

RESOLUTION

2018 365

BEFORE THE BOARD OF COMMISSIONERS OF BENTON COUNTY, WASHINGTON

IN THE MATTER OF THE RURAL COUNTY CAPITAL FUND,
DISBURSEMENT TO THE CITY OF WEST RICHLAND FOR THE
"VAN GIESEN COMMERCIAL CORRIDOR WATER SYSTEM UPGRADES" PROJECT

WHEREAS, RCW 82.14.370, adopted by the Washington State Legislature in 1997, authorizes certain qualified counties like Benton County to impose a "sales and use tax for public facilities", the revenue from which is intended to support "economic development activities" through the construction of "public facilities" by the cities, ports, and the County itself for the purposes of job creation and tax revenue generation; and,

WHEREAS, Benton County has established the "Rural County Capital Fund" for said economic development activities, and has reserved a portion of the Fund for possible disbursement to cities and ports within the County who request County participation with qualified capital development projects that comport with both State law and County policy; and,

WHEREAS, the City of West Richland has submitted an application for disbursement of funds to be used toward development of a project within the city known as the "Van Giesen Commercial Corridor Water System Upgrades"; and,

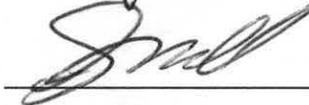
WHEREAS, the County and the City have mutually agreed to terms on a *Disbursement Agreement for use of Rural County Capital Funds*; **NOW THEREFORE**,

BE IT RESOLVED, by the Board of County Commissioners that the Chairman is hereby authorized to sign the *Disbursement Agreement for use of Rural County Capital Funds* with the City of West Richland for the disbursement of up to \$1,000,000.00 for development of the "Van Giesen Commercial Corridor Water System Upgrades" project.

Dated this 22 day of May, 2018.



Chairman of the Board



Member



Member

Attest.....

Clerk of the Board

Constituting the Board of Commissioners
of Benton County, Washington.

orig: Sustainable Development
cc: City of Benton City, Auditor

Prepared by: A.J. Fyall

Return Name and Address:
BENTON COUNTY COMMISSIONERS
7122 WEST OKANOGAN PLACE
KENNEWICK WA 98136

PLEASE PRINT OR TYPE INFORMATION:

Document Title: DISBURSEMENT AGREEMENT,
RURAL COUNTY CAPITAL FUND - WEST RICHLAND VAN GIESEN

Grantor(s)(Last name first, first name, middle initials):

1. BENTON COUNTY
- 2.
- 3.
- 4.

Additional names on page _____ of document.

Grantee(s)(Last name first, first name, middle initials):

1. CITY OF WEST RICHLAND
- 2.
- 3.
- 4.

Additional names on page _____ of document.

Legal description (abbreviated: i.e., lot, block, plat or section, township, range, qtr./qtr.)

Additional legal is on page _____ of document.

Reference Number(s) of documents assigned or released:

Additional numbers on page _____ of document.

Assessor's Property Tax Parcel/Account Number: (MUST HAVE 15 DIGITS)

Property Tax Parcel ID is not yet assigned.
Additional parcel numbers on page _____ of document.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information.

DISBURSEMENT AGREEMENT FOR USE OF RURAL COUNTY CAPITAL FUNDS

This Agreement, among and between Benton County (hereinafter "County"), and the City of West Richland (hereinafter "City"), shall be effective upon execution by both parties.

WHEREAS, the County has previously agreed to distribute certain funds received from the State of Washington that it has deposited in its Rural County Capital Fund (hereinafter "Fund") after April 1, 2016 for the financing of certain "public facilities [projects] serving economic development purposes" as contemplated by State statute (RCW 82.14.370) and in conformance with County policy (Resolution 2017-103, adopted January 31, 2017); and

WHEREAS, the County and the City are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer, and carry out their programs and public projects; and

WHEREAS, the City has tried for many years to foster economic development activity in its downtown within the "Van Giesen Commercial Corridor" between Bombing Range Road and Ruppert Road with limited success; and,

WHEREAS, numerous deficiencies within and along the Van Giesen Commercial Corridor exist that are impediments to new commercial development and the expansion of existing commercial development, including insufficient fire flow, inadequate delivery point pressure, and high nitrate levels; and,

WHEREAS, water pressures at points of delivery within the Van Giesen Commercial Corridor are in many places as low as 25 pounds per square inch (psi) while commercial users frequently desire at least 40psi; and,

WHEREAS, commercial development generally requires volume delivery of 4,000+ gallons per minute (gpm) for the purposes of fire flow, but available fire flow volume within the Van Giesen Commercial Corridor is only 1,600-3,000 gpm; and

WHEREAS, the City had to decommission its Well #4 due to high nitrate levels that exceeded drinking water standards, thus reducing the overall available water volume, which contributed to the aforementioned problems; and

WHEREAS, for the above reasons the City intends to substantially upgrade the water system servicing the Van Giesen Commercial Corridor as follows:

- 1) Drill a new groundwater well (to be designated "Well #11") in the Wanapum aquifer, including construction of a concrete masonry block well building, installation of telemetry equipment, installation of chlorination equipment, installation of a well pump and motor, and installation of approximately 12,000 linear feet of 12-inch water main pipe from the new well to Ruppert Road;

- 2) Construct a new 1-million gallon reservoir, located at an elevation higher than the existing reservoir it will replace;
- 3) Install approximately 1,100 linear feet of 16-inch water main pipe from the new reservoir to West Van Giesen Street, and install approximately 7,000 linear feet of 12-inch water main pipe along West Van Giesen Street (from the post office to Ruppert Road); and
- 4) Make adjustments to existing pressure reducing valves, make modifications to Well #1, install a motor to lift water to the new reservoir, install new telemetry equipment, make access road improvements, and install new site security systems, all in order to combine existing water pressure zones #1 and #2 into a single water pressure zone.

WHEREAS, the above described improvements (the "Project") will assist in the recruitment of new businesses to a commercial corridor, which as of early 2018 had over 60 vacant lots targeted for development in an attempt to create approximately 620 retail/commercial jobs over the next ten years; and

WHEREAS, commercial development of these lots would positively impact sales, business & occupation, and property tax revenues for the City; and

WHEREAS, the City has requested \$1,000,000.00 for the Project from that portion of the Fund allocated to it by the County to be reimbursed to the City by the County, with such funds being in addition to the contribution of City funds (\$1,697,866.00) and State funds (\$6,447,500.00) for the Project;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the County and the City mutually agree to the following:

1. Based on the City's request for reimbursement from the Fund, the County agrees to reimburse the City for up to One Million Dollars (\$1,000,000.00) of qualified direct costs incurred by the City for the Project *after* the execution of this Agreement; contingent upon: (i) such funds being less than the unspent amount of the Fund allocated to the City; and (ii) that each reimbursement is consistent with the County's Rural County Capital Fund Disbursement Policy, which is incorporated herein by reference.
2. The City represents that the use of revenues from the Fund for the Project is and will be consistent with RCW 82.14.370.
3. The City agrees to use all funds allocated by this Agreement solely for the purpose of financing the Project and warrants that all expenditures by the City for which it seeks reimbursement will comply with RCW 82.14.370.
4. The estimated Project schedule and a disbursement schedule are attached hereto as Exhibit A. The parties agree that funds will be disbursed only as reimbursement for actual, direct costs incurred by the City in connection with the Project. The City will keep the County informed of changes to the schedule as the Project progresses.

5. The City shall invoice the County at the end of each calendar month for all Project costs incurred by the City in the prior month that are eligible for and for which reimbursement is sought. All invoices shall be mailed to the County at the following address:

Benton County Commissioners Office
ATTN: Sustainable Development Manager
7122 West Okanogan Place
Kennewick, Washington 99336

6. All approved reimbursement payments will be made via check mailed directly to the City at the following address:

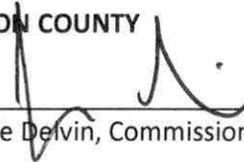
City of West Richland
ATTN: Finance Director
3801 West Van Giesen Street
West Richland, Washington 99353

7. The City shall not hold the County liable for any delay in disbursements, but the County agrees to use its best efforts to make appropriate disbursement payments to the City in a reasonably timely fashion.
8. The City shall be responsible for establishing policies for implementing this Agreement, monitoring progress of the Project, and monitoring the fulfillment of the Parties' responsibilities under the Agreement. In addition to other responsibilities set forth in this Agreement, the City is responsible for following applicable bid and prevailing wage law policies and procedures when awarding bids for the Project contemplated by this Agreement.
9. The City agrees to provide the County with a monthly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by the County.
10. If Rural County Capital Funds are applied by the City toward non-eligible expenditures, the County may cease all disbursements and the City shall repay to the County all monies inappropriately expended.
11. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed by the City with the Benton County Auditor.
12. It is not the intention that a separate legal entity be established with respect to the Project, nor is the joint acquisition, holding, or disposing of real or personal property anticipated.
13. The City agrees to indemnify the County from and against any claims, actions, losses, costs, penalties, damages, attorneys' fees, and all other liabilities and costs of defense of any nature arising out of the County's agreement to disburse funds under this Agreement.
14. The City shall not have the right to assign the rights under this Agreement nor to terminate its obligations hereunder without first securing the written consent of the County.

15. This Agreement shall terminate and the County's obligation to disburse funds under this Agreement shall cease at any time that any aspect of the Project falls thirty-six (36) months or more behind the schedule set forth in Exhibit A. In such case, the County's rights under this Agreement shall continue, but the County may use the funds previously allocated under this Agreement for any purpose allowable under state law. The County will make a good faith effort to notify the City whenever it believes any aspect of the Project is thirty (30) months or more behind schedule and that the Agreement will terminate in six months' time thereafter under this provision; provided that maintaining the Project on schedule is the City's responsibility and the City shall have no recourse against the County if such notice is not provided.
16. This Agreement contains the entire, complete, and integrated statement of each and every term agreed-to by and between the City and the County, and this Agreement supersedes any and all prior written and unwritten agreements and understandings pertaining to the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date signed below.

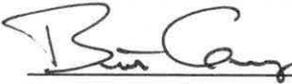
BENTON COUNTY



 Jerome Delvin, Commission Chairman

Date: 5-22-18

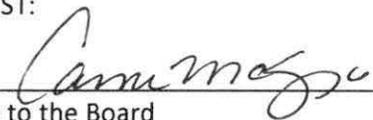
CITY OF WEST RICHLAND



 Brent Gerry, Mayor

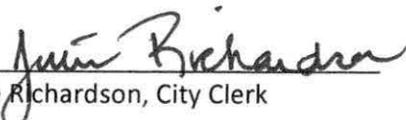
Date: 5/14/2018

ATTEST:



 Clerk to the Board

ATTEST:



 Julie Richardson, City Clerk

APPROVED AS TO FORM:



 Chief Deputy Prosecuting Attorney

APPROVED AS TO FORM:



 Bronson Brown, City Attorney

EXHIBIT A

ESTIMATED PROJECT COMPLETION AND FUND DISBURSEMENT SCHEDULE

2018 CALENDAR YEAR PORTION

PROJECT PHASE	START DATE	FINISH DATE	ESTIMATED COSTS	DISBURSEMENT							2018 TOTAL
				2018							
				06/30	07/31	08/31	09/31	10/31	11/31	12/31	
Construction - Reservoir	06/04/18	12/31/19	225,000	25,000	25,000	50,000	50,000	50,000	25,000		225,000
Construction - Van Giesen Water Main	06/04/18	12/31/19	175,000	25,000	25,000	50,000	25,000	25,000	25,000		175,000
Construction - Well #11 Pump & Well Building	06/04/18	12/31/19	350,000				25,000	25,000	25,000	25,000	100,000
Construction - Water Main to Ruppert Road	06/04/18	12/31/19	200,000						25,000	25,000	50,000
Construction - Combining Pressure Zones 1 & 2	06/04/18	12/31/19	50,000								0
Project Total			1,000,000								550,000
RCCF Funds				50,000	50,000	100,000	100,000	100,000	100,000	50,000	550,000

2019 CALENDAR YEAR PORTION

PROJECT PHASE	START DATE	FINISH DATE	ESTIMATED COSTS	DISBURSEMENT						GRAND TOTALS
				2019						
				01/31	02/28	03/31	04/30	05/31	06/30	
Construction - Reservoir	06/04/18	12/31/19	225,000							225,000
Construction - Van Giesen Water Main	06/04/18	12/31/19	175,000							175,000
Construction - Well #11 Pump & Well Building	06/04/18	12/31/19	350,000	25,000	25,000	50,000	50,000	100,000		350,000
Construction - Water Main to Ruppert Road	06/04/18	12/31/19	200,000	25,000	25,000	50,000	50,000			200,000
Construction - Combining Pressure Zones 1 & 2	06/04/18	12/31/19	50,000						50,000	50,000
Project Total			1,000,000							1,000,000
RCCF Funds				50,000	50,000	100,000	100,000	100,000	50,000	1,000,000