

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF CLE ELUM AND
KITTTAS COUNTY FOR UPPER KITTTAS COUNTY LAW AND JUSTICE
FACILITIES**

THIS INTERLOCAL AGREEMENT is entered into pursuant to the provisions of Chapter 39.34 RCW, by and between Kittitas County, a political subdivision of the State of Washington organized under Title 36 of the Revised Code of Washington (hereinafter referred to as "County"), and the City of Cle Elum, a second class municipal corporation organized under the laws of the State of Washington (hereinafter referred to as "City").

WITNESSETH:

WHEREAS, the Interlocal Cooperation Act, as amended, and codified in Chapter 39.34 of the Revised Code of Washington, provides for interlocal cooperation between governmental agencies;

WHEREAS, the County and the City are public agencies within the meaning of chapter 39.34 RCW;

WHEREAS, on July 30, 2002 the County had previously leased from owner Jerry Hein -- presently known as Hein and Hein Enterprises, LLC ("Landlord") -- an Eight Thousand Six Hundred (8,600) square foot commercial property located at 700 East First Street, Cle Elum, Kittitas County, Washington, commonly known as the "Coast to Coast Building," to operate and maintain the Upper Kittitas County District Court;

WHEREAS, on September 3, 2002, the County entered into an Interlocal Agreement with the City, whereby the County and City formalized their commitment to a shared facility and lease arrangement at the Coast to Coast Building for the creation of an Upper Kittitas County Law and Justice Facility.

WHEREAS, in the Upper Kittitas County Law and Justice Facility, the County was to operate and maintain the Upper Kittitas County District Court and the City was to operate and maintain the Cle Elum Police Department.

WHEREAS, as a result of this Agreement the City sublet from the County Two Thousand, Eight Hundred and Ninety-Nine (2,899) square feet in the Coast to Coast building for an initial term of sixty (60) months, and with the County occupying the remaining Five Thousand Seven Hundred and One (5,701) square feet.

WHEREAS, the legal description of said property is as follows:

Commencing at the Northeast corner of Lot Ten (10), Block Eleven (11), HAZELWOOD ADDITION, thence South along the East boundary line of Lots Five (5), Six (6), Seven (7), Eight (8), Nine (9) and Ten (10), 136 feet; thence Westerly at right angles on a line parallel with and 136 feet distant from the north boundary line of Lot Ten (10), 166 feet; thence Northerly on a line 166 feet distant from and parallel with the East

boundary line of Lots Five (5), Six (6), Seven (7), Eight (8), Nine (9), and Ten (10) a distance of 136 feet to a point on an extension of the North boundary line of said Lot Ten (10); thence Easterly 166 feet along the North boundary line of Lot Ten (10); and the North boundary line of Lot Ten (10) EXTENDED TO THE TRUE POINT OF BEGINNING.

WHEREAS, the City's rent under the 2002 Interlocal Agreement was calculated at a base rate of 67 cents per square foot per month, equating to One Thousand Nine Hundred and Forty-Two Dollars (\$1,942.00) per month.

WHEREAS, instead of receiving from the City the entire rent owed, the County agreed to accept the following from the City:

(1) the City's payment of Four Hundred Dollars (\$400) per month inclusive of utilities, payable on the 15th day of each month for part of the City's share of its monthly rent obligation;

(2) the City's accrued credit in favor of the County for the remaining monthly amount of One Thousand, Five Hundred and Forty-Two Dollars (\$1,542.00) -- or Ninety Two Thousand Five Hundred Twenty Dollars (\$92,520.00) over a sixty (60) month term;

(3) subtracting a credit back from the County in favor of the City for the value of in-kind services which the City donated for necessary tenant improvements prior to the City's occupation of the space; and

(4) at the end of the sixty (60) month period, the City's satisfaction of its remaining debt to the County by the City's transfer to the County of a fractional ownership interest in a property known as "the Reed Hill Property."

WHEREAS, the Reed Hill Property was formerly known as the Reed Hill Convalescent Center, which the City contemplated purchasing, renovating, and preparing for opening as a Law and Justice Facility, which was not anticipated to be completed until at least sixty (60) months from the September 3, 2002 date of execution of the 2002 Interlocal Agreement between the County and City.

WHEREAS, the fractional ownership interest to be transferred from the City to the County bears the same ownership ratio as the Ninety-Two Thousand Five Hundred Twenty Dollars (\$92,520) less the City's in-kind credit, to the then assessed value (in 2002) of the Reed Hill property.

WHEREAS, the City subsequently purchased the Reed Hill property but found it unsuitable for the purpose of developing into the contemplated Upper Kittitas County law and Justice Facility.

WHEREAS, under the 2002 agreement, the City contemplated repaying the County if the City's proposed Law and Justice Facility did not materialize; the repayment amount was to be the City's obligation of Ninety-Two Thousand Five Hundred Twenty Dollars (\$92,520) (less the City's in-kind credit) which the City owed the County at the expiration of the sixty (60) month period;

WHEREAS, the 2002 agreement expired on July 31, 2007, and on August 1, 2007, the County entered into a three (3) year lease amendment/renewal with Landlord for the same Coast to Coast Building in Cle Elum, Washington, for the Upper Kittitas County law and Justice Facility which again housed the Upper Kittitas County District Court and the Cle Elum/Roslyn/South Cle Elum Police Department; and

WHEREAS, the City again occupied Two Thousand, Eight Hundred and Ninety-Nine (2,899) square feet and the County again occupied Five Thousand Seven Hundred and One (5,701) square feet in the Coast to Coast Building;

WHEREAS, the County and the City have limited monthly funds to apply toward rent on the facility; and

WHEREAS, the County and the City wish to re-formalize their commitment to a shared facility and lease extension to continue operating the Upper Kittitas County law and Justice Facility;

NOW THEREFORE, the parties agree to the following:

1. **Duration:** This Agreement shall become effective upon the filing of the executed counterparts of this Agreement with the Office of the Kittitas County Auditor or, alternatively, listed by subject on the County's web site or other electronically retrievable public source pursuant to RCW 39.34.040. The extended term of this Agreement shall be from August 1, 2007 to July 31, 2010, unless terminated or extended in accordance with Article 9 herein.
2. **Purpose:** The purpose of this Agreement is to continue providing for the cooperative financing, administrating and use of the Upper Kittitas County Law and Justice Facility for the benefit of the County and City residents of Upper Kittitas County.
3. **Lease of Property:** The County agrees to continue to lease the Coast to Coast property from the Landlord for an extended term of three (3) years.
4. **Lease Payments:** The County will continue to pay for the use of said property for the Upper Kittitas County Law and Justice Facility.
5. **Sublease to City:** The County agrees to continue to sublet approximately 2,899 square feet of the Upper Kittitas County Law and Justice Facility to the City for an extended term of three (3) years as follows:
 - a. **Year One** The parties agree that the City's rent for Two Thousand Eight Hundred and Ninety-Nine (2,899) square feet of said facility, calculated at a rate of Sixty-Seven (67) Cents per square foot per month, equates to One Thousand Nine Hundred and Forty-Two Dollars (\$1,942.00) per month. The County agrees to accept payment of Four Hundred Dollars (\$400.00) per month inclusive of utilities payable not

later than the Fifteenth (15th) day of each month for part of the City's share of monthly rent obligation. The remaining unpaid One Thousand Five Hundred and Forty-Two Dollars (\$1,542.00) accrues per month. The Year One total accrual equals Eighteen Thousand Five Hundred and Four Dollars (\$18,504.00).

- b. **Year Two:** The parties agree that the City's rent for the aforementioned square footage will be calculated at ninety (90) cents per square foot per month, which equals Two Thousand Six Hundred and Nine Dollars (\$2,609.00) per month. The County agrees to accept payment of Six Hundred Dollars (\$600.00) per month inclusive of utilities payable not later than the Fifteenth (15th) Day of each month for part of the City's share of monthly rent obligations. The remaining unpaid Two Thousand and Nine Dollars (\$2,009.00) accrues per month. The Year Two total accrual equals Twenty-Four Thousand One Hundred and Eight Dollars (\$24,108.00).
 - c. **Year Three:** The parties agree that the City's rent for the aforementioned square footage will be calculated at One Dollar per square foot per month, which equals Two Thousand Eight Hundred and Ninety-Nine Dollars (\$2,899.00) per month. The County agrees to accept payment of Eight Hundred Dollars (\$800.00) per month inclusive of utilities payable not later than the Fifteenth (15th) Day of each month for part of the City's rent obligations. The remaining unpaid Two Thousand and Ninety-Nine Dollars (\$2,099.00) accrues per month. The Year Three total accrual equals Twenty-Five Thousand One Hundred and Eight-Eight Dollars (\$25,188.00).
 - d. **Total Accrual for Three Years:** The rent for the three year total accrual based on the above amounts would amount to Sixty-Seven Thousand Eight Hundred Dollars (\$67,800.00). Combined with the total of the prior five-year lease, the overall total obligation the City would owe to the County would amount to One Hundred Sixty Thousand, Three Hundred and Twenty Dollars (\$160,320.00), less a credit back to the City for the value of in-kind services donated by the City for necessary tenant improvements prior to the City's occupation of the Law and Justice Facility.
 - e. **Repayment Schedule:** Upon expiration or termination of the lease, the City and County will negotiate a repayment schedule of the City's accrued debt to the County.
6. **Use of Property:** The County and the City shall be responsible for their respective portion of the subject premises including maintenance, upkeep and daily operations.

7. **Surrender at Termination of Lease:** The City agrees to deliver up its premises without notice at the expiration of its three (3) year lease extension with the County or in advance of early termination, in as good a condition as the premises were at the commencement of the original lease and lease extension, excepting ordinary wear and tear and damage.
8. **Relationship of the Parties:** The parties agree that they are independent entities organized under the laws of the State of Washington operating pursuant to the terms and conditions of this Agreement. No agent, employee, servant or representative of any party shall be deemed to be an agent, employee, servant or representative of any other party for any purpose. As such, each party is solely and entirely responsible for its acts and the acts of its agents, employees, and servants during the term of this Agreement.
9. **Hold Harmless:** Each party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of its officials, officers, agents or employees to the fullest extent required by law, and further agrees to save, indemnify, defend and hold the other party harmless from any such liability. Neither party assumes responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this Agreement, and no liability shall attach to the County by reason of entering into this contract except as expressly provided herein.
10. **Renewal and Termination:** If, at the expiration of this thirty-six (36) month Agreement, the County intends to continue to operate in the Coast to Coast facility, it shall offer the City the opportunity to renew this Agreement for up to an additional three (3) terms of up to five (5) years each, based upon the terms the County is able to negotiate with Landlord, at the conclusion of which this Agreement shall terminate. The City and the County may elect to terminate this Agreement earlier than its initial thirty-six (36) month term upon mutual agreement of the parties. Such termination shall be effective upon thirty (30) days notice in writing either personally delivered or mailed postage prepaid by certified mail, return receipt requested, to the other party's last known address for the purposes of giving notice under this paragraph. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.. Upon such termination, the City shall remove its property from the premises.
11. **Amounts Owning by City Upon Termination Earlier Than Initial Term.** Commensurate with termination of this Agreement earlier than the initial term, the unpaid monthly amount owing by the City to the County for each month of occupancy under this Agreement shall be adjusted to reflect the actual number of months the City occupied the County facility and

multiplied according to the amount owed in the year of termination, payable as follows:

- a. **Year One:** The City shall owe an amount commensurate with the number of months the City occupied the County facility in Year One multiplied by One Thousand, Five Hundred and Forty-Two Dollars (\$1,542.00).
 - b. **Year Two:** The City shall owe an amount commensurate with the number of months the City occupied the County facility in Year Two multiplied by Two Thousand and Nine Dollars (\$2,009.00).
 - c. **Year Three:** The City shall owe an amount commensurate with the number of months the City occupied the County facility in Year Three multiplied by Two Thousand and Ninety-Nine Dollars (\$2,099.00).
12. **Insurance:** Each party is responsible for insuring itself for liability in an amount of at least One Million Dollars (\$1,000,000.00). Each party will insure its property interest as it deems sufficient under the circumstances. The parties shall provide each other certificates or other suitable proof of coverage within thirty (30) days of the recording of the extension of this Agreement.
 13. **Modification:** No changes or modifications of this Agreement shall be valid or binding upon either party to this Agreement unless such changes or modifications are in writing and executed by both parties.
 14. **Arbitration:** In the event a dispute arises between the parties relative to the terms or application of this Agreement, the aggrieved party shall provide the other party with formal notice of its inability to resolve the dispute, by writing to the addresses provided for herein. Said notice shall be mailed via certified mail. Upon receipt of such notice, the receiving party shall contact the aggrieved party and establish a mutually convenient time within thirty (30) days thereafter to meet and attempt to resolve the issue. In the event the parties are unable to resolve the dispute, arbitration shall be selected pursuant to RCW 7.04 et seq. Such arbitration shall occur before one (1) disinterested arbitrator if agreed upon by the parties; otherwise, the arbitration shall occur before three (3) disinterested arbitrators.
 15. **Severability:** If any term or provision in this Agreement is held invalid, the remaining terms and provisions of this Agreement shall continue in full force and effect unless amended or modified by mutual consent of the parties.
 16. **Notices:** Notices or communications shall be given to the parties as follows:

a. **If to the County:** Kittitas County Board of County Commissioners
Kittitas County Courthouse
205 W. 5th, Room 108
Ellensburg, WA 98926

b. **If to the City:** City of Cle Elum
Attn: City Administrator
119 West First Street
Cle Elum, WA 98922

17. **Venue:** This Agreement shall be governed by the laws of the State of Washington, and venue for any action related to this Agreement shall be in Kittitas County, Washington.

DATED this 16th day of September, 2008.

CITY OF CLE ELUM

By: Charles J. Glardo
Charles J. Glardo, Mayor

Attest: Ann Gelda
Ann Gelda, City Clerk

Approved as to form:

KITTITAS COUNTY BOARD OF COUNTY COMMISSIONERS

By: Mark McClain
Mark McClain, Chair

Alan Crankovich
Alan Crankovich, Commissioner

Linda Amber
Commissioner

Attest: Julie Kjorsvik
Julie Kjorsvik, Clerk of the Board



Approved as to form:

Zera Holland Lowe
Deputy Prosecuting Attorney