

**AN INTERLOCAL AGREEMENT
BETWEEN**

**THE CITY OF ARLINGTON,
WASHINGTON AND
THE ARLINGTON TRANSPORTATION BENEFIT
DISTRICT**

This agreement between the City of Arlington, Washington ("Arlington"), and the Arlington Transportation Benefit District ("TBD"), each of whom is organized as a Municipal Corporation under the laws of the state of Washington, is dated this 14th day of May, 2013.

WHEREAS, RCW Chapter 39.34 (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, Arlington is empowered to operate, maintain, construct, and reconstruct, public street infrastructure within its City limits in accordance with the powers granted pursuant to RCW 35A.11.020 and RCW Chapter 35A.47; and

WHEREAS, pursuant to Ordinance 2013-005, Arlington established the TBD for any purpose allowed by law, including to operate the District and to make transportation improvements consistent with existing state, regional, and local transportation plans;

NOW, THEREFORE, the parties have entered into this agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act, RCW Chapter 39.34.

1. Purpose and Interpretation. The City of Arlington is empowered by RCW Title 35A to construct, reconstruct, maintain, and preserve City streets and other related public infrastructure either by contract or through the use of City forces.

The TBD has been constituted in accordance with State law to provide a source of funding for the maintenance and preservation of streets and related infrastructure within the City limits of the City of Arlington.

The TBD has no employees and its officers are the Mayor and City Council Members serving in an ex officio capacity. In order to make the most efficient use of public monies, to avoid duplication of effort, and to coordinate their efforts, the parties have entered into this agreement.

In the event of ambiguity or the need for guidance arises, this agreement shall be interpreted in accordance with RCW Chapter 36.73, the Rules and Procedures of the TBD and the provisions of the Governmental Accounting Act and RCW 43.09.210 as the same exists or shall hereafter be amended.

In the event that any provision of this agreement is held to be in conflict with existing statute or any future amendment thereof, such provisions shall be

severable, and the remaining provisions of this agreement shall remain in full force and effect.

2. Obligations to the TBD. In accordance with the requirements of RCW Chapter 36.73, Arlington Ordinance 2013-005, the TBD Rules and Procedures, and TBD Resolution 2013-xxx, the Transportation Benefit District agrees to:

- a. Provide to the City of Arlington all funding received from any and all lawful sources which the TBD in its sole discretion may levy for the purpose of completing the TBD's authorized projects.
- b. Continue the annual provision of funding for the projects approved by the TBD, so long as the TBD remains in existence. Such funding shall be in accordance with and limited by the provisions of Ordinance 2013-005 and Resolution 2013-xxx, the Rules and Procedures of the TBD, and RCW Chapter 36.73.

3. Undertakings of Arlington. Arlington shall:

- a. Provide all staff and necessary related support to the TBD. The costs of such support shall be accounted for as a part of Arlington's annual report to the TBD.

TBD funding shall first be applied to the reasonable charges incurred in establishing the TBD.

Annual services provided may include the services provided by independent contractors that serve the TBD and any associated costs for such contract services, including, but not limited to reporting, advertising, design, contracting, construction management, and any and all other actual charges or Arlington/TBD agreed upon percentage of charges associated with the proper application of TBD funding in accordance with law and ordinance.

In consideration of the benefits derived by Arlington, services provided by City staff that serve the TBD and any associated costs, including, but not limited to the preparation of an annual work plan, finance plan, reporting, advertising, design, contracting, analysis, construction management, accounting, overhead charges such as utilities, information technology, office supplies, and equipment shall be a contribution of Arlington to the parties' joint goals and objectives and shall not be charged back to the TBD.

- b. Maintain for the period established by the State Archivist retention schedule, financial records, kept in accordance with generally accepted accounting practice and governmental accounting requirements, as necessary to document that any and all funding received through the TBD is used only for the projects authorized in accordance with law and ordinance.

- c. Immediately alert the TBD of any material changes in scope, schedule, or cost increases of 20% or greater to improvements funded in part or whole with TBD funds.
 - d. Utilize funding provided for projects shown on the TBD's annual work plan in accordance with the TBD's material change policy, law, and ordinance.
 4. Ownership. Streets and related transportation infrastructure preserved and maintained with TBD funds are and shall remain the property of the City of Arlington. No joint property ownership is contemplated under the terms of this agreement.
 5. No Joint Board. No provision is made for a joint board. The TBD shall exercise its function in accordance with its charter, using staff as provided by the City of Arlington, pursuant to law and to this agreement.
 6. Insurance; Indemnity.
 - a. The parties agree to participate in the Washington Cities Insurance Authority (WCIA) insurance pool in accord with their respective agreements with WCIA. The original charge or premium for the TBD will be borne by Arlington as a cost to be covered under Section 3(a) and shall be paid for with funds received from or through the TBD. In the event that either or both cease to participate in the WCIA pool, the party or parties agree to obtain comparable coverage.
 - b. Each party agrees to indemnify and hold harmless the other party, its officers, agents, and employees from any claim, loss, or liability arising from or out of the other party's negligent, tortious, or illegal actions under this agreement.
 7. Termination. This agreement shall terminate or expire as follows:
 - a. This agreement may be terminated by either party upon the provision of one hundred and eighty (180) calendar days' notice. A final reconciliation of costs, payment, and a current report of completed activities shall be completed by Arlington within such a period following the notice by either party.
 - b. Unless sooner terminated by either party, this agreement shall expire on the date when the District is automatically dissolved in accordance with provisions of RCW 36.73.170, as the same exists or is hereafter amended.
 8. Effective Date. This agreement shall be effective upon the last authorizing signature affixed hereto.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

**ARLINGTON TRANSPORTATION
BENEFIT DISTRICT**

Barbara Tolbert
Chair _____ Date

CITY OF ARLINGTON

Barbara Tolbert 5/6/13
Barbara Tolbert, Mayor _____ Date

ATTEST

Kristin Banfield
Kristin Banfield, City Clerk

APPROVED AS TO FORM

[Signature]
Steve Peiffle, City Attorney