The need was great in Vancouver, where over 95% of our businesses are small businesses and our many daycares, restaurants, coffee shops, small retailers and service providers were becoming devastated by the impact of the pandemic.

In May 2020, in response to the need for small business assistance, the City of Vancouver allocated $769,471 in CDBG CARES funding for technical assistance and created our first local grant program. The grant program was designed to quickly get assistance to those businesses who were the most in need. The program, which ran from September to December 2020, was a partnership between the City of Vancouver and Clark County, administered by Mercy Corps Northwest. Although each jurisdiction had separate needs assessments and grant amounts, the outcome of the partnership was a very user-friendly experience for applicants. As a result, 86 City of Vancouver grantees received $2,500 grants in city CARES funding and 47 city businesses received grants from Clark County CARES Act funding. Of all City grantees, 64% represent minority, female, or veteran-owned businesses.

While the grant program provided local financial assistance, there was also a need for technical assistance to help businesses navigate the many challenges of COVID-19 and get better access to state and federal grants. For that reason, the remainder of the $769,471 in CDBG CARES along with an additional $340,000 from 2019 CDBG was allocated to business development agencies to assist income-qualified small businesses. Those agencies include Fourth Plain Forward, Vancouver's Downtown Association, MESO, Hispanic Metropolitan Chamber and Mercy Corps. Further reporting on the impact of CDBG CARES funding will be presented to Council in the CAPER, the year-end report that is an evaluation of the progress made in carrying out the community development programs and activities identified in the CDBG Annual Action Plan.

CITY FINANCIAL STATUS

While still a decline from adopted budget, the 2020 financial results of the City were significantly better than expected at the onset of the pandemic. Due to multiple federal stimulus programs, the City received funding to address additional operating costs resulting from the pandemic. Unemployed residents continued to receive federal support for a number of months in 2020 and the overall impact on the local economy was lower than originally anticipated. As of December 2020, the published unemployment rate for Clark County was 7%, or about 2.5% higher than pre-pandemic levels (and still a high unemployment rate), a dramatic recovery from pandemic related highs of 14.6%. Due to the combined impact of these factors, retail sales, utility taxes and property taxes were not significantly impacted by the pandemic. At the end of 2020, the primary revenue shortfall took place in the business license surcharge program and recreation revenues due to the closure of the recreation centers. Overall, the negative financial impact of the pandemic on the City revenues was approximately $13 million (approximately 8%), mostly impacting General Fund and Street funds.

OPERATIONAL STATUS

- Administrative Functions:
  The City's administrative functions have been in remote work status since March of 2020. From the beginning of the pandemic, our guiding values in decisions regarding operations is to assure employee safety and safety of the public we serve. To that end, the City has quickly moved to practices and platforms that allow business to continue in a manner that, with few exceptions, has resulted in very limited disruption in our administrative functions. The City had invested in critical software in advance of the pandemic to allow permitting functions, on-line account transactions and other business functions to occur virtually. Further, technology investments that were planned or enabled by CARES funding provided through the state of Washington allowed the City to transition our administrative workforce to remote work. Within a few weeks of the initial pandemic onset, we had essentially stabilized remote work functionality and have received very few citizen concerns regarding service.

  Over the last year, we have developed a return-to-work playbook, designated return-to-work champions for each department to coordinate return to work when circumstances allow. We have made physical changes to the work environment to add or enhance workplace safety specific to COVID-19 risks, such as vertical extensions of cubicles, air sanitizers and guidance for physical distancing.

  With these precautions in place, risk remains until broad distribution of vaccines to reach herd immunity. Further the City has a very diverse workforce that represents a broad range of risk profiles for the disease. In recognition of this, current plans maintain the City's administrative functions in remote work status until vaccinations are available to the general population, or Phase 4 of the Washington State Interim Allocation Framework.

- Utility Assistance:
  All utility shut-offs are currently suspended pursuant to state-wide emergency order. At the onset of the pandemic, the growth in delinquent accounts rose swiftly but quickly stabilized and has maintained at between 2,200 and 2,500 accounts since last November, almost all of which are residential. This level represents about 3% of all utility accounts and the $1.1 million outstanding represents 0.8% of annual revenue across the water, sewer, and surface water utilities. The City added supplemental funding the Help to Others (H2O) account, the account established to provide financial assistance to delinquent accounts of qualified households. $42,400 of the H2O account has been utilized since February 2020.

- Help to Others (H2O) promotion: Public Works has promoted the use of the H2O program by:
  - Loosening the income guidelines to match Low Income Home Energy Assistance Program (LIHEAP) – was 125%, now is 150%.
  - In 2020, City Council authorized $200,000 to be added to the H2O account normally funded through donations.
  - In January 2021, City Council approved an increase in the amount of assistance allowed for each account from $200 to $400.
  - We have reached out to customers multiple times via phone, letters, and door notices offering assistance.
  - We have put information about the H2O program on account statements with a request to contact us for payment assistance if needed.
  - We have used social media, most notably Nextdoor and Facebook, to explain the H2O program.
  - We have partnered with neighborhood association leaders to use neighborhood newsletter space to explain the H2O program.
  - Any contact we have with account holders who are past-due, whether door-to-door, or by mail, includes an insert explaining the H2O program.

- Tower Mall Community Testing Site
  - Number of participants tested: 5,312
  - Averages tests per day: 160
  - Overall positive testing percentage: 564 (10.6%)
  - Open hours of operation are Tuesday-Saturday 9am-3:30pm, since Tuesday, January 12, 2021. The site was close for 2.5 snow days.
  - Tents are not strong enough to hold up to more than 2-3 inches of snow
  - We have had customers from other countries, ie: Vietnam, Brazil and South Africa

- Community Centers and Events; Volunteers:
  See Attachment A

- Farmers Market update:
  Just as last year, the Vancouver Farmer's Market will be starting up the third weekend in March. As a reminder the Market will be open from 9-3 on Saturdays and 10-3 on Sundays. All the safety protocol put into place last year, in terms of extra sanitations measures and limited crowds, will be followed. Clark County Public Health (CCPH) is once again reviewing the footprint and sanitation measures and the Farmer's Market will follow any changes or recommendation from CCPH moving forward.

- COVID Recovery Collective:
  Little work has been done to date on the recovery collective approach as laid out to Council last summer, largely due to a lack of input and direction from impacted members of the community about City actions that would be helpful. The changes to the Street Eats program referenced above and the introduction of 10-minute parking zones in front of businesses to allow for pick-up are the two most successful examples of the City responding to a stated community need. Further outreach to impacted business sectors over the coming months may identify further opportunities to support community recovery efforts.

Attachments:

- Status of Emergency Orders
- Attachment A - Recreation Re-Opening Details
- Attachment B - Business License Program – Modified Fee Waiver

MEMORANDUM

DATE: February 23, 2021

TO: Eric Holmes, City Manager

CC: City Council

FROM: Jonathan Young, City Attorney JY

RE: Status of Emergency Orders

As an update on the status of the declared state of emergency:

Most emergency orders issued during 2020 have been allowed to expire for one or more of the following reasons:

- Appropriate safety protocols were able to be put in place by City Staff, negating the ongoing need for such emergency restriction(s).

- Review of existing administrative authority revealed lawful means of accomplishing desired outcomes without the ongoing need for use of emergency authority.

- Proclamations issued by the Washington State Governor provided statewide regulation of the area in question. (Note: the Governor's authority allows for suspension of state laws subject to approval from Senate majority and minority leaders. RCW 43.06.220(4) By contrast, cities must operate within constraints of any applicable preemption.)

As a result, only three (3) Emergency Orders contain provisions that remain active at this time: 2020-01, 2020-14, and 2020-17:

Emergency Order	Topic(s)	Status
2020-01	Declaration of Emergency	Active
2020-14, Sec. 4	Temp. Employment Policies (e.g., Telework)	Active
2020-17	City Manager Budget / Purchasing Authority	Active

Disposition of COVID-19 Emergency Orders

Order No.	Topic(s)	Expiration Date	Status
2020-01 03.13.2020	**Declaration of Emergency**	**Until emergency declared resolved.**	**Active**
2020-02 03.13.2020	Sec. 1: City Permitted Events Sec. 2: Fire Departments Sec. 3: Parks & Recreation Centers Sec. 4: Temporary Employment Policy Re: Infectious Disease Control Sec. 5: Non-essential public meetings Sec. 6: City Council Meetings	04.30.2020* (* Various sections extended by subsequent orders)	Expired* (* Public gatherings now regulated by State Proclamation.)
2020-03 03.18.2020	Sec. 1: Parks & Recreation Centers Sec. 2: City Hall Closures Sec. 3: City Council Meetings Sec. 4: State of the City Postponed Sec. 5: Fire & Police Station Closures Sec. 6: Purchasing Sec. 7: Budget	04.30.2020	Expired* (* City buildings remain subject to administrative closure; City Council meetings subject to Procl. 20-28.15)
2020-04 03.19.2020	Sec. 1: Infectious Disease Control Sec. 2: Telecommuting Sec. 3: Employee leave policies Sec. 4: City hiring practices	04.30.2020* (* Specified employment policies extended further by subsequent order.)	Expired* (* Specified employment policies remain active: 2020-14)
2020-05 03.20.2020	Suspension of Parking Enforcement	04.30.2020* (* Extended further by subsequent order.)	Expired
2020-06 03.26.2020	Closure of police lobbies for non-emergent business	04.30.2020	Expired* (* City buildings remain subject to administrative closure.)
2020-07 04.03.2020	Sec. 1: Public Farmers Markets Sec. 2: Utility Ratepayer Assistance Sec. 3: Help to Others (H20) Account Sec. 4: Business License Surcharge	04.30.2020	Fulfilled
2020-08 04.03.2020	Foreclosures, Evictions and Real Property Inspections	04.30.2020	Expired* (* Masks and distancing required by CDC and state law; evictions remain prohibited: Procl. 20-19.5)
2020-09 04.08.2020	Requiring specified sanitation equipment by landlords of residential real property	04.30.2020* (* Extended further by subsequent orders.)	Expired* (* Masks and distancing required by CDC and state law; evictions remain prohibited: Procl. 20-19.5)

Disposition of COVID-19 Emergency Orders

2020-10 04.17.2020	Suspension of daily financial deposits	05.31.2020	Expired
2020-11 04.17.2020	Extending specified sections of prior emergency orders	Varied by Section up to 07.31.2020	Expired* (* City Manger's purchasing and budget authority extended through end of declared emergency per Order 2020-17)
2020-12 04.22.2020	Re-opening of Community Gardens	Not Applicable	Fulfilled
2020-13 05.07.2020	Sec. 1: Extending Fire Dept. Closures Sec. 2: Extending Police Closures Sec. 3: Extending City Hall Closures Sec. 4: City Council Meeting Protocol Sec. 5: Temp. Employment Policies Sec. 6: Daily Financial Deposits Sec. 7: WREC Closure	Varied by Section up to 06.22.2020	Expired* (* City buildings remain subject to administrative closure; City Council meetings subject to Procl. 20-28.15)
2020-14 05.29.2020	Sec. 1: Community Center Closures Sec. 2: Parking Enforcement Sec. 3: (Omitted) **Sec. 4: Temp. Employment Policies** Sec. 5: Landlord sanitation measures Sec. 6: Resuming Park Shelter Rentals Sec. 7: Authorizing Parklets	Varied by Section* (* All except Section 4 were fulfilled or expired by 07.31.2020. Parklets continue to be allowed through Street Use Permit Process.)	**Sec. 4 Remains Active** (Temporary employment policies, including authority to telework, remain active through end of declared emergency)
2020-15 06.30.2020	Re-opening of playgrounds	Not Applicable	Fulfilled
2020-16 07.30.2020	Extra sanitation measures by landlords of residential property	10.15.2020	Expired* (* Masks and distancing required by CDC and state law; evictions remain prohibited: Procl. 20-19.5)
2020-17 08.20.2020	Extending City Manager's emergency **purchasing** and **budget** authority through end of emergency	**End of declared emergency**	**Active**

Attachment A- Recreation Re-opening Details.

Community Center Details:

Firstenburg: Phase 2 of Reopening

- Pool, fitness, group exercise classes, Silver exercise classes, pickleball and basketball individual shooting are all operating at 25% capacity.
- Swim lessons are continuing.
- Extending operation hours M-F, 7am-7pm and adding Saturday hours 8am-1pm starting March 1st.
- Group exercise and Silver exercise classes start March 1st included in FIT Pass membership.
- Family swims start March 8 – reservation only, not included in FIT Pass membership.
- Spring Break Camp is April 5-9
- Home school programs April 12-May 14 and May 17-25
- Saturday Community Room rentals at 25% capacity which is 50
- Planning for summer camps and leagues
- Planning Youth dance programs
- Planning for volleyball clinics
- We are phasing out our Distant Learning Camps and after-school programs now that children are back in school hybrid.

Marshall/Luepke: Phase 2 of Reopening

- Fitness Center and Group Exercise offering reservation-based sessions operating at 25% capacity Monday – Friday, 7am – 7pm beginning March 1
- Youth ages 6 - 12 Spring Break Camp from 8am – 5pm, April 5-9.
- Saturday Luepke Community Room private rentals resume at 25% capacity which is 75 guests.
- Operated Distant Learning Camps and After-School Program through February 28; ending as majority of schools are back to hybrid in-person learning model.
- Currently planning resuming group enrichment and sports programs for youth, adults, 50+ and individuals with disability under Phase 2 guidelines and restrictions. Target is April start dates.
- All 5 Community Garden sites are available in 2021 and registration is currently in process.
- Marshall Pool is closed due to a maintenance issue. Anticipated reopening is in early May and would resume with lap swim, water exercise classes and public swims at 25% capacity. Could begin offering group swims lessons.

Outdoor Programs, Special Events and Volunteer Activities

Outdoor programs/leagues Phase 2 of Reopening

- Saturday soccer clinics start Saturday, March 6-27 for ages 3 ½-9 (separated age groups)
- Saturday Soccer leagues start practices 3/29 and games 4/17-6/5 for ages 3 ½-9 (separated age groups)
- Continue to expand youth leagues such as t-ball

Special Events: Phase 2 of Reopening

- All shelter reservations on hold until April 30th
- Special Events Review Team currently taking applications for events
  - Runs/walks are permitted with starting waves of 30 participants or less must be used with no more than one wave started every minute and no more than 500 total participants started per hour
    - Spectators limited to groups of 15 from no more than 2 households and total spectators limited to a maximum of 200 at either start or finish areas.

  - Outdoor Gatherings in groups of 15 with a max participation level of 200 are allowed. No permitted events for this type of gathering scheduled at this time.
    - Challenges with this type of outdoor gathering
    - Enforcing the social distancing, mask requirements and cost of fencing to ensure participation levels are met. Staff needs to be prepared to handle **participants unwilling to follow state/local guidelines**

Current Permitted Events:

March 21st Why Racing Couve Clover Run along the Waterfront Trail

COV Event Team

We will do drive in events again this summer and are currently in discussion around smaller neighborhood park events that follow Covid-19 guidelines

Volunteer Programs: Phase 2 of Reopening

Environmental Volunteer Programs COVID-19 event protocol
Based on Washington State COVID19 Landscaping Guidance.pdf (wa.gov) in Phase 2

- Designate a Covid-19 safety monitor at events. This person will make sure all Covid-19 protocols are adhered to.
- Use the Covid-19 Volunteer leader protocol packet & have on site at all events.
- Recommended to limit the amount of time for a volunteer event to 2 hours per group.
- Limit number of volunteers per event to 12 volunteers per one leader.
- New sign in process. No sign in sheets onsite but advance sign in/RSVP. Due to participant capacity limitation we require a confirm email for attendance.
- Covid-19 screening questions to be reviewed when volunteers arrive.
- All common Covid-19 safety process. E.g. masking, physical distancing, sanitized surfaces.
- Litter Stewards ongoing and episodic options.
- Re-engage with all Adopt-A-Park Volunteers and accepting applications for new park adoptions.
- Team and corporate volunteer group events are being reviewed as received and being engaged in service as able and appropriate.
- Dog Bag Stewards are back to filling 16 different dog bag dispensers.
- One day events throughout COV environmental programs. Including Parks and Recreation, Water Resources Education Center, Urban Forestry and Greenway Sensitive Lands.
- Building a Climate Action/Nature Patches Program within parks and public spaces.

Upcoming Volunteer events:

- March 13 Hearthwood Adopt-A-Park event
- March 20 Volunteer Grove Planting at Centerpointe Park
- March 20 Introduction to trail work at Blandford Canyon in partnership with Washington Trails Association.
- March 25 Meet and greet to gear up a litter supply pickup event
- March 27 Water Center led beach cleanup

CITY OF Vancouver WASHINGTON

MEMORANDUM

DATE: March 2, 2021

TO: Eric Holmes

FROM: Carrie Lewellen, Treasurer; Natasha Ramras, CFO

RE: **Business License Program – Modified Fee Waiver**

Effective 4/1/2020 through 3/31/2021, Council authorized business license and surcharge fee suspension for all businesses due to the public health threat posed by the sudden outbreak of the novel coronavirus (COVID-19). The City worked with its partner at the Washington State Department of Revenue Business Licensing Service (BLS) to suspend fees during the eligible time period and to refund those already been paid for that year.

At a Council retreat in January 2020, Council directed staff to recommend changes to the business license and surcharge fees after the sunset of the current extension. Staff recommends one additional year of continued business license and surcharge fees suspension for entities that remain deeply impacted by the pandemic. Below are additional specifications for this proposal.

Proposal:
Effective 4/1/2021, all businesses will be required to continue registration and payment of City business license fees through Washington State Department of Licensing.

From 4/1/2021, through 3/31/2022, businesses in several eligible categories will receive a refund from the City for 2021 fees and surcharges already paid. Eligible businesses will be required to complete a COV BLS Refund application form to receive the refund. The State of Washington's application processing system has limited flexibility and cannot accommodate significant deviations from the current program. Refund applications will, therefore, be processed manually by the City of Vancouver Business License division in the Finance department.

Staff has recommended setting eligibility for this program at businesses that have traditionally served large numbers of consumers indoors, simultaneously. Specifically:

- Restaurants, Taverns, Breweries, Wineries and Distilleries;
- Fitness and Training Facilities;
- Movie Theatres, Theaters & Performing Arts; and
- Bowling Facilities.

These businesses are among those most severely impacted by the pandemic, are likely to remain subject to some of the longest restrictions, and are particularly well-situated to utilize BLS savings to support increased consumer safety.

COVID-19 Update

March 8, 2020

Vancouver City Council Workshop

Eric Holmes, City Manager

Brian Carlson, Deputy City Manager

CITY OF Vancouver WASHINGTON

3/4/2021 2:30 PM

Presentation Overview

- State of Emergency
- Pending policy issues
- State and Federal response
- Administrative Operations status

State of Emergency

- Governor Inslee declared a [state of emergency on February 29, 2020].
  - Current framework, Healthy Washington – Roadmap to Recovery

- The City declared a state of emergency on March 13, 2020,
  - Council ratified seventeen emergency orders issued by the City Manager under that declaration
  - All but three have naturally expired:

State of Emergency

- Remaining local Emergency Orders in effect:

2020-01	Declaration of Emergency	Active
2020-14, Sec. 4	Temp. Employment Policies (e.g., Telework)	Active
2020-17	City Manager Budget / Purchasing Authority	Active

City of Vancouver Washington

Pending Policy Issues

- Business License Surcharge
- Street Eats Program

Pending Policy Issue – BLS Surcharge

- Business License Surcharge (BLS) is a $90 per employee per year flat fee
- The BLS inherently scales to economic and business activity; fewer employees = proportionately lower fee
- “Normal” year revenues ~$5 million

Pending Policy Issue – BLS Surcharge

- 2020 City of Vancouver Emergency Order eliminated fee and surcharges for all businesses in Vancouver from 4/1/2020-3/31/2021
- Estimated foregone revenue during the last year: $5 million
  - Police funding
  - Streets funding
  - Other General Fund expenses
- Approximately 16 thousand businesses received relief

Pending Policy Issue – BLS Surcharge

Proposal:

- Effective: 4/1/2021 – 3/30/2022
- Credit businesses that have traditionally served large numbers of consumers indoors, simultaneously:

  - Restaurants, Taverns, Breweries, Wineries and Distilleries;
  - Fitness and Training Facilities;
  - Movie Theatres, Theaters & Performing Arts; and
  - Bowling Facilities.

Rationale: businesses most severely impacted, subject to longest restrictions, and best situated to utilize BLS savings to support increased consumer safety. (3-month review to confirm.)

Pending Policy Issue – BLS Surcharge

Proposal cont:

- Businesses will pay fees and surcharge to the State of Washington and request a subsequent refund from the City

- Estimated revenue impact ~$500,000 over the next 12 months

Pending Policy Issue – Street Eats

<u>Anticipated program amendments:</u>

- Scope:
  - No more than two parallel parking spaces or three angled parking spaces per block face; special circumstance exception;
  - No more than 50 total parking spaces in the downtown and uptown may be utilized for Street Eats
  - All removal of Street Eats installations at the sole expense of the business owner.

Pending Policy Issue – Street Eats

Anticipated program amendments:

- Fees:
  - Now - six months following the lifting of all restaurant occupancy restrictions: no charge
  - Month seven and beyond following the lifting of all restaurant occupancy restrictions: 100% of the applicable monthly parking fee (currently $70/month per space).

State and Federal Response

Federal Response:

- House of Representatives passed the $1.9 trillion America Rescue Plan

State Response:

- $2.2 billion COVID-19 pandemic relief package that included:
- Mid-session State Legislative update scheduled for March 15.

2020 Business Assistance

CDBG-funded COVID response "Support Small Business 2020-21"				
Agency	**CDBG & CDBG CV 2020-2021**	**Biz served in 2020**	**Est. Biz to be served in 2021**	**Description**
Fourth Plain Forward	$30,000		6	2020-2021: façade improvements
Hispanic Metro Chamber	$130,000	58	32	2020-2021: technical assistance to Latinx businesses
Mercy Corps	$350,000	131	80	Completed 2020: 86 grants distributed in 2020 2020-2021: technical assistance
Micro Enterprise/WA	$431,834		75	Starting in 2021: grant/loan program & technical assistance
Vancouver's Downtown Assoc.	$130,577	24	61	2020-2021: Support Street Eats citywide & new online E-business technical assistance program
Total	**$1,072,411**	**213**	**254**	

Note: in 2021, an additional $477,040 CDBG is proposed for Clark College, Vancouver Chamber, Hispanic Chamber, Mercy Corps

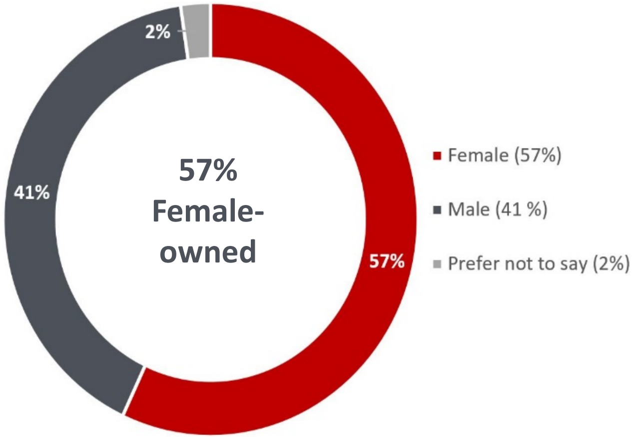
2020 Business Assistance

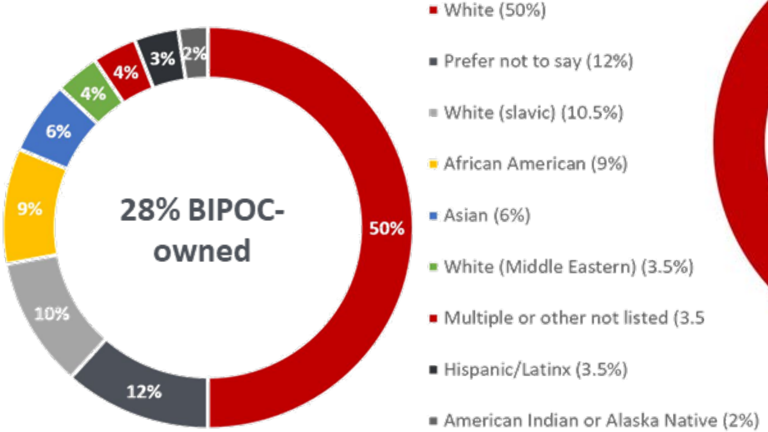
Vancouver COVID-19 Emergency Grant Program

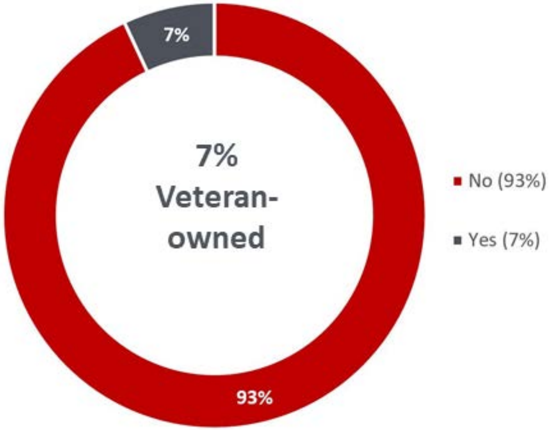
86 business received $215,000 in grants

64% of grantees represent minority, female, or veteran-owned businesses

Individual impact:
153 employees
226 family members







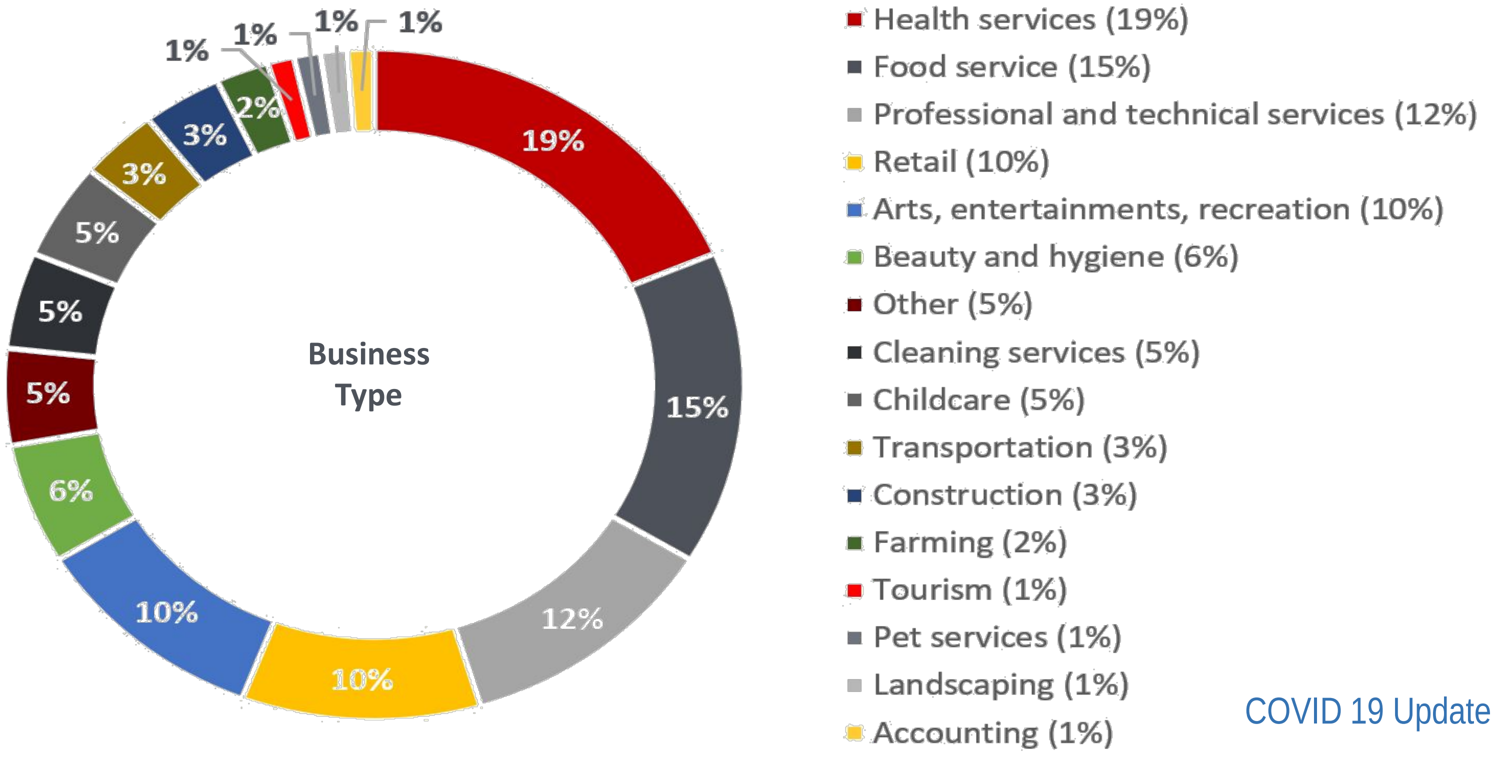
The emergency grant program was a joint program between Clark County, the City of Vancouver, and Mercy Corps Northwest. The program ran from September 8th to December 4th, 2020.

CITY OF Vancouver WASHINGTON

MERCY CORPS NORTHWEST

2020 Business Assistance

Vancouver COVID-19 Emergency Grant Program-Business Type



Operational Status

- Administrative operations
- Utility Assistance
- COVID testing and vaccination site – Tower Mall
- Community Centers- Events; Volunteers
- Farmers Market update

Questions and Discussion

MEMORANDUM

DATE: February 25, 2021

TO: Mayor and City Council

FROM: Cayla Cothron, Associate Planner, and Bryan Snodgrass, Principal Planner, Community and Economic Development Department

RE: March 8 workshop review of the Evergreen and Grand component of the Commercial Corridors Strategy

---

The March 8 workshop is intended to update the City Council on the status of the Evergreen and Grand commercial corridors planning process, and overall Commercial Corridors Strategy. It follows prior City Council workshops on this project on September 14, 2020, and on the related temporary development moratorium in fall 2019 and spring 2020. The Planning Commission also reviewed the project at workshops on June 9, 2020 and February 23, 2021.

Background

The larger Commercial Corridors Strategy was initiated in 2019 as a community planning process to enhance existing commercial corridors, increase walkability, ensure access to services and amenities, support job growth, and increase housing opportunities. This project envisioned development of policies and programs for three separate areas: the St. Johns/St. James couplet, Fourth Plain and Mill Plain Boulevards, and Evergreen and lower Grand Boulevards. Recommendations resulting from this process will address types of land uses and development that are allowed, the pedestrian environment, building orientation in relationship to the street, and parking and access. Non-regulatory tools and programs will be considered in addition to development standards, and corridor housing as well as commercial uses will be addressed. Project focus shifted to the Evergreen and Grandy study area with the onset of the pandemic. Future work on the remaining study corridors will be integrated into the City's Comprehensive Plan update process. Work done on the Evergreen and Grand commercial corridors may allow for revisitation of the St. Johns/St. James couplet in its own planning process; however, timelines and resources are still uncertain.

The Evergreen and Grand Commercial Corridor study area is focused on Grand Blvd. between Mill Plain and Evergreen Blvd., and on Evergreen Blvd. between V and Grove Streets as indicated in the study area map. The area is an emerging small business district with smaller-scale buildings oriented to the street adjacent to established neighborhoods. There has been increasing development interest in the area in recent years, including the construction of two new multi-family buildings. The City Council adopted a six-month moratorium on new development along Evergreen and Grand

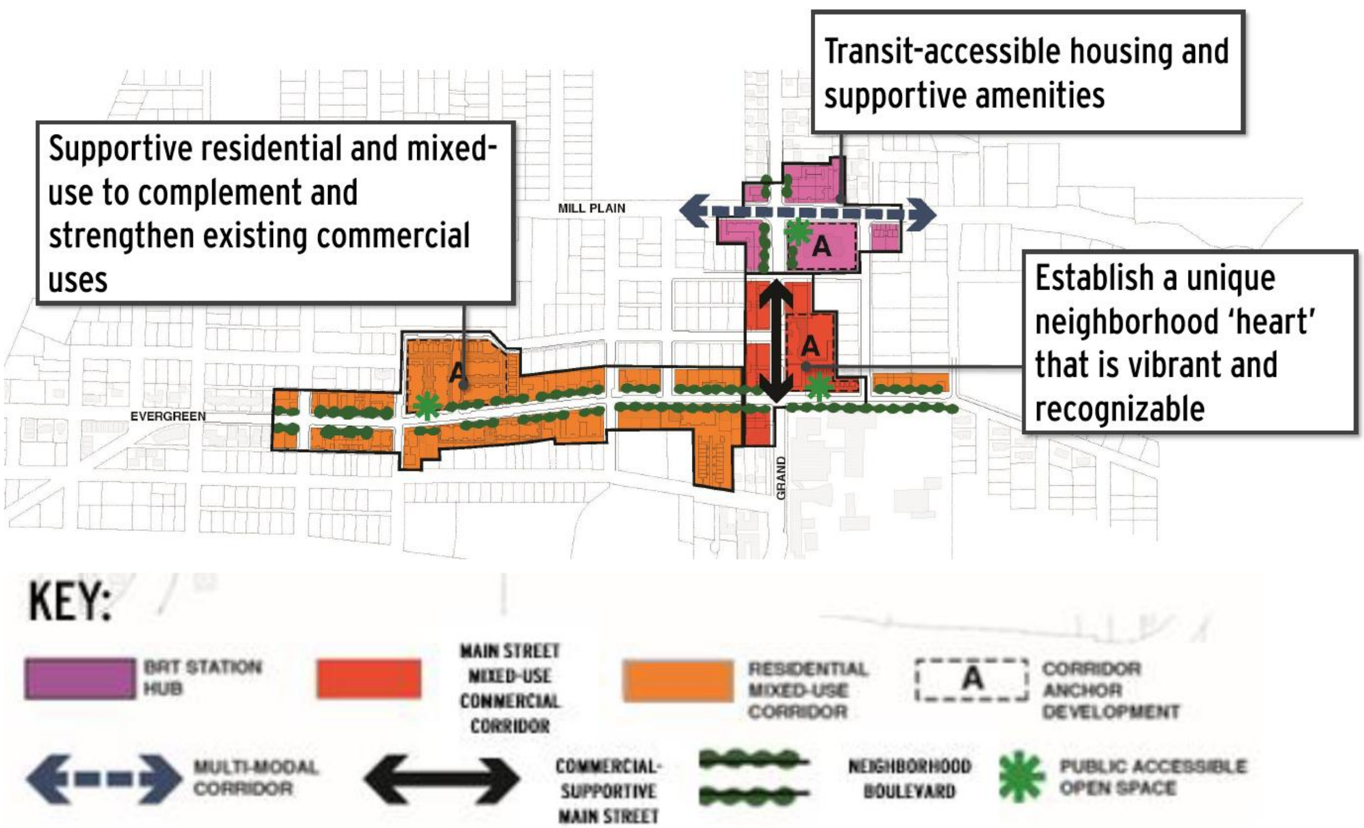
Boulevards in November 2019 but lifted it in May 2020 in recognition of local economic conditions associated with the pandemic, and directed staff to proceed with the planning work in this area.

The Evergreen and Grand corridors engagement process kicked-off in February 2020 with an in-person community open house and online survey to identify issues, opportunities, and community priorities for future development of the corridors. This input helped shape general long-term vision, goals and objectives, which were then refined by the community at live virtual open houses and an online survey in August 2020. Community input is described in more detail on page 7 of this memorandum.

Evergreen and Grand Corridor Vision Concepts and General Recommendations

Community feedback and data gathered from the August 2020 outreach was used to develop the corridor concepts and initial general recommendations described in this memorandum. The below corridor vision concepts are intended to be conceptual and establish a land use framework to achieve the long-term community vision and goals for future development of the corridors. They were shaped by a mix of best practices in planning and urban design, public input gathered throughout the process, and consideration of current and future real estate market conditions and the feasibility of different types of development

Corridor Vision Concepts



Three distinct and complementary land use areas are identified – a Commercial Mixed-Use Corridor, a Residential Mixed-Use Corridor, and a Bus Rapid Transit (BRT) Hub. Anchor development sites (A on the map) are also shown where either existing use enhancements or future redevelopment could catalyze positive change. A summary of each vision concept area is provided below:

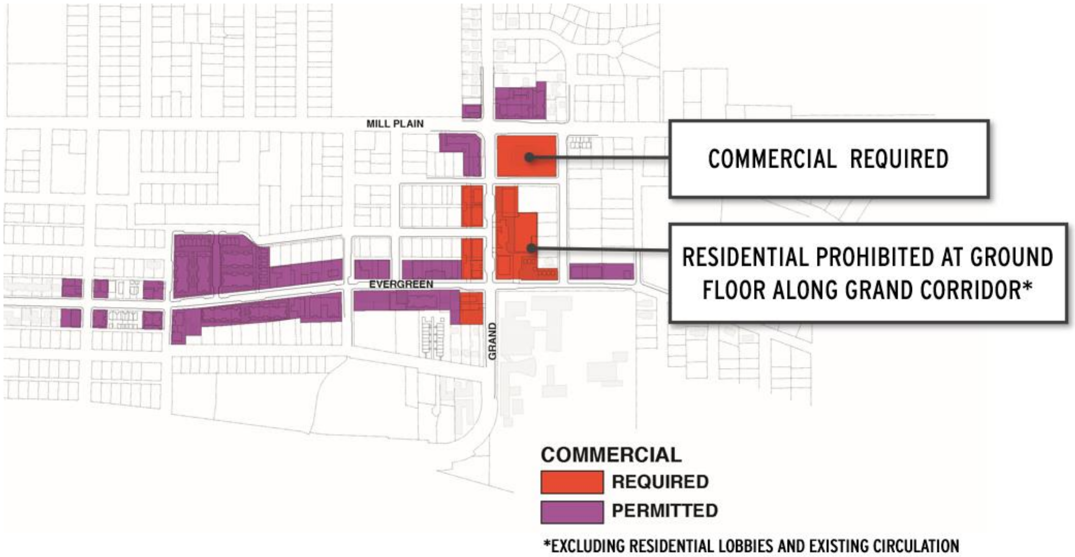
- The Commercial Mixed-use Corridor is located along Grand Boulevard at the crossroads of the corridors, extending from the intersection of Evergreen Boulevard north to Ninth Street. Land uses and infrastructure improvements should establish a unique neighborhood 'heart' that is vibrant and recognizable to create a compact commercial core for the District.
- The Residential Mixed-Use Corridor encompasses parcels along Evergreen Boulevard from the western edge of the study area to near Grand Boulevard. Envisioned is a greater emphasis on residential development that complements and strengthens existing neighborhood-scale commercial uses.
- The Bus Rapid Transit (BRT) Hub includes parcels at the intersection of Mill Plain Boulevard and Grand Boulevard. There is a planned Bus Rapid Transit station that will be built in this area, providing premium transit access to the City's two largest employment hubs – downtown and the Columbia Tech Center. Envisioned are changes that address the needs of those who are transit-dependent and will benefit most from the future Mill Plain BRT.

Evergreen and Grand Corridor General Recommendations

To achieve the community vision and goals for the study area, initial recommendations for short-term zoning code changes have also been identified. These would likely be implemented through an overlay zone, and would bolster existing standards to better encourage site design which facilitates a vibrant neighborhood-serving commercial corridor, and recognize goals for the overall District and attributes of the individual areas. Mid- to long-term implementation recommendations for programs and tools will also be necessary to achieve the vision, and will be included in the full set of refined recommendations for the draft Evergreen and Grand Commercial Corridors Strategy report.

General recommendations listed below include potential changes to commercial ground floor requirements, building height limitations, minimum off-street parking requirements, and requirements for building to achieve an 'active edge' at the ground floor.

Ground Floor Commercial Requirements



- In the Commercial Mixed-Use Corridor vision concept and anchor site at intersection of Grand and Mill Plain Boulevards, the recommendation is to continue to require commercial on the ground floor.
- Along Evergreen Boulevard and on smaller parcels in the BRT Hub, the recommendation is to allow some ground floor residential uses to provide flexibility outside of the commercial 'heart' of the study area and foster a mix of ground floor uses in these areas. Additional consideration is needed to mitigate against potential demolition of existing commercial structures given current market preferences for residential development and ensure that residential uses contribute positively to the character of the corridors.

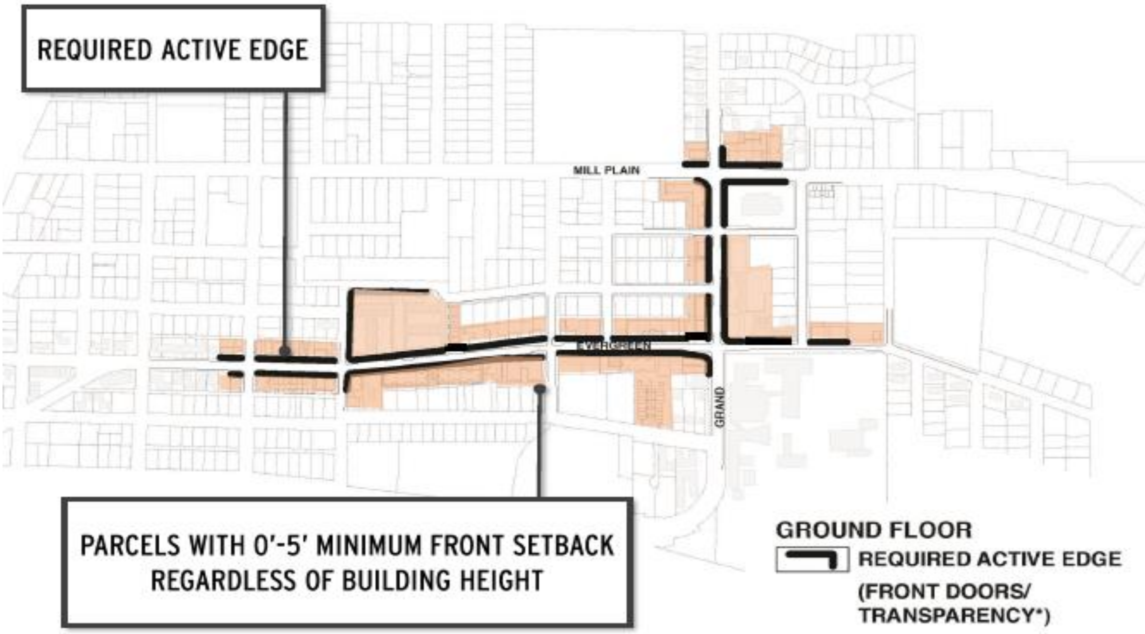
Maximum Building Heights

- Staff is proposing a maximum building height of 3 stories on smaller parcels throughout the study area, primarily located along Evergreen Boulevard. This scale is more restrictive than what is currently allowed under existing zoning, and is recommended to be responsive to community concerns, acknowledge local neighborhood character, and support viability of residential and commercial development.
- A 4-story maximum building height (consistent with existing zoning) is recommended along Grand Boulevard to encourage concentrating commercial in this area, as well as on larger parcels along Evergreen Boulevard, including the anchor site for the Residential Mixed-Use Corridor vision concept.
- To support higher-density transit-oriented development in proximity to the planned Mill Plain BRT, staff proposes maximum building heights of 4-5 stories in the BRT Hub.

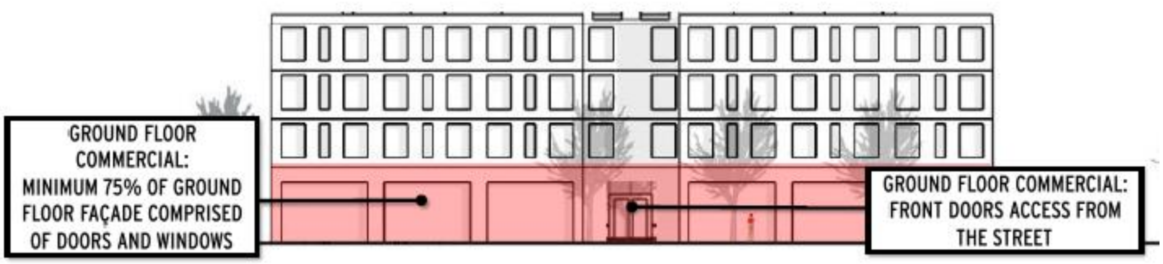
Parking

- A simplified minimum parking standard of at least one space per 1,000 square feet of floor area for commercial uses, and one space per dwelling unit for residential is recommended. This potential standard recognizes the mix of uses along the corridors, the existing bus service and planned Mill Plain BRT, and is similar to minimum requirements in downtown Vancouver. Developers can choose to provide more than the minimum, and often do, but for those with limited space, the proposed simplified standard could help reduce costs while still limiting spillover parking impacts to the neighborhood.

Active Edge Standards (Minimum Setback, Building Transparency, Front Door Access)



REQUIRED COMMERCIAL ACTIVE EDGE



REQUIRED RESIDENTIAL ACTIVE EDGE

- Staff is proposed a minimum front setbacks of 0-5 feet regardless of building height that would apply to the ground floor only of new development. Locating parking behind buildings and/or screening it from view would also be recommended.
- Requiring front door access to be from the street for both commercial and residential uses on the ground floor. Orienting front doors to the street supports street-oriented buildings rather than parking lot-oriented buildings, increases pedestrian activity, and reduces or eliminates visual impacts of surface parking. It also provides eyes on the street, often resulting in safer street environments.
- A higher minimum transparency requirement for commercial uses of around 75% of the ground floor façade is recommended to provide essential visibility of goods and services by pedestrians and those traveling along adjacent roadways. Visibility of indoor spaces also animates the street where there are restaurants, pubs, and other types of retail uses.
- For residential uses, a moderate minimum transparency requirement of around 50% is recommended to support "eyes on the street" and recognize that privacy is important as well.

Community Feedback

Community engagement for the study area began with a February 13, 2020 in-person open house and online survey where over 50 residents, property and business owners, and other stakeholders helped identify issues, opportunities, and community priorities. Key community concerns included improving walkability and pedestrian safety, new development being out of character with the surrounding area, and poor appearance and disrepair of the public realm and existing buildings. A desire for more local eating and drinking establishments, small-scale retail, and neighborhood-serving amenities was also expressed. More detail is available here and here.

Community feedback and data gathered during the first stage of the process was used to develop a long-term community vision, as well as supportive goals and objectives for land use, mobility, parking, urban design, and economic development that were presented at virtual open houses on August 26 and 27, 2020, which were attended by a total of 15 persons. There was general agreement with the vision, goals, and objectives presented, available here. There were specific concerns about existing buildings needing repair, excess traffic speeds on Grand Blvd, and public safety. Desires for multi-modal upgrades on Evergreen Blvd and traffic calming on Grand Blvd, community gathering spaces, and a local grocery and/or farmers market were also as expressed. A need for adequate parking for retail businesses and new residential development, and to maintain and build upon the existing character of the corridors was also cited. More direct connections to the corridors from surrounding areas/destinations and wayfinding were also called for.

The most recent February 4, 2021 virtual community open house was attended by 15 people, most of which appeared to support the corridor vision concepts and general regulatory recommendations (the recorded February 4 presentation given to facilitate public input is available here). For those unable to attend, there is an online survey available on the project Be Heard page through the end of February where community members can provide input. Specific feedback gathered to-date includes the following:

- Support for an improved streetscape with wider sidewalks, greenery, and trees, and more public amenities and community gathering spaces.

- Support for grants, funding assistance, and incentives to support existing and new small businesses, and a desire for local businesses rather than chains.
- Continue to accommodate and encourage ground floor commercial along Evergreen Boulevard.
- Desire for a local grocer in the BRT Hub.
- Maintain economic diversity and a variety of housing types.
- Concerns about building height taller than 3-4 stories resulting in corridor 'canyoning' particular along Evergreen Boulevard, and potential conflicts with Pearson Airport airspace.
- Ensure adequate parking for new development, and in particular multi-family, to mitigate neighborhood spillover.
- Maintain affordability and prevent gentrification and displacement along the corridors and in the surrounding area.
- Concern that higher-density development is out of scale, and the need to ensure new development complements existing neighborhood character.
- Need for right-of-way and streetscape improvements throughout the study area and along Grand Boulevard to support a walkable pedestrian environment as envisioned.

As part of this outreach, the project team also held individual meetings in January 2021 with key stakeholders along the corridors, including the property owner of the Crosley Lanes site, property owner of the International Air & Hospitality Academy site, property manager for the shopping mall site on Grand Boulevard, and a representative from the School for the Blind. Input received through these meetings is indicated below:

- Concerns about the feasibility of new commercial development and prohibiting certain land uses the corridors, such as drive-thrus.
- Concerns about maintaining the neighborhood character and promoting the appropriate style and intensity of development through this process.
- Desire for lower building heights at the intersection of Evergreen and Grand and encouraging non-mixed use housing stock.
- Ensure adequate parking for new development.
- Support for providing flexibility to the existing ground floor commercial requirement along Evergreen Boulevard.
- Ensure any right-of-way or streetscape recommendations promote accessibility for people of all abilities and an inclusive pedestrian environment.

More information about past outreach efforts, including community engagement summaries and the recorded presentations used to generate public feedback can be viewed on the project website.

February 23 Planning Commission Workshop

Feedback from Planning Commissioners at the recent workshop was generally in support of the corridor vision concepts and general recommendations presented, with the below specifics:

- Support for building height recommendations in this area, and the need to ensure clear communication to the community and policy direction from decision-makers. A Commissioner also suggested looking at winter shadows for maximum building height recommendations.
- Support for focusing commercial development on Grand Boulevard, and allowing flexibility for diverse types of commercial and residential development on Evergreen Boulevard. A Commissioner expressed concern about requiring any ground floor commercial along Evergreen, and commented that the proposed active edge standards would still ensure streetfront activation. Other Commissioners echoed this concern, but acknowledged the desire to maintain the small, authentic, granular feel of the corridors and need for strategies to address this.
- Importance of signage along Grand Boulevard and the need for a signage program, as well as the benefit of design review for the overall study area.
- Potential city investments to consider to support future development, such as assistance to address potential environmental contamination on sites, or regional/corridor-wide stormwater control.
- Consider including a recommendation for a proactive neighborhood traffic monitoring program for this area to help mitigate for any future spillover parking into neighborhoods that might occur.
- Consider accommodating emerging trends in transportation, such as dedicated rideshare and autonomous vehicle drop-off zones and other micro-mobility strategies, when planning for how the roadway can support adjacent land uses.
- Comments about streetscape and roadway changes in this area being key to achieving the vision for the corridors, with a couple Commissioners noting that roadway changes on Grand Boulevard need to consider the possibility of cut-through traffic on side streets, and that sharrows instead of bike lanes on Evergreen could potentially help to reduce traffic speeds by encouraging a very activated street frontage.
- Question about staff capacity and resources at the City to implement mid- to long-term recommendations resulting from this process over time.

Next Steps

Based on feedback to-date and additional survey results being collected through the end of February, the project team will begin to develop the draft Evergreen and Grand Commercial Corridors Strategy report. This will include the full set of refined recommendations for future actions, including adoption of regulatory standards. Workshops and hearings before the Planning Commission and City Council will be scheduled once the Strategy report is drafted in spring or summer 2021. Specific code language and other short-term implementation measures will be drafted in fall 2021or later following adoption of the Strategy report, and will involve further Commission and Council review.

The adoption of the Strategy report would constitute a text change to the Comprehensive Plan, and the adoption of implementing standards would constitute a text change to the zoning code. Both would be subject to the VMC 20.285.070 approval criteria of demonstrating consistency with the balance of applicable policies of the Comprehensive Plan and Strategic Plans, and the public interest.

For more information, please consult the [project website](), or contact Cayla Cothron cayla.cothron@cityofvancouver.us/(360) 487-7899, or Bryan Snodgrass bryan.snodgrass@cityofvancouver.us/(360) 487-7946).

Commercial Corridors Strategy Update

CITY OF Vancouver WASHINGTON

March 8, 2021

City Council Workshop

Bryan Snodgrass, Principal Planner &

Cayla Cothron, Associate Planner, Community & Economic Development Department

Presentation Overview and Purpose

- Review Commercial Corridors Strategy background
- Review Evergreen and Grand Corridors background, vision concepts and general recommendations, community and Planning Commission feedback, and next steps
- Obtain Council feedback and direction, particularly on potential regulatory recommendations, and policy and programmatic recommendations

Planning Commission and City Council Review

- December 2, 2019: City Council Public Hearing on temporary development moratorium
- April 1, 2020: Planning Commission Memo in lieu of workshop
- May 4, 2020: City Council Public Hearing to lift moratorium
- June 9, 2020: Planning Commission workshop
- September 14, 2020: City Council workshop
- February 23, 2021: Planning Commission workshop

Commercial Corridors Strategy

A community planning process intended to:

- Enhance existing commercial corridors
- Increase walkability
- Ensure access to services and amenities
- Support job growth
- Increase housing opportunities

Commercial Corridors Study Corridors

- Evergreen Blvd from V St to Grove St, and Grand Blvd from E Mill Plain Blvd to E Evergreen Blvd
- St. Johns/St. James couplet, from Burnt Bridge Creek to NE 68th St.
- Mill Plain Blvd from E Reserve St to 192nd Ave, and Fourth Plain Blvd, from I-5 to NE 172nd Ave

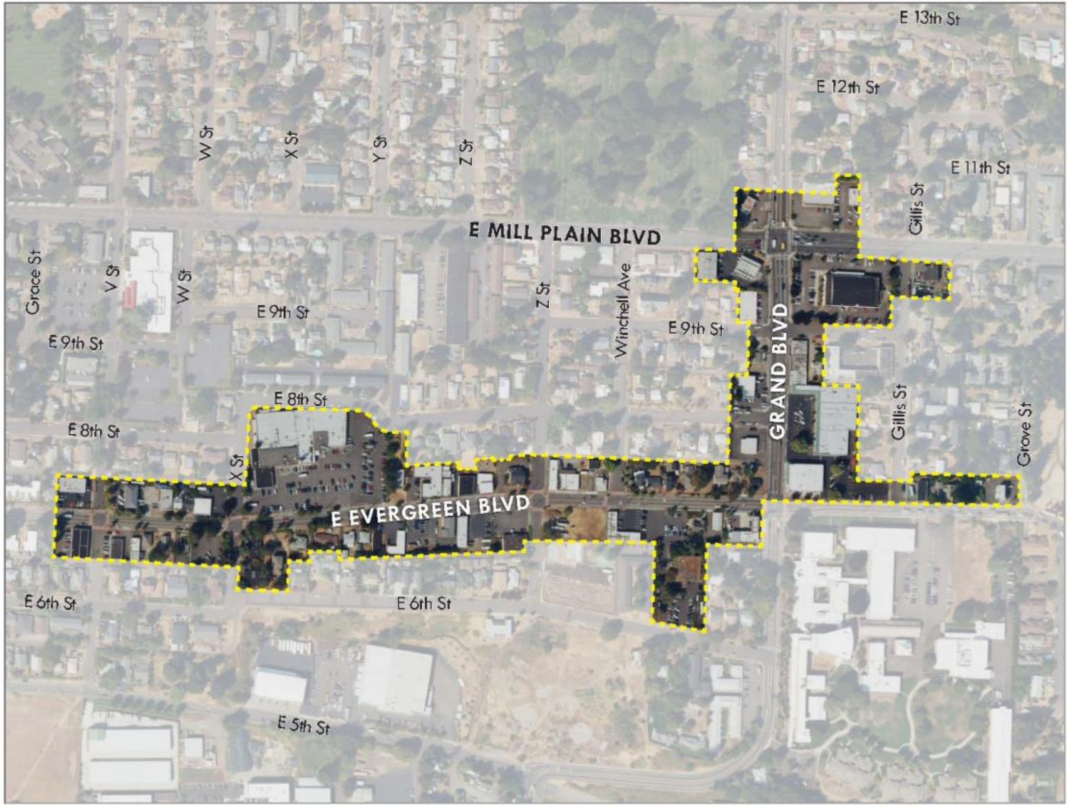
CITY OF Vancouver WASHINGTON

Commercial Corridors Project Outcomes

A set of recommendations for policies, programs, and tools to achieve the long-term vision established for the corridors. Potential deliverables include:

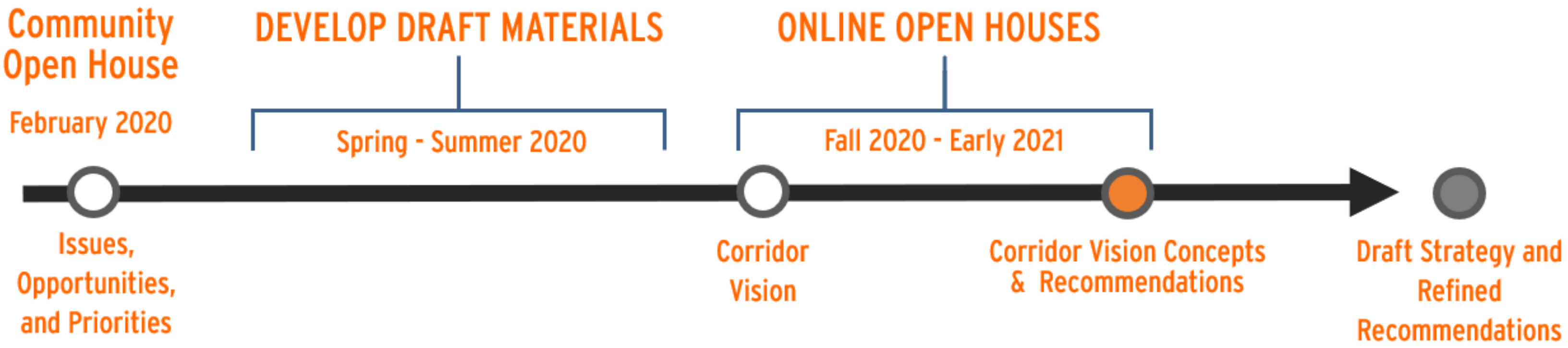
- Development of general corridor vision concepts
- Amendments and updates to zoning designations and standards related to allowed uses, building densities, building orientation in relationship to the street, and access and parking requirements
- Recommendations related to the location and density of housing
- Improvements to multi-modal transportation and access
- Placemaking recommendations

Evergreen and Grand Study Area



- Fine-grained development pattern
- Smaller-scale buildings oriented to the street
- Older commercial buildings and streetfront single-family homes

Evergreen and Grand: Timeline



Issues & Opportunities Public Outreach

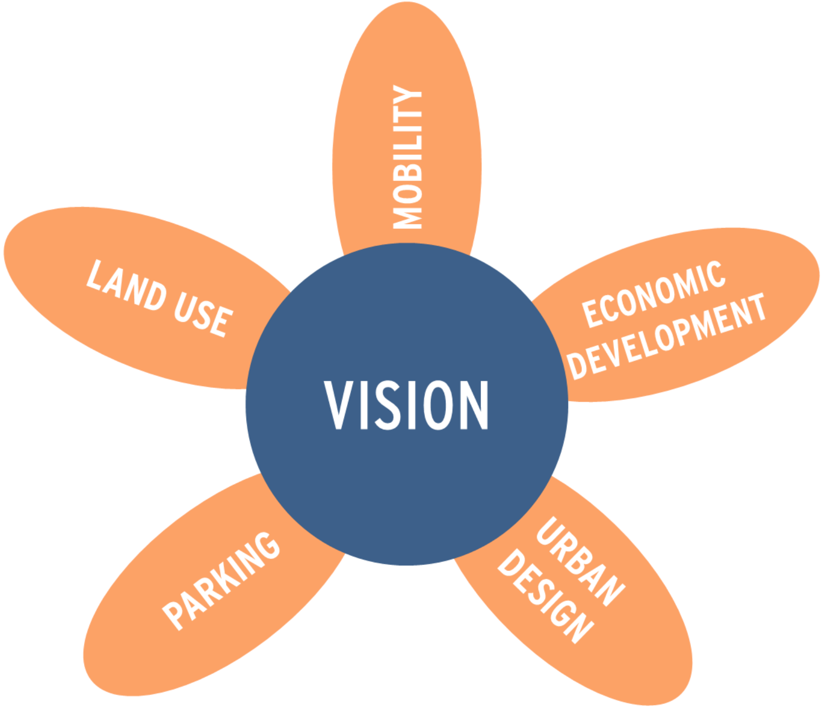
February 2020 in-person open house and online survey with 50 combined participants. Community concerns and priorities included:

- New development out of character
- Poor appearance/disrepair of the public realm and existing buildings
- Desire for more local eating/drinking establishments, small-scale retail, and neighborhood-serving amenities

CITY OF Vancouver WASHINGTON

Vision, Goals, & Objectives Public Outreach

- August 2020 virtual open houses and online survey to gather community feedback on the vision, goals, and objectives
- Over 40 combined participants



Vision, Goals, & Objectives Public Feedback

- Desire for a balanced mix of residential and commercial uses, community amenities, and public gathering spaces
- Maintain/build upon neighborhood character and regulate building scale
- Prioritize safer, more accessible streets for a variety of commuters
- Ensure adequate parking for new multi-family housing and commercial buildings
- Encourage local businesses that serve low- and moderate-income residents
- Existing buildings in need of repair

Vision, Goals, & Objectives

VISION

Promote equitable and diverse corridor development that is vibrant, sustainable, and mixed-use.

Foster development that recognizes and builds upon the neighborhood's unique setting, history, culture, and character.

GOALS

LAND USE. Strengthen current businesses while providing an appropriate mix of commercial and residential uses.

MOBILITY. Establish a balanced multi-modal network of motor vehicle, transit, walking, and biking routes through the corridors.

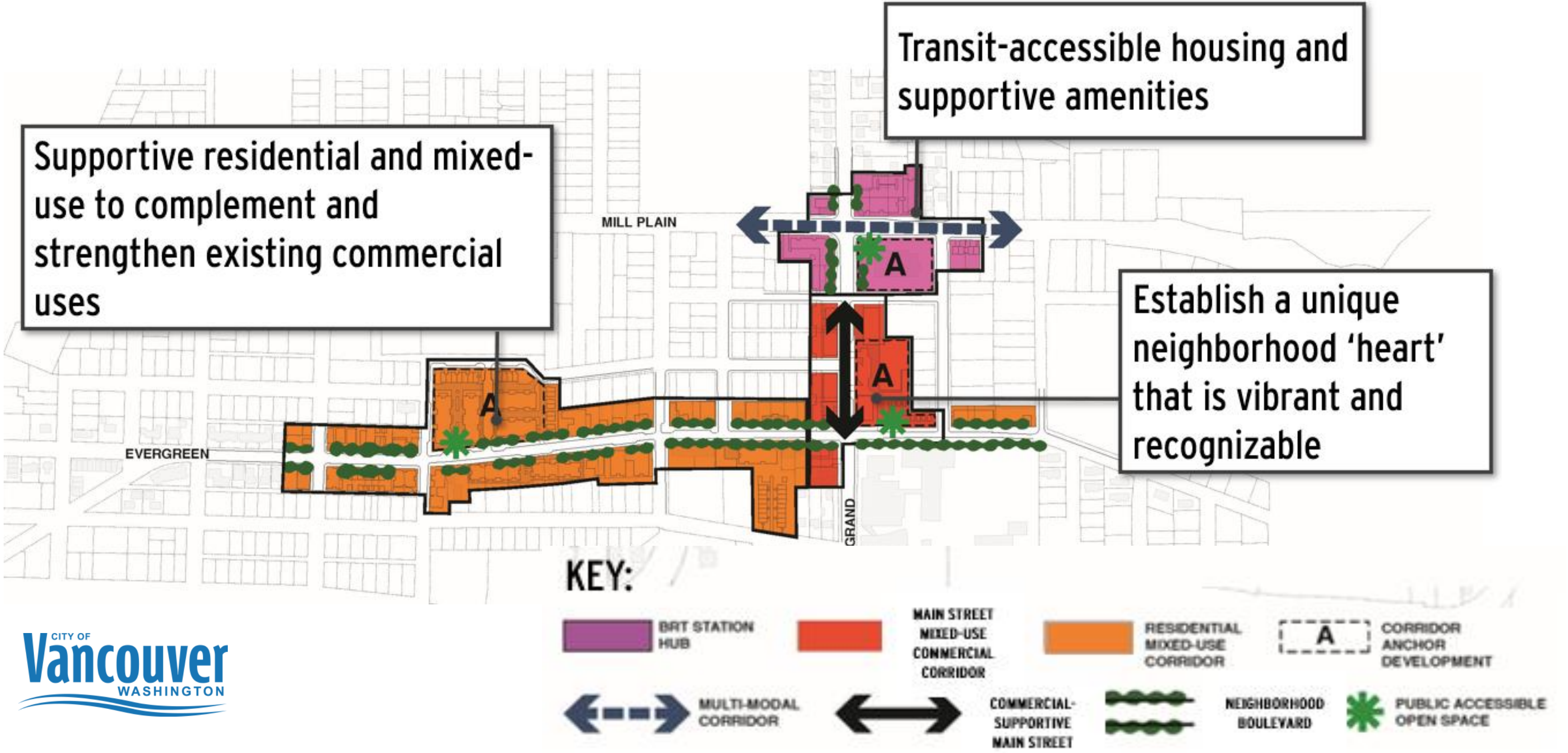
PARKING. Provide adequate parking to serve existing uses and future development.

URBAN DESIGN. Create public and private spaces that are inclusive, integrated, and contribute positively to the livability of the corridor.

ECONOMIC DEVELOPMENT. Provide ample opportunities for small-scale, locally-owned business to thrive.

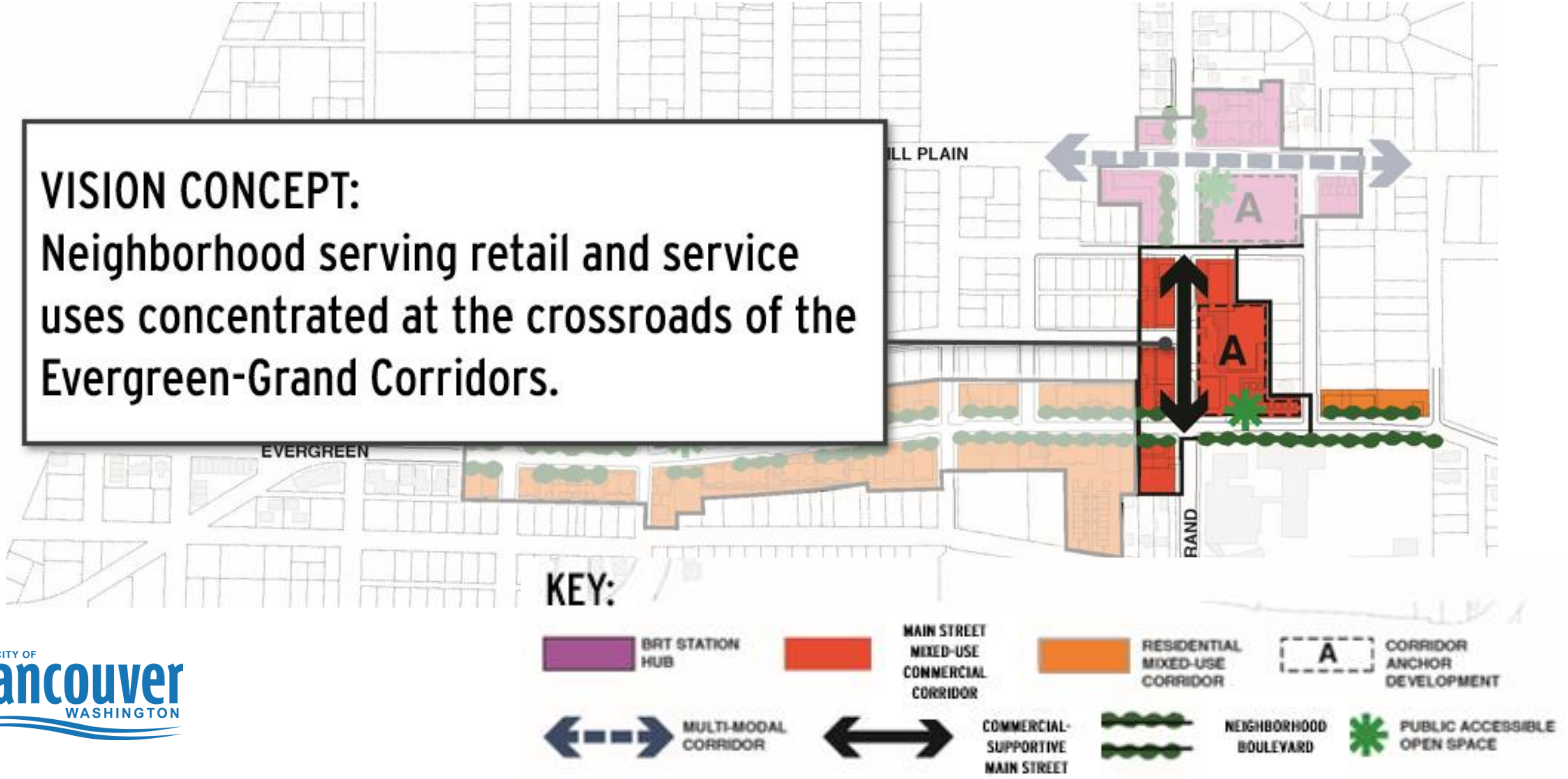
CITY OF Vancouver WASHINGTON

Corridor Vision Concepts



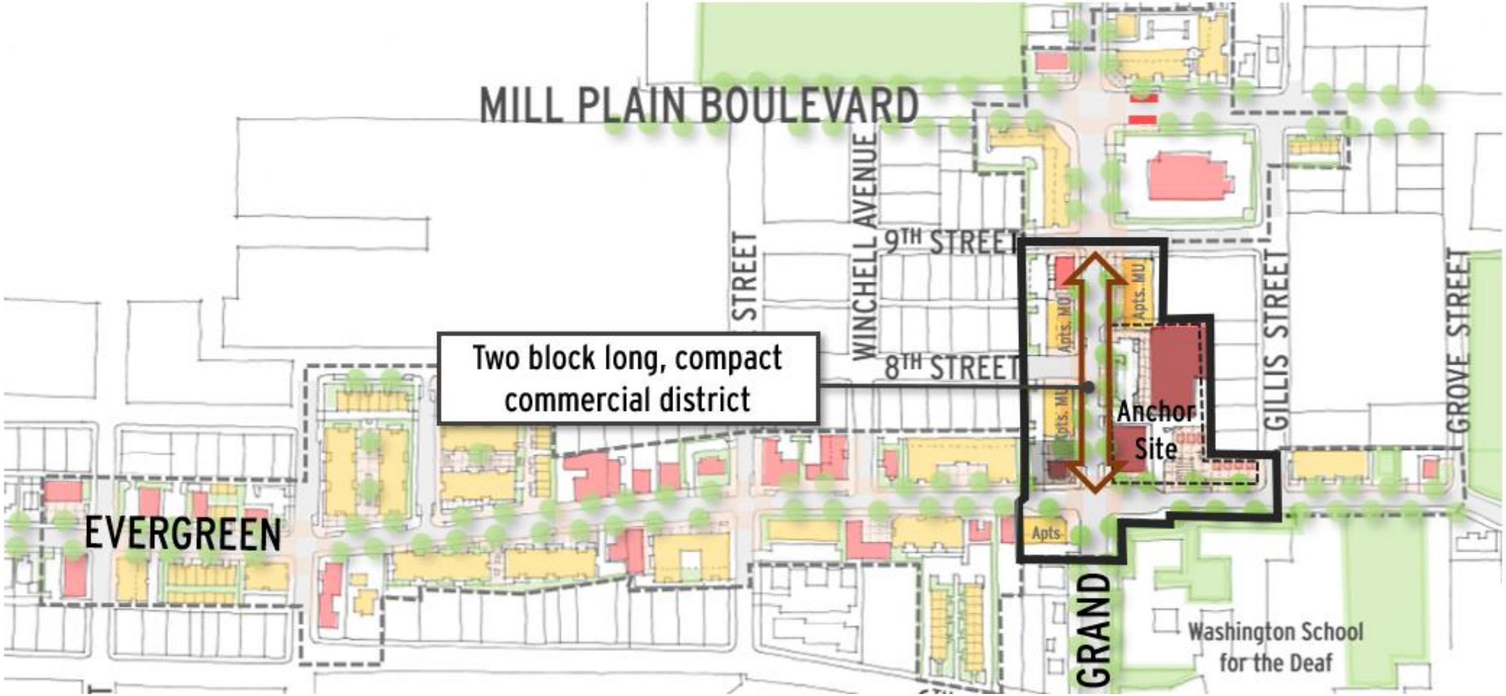
CITY OF Vancouver WASHINGTON

Commercial Mixed-Use Corridor



CITY OF Vancouver WASHINGTON

Commercial Mixed-Use Corridor



CITY OF Vancouver WASHINGTON

Commercial Mixed-Use Corridor

Existing shopping center

Renovated shopping center example

Shopping center site

Commercial Mixed-Use Corridor

City of Vancouver Washington

Commercial Mixed-Use Corridor

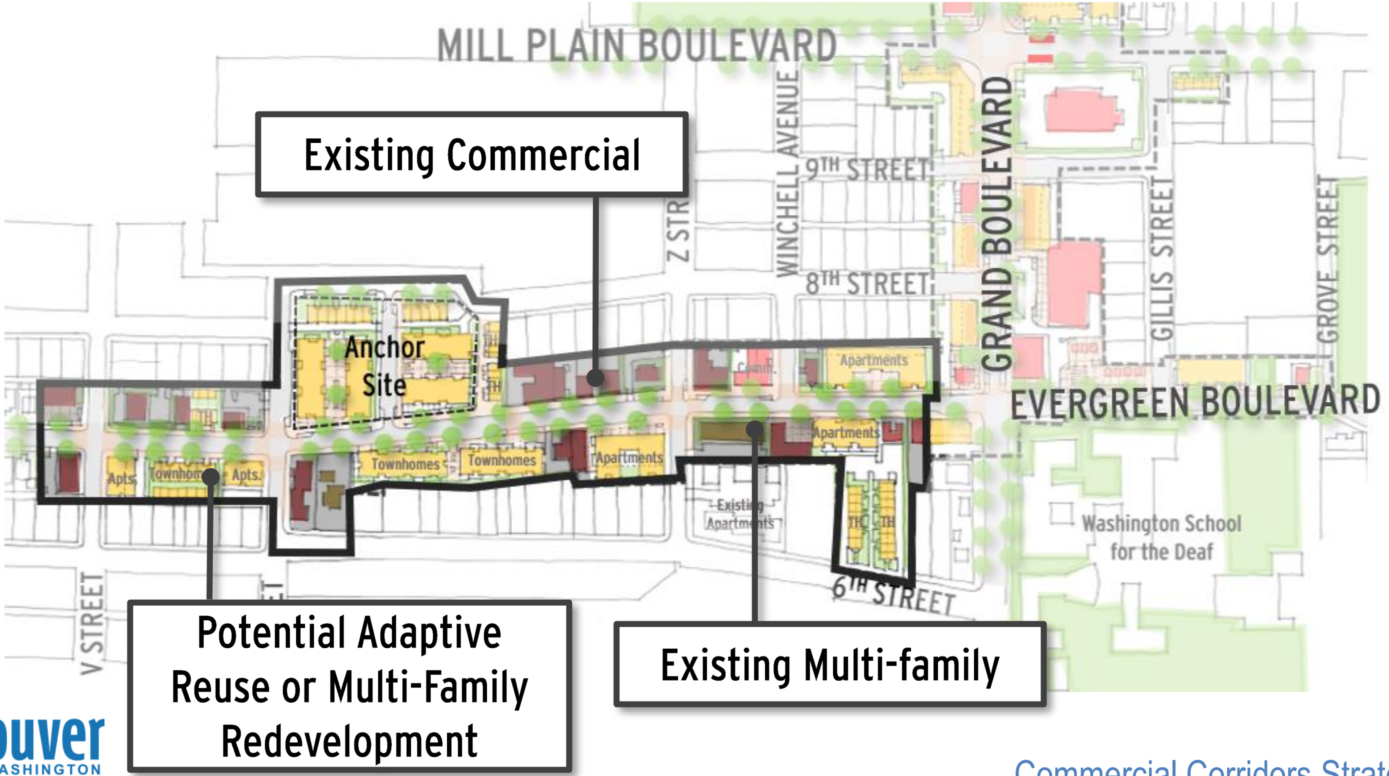
CITY OF Vancouver WASHINGTON

Residential Mixed-Use Corridor

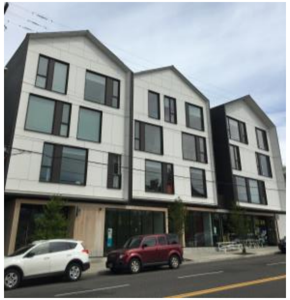
VISION CONCEPT:
A residentially-focused mixed-use neighborhood boulevard that supports and strengthens existing commercial

CITY OF Vancouver WASHINGTON

Residential Mixed-Use Corridor

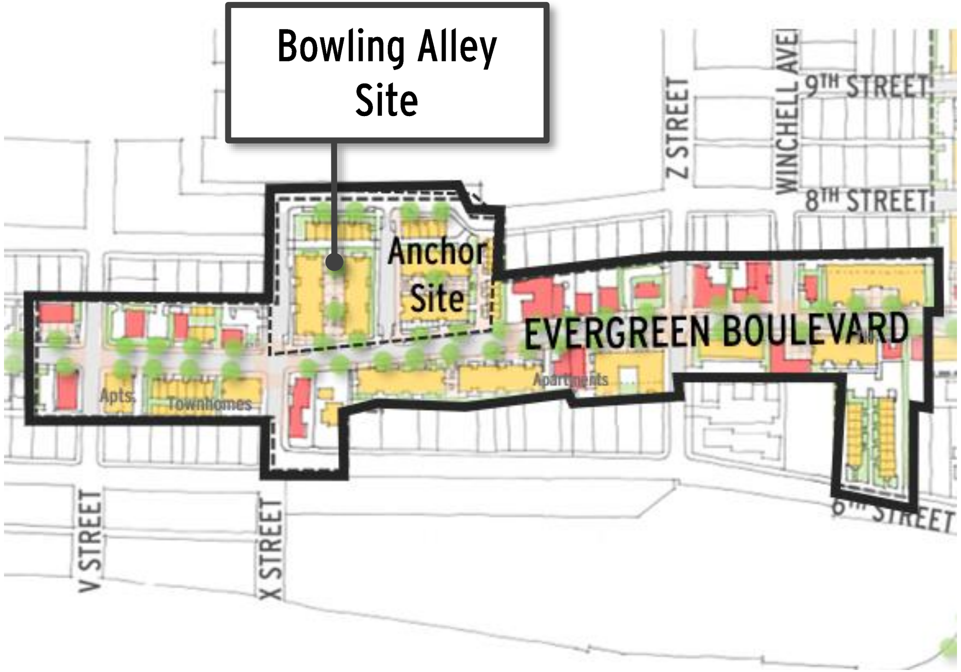


Residential Mixed-Use Corridor



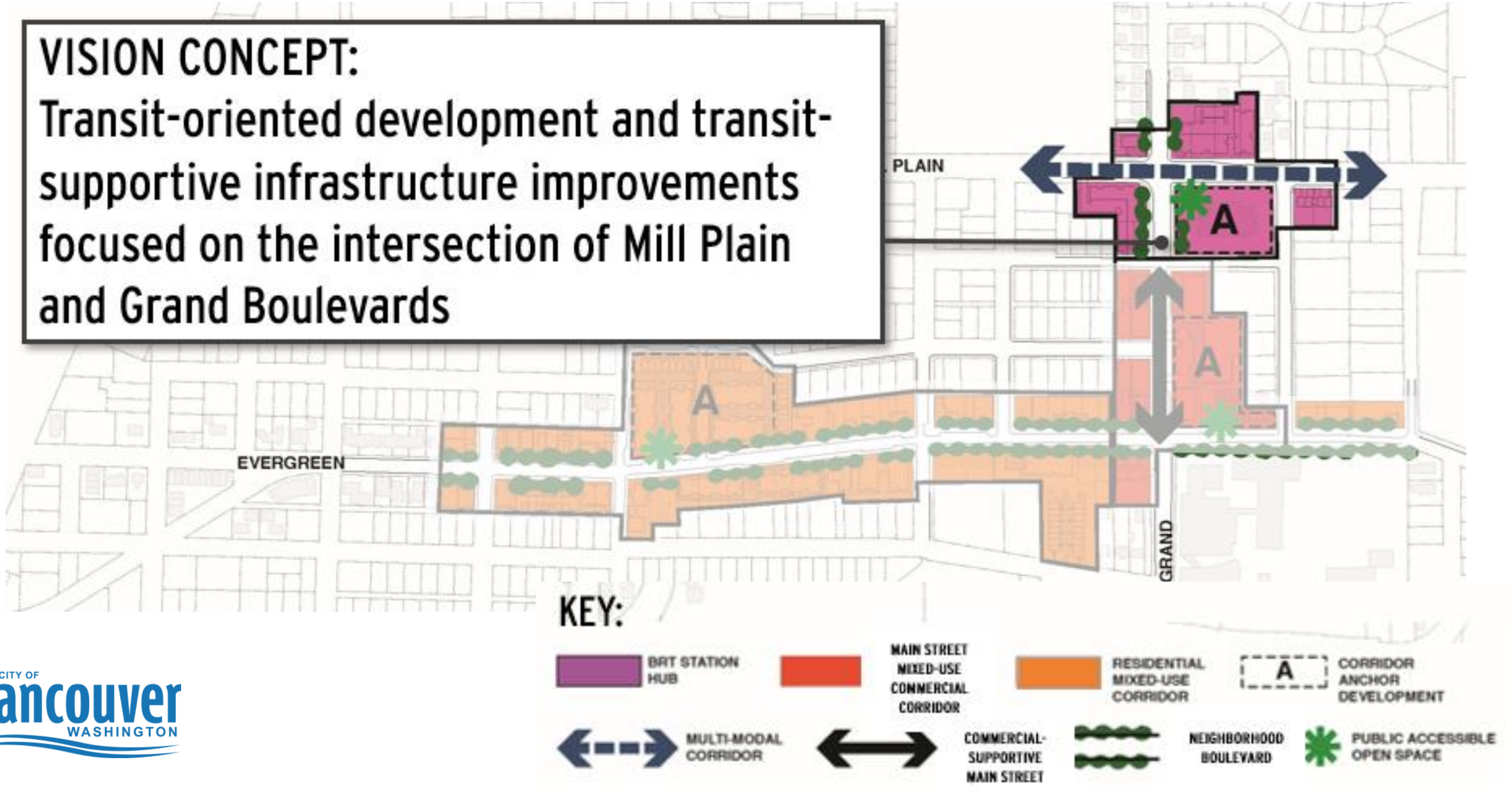
CITY OF Vancouver WASHINGTON

Residential Mixed-Use Corridor



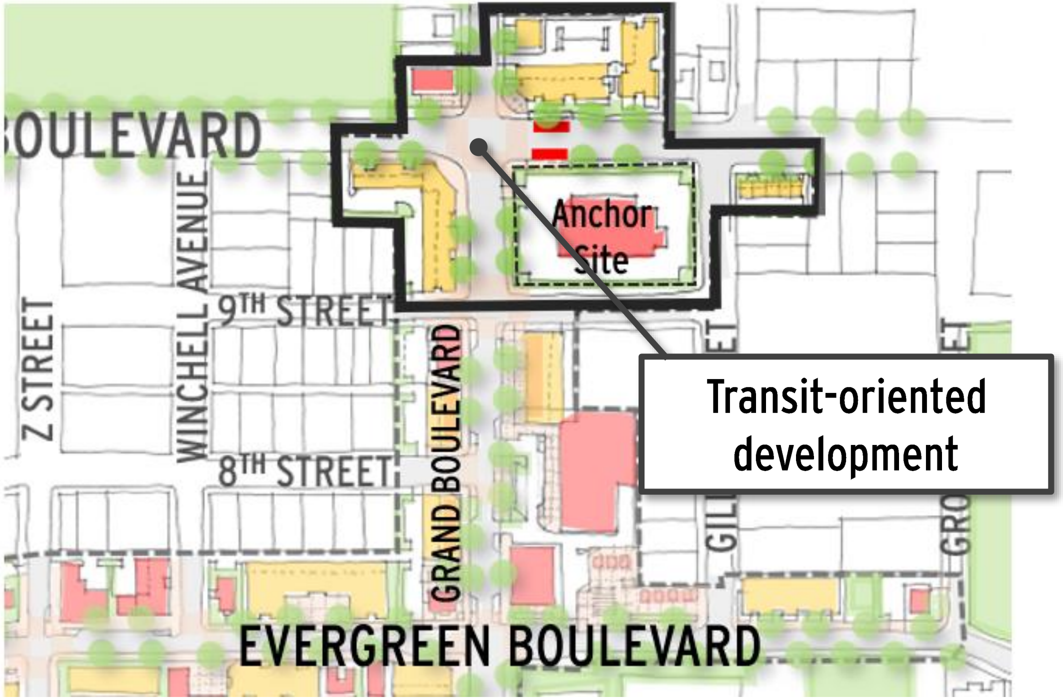
Residential Mixed-Use Corridor

Bus Rapid Transit Hub

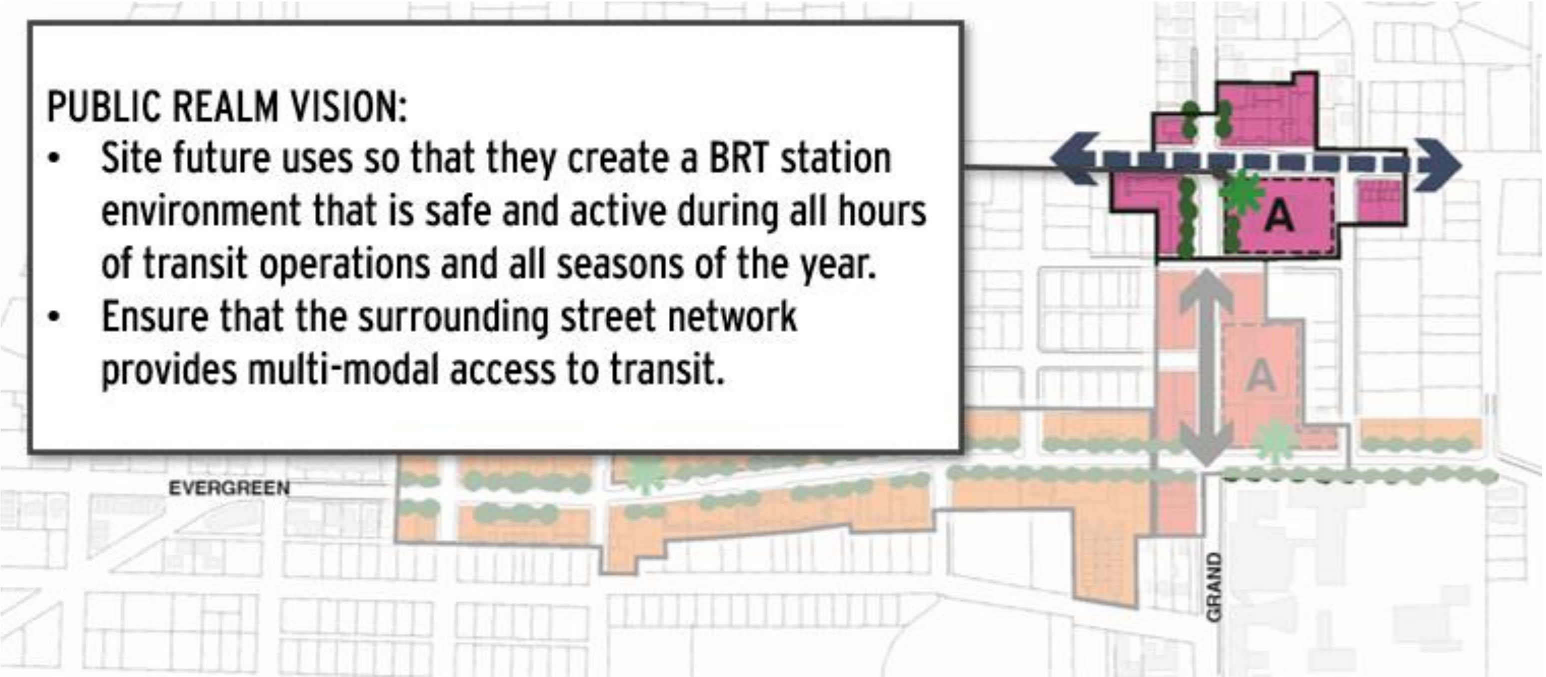


CITY OF Vancouver WASHINGTON

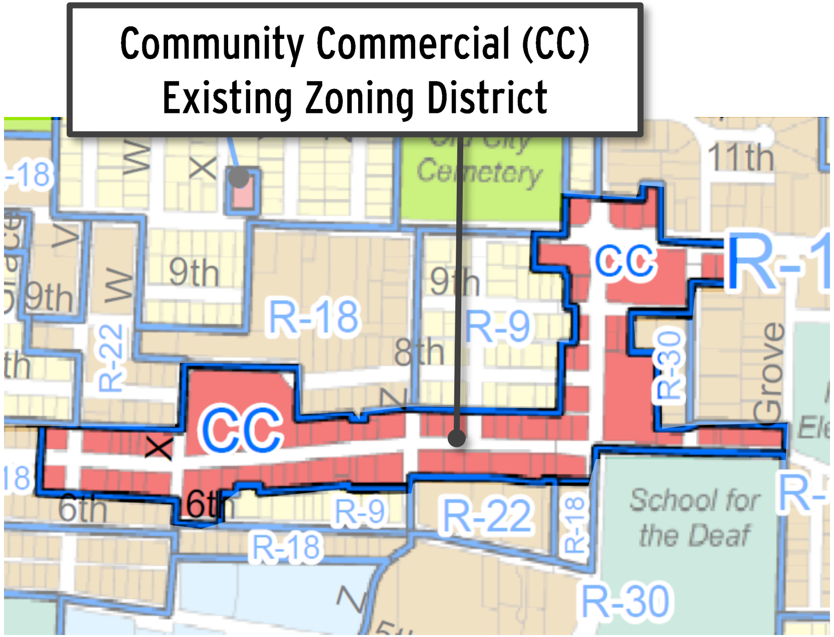
Bus Rapid Transit Hub



Bus Rapid Transit Hub



Existing Community Commercial (CC) Zoning



Existing Community Commercial Zone

- Intended to provide for retail goods and services purchased regularly by residents of several nearby neighborhoods.
- Current regulations and allowed uses do not support development that meets the zone's intent or the vision and goals established through this process.

Existing CC Zoning Regulations

- Allowed uses include limited types of residential; limited lodging; office; general retail including less-restrictive uses such as drive-thru banks and credit unions, big-box retail, etc.; motor vehicle repair, sales/rental, and gas stations; self-storage
- 10-foot minimum front setback
- Maximum building height of 50 feet (4 stories)

Existing CC Zoning Regulations

Current off-street minimum parking requirements for residential uses

Residential Use	Minimum Off-Street Parking Requirements
Single-family	1/1
Multi-family	1.5/1

Existing CC Zoning Regulations

Current minimum off-street parking requirements for non-residential uses

Land Uses		
Office	**Commercial**	
General: 1/400 sf Medical: 1/200 sf	General Retail	1/300 sf
	Eating/drinking establishments	1/250 sf

General Regulatory Recommendations

Create an overlay for the study area that includes the following development regulations to ensure the intent and community vision is met:

- Ground floor commercial requirements
- Building height limitations
- Minimum off-street parking requirements
- Minimum setback, building transparency, and front door access requirements to achieve an 'active edge' at the ground floor

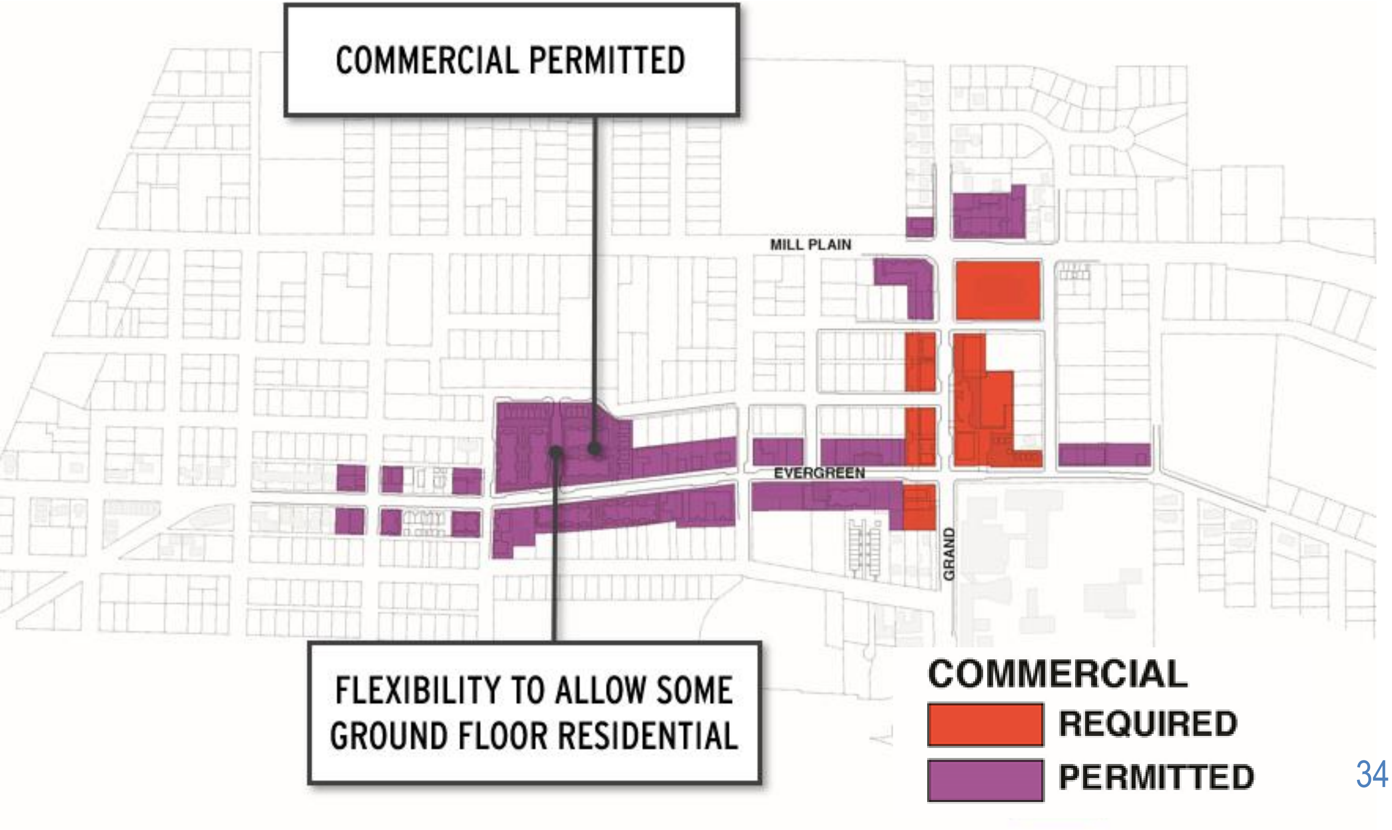
Ground Floor Commercial Requirements

CITY OF Vancouver WASHINGTON

Ground Floor Commercial Requirements

CITY OF Vancouver WASHINGTON

Ground Floor Commercial Requirements

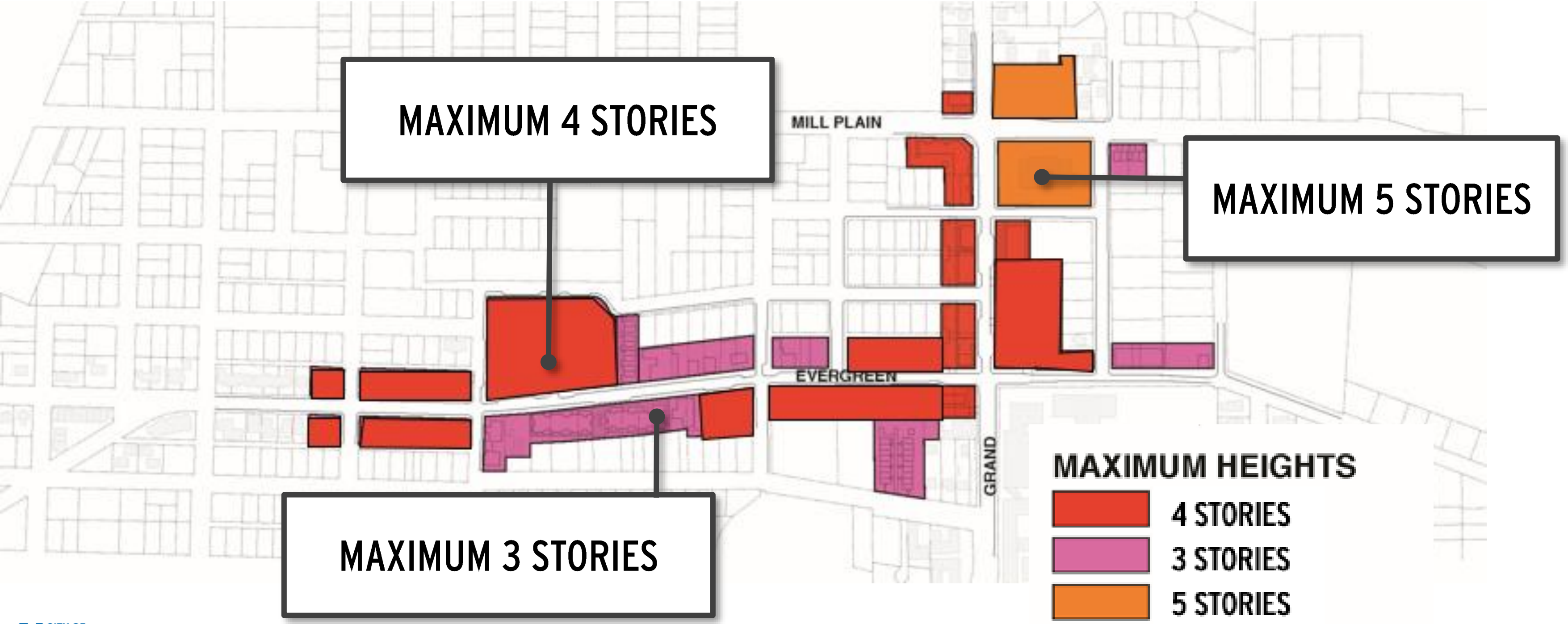


Ground Floor Commercial Requirements

RESIDENTIAL USE WITH VERTICALLY MIXED LIVE WORK COMMERCIAL

RESIDENTIAL USE WITH HORIZONTALLY MIXED COMMERCIAL

Building Height Limitations



CITY OF Vancouver WASHINGTON

Building Height Limitations

3 Stories

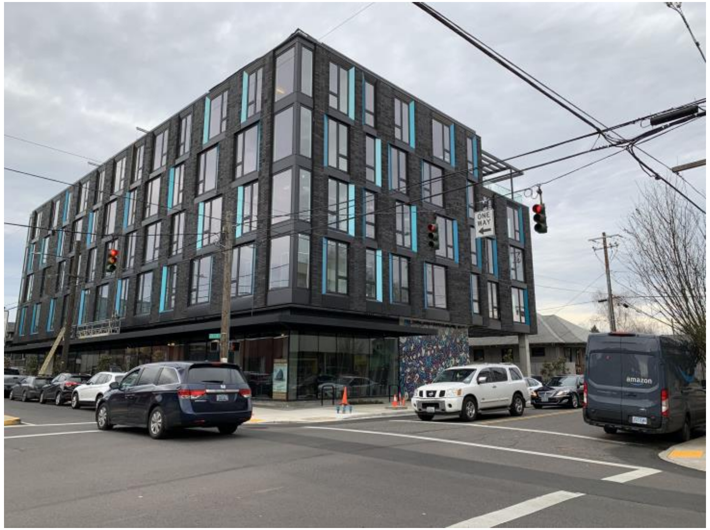
Building Height Limitations

4 Stories

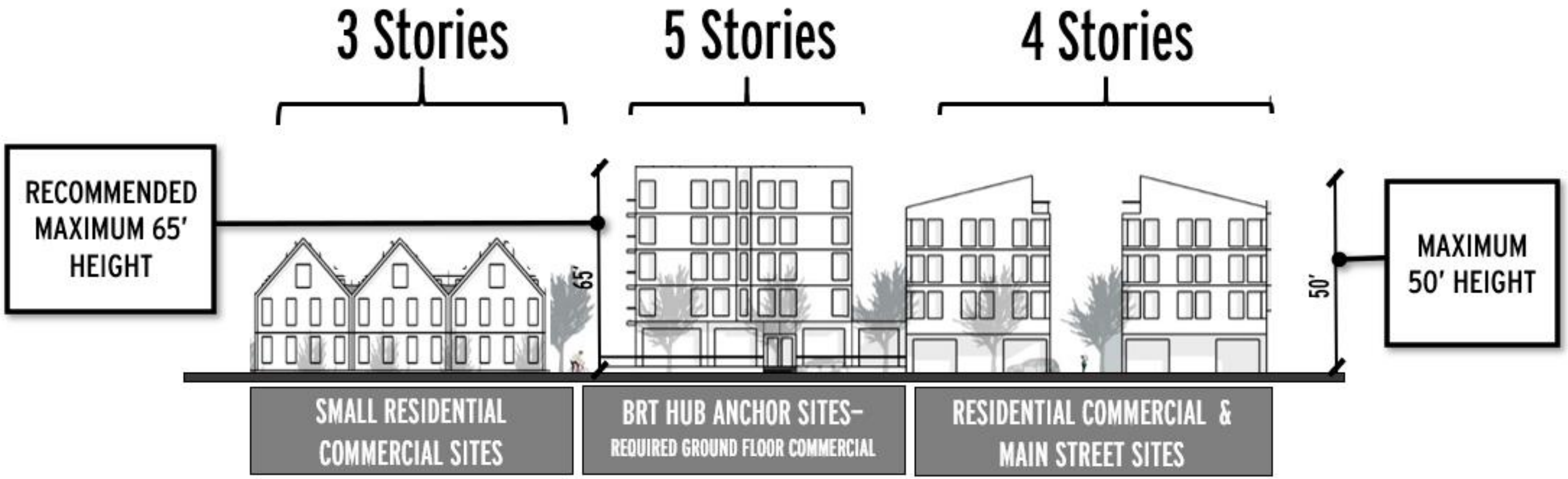
CITY OF Vancouver WASHINGTON

Building Height Limitations

5 Stories

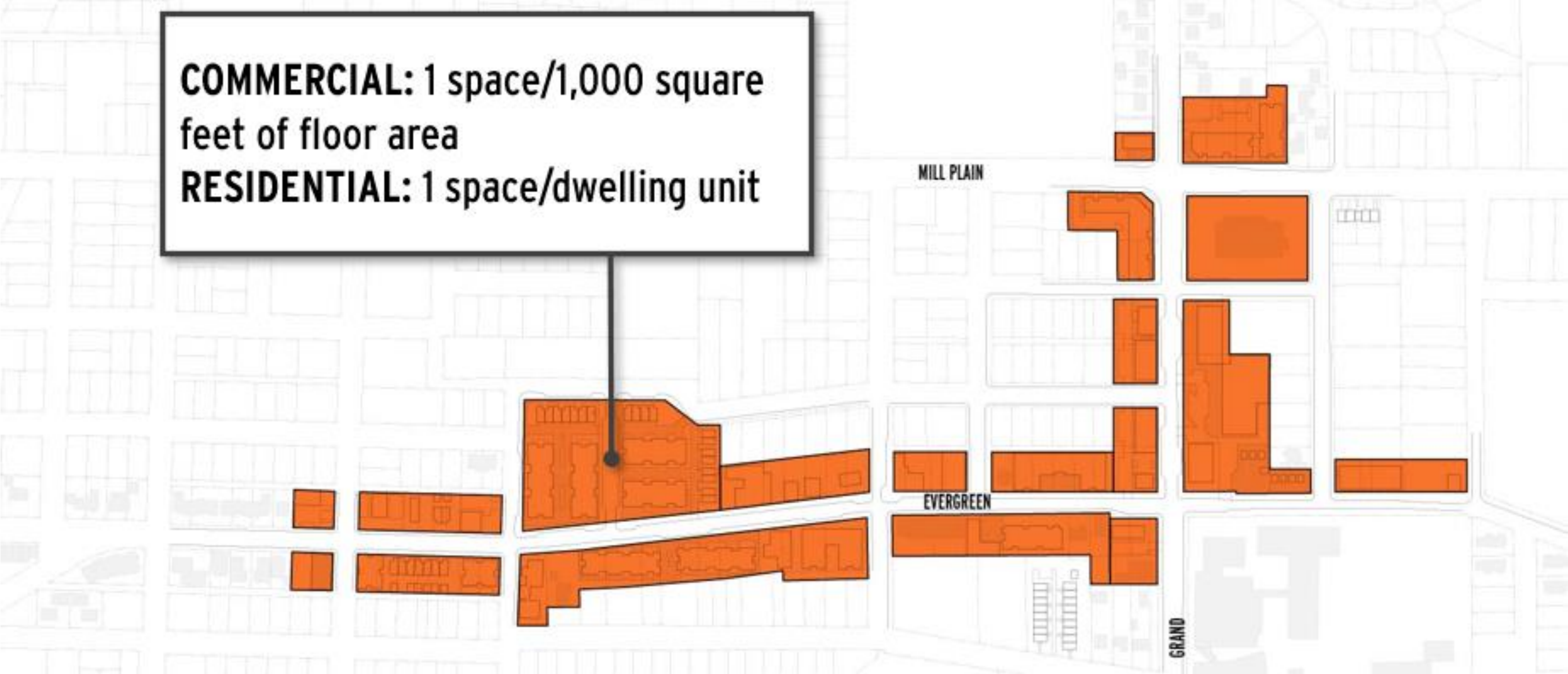


Building Height Limitations



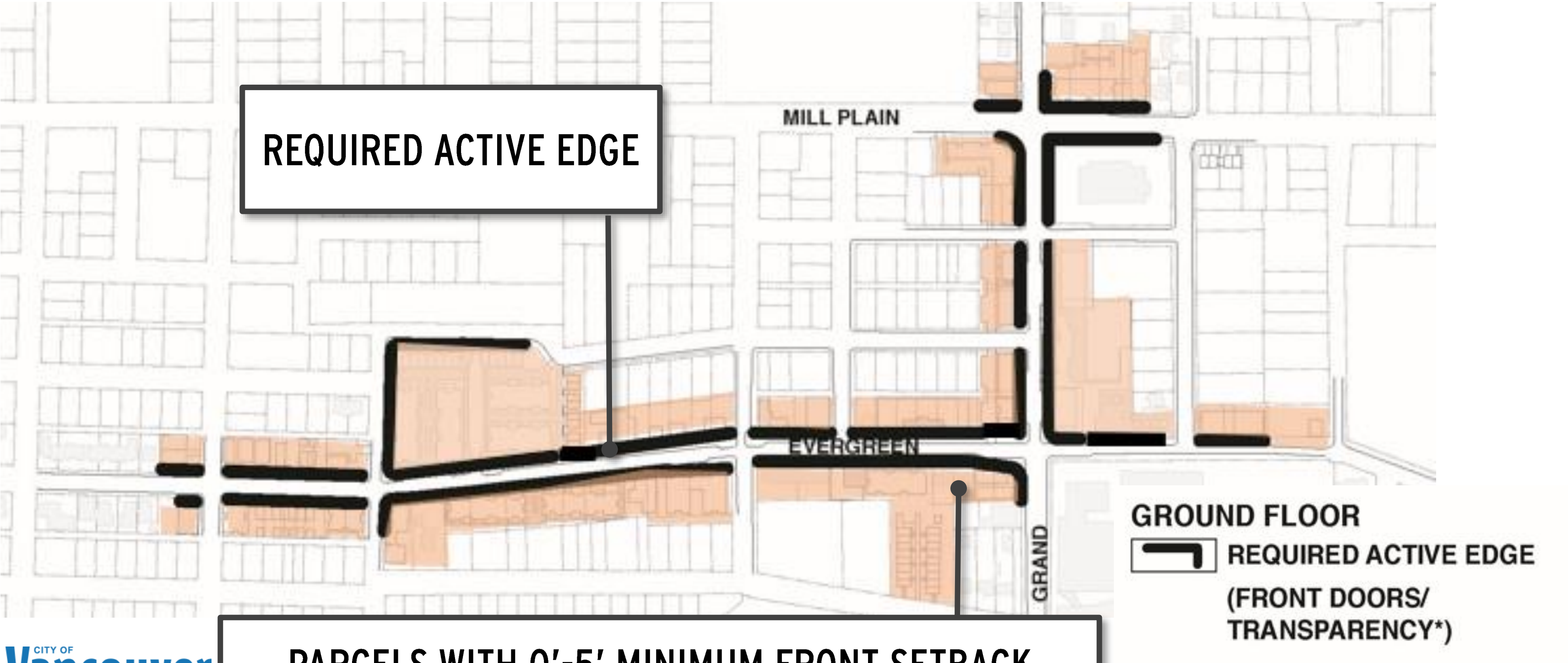
CITY OF Vancouver WASHINGTON

Minimum Off-Street Parking Requirements



CITY OF Vancouver WASHINGTON

Active Edge Development Standards

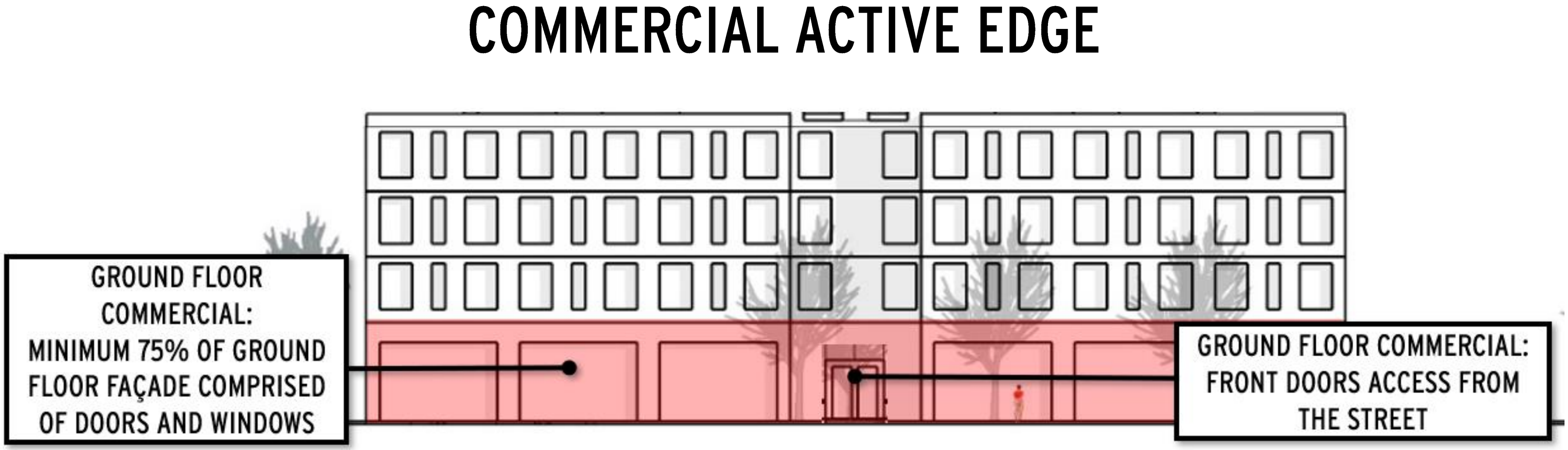


REQUIRED ACTIVE EDGE

PARCELS WITH 0'-5' MINIMUM FRONT SETBACK REGARDLESS OF BUILDING HEIGHT

CITY OF Vancouver WASHINGTON

Active Edge Development Standards



Active Edge Development Standards

CITY OF Vancouver WASHINGTON

Active Edge Development Standards

Active Edge Development Standards

Community Feedback

- Support for an improved streetscape with wider sidewalks, greenery, and trees, and more public amenities and community gathering spaces
- Support for grants, funding assistance, and incentives to support existing and new small businesses
- Desire for local businesses rather than chains
- Continue to accommodate and encourage ground floor commercial along Evergreen Boulevard
- Desire for a local grocer in the BRT Hub
- Maintain economic diversity and a variety of housing types

Community Feedback

- Concerns about ‘canyoning’ with building heights taller than 3-4 stories, particularly along Evergreen Boulevard, and potential conflicts with Pearson Airport airspace
- Ensure adequate parking for new development, specifically multi-family
- Maintain affordability and prevent gentrification and displacement
- Concern that higher-density development is out of scale, and an emphasis on maintaining neighborhood character
- Need for right-of-way/streetscape improvements to support a walkable pedestrian environment

Stakeholder Feedback

- Concern about market feasibility of new commercial and prohibiting certain land uses the corridors, such as drive-thrus
- Desire to maintain neighborhood character and promote an appropriate style and intensity of development, including lower building heights at Evergreen-Grand intersection
- Encourage non-mixed use housing stock
- Ensure adequate parking for new development
- Support for flexibility along Evergreen to existing ground floor commercial requirement
- Ensure right-of-way/streetscape recommendations promote accessibility for people of all abilities and an inclusive pedestrian environment

Other Implementation Recommendations

- Create a business district organization to support art, events, and other placemaking activities
- Develop corridor design guidelines for new development
- Extension of the MFTE program calibrated to implement the vision
- Streetscape and roadway recommendations to feed into the Transportation System Plan update
- Other programs and tools to strengthen existing and new local and small businesses, discourage gentrification and displacement,, mitigate ongoing impacts of the coronavirus pandemic

February 2021 Planning Commission Feedback

- General support for proposed building heights, consider impacts of winter shadows
- Support for focusing commercial development on Grand, and allowing flexibility in ground floor commercial requirement along Evergreen
- Concern about requiring ground floor commercial on Evergreen. Need for strategies to address achieving a balance in this area
- Need for a signage program on Grand and design review for the study area
- Consider recommendations for other city investments to support future development
- Consider proactive neighborhood traffic monitoring as part of recommendations
- Consideration of cut-through traffic on side streets, potential for sharrows on Evergreen to help slow traffic, and accommodating emerging trends in transportation

CITY OF Vancouver WASHINGTON

Next Steps

- Spring/Summer 2021: Planning Commission and City Council workshops on the draft Strategy report and refined recommendations
- Fall 2021: Anticipated public hearings for adoption of Strategy
- Specific code language and other short-term implementation measures following Strategy adoption

Questions and Discussion

- **Bryan Snodgrass**, Principal Planner, bryan.snodgrass@cityofvancouver.us
- **Cayla Cothron**, Associate Planner, cayla.cothron@cityofvancouver.us

Commercial Corridors Project Website, cityofvancouver.us/CommercialCorridors

CITY OF Vancouver WASHINGTON

Item #1.

Staff Report 036-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 3/8/2021

SUBJECT Continued use of Washington State contract #01114 for purchase of Cisco network equipment, software, and services from PC Specialists dba Technology Integration Group (TIG)

Key Points

- The City uses cooperative purchasing via WA Contract #01114 (Master Contract AR233) to procure Cisco network equipment, software, and services from Technology Integration Group.
- This contract expires on 5/31/2021 and may be extended.
- The City is approaching the contract limit approved by Council in 2016.
- The State contract is competitively bid and saves City time and resources from performing our own solicitation.

Strategic Plan Alignment

N/A

Present Situation

The City uses Washington State contract #01114 to purchase Cisco network equipment such as firewalls, security appliances, network switches, wireless access points and network-related software and services.

The City is requesting authorization to continue to use the contract to purchase up to the Council-approved annual budgeted amount for these commodities through the end of the contract, which is 5/31/2021, and into any extended period negotiated by the State of Washington.

The City is approaching the approved amount authorized in 2016 and requests authority to continue to purchase using this contract up to the amounts approved by Council in the City's budget process.

Advantage(s)

1. Economies of scale achieved by purchasing through the State of Washington provide better pricing than the City could obtain on its own.
2. Cooperative purchasing creates efficiency and saves time and other City resources.

Disadvantage(s)

None

Budget Impact

Expenditure under this contract are anticipated to be approximately $440,000 in 2021 and $450,000 in 2022 based on Council's adopted 2021-2022 budget. Sufficient budget has been included in the Adopted budget to cover the cost of this contract.

Prior Council Review

Staff Report No. 009-16: Authorize City to purchase Cisco data communications equipment and associated products and services from PC Specialists dba Technology Integration Group from the WA Contract #01114 (Master Contract AR233).

Action Requested

Authorize the City Manager or their designee to approve purchases under Washington State contract #01114 for the life of the contract with PC Specialists dba Technology Integration Group.

Patrick Gilbride, Information Technology Director, 487-7650

ATTACHMENTS:

- Washington State contract #01114
- State of Utah Cisco Cooperative Contract
- Cisco Cooperative Contract Amendment

PARTICIPATING ADDENDUM
WSCA-NASPO COOPERATIVE PURCHASING ORGANIZATION
DATA COMMUNICATIONS PRODUCTS AND SERVICES 14-19
Administered by the State of Utah (hereinafter "Lead State")

MASTER AGREEMENT
Cisco Systems, Inc.
(hereinafter "Contractor" or "Cisco")

Master Agreement No: AR233

And

State of Washington
(hereinafter "Participating State/Entity")

Washington Contract No: 01114

Contents

1. Scope

Contractor and the Division of Purchasing and General Services, an agency of the Lead State have executed State Cooperative Contract, Contract Number AR233 for Data Communications Products and Services 14-19 ("WSCA-NASPO Master Price Agreement" or "Master Agreement"). The Master Agreement, as now or hereafter amended, is incorporated into this addendum ("Participating Addendum") as if set forth at length. This Participating Addendum covers the Data Communications Products and Services contracts led by the State of Utah for use by state agencies and other entities located in the Participating state of Washington authorized by that state's statutes to utilize state of Washington contracts with the prior approval of the state's chief procurement official. Capitalized terms not defined in this Participating Addendum shall have the meaning set forth in the Master Agreement. To the extent of a conflict of terms between the Master Agreement and this Participating Addendum, the order of precedence set forth in Section 1 of Attachment A of the Master Agreement shall apply.

2. Products and Services

Cisco has been awarded in the following categories:

- 5.2.1 Data Center Applications
- 5.2.2 Networking Software
- 5.2.3 Networking Optimization & Acceleration
- 5.2.4 Optical Networking
- 5.2.5 Routers
- 5.2.6 Security
- 5.2.7 Storage Networking
- 5.2.8 Switches
- 5.2.9 Wireless
- 5.3.0 Unified Communications

3. Primary Contacts

The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Angelene Feril
Address:	170 West Tasman Drive, San Jose, CA 95134
Telephone:	(408) 424-0712
Fax:	(408) 608-1729
E-mail:	aferil@cisco.com

Washington State

Name:	Neva Peckham
Address:	1500 Jefferson Street SE/ PO Box 41411
Telephone:	(360) 407-9411
Fax:	(360) 586-2426
E-mail:	neva.peckham@des.wa.gov

The Parties will keep and maintain current at all times a primary point of contact for administration of this *Participating Addendum*.

4. Participation

Use of specific WSCA-NASPO cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use state of Washington contracts are subject to the prior approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

5. Acquisition Authority

The Washington State Department of Enterprise Services (DES), enters into this Participating Addendum acting under the authority of the Revised Code of Washington (RCW) 39.26 which regulates the manner in which state agencies may acquire services.

6. Participating State Modifications or Additions to Master Agreement

6.1 Minority and Women's Business Enterprises (MWBE)

In accordance with the legislative findings and policies set forth in RCW 39.19, the State of Washington encourages participation in all of its contracts by minority and woman-owned businesses firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). While the state does not give preferential treatment, it does seek equitable representation from the minority and women's business community. In addition, the state welcomes participation by self-identified minority and woman-owned firms and strongly encourages such firms to become certified by OMWBE. Participation may be either on a direct basis or as a subcontractor to a contractor.

6.2 Liens, claims and encumbrances

Subject to the terms of Section 30 of the Master Agreement, hardware for which DES or the Purchaser has paid in full, shall be free of all mechanic's and materialmen's liens, claims, or encumbrances of any kind, and if DES or the Purchaser requests, written documentation of same shall be delivered to the respective requestor.

6.3 Contract administration

6.3.1 State contract administrator

DES will appoint a single point of contact that will be the Contract Administrator for this Participating Addendum and will provide contract oversight. The Contract Administrator will be the principal contact for the Contractor for business activities under this Participating Addendum. DES will notify Contractor, in writing, when there is a new Contract Administrator assigned to this Participating Addendum.

6.3.2 Administration of term contract

DES may maintain Participating Addendum information and pricing and make it available on DES's web site. The Participating Addendum prices are the maximum price Contractor can charge. The Contractor may also offer volume discounts to Purchasers.

6.4 Contractor supervision and coordination

Contractor shall:

a. Supervise and coordinate the implementation and completion of all Participating Addendum requirements specified herein.

b. Identify the Contractor's Authorized Representative, who will be the principal point of contact for DES concerning Contractor's performance under this Participating Addendum.

c. Promptly notify the Contract Administrator in writing of any change of the designated Authorized Representative assigned to this contract.

Violation of any provision of this section may be considered a material breach establishing grounds for Participating Addendum termination.

6.5 Statewide Payee Desk

Contractors must register with the Statewide Payee Desk, maintained by DES, in order to be paid for sales under this Participating Addendum. Washington state agencies cannot make payments to Contractor until Contractor is registered. Registration materials are available here: Receiving Payment from the State at http://www.des.wa.gov/services/ContractingPurchasing/Business/VendorPay/Pages/default.aspx.

6.6 Management fee

Contractor will pay a management fee of 0.74 percent to DES on the Net Purchase Price (as later defined) of all state contract sales. The management fee must be rolled into the Contractor's current pricing, and not shown as a separate line item on an invoice. Payment will be calculated for all sales, net of returns and credits. "Net Purchase Price" = Contractor's product list price, minus all applicable contract discounts, rebates or value added incentives and excluding sales, use or other applicable taxes, surcharges or like fees, to the extent applicable to an order.

DES may increase, reduce or eliminate the management fee, and reserves the right to negotiate Participating Addendum pricing with the Contractor when adjustment of the management fee might justify an increase in pricing. Written notifications of the management fee by DES become effective for new purchases or new change orders to existing purchases at the later of 1) 30 calendar days after notification (unless DES grants additional time) or 2) an Amendment to this Participating Addendum signed by both parties.

The state reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced and all management fees have been paid. Failure to accurately report total net sales, to submit a timely usage report, or remit timely payment of the management fee may be cause for contract termination, the charging of interest or penalties, or the exercise of other remedies provided by law. Such audit 1) will be with at least ten (10) business days advance written notice, 2) will be during normal business hours, 3) shall not unduly interrupt or interfere with Contractor's normal business operations, and 4) in the event that such audit is conducted by a third party, such third party shall, prior to conducting such audit, execute a confidentiality agreement for the benefit of Contractor in a form reasonably satisfactory to Contractor.

The management fee does not include or supersede fee terms owed to other entities such as the Western States Contracting Alliance (WSCA), National Association of State Procurement Officials (NASPO) or governmental entities other than the state of Washington.

Management fee payment must reference the Participating Addendum number, work request number (if applicable), the year and quarter for which the management fee is being remitted, and the Contractor's name as it is known to DES, if not already included on the face of the check. All payments are sent to:

Washington State Department of Enterprise services
Finance Department
1500 Jefferson St. S.E.
PO Box 41460
Olympia, WA 98504-1460

6.7 Contract sales report

The management fee will be based on total contract usage (Net Purchase Price of sales) under this Participating Addendum, which must be reported quarterly by the Contractor in the Contract Sales Reporting System at http://gaapoly01/CUS/Login.aspx?ReturnUrl=%2fCUS%2fDefault.aspx DES will provide a login password and a vendor number.

For each report, Contractor must identify every Purchaser who has made purchases during the reporting period. The "Miscellaneous" option may be used only with prior approval by DES, and use of this option without prior approval by DES may be cause for termination of this Participating Addendum. Refer sales reporting questions to the Contract Administrator.

Due date: Reports must be submitted electronically within 30 days after the end of the calendar quarter: no later than April 30, July 31, October 31 and January 31.

Failure to provide reports in accordance with the schedule above may be cause for termination of this Participating Addendum.

6.8 Other required term contract reports

DES may require the Contractor to provide a detailed annual contract sales history report. This report, if requested, will include at a minimum, but is not limited to: product description, part number or other product identifier, per unit quantities sold, and contract price. This report must be provided to DES in an electronic format that can be read by MS Excel. Unless this Participating Addendum specifies otherwise, all other required reports will be designed and approved by the parties by mutual agreement.

6.9 Common vendor-registration and bid-notification system

Contractor shall be registered in Washington's Electronic Business Solution (WEBS) at https://fortress.wa.gov/ga/webscust/, the state's common vendor-registration and bid-notification system. Contractors already registered need not re-register. It is the sole responsibility of Contractor to properly register and maintain an accurate vendor profile.

6.10 Contractor qualifications and requirements

DES reserves the right to require receipt of proof of compliance with any of the requirements in this section within 20 calendar days from the date of request, and to terminate this Participating Addendum as a material breach for noncompliance with any requirement of this Section 5.10. Contractor shall maintain compliance with these requirements throughout the life of this Participating Addendum.

6.10.1 Qualified and established business

Prior to performance, or prior to that time if required by DES, law or regulation, Contractor must be an established business with all required licenses, fees, bonding, facilities, equipment, and trained personnel necessary to meet all requirements and perform the work as specified in this Participating Addendum.

6.10.2 Contractor authority and infringement

Under this Participating Addendum, Contractor is authorized to sell only those Products and Services as stated in Section 2 herein. Contractor shall not intentionally misrepresent to Purchasers that it has the authority to sell any other materials, supplies, services and/or equipment under this Participating Addendum. Further, Contractor may not intentionally violate other established state of Washington contracts.

6.11 Payment

6.11.1 Advance payment prohibited

No advance payment shall be made for the Products and Services furnished by Contractor under this contract, with the exception of maintenance and subscription-based services. If mutually agreed with Purchaser, Contractor may invoice the Purchaser in advance for up to, but not more than a one-year period for maintenance services unless Purchaser is not prohibited from doing so statute, administrative regulation, policy or otherwise.

Notwithstanding the above, maintenance payments, if any, may be made on a quarterly basis at the beginning of each quarter.

6.11.2 Payment

Payment is the sole responsibility of, and will be made by, the Purchaser.

Under Chapter 39.76 RCW , if Purchaser fails to make timely payment(s), Contractor may invoice for 1 percent per month on the amount overdue or a minimum of $1. Payment will not be considered late if payment is deposited electronically in Contractor's bank account or a check or warrant is mailed within the payment term specified in the Master Agreement.

Payment for Products received and for Services rendered shall be made by Purchaser and be redeemable in U.S. dollars. Any bank or transaction fees or similar costs associated with the use of purchasing/credit cards shall be fully assumed by the Contractor.

Note: when the state has been overcharged or otherwise reimbursed, the Purchaser may elect to have either direct payments or written credit memos issued. If the Contractor fails to make timely payment(s) or issuance of credit memos, the purchaser may impose a 1% per month on the amount overdue sixty (60) days after notice to the Contractor.

6.11.3 Invoicing and discounts

Contractor must provide an invoice to Purchaser, as specified in this Section. All invoices are to be delivered to the address indicated in the purchase order.

Each invoice must be identified by the associated contract number; the Contractor's statewide vendor registration number assigned by the Washington State Office of Financial Management (OFM), the applicable Purchaser's order number, and must be in U.S. dollars. Invoices must be prominently annotated by the Contractor with all applicable prompt payment and/or volume discount(s) and shipping charges unless otherwise specified in this Participating Addendum.

Invoices for payment will accurately reflect all discounts due the Purchaser. Invoices will not be processed for payment, nor will the period of prompt payment discount commence, until receipt of a properly completed invoice (as specified in this Section) denominated in U.S. dollars and until all invoiced items are received .If Purchaser does not receive a properly completed invoice or received an invoice that contains items not received, Purchaser shall immediately notify Contractor in writing. If an adjustment in payment is necessary due to damage or dispute, any prompt payment discount period shall commence on the date final approval for payment is authorized.

6.12 Taxes, fees and licenses

6.12.1 Taxes

Where required by statute or regulation, the contractor shall pay for and maintain in current status all taxes that are necessary for contract performance. Unless otherwise indicated, the purchaser agrees to pay State of Washington taxes on all applicable materials, supplies, services and/or equipment purchased. No charge by the contractor shall be made for federal excise taxes and the purchaser agrees to furnish contractor with an exemption certificate where appropriate.

6.12.2 Collection of retail sales and use taxes

In general, contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the State of Washington is significantly associated with contractor's ability to establish or maintain a market for its products in Washington. Examples of such activity include where the contractor either directly or by an agent or other representative:

- Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
- Maintains an in-state inventory or stock of goods for sale;
- Regularly solicits orders from purchasers located within the State of Washington via sales representatives entering the State of Washington;
- Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with purchasers in an attempt to establish or maintain market(s); or
- Other factors identified in WAC 458-20.

6.12.3 Department of Revenue registration for out-of-state contractors

Out-of-state contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to WAC 458-20-193, and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state contractors are not required to collect and remit "use tax," purchasers located in the State of Washington are responsible for paying this tax, if applicable, directly to the Department of Revenue.

6.12.4 Fees/Licenses

After award of contract, and prior to commencing performance under the contract, the contractor shall pay for and maintain in a current status any licenses, fees, assessments, permit charges, etc., which are necessary for contract performance. It is the contractor's sole responsibility to maintain licenses and to monitor and determine any changes or the enactment of any subsequent regulations for said fees, assessments, or charges and to immediately comply with said changes or regulations during the entire term of this contract.

6.12.5 Customs/Brokerage Fees

Contractor shall take all necessary actions, including, but not limited to, paying all customs, duties, brokerage, and/or import fees, to ensure that materials, supplies, and/or equipment purchased under the contract are expedited through customs. Failure to do so may subject contractor to liquidated damages as identified herein and/or to other remedies available by law or contract. Neither DES nor the purchaser will incur additional costs related to contractor's payment of such fees.

6.12.6 Taxes on invoice

Contractor shall calculate and enter the appropriate state and local sales tax on all invoices. Tax is to be computed on new items after deduction of any trade-in in accordance with WAC 458-20-247.

6.12.7 Overpayments to contractor

Contractor shall refund to Purchaser the full amount of any erroneous payment or overpayment (as verified by Contractor) under this Participating Addendum within 60 days' of receipt of written notice. If Contractor fails to make timely refund, Purchaser may charge Contractor 1 percent per month on the amount due, until paid in full.

6.13 Ownership of Pre-Existing Intellectual Property

Each party will retain the exclusive ownership of all its pre-existing Intellectual Property, Confidential Information and materials, including, without limitation, proprietary ideas, sketches, diagrams, text, know-how, concepts, proofs of concepts, artwork, software, algorithms, methods, processes, identifier codes or other technology that are owned by a party prior to commencement of any Services hereunder, or that are otherwise developed by or for such party outside the scope of this Agreement ("Pre-Existing Technology").

The Contractor will make the state of Washington's Pre-Existing Technology available only to contractors or employees who have a legitimate business need to have access to such information and are under obligations of confidentiality.

6.14 Additional Roles

Upon request, the Contractor shall provide to the state of Washington a description of their roles and responsibilities related to electronic discovery, litigation holds, discovery searches and expert testimonies. The Contractor shall disclose its process for responding to subpoenas, service of process and other legal requests within a mutually agreed upon timeframe.

6.15 Lease Agreement

NOTE: Contractor's Master Agreement allows for leasing under Section 22. The terms and conditions of the capital lease financing arrangement will be separately negotiated and set forth in an agreement between the purchaser and either Cisco Capital or its designated and/or approved financing partner. Washington State agencies must follow the rules and guidelines for capital leases Washington State Treasurer's Office.

7. Indemnification

Contractor will have the obligation to defend any claim, suit or proceeding brought against DES or Purchaser, so far as it is based on a claim that any Products infringe a copyright or issued patent or for a reasonable royalty on a published patent application enforceable in the United States (in all cases, such copyright or patent existing or issued no later than five years following the termination or expiration of this Contract or a patent application published as of the date of termination or expiration of this contract) or misappropriates a trade secret. Contractor shall pay all costs of such defense and settlement and any penalties, costs, damages and attorneys' fees awarded by a court of competent jurisdiction or reasonably incurred by DES or Purchaser. Contractor's obligations specified in this paragraph will be conditioned on:

a. DES or Purchaser notifying Contractor promptly in writing of the claim or threat thereof, but DES' or Purchaser's failure to provide timely notice shall only relieve Contractor from its defense obligations if and to the extent such late notice prejudiced the defense or resulted in increased expense or loss to Contractor;

b. DES or Purchaser agreeing to use its best efforts to encourage the Office of the Attorney General of Washington to give Contractor full and exclusive authority for the defense and settlement thereof and any subsequent appeal. In the event that DES or Purchaser has used its best efforts as aforesaid and the Office of the Attorney General of Washington participates in the defense and settlement of the claim and any subsequent appeal, DES or Purchaser agrees: (i) that any participation shall be at the cost and expense of DES or Purchaser; and (ii) that the Office of the Attorney General of Washington shall not prevent Contractor from settling the claim provided that any such settlement or compromise includes a release of the state of Washington and Purchaser from all liability arising out of the claim; and

c. DES or Purchaser providing information for and assistance with the defense and settlement thereof and any subsequent appeal.

If such claim has occurred, or in Contractor's opinion is likely to occur, DES and Purchaser agree to permit Contractor, at its option and expense, either to: (a) procure for Purchaser the right to continue using the Products; (b) replace or modify the same so that it becomes non-infringing; or (c) if neither of the foregoing alternatives is reasonably available, immediately terminate Contractor's obligations (and Purchaser's rights) under this Contract with regard to such Products, and, if Purchaser returns such Products to Contractor, refund to Purchaser the price originally paid by Purchaser to Contractor for such Products, less reasonable amortization for use.
Notwithstanding the foregoing, Contractor has no liability for any claim of infringement based upon: (a) the combination, operation, or use of any Products with equipment, devices, or software not supplied by Contractor, (b) alteration or modification of any Products; or (c) Contractor's compliance with Purchaser's designs, specifications, or instructions; unless the claim arose against Contractor's Product independently of any of these specified actions.
Contractor also shall have no liability for any claim based upon the amount or duration of use that Purchaser makes of the Product or revenue from services provided by Purchaser to external or internal customers that utilize the Products, except that this does not limit Contractor's obligations under subsection 7.1 for claims alleging infringement of the Products and Reports themselves.

Notwithstanding any other provisions hereof, Contractor shall not be liable for any claim based on Purchaser's use of the Products after Contractor has informed Purchaser of modifications or changes in the Products required to avoid such claims and offered to implement those modifications or changes, if such claim would have been avoided by implementation of Contractor's suggestions.
The foregoing states the entire obligation of Contractor and its suppliers and the exclusive remedy of Purchaser with respect to infringement or misappropriation of intellectual property rights. The foregoing is given to DES and Purchaser solely for their benefit and in lieu of, and Contractor DESclaims, all warranties of non-infringement with respect to the Products.

8. CONFIDENTIALITY, NON-DISCLOSURE AND INJUNCTIVE RELIEF

Notwithstanding any of the terms in Section 5 of the Master Agreement, the following terms apply as required by State of Washington Statute RCW 42.56. The terms set forth below replace the terms set forth in such Section 5 when inconsistent. When not inconsistent, these terms shall supplement such Section 5. Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with this PA or its performance may consist of Confidential Information that is exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other state or federal statutes. Contractor agrees to hold Confidential Information in strictest confidence and not to make use of Confidential Information for any purpose other than the performance of this PA, to release it only to authorized employees or Subcontractors requiring such information for the purposes of carrying out this PA, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make the information known to any other party without Purchaser's express written consent or as provided by law. Contractor agrees to release such information or material only to employees or Subcontractors reasonably necessary to further the purpose of this PA. Contractor agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information.

Immediately upon expiration or termination of this PA, Contractor shall, at Purchaser's or DIS' option: (i) certify to Purchaser or DIS that Contractor has destroyed all Confidential Information; or (ii) return all Confidential Information to Purchaser; or (iii) take whatever other steps Purchaser or DIS requires of Contractor to protect Purchaser's Confidential Information.

Violation of this section by Contractor or its Subcontractors may result in termination of this PA and demand for return of all Confidential Information, monetary damages, or penalties.

The obligations imposed by this PA shall not apply to any information that: (a) is already in the possession of, is known to, or is independently developed by Contractor; or (b) is or becomes publicly available through no fault of Contractor; or (c) is obtained by Contractor from a third person without breach by such third person of an obligation of confidence with respect to the Confidential Information disclosed; or (d) is disclosed without restriction by the Purchaser; or (e) is required to be disclosed pursuant to the lawful order of a government agency or disclosure is required by operation of the law.

9. RECORDS RETENTION

The Contractor will maintain, or require the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this Participating Addendum. These records will be retained by the Contractor for at least six years after the Participating Addendum terminates or until all audits initiated within the six years have been completed, whichever is later. The Contractor agrees to allow WSCA-NASPO, State and Federal auditors, and state agency staff access, so authorized by law, rule, regulation or contract, when applicable, to all the records of this Participating Addendum and any order placed under this Participating Addendum, for audit and inspection, and monitoring of services. Such access will be 1) with at least ten (10) business days advance written notice, during normal business hours, 2) shall not unduly interrupt or interfere with Contractor's normal business operations, and 3) in the event that such audit is conducted by a third party, such third party shall, prior to conducting such audit, execute a confidentiality agreement for the benefit of the Contractor in a form reasonably satisfactory to Contractor. It is agreed that books, records, documents, and other evidence of accounting procedures and practices related to Contractor's cost structure, including overhead, general and administrative expenses, and profit factors shall be excluded from Purchaser's review unless the cost or any other material issue under this Contract is calculated or derived from these factors.

10. TERMINATION

This Participating Addendum may be terminated in accordance with the same terms as set forth in the WSCA Master Agreement.

11. SUBCONTRACTORS

All Contractor's Fulfillment Partners, as defined in the Master Agreement, authorized in the state of Washington, as shown on the dedicated Contractor's (cooperative contract) website, are approved to provide sales and service support to participants in the WSCA-NASPO Master Agreement, e.g. for direct order taking, processing, fulfillment or provisioning. The Fulfillment Partners' participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

Subject to approval of the state of Washington, and at the sole discretion of Contractor, Contractor may add Fulfillment Partners at any time during the term of this Participating Addendum. Contractor may designate a minimum of two Fulfillment Partners and no set maximum number of Fulfilment Partners to provide sales and services support . Contractor, in its sole discretion, is not required to add, and may delete upon thirty (30) days written notice, any Fulfillment Partner who does not meet Contractor's established qualifying criteria, or where the addition of the entity would violate any state or federal law or regulation.

12. ORDERS

Any Order placed by a Participating Entity or Purchasing Entity for a Product and/or Service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the Order agree in writing that another contract or agreement applies to such Order.

Purchasers may place orders directly only through Contractor's approved Fulfillment Partners or through Contractor for products or services as authorized under this Participating Addendum. Only those Fulfillment Partners approved and listed during the term of Participating Addendum at Contractor's website are authorized to directly provide quotes, receive purchase orders, invoice Customers, and receive payment from purchasers on Contractor's behalf.

Except as otherwise set forth in the qualifying criteria, Contractor will not, directly or indirectly, restrict any Fulfillment Partner's participation or ability to quote pricing for a Customer. The approved Fulfillment Partners will not offer less favorable pricing discounts than the contract discounts established by Contractor under the Master Agreement. However, the Fulfillment Partner may offer any additional incremental discounts to state of Washington, and such additional discounts if offered, may be provided in the discretion and as the sole legal obligation of the approved Fulfillment Partner to the state of Washington.

The Master Agreement number and the State Contract Number must appear on every Purchase Order placed under this Participating Addendum.

13. TERM

The term of this Participating Addendum shall begin on the *later of* June 1, 2014, or the date of last signature below. The term shall continue for a period ending on the Termination Date of the Master Agreement or when this Participating Addendum is terminated in accordance with the Master Agreement, whichever shall occur first.

14. NOTICES

Notwithstanding anything contained in the Master Agreement to the contrary, all notices required or permitted under this Participating Addendum will be in writing and will be deemed given: (a) when delivered personally; (b) when sent by confirmed facsimile or electronic mail (in the case of Cisco to Agreement-notice@cisco.com); (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt. All communications will be sent to the addresses set forth Section 5 of this Participating Addendum (and notices to Cisco shall be further addressed to the Office of the General Counsel, Attn: Contract Notice) or such other address as may be designated by a party by giving written notice to the other party pursuant to this paragraph, or, in the absence of such an address from Customer, to the address to which the last invoice under this Participating Addendum was sent before notice is served.

Notwithstanding the foregoing, notices regarding changes in pricing, Software license terms, policies or programs may be by posting on Cisco.com or by e-mail or fax.

15. ENTIRE AGREEMENT

This Participating Addendum and the Master Agreement (including all amendments and attachments thereto) constitute the entire agreement between the parties concerning the subject matter of this Participating Addendum and replaces any prior oral or written communications between the parties, all of which are excluded. There are no conditions, understandings, agreements, representations or warranties, expressed or implied, that are not specified herein. This Participating Addendum may be modified only by a written document executed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

State of Washington Department of Enterprise Services	Contractor: Cisco Systems, Inc.
By:	By:
Name: Neva Peckham	Name: Brian Dulac
Title: Contracts Specialist	Title: Controller, Finance
Date: 5/15/2014	Date: May 13, 2014
	APPROVED BY LEGAL
Name: Dale Colbert	
Title: Unit Manager	
Date:	
Name: Christine Warnock	
Title: State Purchasing Agent	
Date: 6/14/14	

STATE OF UTAH - STATE COOPERATIVE CONTRACT

CONTRACT NUMBER AR233

1. CONTRACTING PARTIES: This State Cooperative Contract is between the **Division of Purchasing and General Services (State)**, 3150 State Office Building, PO Box 141061, Salt Lake City, UT 84114-1061, an agency of the State of Utah, and the following CONTRACTOR:

Cisco Systems, Inc.			LEGAL STATUS OF CONTRACTOR
Name			☐ Sole Proprietor
170 West Tasman Dr.			☐ Non-Profit Corporation
Address			☒ For-Profit Corporation
San Jose	CA	95134	☐ Partnership
City	State	Zip	☐ Government Agency

(Corporate Headquarters Address)

Contact Person Mimi Farr Phone # 408-527-2627 Fax # 408-608-1802 Email mimnguye@cisco.com
Federal Tax ID# 77-0059951 Vendor #VC0000118462 Commodity Code #20458, 20464, 20621, 20623, 20659, 83833, 83800, 88332, 92000

2. GENERAL PURPOSE OF CONTRACT: The general purpose of this contract is to provide:

Data communication equipment and services. A detailed list of awarded categories and subcategories are included in Attachment B - Scope of Work.

Cisco is authorized to provide equipment and services in the following categories:

5.2.1 Data Center Application Service
5.2.2 Networking Software
5.2.3 Network Optimization and Acceleration
5.2.4 Optical Networking
5.2.5 Routers
5.2.6 Security
5.2.7 Storage Networking
5.2.8 Switches
5.2.9 Wireless
5.3.0 Unified Communications

3. CONTRACT PERIOD: Effective date: June 1, 2014 Termination date: May 31, 2019 unless terminated early or extended in accordance with the terms and conditions of this contract. Renewal options (if any): N/A

4. PRICING AS PER THE ATTACHMENT C
PAYMENT TERMS: Net 30
DAYS REQUIRED FOR DELIVERY: 30 days ARO
MINIMUM ORDER: N/A
FREIGHT TERMS: FOB Destination, Freight Prepaid

5. ATTACHMENT A: Standard Contract Terms and Conditions, State Cooperative Contract
ATTACHMENT B: Scope of Work
ATTACHMENT C: Product Offerings and Pricing
ATTACHMENT D: Vendors Response to Solicitation JP14001. The parties hereby acknowledge and agree that any exceptions stated in attachment "D" – Vendor's Proposal Response have been removed and/or resolved between the parties. Any exception in attachment "D" are explicitly NOT a part of this contract.

Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A. State specific Terms and Conditions will be found in the executed Participating Addendums. State Terms

and Conditions in an executed Participating Addendum will take priority in the event of conflict between those terms and conditions and this Cooperative Contract.

6. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:
   a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
   b. Utah State Procurement Code, Procurement Rules, CONTRACTOR'S response to Bid #JP14001 and JP14001-1 dated August 30, 2013 and December 2, 2013.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR		STATE OF UTAH	
	March 19, 2014	Kent D Beers	3/20/14
Contractor's Signature Juan Pablo Brockmann	Date	Director, Div. of Purchasing & General Svs.	Date
Director, Finance			
Type or Print Name and Title			

APPROVED BY LEGAL

Rev 05/14/12

WSCA/NASPO COOPERATIVE PURCHASING ORGANIZATION

ATTACHMENT A

WSCA-NASPO Master Agreement Terms and Conditions

1. AGREEMENT ORDER OF PRECEDENCE:

The Master Agreement shall consist of the following documents:

1. A Participating Entity's Participating Addendum ("PA");
2. WSCA-NASPO Master Agreement Terms and Conditions (the "Agreement" or "Master Agreement");
3. The Statement of Work;
4. The Solicitation; and
5. Contractor's response to the Solicitation.

These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the Solicitation, or terms listed or referenced on the Contractor's website, in the Contractor quotation/sales order or in similar documents subsequently provided by the Contractor.

2. AMENDMENTS The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA-NASPO Contract Administrator.

3. ASSIGNMENT/SUBCONTRACT Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the WSCA-NASPO Contract Administrator, which approval will not be unreasonably withheld or delayed.

Notwithstanding the foregoing, Contractor may, with prior written consent from Participating States, which consent shall not be unreasonably withheld, enter into subcontracts with third parties as "Fulfillment Partners." Fulfillment Partners are Subcontractors who may provide products and services under this Master Agreement at the price discounts established in this Master Agreement and bill Purchasers directly for such products and services.

4. CANCELLATION The Master Agreement may be canceled by either party upon 60 days notice, in writing, prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the special terms and conditions of this solicitation. Cancellation may be in whole or in part. Any cancellation under this provision shall not effect the rights and obligations attending orders outstanding at the time of cancellation, including any right of and Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the Master Agreement due to Contractor default may be immediate.

On termination, all accounts and payments will be processed according to the financial arrangements set forth herein for products delivered and/or approved services rendered to date of termination.

Rights upon Termination or Expiration

1. Upon termination or expiration of this Master Agreement or a Participating Addendum, (a) Contractor reserves the right to cease all further delivery of product or services, and (b) all outstanding invoices become due and payable within thirty (30) days of termination,. If Contractor agrees to complete delivery of any further products or services due against any existing accepted Purchase Orders, then Customer shall pay for such products or services in advance within thirty (30) days.
2. Except for a termination of this Master Agreement or a Participating Addendum resulting from Customer's breach of Contractor's proprietary rights and software licensing, Confidential Information, or Export, Re-Export, Transfer and Use Controls, upon termination or expiration of this contract, Customer may continue to use, in accordance with the terms and conditions of this contract and/or the Participating Addendum, products provided to it by Contractor prior to the date of termination or expiration provided (1) payment has been made in full for such products and (2) license rights allow for such continued use.
3. In the event of any termination pursuant to this section, and unless otherwise required by law or court of competent jurisdiction, Customer shall remain obligated to comply in perpetuity with the provisions of Contractor's Software License terms, and Confidential Information.

5. CONFIDENTIALITY, NON-DISCLOSURE AND INJUNCTIVE RELIEF

5.1 Confidentiality. Each party acknowledges that it and its employees or agents may, in the course of dealing under this Master Agreement, be exposed to or acquire information that may be deemed confidential. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by the receiving party or its employees or agents (the "Receiving Party") in the performance of this Master Agreement, including, but not limited to, the following "Confidential Information": (a) any Participating Entity records, (b) personnel records, and (c) information concerning individuals, is confidential information of the disclosing party (the "Disclosing Party"),. Any reports or other documents or items (including software) that result from the use of the Confidential Information shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (a) is or becomes (other than by disclosure by the Disclosing Party) publicly known; (b) is furnished by the Disclosing Party to others without restrictions similar to those imposed by this Master Agreement; (c) is rightfully in the Receiving Party's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (d) is obtained from an independent source without the obligation of confidentiality, (e) is disclosed with the written consent of Participating Entity or; (f) is independently developed by employees, agents or subcontractors of either party who can be shown to have had no access to the Confidential Information.

Neither party shall disclose the Confidential Information to any third party, except that the receiving party may disclose Confidential Information to its employees, subcontractors, or Affiliates' employees and subcontractors only: (a) on a "need to know" basis, (b) consistent with the objectives of this Master Agreement, and (c) pursuant to separate written non-disclosure terms that contractually obligate such employees and subcontractors to maintain the confidentiality of the Confidential Information.

Notwithstanding termination of this Master Agreement as described herein, the obligations of the Receiving Party with respect to Confidential Information received prior to termination shall continue for three (3) years from the date the Confidential Information was received.

Customer agrees that aspects of the Software and associated documentation, including the specific design and structure of individual programs, constitute trade secrets and/or copyrighted material of Contractor.

5.2 Non-Disclosure. The Receiving Party shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use

Confidential Information for any purposes whatsoever other than the performance of this Master Agreement, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. The Receiving Party shall use commercially reasonable efforts to assist the Disclosing Party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, the Receiving Party shall advise the Disclosing Party immediately if the Receiving Party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement and the Receiving Party shall at its expense cooperate with the Disclosing Party in seeking injunctive or other equitable relief in the name of the Disclosing Party against any such person. Except as directed by the Disclosing Party, the Receiving Party will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at the Disclosing Party's request, the Receiving Party shall turn over to the Disclosing Party all documents, papers, and other matter in the Receiving Party's possession that embody Confidential Information. Notwithstanding the foregoing, the Receiving Party may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.

5.3 Injunctive Relief. The parties acknowledge that breach of this Section, including disclosure of any Confidential Information, may cause irreparable injury to the Disclosing Party that is inadequately compensable in damages. Accordingly, the Disclosing Party may seek injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. The Receiving Party acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Participating Entity and are reasonable in scope and content.

6. DEBARMENT The contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by WSCA-NASPO.

7. DEFAULTS & REMEDIES

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

i. Nonperformance of contractual requirements; or

ii. A material breach of any term or condition of this Master Agreement; or

iii. Any representation or warranty by Contractor in response to the solicitation or in this Master Agreement proves to be untrue or materially misleading; or

iv. Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or

v. Any default specified in another section of this Master Agreement.

b. Upon the occurrence of an event of default, the non-defaulting party shall issue a written notice of default, identifying the nature of the default, and providing a period of 60 calendar days in which the defaulting party shall have an opportunity to cure the default. The non-defaulting party shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the non-defaulting party, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate the defaulting party's liability for damages, to the extent provided for under this Master Agreement.

Participating Addendum: If either party to a Participating Addendum (including the Lead State when acting in its sovereign capacity under this Master Agreement) materially breaches any of the provisions of a Participating Addendum, the non-breaching party may terminate the Participating Addendum as follows: (a) immediately upon providing written notice to the breaching party if the breach is not capable of being cured, and (b) thirty (30) calendar days after providing written notice to the breaching party if the breaching party fails to cure such breach within such thirty (30) calendar day period. Notwithstanding the foregoing, a Participating Addendum may be terminated immediately by Contractor for cause in the event of Purchaser's breach of the provisions relating to Software License or Confidential Information.

The cure periods stated in the above paragraphs shall not apply to any failure(s) to perform that result from the willful or negligent acts or omissions of the aggrieved party.

c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and Lead State shall have the right to exercise any or all of the following remedies:

i. Exercise any remedy provided by law; and
ii. Terminate this Master Agreement and any related Contracts or portions thereof; and
iii. Suspend Contractor from receiving future bid solicitations; and
iv. Suspend Contractor's performance; and
v. Withhold payment until the default is remedied.

d. In the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum.

8. <u>DELIVERY</u>

8.1 After receipt and acceptance by Contractor of Customer's Order(s), Contractor will use commercially reasonable efforts to ship all direct orders designated for shipment to U.S. locations within thirty (30) days for all products. Please note that the following circumstances may affect lead times: (i) new products purchased within the first three (3) months of release of the product which are subject to Contractor's then current published lead-times, (ii) third-party stand-alone products which are not a component of equipment resold by Contractor, (iii) end-of-life products where the termination of the product has been announced by Contractor, (iv) products which have been line-stopped due to software discrepancies, reconfiguration, industry-wide product shortages, or alleged infringement claims, or (vi) situations where government rated orders create delays in lead-times.

Notwithstanding the foregoing, at any time when Customer states "expedite" on an order or otherwise communicates to Contractor that an order is to be expedited, Contractor shall use all commercially reasonable efforts to ensure the earliest possible delivery of such products.

8.2 Contractor will communicate scheduled shipping dates in the order acknowledgement and/or on www.cisco.com within three (3) business days after receipt of an electronic order on www.cisco.com, provided, however, that in the event such notification is not received in this time period, Customer shall notify Contractor of the non-receipt, and Contractor's sole obligation with respect to such non-receipt shall be to promptly provide the information to the Customer after such notification.

8.3 If Contractor has reason to believe that the actual shipment date will occur later than the original shipment date acknowledged by Contractor for reasons caused by Contractor, Contractor shall use commercially reasonable efforts to promptly provide additional information to Customer including by electronic posting of the expected period of delay and, upon request, of the steps available, if any, to minimize the delay. If the extended delivery date is anticipated to be more than thirty (30) calendar days beyond the originally scheduled delivery date, the parties will work in good faith to resolve any ordering issues pursuant to the order escalation process.

8.4 Shipping terms are FOB destination, shipping and handling prepaid by Contractor. The method of shipment shall be consistent with the nature of the products and hazards of transportation. Title and risk of loss shall pass to Customer upon delivery.

8.5 If Customer requests delivery of products to Customer's forwarding agent or other representative, Customer assumes responsibility for compliance with applicable export laws and regulations.

8.6 Contractor is not liable for damage or penalty for delay in delivery or for failure to give notice of delay. Contractor shall not have any liability in connection with product shipment other than as set forth in this Section.

All sales are final. Except as provided in Contractor's Limited Warranty, Contractor only permits the return of un-opened products due to Contractor's shipping or order processing error, or damage in transit. No other returns are authorized under this Master Agreement. Warranty returns will not be subject to any restocking charges.

9. <u>FORCE MAJEURE</u> Neither party to this Master Agreement shall be held responsible for delay or default caused by including, but not limited to, fire, riot, acts of God and/or war which is beyond that party's reasonable control. WSCA-NASPO may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of the Master Agreement.

The obligations and rights of the excused party shall be extended on a day-by-day basis for the time period equal to the period of the excusable delay. When payments are delayed solely due to a force majeure event, late fees with respect to such payment will not accrue during the period of such force majeure event.

10. <u>GOVERNING LAW</u> This procurement and the resulting agreement shall be governed by and construed in accordance with the laws of the state sponsoring and administering the procurement. The construction and effect of any Participating Addendum or order against the Master Agreement(s) shall be governed by and construed in accordance with the laws of the Participating Entity's State. Venue for any claim, dispute or action concerning an order placed against the Master Agreement(s) or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

11. <u>INDEMNIFICATION</u>

Each party to this Agreement shall defend, indemnify, and hold harmless the other, its corporate affiliates and their respective officers, directors, employees, and agents and their respective successors and assigns from and against any and all claims, losses, liabilities, damages, and expenses (including, without limitation, reasonable attorneys' fees), including without limitation those based on contract or tort, arising out of or in connection with a claim, suit, or proceeding brought by a third party based upon bodily injury (including death) or damage to tangible personal property (not including lost or damaged data) arising from the negligent or intentional acts or omissions of the indemnifying party or its subcontractors, or the officers, directors, employees, agents, successors, and assigns of any of them. In the event that the indemnified party's or a third party's negligent or intentional acts or omissions contributed to cause the injury or damage for which a claim of indemnity is being asserted against the indemnifying party hereunder, the damages and expenses (including, without limitation, reasonable attorneys' fees) shall be allocated or reallocated, as the case may be, between the indemnified party, the indemnifying party, and any other party bearing responsibility in such proportion as appropriately reflects the relative fault of such parties, or their subcontractors, or the officers, directors, employees, agents, successors, and assigns of any of them, and the liability of the indemnifying party shall be proportionately reduced.

The foregoing indemnification obligations are conditioned upon the indemnified party promptly notifying the indemnifying party in writing of the claim, suit, or proceeding for which the indemnifying party is obligated under this Subsection, cooperating with, assisting, and providing information to, the indemnifying party as reasonably required, and granting the indemnifying party the exclusive right to defend or settle such claim, suit, or proceeding; <u>provided</u> that any such settlement or compromise includes a release of the indemnified party from all liability arising out of such claim, suit or proceeding.

12. <u>INDEMNIFICATION – INTELLECTUAL PROPERTY</u>

12.1 Contractor will have the obligation to defend any claim, action, suit, or proceeding ("IPR Claim") brought against Purchaser so far as it is based on a claim that any product supplied under this Master Agreement infringes Third Party IPR (as defined below). Contractor will indemnify Purchaser against any final judgment entered in respect of such an IPR Claim by a court of competent jurisdiction and against any settlements arising out of such an IPR Claim.

Contractor's obligations to defend the IPR Claim and indemnify the Purchaser are conditional upon:

12.1.1 Purchaser notifying Contractor promptly in writing of the IPR Claim or threat thereof;

12.1.2 Purchaser giving Contractor full and exclusive authority for the conduct of the defense and settlement of the IPR Claim and any subsequent appeal; and

12.1.3 Purchaser giving Contractor all information and assistance reasonably requested by Contractor in connection with the conduct of the defense and settlement of the IPR Claim and any subsequent appeal.

12.2 For the purposes of this Master Agreement, "Third Party IPR" means a United States copyright existing as at the date of order or a United States patent issued as at the date of order.

12.3 If an IPR Claim has been made, or in Contractor's reasonable opinion is likely to be commenced, Purchaser agrees to permit Contractor, at its option and expense, either to: (a) procure for Purchaser the right to continue using the product; (b) replace or modify the product so that it becomes non-infringing; or (c) immediately terminate both parties' respective rights and obligations under this Master Agreement with regard to the product, in which case Purchaser will return the product to Contractor and Contractor will refund to Purchaser the price originally paid by Purchaser to Contractor for the product, as depreciated or amortized by an equal annual amount over three (3) years from date of original shipment.

12.4 Notwithstanding the foregoing, Contractor has no liability for, and Purchaser will defend and indemnify Contractor against, any IPR Claim arising from:

12.4.1 the combination, operation, or use of a product supplied under this Master Agreement with any product, device, or software not supplied by Contractor;

12.4.2 a Claim that asserts damages based upon the amount or duration of use which Purchaser makes of the product, revenue earned by Purchaser from services it provides which utilize the product, or services offered by Purchaser to external or internal customers;

12.4.3 the alteration or modification of any product supplied under this Master Agreement from and after the date such product is so supplied and such alteration or modification is not made by Contractor;

12.4.4 Contractor's compliance with Purchaser's designs, specifications, or instructions; or

12.4.5 Purchaser's use of the product after Contractor has informed Purchaser of modifications or changes in the product required to avoid such an IPR Claim if the alleged infringement would have been avoided by implementation of Contractor's recommended modifications or changes.

THIS SECTION STATES THE ENTIRE OBLIGATION OF CONTRACTOR AND ITS SUPPLIERS, AND THE EXCLUSIVE REMEDY OF PURCHASER, IN RESPECT OF ANY INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OR PROPRIETARY RIGHTS. THIS INDEMNITY OBLIGATION AND REMEDY ARE GIVEN TO PURCHASER SOLELY FOR ITS BENEFIT AND IN LIEU OF, AND CONTRACTOR DISCLAIMS, ALL WARRANTIES, CONDITIONS, AND OTHER TERMS OF NON-INFRINGEMENT WITH RESPECT TO ANY PRODUCT.

Limitation of Liability. Except for those obligations under Intellectual Property Infringement, General Indemnity, notwithstanding anything else herein, all liability of Contractor and its suppliers to any Participating Entity for claims arising under this Agreement, the applicable Participating Addendum, or otherwise shall be limited to Three Million Dollars ($3,000,000). This limitation of liability is cumulative and not per incident.

Waiver of Consequential and Other Damages. In no event shall Contractor or its suppliers be liable for any incidental, special, indirect, or consequential damages, or lost or damaged data (except for a loss of

Purchaser data caused by Contractor's negligence), arising in tort (including negligence), or otherwise, even if Contractor or its suppliers have been informed of the possibility thereof.

13. INDEPENDENT CONTRACTOR The contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA-NASPO or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA-NASPO or the states, except as expressly set forth herein.

14. INDIVIDUAL CUSTOMER Except to the extent modified by a Participating Addendum, each Participating Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement, including but not limited to, any indemnity or to recover any costs allowed in the Master Agreement and applicable Participating Addendum for their purchases. Each Participating Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Participating Entity individually.

15. INSURANCE Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in the Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of Best's Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or at a Participating Entity's option, result in termination of its Participating Addendum.

Coverage shall be written on an occurrence basis. The limits shall be as indicated below, with no deductible for each of the following categories:

a) Commercial General Liability covering the risks of bodily injury (including death), property damage and personal injury, including coverage for contractual liability, with a limit of $1 million per occurrence/$2 million general aggregate;

b) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

Contractor shall pay premiums on all insurance policies.

Prior to commencement of the work, Contractor shall provide to the Participating Entity a written endorsement to the Contractor's general liability insurance policy that (i) names the Participating Entity as an additional insured, but only to the extent of liabilities falling within Contractor's indemnity obligations pursuant to the terms of this Master Agreement, and (ii) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of the Participating Entity as secondary and noncontributory.

Contractor shall furnish to Participating Entity copies of certificates of all required insurance within thirty (30) calendar days of the Participating Addendum's effective date and prior to performing any work. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this section. Failure to provide evidence of coverage may, at State's sole option, result in this Master Agreement's termination. In addition, should any of the required insurance be cancelled or non-renewed, Contractor shall immediately replace such insurance and provide to Participating Entity a certificate of insurance evidencing the replacement insurance.

Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement.

16. LAWS AND REGULATIONS Any and all supplies, services and equipment offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

17. LICENSE OF PRE-EXISTING INTELLECTUAL PROPERTY

17.1 License. Conditioned upon compliance with the terms and conditions of the license granted herein or as represented in Contractor's End User License Agreement, Contractor grants to

Customer a nonexclusive and nontransferable license to use for Customer's internal business purposes the Software and the Documentation for which Customer has paid the required license fees, subject to the terms herein and Exhibit 1, End User License Agreement.

Customer's license to use the Software shall be limited to, and Customer shall not use the Software in excess of, a single hardware chassis or card or that number of agent(s), concurrent users, sessions, IP addresses, port(s), seat(s), server(s), or site(s), as set forth in the applicable Purchase Order which has been accepted by Contractor and for which Customer has paid to Contractor the required license fee.

Unless otherwise expressly provided in the documentation, Customer shall use the Software solely as embedded in, for execution on, or (where the applicable documentation permits installation on non-Contractor equipment) for communication with Contractor equipment owned or leased by Customer and used for Customer's internal business purposes. For evaluation or beta copies for which Contractor does not charge a license fee, the above requirement to pay license fees does not apply.

17.2 General Limitations. This is a license, not a transfer of title, to the Software and Documentation, and Contractor retains ownership of all copies of the Software and Documentation. Customer acknowledges that the Software and Documentation contain trade secrets of Contractor, its suppliers or licensors, including but not limited to the specific internal design and structure of individual programs and associated interface information. Accordingly, except as otherwise expressly provided under this Agreement, Customer shall have no right, and Customer specifically agrees not to:

17.2.1 transfer, assign or sublicense its license rights to any other person or entity, or use the Software on unauthorized or secondhand Contractor equipment, and Customer acknowledges that any attempted transfer, assignment, sublicense, or use shall be void;

17.2.2 except as approved in writing by Contractor, make error corrections to or otherwise modify or adapt the Software or create derivative works based upon the Software, or permit third parties to do the same;

17.2.3 reverse engineer or decompile, decrypt, disassemble, or otherwise reduce the Software to human-readable form, except to the extent otherwise expressly permitted under applicable law notwithstanding this restriction;

17.2.4 use or permit the software (other than embedded in the product) to be used to perform services for third parties, whether on a service bureau or time sharing basis or otherwise, without the express written authorization of Contractor; or

17.2.5 except and to the extent expressly required by a Participating State's applicable records laws or final court order (provided that the Participating State provides: (1) prior written notice to Contractor of such obligation and (2) the opportunity to oppose such disclosure, provision, or otherwise making available), disclose, provide, or otherwise make available trade secrets contained within the Software and Documentation in any form to any third party without the prior written consent of Contractor. Customer shall implement reasonable security measures to protect such trade secrets.

To the extent required by law, and at Customer's written request, Contractor shall provide Customer with the interface information needed to achieve interoperability between the Software and another independently created program, on payment of Contractor's applicable fee, if any. Customer shall observe strict obligations of confidentiality with respect to such information and shall use such information in compliance with any applicable terms and conditions upon which Contractor makes such information available.

17.3 Software, upgrades/updates, and additional copies.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS MASTER AGREEMENT: (1) CUSTOMER HAS NO LICENSE OR RIGHT TO USE ANY ADDITIONAL COPIES OR

UPGRADES UNLESS CUSTOMER, AT THE TIME OF ACQUIRING SUCH COPY OR UPGRADE, ALREADY HOLDS A VALID LICENSE TO THE ORIGINAL SOFTWARE AND HAS PAID THE APPLICABLE FEE FOR THE UPGRADE OR ADDITIONAL COPIES; (2) USE OF UPGRADES IS LIMITED TO CONTRACTOR EQUIPMENT FOR WHICH CUSTOMER IS THE ORIGINAL END USER PURCHASER OR LESSEE OR WHO OTHERWISE HOLDS A VALID LICENSE TO USE THE SOFTWARE WHICH IS BEING UPGRADED; AND (3) THE MAKING AND USE OF ADDITIONAL COPIES IS LIMITED TO NECESSARY BACKUP PURPOSES ONLY.

17.4 Proprietary Notices. Customer agrees to maintain and reproduce all copyright and other proprietary notices on all copies, in any form, of the Software in the same form and manner that such copyright and other proprietary notices are included on the Software. Except as expressly authorized in this Agreement, Customer shall not make any copies or duplicates of any Software without the prior written permission of Contractor.

17.5 Term and Termination of License. This license granted herein shall remain effective until terminated. Customer may terminate the license at any time by destroying all copies of Software and any Documentation except as to the minimum number of copies required by law to keep for archival records purposes only. Customer's rights under this license will terminate immediately if Customer fails to comply with any material provision of this license and Contractor will give Customer notice of such non-compliance. Upon termination, Customer shall destroy all copies of Software and Documentation in its possession or control.

17.6 Customer Records. Customer grants to Contractor and its independent accountants the right to examine Customer's books, records, and accounts during Customer's normal business hours to verify compliance with this license. In the event such audit discloses non-compliance with this license, Customer shall promptly pay to Contractor the appropriate license fees, plus the reasonable cost of conducting the audit. In all other circumstances, the audit fees shall be paid by Contractor.

18. NO WAIVER OF SOVEREIGN IMMUNITY In no event shall this Master Agreement, any Participating Addendum or any contract or any purchase order issued thereunder, or any act of a Lead State or a Participating Entity, be a waiver by the Participating Entity of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

If a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the Participating State. This section applies to a claim brought against the Participating State only to the extent Congress has appropriately abrogated the Participating State's sovereign immunity and is not consent by the Participating State to be sued in federal court. This section is also not a waiver by the Participating State of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

19. ORDER NUMBERS Master Agreement order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence. Any such information will be per Contractor's existing free form structure, without customization. The purchase order numbers reflect Contractor's Fulfillment Partner purchase order numbers; however, Contractor will request that its Fulfillment Partners use reasonable efforts to provide the Customer purchase order number in the free form notes.

ORDERS. Notwithstanding anything contained in the Master Agreement to the contrary:

1. Contractor reserves the right to require that purchases be made through Fulfillment Partners. Where so required by Contractor, Purchasers shall not order Products or Services directly from Contractor and shall order same from Fulfillment Partner. Purchaser shall purchase products by issuing a written or electronic Purchase Order, signed or (in the case of electronic transmission) sent by its authorized representative, indicating specific products, quantity, unit price, total

purchase price, shipping instructions, requested delivery dates, bill-to and ship-to addresses, tax exempt certifications, if applicable, and any other special instructions.

2. Any contingencies on Purchaser's Purchase Orders are not binding upon Contractor. The terms and conditions of this Master Agreement and applicable Participating Addendum prevail, regardless of any additional or conflicting terms on the Purchase Order, or other correspondence from Purchaser to Contractor and any additional or conflicting terms are deemed rejected by Contractor unless Contractor has expressly agreed to such terms in writing. Mere acceptance or processing of a Purchase Order, Order, or Order Document containing such terms shall not constitute such express consent.
3. All Purchase Orders are subject to Contractor's reasonable acceptance (including performing any related credit checks). Contractor shall use commercially reasonable efforts to accept or reject orders in writing within ten (10) days from receipt, or within three (3) business days, if orders are placed electronically.
4. Purchaser may defer product shipment up to thirty (30) days from the originally scheduled shipping date, provided written notice is received by Contractor at least ten (10) days before the originally scheduled shipping date. Cancelled orders, rescheduled deliveries, or product configuration changes made by Purchaser less than ten (10) days before the original shipping date are subject to Contractor's acceptance and a charge of fifteen percent (15%) of the total invoice amount relating to the affected Product(s). Contractor reserves the right to reschedule delivery due to configuration changes made within ten (10) days of scheduled shipment. No cancellation shall be accepted by Contractor where products are purchased with implementation services, including but not limited to design, customization, or installation services, except as may be set forth in the agreement or Statement of Work under which the services are to be rendered. Notwithstanding anything to the contrary, if Contractor is delayed in shipping the product for thirty (30) days or more from the original shipping date, the Customer may cancel the order without charge.
5. Services. Purchaser may place Purchase Orders for the various services offered by Contractor. The provision of any such services, if accepted by Contractor, shall be subject to the terms and conditions set forth in this Agreement, including the Master Services Agreement attached hereto as Exhibit 2, as well as the then-current terms of service offerings set forth on Contractor's website at http://www.cisco.com/legal/services.html. Contractor reserves the right to subcontract services to a third party maintenance organization to provision services for Purchaser.
6. All stated prices are exclusive of any taxes, fees, and duties or other similar amounts, however designated, and including without limitation value added, sales and withholding taxes which are levied or based upon such prices, charges, or upon this Master Agreement. Purchaser will pay sales and use taxes, if any, imposed on the Products and Services acquired under this Master Agreement, or furnish proof of its tax-exempt status upon request. Contractor will pay all other taxes based on Contractor's income or gross receipts, or personal property taxes levied or assessed on Contractor's personal property. In the event that the Purchaser is exempt from property and sales taxes, it will not be charged same.
7. Notwithstanding anything contained in the Master Agreement to the contrary, modifications which Contractor deems necessary to comply with specifications, changed safety standards or governmental regulations, to make the product non-infringing with respect to any patent, copyright, or other proprietary interest, or to otherwise improve the product may be made at any time by Contractor without prior notice to or consent of Purchaser or WSCA, and such altered product shall be deemed fully conforming. Contractor shall employ commercially reasonable efforts to announce, including by electronic posting, product discontinuance or changes other than those set forth in the previous sentence in accordance with Contractor's End-of-Life Policy, which is found at the following URL: http://www.cisco.com/c/en/us/products/eos-eol-policy.html. Purchaser may make a last-time purchase of such products as set forth in such policy.

20. PARTICIPANTS WSCA-NASPO is the cooperative purchasing arm of the National Association of State Procurement Officials. It is a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.,) for all 50 states, the District of Columbia and the organized US territories. Obligations under this Master Agreement are limited to those Participating States who have signed a Participating Addendum where contemplated by the solicitation. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the solicitation, the resulting award(s) will be permissive. Purchaser under a *Participating Addendum* shall have no liability to Contractor beyond funds that are appropriated and made available to the Purchaser by the applicable legislative body. If sufficient funds are not appropriated by legislative action to a Purchaser as to any future period, Purchaser may terminate its Order(s) prospectively as to such future performance impacted by and to the extent of non-appropriation, or otherwise work with Contractor to arrive at a mutually acceptable resolution of the situation. Purchaser shall notify Contractor in writing of such non-appropriation within thirty (30) calendar days of final legislative action.

21. ENTITY PARTICIPATION Use of specific WSCA-NASPO cooperative Master Agreements by state agencies, political subdivisions and other entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

22. PAYMENT

Upon and subject to credit approval by Contractor, payment is net thirty (30) days from invoice date. Invoices for products ordered without implementation services shall be rendered by Contractor on or after the date of delivery of such products to the Purchaser. If, at any time, Purchaser is delinquent in payment, or is otherwise in breach of this contract, Contractor may, without prejudice to other rights, withhold shipment (including partial shipments) of any order or require Purchaser to prepay for further shipments. Any sum not paid by Purchaser when due shall bear interest until paid at a rate of 1 percent per month (12 percent per annum) or the maximum legal rate, whichever is less. Purchaser grants Contractor a security interest in products purchased under this contract to secure payment for those products purchased which security interest shall expire upon full payment in accordance with the terms. If requested by Contractor, Purchaser agrees to execute financing statements to perfect this security interest. Payments may be made via a State or political subdivision "Purchasing Card" to Fulfillment Partners under this contract.

Where permitted by the law of the Participating State/Entity, lease financing is an allowable payment option under the resulting contract. The terms and conditions of the capital lease financing arrangement with Cisco Capital, or its designated and/or approved financing partner, will be set forth between the purchaser and Cisco Capital or its designated and/or approved financing partner.

23. PUBLIC INFORMATION This Master Agreement and all related documents are subject to disclosure pursuant to the Participating Entity's public information laws.

24. RECORDS ADMINISTRATION AND AUDIT The contractor will maintain, or require the maintenance of all records necessary to properly account for the payments made to the contractor for costs authorized by this Master Agreement. These records will be retained by the contractor for at least four years after the Master Agreement terminates, or until all audits initiated within the four years have been completed, whichever is later. The contractor agrees to allow WSCA-NASPO, State and Federal auditors, and state agency staff access to all the records of this Master Agreement and any order placed under this Master Agreement, for audit and inspection, and monitoring of services. Such access will be 1) with at least ten (10) business days advance written notice, during normal business hours,, 3) shall not unduly interrupt or interfere with Contractor's normal business operations, and 4) in the event that such audit is conducted by a third party, such third party shall, prior to conducting such audit, execute a confidentiality agreement for the benefit of Contractor in a form reasonably satisfactory to Contractor.

25. REPORTS and ADMINISTRATIVE FEES The contractor shall submit quarterly reports to the WSCA-NASPO Contract Administrator showing the quantities and dollar volume of purchases by each participating entity.

The contractor must pay a WSCA-NASPO administrative fee of one quarter of one percent (.25%) in accordance with the terms and conditions of the Master Agreement. The WSCA-NASPO administrative fee shall be submitted quarterly and is based on sales of products and services. The WSCA-NASPO administration fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

Additionally, some States may require that an additional fee be paid directly to the State on purchases made by procuring entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated in a Participating Addendum that is made a part of the Master Agreement. The contractor may adjust the Master Agreement pricing accordingly for purchases made by procuring agencies within the jurisdiction of the State. All such agreements may not affect the WSCA-NASPO administrative fee or the prices paid by the procuring agencies outside the jurisdiction of the State requesting the additional fee.

26. STANDARD OF PERFORMANCE AND ACCEPTANCE Purchaser has thirty (30) days after Product delivery to inspect the Product for external damage and for any concealed damage ("Acceptance Period"). If external or concealed damage is revealed during the Acceptance Period, then Purchaser shall notify Contractor. At Contractor's option, Contractor shall 1) repair such damage, 2) ship a replacement, or 3) refund the purchase price (upon return of the Product). After such Acceptance Period the Products shall be deemed accepted.

27. Section Intentionally Left Blank.

28. TITLE OF PRODUCT Title and risk of loss shall pass to Purchaser upon delivery. Any transfers of Embedded Software shall be per Contractor's then-current Transfer and Re-Licensing Policy.

29. WAIVER OF BREACH Failure of Lead State or Participating Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State or Participating Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or breach of any terms or requirements shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement or Participating Addendum.

30. WARRANTY

All products are sold with Contractor's standard limited warranty listed below:

30.1 Hardware. Contractor warrants that from the date of shipment by Contractor to Customer, and continuing for a period of the longer of (a) ninety (90) days or (b) the period set forth in the Warranty Card accompanying the product, the Hardware will be free from defects in material and workmanship, under normal use. This limited warranty extends only to the original user of the product. Customer's sole and exclusive remedy and the entire liability of Contractor and its suppliers under this limited warranty will be, at Contractor's or its service center's option, shipment of a replacement within the period and according to the replacement process described in the Warranty Card, or a refund of the purchase price, if the Hardware is returned to the party supplying it to Customer, if different than Contractor, freight and insurance prepaid. Contractor replacement parts, used in Hardware repair, may be new or equivalent to new. Contractor's obligations hereunder are conditioned upon the return of affected products, in accordance with Contractor's then-current Return Material Authorization (RMA) procedures.

30.2 Software. Contractor warrants that from the date of delivery by Contractor to Customer (but in case of resale by a Contractor reseller, commencing not more than ninety (90) days after original shipment by Contractor), and continuing for a period of the longer of (a) ninety (90) days or (b) the period set forth in the Warranty Card accompanying the product (if any): (a) the media on which the Software is furnished will be free of defects in materials and workmanship, under normal use; and (b) the Software substantially conforms to its published specifications. The date of shipment of a product by Contractor is set forth on the packaging material in which the product is shipped. Except for the foregoing, the Software is provided AS IS. This limited warranty extends only to the Customer who is the original licensee. Customer's sole and exclusive remedy and the entire liability of Contractor and its suppliers under this limited warranty will be, at Contractor or its service center's option, repair, replacement, or refund of the Software if reported (or, upon request, returned) to the party supplying the Software to Customer, if different than Contractor. In no event does Contractor warrant that the Software is error free or that Customer will be able to operate the Software without problems or interruptions. In addition, due to the continual development of new techniques for intruding upon and attacking networks, Contractor does not warrant that the Software or any equipment, system, or network on which the Software is used will be free of vulnerability to intrusion or attack.

30.3 Restrictions. This warranty does not apply if the product (a) has been altered, except by Contractor, (b) has not been installed, operated, repaired, or maintained in accordance with instructions supplied by Contractor, (c) has been subjected to abnormal physical or electrical stress, misuse, negligence, or accident; or (d) is sold or, in the case of Software, licensed, for beta, evaluation, testing, or demonstration purposes for which Contractor does not receive a payment of purchase price or license fee.

30.4 DISCLAIMER OF WARRANTY. EXCEPT AS SPECIFIED IN THIS WARRANTY, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, SATISFACTORY QUALITY, OR ARISING FROM A COURSE OF DEALING, LAW, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE WARRANTY PERIOD. This disclaimer shall apply even if the above-stated warranty fails of its essential purpose.

The above warranty does not apply to any beta software, any software made available for testing or demonstration purposes, any temporary software modules or any software for which Contractor does not receive a license fee. All such software is provided AS IS without any warranty whatsoever.

31. ASSIGNMENT OF ANTITRUST RIGHTS Contractor irrevocably assigns to a Participating Entity any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the Contractor for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

Contractor shall require any subcontractors hired to perform any of Contractor's obligations, under this Master Agreement or Participating Addendum, to irrevocably assign to a Participating Entity, as third party beneficiary, any right, title or interest that has accrued or which may accrue in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the subcontractor for the purpose of carrying out the subcontractor's obligations to the Contractor in pursuance of this Master Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

32. WSCA-NASPO eMARKET CENTER Awarded responders are required to participate in the WSCA-NASPO eMarket Center and, working through WSCA-NASPO's contractor (SciQuest), connect with the eMarket Center. The ideal situation would be to use either a hosted (by SciQuest) or Punchout Level 2 catalog configurations, but actual requirements will be determined by the Lead State Contract Administrator, WSCA-NASPO, WSCA-NASPO's contractor (SciQuest) and the awarded contractor, after award. Participation does not require an awarded responder to have any special level of technology or technological understanding.

Definitions

Contractor - means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

Lead State - means the State conducting this cooperative solicitation and centrally administering any resulting Master Agreement with the permission of the Signatory States.

Master Agreement – means the underlying agreement executed by and between the Lead State, as WSCA-NASPO contract administrator, acting on behalf of WSCA-NASPO, and the Contractor, as now or hereafter amended.

Order - means any purchase order, sales order, or other document used by a Participating Entity to order the Products.

Participating Addendum - means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity specific language or other requirements ,e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

Participating Entity - means a state, or other legal entity, properly authorized by a state to enter into the Master Agreement or Participating Addendum or who is authorized to order under the Master Agreement or Participating Addendum.

Product - Any equipment, software (including embedded software), documentation, or deliverable supplied or created by the Contractor pursuant to this Master Agreement.

WSCA-NASPO -is a cooperative group contracting consortium for state procurement officials, representing departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for all states and the District of Columbia. WSCA-NASPO is a cooperative purchasing arm of the National Association of State Procurement Officials (NASPO).

Additional Definitions and Alternative Terms

Customer - see "Purchaser" or "Participating Entity."

Documentation – means user manuals, training materials, product descriptions and specifications, technical manuals, license agreements, supporting materials, and other information relating to Products or Advanced Services offered by Contractor, whether distributed in print, electronic, CD-ROM, or video format.

Effective Date – means June 1, 2014.

Fulfillment Partner (also referred to as "Reseller" or "Authorized Reseller") - means a third-party contractor qualified and authorized by Contractor, and approved by the Participating State under a Participating Addendum, who may, to the extent authorized by Contractor, fulfill any of the requirements of this Master Agreement including but not limited to providing Products and Services under this Master Agreement and billing Purchasers directly for such Products and Services. Contractor may, upon written notice to the Participating State, add or delete authorized Fulfillment Partners as necessary at any time during the contract term. Fulfillment Partner has no authority to amend this Master Agreement or to bind Contractor to any additional terms and conditions.

Participating State – see "Participating Entity."

Purchaser - (also referred to as "Customer") means: (a) the Lead State, (b) any office, department, commission, council, board, committee, institution, legislative body, agency, public authority, public benefit corporation, other government corporation, or public educational institution of a Participating State or a Local Public Body within such Participating State, provided that such entity is authorized, under applicable laws, rules and/or regulations of the Participating State, (i) to purchase Product(s) and Services pursuant to this Master Agreement solely by execution of the applicable Participating Addendum, and (ii) to legally bind such body to the terms of such agreement solely by the issuance of a Purchase Order, Order, or Order Document in accordance with and pursuant to this Master Agreement, and (iii) has been authorized by the WSCA Contract Manager and Contractor to participate under this Master Agreement.

Purchase Order – see "Order."

Services - "Services" means those services within the scope of this Master Agreement, to include the attached Master Services Agreement, and listed on Contractor's then-current Global Price List, including consulting, training, installation and maintenance services, and/or other services related to the products being acquired and further described at cisco.com and which are subject to the terms of service set forth in the SOW Terms and Conditions.

(Revised March 2013)

Exhibit 1 — Additional Vendor Terms and Conditions

End User License Agreement (EULA)

Cisco Systems, Inc. or its affiliate licensing the software ("Cisco") is willing to license this software to you only upon the condition that you purchased the software from an approved source and that you accept all of the terms contained in this end-user license agreement plus any additional limitations on the license set forth in a supplemental license agreement accompanying the product, available at the time of your order, or posted on the Cisco website at www.cisco.com/go/terms (collectively, the "agreement"). To the extent of any conflict between the terms of this end-user license agreement and any supplemental license agreement, the supplemental license agreement shall apply. By downloading, installing, or using the software, you are representing that you purchased the software from an approved source and binding yourself to the agreement. if you do not agree to all of the terms of the agreement, then Cisco is unwilling to license the software to you and (a) you may not download, install, or use the software, and (b) you may return the software (including any unopened cd package and any written materials) for a full refund, or (c), if the software and written materials are supplied as part of another product, you may return the entire product for a full refund. Your right to return and refund expires 30 days after purchase from an approved source, and applies only if you are the original and registered end user purchaser. For the purposes of this end-user license agreement, an "approved source" means (a) Cisco; or (b) a distributor or systems integrator authorized by Cisco to distribute/sell Cisco equipment, software, and services within your territory to end users; or (c) a reseller authorized by any such distributor or systems integrator in accordance with the terms of the distributor's agreement with Cisco to distribute/sell the Cisco equipment software and services within your territory to end users.

Please note that the remaining license terms are addressed in the WSCA – NASPO Master Agreement Terms and Conditions.

Exhibit 2 — Additional Vendor Terms and Conditions

Master Services Agreement

This Master Services Agreement governs all Orders for Services placed under the WSCA NASPO Master Agreement Terms and Conditions ("WSCA Master Agreement").

This Agreement is entered into between Cisco Systems, Inc. ("Cisco"), a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, California, 95134 and the WSCA-NASPO Cooperative Purchasing Organization LLC ("WSCA"), on behalf of their Public Sector Customers formed under the laws of United States ("Customer") having its principal place of business at State of Utah, Division of Purchasing and General Services, State Office Building, Capitol Hill, Room 3150, Salt Lake City, UT 84114-1061, United States, and is entered into as June 1, 2014.

This Master Services Agreement consists of (i) the Master Services Agreement Terms and Conditions (including the Exhibits), (ii) incorporated Sections from the WSCA NASPO Terms and Conditions and (iii) the Services Descriptions of the Services at cisco.com that the WSCA Customer may elect to purchase, which are incorporated in this Agreement by this reference.

Master Services Agreement - Terms and Conditions

1. **Definitions** are those set out in the Exhibit A, Glossary of Terms at the end of the Agreement.
2. **Scope**. This Agreement describes the terms and conditions for Purchases by Customer of Services,. Customer will be entitled to receive Services for which (i) the applicable Services fees have been paid, (ii) a valid Software license has been granted, and (iii) Customer provides information requested by Cisco such as valid serial numbers, site location, contract number, and Product type.
3. **Orders**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
4. **Pricing**. For Direct Purchases, and subsequent Equipment List renewals, prices for Services shall be (a) those specified in Cisco's then-current Price List less any applicable contract discount in effect under the WSCA Master Agreement at the time of acceptance of the Purchase Order by Cisco, or (b) those set forth in a written price quotation submitted by Cisco or its Fulfilment Partner, if at or below the stated contract discount. All stated prices are exclusive of taxes, fees, and duties or other amounts in accordance with the WSCA Master Agreement. Any taxes related to Services purchased pursuant to this Agreement shall be paid by Customer or Customer shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes shall be billed as a separate item on the invoice, to the extent possible. In the event that Customer is unable to provide valid and applicable serial number(s) for Product and Cisco agrees to provide Services, then Service fees payable by Customer shall be at Cisco's then-current time and materials or non-contract service rates.

   Subject to the price discount floor established by Cisco under the WSCA Master Agreement, for Indirect Purchases, Fulfillment Partners are free to determine their resale prices unilaterally. Customer understands that no employee or representative of Cisco or anyone else has any authority to determine such resale prices, or to limit the Fulfillment Partners' pricing discretion with respect to Services.
5. **Payment**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
6. **Invoicing**. Fees for Services, other than those for which a SOW is required, shall be invoiced in advance of delivery of Services. The timing of invoices for Services provided pursuant to a SOW shall be set forth in the respective SOW.
7. **Term and Termination.**

(a) The term of any service order shall commence on the Effective Date of the Order and shall continue for a period of one (1) year, or such other multi-year period as set forth in the purchase order or SOW. Such term will be renewed automatically for successive one (1) year terms unless either party notifies the other of its intent to terminate at least sixty (60) days prior to the expiration of the then current term.

(b) The term of an Equipment List shall commence on the date set forth on such.

(c) Equipment List, which may be up to sixty (60) days following the date of Purchase Order acceptance by Cisco. The term of an Equipment List shall be for a period of one (1) year and shall be renewed automatically for successive one (1) year terms, unless either party notifies the other of its intent to terminate at least sixty (60) days prior to the expiration of the then current one (1) year term.

(d) The term of each SOW shall be stated in the SOW.

This Master Service Agreement may be terminated in accordance on the same terms as set forth in the WSCA Master Agreement. Any Equipment List or SOW may be terminated immediately by either party upon written notice.

If Services fees are not paid when due and payment has not been received within thirty (30) days after notice from Cisco of such past due payment, Cisco may withhold the provision of Services until all amounts past due are paid in full, and/or terminate immediately this Agreement, any Equipment List, and SOW.

(e) Cisco reserves the right to make changes to the scope and content of the Services or part thereof, including terminating the availability of a given Service, at any time upon ninety (90) days' prior notice. Such changes will become effective upon renewal of the affected Equipment Lists and SOWs. If Customer does not agree to a change of scope or content, Customer may terminate any affected Equipment List or SOW by notifying Cisco at least sixty (60) days prior to the expiration of the then current one (1) year term of the Equipment List or SOW. In such case, Cisco shall continue to provide Services until the next expiration date of the affected Equipment List or SOW.

(f) Each Equipment List and SOW hereunder shall terminate immediately upon termination of the Agreement.

(g) Upon termination of the Agreement, any Equipment List, or SOWs, Customer shall pay Cisco for all work performed under the affected Equipment Lists or SOWs up to the effective date of termination at the agreed-upon prices, fees, and expense reimbursement rates.

(h) Firm orders for services under this Master Services Agreement placed and accepted prior to expiration of the contract term, (even if involving a multi-year commitment) remain valid in accordance with the contract terms which shall remain binding as to such prior orders only for the term stated therein, and shall not otherwise constitute an extension of the Master Services Agreement.

Additional terms governing Term and Termination are covered in the WSCA NASPO Terms and Conditions.

8. **Confidentiality**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.

9. **Warranty**. All services provided hereunder shall be performed in a workmanlike manner in accordance with industry standards expected of a company providing professional services in the networking industry. Except as specified in this section, Cisco hereby disclaims and customer waives all representations, conditions, and warranties (whether express, implied, or statutory), including without limitation, any warranty or condition (a) of merchantability, fitness for a particular purpose, non-infringement, title, satisfactory quality, accuracy, (b) arising from any course of dealing, course of performance, or usage in the industry. To the extent an implied warranty cannot be disclaimed, such warranty is limited in duration to the applicable express warranty period. Customer's sole and

exclusive remedy for breach of warranty shall be, at Cisco's option, re-performance of the services; or termination of this agreement or the applicable equipment list or SOW and return of the portion of the service fees paid to Cisco by customer for such non-conforming services.

10. **Limitation of Liability and Consequential Damages Waiver.** Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
11. **License**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
12. **Ownership.** Cisco shall at all times retain all right, title, and interest in and to all pre-existing Intellectual Property owned by Cisco as of the Effective Date and all Intellectual Property in and to the Services, Cisco Products, Deliverables, and Data Collection Tools or other Intellectual Property provided or developed by Cisco or a third party on Cisco's behalf thereafter. Customer shall at all times retain all right, title, and interest in and to all pre-existing Intellectual Property owned by Customer as of the Effective Date and all Intellectual Property that is developed by Customer or by a third party on Customer's behalf thereafter without the benefit of any of Cisco's Intellectual Property. Third Party Products shall at all times be owned by the applicable third party.
13. **Force Majeure**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
14. **Applicable law and Jurisdiction**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
15. **Export Control**. Customer shall comply with such laws and regulations governing use, export, re-export, and transfer of Cisco Products and technology and will obtain all required U.S. and local authorizations, permits, or licenses. Information regarding compliance with U.S. use, export, re-export, and transfer laws may be found at: http://www.cisco.com/wwl/export/compliance_provision.html.
16. **Assignment**. Terms of this Section are covered in the WSCA NASPO Terms and Conditions.
17. **Subcontracting.** Cisco reserves the right to subcontract Services to a third party organization including Fulfilment Partners or Servicing Subcontractors (as defined in the WSCA Master Agreement) to provide Services to Customer; provided that invoicing and/or payments will only be handled by and through Cisco and its authorized Fulfilment Partners. Any such subcontract shall not relieve Cisco of any of its obligations under this Agreement.

    If Contractor or its Fulfillment Partners are using servicing subcontractors for the performance of local marketing, maintenance, and/or technical support services in accordance with the terms and conditions of this Contract, servicing subcontractors may not directly accept purchase orders or payments for products or services from Purchasers under the terms and conditions of the contract. Only Contractor or Fulfillment Partners authorized by Cisco may directly accept purchase orders, invoice, or receive payments for products or services under the terms and conditions of the contract. The authorized Purchaser has the option of choosing whether to purchase the associated OEM maintenance and/or training to support the equipment purchased.
18. **Inventory Review.** From time-to-time Cisco may perform an inventory review of Customer's installed base and review serial numbers and other records (upon reasonable advance notice) to validate entitlement. Cisco will charge a Service fee if it finds that unauthorized Services are being provided. This Service fee includes amounts which should have been paid, interest, and attorneys' and audit fees. Attorneys' and audit fees will only be payable by the customer where the discrepancy exceeds 5 percent of the amount otherwise due and payable. Cisco requires that Customer take all necessary action (for example, disabling passwords) to ensure that any former employees and contractors do not access or use the Service.
19. **Notices**. Notwithstanding anything contained in the Agreement to the contrary, all notices required or permitted under this Agreement will be in writing and will be deemed given: (a) when delivered personally; (b) when sent by confirmed facsimile or electronic mail (in the case of Cisco to Agreement-notice@cisco.com), (provided that the original document is placed in air mail/air courier or delivered personally, within seven (7) days of the facsimile electronic notice); (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid (or six [6]

days for international mail); or (d) one (1) day after deposit with a commercial express courier specifying next day delivery (or two (2) days for international courier packages specifying 2-day delivery), with written verification of receipt. All communications will be sent to the addresses set forth on the cover sheet of this Agreement or such other address as may be designated by a party by giving written notice to the other party pursuant to this paragraph. Notwithstanding the above, notices regarding general changes in pricing, policies, or programs may also be by posting on Cisco.com or by email or fax.

20. **Entire Agreement.** This Master Services Agreement, in addition to the general provisions of the WSCA Master Agreement pertinent to Services, is the complete agreement between the parties concerning the subject matter of this Agreement and replaces any prior oral or written communications between the parties, except as agreed between the parties. There are no conditions, understandings, agreements, representations, or warranties expressed or implied, that are not specified herein. This Agreement may only be modified by a written document executed by the parties hereto.
21. **No Waiver.** The waiver by either party of any right provided under this Agreement shall not constitute a subsequent or continuing waiver of such right or of any other right under this Agreement.
22. **Severability.** In the event that one or more terms of this Agreement becomes or is declared to be illegal or otherwise unenforceable by any court of competent jurisdiction, each such term shall be null and void and shall be deemed deleted from this Agreement. All remaining terms of this Agreement shall remain in full force and effect. Notwithstanding the foregoing, if this paragraph is invoked and, as a result, the value of this Agreement is materially impaired for either party, as determined by such party in its sole discretion, then the affected party may terminate this Agreement by written notice with immediate effect to the other.
23. **Attorneys' Fees.** In any suit or proceeding relating to this Agreement, the prevailing party will have the right to recover from the other its costs and reasonable fees and expenses of attorneys, accountants, incurred in connection with the suit or proceeding, including costs, fees, and expenses upon appeal, separately from and in addition to any other amount included in such judgment. This provision is intended to be severable from the other provisions of this Agreement, and shall survive expiration or termination and shall not be merged into any such judgment unless the judgment expressly precludes survivability.
24. **No Agency.** This Agreement does not create any agency, partnership, joint venture, or franchise relationship. No employee of either party shall be or become, or shall be deemed to be or become, an employee of the other party by virtue of the existence or implementation of this Agreement. Each party hereto is an independent contractor. Neither party shall assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever.
25. **Counterparts.** This Agreement may be executed in two counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument. A validly executed counterpart that is delivered by one party to the other via electronic transmission (a "Counterpart Image") shall be valid and binding to the same extent as one delivered physically, provided that the valid signature is clearly visible in the Counterpart Image. In the event that a party delivers a Counterpart Image in place of an originally-executed counterpart, such party shall retain the originally-executed counterpart in its files for at least the duration of the Term hereof.
26. **Headings.** Headings of sections have been added solely for convenience of reference and shall not be deemed part of this Agreement.
27. **Survival.** Sections 5 (Payment), 7 (Term and Termination), 8 (Confidentiality), 9 (Warranty), 10 (Limitation of Liability and Consequential Damages Waiver), 11 (License), 12 (Ownership), 13 (Force Majeure), 14 (Applicable Law and Jurisdiction), 15 (Export Control), Section 18 (Inventory Review), 19 (Notices), 20 (Entire Agreement), 21 (No Waiver), 22 (Severability), 23 (Attorneys' Fees), 24 (No Agency), 27 (Survival), and the Glossary of Terms shall survive the termination or expiration of this Agreement.

Exhibit A
Glossary of Terms

In addition to the Definitions set forth in the WSCA Master Agreement, the following definitions shall apply to this Services Agreement:

Additional Services means installation of new Hardware, system additions, Hardware upgrades, dispatch of a field engineer, or non-mandatory engineering changes otherwise within the scope of the WSCA Master Agreement.

Advance Replacement means shipment of replacement Field-Replaceable Unit (FRU) before receiving failed or defective FRU.

Advanced Services means the proactive Services within the scope of the WSCA Master Agreement, and as set forth in the AS Service Description(s) found at http://www.cisco.com/go/servicedescriptions throughout the term of the agreement and/or SOW(s) selected by the Customer. Advanced Services does not include Cisco's core maintenance services, such as SMARTnet or Software Application Services, nor does it apply to the purchase, support, or maintenance of any Products.

Advanced Services Engineer means the Cisco engineer appointed to be the main point of contact for a Customer purchasing Advanced Services.

Application Software means non-resident or standalone Software Products listed on the Price List and within the scope of the WSCA Master Agreement, that include but are not limited to Cisco Systems® Network management Software, security Software, IP telephony Software, Internet appliance Software, Cisco® Intelligent Contact Management Software, IP Contact Center Software, and Cisco Customer Interaction Suite Software.

Business Days means the generally accepted days of operation per week within the relevant region where the Services shall be performed, excluding local holidays as observed by Cisco.

Cisco.com (http://www.cisco.com) is the Cisco website for its suite of online services and information.

Confidential Information means proprietary and confidential Information received by Cisco or Customer in connection with the Agreement and their relationship. Such Confidential Information may include, but is not limited to, trade secrets, know how, inventions, techniques, processes, programs, schematics, Software source documents, data, Customer lists, financial information, and sales and marketing plans or information which the receiving party knows or has reason to know is confidential, proprietary, or trade secret information of the disclosing party, as well as, in the case of Cisco, any information posted on Cisco.com.

Customer as defined in the WSCA Master Agreement means the entity purchasing Services for its own internal use either directly or through a Fulfilment Partner.

Data Collection Tools means Hardware or Software tools that support Cisco's ability to provide troubleshooting on critical cases, data analysis, and report-generation capabilities.

Depot Time or Local Time means Central European Time for Services provided in Europe-Middle-East and Africa, Australia's Eastern Standard Time for Services provided in Australia, Japan's Standard Time for Services provided in Japan, and Pacific Standard Time for Services provided in all other locations.

Deliverable means, with respect to each SOW, the items specified as deliverables in the SOW.

Device Type means a Cisco supported Hardware Product (for example, Cisco Catalyst® 6509 Switch, GSR 12000, and Cisco 7200 Series Router).

Direct Purchases means purchases of Services by Customer directly from Cisco.

Documentation is user manuals, training materials, Product descriptions and specifications, technical manuals, license agreements, supporting materials, and other information relating to Products or Services offered by Cisco, whether distributed in print, electronic, CD-ROM, or video format.

Equipment List means the list of Hardware and/or Software for which Cisco provides services.

Event means notification by Customer of its performance of a planned Network Hardware, Software, or configuration change.

Feature Set Upgrade means a separately licensed and priced Software release that contains an enhanced configuration or feature set.

Field-Replaceable Unit (FRU) means any component or subassembly of an item or unit of Hardware that reasonably can be replaced at Customer's location. FRUs also may be subject to size and weight limitations.

Four-hour Response means:

(i) For Advance Replacement Service, the four-hour time period commences upon the Cisco problem diagnosis and determination that a FRU is required and ends when the FRU is delivered onsite.

(ii) For onsite service, the four-hour time period commences upon the Cisco problem diagnosis and determination that remedial onsite service is required and ends when Cisco personnel arrive onsite.

Fulfilment Partner means a system integrator, distributor or reseller authorized by Cisco to sell Services under the WSCA Master Agreement in a Participating State.

Hardware means tangible Cisco equipment, devices, or components made available to Customers.

Indirect Purchases means purchases of Services by Customer through a Fulfilment Partner.

Intellectual Property means any and all tangible and intangible: (i) rights associated with works of authorship throughout the world, including but not limited to copyrights, neighboring rights, moral rights, and mask works, and all derivative works thereof, (ii) trademark and trade name rights and similar rights, (iii) trade secret rights, (iv) patents, designs, algorithms, and other industrial property rights, (v) all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise, and (vi) all registrations, initial applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in force (including any rights in any of the foregoing).

Level 1 means support that is defined as having the necessary technical staff (Cisco or Cisco-authorized Reseller) with appropriate skill, perform installations, Remedial Hardware Maintenance, and basic Hardware and Software configuration on Cisco Products.

Level 2 means support that is defined as having the necessary technical staff with the appropriate skills to perform isolation, replication, and diagnosis of Internet-based problems on Cisco Product(s). Customer shall not report Software bugs to Cisco prior to attempting to identify the source of such bugs and testing in Customer's Network where appropriate. If the Customer cannot duplicate the bug in Customer's Network, Customer and Cisco shall cooperate in attempting to replicate and resolve related Software bugs in either Customer's or Cisco's test facility as mutually agreed. In all cases Customer will address Software bugs on a best effort basis to replicate same in Customer's Network and document activity to Cisco before seeking further resolution with Cisco's participation.

Local Time means local time on Business Days.

Maintenance Release means an incremental Software release that provides maintenance fixes and may provide additional Software functions. Cisco designates Maintenance Releases as a change in the digits to the right of the tenths digit or of the hundredths digit of the Software version number [x.x.(x) or x.x.x.(x)].

Major Release means a release of Software that provides additional software functions. Cisco designates Major Releases as a change in the ones digit of the Software version number [(x).x.x].

Minor Release means an incremental release of Software that provides maintenance fixes and additional Software functions. Cisco designates Minor releases as a change in the tenths digit of the Software version number [x.(x).x].

Network means a set of interconnected and interworking Cisco supported Hardware and Software that is implemented, operated, and supported by Customer from a single Network Operations Center (NOC).

Network Infrastructure means your core transport and aggregation Network technology (for example, metro optical, ATM/Frame Relay, IP core, and Cisco security devices including, but not limited to, Firewall, IDS, and VPN3000).

Network Infrastructure Size means the total value of Products in Customer's Network based on the global list price of the Products that Customer has purchased.

Participating State means a member of WSCA authorized under state law to participate under this Agreement who subsequently executes a Participating Addendum, or any other state or Local Public Body authorized by the WSCA Contract Manager and Cisco to be a party to the resulting Agreement who subsequently executes a Participating Addendum.

Price List means the price list for services applicable in the country where the Services are ordered or delivered.

Product means both Cisco Hardware and/or Software which are generally available.

Purchase Order or P.O. means a written or electronic order from Customer to Cisco for the Services to be provided by Cisco under this Agreement.

Remedial Hardware Maintenance means diagnosis and onsite replacement of Hardware components with FRUs.

RMA means Return Material Authorization.

Services means one or more of the services options selected by the Customer in its Purchase Order and described at: http://www.cisco.com/go/servicedescriptions.

Services Descriptions mean the detailed descriptions of the Services purchased by Customer which are incorporated in the MSA by reference.

Software means the software programs licensed to Customer by Cisco along with copies, Updates, or Upgrades to those software programs.

Standard Business Hours means (i) 8:00 AM to 5:00 PM, Depot time, on Business Days for replacement of failed Products and (ii) 8:00 AM to 5:00 PM, Local Time at location of the respective Cisco TAC, on Business Days for case handling of TAC calls.

Statement of Work (SOW) means the documents agreed upon by the parties that define Services and deliverables to be provided.

TAC means the Cisco Technical Assistance Center.

Technical Support Services means Services that provide both essential proactive and reactive operation and maintenance support Services identified as Technical Support Services at http://www.cisco.com/go/servicedescriptions.

Technology Application means specific technologies including, but not limited to, content networking, broadband, and IP telephony that do not operate at the Network Infrastructure level.

Third Party Products means third party Hardware and/or software, and all upgrades thereto, that are designated by Cisco as required for:

(i) The operation of Application Software in conformance with Cisco applicable Application Software Documentation.

(ii) Cisco support of the Application Software.

Transactional Advanced Services means the project related or consultancy Services sold under a Statement of Work.

Two-hour Response means:

(i) For Advance Replacement, the two-hour time period commencing with Cisco's problem diagnosis and determination that a FRU is required and ending when the FRU is delivered onsite.

(ii) For onsite service, the two-hour time period commencing with our problem diagnosis and determination that remedial onsite service is required and ending when Cisco personnel arrive onsite.

Update means Cisco Software Maintenance Releases, Minor Releases, and Major Releases containing the same configuration or feature set as originally acquired, unless the Customer has upgraded the applicable Hardware or Software to a configuration or feature set other than what was originally acquired, and the applicable license fee for that upgrade has been paid. Updates do not include Feature Set Upgrades.

WSCA shall mean the WSCA NASPO Contracting Alliance (WSCA). WSCA is a cooperative group contracting consortium for state government departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.). Rights and obligations under this contract are limited to those Participating States who execute a Participating Addendum with Cisco.

"WSCA Contract Manager" or "Contract Manager" shall mean the individual state member designated as the contract manager by WSCA, currently the State of Utah, as responsible for the legal maintenance and administration of the WSCA Master Agreement, notices, reports, and any other pertinent documentation or information.

"WSCA Master Agreement" (also referred to as "Agreement" or "Contract") shall mean the underlying purchasing agreement executed by and between WSCA-NASPO Cooperative Purchasing Organization LLC ("State"), and Cisco, as now or hereafter amended.

ATTACHMENT B – Scope of Work

The following categories are authorized under this contract:

5.2.1 DATA CENTER APPLICATION SERVICES — Application networking solutions and technologies that enable the successful and secure delivery of applications within data centers to local, remote, and branch-office users using technology to accelerate, secure, and increase availability of both application traffic and computing resources.

5.2.1.1 Virtualized Load Balancers — Virtual devices that act like a reverse proxy to distribute network and/or application traffic across multiple servers to improve the concurrent user capacity and overall reliability of applications. Capabilities should include:

SSL (Secure Sockets Layer) Off-loading

Caching capabilities

Layer 4 Load Balancing

Layer 7 Load Balancing

Detailed Reporting

Supports multiple load balancers in the same system for multiple groups

Supports TLS1.2

5.2.1.2 WAN Optimization — An appliance utilizing a collection of techniques for increasing data-transfer efficiencies across wide-area networks (WAN). Capabilities should include:

CIFS (Common Internet File System) acceleration

Data Compression

SSL encryption/decryption for acceleration (Optional)

Layer 4-7 visibility

Application Specific optimization

5.2.2 NETWORKING SOFTWARE — Software that runs on a server and enables the server to manage data, users, groups, security, applications, and other networking functions. The network operating system is designed to allow shared file and printer access among multiple computers in a network, typically a local area network (LAN), a private network or to other networks. Networking software capabilities should include:

Restartable Process

High availability options

Targeted operating systems, i.e. DC, campus, core, wan, etc.

Operating System Efficiencies

5.2.2.1 Network Management and Automation — Software products and solutions for data center automation, cloud computing, and IT systems management.

5.2.2.2 Data Center Management and Automation — Software products and solutions that capture and automate manual tasks across servers, network, applications, and virtualized infrastructure.

5.2.2.3 Cloud Portal and Automation — Software products and solutions for cloud management with policy-based controls for provisioning virtual and physical resources.

5.2.2.4 Branch Office Management and Automation — Software products and solutions for management of branch offices. Capabilities include remote troubleshooting, device management, WAN performance monitoring.

5.2.3 NETWORK OPTIMIZATION AND ACCELERATION — Devices and tools for increasing data-transfer efficiencies across wide-area networks.

5.2.3.1 Dynamic Load Balancing — An appliance that performs a series of checks and calculations to determine which server can best service each client request in order to select the server that can successfully fulfill the client request and do so in the shortest amount of time without overloading either the server or the server farm as a whole.

5.2.3.2 WAN Acceleration — Appliance that optimizes bandwidth to improve the end user's experience on a wide area network (WAN). Capabilities should include:

CIFS acceleration

Data Compression

SSL encryption/decryption for acceleration (Optional)

Layer 4-7 visibility

Application Specific optimization

5.2.3.3 High Availability and Redundancy — Limits any disruption to network uptime should an appliance face unforeseen performance issues. Transparently redistributes workloads to surviving cluster appliances without impacting communication throughout the cluster.

5.2.4 OPTICAL NETWORKING — High capacity networks based on optical technology and components that provide routing, grooming, and restoration at the wavelength level as well as wavelength based services.

5.2.4.1 Core DWDM (Dense Wavelength Division Multiplexing) Switches — Switches used in systems designed for long haul and ultra long-haul optical networking applications.

5.2.4.2 Edge Optical Switches — Provide entry points into the enterprise or service provider core networks.

5.2.4.3 Optical Network Management — Provides capabilities to manage the optical network and allows operators to execute end-to-end circuit creation.

5.2.4.4 IP over DWDM (IPoDWDM) — A device utilized to integrate IP Routers and Switches in the OTN (Optical Transport Network).

5.2.5 ROUTERS — A device that forwards data packets along networks. A router is connected to at least two networks, commonly two LANs or WANs or a LAN and its ISP's network. Routers are located at gateways, the places where two or more networks connect, and are the critical device that keeps data flowing between networks and keep the networks connected to the Internet.

5.2.5.1 Branch Routers — A multiservice router typically used in branch offices or locations with limited numbers of users and supports flexible configurations/feature. For example: security, VoIP, wan acceleration, etc.

5.2.5.2 Network Edge Routers — A specialized router residing at the edge or boundary of a network. This router ensures the connectivity of its network with external networks, a wide area network or the Internet. An edge router uses an External Border Gateway Protocol, which is used extensively over the Internet to provide connectivity with remote networks.

5.2.5.3 Core Routers - High performance, high speed, low latency routers that enable Enterprises to deliver a suite of data, voice, and video services to enable next-generation applications such as IPTV and Video on Demand (VoD), and Software as a Service (SaaS).

5.2.5.4 Service Aggregation Routers — Provides multiservice adaptation, aggregation and routing for Ethernet and IP/MPLS networks to enable service providers and enterprise edge networks simultaneously host resource-intensive integrated data, voice and video business and consumer services.

5.2.5.5 Carrier Ethernet Routers — High performance routers that enable service providers to deliver a suite of data, voice, and video services to enable next-generation applications such as IPTV, Video on Demand (VoD), and Software as a Service (SaaS).

5.2.6 SECURITY

5.2.6.1 Data Center and Virtualization Security Products and Appliances — Products designed to protect high-value data and data center resources with threat defense and policy control.

5.2.6.2 Intrusion Detection/Protection and Firewall Appliances — Provide comprehensive inline network firewall security from worms, Trojans, spyware, key loggers, and other malware. This includes Next-Generation Firewalls (NGFW), which offer a wire-speed integrated network platform that performs deep inspection of traffic and blocking of attacks. Intrusion Detection/Protection and Firewall Appliances should provide:

Non-disruptive in-line bump-in-the-wire configuration

Standard first-generation firewall capabilities, e.g., network-address translation (NAT), stateful protocol inspection (SPI) and virtual private networking (VPN), etc.

Application awareness, full stack visibility and granular control

Capability to incorporate information from outside the firewall, e.g., directory-based policy, blacklists, white lists, etc.

Upgrade path to include future information feeds and security threats

SSL decryption to enable identifying undesirable encrypted applications (Optional)

5.2.6.3 Logging Appliances and Analysis Tools — Solutions utilized to collect, classify, analyze, and securely store log messages.

5.2.6.4 Secure Edge and Branch Integrated Security Products — Network security, VPN, and intrusion prevention for branches and the network edge. Products typically consist of appliances or routers.

5.2.6.5 Secure Mobility Products — Delivers secure, scalable access to corporate applications across multiple mobile devices.

5.2.6.6 Encryption Appliances — A network security device that applies crypto services at the network transfer layer - above the data link level, but below the application level.

5.2.6.7 On-premise and Cloud-based services for Web and/or Email Security — Solutions that provide threat protection, data loss prevention, message level encryption, acceptable use and application control capabilities to secure web and email communications.

5.2.6.8 Secure Access — Products that provide secure access to the network for any device, including personally owned mobile devices (laptops, tablets, and smart phones). Capabilities should include:

Management visibility for device access

- Self-service on-boarding
- Centralized policy enforcement
- Differentiated access and services
- Device Management

5.2.7 STORAGE NETWORKING — High-speed network of shared storage devices connecting different types of storage devices with data servers.

5.2.7.1 Director Class SAN (Storage Area Network) Switches and Modules — A scalable, high-performance, and protocol-independent designed primarily to fulfill the role of core switch in a core-edge Fibre Channel (FC), FCOE or similar SAN topology. A Fibre Channel director is, by current convention, a switch with at least 128 ports. It does not differ from a switch in core FC protocol functionality. Fibre Channel directors provide the most reliable, scalable, high-performance foundation for private cloud storage and highly virtualized environments.

5.2.7.2 Fabric and Blade Server Switches — A Fibre Channel switch is a network switch compatible with the Fibre Channel (FC) protocol. It allows the creation of a Fibre Channel fabric, which is currently the core component of most SANs. The fabric is a network of Fibre Channel devices, which allows many-to-many communication, device name lookup, security, and redundancy. FC switches implement zoning; a mechanism that disables unwanted traffic between certain fabric nodes.

5.2.7.3 Enterprise and Data Center SAN and VSAN (Virtual Storage Area Network) Management — Management tools to provisions, monitors, troubleshoot, and administers SANs and VSANs.

5.2.7.4 SAN Optimization — Tools to help optimize and secure SAN performance (ie. Encryption of data-at-rest, data migration, capacity optimization, data reduction, etc.

5.2.8 SWITCHES — Layer 2/3 devices that are used to connect segments of a LAN (local area network) or multiple LANs and to filter and forward packets among them.

5.2.8.1 Campus LAN – Access Switches — Provides initial connectivity for devices to the network and controls user and workgroup access to internetwork resources. The following are some of the features a campus LAN access switch should support:

- Security
    - i. SSHv2 (Secure Shell Version 2)
    - ii. 802.1X (Port Based Network Access Control)
    - iii. Port Security
    - iv. DHCP (Dynamic Host Configuration Protocol) Snooping
- VLANs
- Fast Ethernet/Gigabit Ethernet
- PoE (Power over Ethernet)
- link aggregation
- 10 Gb support
- Port mirroring
- Span Taps
- Support of IPv6 and IPv4

Standards-based rapid spanning tree

Netflow Support (Optional).

5.2.8.2 Campus LAN – Core Switches — Campus core switches are generally used for the campus backbone and are responsible for transporting large amounts of traffic both reliably and quickly. Core switches should provide:

High bandwidth

Low latency

Hot swappable power supplies and fans

- Security

  SSHv2

  MacSec encryption

  Role-Based Access Control Lists (ACL)

Support of IPv6 and IPv4

1/10/40/100 Gbps support

IGP (Interior Gateway Protocol) routing

EGP (Exterior Gateway Protocol) routing

VPLS (Virtual Private LAN Service) Support

VRRP (Virtual Router Redundancy Protocol) Support

Netflow Support.

5.2.8.3 Campus Distribution Switches — Collect the data from all the access layer switches and forward it to the core layer switches. Traffic that is generated at Layer 2 on a switched network needs to be managed, or segmented into Virtual Local Area Networks (VLANs), Distribution layer switches provides the inter-VLAN routing functions so that one VLAN can communicate with another on the network. Distribution layer switches provides advanced security policies that can be applied to network traffic using Access Control Lists (ACLs).

High bandwidth

Low latency

Hot swappable power supplies and fans

Security (SSHv2 and/or 802.1X)

Support of IPv6 and IPv4

Jumbo Frames Support

Dynamic Trunking Protocol (DTP)

Per-VLAN Rapid Spanning Tree (PVRST+)

Switch-port auto recovery

NetFlow Support or equivalent

5.2.8.4 Data Center Switches — Data center switches, or Layer 2/3 switches, switch all packets in the data center by switching or routing good ones to their final destinations, and discard unwanted traffic using Access Control Lists (ACLs), all at Gigabit and 10 Gigabit speeds. High availability and modularity differentiates a typical Layer 2/3 switch from a data center switch. Capabilities should include:

High bandwidth

Low latency

Hot swappable power supplies and fans

Ultra-low latency through wire-speed ports with nanosecond port-to-port latency and hardware-based Inter-Switch Link (ISL) trunking

Load Balancing across Trunk group able to use packet based load balancing scheme

Bridging of Fibre Channel SANs and Ethernet fabrics

Jumbo Frame Support

Plug and Play Fabric formation that allows a new switch that joins the fabric to automatically become a member

Ability to remotely disable and enable individual ports

Support NetFlow or equivalent

5.2.8.5 Software Defined Networks (SDN) - Virtualized Switches and Routers — Technology utilized to support software manipulation of hardware for specific use cases.

5.2.8.6 Software Defined Networks (SDN) — Controllers - is an application in software-defined networking (SDN) that manages flow control to enable intelligent networking. SDN controllers are based on protocols, such as OpenFlow, that allow servers to tell switches where to send packets. The SDN controller lies between network devices at one end and applications at the other end. Any communications between applications and devices have to go through the controller. The controller uses multiple routing protocols including OpenFlow to configure network devices and choose the optimal network path for application traffic.

5.2.8.7 Carrier Aggregation Switches — Carrier aggregation switches route traffic in addition to bridging (transmitted) Layer 2/Ethernet traffic. Carrier aggregation switches' major characteristics are:

Designed for Metro Ethernet networks

Designed for video and other high bandwidth applications

Supports a variety of interface types, especially those commonly used by Service Providers

Capabilities should include:

Redundant Processors

Redundant Power

IPv4 and IPv6 unicast and multicast

High bandwidth

Low latency

Hot swappable power supplies and fans

MPLS (Multiprotocol Label Switching)

BGP (Border Gateway Protocol)

Software router virtualization and/or multiple routing tables

Policy based routing

- Layer 2 functionality
  - Per VLAN Spanning Tree
  - Rapid Spanning Tree
  - VLAN IDs up to 4096
  - Layer 2 Class of Service (IEEE 802.1p)
  - Link Aggregation Control Protocol (LACP)

QinQ (IEEE 802.1ad)

5.2.8.8 Carrier Ethernet Access Switches — A carrier Ethernet access switch can connect directly to the customer or be utilized as a network interface on the service side to provide layer 2 services.

Hot-swappable and field-replaceable integrated power supply and fan tray

AC or DC power supply with DC input ranging from 18V to 32 VDC and 36V to 72 VDC

Ethernet and console port for manageability

SD flash card slot for additional external storage

Stratum 3 network clock

Line-rate performance with a minimum of 62-million packets per second (MPPS) forwarding rate

Support for dying gasp on loss of power

Support for a variety of small form factor pluggable transceiver (SFP and SFP+) with support for Device Object Model (DOM)

Timing services for a converged access network to support mobile solutions, including Radio Access Network (RAN) applications

Support for Synchronous Ethernet (SyncE) services

Supports Hierarchical Quality of Service (H-QoS) to provide granular traffic-shaping policies

Supports Resilient Ethernet Protocol REP/G.8032 for rapid layer-two convergence

5.2.9 WIRELESS — Provides connectivity to wireless devices within a limited geographic area. System capabilities should include:

Redundancy and automatic failover

IPv6 compatibility

NTP Support

5.2.9.1 Access Points — A wireless Access Point (AP) is a device that allows wireless devices to connect to a wired network using Wi-Fi, or related standards. Capabilities should include:

802.11a/b/g/n

802.11n

802.11ac

Capable of controller discovery method via DHCP (onsite controller or offsite through Cloud Architecture)

UL2043 plenum rated for safe mounting in a variety of indoor environments

Support AES-CCMP (128-bit)

Provides real-time wireless intrusion monitoring and detection

5.2.9.2 Outdoor Wireless Access Points — Outdoor APs are rugged, with a metal cover and a DIN rail or other type of mount. During operations they can tolerate a wide temperature range, high humidity and exposure to water, dust, and oil. Capabilities should include:

Flexible Deployment Options

Provides real-time wireless intrusion monitoring and detection

Capable of controller discovery method via DHCP (onsite controller or offsite through Cloud Architecture)

5.2.9.3 Wireless LAN Controllers — An onsite or offsite solution utilized to manage light-weight access points in large quantities by the network administrator or network operations center. The WLAN controller automatically handles the configuration of wireless access-points. Capabilities should include:

Ability to monitor and mitigate RF interference/self-heal

Support seamless roaming from AP to AP without requiring re-authentication

Support configurable access control lists to filter traffic and denying wireless peer to peer traffic

System encrypts all management layer traffic and passes it through a secure tunnel

Policy management of users and devices provides ability to de-authorize or deny devices without denying the credentials of the user, nor disrupting other AP traffic

Support configurable access control lists to filter traffic and denying wireless peer to peer traffic

5.2.9.4 Wireless LAN Network Services and Management — Enables network administrators to quickly plan, configure and deploy a wireless network, as well as provide additional WLAN services. Some examples include wireless security, asset tracking, and location services. Capabilities should include:

Provide for redundancy and automatic failover

Historical trend and real time performance reporting is supported

Management access to wireless network components is secured

SNMPv3 enabled

RFC 1213 compliant

Automatically discover wireless network components

Capability to alert for outages and utilization threshold exceptions

Capability to support Apple's Bonjour Protocol / mDNS

QoS / Application identification capability

5.2.9.5 Cloud-based services for Access Points — Cloud-based management of campus-wide WiFi deployments and distributed multi-site networks. Capabilities include:

Zero-touch access point provisioning

Network-wide visibility and control

RF optimization,

Firmware updates

5.2.9.6 Bring Your Own Device (BYOD) — Mobile Data Management (MDM) technology utilized to allow employees to bring personally owned mobile devices (laptops, tablets, and smart phones) to their workplace, and use those devices to access privileged government information and applications in a secure manner. Capabilities should include:

Ability to apply corporate policy to new devices accessing the network resources, whether wired or wireless

Provide user and devices authentication to the network

Provide secure remote access capability

Support 802.1x

Network optimization for performance, scalability, and user experience

5.3.0 UNIFIED COMMUNICATIONS (UC) — A set of products that provides a consistent unified user interface and user experience across multiple devices and media types. Unified Communications that is able to provide services such as session management, voice, video, messaging, mobility, and web conferencing. It can provide the foundation for advanced unified communications capabilities of IM and presence-based services and extends telephony features and capabilities to packet telephony network devices such as IP phones, media processing devices, Voice over IP (VoIP) gateways, and multimedia applications. Additional services, such as unified messaging, multimedia conferencing, collaborative contact centers, and interactive multimedia response systems, are made possible through open telephony APIs. General UC solution capabilities should include:

High Availability for Call Processing

Hardware Platform High Availability

Network Connectivity High Availability

Call Processing Redundancy

5.3.0.1 **IP Telephony** — Solutions utilized to provide the delivery of the telephony application (for example, call setup and teardown, and telephony features) over IP, instead of using circuit-switched or other modalities. Capabilities should include:

Support for analog, digital, and IP endpoints

Centralized Management

Provide basic hunt group and call queuing capabilities

Flexibility to configure queue depth and hold time, play unique announcements and Music on Hold (MoH), log in and log out users from a queue and basic queue statistics (from the phone

E911 Support

5.3.0.2 **Instant messaging/ Presence** — Solutions that allow communication over the Internet that offers quick transmission of text-based messages from sender to receiver. In push mode between two or more people using personal computers or other devices, along with shared clients, instant messaging basically offers real-time direct written language-based online chat. Instant messaging may also provide video calling, file sharing, PC-to-PC voice calling and PC-to-regular-phone calling.

5.3.0.3 **Unified messaging** — Integration of different electronic messaging and communications media (e-mail, SMS, Fax, voicemail, video messaging, etc.) technologies into a single interface, accessible from a variety of different devices.

Ability to access and manage voice messages in a variety of ways, using email inbox, Web browser, desktop client, VoIP phone, or mobile phone

Visual Voicemail Support (Optional)

5.3.0.4 **Contact Center** — A computer-based system that provides call and contact routing for high-volume telephony transactions, with specialist answering "agent" stations and a sophisticated real-time contact management system. The definition includes all contact center systems that provide inbound contact handling capabilities and automatic contact distribution, combined with a high degree of sophistication in terms of dynamic contact traffic management.

5.3.0.5 **Communications End Points and Applications**

Attendant Consoles

IP Phones

5.3.0.6 **UC Network Management** — Provides end-to-end service management for Unified Communications. Capabilities include testing, performance monitoring, configuration management, and business intelligence reporting.

5.3.0.7 Collaboration — Voice, video, and web conferencing; messaging; mobile applications; and enterprise social software.

5.3.0.8 Collaborative Video — A set of immersive video technologies that enable people to feel or appear as if they were present in a location that they are not physically in. Immersive video consists of a multiple codec video system, where each meeting attendee uses an immersive video room to "dial in" and can see/talk to every other member on a screen (or screens) as if they were in the same room and provides call control that enables intelligent video bandwidth management.

5.3.0.8.1 Content Delivery Systems (CDS) — A large distributed system of servers deployed in multiple data centers connected by the Internet. The purpose of the content delivery system is to serve content to end-users with high availability and high performance. CDSs serve content over the Internet, including web objects (text, graphics, URLs, and scripts), downloadable objects (media files, software, documents), applications (e-commerce, portals), live streaming media, on-demand streaming media, and social networks.

5.3.0.8.2 Physical Security — Technology utilized to restricting physical access by unauthorized people to controlled facilities. Technologies include:

a. Access control systems

b. Detection/Identification systems, such as surveillance systems, closed circuit television cameras, or IP camera networks and the associated monitoring systems.

c. Response systems such as alert systems, desktop monitoring systems, radios, mobile phones, IP phones, and digital signage

d. Building and energy controls

5.3.1 SERVICES — For each Category above (5.21-5.30), the following services should be available for procurement as well at the time of product purchase or anytime afterwards.

5.3.1.1 Maintenance Services — Capability to provide technical support, flexible hardware coverage, and smart, proactive device diagnostics for hardware.

5.3.1.2 Professional Services

Deployment Services

Survey/ Design Services — Includes, but not limited to, discovery, design, architecture review/validation, and readiness assessment.

Implementation Services — Includes, but not limited to, basic installation and configuration or end-to-end integration and deployment.

Optimization — Includes, but not limited to, assessing operational environment readiness, identify ways to increase efficiencies throughout the network, and optimize Customer's infrastructure, applications and service management.

Remote Management Services — Includes, but not limited to, continuous monitoring, incident management, problem management, change management, and utilization and performance reporting that may be on a subscription basis.

Consulting/Advisory Services — Includes, but not limited to, assessing the availability, reliability, security and performance of Customer's existing solutions.

Data Communications Architectural Design Services — Developing architectural strategies and roadmaps for transforming Customer's existing network architecture and operations management.

Statement of Work (SOW) Services — Customer-specific tasks to be accomplished and/or services to be delivered based on Customer's business and technical requirements.

5.3.1.3 **Partner Services** — Provided by Contractor's Authorized Partners/Resellers.

Subject to Contractor's approval and the certifications held by its Partners/Resellers, many Partners/Resellers can also offer and provide some or all of the Services as listed above at competitive pricing, along with local presence and support. As the prime, Contractor is still ultimately responsible for the performance of its Partners/Resellers. Customers can have the option to purchase the Services to be directly delivered by Contractor (OEM) or its certified Partners/Resellers.

5.3.1.4 **Training** — Learning offerings for IT professionals on networking technologies, including but not limited to designing, implementing, operating, configuring, and troubleshooting network systems pertaining to items provided under the master agreement.

STATE OF UTAH CONTRACT NUMBER – AR233

Attachment C – Pricing
Solicitation Number JP14001
WSCA-NASPO Data Communications RFP

Vendor Name: Cisco Systems, Inc.

RFP Product Categories:	Minimum Discount Percentage:
5.2.1 DATA CENTER APPLICATION SERVICES	**Discount % __35.00____**
5.2.2 NETWORKING SOFTWARE	**Discount % ___35.00___**
5.2.3 NETWORK OPTIMIZATION AND ACCELERATION	**Discount % __35.00____**
5.2.4 OPTICAL NETWORKING	**Discount % __35.00____**
5.2.5 ROUTERS	**Discount % __35.00____**
5.2.6 SECURITY	**Discount % __35.00____**
5.2.7 STORAGE NETWORKING	**Discount % __35.00____**
5.2.8 SWITCHES	**Discount % __35.00____**
5.2.9 WIRELESS	**Discount % __35.00____**
5.3.0 UNIFIED COMMUNICATIONS (UC)	**Discount % __35.00____**

WARRANTY: See Section 30 of the WSCA-NASPO/Cisco Master Agreement.

1

CAPITAL LEASE FINANCING: Allowed under and subject to Section 22 of the WSCA-NASPO Master Agreement.

5.3.1 SERVICES

For RFP evaluation purposes, vendors must provide not to exceed post sale on site service and consulting rates that are fully loaded (inclusive of travel, lodging, and meals) for each service category below. Remote access rates for non-warranty and consultation services must be expressed as a separate net hourly labor rate.

Definition of Onsite: Customer premise.

Definition of Remote: Vendor premise.

Maintenance Services

Onsite Hourly Rate $ **NTE 600.00**

Remote Hourly Rate $ **NTE 525.00**

Professional Services - Deployment Services

Onsite Hourly Rate $ **NTE 743.17**

Remote Hourly Rate $ **NTE 661.17**

Consulting/Advisory Services

Onsite Hourly Rate $ **NTE 743.17**

Remote Hourly Rate $ **NTE 661.17**

Architectural Design Services

Onsite Hourly Rate $ **NTE 743.17**

Remote Hourly Rate $ **NTE 661.17**

Statement of Work Services

Onsite Hourly Rate $ NTE 743.17

Remote Hourly Rate $ NTE 661.17

Partner Services

Onsite Hourly Rate $ NTE 600.00

Remote Hourly Rate $ NTE 525.00

Training Deployment Services

Onsite Hourly Rate $ NTE 600.00

Remote Hourly Rate $ NTE 525.00

In addition to the above, Cisco, through applicable Authorized Resellers, is pleased to offer hosted service offerings for certain technology categories listed above (at Cisco's discretion). These hosted offerings provide WSCA-NASPO customers with an alternative way to consume the technology to best meet their needs and provide flexible payment models. These models may be well suited for customers that have limited technical staff for technology deployment and ongoing administration.

The hosted service offerings are based on Cisco validated architectures and delivered through carefully vetted and approved Authorized Resellers. Due to the unique requirements of each customer, Cisco and the approved Authorized Resellers can work with the customer to understand their unique requirements and deploy hosted offerings to best meet their needs. Additional contractual terms and conditions specific to the hosted solutions may be required.

Current Cisco Systems, Inc. pricing sheets, approved by the State of Utah, can be found at the following web link:

VENDOR PRICING SHEETS CLICK HERE

IMPORTANT: The minimum discount percentage listed in this attachment is for general informational purposes only and may not apply to every line item authorized under this contract. For specific item pricing, please refer to the contact price list weblink provided in this document.

Vendors are required to post state specific pricing on their hosted website or through the WSCA-NASPO eMarket center as required by solicitation JP14001, in addition to the vendor pricing sheets approved and hosted by the State of Utah's master contract summary sheet. The State of Utah vendor pricing sheets will serve as the approved base price and do not include any applicable state specific administrative fees. State specific pricing, hosted on the vendor website or WSCA-NASPO eMarketcenter may reflect authorized state specific administrative fees. No other fees are authorized under this contract. Pricing audits may be conducted at any time by the State of Utah, WSCA-NASPO, or 3rd party audit provider to ensure accurate pricing.

Per Solicitation JP14001, the following pricing/product requirements and instructions apply:

1.11 Pricing Structure

Pricing Structure: Pricing for the State of Utah WSCA-NASPO Master Agreements shall be based on the Percent Discount off the current global MSRP Schedule applicable to United States customers.

1.12 Price Guarantee Period

Price Guarantee Period: The Data Communication Provider's Discount rate shall remain in effect for the term of the WSCA-NASPO Master Price Agreement.

1.13 Price Escalation

Equipment, Supplies and Services: Data Communications provider may update the pricing on their MSRP price list one time every year after the first year of the original contract term. The WSCA-NASPO Contract Administrator will review a documented request for a Price Schedule price list adjustment only after the Price Guarantee Period.

1.14 Price Reductions

In the event of a price decrease in any category of product at any time during the contract in a Provider's Price Schedule, including renewal options, the WSCA-NASPO Contract Administrator shall be notified immediately. All Price Schedule price reductions shall be effective upon the notification provided to the WSCA-NASPO Master Agreement Administrator.

1.15 Usage Reporting Requirement

All Data Communication Provider's will be required to provide quarterly usage reports to the WSCA-NASPO Contract Administrator or designee. The initiation and submission of the quarterly reports are the responsibility of the Data Communication Contract Provider. You are responsible to collect and report all sales data including your resellers and partners sales associated with your Master Agreement. There will be no prompting or notification provided by the WSCA-NASPO Contract Administrator. The quarterly usage reports are due as follows:

Quarter #1:	July 1 through September 30, due annually by November 30.
Quarter #2:	October 1 through December 31, due annually by February 28.
Quarter #3:	January 1 through March 31, due annually by May 31.
Quarter #4:	April 1 through June 30, due annually by August 31.

1.20 WSCA Administrative Fee

The Contracted Supplier must pay a WSCA-NASPO administrative fee of one quarter of one percent (.25%) in accordance with the terms and conditions of the contract. The WSCA-NASPO administrative fee shall be submitted quarterly and is based on the actual sales of all products and services in conjunction with your quarterly reports. The WSCA-NASPO administrative fee must be included when determining the pricing offered. The WSCA-NASPO administrative fee is not negotiable and shall not be added as a separate line item on an invoice.

Additionally, some WSCA-NASPO participating entities may require that an administrative fee be paid directly to the WSCA-NASPO participating entity on purchases made by purchasing entities within that State. For all such requests, the fee percentage, payment method and payment schedule for the participating entity's administrative fee will be incorporated in the Participating Addendum. Data Communications Provider will be held harmless, and may adjust (increase) the WSCA-NASPO Master Agreement pricing by the fee percentage for that participating entity accordingly for purchases made by purchasing entities within the jurisdiction of the State. All such agreements may not affect the

WSCANASPO fee or the prices paid by the purchasing entities outside the jurisdiction of the participating entities requesting the additional fee. **The WSCA-NASPO quarterly administrative fee will be submitted along with the quarterly usage reports as set forth below:**

Quarter #1:	**July 1 through September 30, due annually by November 30.**
Quarter #2:	**October 1 through December 31, due annually by February 28.**
Quarter #3:	**January 1 through March 31, due annually by May 31.**
Quarter #4:	**April 1 through June 30, due annually by August 31.**

5.3.2 ADDING PRODUCTS

The ability to add new equipment and services is for the convenience and benefit of WSCA-NASPO, the Participating States, and all the Authorized Purchasers. The intent of this process is to promote "one-stop shopping" and convenience for the customers and equally important, to make the contract flexible in keeping up with rapid technological advances. The option to add new product or service categories and/items will expedite the delivery and implementation of new technology solutions for the benefit of the Authorized Purchasers.

After the contracts are awarded, additional IT product categories and/or items <u>may</u> be added per the request of the Contractor, a Participating State, an Authorized Purchaser or WSCA-NASPO. Additions may be ad hoc and temporary in nature or permanent. All additions to an awarded Contractor or Manufacturer's offerings must be products, services, software, or solutions that are commercially available at the time they are added to the contract award and fall within the original scope and intent of the RFP (i.e., converged technologies, value adds to manufacturer's solution offerings, etc.).

5.3.2.1 New Product from Contractors — If Contractor, a Participating State, an Authorized Purchaser or WSCA-NASPO itself requests to add new product categories permanently, then all awarded Contractors (Manufacturers) will be notified of the proposed change and will have the opportunity to work with WSCA to determine applicability, introduction, etc. Any new products or services must be reviewed and approved by the State of Utah WSCA-NASPO Contract Administrator.

5.3.2.2 Ad Hoc Product Additions — A request for an ad hoc, temporary addition of a product category/item must be submitted to WSCA-NASPO via the governmental entity's contracting/purchasing officer. Ad hoc, temporary requests will be handled on a case-by-case basis. The State of Utah WSCA-NASPO Contract Administrator must also be notified and will review and approve the addition before the purchase is finalized by the end user. The State of Utah WSCA-NASPO Contract Administrator has the final approval on any Ad Hoc product additions.

5.3.2.3 Pricelist Updates — As part of each Contractor's ongoing updates to its pricelists throughout the contract term, Contractor can add new SKUs to its <u>awarded product categories</u> that may have been developed in-house or obtained through mergers, acquisitions or joint ventures; provided, however, that such new SKUs fall within the Contractor's awarded product categories. Updated price lists will be reviewed and approved by the State of Utah WSCA-NASPO Contract Administrator before the revised price list is considered valid.

STATE OF UTAH COOPERATIVE CONTRACT AMENDMENT

AMENDMENT #: 4

CONTRACT #: AR233

Starting Date: 6/1/2014

Renewed Expiration Date: 5/31/2021

TO BE ATTACHED AND MADE PART OF the specified contract by and between the State of Utah Division of Purchasing and Cisco Systems, Inc. (Referred to as CONTRACTOR).

BOTH PARTIES AGREE TO AMEND THE CONTRACT AS FOLLOWS:

The current expiration on this Master Agreement is May 31, 2020. Unprecedented circumstances with the spread and precautions of COVID-19 have caused significant challenges and delays for both Contractors and Participating States seeking to transition from Contractor's current Data Communications Master Agreement before it expires on May 31, 2020.

In consideration of such unprecedented circumstances, this Agreement is renewed for a 1-year term as prescribed in solicitation # JP14001. Upon the Effective Date, this Agreement will now expire May 31, 2021.

The purpose of this 1-year renewal is intended to give Contractors and Participating States more time to transition from Contractor's current, expiring Data Communications Agreement. Accordingly, starting June 1, 2020 no new Participating Addendums (PAs) may be executed under this current Agreement. However, existing PAs may continue to be used under the current Agreement until the Agreement expires on May 31, 2021.

This amendment to the master agreement, also renews the State of Utah PA under the same # AR233 with the same parties.

Effective Date of Amendment: 4/1/2020

All other terms and conditions of the contract, including those previously modified, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR		**STATE OF UTAH**	
March 25, 2020		Mar 26, 2020	
Contractor's Signature	Date	Director, State of Utah Division of Purchasing	Date
Jenn Pate			
Authorized Signatory			
Contractor's Name (Print)			
Title (Print)			

APPROVED BY LEGAL

For Division of Purchasing Internal Use			
Purchasing Agent	Phone #	E-mail Address	**Contract #**
Solomon Kingston	801-538-3228	skingston@utah.gov	AR233

VOUCHER APPROVAL

We, the undersigned council members of the City of Vancouver, Clark County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of:

$ 6,386,660.14 this 8th day of March 2021.

MAYOR

COUNCILMEMBER

AUDITING OFFICER

COUNCILMEMBER

DATE	INCLUSIVE CHECK NUMBERS	CHECK TOTAL
February 23, 2021 - March 1, 2021	Accounts Payable Checks (see attached)	**$ 3,282,478.51**
February 23, 2021 - March 1, 2021	Hansen City Payments (see attached)	**$ 19,806.04**
February 23, 2021 - March 1, 2021	Visa Refunds (see attached)	**$ 1,273.61**
February 23, 2021 - March 1, 2021	Payroll Checks (see attached)	**$ 3,083,101.98**
TOTAL		**$ 6,386,660.14**

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Procurement Card Payment	Manual Wire	No Reference	2/24/2021	576,208.08	CoV Procurement Card	
Supplier Payment	Manual Wire	No Reference	2/25/2021	75.00	HRA VEBA Plan	
Supplier Payment	Manual Wire	No Reference	2/25/2021	7,249.47	ICMA 401A	
Supplier Payment	Manual Wire	No Reference	2/25/2021	180,410.94	ICMA Corp	
Supplier Payment	Manual Wire	No Reference	2/25/2021	26,716.32	ING	
Supplier Payment	Manual Wire	No Reference	2/25/2021	560.50	Oregon SDU	
Supplier Payment	Manual Wire	No Reference	2/25/2021	1,116.00	State of Washington Department of Licensing - Remit-To: DOL - Seattle Remit	
Supplier Payment	Manual Wire	No Reference	2/25/2021	57,678.05	State of Washington Department of Retirement System (PERS)	
Supplier Payment	Manual Wire	No Reference	2/25/2021	1,071.19	Vancouver Fire Command Officers	
Supplier Payment	Manual Wire	No Reference	2/25/2021	24,308.75	Vancouver Firefighters Union Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	2/25/2021	5,638.59	Washington SDU	
Supplier Payment	Manual Wire	No Reference	2/25/2021	19,800.00	Washington State Firefighters	
Supplier Payment	Manual Wire	No Reference	2/25/2021	18,451.12	Western States Health & Welfare Trust	
Supplier Payment	Manual Wire	No Reference	2/26/2021	855,678.65	Internal Revenue Service	
Supplier Payment	Manual Wire	No Reference	2/26/2021	103.38	State of Arizona	
Supplier Payment	Manual Wire	No Reference	2/26/2021	25.12	State of California	
Supplier Payment	Manual Wire	No Reference	2/26/2021	24,346.19	State of Oregon Department of Revenue	
Supplier Payment	Manual Wire	No Reference	3/1/2021	155,049.58	Blue Cross Blue Shield of Oregon	
Supplier Payment	Manual Wire	No Reference	3/1/2021	29,857.21	Gallagher Bassett Services Inc	
Supplier Payment	Manual Wire	No Reference	3/1/2021	4,616.89	Internal Revenue Service	
Supplier Payment	Manual Wire	No Reference	3/1/2021	17,976.70	Washington Dental Service	
Supplier Payment	EFT	EFT-00089988	2/25/2021	68.12	Legal Shield	
Supplier Payment	EFT	EFT-00089989	2/25/2021	917.40	Vancouver Command Guild	
Supplier Payment	EFT	EFT-00089990	2/25/2021	12,146.84	Allegiance Benefit Plan Management Inc	
Expense Payment	Direct Deposit	EFT-00091764	2/25/2021	116.00	Kristine Olinger	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00091765	2/25/2021	102.00	Jason Felderman	Employee Reimbursement
Expense Payment	Direct Deposit	EFT-00091766	2/25/2021	33.99	Travis Moore	Employee Reimbursement
Supplier Payment	EFT	EFT-00091767	2/25/2021	4,374.91	Boys and Girls Clubs of Southwest Washington	
Supplier Payment	EFT	EFT-00091768	2/25/2021	1,848.00	Clark County - Remit-To: Clark County - Treasurer Vancouver	
Supplier Payment	EFT	EFT-00091769	2/25/2021	2,273.74	Universal Field Services Inc	
Supplier Payment	EFT	EFT-00091770	2/25/2021	6,363.50	Rapid Response Bio Clean	
Supplier Payment	EFT	EFT-00091771	2/25/2021	1,488.18	Peterson Power Systems Inc	
Supplier Payment	EFT	EFT-00091772	2/25/2021	2,200.00	JCI Jones Chemicals Inc	
Supplier Payment	EFT	EFT-00091773	2/25/2021	7,678.41	Halme Excavating Inc	
Supplier Payment	EFT	EFT-00091774	2/25/2021	45,692.17	Share Inc	
Supplier Payment	EFT	EFT-00091775	2/25/2021	10,875.00	Community Housing Resource Center	
Supplier Payment	EFT	EFT-00091776	2/25/2021	5,157.71	Clark County Volunteer Lawyers Program	
Supplier Payment	EFT	EFT-00091777	2/25/2021	21,951.00	GRIDSMART Technologies Inc	
Supplier Payment	EFT	EFT-00091778	2/25/2021	95.00	T2 Systems Inc	
Supplier Payment	EFT	EFT-00091779	2/25/2021	53,353.54	Operations Management International Inc	
Supplier Payment	EFT	EFT-00091780	2/25/2021	240.00	Rotschy Inc	
Supplier Payment	EFT	EFT-00091781	2/25/2021	373.47	Praxair Distribution Inc	
Supplier Payment	Check	20487	2/25/2021	8,428.50	Aflac	
Supplier Payment	Check	20488	2/25/2021	5,023.78	AFSCME Local #307	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Supplier Payment	Check	20489	2/25/2021	22,712.82	IAFF Local #452	
Supplier Payment	Check	20490	2/25/2021	712.50	IAM Local #1374	
Supplier Payment	Check	20491	2/25/2021	8,889.80	Life Insurance Company of North America	
Supplier Payment	Check	20492	2/25/2021	575.00	MFS Service Center Inc	
Supplier Payment	Check	20493	2/25/2021	4,082.29	OPEIU Local #11	
Supplier Payment	Check	20494	2/25/2021	544.00	Teamsters Local #58	
Supplier Payment	Check	20495	2/25/2021	297.50	UA Local #290	
Supplier Payment	Check	20496	2/25/2021	10,737.05	Vancouver Police Officer Guild	
Supplier Payment	Check	20497	2/25/2021	2,398.80	Western Conference of Teamsters	
Supplier Payment	Check	20498	2/25/2021	967.20	Western Metal Industry Pension Plan	
Ad Hoc Payment	Check	20499	2/24/2021	2,355.76	Adanya Mattison	Claim Payment - DOL: 12/03/20 - Risk
Ad Hoc Payment	Check	20500	2/24/2021	1,034.00	Alisa Luber	LUP-80456 refund
Ad Hoc Payment	Check	20501	2/24/2021	179.49	Ashley King	Utility Refunds: 0047026602-19
Ad Hoc Payment	Check	20502	2/24/2021	162.83	Bill Carter	RES-287218 refund
Ad Hoc Payment	Check	20503	2/24/2021	20.00	Braden/Amy Hurt	refund alarm inv #99412841
Ad Hoc Payment	Check	20504	2/24/2021	20.00	Burgerville LLC	refund alarm inv #99423962
Ad Hoc Payment	Check	20505	2/24/2021	250.00	Burgerville USA #27 (The Holland Inc)	refund Alarm inv #99417481; 99417956
Ad Hoc Payment	Check	20506	2/24/2021	7,566.32	Clog Pro	Inv #16420 (Shutt)
Ad Hoc Payment	Check	20507	2/24/2021	46.42	Corryne Wicks	Utility Refunds: 0121001952-02
Ad Hoc Payment	Check	20508	2/24/2021	85.00	Dmitriy Gurnik	RES-288049 refund
Ad Hoc Payment	Check	20509	2/24/2021	2,262.83	D R Horton Inc	RES-286067 refund
Ad Hoc Payment	Check	20510	2/24/2021	75.49	Eric Tudor	Utility Refunds: 0019071010-03
Ad Hoc Payment	Check	20511	2/24/2021	59.51	Gabe McCoy E PRO	MPE-294142 refund
Ad Hoc Payment	Check	20512	2/24/2021	1,300.00	Galina Burley	refund cemetery (grave 3-311-4)
Ad Hoc Payment	Check	20513	2/24/2021	432.00	Guardian Fire Protection Inc	FRI-292119 refund
Ad Hoc Payment	Check	20514	2/24/2021	12,764.10	Henco Plumbing Services LLC	Inv #10194718 (Bucknam)
Ad Hoc Payment	Check	20515	2/24/2021	51.31	Isreal Young	Witness Fee
Ad Hoc Payment	Check	20516	2/24/2021	70.00	Jemstone Chevron	refund alarm inv #99416814
Ad Hoc Payment	Check	20517	2/24/2021	62.62	Jennifer Strauch	Utility Refunds: 0134002550-07
Ad Hoc Payment	Check	20518	2/24/2021	2,105.74	Kathy Lohar-Singh	RES-280837 refund
Ad Hoc Payment	Check	20519	2/24/2021	293.00	Matrix Roofing	RES-291627 refund
Ad Hoc Payment	Check	20520	2/24/2021	176.43	Monisha and Prashant Gagneja	Utility Refunds: 0101010112-06
Ad Hoc Payment	Check	20521	2/24/2021	62.66	Pamela and Stephen Brock	Utility Refunds: 0054027392-03
Ad Hoc Payment	Check	20522	2/24/2021	50.00	PCS	Volksteel Erectors (cust #T-4942; Inv #99408832)
Ad Hoc Payment	Check	20523	2/24/2021	250.00	PCS	Walmart (cust. #T-2568; inv #99393958)
Ad Hoc Payment	Check	20524	2/24/2021	20.08	PCS	Jan Beckers (cust #993; Inv #99223718)
Ad Hoc Payment	Check	20525	2/24/2021	710.00	PCS	Pit Stop (cust #15840; inv #992412134/ 99409230/ 99414325/ 99414715/ 99415016/ 99415302/ 99418120))
Ad Hoc Payment	Check	20526	2/24/2021	70.00	PCS	Sunrise Washington Inc (cust #20789; inv #99408547 and 99414724)
Ad Hoc Payment	Check	20527	2/24/2021	111.92	Prairie Electric	MPE-290896 refund
Ad Hoc Payment	Check	20528	2/24/2021	59.51	Prairie Electric	MPE-294013 refund
Ad Hoc Payment	Check	20529	2/24/2021	58.40	Prairie Electric	MPE-290857 refund
Ad Hoc Payment	Check	20530	2/24/2021	129.21	Rae Seipp	Utility Refunds: 0063807000-06
Ad Hoc Payment	Check	20531	2/24/2021	2,189.12	Rich Nevis	MPE-295364 refund
Ad Hoc Payment	Check	20532	2/24/2021	1,596.68	Rogue Real Estate	Utility Refunds: 0135005000-01
Ad Hoc Payment	Check	20533	2/24/2021	276.64	Rogue Real Estate	Utility Refunds: 0135005000-01
Ad Hoc Payment	Check	20534	2/24/2021	78.35	Secure Pacific Corporation	MPE-295743 refund
Ad Hoc Payment	Check	20535	2/24/2021	40.38	Strauch Investments LLC	Utility Refunds: 0134002550-07
Ad Hoc Payment	Check	20536	2/24/2021	194.50	Strauch Investments LLC	Utility Refunds: 0121001327-04
Ad Hoc Payment	Check	20537	2/24/2021	888.48	Superior Low Voltage	FRI-285737 refund

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Ad Hoc Payment	Check	20538	2/24/2021	20.00	Target #1444	refund alarm inv #99425978
Ad Hoc Payment	Check	20539	2/24/2021	78.00	TJ STEPPER	VOUCHER 2008105.030
Ad Hoc Payment	Check	20540	2/24/2021	90,892.20	TPA 240 LP	TIF refund on 18 applications
Ad Hoc Payment	Check	20541	2/24/2021	20.00	Washington Federal	refund alarm inv #99421576
Supplier Payment	Check	20542	2/24/2021	753.50	Accenture LLP	
Supplier Payment	Check	20543	2/24/2021	753.42	Advance Stores Company Incorporated - Remit-To: Advance Auto Parts - Atlanta	
Supplier Payment	Check	20544	2/24/2021	18,840.05	Allegiance Benefit Plan Management Inc	
Supplier Payment	Check	20545	2/24/2021	121.80	American Sani-Can	
Supplier Payment	Check	20546	2/24/2021	2,341.01	Annas Consultants Inc	
Supplier Payment	Check	20547	2/24/2021	4,596.16	Apex Hydrovac Tools LLC	
Supplier Payment	Check	20548	2/24/2021	201.09	Aramark Uniform & Career Apparel LLC - Remit-To: Aramark - Pasadena	
Supplier Payment	Check	20549	2/24/2021	3,452.54	Bacon Collision	
Supplier Payment	Check	20550	2/24/2021	806.18	Cellco Partnership - Remit-To: Cellco - Dallas	
Supplier Payment	Check	20551	2/24/2021	10,375.65	CH2M Hill Engineers Inc - Remit-To: CH2M - Dallas	
Supplier Payment	Check	20552	2/24/2021	30,684.17	CH2M Hill Engineers Inc - Remit-To: CH2M Hill Engineers Inc - Bellevue	
Supplier Payment	Check	20553	2/24/2021	2,218.70	CH2M Hill Inc - Remit-To: CH2M - Dallas	
Supplier Payment	Check	20554	2/24/2021	5,914.44	Chicago Title Company of WA	
Supplier Payment	Check	20555	2/24/2021	692.00	City of Vancouver - Remit-To: COV Main	
Supplier Payment	Check	20556	2/24/2021	3,800.00	Colliers International Valuation & Advisory Services LLC - Remit-To: Colliers - Chicago	
Supplier Payment	Check	20557	2/24/2021	22,980.80	Columbia Cascade Company	
Supplier Payment	Check	20558	2/24/2021	23,212.77	Columbia Resource Company	
Supplier Payment	Check	20559	2/24/2021	8,251.43	Columbia West Engineering	
Supplier Payment	Check	20560	2/24/2021	13.68	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20561	2/24/2021	101.10	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20562	2/24/2021	108.27	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20563	2/24/2021	188.27	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20564	2/24/2021	109.90	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20565	2/24/2021	114.90	Comcast Holdings Corporation - Remit-To: Comcast Business - City of Industry	
Supplier Payment	Check	20566	2/24/2021	2,900.00	Commercial Appraisal and Consulting LLC	
Supplier Payment	Check	20567	2/24/2021	8,155.62	Copiers Northwest	
Supplier Payment	Check	20568	2/24/2021	4,492.81	Council for the Homeless	
Supplier Payment	Check	20569	2/24/2021	3,091.74	CUES Inc - Remit-To: CUES Inc - Cincinnati	
Supplier Payment	Check	20570	2/24/2021	1,402.54	Dell Marketing LP	
Supplier Payment	Check	20571	2/24/2021	5,727.33	Distinctive Landscape LLC	
Supplier Payment	Check	20572	2/24/2021	1,469.95	DKS Associates Inc	
Supplier Payment	Check	20573	2/24/2021	626.25	Ecolights Northwest LLC	
Supplier Payment	Check	20574	2/24/2021	5,271.15	Epic Land Solutions Inc	
Supplier Payment	Check	20575	2/24/2021	918.15	Ferguson Enterprises - Remit-To: Ferguson - Dallas	
Supplier Payment	Check	20576	2/24/2021	26,224.64	Gelco Supply Inc	
Supplier Payment	Check	20577	2/24/2021	13,736.34	Global Software	
Supplier Payment	Check	20578	2/24/2021	3,012.82	Gray & Osborne Inc	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Supplier Payment	Check	20579	2/24/2021	288.00	H&H Wood Recyclers	
Supplier Payment	Check	20580	2/24/2021	1,042.14	H D Fowler Company Inc	
Supplier Payment	Check	20581	2/24/2021	3,960.41	HDR Engineering Inc - Remit-To: HDR Engineering - Chicago	
Supplier Payment	Check	20582	2/24/2021	7,135.09	Herrera Environmental Consultants Inc	
Supplier Payment	Check	20583	2/24/2021	6,249.99	Hispanic Metropolitan Chamber	
Supplier Payment	Check	20584	2/24/2021	1,130.35	Industrial Scientific Corporation - Remit-To: Industrial Scientific Corp - Pittsburgh	
Supplier Payment	Check	20585	2/24/2021	781.00	Investigative Solutions LLC	
Supplier Payment	Check	20586	2/24/2021	34,020.44	Janus Youth Programs Inc	
Supplier Payment	Check	20587	2/24/2021	7,538.00	Kearns & West Inc	
Supplier Payment	Check	20588	2/24/2021	7,638.78	Kittelson & Associates Inc	
Supplier Payment	Check	20589	2/24/2021	13.16	Kronos Incorporated - Remit-To: Atlanta	
Supplier Payment	Check	20590	2/24/2021	1,576.18	Loomis Armored US LLC - Remit-To: Loomis - Palatine	
Supplier Payment	Check	20591	2/24/2021	16,103.85	LSW Architects PC	
Supplier Payment	Check	20592	2/24/2021	1,827.88	Mallory Safety & Supply LLC	
Supplier Payment	Check	20593	2/24/2021	7,137.70	Municipal Emergency Services Inc - Remit-To: Municipal Emergency Services - Chicago	
Supplier Payment	Check	20594	2/24/2021	271.21	National Safety Inc	
Supplier Payment	Check	20595	2/24/2021	3,210.59	Northwest Natural Gas Company - Remit-To: NW Natural - Portland	
Supplier Payment	Check	20596	2/24/2021	8,552.76	Oldcastle Precast Inc	
Supplier Payment	Check	20597	2/24/2021	128.84	Orion Medical Supply	
Supplier Payment	Check	20598	2/24/2021	10,616.06	Parkeon	
Supplier Payment	Check	20599	2/24/2021	7,477.83	Physio-Control Inc - Remit-To: Stryker Medical	
Supplier Payment	Check	20600	2/24/2021	5,045.00	Pitney Bowes Inc	
Supplier Payment	Check	20601	2/24/2021	36,715.68	PPC Solutions Inc	
Supplier Payment	Check	20602	2/24/2021	4,321.92	Precor Commercial Fitness	
Supplier Payment	Check	20603	2/24/2021	565.00	Professional Service Industries	
Supplier Payment	Check	20604	2/24/2021	360.00	Public Safety Testing Inc	
Supplier Payment	Check	20605	2/24/2021	5,165.57	Quadient, Inc - Remit-To: Neopost USA Inc	
Supplier Payment	Check	20606	2/24/2021	3,775.57	RJM Equipment Sales Inc	
Supplier Payment	Check	20607	2/24/2021	19,460.51	Safe Software	
Supplier Payment	Check	20608	2/24/2021	1,909.89	Salazar Architect Inc	
Supplier Payment	Check	20609	2/24/2021	757.46	Software House International SHI - Remit-To: SHI - Dallas	
Supplier Payment	Check	20610	2/24/2021	10,794.21	Software One Inc	
Supplier Payment	Check	20611	2/24/2021	1,029.80	Soha Sign	
Supplier Payment	Check	20613	2/24/2021	11,550.00	StreamlineAM LLC	
Supplier Payment	Check	20614	2/24/2021	8,216.57	The Salvation Army	
Supplier Payment	Check	20615	2/24/2021	1,097.55	Triple J Enterprises	
Supplier Payment	Check	20616	2/24/2021	76.15	United Parcel Service	
Supplier Payment	Check	20617	2/24/2021	6,949.67	Walter E Nelson Company	
Supplier Payment	Check	20618	2/24/2021	29,819.06	Waste Connections of Washington - Remit-To: Waste Connections - Vancouver	
Supplier Payment	Check	20619	2/24/2021	13,722.19	Xchange Recovery	
Supplier Payment	Check	20620	2/24/2021	80.40	XPO Logistics Enterprise Services, Inc - Remit-To: XPO - Portland	
Supplier Payment	Check	20621	2/24/2021	40.69	Ziply Fiber	
Supplier Payment	Check	20622	2/24/2021	390,513.29	Clark Public Utility District No. 1	

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

INVOICE PAYMENTS REPORT

Payment Category	Payment Type	Check Number	Payment Date	Payment Amount	Payment Payee	Payment Memo if applicable
Supplier Payment	Check	20623	2/24/2021	6,225.81	Northwest Staffing Resources Inc - Remit-To: NW Staffing - Portland	
Ad Hoc Payment	Check	20624	2/26/2021	1,100.16	State of Washington Dept of Revenue	WA 2020 Refile Unclaimed Property
			SUBTOTAL	**3,282,478.51**		
Hansen			3/1/2021	19,806.04	City Payments	Posted 02-22-21 to 02-28-21
			SUBTOTAL	**19,806.04**		
Visa			3/1/2021	1,273.61	Miscellaneous	Parks Class Refunds - FCC 02-22-21 to 02-28-21
Visa			3/1/2021	0.00	Miscellaneous	Parks Class Refunds - MCC 02-22-21 to 02-28-21
Visa			3/1/2021	0.00	Miscellaneous	Parks Class Refunds - Special Events 02-22-21 to 02-28-21
Visa			3/1/2021	0.00	Miscellaneous	Parks Class Refunds - WREC 02-22-21 to 02-28-21
			SUBTOTAL	**1,273.61**		
			TOTAL	**3,303,558.16**		

*Please contact Procurement Services if you would like to review the justification for EMERGENCY procurement.

City of Vancouver
Payroll Council Report
February 23, 2021 - March 1, 2021

Check No.	Date	Explanation	Amount	
2908 - 2913	02/25/21	4 2021 Payroll	$	3,016,492.65
89991 - 91673	02/25/21	4 2021 Direct Deposits	$	6,111.17
2914	02/25/21	4 2021 Supp PR	$	0.71
91674 - 91714	02/25/21	4 2021 Supp DD	$	125.91
2915 - 2920	02/26/21	2 Pension Payroll	$	7,719.95
91715 - 91763	02/26/21	2 Pension Direct Deposits	$	52,651.59
			$	**3,083,101.98**

Multi-Family Tax Exemption Program
Phase 1 Changes

March 8, 2021

City Council First Reading

Chad Eiken, CED Director

Peggy Sheehan, Community Services Manager

City of Vancouver Washington

Presentation Overview

- Presentation Overview
  - Program Context
  - Review of MFTE Workplan for 2021
  - Proposed Interim Revision to Affordability Terminology
  - Proposed Revision to Public Benefit Options
  - Proposed Expansion of Downtown MFTE Area
  - Council Questions and Discussion

MFTE Program Context

- Purpose and benefits
  - Incentivize higher density residential development in designated urban centers
  - Supports more efficient delivery of services and use of infrastructure
  - More efficient community footprint – climate impacts
  - More vibrant community, stronger commercial districts and stronger tax base over time
  - Generational Return on Investment (50 + years)
- Program management
  - Annual monitoring & rent level verification

Prior Council Feedback on MFTE Program

- January 4, 2021 Workshop
  - Maintain program as an economic development tool;
  - Propose interim “fix” to affordable terminology pending further analysis of parameters;
  - Sharpen definition of “public amenity” for market rate projects;
  - Expand geographic boundaries of program to other areas of the City (e.g. Mill Plain Corridor, The Heights) where it makes sense;
  - Tailor program tools to advance related policy objectives by geographic area
- February 22, 2021 Workshop
  - Tighten up public benefit requirement options: 1) Parking (structured and certain % above minimum); 2) Public Art (subject to review by Cultural Commission); 3) Minimum size of public plazas

MFTE 2021 Work Program (High Level)

Timeframe	Issue/Task	Objective
Q1, 2021 (Phase 1)	Interim solution to rename affordable option as “income based”; delete problematic public benefit requirement options; consider bringing in Kirkland properties to VCCV	Fix “affordable” language until AMI issue resolved and remove “landscaping, enhanced building design, etc. ” from public benefit requirement
Q2, 2021 (Phase 2)	Additional analysis regarding use of MFTE for affordable housing; link to Vancouver incomes; consider setting affordable housing targets; add a fee-in-lieu	Tailor affordable options to increase usage of affordable options; address public benefit requirement including adding a fee-in-lieu

(Continued)

MFTE 2021 Work Program (continued)

Timeframe	Issue/Task	Objective
Q2-Q3, 2021 (Phase 2 cont.)	Consider expansion of MFTE program area to other areas (.e.g Mill Plain Corridor, Heights, expanded Fourth Plain). Evaluate characteristics of areas to determine how program can advance identified policy goals	Develop a highly customized program, by area, that is responsive to specific policy goals (e.g. unit type, affordability, owner occupancy, etc.)
Q3, 2021	Return to Council with set of comprehensive changes	Maximize use of MFTE Program in areas where higher density housing is desired

CITY OF Vancouver WASHINGTON

1. Revise Affordability Terminology

The Issue:

- Current MFTE program affordable options are not resulting in rents affordable using Vancouver median incomes; options are “affordable” in name only because they are based on Portland Metro incomes versus Vancouver incomes
- More analysis is required develop parameters that balance goal of creating truly affordable options without significantly affecting participation in the program
- Council direction to revise terminology for now pending further study

1. Revise Affordability Terminology – why it matters

Affordable

[max housing costs @ 30% of Vancouver Median Household Income]

Methods of support:

- Affordable Housing Fund
- Affordable Housing Sales Tax
- State Low Income Housing Tax Credits (LIHTC)
- CDBG/HOME
- Housing Vouchers

Income Based

[max housing costs @ 30% of 60% - 100% of HUD Area Median Income]

Methods of support:

- MFTE Program
- CDBG/HOME

Market Rate

[no income limits]

Method of support:

- MFTE Program

1. Revise Affordability Terminology (cont.)

Proposed Solution:

- Amend ordinance to replace “affordable” with “income-based” while more substantive changes to the affordability parameters are under review
- Delete definition of “Affordable Housing”
- Add Definition of Income-Based Housing using previous definition of “Affordable Housing:” *Residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.*

Result: Ordinance is more accurate and transparent while affordability/income limits are being reviewed further

2. Modify Public Benefit Options

Issue:

Current broad definition of “public benefit” for 8-year market rate housing projects in exchange for not providing any affordable units has led to inconsistencies and confusion.

DRAFT Solution (subject to Council feedback):

- *Public art consistent with the City’s adopted Arts, Culture and Heritage Plan and subject to review by the Vancouver Cultural Commission*
- *Additional structured parking in excess of at least 10% of the minimum required parking spaces*
- *Significantly enhanced public infrastructure not otherwise required by development standards valued at least 25% of the estimated tax benefit*

2. Modify Public Benefit Options (cont.)

Modify or retain the following options:

- *Enhanced infrastructure (e.g. public plazas <u>of at least 1,000 square feet and permanently accessible to the public</u>, wider sidewalks, undergrounding utilities) <u>not otherwise required by development standards</u>*
- *Homeownership component*

Delete the following options: *Enhanced landscaping, energy efficiency, consistency with the subarea plan*

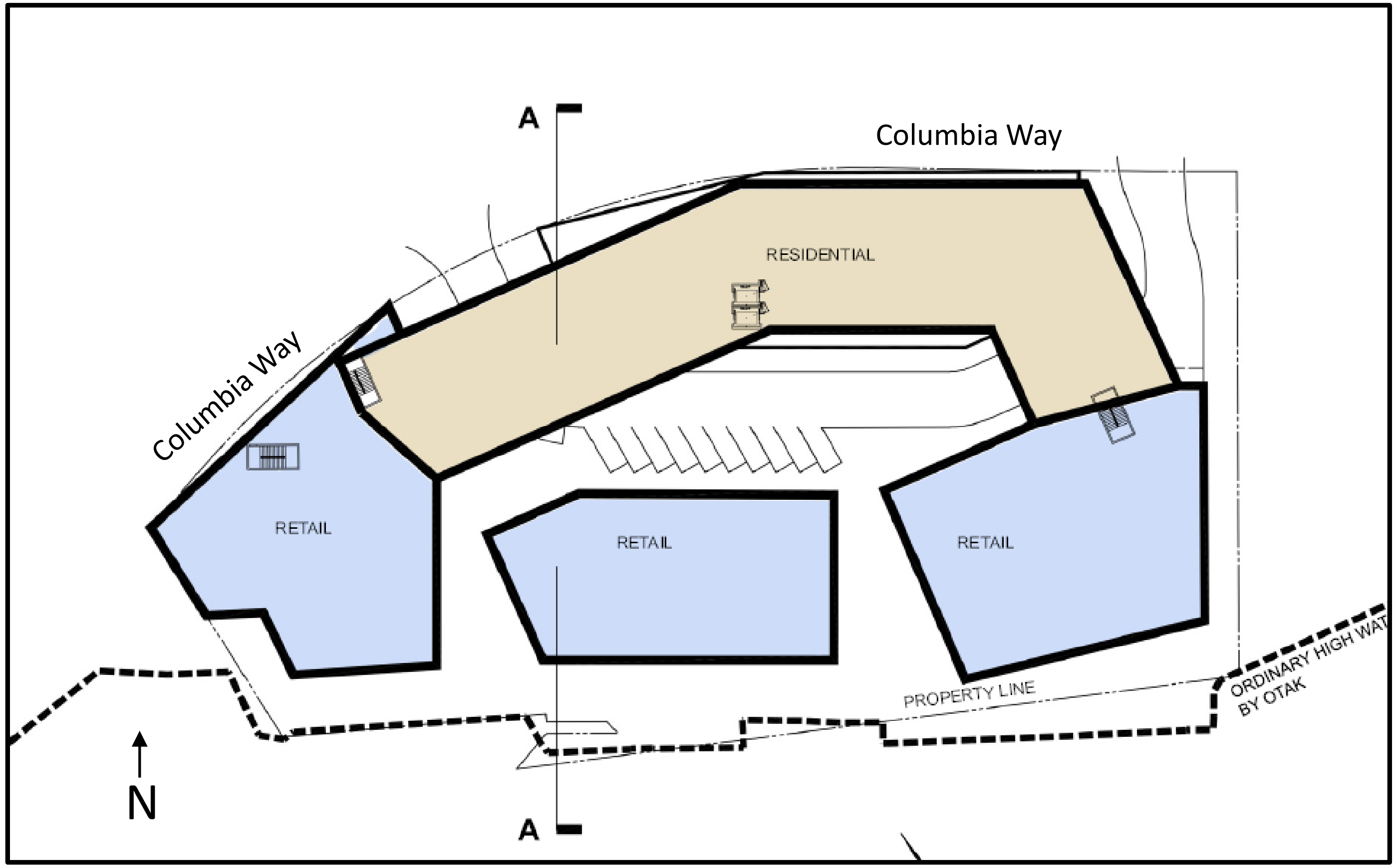
Add: *<u>The cost of such features shall collectively be no less than 25% of the estimated tax benefit over the abatement period and shall be completed and inspected prior to a certificate of occupancy being issued.</u>*

3. Expand Downtown MFTE Boundary

- Kirkland Development is proposing to redevelop property immediately east of I-5 for a mixed-use project
- Proposal is for 200-220 market rate multi-family units, 115,000-140,000 square feet of office, retail and restaurant space, and structured parking
- Request is to expand Downtown MFTE area to include “Kirkland East” project.

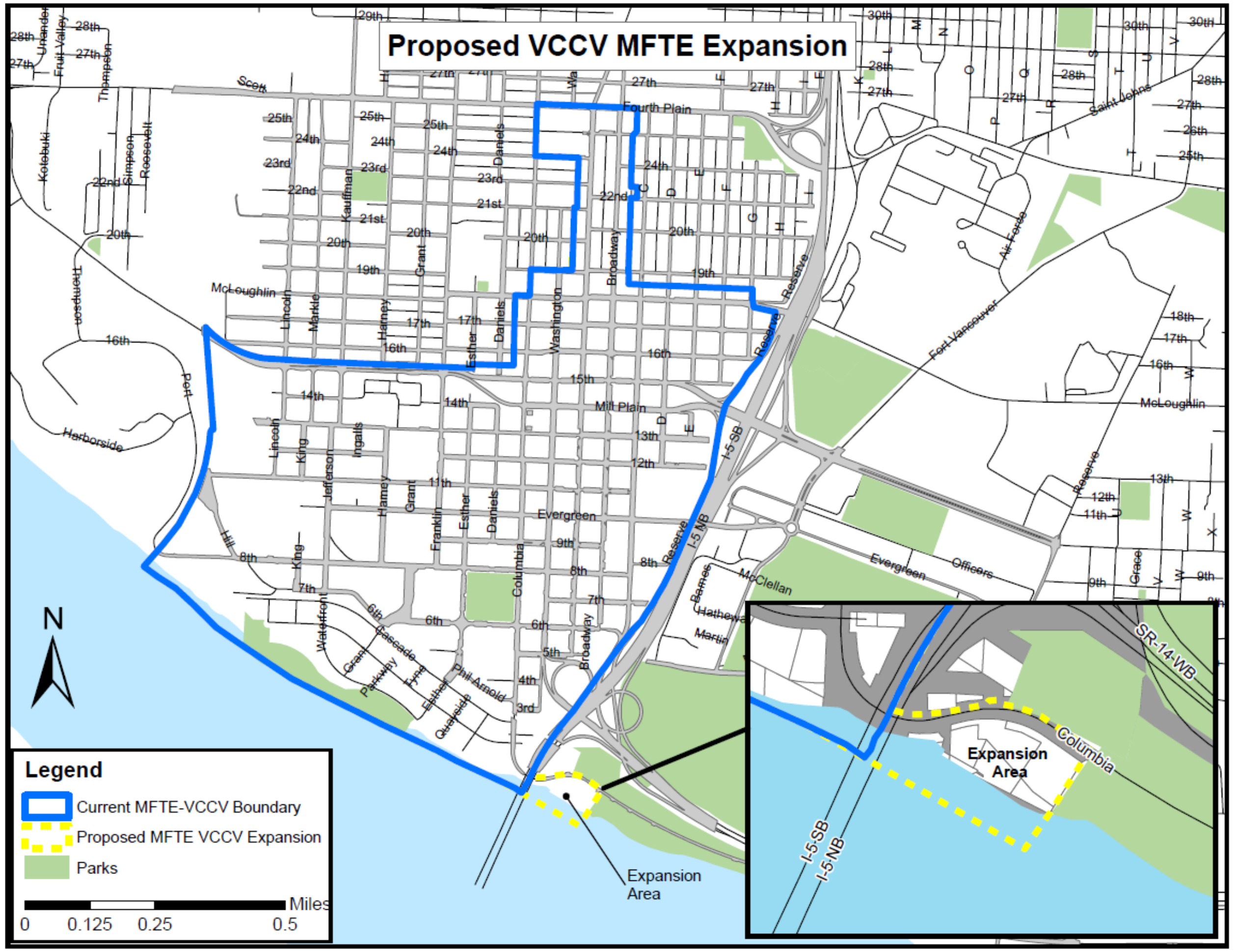
CITY OF Vancouver WASHINGTON

Kirkland East Project



Proposed MFTE Boundary Change

- Would add 2.0 acres to Downtown MFTE Area
- Site is zoned CX, City Center – same as downtown
- Site would meet eligibility criteria for MFTE program
- MFTE incentive would facilitate redevelopment and increased density
- Public benefits must be 'above and beyond' code requirements



Next Steps

- March 8, 2021 First Reading, Schedule Public Hearing
- March 15, 2021 Second Reading, Public Hearing
- March 22, 2021 Workshop on Kirkland East project specifics
- April 15, 2021 Ordinance takes effect

- Legislative activity – monitor and advocate

- Future phases following legislative session

Questions and Discussion

CITY OF Vancouver WASHINGTON

Chad Eiken, CED Director
chad.eiken@cityofvancouver.us
Peggy Sheehan, Community Services Mgr.
peggy.sheehan@cityofvancouver.us

Staff Report 037-21

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

DATE: 3/8/2021
3/15/2021

SUBJECT Multi-Family Tax Exemption Program Phase 1 Changes

Key Points

- Washington State Law authorizes cities to adopt a multi-family tax exemption program in certain areas and subject to certain restrictions.
- City of Vancouver has had a Multi-Family Tax Exemption Program in place since 1997, and recent projects have highlighted the need to revise several areas of the code to improve clarity;
- A comprehensive review of the program is underway and is expected to lead to further recommended revisions by the end of 2021.
- Council has requested more immediate action to address two issues in the interim: 1) replace the term "affordable" with "income based" to acknowledge that the current requirements do not result in housing that is affordable using Vancouver-based incomes, and 2) clarify or delete several "public amenities" which would satisfy the public benefit requirement under the market rate housing option, which are difficult to measure or simply not appropriate.
- Additionally, and separate from ongoing discussions regarding possible improvements to the program, a developer of a 2.0 acre property located immediately adjacent to the downtown MFTE area has requested that the property be incorporated into the MFTE area in order for a redevelopment project to utilize the program, and their request is incorporated in the attached ordinance.
- The proposed changes will apply to any new MFTE request that is submitted after the ordinance takes effect.

Strategic Plan Alignment

Objective 6.2.1: Develop a broader range of housing choices through incentives, changes in regulations, and implementation of the Affordable Housing Task Force recommendations

Present Situation

On December 7, 2020, staff proposed an ordinance for Council approval that would have adjusted the Area Median Income (AMI) used to determine maximum affordable rents by -30% to be more representative of Vancouver's median income. Following a discussion after the public hearing, Council voted to not approve the ordinance, citing concerns about how such a change might inadvertently reduce participation in the MFTE Program and therefore decrease the supply of new units.

Council remains concerned about the disparity between the HUD-based "affordable income" benchmark used by the program and Vancouver-specific incomes, and asked staff to return with a proposal that would balance the desire to base the affordable options on Vancouver median income with a desire for the program to continue to provide an attractive incentive for development of new housing targeted to a range of income levels. The current reference to "affordable" in the MFTE ordinance communicates that the program is designed to deliver housing that is affordable to Vancouver residents when in fact – because fo the disparity noted above - it is not. The MFTE is, however, effective at stimulating development of additional multi-family housing available to a range of income levels.

Council discussion suggested that the benefits of the program could be maintained and the ordinance be made more accurate if the term "affordable housing" were replaced throughout the ordinance with some other term that is more accurate. While it will take some time to develop an alternative to the current "affordable" option that balances the above goals, staff could return to Council on a fairly short time frame with an ordinance that replaces "affordable housing" with "below market," "work force," or "income-based."

Based on feedback from Council on December 7, 2020 regarding the proposal to revise the Area Median Income (AMI) benchmark used by the program, staff revised the proposed work program to combine an analysis of the affordable options into more comprehensive look at how the program is working, areas where it might be expanded, and how the program can be further refined to address specific policy goals in each area. At the January 4, 2021, Council workshop, staff provided more data on how the MFTE program has been used since 2001, and proposed a revised work program for addressing the above issues in a more holistic manner.

At the January workshop, Council acknowledged more time would be needed to develop a more comprehensive set of revisions to the program, and confirmed their interest in more quickly advancing changes to the MFTE ordinance that address: 1) the lack of clarity in the public benefit requirement for market rate housing, and 2) elimination of the use of the term "affordable" in the ordinance when the maximum rents under the "affordable" options have been found to not be affordable to families earning below the Vancouver-specific median income level. These are seen as potentially being interim changes until a set of more comprehensive changes can be considered later this year.

The proposed ordinance would provide for the following phase 1 program revisions:

1. Replacement of the term "affordable" with the term "income-based," as an interim solution to the discrepancy between Vancouver incomes and the income benchmark used by the program.
2. Refine the public benefit requirements regarding type of qualifying amenity/infrastructure under the market rate option, such as deleting enhanced design, enhanced landscaping, energy efficiency, and consistency with the subarea plan, the relative value of which have

been found to be difficult to quantify, or have been difficult to administer.

3. A proposed revision to the downtown MFTE boundary to bring in a 2-acre property that is adjacent to the downtown VCCV area, which would facilitate a major mixed use redevelopment proposal.

At the February 22, 2021, workshop, City Council asked staff to return with several changes to the public benefit requirements, which have been incorporated into the draft ordinance, as follows:

1. For parking to be considered a "public benefit," Council requested that the ordinance require a minimum number or percentage of additional spaces above the minimum parking requirement. Staff is proposing that the developer provide 10% more parking spaces than the minimum requirement in order for this to qualify as a benefit;

2. Additionally in regard to parking as a public benefit, Council requested that only spaces within a parking structure, versus surface parking, be eligible as a public benefit and this change has been incorporated into the ordinance.

3. Council requested that a minimum size of any proposed public plaza be established, and that any public plaza used to qualify for the incentive be accessible to the public after the tax exemption period expires. Staff is recommending that public plazas be at least 1,000 square feet in size and permanently accessible to the public (which can be formalized through an easement or covenant);

4. Lastly, Council asked that staff propose a minimum value/cost of the features so that collectively the public benefit is something substantial. Staff is proposing that the cost of the features, which would be "up front" be no less than 25% of the estimated tax benefit over the abatement period.

The second phase, which would likely take most of 2021 to complete, would consist of a more comprehensive evaluation of how the MFTE Program is working and ways that it should be adjusted to be a more effective tool in furthering city goals. The second phase would include:

1. Additional analysis regarding the use of the MFTE program for affordable housing, in order to base maximum rent on Vancouver median incomes while maintaining participation in the program;

2. Consideration of an expansion of geographic boundaries of program to include Mill Plain Corridor to include the Heights District, broaden Fourth Plain Corridor, and potentially other areas where multi-family housing is desired; and

3. Analysis of the overall efficacy of the program to review and refine policy goals and adjust the incentive by area as needed to accomplish policy goals.

Advantage(s)

1. Increases transparency and accuracy by replacing the term "affordable" with "income-based" pending further recommendations regarding the income-based options;

2. Eliminates several examples of enhancements that qualify for the public benefit requirement

under the market rate apartment option which have been found to be difficult to administer or enforce, pending further recommendations regarding the public benefit requirement; and

3. Adds several parcels located immediately abutting the VCCV boundary to the east to the downtown MFTE area, thereby facilitating the redevelopment of a waterfront property for higher density uses.

Disadvantage(s)

None.

Budget Impact

None.

Prior Council Review

- 2/22/2021 Council Workshop
- 1/4/2021 Council Workshop
- 12/7/2020 Council Public Hearing on Income Thresholds
- 9/28/2020 Council Workshop

Action Requested

On Monday, March 8, 2021, approve ordinance on first reading, setting date of second reading and public hearing for Monday, March 15, 2021.

Chad Eiken, Community and Economic Development Director, 360-487-7882

ATTACHMENTS:

- Ordinance
- Presentation *(separate cover)*

03/08/21
03/15/21

ORDINANCE NO. ______

AN ORDINANCE amending Chapter 3.22 VMC related to the multi-family property tax exemption changing definitions, deleting references to public amenities, and expanding the area eligible for the program; and providing for an effective date.

WHEREAS, Washington State Law authorizes cities to adopt a multi-family tax exemption program in certain areas; and

WHEREAS, the City of Vancouver has had a Multi-Family Tax Exemption Program in place since 1997, and recent projects have highlighted the need to revise several areas of the code to improve clarity; and

WHEREAS, a comprehensive review of the program is underway and is expected to lead to further recommended revisions by the end of 2021; and

WHEREAS, Council has requested immediate revisions to address two issues before comprehensive revisions are adopted at the end of 2021; and

WHEREAS one such revision is to replace the term "affordable" with "income based" to acknowledge that the current requirements do not result in housing that is affordable using Vancouver-based incomes; and

WHEREAS another such revision is to delete references to "public amenities" that are listed as meeting the public benefit requirement under the market rate housing option, which are difficult to measure or simply not appropriate; and

WHEREAS, Council desires adjustment to the MFTE-eligible boundary to include property located immediately adjacent to the downtown MFTE (Vancouver City Center Vision

Plan) area to facilitate a proposed large mixed use redevelopment project Council believes will be beneficial for the public.

NOW, THEREFORE, be it ordained by the City Council of the City of Vancouver:

Section 1. Findings.

The City Council of the City of Vancouver finds that the proposed expansion area meets the applicable criteria set forth at Chapter 84.14.040(1) RCW as more specifically set forth below:

1. City Council has previously determined that the downtown, also referred to as the Vancouver City Center Vision Subarea, is an urban center under the MFTE program. Most of the VCCV Subarea plan area is zoned City Center Mixed Use, which allows for a wide range of high density residential, office, and retail uses, and is considered the most "urban" of all zoning districts.

2. The area which is proposed to be incorporated into the VCCV MFTE area is immediately adjacent to the eastern boundary of the VCCV Subarea, and is also zoned City Center Mixed Use, therefore Council hereby determines that the proposed expansion area meets the criteria for being within an urban center.

3. The proposed expansion area consists of two acres more or less that are currently occupied by two restaurants, with no housing. The VCCV Subarea has previously been determined by City Council to lack sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center.

4. Additional housing in the expansion area, including affordable housing, will advance the stated goal of increasing residential density, support for local businesses, and vitality within the downtown.

Section 2. Ordinance M-3314 as last amended by Ordinance M-4186 and codified at Vancouver Municipal Code Section 3.22.02 is amended to read as follows:

Section 3.22.020 Definitions.

~~A. "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone and any mandatory recurring fees required as a condition of tenancy for the unit, do not exceed thirty percent of the~~

~~household's monthly income. For the purposes of homeownership, the income limits are listed in Section 3.22.040(D)(8) Affordability.~~

~~B.~~ A. “Annual Income” means gross annual income adjusted for household size and calculated based on verifiable income documentation provided by the housing applicant/tenant.

~~C.~~ B. “Area Median Income” means the median income calculated annually by the United States Department of Housing and Urban Development for the Portland-Vancouver-Hillsboro metropolitan statistical area. Area Median Income is adjusted based on household size.

~~D.~~ C. “Director” means the Director of the City's Community Development Department or authorized designee.

~~E.~~ D. "Household" means a single person, family or unrelated persons living together.

~~F.~~ E. "Growth management act" means chapter 36.70A RCW.

F. “Income based housing” means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone and any mandatory recurring fees required as a condition of tenancy for the unit, do not exceed thirty percent of the household’s monthly income. For the purposes of homeownership, the income limits are listed in Section 3.22.040(D)(8) Options Under the Program.

G. “Market Rate Exemption Option” means an eight (8) year property tax exemption with no income or rent requirements, subject to the public benefit requirements as outlined in Section 3.22.040, D, 8, a. ~~Properties are secured with a development agreement outlining requirements such as enhanced design, public art, additional parking or structured parking, enhanced landscaping, enhanced infrastructure (e.g. wider sidewalks, undergrounding utilities) homeownership component, energy efficiency, and consistency with subarea plan.~~

H. “Multi-family housing” means building(s) having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings.

I. “Owner” means the property owner of record.

J. “Permanent residential occupancy” means multi-family housing that provides either rental or owner occupancy for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

K. “Rehabilitation improvements” means modifications to existing structures that are vacant for 12 months or longer, or modification to existing occupied structures which convert non-residential space to residential space and/or increase the number of multi-family housing units.

L. “Residential target area” means an area within an urban center that has been designated by the City Council as lacking sufficient, available, desirable, and convenient residential housing to meet the needs of the public.

M. “Urban center” means a compact identifiable district containing several business establishments, adequate public facilities, and a mixture of uses and activities, where residents may obtain a variety of products and services.

Section 3. Ordinance M-3314 as last amended by M-4213 and codified at Vancouver Municipal Code Section 3.22.030 is amended to read as follows:

Section 3.22.030 Residential target area designation and standards.

A. Criteria. Following a public hearing, the city council may, in its sole discretion, designate one or more residential target areas. Each designated target area must meet the following criteria, as determined by the city council:

1. The target area is located within an urban center;

2. The target area lacks sufficient available, desirable, affordable, and convenient residential housing to meet the needs of the public who would likely live in the urban center if desirable, affordable, attractive, and livable places were available; and

3. The providing of additional housing opportunity in the target area will assist in achieving the following purposes:

a. Encourage increased residential opportunities within the target area, including ~~affordable~~ income-based housing opportunities; or

b. Stimulate the construction of new multi-family housing and/or the rehabilitation of existing vacant and under-utilized buildings for multi-family housing; or

c. Where appropriate, stimulate the construction, rehabilitation or conversion of existing vacant and underutilized multi-family rental units to owner occupied multi-family housing as such property redevelops.

4. In designating a residential target area, the city council may also consider other factors, including, but not limited to: whether additional housing in the target area will attract and maintain an increase in the number of permanent residents; whether an increased residential population will help alleviate detrimental conditions in the target area; and whether an increased residential population in the target area will help to achieve the planning goals mandated by the Growth Management Act under RCW 36.70A.020. The city council may, by ordinance, amend

or rescind the designation of a residential target area at any time pursuant to the same procedure as set forth in this chapter for original designation.

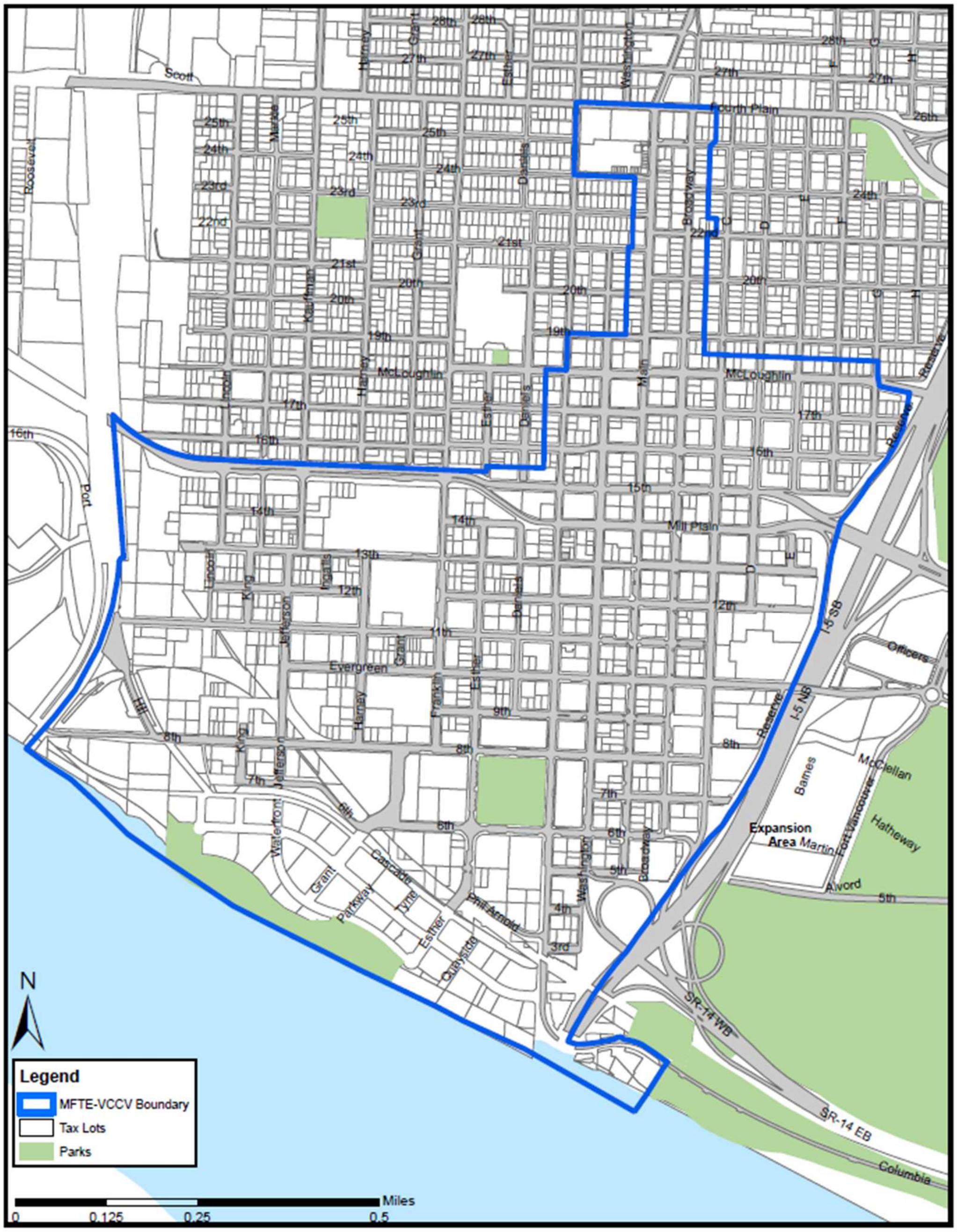
5. When designating a residential target area, the city council shall give notice of a hearing to be held on the matter and that notice shall be published once each week for two consecutive weeks, not less than seven days nor more than 30 days before the date of the hearing. The notice must state the time, date, place and purpose of the hearing and generally identify the area proposed to be designated

B. Target Area Standards and Guidelines. For each designated residential target area, the city council shall adopt basic requirements for both new construction and rehabilitation, including the application process and procedures. The city council may also adopt guidelines which include parking, height, density, environmental impact, home ownership, public benefit features, compatibility with the surrounding property and such other amenities as will attract and keep permanent residents and will properly enhance the livability of the residential target area. The required amenities shall be relative to the size of the proposed project and the tax benefit to be obtained.

C. Designated Target Areas. The "following residential target areas" are designated in the City of Vancouver.

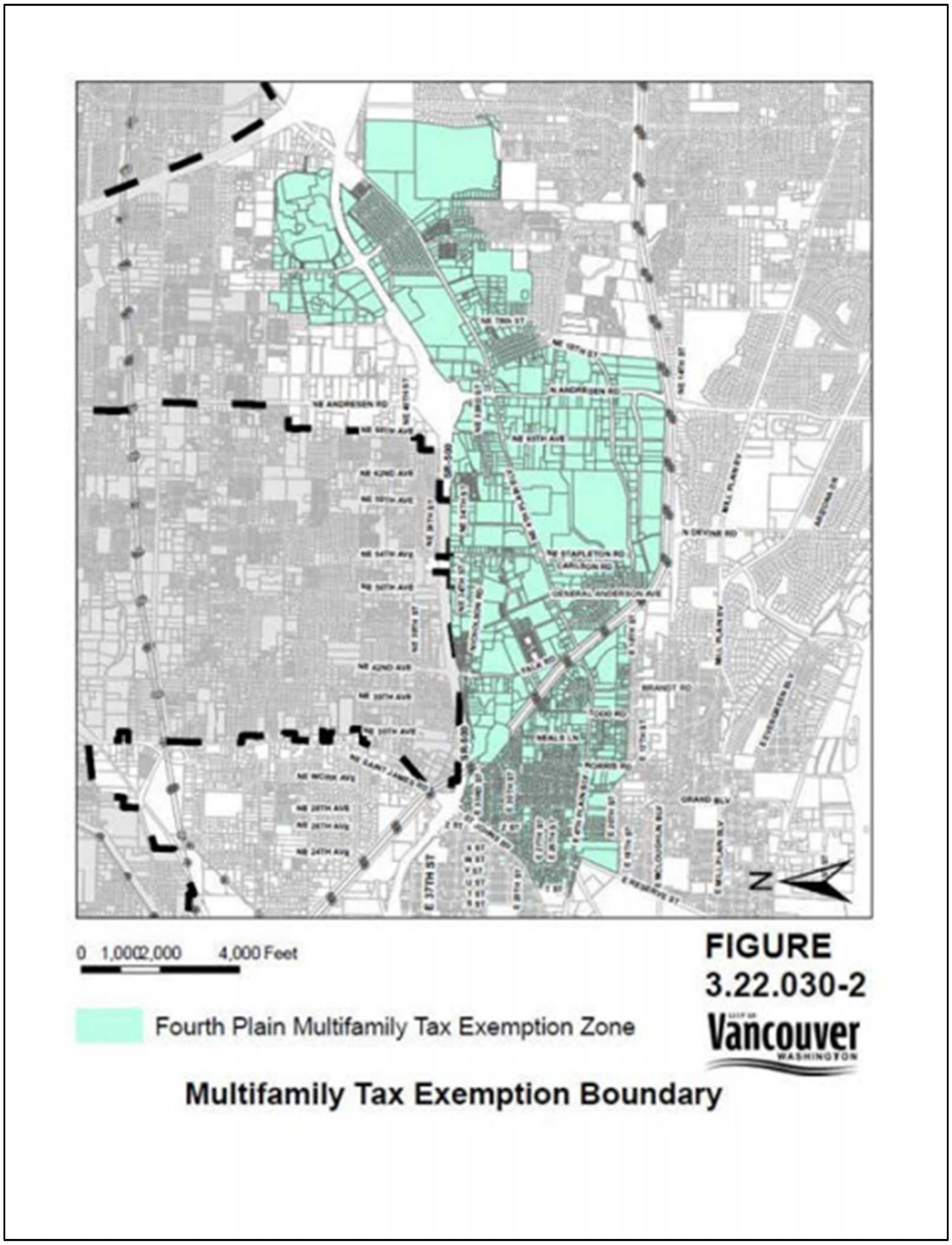
1. The area inside the boundaries of the Vancouver City Center Subarea Plan <u>and an adjacent area consisting of approximately two acres located south of SE Columbia and east of Interstate 5</u> as depicted on Map 1 below:

Map 1: Vancouver City Center Vision Subarea



2. The area inside the boundaries of the Fourth Plain Corridor Subarea Plan as depicted on Map 2 below. This residential target area shall encourage the construction or rehabilitation of owner-occupied multi-family housing as well as <u>rental</u> multi-family housing.

Map 2. Fourth Plain Corridor Subarea



Section 4. Ordinance M-3314 as last amended by Ordinance M-4225 and as codified at Vancouver Municipal Code Section 3.22.040 is amended to read as follows:

Section 3.22.040 Tax exemptions for multi-family housing in residential target areas.

A. Intent. Limited eight, ten or twelve year exemption from ad valorem property taxation for multi-family housing in urban centers are intended to:

1. Encourage increased residential opportunities within urban centers designated by the city council as residential target areas;

2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multi-family housing in residential target areas to increase and improve housing opportunities;

3. Assist in directing future population growth to designated urban centers, thereby reducing development pressure on single-family residential neighborhoods; and

4. Achieve development densities which are more conducive to transit use in designated urban centers.

5. Encourage new construction or rehabilitation of owner-occupied multi-family housing where identified as desirable; and

6. Encourage ~~affordable~~ income-based housing.

B. Duration of Exemption. The value of improvements qualifying under this chapter will be exempt from ad valorem property taxation for:

(1) Eight successive years where all applicable criteria herein are met under Section 3.22.040(8)(a) or (b), or (2) Ten successive years if all applicable criteria herein ~~including affordability~~ are met, or (3) Twelve successive years if all applicable criteria herein ~~including affordability~~ are met. In both cases the duration of exemption shall be measured beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.

C. Limits on Exemption. The exemption does not apply to the value of land or the value of improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and non-qualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.

D. Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:

1. Location. The project must be located within a residential target area, as designated in Section 3.22.030.

2. Tenant Displacement Prohibited. Property proposed to be rehabilitated must be vacant at least twelve months before submitting an application and fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.

3. Size. The project must include at least four units of multi-family housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for 12 months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multi-family housing.

4. Permanent Residential Housing. At least 50 percent of the space designated for multi-family housing must be provided for permanent residential occupancy, as defined in Section 3.22.020.

5. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.

6. Compliance with Guidelines and Standards. The project must be designed to comply with the city's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations in effect at the time the application is approved. Rehabilitation and conversion improvements must comply with all applicable housing codes. New construction must comply with the ~~Uniform~~ International Building Code. The project must also comply with any other standards and guidelines adopted by the city council for the residential target area in which the project will be developed.

7. Owner Occupancy. Projects within a residential target area that are developed for owner-occupancy shall include an agreement or other guarantee acceptable to the Director ensuring that some or all of the units within the project are used for purposes of owner-occupancy.

8. ~~Affordability~~ Options Under the Program. To be eligible for the eight-year tax exemption option under this chapter, the applicant may choose between the market-rate option and the ~~affordable~~ income-based option.

a. Under the eight-year market-rate exemption option, applicants shall enter into a development agreement with the city specifying requirements such as: ~~enhanced design~~

1. ~~p~~Public art consistent with the City's adopted Arts, Culture and Heritage Plan and subject to review by the Vancouver cultural Commission

2. ~~a~~Additional ~~parking or~~ structured parking in excess of at least 10% of the minimum required parking spaces, ~~enhanced landscaping,~~

3. Significantly enhanced public infrastructure (e.g. public plazas of at least 1,000 square feet and permanently accessible to the public, wider sidewalks that provide enhanced amenities for pedestrians such as benches, landscaping and/or public art, undergrounding utilities) not otherwise required by development standards, and homeownership component~~, energy efficiency, consistency with subarea plan~~.

4. The documented cost of such features shall collectively be no less than 25% of the estimated tax benefit over the abatement period and shall be completed, inspected and verified as to value prior to a certificate of occupancy being issued.

b. To be eligible for the eight-year ~~affordable~~ income-based exemption option under this chapter, applicants must commit to renting or selling at least 20% of units as ~~affordable~~ income-based housing to households with annual incomes at or below 100% of Area Median Income.

~~2~~9. To be eligible for the ten-year tax exemption, applicants must commit to renting or selling at least 20% of units as ~~affordable~~ income-based housing to households with annual incomes at or below 80% of Area Median Income.

~~3~~10. To be eligible for the twelve-year tax abatements exemption under this chapter, applicants must commit to renting or selling at least 20% of units as ~~affordable~~ income-based housing to households with annual incomes at or below 60% of Area Median Income.

~~4~~.11 Table 1 below summarizes the as ~~affordable~~ income-based requirements for each exemption option.

Exemption Period	~~Affordability~~ **Income-based Requirement**
Eight (8) Years	No ~~affordability~~ income-based requirement with development agreement under market-rate option; or Minimum of 20% of units rented or owned will be ~~affordable~~ as income-based housing to households at/below 100% of Area Median Income
Ten (10) Years	Minimum of 20% of units rented or owned will be as ~~affordable~~ income-based housing to households at/below 80% of Area Median Income
Twelve (12) Years	Minimum of 20% of units rented or owned will be as ~~affordable~~ income-based housing to households at/below 60% of Area Median Income

E. Application Procedure. A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:

1. File with the city's Community Development Department the required application and the required fees. The initial application fee to the city shall consist of a base fee of $300, plus $50 per multi-family unit, up to a maximum total fee to the city of $1,000. An additional $100 fee to cover the Clark County Assessor's administrative costs shall also be paid to the city. If the city denies the application, the city will retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant.

2. A complete application shall include:

a. A completed City of Vancouver multi-family limited tax exemption application form setting forth the grounds for the exemption;

b. Preliminary floor and site plans of the proposed project;

c. Detailed list of unit size, number of bedrooms and bathrooms and projected rent or sales price.

d. A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter;

e. Verification by oath or affirmation of the information submitted.

f. A detailed project budget, financing plan and operating projection; and g. For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of 12 months prior to filing the application and shall secure from the city verification of property noncompliance with the city's minimum housing code.

F. Application Review. City staff will review the application to determine eligibility based on 3.22.040(D) and evaluate the effect of the deferred tax proceeds.

G. Issuance of Conditional Certificate. The director may certify as eligible an applicant who is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within 90 days of receipt of a complete application.

1. Approval. If an application is approved, the applicant shall enter into a contract with the city, subject to approval by the city council in a form of a resolution, regarding the terms and conditions of the project. Upon council approval of the contract, the Director shall issue a Conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate shall expire three years from the date of approval unless an extension is granted as provided in this chapter.

2. Denial. If an applicant is denied, the Director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten days of the denial. An applicant may appeal a denial to the city council within 30 days of receipt of notice. On appeal, the Director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the Director's decision. The city council's decision on appeal will be final.

H. Extension of Conditional Certificate. The Conditional Certificate may be extended by the Director for a period not to exceed 24 consecutive months except as provided below. The applicant must submit a written request stating the grounds for the extension, accompanied by a $100 processing fee. An extension may be granted if the Director determines that:

1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the applicant;

2. The applicant has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and

3. All the conditions of the original contract between the applicant and the city will be satisfied upon completion of the project.

4. An additional 12 month extension may be granted where each of the following criteria are met:

a. The request for the extension is for a later phase of a development subject to a development agreement; and

b. The Conditional Certificate was granted prior to February 2015; and

c. Ownership of the property has been transferred subsequent to the granting of the Conditional Certificate."

I. Application for Final Certificate.

1. Upon completion of the improvements agreed upon in the contract between the applicant and the city and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the City's Community Development Services Department the following:

a. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;

b. A description of the completed work and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption;

c. If applicable, a statement that the project meets the as ~~affordable~~ income-based housing requirements as described in RCW 84.14.020.

d. A statement that the work was completed within the required three-year period plus any authorized extension.

2. Within 30 days of receipt of all materials required for a Final Certificate, the Director shall determine which specific improvements satisfy the requirements whether the work was completed, and the ~~affordability~~ rent and income limits of the units~~,~~ is consistent with the application and the contract approved by the city and is qualified for a limited tax exemption under this chapter.

J. Issuance of Final Certificate.

1. Review and Approval. If, after reviewing, the application for Final Certificate, the Director determines that the project has been completed in accordance with the contract between the

applicant and the city and has been completed within the authorized time period, the city shall, within ten days, file a Final Certificate of Tax Exemption with the Clark County Assessor.

2. Denial. The Director shall notify the applicant in writing that a Final Certificate will not be filed if the Director determines that:

a. The improvements were not completed within the authorized time period;

b. The improvements were not completed in accordance with the owner's application or the contract between the applicant and the city; including if applicable as ~~affordable~~ income-based housing requirements; or

c. The owner's property is otherwise not qualified under this chapter.

3. Appeal. Within 14 days of receipt of the Director's denial of a Final Certificate, the applicant may file an appeal with the city council. On appeal, the Director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the Director's decision. The city council's decision on appeal will be final.

K. Annual Compliance Review. Thirty days after the first anniversary of the date of filing the Final Certificate of Tax Exemption and each year thereafter, for the duration of the tax exemption, the owner of the rehabilitated or newly constructed property shall file a notarized declaration with the Director that includes the following:

1. A statement identifying the total number of occupied and vacant multi-family units receiving a property tax exemption;

2. A certification that the property continues to be in compliance with the contract with the city including any provisions related to as ~~affordable~~ income-based housing; and

3. A description of any improvements or changes to the property constructed after the issuance of the certificate of tax exemption;

4. The total monthly rent or total sale amount for each unit;

5. For exemptions granted under the as ~~affordable~~ income-based housing provisions of this chapter, the income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase; and

6. For exemptions granted under the ~~affordable~~ income-based housing provisions of this chapter, documentation showing that twenty percent (20%) of the units were rented or sold as ~~affordable~~ income-based housing to low or moderate income households. The property owner must maintain records supporting this declaration and those records and the multi-family units are subject to inspection by the city. Failure to submit the annual declaration or maintain adequate records may result in the tax exemption being canceled.

L. Annual Report. By December 31 of each year the city has any outstanding limited multi-family tax exemptions the city shall submit a report to the State providing the information required by RCW 84.14..

M. Annual Monitoring. A review of the rent rolls is required annually including unit number, unit size (bedrooms/bathrooms) household size, rent, utilities. City staff will conduct on-site reviews of tenant files randomly. There is a $500.00 annual monitoring fee.

N. Cancellation of Tax Exemption. If the Director determines the owner is not complying with the terms of the contract, the tax exemption will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when non-compliance has been determined. If the owner intends to convert the multi-family housing to another use or otherwise discontinues compliance with this chapter, the owner must notify the Director and the Clark County Assessor within 60 days of the change in use.

1. Effect of Cancellation. If a tax exemption is canceled due to a change in use or other noncompliance, the Clark County Assessor may impose an additional tax on the property, together with the interest and penalty, and a priority lien may be placed on the land, pursuant to RCW 84.14.

2. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the Director shall notify the property owner by certified mail. The property owner may appeal the determination by filing a notice of appeal with the city clerk within 30 days, specifying the factual and legal basis for the appeal. The city council will conduct a hearing at which all affected parties may be heard and all competent evidence received. The city council will affirm, modify, or repeal the decision to cancel the exemption based on the evidence received. An aggrieved party may appeal the city council's decision to the Clark County Superior Court.

<u>Section 5</u>. Effective date. This ordinance shall be effective 30 days after adoption.

Read the first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read the second time:

Passed by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this ________ day of _________________________, 2021.

____
Anne McEnerny-Ogle, Mayor

Attest:

____
Natasha Ramras, City Clerk

Approved as to form:

____
Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. ________

AN ORDINANCE amending Chapter 3.22 VMC related to the multi-family property tax exemption changing definitions, deleting references to public amenities and expanding the area eligible for the program; and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).