



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

August 24, 2026
6:00 PM

PRELIMINARY AGENDA
[Packet Materials](#) / [Watch Meeting](#)

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Announcements and Committee Reports**
 - a. Police Officer Swearing In
 - b. Parks and Recreation Committee (Report)
 - c. Public Safety Committee (Report)
 - d. Personnel Committee (Report)
4. **Public Comment**
 - a. [Participation Rules and Procedures](#)
5. **Consent Agenda**
 - a. Minutes of August 17, 2026 (Action)
 - b. Approval of claims in the amount of \$529,526.23 (Action)
6. **Other Business**
 - a. Interlocal Agreement #C2026-0240 with Skagit County for Grant Funding for Construction of Port/City Event Facility (Discussion/Action)
 - b. Overview of the City's Budget Process* (Presentation)
 - c. Contract Modification: Lakeside Quarry Agreement #CON-00LAKE01* (Discussion/Possible Action)
7. **Executive Session**
 - a. Potential Real Estate Transaction per RCW 42.30.110(1)(c) (20 minutes) (Discussion)
8. **Adjournment**

Watch online or participate via Zoom at www.anacorteswa.gov/meetings. Comment via email to cityclerk@anacorteswa.gov or to City Clerk, P.O. Box 547, Anacortes WA 98221. Public comments received by the City Clerk prior to 3 p.m. on the day of the meeting will become part of the record for the meeting. The City of Anacortes is committed to making public meetings accessible to all community members. For assistance with special needs, contact the City Clerk at 360-299-1960 in advance of the meeting.

City Council

August 24, 2026

Highlights:

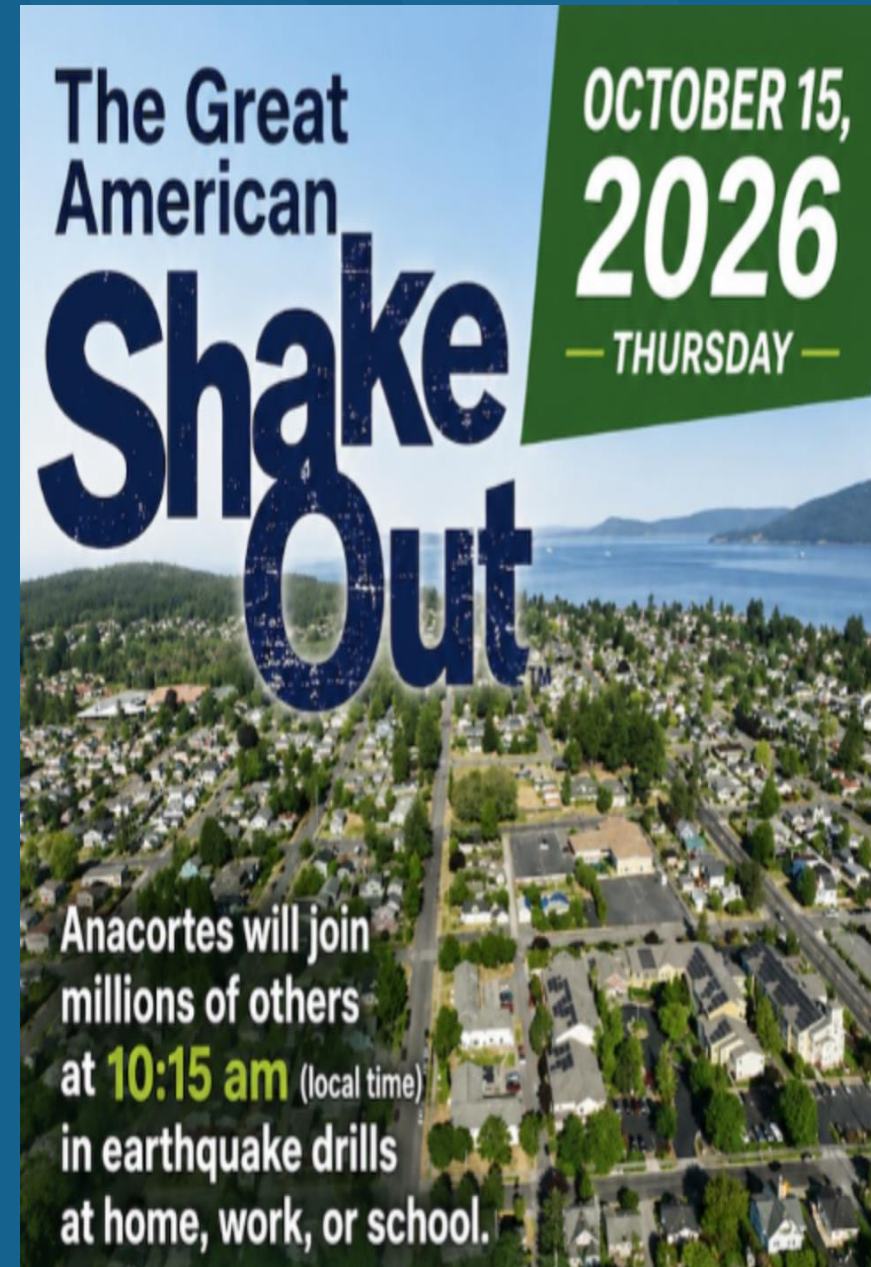
- Police Officer Swearing-In
- Interlocal Agreement with Skagit County for Grant Funding for Port/City Event Facility
- Overview of City Budget Process
- Lakeside Industries Quarry Agreement



Emergency Preparedness

Our new ***Prepare*** pages have everything you need to make a safety plan, build a kit, and know what to do before, during, and after an emergency with information specific to Anacortes.

anacorteswa.gov/prepare



12th and Commercial

Week of August 24

- Main portion of signal pole foundations installed
- This week, crews will primarily work on electrical portion of install
- No street closures planned
- No planned lane shifts until approx. September 8 (subject to change)
- Please drive carefully, work still being performed on the shoulder

anacorteswa.gov/projects



Open Streets

- Sunday, August 30
- 11:00-3:00
- Commercial Avenue from 3rd-10th
Streets will be closed to traffic and open for families to "meet on the street" and bike, skate, walk, etc.



Mayor Walters at the Senior Center

Join Mayor Walters for an informal conversation featuring updates on key city projects followed by time for community questions and discussion.

- Tuesday, September 8
- 1:00 pm
- Anacortes Senior Activity Center



RESIDENTIAL CLEAN UP DAY

SATURDAY, SEPTEMBER 19
9AM-12PM



Bring your residential garbage and
yard waste to our operations
facility at no charge.



Fidalgo Bay Day

Enjoy a free, fun-filled day of learning with discovery stations, a touch tank, and plenty of kid friendly crafts and activities.

- Saturday, September 26
- 11:00-3:00
- Fidalgo Bay Resort

The poster is for 'Fidalgo Bay Day' and features a light blue background with illustrations of fish and red coral. At the top, the logo for 'The Salish Sea School' is displayed in a cursive font. Below it, the event title 'FIDALGO BAY DAY' is written in large, bold, red capital letters. The date and time, 'Saturday, September 26th - 11am-3pm', are listed in a smaller, dark blue font. The location, 'Fidalgo Bay Resort 4701, Fidalgo Bay Rd Anacortes', is also provided. A central text block states, 'Enjoy a FREE, fun-filled day of learning with the Salish Sea School and Friends!'. To the right of this text are three detailed illustrations of fish: a large one at the top, a medium one in the middle, and a small one at the bottom. A large, stylized red coral structure is positioned on the right side of the poster. At the bottom right, there is a list of activities including 'Educational Discovery Stations & Prizes', 'Beach Seining Demonstration', 'Forage Fish Survey Demonstration', 'Touch Tank with Living Sea Creatures', 'Kid Friendly Craft Activities', 'Tasty Local Seafood', and '.... And So Much More'. The page number 'Page 8 of 61' is located in the bottom right corner.

The Salish Sea
SCHOOL

FIDALGO BAY DAY

Saturday, September 26th - 11am-3pm

Fidalgo Bay Resort 4701,
Fidalgo Bay Rd Anacortes

Enjoy a **FREE**, fun-filled day of
learning with the Salish Sea
School and Friends!

- Educational Discovery Stations
& Prizes
- Beach Seining Demonstration
- Forage Fish Survey Demonstration
- Touch Tank with Living Sea Creatures
- Kid Friendly Craft Activities
- Tasty Local Seafood
- And So Much More

Page 8 of 61

Committee Reports

- Parks and Recreation
- Public Safety
- Personnel



Anacortes City Council Minutes - August 17, 2026

Call to Order

Mayor Ryan Walters called to order the August 17, 2026, Anacortes City Council meeting at 6:05pm. Councilmembers Marcia Hunt, Luke Currier, Anthony Young, Carolyn Moulton, Bruce McDougall and TJ Fantini were present. Councilmember Christine Cleland-McGrath participated in the meeting remotely via Zoom.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Walters made announcements regarding the [12th Street and Commercial Avenue project](#), a planned [Fiber internet maintenance outage on August 24th from 12-4am](#), Elliott the Magician performing on August 18th at 6:30pm at Causland Park, Open Streets on August 30th from 11am-3pm, Residential Clean Up Day on September 19th from 9am-12pm, and the new rules regarding e-bikes and e-motorcycles, referring to a slide presentation that was added to the packet materials for the meeting.

Economic Development Committee

Mr. Young reported from the Economic Development Committee meeting held August 11th. The topics discussed included a presentation by Skagit Tourism Bureau Chief Executive Officer Kristen Keltz that covered tourism numbers, especially the ANACORTES letters installed near the Washington State Ferry terminal that generated 400 web views and 1,000 reactions, the impending visit of travel writers to the area, the possible filming of a movie by Tyler Perry Studios in the city, and that the Arts Festival generated a record \$1.7 million in sales over three days with approximately 76,000 visitors. The committee also discussed ideas for generating revenue, including the boating and marine industry, cultural and music events, the pending request for proposals by the port for a hotel that will close on August 27th, and the [Trolls in Washington](#). Mr. Young also announced that [2027 Lodging Tax Advisory Committee funding applications](#) are open through September 11th.

Finance Committee

Ms. Hunt reported from the Finance Committee meeting held August 13th. The topics discussed included the July sales and lodging tax receipts being unavailable for review due to the data being provided by the state on the 20th of the following month, upcoming municipal code changes covering the tracking and reporting of donations that would come before the council over the next few months, public safety funding options created by the state legislature in 2025 via [House Bill 2015](#) including \$100 million in grant funding for hiring and / or training police officers and a .1% sales tax to fund ongoing public safety expenses. Ms. Hunt added that the Police department is applying for this very competitive program that could provide a source of revenue for the 2027 budget, though the funding, if awarded, will not be available during the 2027 budget planning process, and that staff are researching other options for generating revenue.

Public Works Committee

Mr. Fantini reported from the Public Works Committee meeting held earlier in the evening. The topics discussed included the Campbell Lake Road roundabout project and deconflicting the traffic effects of that project with the 12th Street and Commercial Avenue intersection project in coordination with the Washington State Department of Transportation, the Pass Lake 10-inch waterline replacement project that is scheduled to commence in October 2027, the 12th Street and Commercial Avenue project that is waiting for the essential controller cabinet to make the new signals work, and a positive staff experience with the new Capital Facilities Plan PlanIt software application. Mr. Fantini added that the committee also discussed upcoming utility-funded projects including re-energizing the Inflow and Infiltration Reduction Program, bringing back the "Commercial Beautification Bench Tree on Street Program" with a focus on North Commercial Avenue to better align the

city's street design, possibly decommissioning an outfall at Baltimore Avenue and Oakes Avenue, and an annual program for stormwater fixes throughout the city.

Public Comment

Mayor Walters invited the public to comment on any item not on the agenda. No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

Mr. McDougall moved, seconded by Mr. Young, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

a. Minutes of August 10, 2026

b. Approval of claims in the amount of \$692,793.67

The following vouchers/checks were approved for payment:

EFT numbers: 342 through 378, total \$434,065.65

Check numbers: 116134 through 116154, total \$232,638.41

Wire transfer numbers: 328 through 334, total \$26,089.61

c. Contract Award: Water Treatment Plant Ballast Assisted Sedimentation Area Train Deck Coating #C2026-0226

d. Contract Award: Fire Detection, Suppression, and Inspection Services #26-205-FAC-001.

e. Interlocal Amendment 3 to the School Resource Officer Program #IL265

Other Business

Civic Academy

Mayor's Office Intern Keira Hines presented the Civic Academy program, referring to a slide presentation that was included in the packet materials for the meeting.

Discussion topics included:

- Similar concept to Leadership Skagit course.
- Budgetary requirements for the program would be minimal.
- Comparing the schedules and subjects to other cities' academy programs.
- The City of Kent has a good model.
- Possible City Council involvement as attendees.
- Open to all Anacortes residents ages 16 and over.
- Including those who serve or would like to serve on a board or commission.
- Integrating other local and state entities into the curriculum.
- Educating the public on city capabilities, functions, and constraints.

Contract Award: WTP Maintenance Storage Building Project - Design #C2026-0228

Public Works Director Logan Lee introduced proposed contract #C2026-0228 in the amount of \$309,824.00 with HDR Engineering, Inc. to develop the design of the site work components and a pre-engineered metal building (PEMB) foundation for the Anacortes Water Treatment Plant (WTP)'s Maintenance Storage Building Project, referring to a slide presentation that was added to the packet materials for the meeting. Water Treatment Plant Manager Terry Nemeth was present to answer the council's questions.

Discussion topics included:

- HSPS = High Service Pump Station

- The anticipated construction start date would be August 2027.

TJ Fantini moved, seconded by Carolyn Moulton, to authorize the mayor to sign contract to sign contract C2026-0228 with HDR Engineering, Inc. in the amount of \$309,824.00 to perform the design of the WTP Maintenance Storage Building Project. The motion carried unanimously by voice vote.

Adjournment

There being no further business, at approximately 6:47 pm, the Anacortes City Council meeting of August 17, 2026, was adjourned.



City Council Agenda Bill

August 24, 2026

Action Type: Vouchers

Item: 5.b.

Title: Approval of claims in the amount of \$529,526.23

Staff Contact(s): Steve Hoglund

Approved for Submittal to Council by:

Greg Francioch

Summary: Claims approved for payment by the City total 529,526.23

Budget Impact:

\$529,526.23

Previous Action: NA

Recommended Motion: I move to approve the consent agenda as presented.

Alternative Actions: Remove from consent agenda for additional consideration.

Attachments (listed in order presented):

1. 20260824 Item 5b-ApprovalOfClaims

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the August 24, 2026 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Department
401125	8/6/2026	S04149077	USA BLUE BOOK	Lab Supplies	\$ 429.27	WWTP
401128	8/7/2026	54080951	UNIVAR USA INC	Sodium Hydroxide (Caustic) PO 26-177	\$ 6,079.42	WTP
401144	7/31/2026	July 2026 1378	GORDON THOMAS HONEYWELL	2026 LEGISLATIVE LOBBYING SERV	\$ 4,045.63	EXEC
401176	8/10/2026	90435457	CHEMTRADE CHEMICALS DEPT 771807	Aluminum Sulfate PO 26-176	\$ 7,492.96	WTP
401219	8/1/2026	190 1840 00	CITY OF ANACORTES	Utility Bill for WWTP	\$ 8,974.32	WWTP
1	8/13/2026	1	BLYTHE MECHANICAL, INC	Retainage Release: C2026-0155/26-152-FAC-001	\$ 1,340.02	PUBWR
401231	8/12/2026	XA116033811:01	RWC INTERNATIONAL	PART FOR VEHICLE #205 - PRESSURE SENSOR	\$ 95.23	FLEET
401232	8/6/2026	0040282-IN	NELSON-REISNER DISTRIBUTOR INC	FUEL FOR EQUIP #2909	\$ 585.01	FLEET
401233	8/6/2026	0040284-IN	NELSON-REISNER DISTRIBUTOR INC	FUEL FOR EQUIP #2910	\$ 538.18	FLEET
401234	8/6/2026	0040281-IN	NELSON-REISNER DISTRIBUTOR INC	FUEL FOR EQUIP #1904	\$ 2.58	FLEET
401235	8/6/2026	0040279-IN	NELSON-REISNER DISTRIBUTOR INC	FUEL FOR EQUIP #9902	\$ 334.45	FLEET
401236	8/6/2026	0040283-IN	NELSON-REISNER DISTRIBUTOR INC	FUEL FOR EQUIP #9910	\$ 2,137.34	FLEET
401241	6/12/2026	1200836377	HDR ARCHITECTURE INC	WTP LEAD AND COPPER RULE (LCR)	\$ 4,912.36	WDIST
401227	8/10/2026	20INV000981142	WASTEQUIP	2026 DUMPSTER ORDER	\$ 26,911.93	SOLID
401230	8/10/2026	20INV000981144	WASTEQUIP	2026 DUMPSTER ORDER	\$ 38,717.65	SOLID
401225	8/12/2026	20261918	SYSTEMS DESIGN WEST, LLC	EMS Billing for July	\$ 5,534.82	FIN
401223	8/12/2026	INV3230322	COPIERS NORTHWEST, INC	Cannon IRC5870i Copies 7/11-8/10/26	\$ 133.12	FIN
401218	8/13/2026	2026-07	GDIXONLAW	Public Defense Conflict July 2026	\$ 1,900.00	PUBD
401291	8/1/2026	052 0010 00	CITY OF ANACORTES	Ops: 07/01- 07/31/26	\$ 2,206.66	FLEET
401351	8/1/2026	315075	INFOSEND, INC.	July 2026 InfoSend statement	\$ 29.20	FIN
401352	8/1/2026	5315.53	INFOSEND, INC.	July 2026 InfoSend statement	\$ 5,315.53	FIN
401330	8/4/2026	336868	VANTAGE POINT SOLUTIONS, INC.	CALEA COMPLIANCE SUPPORT JULY 26	\$ 275.00	FIBER
401329	8/4/2026	38253	TRANSPO GROUP USA, INC.	TRANSPORTATION ELEMENT OF THE	\$ 4,871.25	STREE

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Department
401311	8/12/2026	2764	OSBORN CONSULTING, INC	PROFESSIONAL PLAN REVIEW CONSU	\$ 7,477.50	PLAN
401312	8/13/2026	2767	OSBORN CONSULTING, INC	COMMERCIAL AVENUE ENHANCEMENT	\$ 23,034.37	STREE
401751	8/17/2026	5352830406	CINTAS CORPORATION	First Aid - Various Departments	\$ 377.06	HR
401748	8/17/2026	11343-1	ANACORTES TOWING, LLC	TOWING; APD CASE 26-A05001	\$ 196.02	APD
401749	8/10/2026	11326-1	ANACORTES TOWING, LLC	TOWING; APD CASE 26-A04836	\$ 223.79	APD
401769	8/13/2026	0002775819	CENTRAL WELDING SUPPLY CO, INC	O2 for Ambulances	\$ 139.14	FIRE
401750	8/7/2026	2054	FIDALGO CLEANING	APD CLEANING - 7/27 - 8/9	\$ 905.00	APD
401762	8/13/2026	7487013897	CARDINAL HEALTH 110, INC.	Pharma: Ondansetron	\$ 10.36	FIRE
401768	8/12/2026	403495	BAY CITY SUPPLY	Facility Supplies: TP, Toweling, Swabby, Garbage b	\$ 573.76	FIRE
401744	8/17/2026	INV3232255	COPIERS NORTHWEST, INC	ADMIN COPIER (7/14/26-8/13/26)	\$ 93.97	APD
401760	8/12/2026	INV3232372	COPIERS NORTHWEST, INC	S/N 4HU11634 Library 7/14-8/13/26	\$ 83.40	FIN
401742	7/31/2026	36705637	KIMLEY-HORN AND ASSOCIATES, IN	ON-CALL TRANSPORTATION ENGINEE	\$ 4,887.50	PWENG
401727	8/12/2026	Plan-3024	PLAN IT SOFTWARE LLC	CAPITAL IMPROVEMENT PLAN SOFTW	\$ 4,000.00	FIN
401788	8/17/2026	11342	ANACORTES TOWING, LLC	TOWING FOR VEHICLE #030	\$ 321.26	FLEET
401790	8/12/2026	2106186	MILES SAND & GRAVEL CO.	SUPPLIES FOR STREET DEPT - ECO BLOCKS	\$ 163.35	STREE
401780	6/28/2026	97543911	INGRAM	Ingram Adult Books	\$ 480.78	LIBR
401782	6/28/2026	97543912	INGRAM	Ingram Children's Books	\$ 269.91	LIBR
401783	7/5/2026	97685130	INGRAM	Ingram Children's Books	\$ 386.45	LIBR
401784	6/28/2026	97543913	INGRAM	Ingram YA Books	\$ 66.92	LIBR
401781	8/17/2026	2184509	LIFE ASSIST, INC	Collars, Obs kit, S Splint, Pharma: NaCl, Dextrose	\$ 2,207.37	FIRE
401792	8/12/2026	2055953	POLYDYNE, INC	Co-Ag Poly PO 26-173 FINAL	\$ 6,456.78	WTP
401787	8/6/2026	0039835-IN	NELSON-REISNER DISTRIBUTOR INC	SUPPLIES FOR SHOP - OIL	\$ 688.47	FLEET
401786	8/12/2026	P37574TAC	SWS EQUIPMENT	PART FOR VEHICLE #517 - TANK	\$ 328.94	FLEET
401793	8/12/2026	INV3232724	COPIERS NORTHWEST, INC	CANON COPIERS CITY WIDE 7/15-8/14/26	\$ 137.78	FIN
401794	8/12/2026	INV3232725	COPIERS NORTHWEST, INC	COURT & ASC COPIES 7/15-8/14/26	\$ 484.64	FIN
401797	8/12/2026	INV323395	COPIERS NORTHWEST, INC	2YJ30356 LIBR FL1 TECH SERVICES COPIER 7/18-8/18	\$ 107.17	FIN

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Department
401126	8/7/2026	1100013232	EUROFINS ENVIRONMENT TESTING	Water Analysis VOC Fe/Mn NO2 2026-07-30	\$ 407.00	WTP
401127	8/7/2026	1100013235	EUROFINS ENVIRONMENT TESTING	Water Analysis Blue Heron Fluoride 2026-08-05	\$ 35.00	WTP
401178	8/10/2026	1100013288	EUROFINS ENVIRONMENT TESTING	Water Analysis TTHM/HAA5 DBPs 2026-07-28	\$ 1,468.00	WTP
401213	8/7/2026	0218070	GEOENGINEERS, INC.	CSO PUMP STATION CONSRTUCUTION SUPPORT	\$ 5,583.25	WWTP
401221	8/13/2026	1100013459	EUROFINS ENVIRONMENT TESTING	Water Analysis TCR South 2026-08-10	\$ 154.00	WTP
401214	8/7/2026	300000300008	PUGET SOUND ENERGY INC	Energy Bill for WWTP and Pump Stations	\$ 26,344.97	WWTP
401239	8/1/2026	2867319-0043-2	WASTE MANAGEMENT	WTP Trash Acct 22-79868-03009 7/1/26 - 7/31/26	\$ 434.75	WTP
401226	7/30/2026	PSI00569837	WOODS LOGGING SUPPLY	PARTS FOR EQUIP #11968 - STARTER, FUEL PUMP	\$ 84.07	FLEET
401350	8/1/2026	15-08195-33000	WASTE MANAGEMENT	July 206 WM Statement	\$ 169,011.06	FIN
401746	8/9/2026	329243	ANACORTES ANIMAL HOSPITAL	BOARD AND DISTRAINER (JULY 2026)	\$ 215.00	APD
401740	8/15/2026	0002017	CITY OF BURLINGTON	Dark fiber & rack fee, Aug 2026	\$ 500.34	FIBER
401770	8/14/2026	9 - 3/1-3/31	ISLAND HEALTH	March Ambulance Supplies	\$ 1,398.76	FIRE
401771	8/14/2026	10 - 4/1-4/31	ISLAND HEALTH	April Ambulance Supplies	\$ 1,452.32	FIRE
401772	8/14/2026	11 - 5/1-5/31	ISLAND HEALTH	May Ambulance Supplies	\$ 1,612.87	FIRE
401773	8/14/2026	12 - 6/1-6/31	ISLAND HOSP PHYSICIAN CLINICS	June Ambulance Supplies	\$ 1,813.12	FIRE
401743	8/17/2026	I050211	TIMOTHY O'LEARY	Vision Copay, LEOFF 1 - Timothy O'Leary	\$ 65.00	HR
401752	7/29/2026	9011561398	SAFEGUARD BUSINESS SYSTEMS INC	DEPOSIT SLIPS	\$ 119.74	COURT
401791	8/14/2026	1100013493	EUROFINS ENVIRONMENT TESTING	Water Analysis BACT Raw & Finished 2026-08-03	\$ 44.00	WTP
401789	8/13/2026	PSI00576371	WOOD'S LOGGING SUPPLY	SUPPLIES FOR EQUIP #119013 - BATTERY PACK	\$ 1,312.85	FLEET
401785	8/18/2026	018010	MIKE MCCUNN	Reimbursement for Fuel for Antique Engine #208	\$ 62.98	FIRE
401779	8/18/2026	081826KC	ANACORTES SCHOOL DISTRICT #103	Fiber advertising, AHS Gym, 2026-27	\$ 1,000.00	FIBER
401795	8/19/2026	070-6270-02	ELIZABETH DORRIS	UB Refund 071-6270-02	\$ 349.18	FIN
401796	8/19/2026	091-0380-01	JENNIFER EICHHORN	UB Refund 091-0380-01	\$ 296.04	FIN
401798	8/19/2026	400-6540-00	RICHARD JENSEN	UB Refund 400-6540-00	\$ 139.32	FIN
401799	8/19/2026	052-1040-02	YEMIA & STEVE SIMONIS	UB Refund 052-1040-02	\$ 230.82	FIN
401245	7/13/2026	G18588/1	ACE HARDWARE	Parks general maintenance supplies	\$ 98.53	PARKS

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Department
401265	7/13/2026	G18501/1	ACE HARDWARE	Maintenance supplies	\$ 14.55	WWTP
401266	7/13/2026	G18552/1	ACE HARDWARE	ACE OF ANACORTES	\$ 25.46	WWTP
401280	7/13/2026	G20750/1	ACE HARDWARE	Parks maintenance supplies	\$ 38.56	PARKS
401293	7/16/2026	G21411/1	ACE HARDWARE	Tools & customer installation material	\$ 142.07	FIBER
401313	7/17/2026	G21966/1	ACE HARDWARE	Parks general maintenance supplies	\$ 64.76	PARKS
401318	7/17/2026	G22081/1	ACE HARDWARE	SUPPLIES FOR FACILITIES - DOWEL	\$ 12.73	FAC
401320	7/17/2026	401320	ACE HARDWARE	OFFICE SUPPLIES; KEYS	\$ 46.97	APD
401326	7/17/2026	G22071/1	ACE HARDWARE	Parks general maintenance supplies	\$ 16.65	PARKS
401348	7/20/2026	G23595	ACE HARDWARE	Mixed gas for small equipment, rake	\$ 79.44	FIRE
401363	7/21/2026	G24554/1	ACE HARDWARE	Parks general maintenance supplies	\$ 21.55	PARKS
401364	7/21/2026	T19532/1	ACE HARDWARE	WA park general maintenance supplies	\$ 11.75	PARKS
401367	7/22/2026	07212026	ACE HARDWARE	Parks general maintenance supplies	\$ 16.61	PARKS
401374	7/22/2026	G24884/1	ACE HARDWARE	SUPPLIES FOR FACILITIES - BOX COVER	\$ 15.66	FAC
401387	7/22/2026	G24928/1	ACE HARDWARE	Sprayer	\$ 42.13	WDIST
401388	7/23/2026	G25429/1	ACE HARDWARE	SUPPLIES FOR STREET DEPT - PAINT	\$ 50.57	STREE
401393	7/23/2026	G25494/1	ACE HARDWARE	Pump Station Maintenance supplies	\$ 5.86	WWTP
401394	7/23/2026	G25788/1	ACE HARDWARE	Maintenance supplies	\$ 24.46	WWTP
401402	7/23/2026	t19671/1	ACE HARDWARE	SUPPLIES FOR FACILITIES - SWITCH, WALL PLATE	\$ 6.83	FAC
401405	7/23/2026	G25518/1	ACE HARDWARE	Parks general maintenance supplies	\$ 1.56	PARKS
401420	7/24/2026	G26012/1	ACE HARDWARE	ACE OF ANACORTES	\$ 11.75	WDIST
401430	7/28/2026	G27392	ACE HARDWARE	Sanding Block, Sponge	\$ 13.05	FIRE
	Total				\$ 529,526.23	



City Council Agenda Bill

August 24, 2026

Action Type: Contract Award

Item: 6.a.

Title: Interlocal Agreement #C2026-0240 with Skagit County for Grant Funding for Construction of Port/City Event Facility

Staff Contact(s): John Coleman

Approved for Submittal to Council by:

John Coleman

Ryan Walters

Summary: City staff seeks approval to execute Interlocal Cooperative Agreement #C2026-0240 with Skagit County (County), under which the County will provide grant funding for the Event Facility at Cap Sante Marina project. The City applied for a \$750,000 Economic Development Public Facility Project Grant (AKA 0.09 grant) from the County to help pay for the construction of the planned event facility. On July 27, the Skagit County Board of Commissioners approved Resolution #R20260141, which awarded the full requested amount. There are no matching funds required for this grant.

Background: In 2024, the City of Anacortes and the Port of Anacortes entered into an historic partnership to build an event facility building intended to promote tourism and create jobs in Anacortes. In January 2024, the Transit Shed - the only event facility in Anacortes that was large enough to seat up to 400 people – was closed so the space can be returned to maritime industrial use. Without a large event facility, the businesses in the city are losing out on significant economic development and tourism opportunities. In an effort to create a new event facility, the City and Port signed Interlocal Cooperative Agreements to guide the design, construction, and operation of an event facility on Port-owned land at Cap Santa Marina. The City will fund construction of the new event facility, and the Port will construct, maintain, and manage the facility. The Anacortes Event Facility will provide a permanent waterfront event space for large tourist oriented and community-based events that reflect Anacortes's distinct characteristics.

Permitting has already begun and the design of the facility began in 2025; the architect has achieved 80% design and will complete design in the next few months. The City

has approved a Framework Development Plan for development of the Port's West Basin redevelopment area, on the corner of 9th Street and R Avenue, overlooking Cap Santa Marina. That Framework Plan includes the construction of the proposed event facility and surrounding plaza, parking and pedestrian amenities, and a related hotel that will also benefit from the proposed event facility. The Port has submitted a Shoreline Substantial Development Permit application and completed SEPA for the facility. In addition to the indoor space, the venue is designed to connect to an outdoor plaza onto which the events may expand. The event venue will bring numerous benefits to the City and to the Port's West Basin redevelopment area.

Other funding sources: In addition to the \$750,000 Economic Development Public Facility Project Grant, the City also received a \$500,000 capital budget appropriation for the event facility from the State Legislature, thanks to Senator Liz Lovelett, and a \$250,000 commitment of funding from Representative Larson. The total budgeted project cost is roughly \$8.9 million. The city intends to bond for the remaining construction costs. The Anacortes Lodging Tax fund will be the funding source used to make the debt service payments on the bond. More information about the project is available on the project webpage at www.anacorteswa.gov/1953.

Key Terms:

- The County will be providing funding on a monthly reimbursement basis.
- The term of this Agreement is from execution through 12/31/2027.
- All books, informational pamphlets, press releases, research reports, articles, requests for information, signs or other public notices developed for or referring to the activities or programs funded by this agreement shall include the statement, "This project received funding from Skagit County," or similar language acknowledging Skagit County's funding contribution.

Budget Impact:

Receipt of \$750,000.

Previous Action: At a special joint meeting with the Anacortes Port Commission on [March 25, 2024](#), the City Council approved interlocal agreement #[24-121-PLN-001](#) for the conceptual design of an event venue. At a special joint meeting with the Anacortes Port Commission on [August 18, 2025](#), the City Council approved interlocal agreement #[24-121-PLN-002](#) for the design and construction of the venue, and interlocal agreement #[24-121-PLN-003](#) for the operations of the event venue.

Recommended Motion: I move that City Council authorize the Mayor to execute Interlocal Cooperative Agreement #C2026-0240 between the City of Anacortes and Skagit County.

Alternative Actions: Not approve the interlocal.

Attachments (listed in order presented):

1. C2026-0240

**INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN
SKAGIT COUNTY AND CITY OF ANACORTES
ANACORTES EVENT VENUE AT CAP SANTE MARINA**

THIS INTERLOCAL AGREEMENT is entered into this _____ day of _____, 2026 between Skagit County, Washington (the "County") and City of Anacortes (the "Recipient") pursuant to the authority granted by Chapter 39.34 RCW, INTERLOCAL COOPERATION ACT, and in consideration of the mutual benefits do hereby agree as follows:

1. Purpose: The purpose of the contract is to distribute economic development funds pursuant to RCW 82.14.370.
2. Scope of Work: Recipient will only use the funds distributed under this agreement as allowed by RCW 82.14.370 and only for the Public Facility Project described in Recipient's Economic Development Application, which is attached to this document as Exhibit "A".
3. Payment: County will compensate Recipient a maximum of \$750,000 chargeable to GL expenditure code # 342 58502584109. Recipient shall submit an invoice describing the use of funds to be distributed by the County and the County upon receipt of appropriate documentation shall distribute a portion of the awarded funding as determined by the County Contract Representative described in Paragraph 6.1 of this Contract. However, such payments shall not occur more often than monthly, through the County voucher system. The County Contract Representative has the sole discretion of determining what appropriate documentation is required in order for Recipient to receive a distribution of funds under this Agreement.
4. Recipient agrees to return any and all funds provided under this agreement, including any penalties and interest, if the Recipient uses the funds outside the limitations set forth in Paragraph 2.
 - 4.1. Use of funds outside the limitations in Paragraph include (A) any finding, by the county or other state or federal agency, that the funds distributed pursuant to this agreement violate any state or federal laws or regulations, and (B) Recipient using the funds for a purpose other than what was originally described in its application of funds.
 - 4.2 If there is a finding as described in Paragraph 4.1(A), Recipient agrees to hold County harmless and indemnify County for any losses arising from the County distributing such funds to the Recipient contrary to state or federal law.

5. The parties agree that Recipient is an independent contractor and not an employee, or agent of Skagit County. Recipient hereby agrees not to make any representations to any third party or to allow such third party to remain under the misimpression that Recipient is an employee, independent contractor, or agent of Skagit County. All payments made hereunder and all services performed shall be made and performed pursuant to this Agreement. Recipient will defend, indemnify and hold harmless the County, its officers, agents or employees from any loss or expense, including but not limited to settlements, judgments, setoffs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph. Further the Recipient represents that all employees and sub-contractors are covered under Industrial Insurance in compliance with R.C.W. Title 51.

6. Administration: The following individuals are designated as representatives of the respective parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the party making the change shall notify the other party in writing.

6.1 The County's representative shall be the Budget and Finance Director:
Trisha Logue
1800 Continental Place, Suite 100
Mount Vernon, WA 98273

6.2 Recipient's representative shall be Director of Planning, Community & Economic Development:
John Coleman
904 6th Street
Anacortes, WA 98221

All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the second business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

7. Defense & Indemnity Agreement: The Recipient agrees to defend, indemnify and save harmless the County, its appointed and elective officers and employees, from and against all loss or expense, including but not limited to judgments, settlements, attorney's fees and costs by reason of any and all claims and demands upon the County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of the Recipient, its subcontractors, its elected officers, employees or their agents, except only such injury or damage as shall have been occasioned by the sole negligence of the County, its appointed or elected officials or

employees. It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein. Recipient insurance shall be primary. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of Recipient's insurance and shall not contribute to it.

8. This Agreement shall become effective upon execution per Resolution No. R20260141. Work on the project shall be substantially complete and contract shall expire December 31, 2027. For the purposes of this paragraph, the term "substantially complete" shall mean "when the contract work has progressed to the extent that the Recipient has full use and benefit of the facilities, both from the operational and safety standpoint, and only minor incidental work, replacement of temporary substitute facilities, or correction or repair remains to physically complete the total contract." Upon termination of this Agreement, all property acquired by the Recipient shall remain the Recipient's property, with no obligation to pay the County therefore.

9. The Recipient shall not assign any interest in this Contract and shall not transfer any interest in same without prior written County consent.

10. The Recipient will secure, at his own expense, all personnel required in performing said services under this Contract. Recipient shall be personally liable for applicable payroll, Labor and Industries premiums, and all taxes, and shall hold the County harmless from any claims related thereto.

11. Right to Review: This contract is subject to review by the State Auditor's office. The County or its designee shall have the right to review and monitor the financial components of this project. Such review may include, but is not limited to, on-site inspection by County agents or employees, and inspection of all records of other materials, which the County deems pertinent to the Agreement and its performance. Recipient shall preserve and maintain all financial records and records relating to this project under this Agreement for 3 years after contract termination, and shall make them available for such review, within Skagit County, State of Washington, upon request.

12. Acknowledgement of Funding: All books, informational pamphlets, press releases, research reports, articles, requests for information, signs or other public notices developed for or referring to the activities or programs funded by this agreement shall include the statement, "This project received funding from Skagit County," or similar language acknowledging Skagit County's funding contribution. Further, Recipient shall notify the County (or Administrative Services) no later than two weeks before a dedication ceremony or public event for any activities or programs funded by this agreement. Recipient shall also make efforts to verbally acknowledge the County's contributions to the Recipient at all dedication ceremonies or other public events relating to any programs or projects funded by this agreement.

13. Prevailing Wages: If Prevailing Wages are applicable to the work provided under the Agreement then Recipient shall submit a "Statement of Intent to Pay Prevailing Wages" prior

to submitting first application for payment. Each statement of intent to pay prevailing wages must be approved by the Industrial Statistician of the Department of Labor and Industries before it is submitted to the County. Unless otherwise authorized by the Department of Labor and Industries, each voucher claim submitted by a Recipient for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the pre-filed statement or statements of Intent to Pay Prevailing Wages on file with the public agency.

14. Nondiscrimination: During the performance of this contract, the Recipient shall comply with all federal and state nondiscrimination statutes and regulations. These requirements include, but are not limited to:

a. Nondiscrimination in Employment: The Recipient shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, creed, marital status, age, Vietnam era or disabled veterans status, or the presence of any sensory, mental, or physical handicap. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment selection for training, including apprenticeships and volunteers. This requirement does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

15. Compliance with Applicable Law: The Recipient and all subcontractors of Recipient shall comply with, and the Department is not responsible for determining compliance with, any and all applicable federal, state, and local laws, regulations, and/or policies. This obligation includes, but is not limited to, nondiscrimination laws and/or policies; the Americans with Disabilities Act (ADA); Ethics in Public Service (RCW 42.52); Covenant Against Contingent Fees (48 C.F.R. Sec. 52.203-5); safety and health regulations. In the event of the Recipient's or a subcontractor's noncompliance or refusal to comply with any law or policy, the Department may rescind, cancel, or terminate the contract in whole or in part. The Recipient is responsible for any and all costs or liability arising from the Recipient's failure to so comply with applicable law.

16. Venue and Choice of Law: In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Skagit. This Agreement shall be governed by the laws of the State of Washington.

17. No Separate Legal Entity: It is understood and agreed that this Agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of the Agreement.

18. Termination of Contract for Cause

a. If, through any cause, the Recipient shall fail to fulfill in a timely and proper manner its obligations under this contract or if the Recipient shall violate any of its covenants, agreements, or stipulations of this contract, the County shall thereupon have the right to terminate this contract and withhold the remaining allocation if such default or violation is not corrected within thirty (30) days after submitting written notice to the Recipient describing such default or violation. Further, in the event Recipient fails to expend funds under this contract in accordance with State or Federal laws and/or the provisions of the agreement, the County reserves the right to recapture funds expended to Recipient in an amount equal to the extent of the noncompliance.

b. The County may unilaterally terminate all or part of this contract, or may reduce its scope of work and budget, if there is a reduction in funds by the source of those funds, and if such funds are the basis for this contract.

19. Termination for Public Convenience: The County may terminate the contract in whole or in part whenever the County determines, in its sole discretion, that such termination is in the best interests of the County. Whenever the contract is terminated in accordance with this paragraph, the Recipient shall be entitled to payment for actual work performed at unit contract prices for completed items of work. An equitable adjustment in the contract price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this contract by the County at any time during the term, whether for default or convenience, shall not constitute a breach of contract by the County. If sufficient funds are not appropriated or allocated for payment under this contract for any future fiscal period, the County will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period. No penalty or expense shall accrue to the County in the event this provision applies.

20. Nonassignability: Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the Recipient.

21. Taxes: All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Recipient or its staff shall be the sole responsibility of the Recipient.

City of Anacortes

Signature

(Date _____)

Print Name

Title

Mailing Address:

904 6th Street
Anacortes, WA 98221

Telephone No. _____

Fed. Tax ID # _____

Contractor Lic. #. _____

DATED this ____ day of _____, 2026.

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Ron Wesen, Chair

Peter Browning, Commissioner

Attest:

Joe Burns, Commissioner

Clerk of the Board

For contracts under \$5,000:
Authorization per Resolution R20030146

Recommended:

County Administrator

Department Head

Approved as to form:

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director



Economic Development Public Facility Project Application

Board of County Commissioners · 1800 Continental Place · Mount Vernon WA 98273
voice 360-416-1300 · www.skagitcounty.net



Part 1		Applicant Information	
Organization	City of Anacortes		
Address	904 6th Street, Anacortes	State	WA Zip 98221
Primary Contact	John Coleman	Phone	(360) 299-1942
E-mail Address	johnco@anacorteswa.gov		

Part 2		Project Information	
Funding is available for (1) public facilities serving economic development purposes, (2) construction of affordable workforce housing infrastructure and facilities, and (3) personnel in economic development offices. RCW 82.14.370 (4) defines "public facilities" as bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroad, electricity, natural gas, buildings, structures, telecommunications infrastructure, transportation infrastructure, commercial infrastructure, and port facilities in the state of Washington.			
Project Name	Anacortes Event Venue at Cap Sante Marina	Location	1015 Q Avenue (specific address subject to change as parcels are rearranged) Skagit County Parcel #P32886
Project Type	Construction of public facility serving economic development purposes	Start Date	1/15/27
Description	In 2024, the City of Anacortes and the Port of Anacortes entered into an historic partnership to build an event venue building intended to promote tourism and create jobs in western Skagit County. In January of 2024, the Transit Shed - the only event venue in Anacortes that was large enough to seat up to 400 people - was closed so the space can be returned to maritime industrial use. Without a large event venue, the businesses in the City of Anacortes are losing out on significant economic development and tourism opportunities. In effort to create a new event venue, the City and Port signed Interlocal Cooperative Agreements to guide the design, construction, and operation of an event venue on Port-owned land at Cap Sante Marina. The City will fund construction of the new event venue, and the Port will maintain, and manage the event venue. The Anacortes Event Venue will provide a permanent waterfront event space for large tourist-oriented and community-based events that reflect Anacortes's distinct characteristics. Permitting has already begun and the design of the facility began in 2025; the architect has already achieved 60% design and will complete design in the next few months. The City has approved a Framework Development Plan for development of the Port's West Basin redevelopment area, on the south corner of 9th Street and R Avenue, overlooking Cap Sante Marina. That Framework Plan includes the construction of the proposed event facility and surrounding plaza, parking and pedestrian amenities, and a related hotel that will also benefit from the proposed event facility. The Port has submitted a Shoreline Substantial Development Permit application and completed SEPA for the facility. In addition to the indoor space, the venue is designed to connect to an outdoor plaza onto which the events may expand. The event venue will bring numerous benefits to the City and to the Port's West Basin redevelopment area: • Solve the community's ongoing need for a large event venue space; • Keep dollars within the city's downtown and within the city's taxing jurisdiction; • Support the Port's redevelopment project; • Draw tourists to town and drive tourist dollars to local hoteliers and businesses; • Help complete walkability between the marina and the downtown commercial district, supporting local businesses and the maritime industry; and- Improve street alignment to remove a 5-way intersection. The proposed venue will be suitable for: • Large-scale events (e.g., Bier on the Pier, Uncorked, Boat & Yacht Show) that attract tourists; • Community events hosted by local non-profits which are critical to the vitality of our community; and • Weddings and other private events, which have continuing demand and bring in rental revenue and overnight tourists and support local vendors and merchants.		
Use of funds	The City is seeking \$750k in funding for the construction costs of the facility.		

Part 3		Required Resources	
Budget	Total funding requested from Distressed/Rural County Sales and Use Tax to fund public facilities projects in Skagit County (not to exceed \$750,000 for economic development projects and \$1,000,000 for workforce housing projects)		\$ 750,000.00
	Amount primary sponsor/organization is contributing to the project		\$ 7,985,000.00
	Other Funding Source:	Federal 2026 funding (Larson)	\$ 250,000.00
	Other Funding Source:	State 2026 funding (Legislative Session Member Requested Local Community Project - Lovelett)	\$ 515,000.00
	Total Project Cost		\$ 8,750,000.00
Comments	The City intends to secure a municipal bond to cover the cost of the event venue construction, and intends to use lodging tax funds to pay the debt service on that bond. Directing lodging tax funds to the event venue construction will reduce the amount of funds available to distribute to local event sponsors and non-profits that create the events that attract tourists. The requested \$750,000 in funds will allow for the City to offset more than \$750,000 (principal plus interest) of the debt that would be serviced by city lodging tax revenues, therefore freeing up additional capacity to be used to support local tourism. In the alternative, if the City did not receive the requested \$750,000, the interest on the debt service will further erode the amount available to support tourist-generating activities. In the long run, the completed event venue is intended to result in increased lodging tax (and other) revenues by attracting more out of town visitors that will stay in local hotels, but in the short term, the use of lodging tax funds for the event venue construction may negatively affect the City's event sponsors. If the County awards the requested \$750,000, the City will contribute \$7,985,000 as shown above, less the \$750,000 award. In 2025, the City applied for, and was unsuccessful at receiving, \$1,000,000 in Skagit County Lodging Tax funding. The project's current federal and state funding awards total \$765,000, but this is less than 10% of the cost of the construction and permitting. Economic Development Public Facility funding will therefore be crucial to the Event Venue project's success		

Part 4		Unsuccessful Funding Requests	
Provide other income/funding resources (sponsorship, grants, donations) that were applied for but not received.			
Other Sources		Name of Source	Amount
Other Funding Source:	2025	Skagit County LTAC (for projects in 2026)	\$1,000,000.00
Other Funding Source:		Federal 2025 funding (Community Development Support)	\$300,000.00
Other Funding Source:		State 2025 Funding (Legislative Session Member Requested Local Community Project)	\$500,000.00

Part 5**Public Facilities (N/A for affordable housing projects or personnel in economic development offices)**

Planning Per RCW 82.14.370(3)(b), the project must be listed as an item in the County's adopted overall economic development plan, or the economic development section of the County's comprehensive plan, or your city or town's comprehensive plan. Under which plan is the proposed project contained? (Please attach a resolution or ordinance documenting that the appropriate authority has included the project in one of the above plans.)

The Event Venue is discussed in multiple documents. The Anacortes Comprehensive Plan

(<https://www.anacorteswa.gov/DocumentCenter/View/33986/Adopted-2025-2045-Comprehensive-Plan-Volumes-1--2>) addresses the project in several locations:

Economic Development Policy ED-3.9 - Encourage development of a civic community gathering place and a destination events/concert/meeting/music venue or conference center with hotel in the downtown/waterfront area (Economic Development Element of the Comprehensive Plan (adopted Ordinance 5013), page I-48); Land Use Goal LU-5. Community Gathering Space. Preserve and develop inviting and distinctive gathering spaces, with the greatest emphasis in Downtown and commercial areas (Land Use Element of the Comprehensive Plan (adopted Ordinance 5013), page I-30); Land Use Policy LU-5.4 - Pursue strategic public/private partnerships with large developments to leverage high quality public space integrated with new development (page I-30);

Land Use Policy LU-7.1 - Maintain and strengthen downtown as the center for civic, retail, cultural, dining and entertainment activity in Anacortes:

D. Emphasize downtown as the primary gathering place for Anacortes:

- Explore the development of a centralized public plaza space downtown.
- Continue to promote festivals and other special events downtown.
- Encourage the integration of public space and amenities associated with non-residential uses.
- Enhance the streetscape downtown to provide opportunities for outdoor dining, interaction, public art, and people watching. (page I-33);

Land Use Policy LU-8.2. Encourage public/private partnerships to facilitate coordinated development that balances economic, public amenity, environmental, and historical/cultural preservation goals. Example concepts:

- Infrastructure agreements.
- Public space provisions.
- Provisions to encourage special/active waterfront uses -- including lodging/conference facilities, recreational/cultural facilities. (page I-35);

The project is also supported by the 2023-2028 City Tourism Promotion Strategic Plan (Resolution No. 318), which recognized the need to develop a plan to respond to the future closure of the Port's Transit Shed as an event venue (Action 14A-2) and plan a conference center oriented toward the waterfront, marina, or downtown (Action 14A-1).

Project location Incorporated area in Anacortes city limits. 1015 Q Avenue (specific address subject to change as parcels are rearranged) Skagit County Parcel #P32886 **Zoning** Marine Mixed Use (MMU)

Part 6**Value Proposition**

Business Is this project supportive of a specific business? If so, how many? Please provide names of businesses if known.

The Anacortes Event Venue will be operated by the Port of Anacortes as part of a new waterfront campus with outdoor space, connections to Commercial Avenue, connections to the Tommy Thompson Trail, and connections to the City's Depot Arts Center. The venue will support maintenance and operations jobs, as well as administrative positions to schedule events and perform accounting related to the operation of the facility.

While under construction, the project will support local engineering/design businesses, construction businesses, materials suppliers and trades businesses. Once constructed, the event venue will support local hospitality and catering businesses, party/event suppliers and planners, and many businesses dependent on tourism, as well as other events, such as the annual Boat Show, that directly or indirectly create substantial sales tax revenue for the city and county.

The Anacortes Chamber of Commerce hosts at least two major events that will be held at the venue. There are at least two employees at Chamber that spend much of their year planning those annual events; thus the venue will support jobs at the Anacortes Chamber of Commerce.

The venue will support several local non-profit agencies as well. The Anacortes Arts Festival, a 501c3 that promotes the arts in Anacortes, will hold their annual Fine Arts show at the venue; thus the venue will support jobs at the Anacortes Arts Festival. Similarly, several other non-profit organizations are eagerly awaiting the construction of the event venue so they may resume fund raising events at a venue that meets their size needs.

Jobs Describe, in specific detail, how this project will create jobs and/or allow for the retention of current jobs.

The Anacortes Event Venue project is designed to have a positive and multifaceted impact on local employment by both creating new jobs and supporting the retention of existing ones. Here's a detailed breakdown of how the project will contribute to job creation and job retention:

1. Construction Phase: Job Creation

The construction of the event venue itself will provide a significant number of jobs. The labor required during this phase will include a range of roles:

- **Skilled Labor:**
 - **Construction Workers:** Laborers, carpenters, electricians, plumbers, and HVAC technicians will be needed to build the structure and install necessary infrastructure like utilities, energy-efficient systems (solar panels, EV chargers), and the commercial kitchen.
 - **Engineers and Architects:** Professionals will continue their roles in the design, structural integrity, and sustainability of the building.
 - **Project Managers and Supervisors:** These individuals will oversee the day-to-day operations of the construction, ensuring that the timeline and budget are met.
- **Local Vendors and Suppliers:** The construction project will create jobs for local suppliers of building materials, landscaping companies, and local subcontractors for specific aspects like painting, interior design, and exterior features.
- **Employment Impact on Local Workforce:** By employing a significant portion of the local workforce, the project will provide direct employment opportunities during construction. It could also encourage other companies in the region to scale up in anticipation of the need for additional services during and after the construction process.
- **Short-term Jobs:** These roles, while temporary, will provide important income and contribute to the local economy. The influx of workers can stimulate demand in sectors such as retail, food services, and accommodations.

2. Event Center Operations: Job Creation

Once the event venue is completed, it will create long-term employment opportunities that will be crucial to its daily operations. These roles will span across various sectors, such as event management, hospitality, catering, and maintenance:

- **Event Staff:**
 - **Event Coordinators:** These employees will manage the logistics of large and small events, coordinating with vendors, caterers, entertainment, and security teams.
 - **Facility Managers:** Professionals will oversee the facility's day-to-day operations, maintenance, and scheduling, ensuring smooth operations for the diverse events held there.
- **Hospitality and Catering:**
 - **Catering Staff:** The event venue will provide employment opportunities for caterers, chefs, kitchen staff, and food and bartender service workers who will prepare and serve meals and beverages during events.

3. Tourism and Local Business Support: Job Retention and Creation

- **Support for Local Businesses:**
 - **As the event center attracts tourists for large-scale events (e.g., the Bier on the Pier, Uncorked), it will stimulate demand for local businesses such as hotels, restaurants, transportation services, and retail stores. This could lead to the retention of existing jobs in these sectors, as well as the creation of new positions. For example, hotels may need to hire more staff (and expand room capacity) to accommodate increased bookings during major events at the center. Local restaurants and catering companies may expand their workforce to handle the increased demand from event attendees.**
 - **Local Vendors:** The event venue will likely source goods and services locally, such as decorations, AV equipment, and catering supplies, further supporting the retention of jobs in these sectors. Local event planners, entertainers, and suppliers will benefit from the increased business generated by the center.

4. Indirect Job Creation through Tourism

- **Regional Tourism Growth:** As Anacortes becomes a more attractive destination for tourists due to the event venue, there will be an increase in visitors not just for the events but also for the overall appeal of the area. This could lead to the creation of jobs in tourism and related industries:
- **Tour Guides:** As Anacortes attracts more visitors, the demand for local tour guides (e.g., for fishing charters, whale watching tours, historical tours) could increase.
- **Transportation and Travel Services:** More visitors may require shuttle services, taxis, or car rentals, supporting jobs in the local transport sector.

5. Job Retention in the Port of Anacortes and Downtown Area

- **Support for the Port's Economic Development:** As the event center becomes a key part of the Port's West Basin redevelopment plan, it will help revitalize the area and attract new businesses. This could retain current jobs within the Port, as well as attract new businesses to the waterfront, contributing to further job growth.
- **Boost to the Downtown Economy:** The event center will likely increase foot traffic in downtown Anacortes, benefiting local shops, restaurants, and businesses, thereby retaining existing jobs and encouraging new businesses to open in the area.

6. Overall Economic Impact and Job Multiplication

- **Multipled Effects on Employment:** The event venue's construction and operational phases will have a ripple effect throughout the local economy, creating a multiplier effect. For instance, local service providers (cleaning companies, suppliers) and new businesses (event planners, technology services) will hire workers, further boosting employment in the community.

Conclusion:

In summary, the Anacortes Event Venue will directly create jobs in construction, event management, hospitality, and tourism. The facility will also support the retention of jobs in local businesses such as hotels, restaurants, and retail stores by stimulating demand for services during events. Additionally, the project will have indirect benefits by encouraging the growth of the local economy, boosting tourism, and enhancing Anacortes' status as a vibrant, economically thriving community. The overall impact will be felt across a broad spectrum of sectors, ensuring both short-term and long-term job creation and retention. Jobs created will be primarily in the areas of event coordinators, hospitality staff, security personnel, customer service representatives and managerial positions. The wage data below was generated using Bureau of Labor Statistics and other national jobs information data. The average wage across all of these various job types was used to create the average wage/FTE section in this application.

Job Detail

Provide information on the following: (a) the average wage, including benefits, and the number of new jobs/FTEs; and (b) the average wage, including benefits, as the result of the project. Please be specific as possible. Generic information may not be scored. Do not include any construction-related jobs.

	Jobs/FTEs Retained	Jobs/FTEs Created 1-3 Years	Jobs/FTEs Created 4 Years
Number of Jobs/FTEs	10	50	75
Average Wage/FTE			

Timeline	Provide a timeline for the project. Please include specific deadlines for segments or phases of the project, including total project begin date and completion date. Phase I: Preliminary Planning and Assessment – Began April 2024 •Activities: Finalizing site selection, conducting community consultations, completing environmental assessments, and preparing initial feasibility studies. Securing necessary permits and approvals to move forward. •Completion Date: August 2026 •Key Deliverables: Approved site plan, environmental reports, and initial permits. Phase II: Design and Engineering Start Date: Began October 2025 •Activities: Development of architectural and engineering designs, including detailed structural plans, environmental considerations, and any necessary revisions based on stakeholder feedback. Securing final building permits and zoning approvals. •Completion Date: December 2026 •Key Deliverables: Finalized architectural designs, engineering blueprints, and all required permits and approvals. Phase III: Construction Start Date: January 2027 •Activities: Site preparation, land clearing, infrastructure installation (utilities, drainage), construction of the building structure, and interior spaces (event halls, restrooms, kitchen). •Completion Date: December 2027. However, we are requesting flexibility to submit expenses for up to three months past the scheduled completion date - until March 2028 - to account for any remaining invoices, final payments, and wrap-up activities. This additional time will ensure that all financial obligations related to the construction phase are fully addressed and settled. •Key Deliverables: Fully constructed event venue building, including all exterior landscaping and utility connections.
Phasing	If this is a phased project, for which phase are you applying for funding? We are applying for \$750,000 in funding to support Phase III: Construction of the Anacortes Event Venue project. This funding will be allocated towards the construction costs, including the building structure, interior spaces, utilities, and surrounding infrastructure. While the total construction costs for the project are estimated between \$8 million and \$9 million, the requested funding will help cover a portion of these expenses to ensure the timely and successful completion of the event venue.
Completion	By what date will the project (or this phase) be complete? Funds will lapse and may not be spent after this date. 12/31/27
Efforts So Far	Summarize efforts taken to date regarding the project. What planning has taken place? Have engineering reports and feasibility studies been prepared? If so, describe them. The City and Port have been engaged in a collaborative process to find a replacement for the former event space since 2021, when the Port of Anacortes formally announced that it would return the Transit Shed to maritime industrial use starting January 1, 2024. This decision prompted the need for a new event venue to replace the Transit Shed for community and tourism events. In the winter of 2024, the idea for a joint City/Port event venue was formed, and progress towards making that project come to fruition has been actively ongoing since. Currently, the project is well defined, and it is the appropriate time to seek funding sources. Below is an inventory of efforts taken so far. 1. City and Port Discussions on Replacement Venue (2021-2023): • Following the Port's decision, the City of Anacortes and the Port engaged in multiple discussions about finding a replacement for the Transit Shed, focusing on a location more suitable for a dedicated event venue. • These discussions included identifying potential sites and evaluating the needs of large-scale events, community gatherings, conferences and other private events. 2. Interlocal Cooperative Agreement (2024): • In April 2024, the City and the Port entered into an Interlocal Cooperative Agreement (LIA) to formally begin the conceptual design of the new event venue. The agreement outlines the roles and responsibilities of both parties, with the City funding the design and construction of the new facility, while the Port will oversee the construction, maintenance, and operation of the venue. 3. Feasibility Study and Design Work (2024): • As part of the conceptual design process, a feasibility study was undertaken to define the event venue's requirements, including its size, seating capacity, and location. The study also estimated the Rough Order of Magnitude (ROM) for the construction costs. • The Design Team, led by RMC and supported by HBB Landscape Architecture and PSE Civil Engineering, has been working on the initial design concepts. 4. Initial Conceptual Design and Cost Estimate (2024): • The design team has prepared preliminary design concepts for the venue, which include floorplans, site plans, and models. These designs are informed by input from the Port and City teams, and the conceptual design was complete in October 2024. 5. Land Vacation to support Port Plaza and road realignments (2024): • The Port requested the City vacate certain portions of right of way in the immediate vicinity of the proposed event venue to accommodate a proposed new Port-owned plaza, which would be adjacent to the event venue. The event venue is to be designed so larger events can flow out from the event venue onto the plaza area. The vacation will also accommodate a realignment of the five-way intersection of Market Street, 9th Street and R Avenue to improve traffic safety in the area as well as make the plaza a key visual focal point on the east end of 9th Street as viewed from downtown. The City passed ordinance 4080, vacating portions of right-of-way to the Port of Anacortes on July 1, 2024. 6. Property swap to support road realignments • The above-mentioned road realignment also required the City and the Port to swap fee simple lands. An ILA for the inter-governmental swap of lands was executed in June 2025. The boundary line adjustment was completed in May 2026. 7. Interlocal Agreements • Two ILAs were executed in May 2025. The first ILA addresses the Design and Construction of the Anacortes Event Venue. The second ILA addresses the Operation of the Anacortes Event Venue. 8. Framework Development Plan (Framework Plan) • The Port applied for, and was issued, a Framework Plan to allow for multiple projects in the West Basin Area. The event venue, including the plaza and parking, are all included in the Framework Plan. The SEPA for the West Basin project also includes the event venue and associated improvements. 9. Building Design • The Port hired RMC Architects to lead the design team to create the plans for the facility. RMC is supported by HBB Landscape Architecture and PSE Civil Engineering. Together, the design team had achieved 60% design of the facility

What quantifiable measures are you going to track to measure the success of the project?

To measure the success of the Event Venue Project, the following quantifiable measures will be tracked:

1. Completion of Project:

- **Timeliness:** The project will be considered successful if it is completed on time, adhering to the established timeline with the venue opening by the scheduled date (including a 3-month flexibility for remaining invoices).

- **Milestone Achievements:** Successful completion of each project phase (design, engineering, and construction) within the designated timeframes.

2. Budget Adherence:

- **Cost Control:** Success will be tracked by ensuring the project stays within the budget range of \$8-9 million, with particular attention to meeting specific budgetary goals for construction costs, including the \$750,000 allocated for this phase.
- **Cost Variance:** Monitoring any deviations from the approved budget, ensuring that they are within an acceptable margin, and analyzing the reasons for any overages or savings.

3. Community Use of the Event Venue:

- **Event Bookings:** The number of events hosted at the venue within the first 12 months of operation, compared to projected event goals (e.g., 50+ events annually).
- **Diversity of Events:** Tracking the range of events, including large public gatherings (e.g., festivals, concerts), private events (e.g., weddings), and community non-profit events, to ensure the venue is serving a broad cross-section of the community.
- **Visitor & Attendance Numbers:** Collecting data on the number of attendees per event to gauge the venue's popularity and community engagement.

By tracking these measures, the project's success can be clearly quantified, ensuring that it meets its goals of timely completion, staying within budget, and providing a high-utility event space for community use.

The Skagit Council of Governments (SCOG) has produced an updated Comprehensive Economic Development Strategy (CEDS) that is intended to guide and promote diverse, sustainable, and equitable economic development throughout the county. It is the intent to award funding in alignment with these strategies.

For Public Facility Projects:

Describe how this project fulfills one or more of the 5 identified economic strategies outlined in the 2024 adopted Comprehensive Economic Development Strategy.

Cite which goal and strategy and which type of industry or economic activity the investment will attract.

For Personnel in Economic Development Offices:

Provide a detailed workplan that includes activity, FTE hours anticipated to be spent on that activity, and what CEDS strategy the work supports or fulfills.

Provide the specific measurement metric (pages 60-66) that will be fulfilled by the activity.

Include information related to the project, if any, that would assist the Economic Development Advisory Committee and the Board of County Commissioners in evaluating the funding request, such as emergency declarations, bird-in-hand industry, volunteer efforts, links to other priority projects, etc.

To assist the Economic Development Advisory Committee and the Board of County Commissioners in evaluating the funding request for the Event Venue Project, the following key considerations and supporting information are provided:

1. Link to Other Priority Projects:

- The Event Venue Project is closely aligned with the Port of Anacortes' West Basin Master Plan and the City's Tourism Promotion Strategic Plan. The venue serves as a key component in the redevelopment of the Cap Sante Marina area, further revitalizing the waterfront, connecting the waterfront to downtown Anacortes, and enhancing the attractiveness of Anacortes for tourism and community events.
- The project supports ongoing efforts to address the future closure of the Port's Transit Shed, which has historically been used as an event space but is being repurposed for maritime industrial use starting in January 2024. This new venue is crucial to maintaining and expanding the community's event space capacity.

2. Economic Impact:

- The development of the Event Venue is expected to create substantial local economic benefits, particularly in the tourism, hospitality, and local services industries. The new venue will host both community and private events, which will attract visitors and support local businesses, including hotels, restaurants, and retail stores.
- The venue will also have an indirect impact on small businesses and local vendors by providing a location for events that require services such as catering, event planning, and other local suppliers. This growth in demand for services will likely lead to job creation and business expansion within Anacortes.

3. Volunteer Efforts:

- Local community organizations and nonprofits have expressed a strong interest in utilizing the venue for their events, which helps strengthen community engagement and volunteerism. Hosting nonprofit events at the new venue will allow local groups to hold fundraising events, meetings, and programs, benefiting the Anacortes community.
- Volunteers will likely play a significant role in the management and operation of various events, contributing to the success and sustainability of the facility.

4. Bird-in-Hand Industry:

- The Event Venue will directly impact Anacortes' hospitality and tourism industry by enhancing its ability to host major events, drawing tourists to the area year-round. Events like festivals, conferences, and weddings will help draw visitors, increasing demand for local accommodations, dining, and other tourism-related services.

By addressing these points, the Economic Development Advisory Committee and the Board of County Commissioners can better understand the significant role this project will play in both the economic recovery and community well-being of Anacortes, as well as how it contributes to long-term growth and sustainability within the region.

5. Support letters from regional partners:

- Port of Anacortes and City of Anacortes
- Samish Indian Nation
- Anacortes Chamber of Commerce

6. Renderings of the proposed venue

Part 11**Presentation**

Name(s) of presenter(s) for the project

John Coleman, Director of Planning, Community and Economic Development

Email(s) of presenter(s) for the project

johnco@anacorteswa.gov

Part 12**Applicant Certification**

The applicant here certifies and affirms (1) that it does not now, nor will it during the performance of any contract arising from this application, unlawfully discriminate against any employee, applicant for employment, client, customer, or other person who might benefit from said contract, by reason of age, race, color, ethnicity, sex, religion, creed, place of birth, or degree of handicap; (2) that it will abide by all relevant local, state and federal laws and regulations; and (3) that it has read and understood the provisions and restrictions in each part above and will comply with all provisions thereof.

Signature online / e-signature

Printed Name John Coleman

Date 05/22/2026

Title Director of Planning,
Community and
Economic Development



City Council Agenda Bill

August 24, 2026

Action Type: Presentation

Item: 6.b.

Title: Overview of the City's Budget Process

Staff Contact(s): Steve Hoglund

Approved for Submittal to Council by:

Steve Hoglund

Summary: This presentation will provide an overview of the City's budgeting process, and explain what drives that process. Budgeting information and resources will also be reviewed, including the City's Budget web page (www.anacorteswa.gov/budget) where a variety of information can be found, including key dates related to City Council review and adoption of the 2027 budget.

Budget Impact:

NA

Previous Action: NA

Recommended Motion: NA

Alternative Actions: NA

Attachments (listed in order presented):

1. Budget overview 8.24.26



City Budget Process

City Budget Process Overview

Steve Hoglund, Finance Director

August 24, 2026





Budget Statutory Requirements

- State law, RCW chapter 35A.33, drives the budget process.
 - Virtually all budget milestones are driven by this RCW section.
- Some of the most salient:
 - Revenue presentation by the first Monday in October: 35A.33.135
 - Public hearing on 1% property tax increase: 84.55.120
 - Mayor's budget message 60 days before next year: 35A.33.055
 - Council budget hearing (not public hearing): 35A.33.052
 - Public hearing on budget: 35A.33.060



Budget Process

The City's budget website includes:

- 2027 budget process and calendar
- historical budgets
- how the budget is organized
- description of revenues
- **www.anacorteswa.gov/budget**

The Capital Facilities Plan (CFP) is the first, and an integral part of, the City's annual budget.

- The CFP is required to be adopted in conjunction with the budget
- **www.anacorteswa.gov/cfp**

Calendar

- This is the budget calendar from the City's budget website.
- This is subject to change.
- November 30 is a fifth Monday; no council meeting.

August 24	Budget process overview presentation to Council
September 8	Council considers budget policies
September 16	CFP Transmittal of CFP package to Council
September 21	CFP Council Review of CFP (group 1-Public Works)
September 28	CFP Council Review of CFP (group 2-other departments)
October 05	Presentation on revenues
October 12	Public hearing on revenue sources
October 12	Council considers Property Tax Levy Ordinance
October 26	Mayor's Budget Message to Council
October 26	Council budget work session (Public Works)
November 02	Council budget work session
November 09	Council budget work session
November 16	Public hearing on budget
November 16	CFP Public hearing on 2027-2032 CFP at Council
November 23	Council Review to fix final budget
November 23	Adoption of Budget at Council
November 23	CFP Adoption of CFP via ordinance at Council
November 30	Fifth Monday (no Council)



City Council Agenda Bill

August 24, 2026

Action Type: Contract Modification

Item: 6.c.

Title: Contract Modification: Lakeside Quarry Agreement #CON-00LAKE01

Staff Contact(s): Jonn Lunsford

Approved for Submittal to Council by:

Jonn Lunsford

Summary: Lakeside Industries approached the City to request permission to continue its mining operation on the city-owned parcel it has mined since its 1999 contract, which expired last year. Lakeside proposes further mining of its existing site with no expansion of the site. The City is requiring, and Lakeside has agreed to provide, an analysis of potential impact on adjoining wetlands before the City considers any continuation of mining. This contract modification allows for testing and sampling until 2028, to facilitate sampling throughout the dry and rainy seasons to gather information on potential mining impacts.

Budget Impact:

Other than staff time to carry out the agreement, no budget impact is anticipated.

Previous Action: In 1999, the City of Anacortes and Lakeside Industries signed a contract to allow for the mining of quarry rock on 16 acres of city property in the Anacortes Community Forest Lands adjacent to Lakeside property. This contract expired on December 31, 2025.

Recommended Motion: Approve Modification 01 to Contract CON-00LAKE01 for Removal of Quarry Rock.

Alternative Actions: Request more information.

Attachments (listed in order presented):

1. 260313 Contract Mod 01 Lakeside Industries-signed
2. CON-00LAKE01 Contract 1999
3. contract mod 01 aerial image 08242026

4. 08242026 Item 6c - Lakeside Quarry Contract Modification - Presentation



**Contract Number
MODIFICATION 01**

Date August 14, 2026

Page 1 of 1 Page

Contract Title CONTRACT FOR REMOVAL OF QUARRY ROCK

Contractor LAKESIDE INDUSTRIES

BACKGROUND

This modification extends the period of performance and updates Use of Site terms of the "Contract for Removal of Quarry Rock" with Lakeside Industries dated December 21, 1999. All mining authorized under the original terms of the contract has been completed.

Accordingly, the following change is incorporated under this contract:

Section 1. Term is revised to read:

"This contract shall commence on the 1st day of January, 2000, and continue to the 31st day of December, 2028, unless terminated earlier under the provisions of this contract."

Section 2. Use of Site is revised to add new paragraphs 2.06 and 2.07 as follows:

2.06 Testing and Evaluation for Further Mining. In consultation with the City Parks Director, Lakeside may (1) perform core samples to evaluate the remaining rock for further mining and (2) may install and use groundwater test wells in the Property to evaluate impacts of additional mining on adjacent wetland areas. Additional mining may only be authorized by future agreement and is not authorized by this paragraph.

2.07 Reclamation. Lakeside must complete all Reclamation work no later than the expiration of the Term, unless the contract is otherwise amended.

All other terms of the contract remain unchanged.

CITY OF ANACORTES

By _____

Title _____

Date _____

LAKESIDE INDUSTRIES

By 

Title PRESIDENT

Date 8/19/2026

CONTRACT FOR REMOVAL OF QUARRY ROCK

This contract made by and between the CITY OF ANACORTES, a municipal corporation, hereinafter called the "City" and LAKESIDE INDUSTRIES, hereinafter called the "Purchaser ", a Washington Joint Venture.

The City in and for the considerations and upon the terms, conditions, and provisions herein mentioned, does hereby grant unto the Purchaser rights to the material described in paragraph 2.01 situated in the contract area (the "Property") described as:

Approximately 16 acres in the NW portion of the NE 1/4 of the
NE 1/4 of Section 2, Township 34 North, Range 1 East W.M.

SECTION 1 - TERM

Term. This contract shall commence on the 1st day of January, 2000, and continue to the 31st day of December, 2025, unless terminated earlier under the provisions of this contract.

SECTION 2 - USE OF SITE

2.01 Permitted Use. The Purchaser shall have the exclusive right to enter upon, excavate, take and remove City-owned quarry rock, herein called valuable material, from said sale area under the jurisdiction of the City, comprising approximately 1,250,000 (plus or minus) cubic yards, under the conditions set forth in the Conditional Use Permit approved for this project on June 21, 1999. These conditions are set forth in Attachments A – I, listed in Exhibit A to this contract and are incorporated herein by this reference.

The Excavation and Reclamation Schedule (Attachment E) outlines the key parameters and schedule of excavation and reclamation, as described in Figures 1 and 2 and in attached maps Figures 3 and 4, and in cross sections figures 5, 6 and 7.

The lowest point of excavation will be defined as the outfall of the stormwater treatment system as shown in the March 18, 1997 Storm Water System For a Proposed Hard Rock Quarry by Rosario Geoscience Associates (Attachment I). On figure 1 of this document is a point "x" between the retention/detention pond area and a small hill shown at elevation 525.8. This point "x" will be located and marked on the ground, prior to excavation, and the actual elevation of this point will be determined by survey methods. This elevation point (not withstanding conflicting maps and elevations) will be established as the bottom of the excavated and sloped quarry floor.

Purchaser will not process rock on City property other than the primary crushing necessary to convey the rock off City property to the main crushing, processing and storage area.

2.02 Nonexclusive Rights. Nothing herein contained shall be deemed as a grant of the exclusive use privilege of the premises herein described.

2.03 Wetlands. No intrusion whatsoever is permitted into the wetland and wetland buffer as delineated in Application Attachment D (as referenced in Exhibit A to this contract) and as required in Section 11.10 below.

Attachments D, E and G prepared by different agencies will be reconciled for implementation. All wetland setbacks will be delineated with permanent markings prior to any excavation.

2.04 Reclamation. Reclamation shall be accomplished as set forth in Application Attachments E, F, G & H (as referenced in Exhibit A to this contract).

Reclamation plans for Site #5 (Attachment F and E) are modified by City Conditional Use Permit, 7/8/99, including Forest Board approval of planting (#7). Reclamation Plan for Site #6 (G) and Backfill Plan, Attachment H, will be modified per DNR to meet sequence and timing appropriate to City ownership.

2.05 Stormwater System Plan. Final design and engineering of Stormwater System will be completed by independent contractor, paid for by Lakeside, with plan approved by City Council prior to excavation, in accord with preliminary Storm Water Plan, Attachment I and with Excavation and Reclamation Schedule, Attachment E. As per Conditional Use Permit (#6) Water Quality monitoring will be by independent contractor, retained by City, paid for by Lakeside.

SECTION 3 - PAYMENT

3.01 Unit Payment. The Purchaser shall and does hereby agree to pay the City one dollar per cubic yard for all valuable material removed by the Purchaser from said premises. Purchaser shall pay all taxes, including State sales tax, for all purchased materials, if applicable. Sales tax shall be remitted simultaneously with all payments. The unit price shall be adjusted January 1 each year based upon the percentage of change in the Producer Price Index -- Commodities (WSP1321) seasonally adjusted for construction sand/gravel/crushed stone. To avoid using preliminary figures, the adjustment shall be based on the change from July the preceding year to the July before that.

3.02 Fixed Minimum Annual Payment. The Purchaser shall and hereby does agree to pay the City a fixed minimum annual removal payment of \$50,000, to be paid in four equal quarterly payments due at the completion of each quarter. Actual materials removed for the year shall be charged against the minimum annual payment until such payment is exhausted. If on the anniversary date of the contract it is determined (per paragraph 3.03) that more material was removed than is covered by the minimum annual payment, the difference shall be paid in accordance with paragraph 3.01 to the City within 30 days of that determination. If \$50,000 worth of material is not removed in one year the advance payment will carry over into future years. At the end of the contract no money will be refunded to the Purchaser if they have not extracted all the material paid for in advance.

3.03 Reporting. Before any removal of quarry rock begins and each subsequent year on the anniversary of this contract an independent contractor, acceptable to the Purchaser, will be secured by the City to perform a photogrammetric survey of the area to determine the volume of material removed. Lakeside and the City shall split the cost of these surveys 50/50. Arrangements will be made so as to ensure that Lakeside is not being charged for vegetation and overburden.

3.04 Interest Penalty for Past-Due Amounts and other Sums Owed. Purchaser shall pay interest at the rate of one percent per month (or at such higher rate that may be authorized by statute subsequent to the Commencement Date hereof), until paid, on all sums owing under the terms of this contract commencing thirty (30) days after the date such payments are due and payable. In the event City pays any sum or incurs any expense which Purchaser is obligated to pay hereunder, or which is made on behalf of Purchaser, City shall be entitled to receive reimbursement thereof from Purchaser upon demand, together with interest from the date of expenditure at the rate stated above, provided that the City has first given Purchaser 30 days written notice of the City's intent to take action.

SECTION 4 - RESERVATIONS

4.01 Resource Disposal. The City reserves the right to sell, contract or otherwise dispose of minerals, coal, oil, gas, forestry resources, or other valuable materials that are not the subject of this contract, from the premises.

4.02 Restrictions on Use

(1) Permits and Conformance with Laws

(a) Purchaser shall obtain all building permits and other permits, including licenses, permissions, consents, and approvals to be obtained from governmental agencies or third parties in connection with this contract and Purchaser's permitted use including construction of any improvements, changes, alterations, additions, repairs, or maintenance to the Property or for the conduct of any business upon the Property at the sole cost and expense of Purchaser. Copies of such permits, license, permissions, consents, and approvals shall be supplied to the City. The City shall cooperate with Lakeside in obtaining the above mentioned items.

(b) Purchaser shall conform to all applicable laws, regulations, permits, orders or requirements of any public authority affecting the Property and the use thereof, and shall correct at the Purchaser's own cost and expense any failure of compliance created through the Purchaser's fault or by reason of the Purchaser's use. In no event shall Purchaser undertake or suffer any activity to be conducted upon the Property which constitutes a nuisance or which is a threat to the health or welfare of the general public.

(c) Purchaser shall cause all work on the Property and all business conducted thereon during the Term to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction.

(2) Deleterious Material

(a) Purchaser shall not make, or suffer to be made, any filling in of the Property or any deposit of refuse, garbage, pollutants, or other matter within or upon the Property, except as approved in writing by the City. If the Purchaser shall fail to remove such materials, the City will remove the materials and charge the Purchaser for the cost of removal and disposal.

(3) Hazardous, toxic, or Harmful Substances.

(a) Purchaser shall not keep in, on, or about the Property, any substances now or hereinafter designated as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as "Hazardous Substances") unless such are necessary to carry out Purchaser's permitted use under Subsection 2.01 and unless Purchaser fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended.

(b) Purchaser shall:

(i) Immediately notify the City of (1) all spills or recontracts of any Hazardous Substance in, on, about, or adjacent to the Property; (2) all failures to comply with any federal, state or local law, insofar as such relate to Hazardous Substances in, on, about, or adjacent to the Property; (3) all inspections of the Property by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances in, on, about, or adjacent to the Property; (4) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party in, on, about, or adjacent to the Property; and

(ii) Provide copies to the City of any and all correspondence, pleadings, and/or reports received by or required of Purchaser or issued or written by Purchaser or on Purchaser's behalf with respect to the use, presence, transportation or generation of Hazardous Substances in, on, about, or adjacent to the Property.

(iii) Purchaser shall be fully and completely liable to City, and shall indemnify, defend, and save harmless City and its agencies, employees, officers and agents with respect to any and all damages, costs, fees (including attorney's fees and costs), penalties (civil and criminal), and cleanup costs associated with or imposed as a result of Purchaser's use, disposal, transportation, generation and/or sale of Hazardous Substances or that of Purchaser's employees, agents, assigns, subcontractors, contractors, sub contractors, licensees or invitees, and for any breach of this Subsection 4.02.

4.03 City Suspends Operation. The contract administrator may suspend any operation of Purchaser under this contract when the City is suffering or there is a reasonable expectation that the City will suffer damage if the operation is allowed to continue, or if Purchaser is in breach of any part of Sections 4.01 and 4.02, provided that the City has first given Purchaser 30 days written notice of the City's intent to take action. Suspension may be lifted, when in the opinion of the City, damage to the City is cured or prevented.

Purchaser shall be in breach of this contract if the operation continues after the suspension notice or if the operation resumes without prior approval and notice from the contract administrator.

4.04 Notice. Notices required to be given under this contract shall be in writing and shall be delivered to the Purchaser's contract administrator or sent by certified mail to the Purchaser's post office address. Purchaser agrees to notify the City of any change of address.

4.05 Dispute Resolution. The following procedures apply in the event of a dispute regarding interpretation or administration of this contract and the parties agree that these procedures must be followed before a lawsuit can be initiated.

- a. In the event of a dispute, Purchaser must make a written request to the Contract Administrator for resolution prior to seeking other relief.
- b. The Contract Administrator will issue a written decision on Purchaser's request within ten working days.
- c. Within ten working days of receipt of the Contract Administrator's decision, Purchaser may make a written request for resolution to the Mayor of the City.
- d. Unless otherwise agreed, a conference will be held within ten working days of the receipt of Purchaser's request. Purchaser and the Contract Administrator will have an opportunity to present their positions. The Mayor will issue a resolution within five working days of the conference.
- e. If the parties cannot resolve the dispute after the Mayor's resolution, the parties agree to go to arbitration. The arbitrator will be mutually acceptable to both parties, and the costs split between the parties.

SECTION 5 - REQUIREMENTS

5.01 Liability Insurance. Purchaser shall obtain and keep in force, while conducting operations under this contract, liability insurance from insurers with a certificate of authority issued pursuant to Chapter 48.05 RCW or surplus line insurers if procured through a licensed surplus line broker pursuant to Chapter 48.15 RCW. The policy or endorsement shall insure against liability for bodily injury and property damage arising out of Purchaser's or Purchaser's delegates' performance of this contract, unless such liability or loss results from the willful or negligent act of the City.

The amount of coverage shall not be less than \$1,000,000.00 for bodily injury including death to any one person, not less than \$3,000,000.00 for each occurrence, and not less than \$250,000.00 for property damage in any one occurrence.

Certification by Purchaser that a policy or endorsement to an existing policy has been obtained satisfying the above requirements must be received by the City before Purchaser may operate. Purchaser must give City thirty (30) days notice of any change or cancellation of this insurance. Coverage in the minimum amount set forth herein shall not be construed to relieve Purchaser from liability in excess of such coverage.

5.02 Assessments. The Purchaser shall pay the annual payments on all assessments and taxes that are charged now or may be charged in the future to the land or personal property thereon, including any contract tax which may be payable.

5.03 Compliance. The Purchaser shall comply with all rules, regulations and laws of the United States, the State of Washington, the County of Skagit and City of Anacortes that pertain to this contract. Violation of the rules, regulations and laws of the United States, the State of Washington, the County of Skagit, or the City of Anacortes, that pertain to this contract, or failure to pay any damages due the City, or noncompliance with any rules, regulations, or laws shall constitute grounds for the forfeiture of the contract rights in this contract. The City shall have access to the premise at all reasonable times to determine and secure compliance with this contract.

5.04 Preservation of Markers. Any legal land subdivision survey corners, reference points or monuments are to be preserved. If such are destroyed or disturbed, the Purchaser shall re-establish them by a licensed land surveyor in accordance with U.S. General Land Office standards at Purchaser's expense.

5.05 Water Rights. In the event that the Purchaser shall initiate any water rights on said premises, such right shall become an appurtenance to the Property; and upon surrender, cancellation, or termination of this contract the Purchaser or assigns of the Purchaser shall assign and convey such water rights and any application for appropriation of water to beneficial use relating to the land covered by this contract to the City.

SECTION 6 - DEVELOPMENT & RECLAMATION

6.01 Development and Reclamation Plan. All operations of the Purchaser under this contract shall be so conducted to re-establish on a continuing basis the vegetative cover, provide soil stability, protect water quality conditions, avoid damage to productivity of the land, ensure site appearance and safety conditions appropriate to the intended subsequent use of the area (forest lands). All topsoil disturbed shall be stockpiled for redistribution. At the end of each phase of the contract, Purchaser shall redistribute all soil at an even depth over the entire work area and will add soil if necessary to gain an average depth of nine inches.

6.02 Condition of Premises and Liability. Purchaser has had the opportunity to inspect the valuable material sale area and enters into this contract in reliance on Purchaser's own examination and not by reason of any representation by the City. The premises have been inspected by the Purchaser and are accepted in present condition. Purchaser will protect, save and hold harmless the City, its authorized agents and employees, for all claims, costs, damages or expenses of any nature whatsoever arising out of or in connection with the use of the Property under this contract. Further, the Purchaser shall be responsible for any fines or penalties charged against the premises as a result of his action in not complying with laws or regulations affecting the premises.

6.03 Performance Security. Purchaser agrees to furnish, within 30 days of contract signing, security acceptable to the City in the amount of \$50,000 that guarantees performance of all provisions of this contract and payment of any damages caused by operation under this contract or resulting from Purchaser's noncompliance with any rule or law. Purchaser shall not operate unless performance security has been accepted by the City. If at any time the City decides that this security has become unsatisfactory, Purchaser agrees to suspend operations and, within 30 days of notification, to replace the security with one acceptable to the City.

SECTION 7 - SUBCONTRACTS AND ASSIGNMENT

7.01 Assignment. Purchaser shall not hypothecate, mortgage, assign, encumber, transfer, or otherwise alienate this contract, or any interest therein or engage in any other transaction which has the effect of transferring or affecting the right of enjoyment of the premises without the prior written approval of the City, which shall not be unreasonably withheld.

7.02 Approval of Assignment. In granting such approval, City reserves the right to change the terms and conditions of this contract as it may affect the assignee. The City shall be entitled to consider, among other items, the proposed subcontractor's/assignee's financial condition, managerial capability, business reputation, nature of the proposed subcontractor's/assignee's business, the then current fair market rental value of the premises, and such other factors as may reasonably bear upon the suitability of the subcontract/assignee or transferee as a tenant of the premises or the holder of this contract.

Approval may also be conditioned on, among other items, additional payment to reimburse the City for any additional costs of management or losses of payments resulting from the assignment.

Consent of the City to an assignment or transfer shall not constitute a waiver of the City's right to approve subsequent assignments or transfers. The acceptance by City of payment or performance following an assignment or transfer shall not constitute consent to any assignment or transfer, and City's consent shall be evidence only in writing.

7.03 Assignee/Transferee Obligations. Each permitted assignee, or transferee of Purchaser shall assume and be deemed to have assumed all obligations of Purchaser under this contract. Notwithstanding any such assignment or transfer, Purchaser shall be and remain jointly and severally liable with the assignee or transferee for all obligations under this contract, unless released, in writing, by the City.

SECTION 8 - EASEMENTS

8.01 Upon completion or termination of the mining project a 30 foot permanent access easement (from Havekost Road to the site) will be granted to the City. The location of this will be determined by Lakeside Industries with approval of the City.

SECTION 9 - DEFAULTS AND REMEDIES

9.01 Default. Should the Purchaser violate or default on any of the material covenants and provisions contained herein, including the obligation to pay for the fixed annual payment, the City may terminate this contract provided that the Purchaser has been notified in writing of the violation or default thirty (30) days prior to such cancellation and such violation or default has not been corrected within such time. Upon such cancellation the City shall have the right to take control of all valuable materials belonging to the City, but not withstanding such cancellation or termination the City shall be entitled to recover the full cost for material removed pursuant to this agreement. Further, the City shall be entitled to all reasonable damages and costs arising out of termination of this contract. However, the City shall not be entitled to indirect or consequential damages arising out of the termination of this contract, nor shall the City be entitled to any damages or costs that it notifies the Purchaser of after one year from the termination of this contract.

9.02 Purchaser Liens. Purchaser shall not suffer or permit any lien to be filed against the City's interest in the premises, improvements or crops growing thereon by reason of work, labor, services or materials performed thereon or supplied to, by or through the Purchaser. If any such lien is filed, Purchaser shall cause the same to be discharged of record within thirty (30) days after the date of filing or creation of such lien unless other arrangements are authorized in writing by the City in advance. Purchaser shall indemnify the City for any costs, damages or expenses (including attorneys' fees and courts' costs) incurred as a result of such liens or in obtaining their discharge whether such costs, damages or expenses were incurred prior or subsequent to contract termination or cancellation.

9.03 Attorney Fees. Each party shall be responsible for his own attorney fees in the event of a dispute arising out of this agreement. Venue for resolving such disputes shall be in Skagit County Superior Court.

9.04 City's Right to Cure Defaults. If Purchaser fails to perform and is in default of any undertaking or promise contained herein, including those set forth in any plan of development, the City shall have the option, but is not obligated, to make such performance after giving 30 days written notice to the Purchaser. The City's costs and expense to correct Purchaser's failure to perform shall be reimbursed by Purchaser and shall be immediately due and payable, together with interest accruing from the date such cost or expense is incurred, provided that Purchaser has not corrected the default within the 30 days.

9.05 Remedies Cumulative. The specified remedies to which the City may resort under the terms of this contract are cumulative and are not intended to be exclusive of any other remedies or means of redress to which City may lawfully be entitled in case of any breach or threatened breach by Purchaser of any provision of this contract.

9.06 Force Majeure. The Purchaser's failure to comply with any of the obligations under this contract shall be excused only if due to causes beyond Purchaser's control and without the fault or negligence of the Purchaser, including acts of God, acts of the public enemy, fires, floods, epidemics and strikes.

SECTION 10 - GENERAL PROVISIONS

10.01 Indemnity. From and after the contract commencement date, the Purchaser shall indemnify and save harmless the City, its employees, officers, and agents from any and all liability, damage, expense, cause of action, suit, claim, or judgment, by any reason whatsoever caused, arising out of the use, occupation, or control of the premises by Purchaser, Purchaser's subcontractors, invitees, agents, employees, licensees, or permittees excepting only that which is due to the willful or negligent act of the City or the City's employees, officers, or agents.

10.02 No Partnership. The City is not a partner nor a joint venturer with the Purchaser in connection with the activities conducted and business carried on under this contract and the City shall have no obligation with respect to the Purchaser's debts or other liabilities.

10.03 Purchaser's Authority. Persons executing this contract on behalf of Purchaser represent that they are authorized to do so and warrant that this Contract is legal, valid, and binding obligation on behalf of Purchaser, and is enforceable in accordance with its terms.

10.04 City's Authority. This contract is entered into by the City pursuant to the authority granted by statute and the Constitution of the State of Washington. The terms and conditions hereof are subject to such statutory and constitutional provisions as may be now in effect and such provisions which do not impair the contractual rights of Purchaser under this Contract which may lawfully be enacted subsequent to the date of this Contract.

10.05 Interpretation and Numbering. This contract has been submitted to the scrutiny of all parties hereto and their counsel if desired, and shall be given a fair and reasonable interpretation in accordance with the works hereof, without consideration of weight given to it being drafted by any party hereto or their counsel. Section numbers, headings, or titles are for convenience only and are not to be construed to limit or to extend the meaning of any part of this Contract.

10.06 Time of Essence. Time is expressly declared to be of the essence of this contract and each and every covenant of Purchaser hereunder.

10.07 Amendments. Any amendments, revisions, supplements, or additions to the Contract or the attached exhibits shall be made in writing executed by the parties hereto, and neither City nor Purchaser shall be bound by verbal or implied agreements. Such changes may be made by re-execution of the signature page and the deletion and addition of the appropriate new effective pages or exhibits governing the change, if any.

10.08 Entire Agreement. This written Contract or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

10.09 Invalidity. If any term or provision of this contract or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of this contract, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of this contract shall be valid and be enforced as written to the fullest extent permitted by law.

10.10 Survival. All obligations of Purchaser to be performed prior to the expiration or earlier termination shall not cease upon the termination or expiration of this Contract, and shall continue as obligations until fully performed. All clauses of this Contract which require performance beyond the termination or expiration date shall survive other termination or expiration date of this contract. However, upon expiration or earlier termination of this contract, the rights of Purchaser and of all persons, firms, corporations, and entities claiming under Purchaser in and to the premises and all improvements hereon, unless specified otherwise in this Contract, shall cease.

SECTION 11 - MISCELLANEOUS

11.01 Placement of Improvements. No improvements shall be placed on the described lands without obtaining, in advance, written permission for the improvements from the City, which shall not be unreasonably withheld.

11.02 Removal of Improvements. All Purchaser's improvements and equipment shall be removed from the contracted premises (at Purchaser's expense) within ninety (90) days from the date of termination. Such removal is to be accomplished without unnecessary waste or damage to the premises.

11.03 Weed Control. Purchaser shall be responsible for the prevention and control of noxious weeds resulting from the activities under this contract. Purchaser shall follow directions of the County Work Authority and shall be responsible for reimbursement to said authority in the event they undertake noxious weed control measures on the premises.

11.04 City Does Not Warrant.

The City does not warrant any of the following:

- a. The merchantability of the valuable material. The use of the term "merchantable" elsewhere in this contract is not intended to vary the foregoing.
- b. The condition of the valuable material. The valuable material is conveyed "as is."

- c. The volume, quality, or grade of the valuable material. The descriptions of the valuable material conveyed in this agreement are estimates only, made for the sole purpose of identification.
- d. The correctness of any soil or surface conditions and pre-sale construction appraisals, investigations, and all other pre-bid documents prepared by and for the City.
- e. Items which extend beyond the description on the face of this contract.

11.05 Limitation of Damage. In the event of a breach of any warranty or default by the City, the Purchaser shall be entitled to all reasonable damages and costs arising out of the breach or default of this contract. The Purchaser shall not be entitled to indirect or consequential damages arising out of the City's breach or default of this contract, and shall not be entitled to damages and costs that it notifies the City of after one year from the termination of this contract.

If City and Purchaser agree that a government regulatory action, not arising from Purchaser's failure to comply with this contract, has caused contract performance to become impracticable, the City agrees to (1) determine the value, as of the date of the sale confirmation, of the valuable material that cannot be removed, and (2) reduce the total contract price specified in clause 3.02 by that amount.

11.06 Agents. The City shall name a Contract Administrator who shall be responsible for administering this contract.

Purchaser is required to have a person on site during all operations who is authorized to receive instructions and notices from the City. Purchaser shall inform the City in writing who is authorized to receive instructions and notices from the City, and any limits to this person's authority.

11.07 Notices. All notices and written communications required by this contract shall be sent to Purchaser and City at their office and addresses set forth below:

Purchaser:	Lakeside Industries P.O. Box 7016 Issaquah, WA 98027	City:	City of Anacortes P.O. Box 547 Anacortes, WA 98221 Attn: Gary Robinson (Contract Administrator)
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Except as otherwise specifically provided in this contract, any notice hereunder shall be in writing and shall be deemed delivered when served personally on the party to whom addressed, or when deposited in the U.S. Mail registered or certified, postage prepaid, addressed to such party at the address and to the attention of the party as provided in this paragraph, or when deposited with the operator for immediate telegraphic or other electronic communication addressed as set forth above, provided that such electronic communication is promptly followed by written notice addressed and mailed as aforesaid.

11.08 D.N.R. Permit. Any requirements or conditions placed on the operation of Purchaser by the Department of Natural Resources through the permit process shall become part of this contract.

11.09 Site Run-off. All site run-off work including the detention ponds and drainage swales shall be approved and monitored by the City's Public Works Department. If it is determined that they are not functioning properly the Purchaser will cease all work until the problem is resolved to the Engineering and Development Service Departments satisfaction.

11.10 Boundary Lines. All boundary lines will be surveyed and fenced to the City's standards before any work can begin on the project. This will include a 200' buffer from the wetlands to the south and a 100' buffer from the tree grove to the west.

11.11 A.C.F.L. Regulations. All Anacortes Community Forest Lands ordinances that do not affect the operation of a rock quarry shall continue to apply to the worksite.

11.12 Property Description. The Purchaser will supply the City with legal description of the work area to the City's standard before any work is to begin.

11.13 City Notification. The Purchaser shall give the City 24 hours notice before any blasting occurs.

11.14 Donation. Lakeside shall transfer to the City the 10 acre piece of property off of Havekost Road known as their lower gravel pit prior to December 31, 2001 provided that the City submits a written request to the Purchase calling for this transfer prior to November 30, 2001; the City understands that Purchaser may remove gravel from the site prior to any transfer.

11.15 Yearly Report. Lakeside shall provide the City with an annual report on their operations at the site. This report shall be given to the City Council in January of each year. The format and content of the report will be revised until it is satisfactory to both parties.

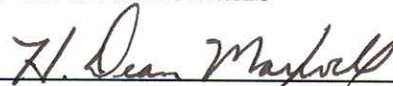
11.16 Termination. Termination after December 31, 2019 may occur upon 30 days written notice to the City and full performance of all contract terms and conditions.

Agreed and entered into this 21st day of December, 1999.

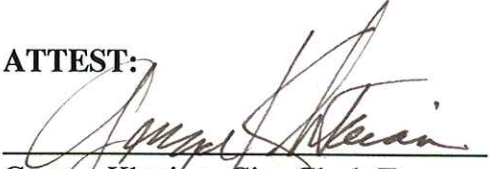
LAKESIDE INDUSTRIES

By: 
MICHAEL J. LEE, VICE PRESIDENT

CITY OF ANACORTES

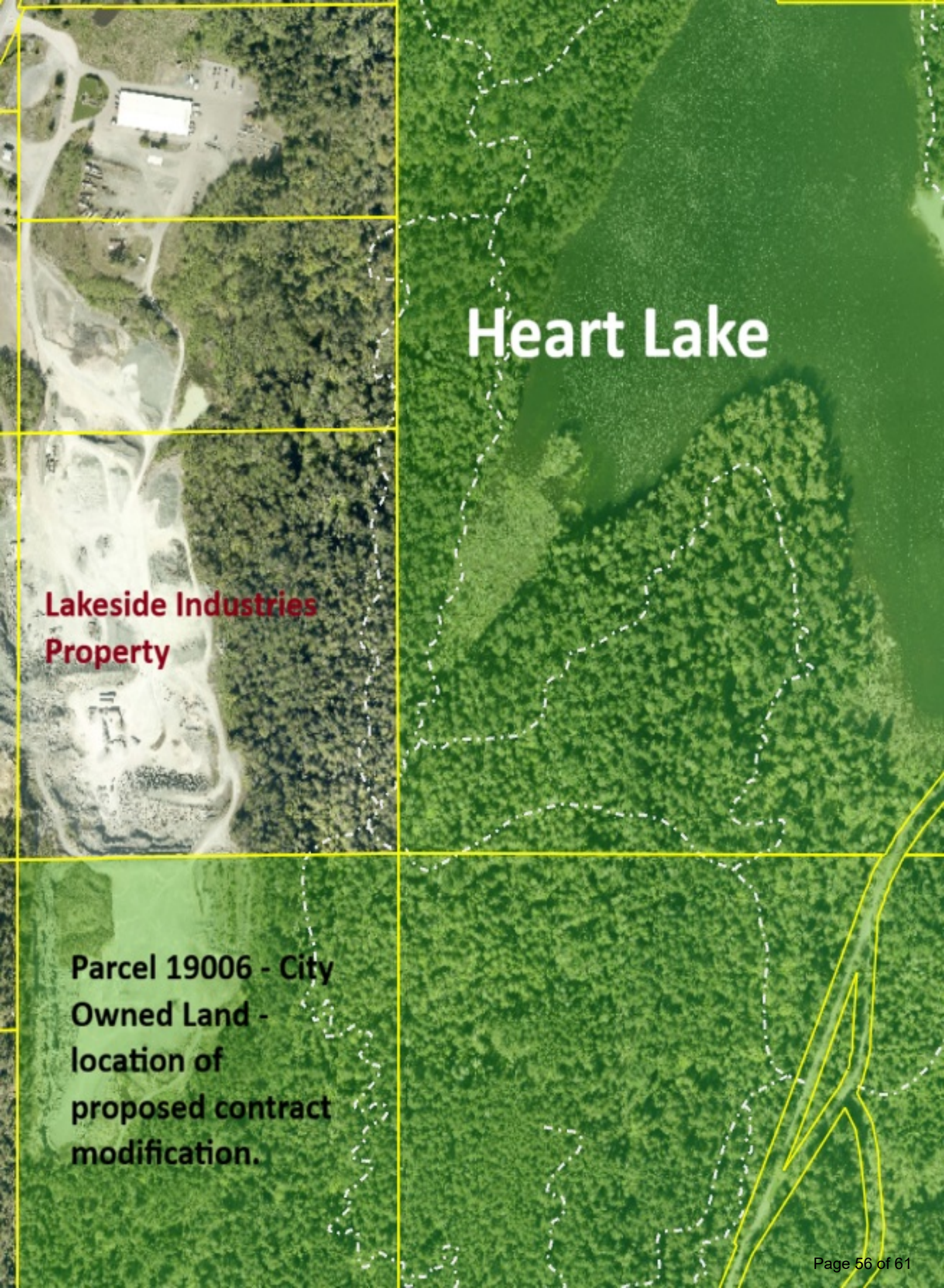
By: 
H. Dean Maxwell, Mayor

ATTEST:


George Khtajan, City Clerk Treasurer

APPROVED AS TO FORM:


Stephen E. Mansfield, City Attorney

An aerial photograph of a landscape featuring a large body of water (Heart Lake) on the right side, surrounded by dense green forest. On the left side, there is a cleared area with some buildings and a parking lot, labeled as 'Lakeside Industries Property'. A yellow line outlines a specific area in the bottom left, labeled as 'Parcel 19006 - City Owned Land - location of proposed contract modification.' The text 'Heart Lake' is written in large white letters across the middle of the lake. The entire image is overlaid with a yellow grid.

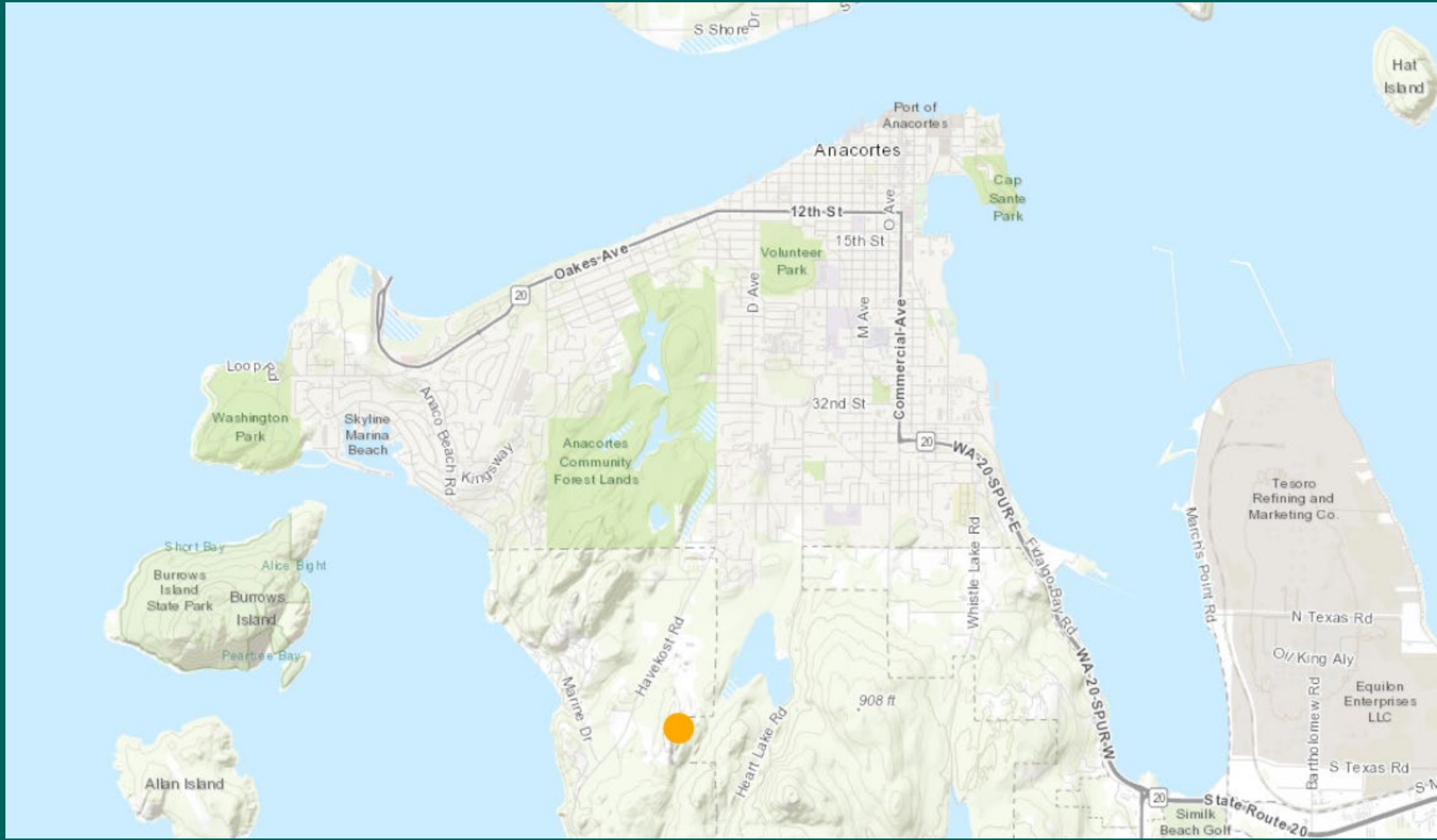
Heart Lake

**Lakeside Industries
Property**

**Parcel 19006 - City
Owned Land -
location of
proposed contract
modification.**

Item 6c.

Contract Modification 01



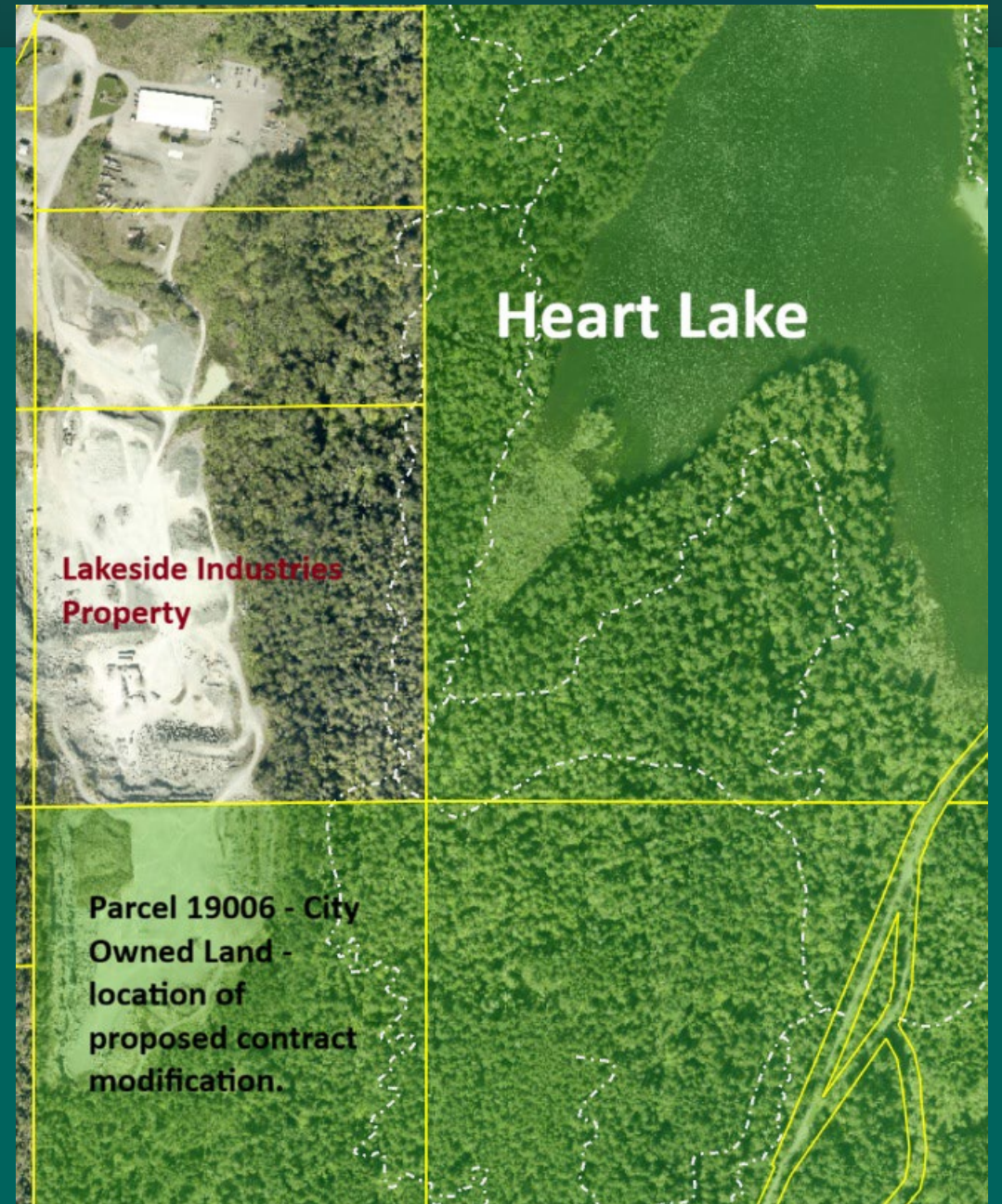
Background:

City Owned Parcel 19006, approximately 16 acres were mined under 1999 agreement.

Mining Operations ceased in 2025.

Lakeside Industries approached the city about steps needed to possibly resume mining on this site.

City requires analysis of any impact to nearby wetlands before considering continuation of mining.



Contract Modification 01:

No additional mining is authorized by this modification to the contract.

The modification does grant access to city property.

Allows for analysis of any potential impact to adjacent wetlands.

Allows for limited boring sites within existing mining footprint.



Quarry site on city property outlined in orange.

Questions?