

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF SHELTON
AND THE SHELTON TRANSPORTATION BENEFIT DISTRICT**

This Interlocal Agreement (this "Agreement") is entered into on May 18, 2015 by and between the City of Shelton (the "City") and the Shelton Transportation Benefit District (the "District").

WHEREAS, Chapter 39.34 RCW 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, the City is empowered to operate, maintain, construct and reconstruct, public transportation infrastructure within its city limits in accordance with the powers granted pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, pursuant to Ordinance 1869-0315, the District was created to provide funding for preservation, maintenance and improvement of transportation facilities and, as appropriate, construct or reconstruct the existing transportation infrastructure of the City of Shelton consistent with Chapter 36.73 RCW; and

WHEREAS, the City and the District desire to coordinate efforts to pursue each entities' rights and obligations related to transportation infrastructure; and

WHEREAS, the City and the District desire to coordinate their efforts in order to fulfill the intent of Ordinance No. 1869-0315; and

WHEREAS, an Interlocal Agreement will formalize the relationship between the City and the District.

NOW, THEREFORE, the City and the District mutually agree as follows:

1. **Purpose.** The City is empowered by Title 35A RCW to construct, reconstruct, maintain and preserve City streets and other related public infrastructure either by contract or through the use of City staff. The District 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. 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.
2. **Obligations of the District.** In accordance with the requirements of Chapter 36.73 RCW, and Chapter 12.40 of the Shelton Municipal Code, and the District's resolutions, the District agrees to:
 - 2.1. Provide to the City all funding received from any and all lawful sources which the District in its sole discretion may levy for the purpose of completing the District's authorized projects.
 - 2.2. Continue the annual provision of funding for the projects approved by the District, so long as the District remains in existence. Such funding shall be in accordance with and limited by Chapter 12.40 of the Shelton Municipal Code and Chapter 36.73 RCW. By way of illustration and not limitation:
 - 2.3. Develop an annual work plan and designate projects within its jurisdiction for funding.
 - 2.4. Hold public hearings as required by its organizational and management rules prior to levying or assessing any charge, tax or fee and shall levy or assess such charge, tax or levy only in accordance with law and ordinance.

3. **Obligations of the City.**

3.1. **Staffing.** The City shall provide to the District, staffing to operate the District as a separate legal entity as required by law and to carry out the undertakings of the District as authorized by its Board.

3.2. **Public Records.** The City shall be responsible for and respond to all public records requests made to the District. The City of Shelton City Clerk shall be the District's public records officer.

The City shall maintain for the period established by the State Archivist retention schedule, financial records, kept in accordance with generally accepted accounting practices and governmental accounting requirements, as necessary to document that any and all funding received through the District is used only for the projects authorized in accordance with law.

4. **Furnishings, Equipment and Supplies.** The City shall supply to the District general office furniture, equipment and supplies as are necessary to carry out the District's operations. All such furnishings, equipment and supplies shall be purchased, owned and maintained by the City.

5. **Office Space.** The City shall supply to the District office space in City Hall and other locations to conduct its operations.

6. **Insurance.** The City shall, maintain, as is commercially prudent, any and all insurance coverage as is necessary to protect the employees, agents, funds and property of the District from any and all third party claims and suits.

7. **Ownership.** Streets and related transportation infrastructure preserved and maintained with District funds are and shall remain the property of the City. No joint property ownership is contemplated under the terms of this Agreement.

8. **No Joint Board.** No provision is made for a joint board. The District shall exercise its function in accordance with Chapter 12.40 of the Shelton Municipal Code, using staff as provided by the City pursuant to law and this Agreement.

9. **Indemnity.** 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.

10. **Termination.** This Agreement may be terminated by either party upon the provision of one hundred eighty (180) calendar days' notice. A final reconciliation of costs, payment, and a current report of completed activities shall be completed by the City within such period following notice by either party.

Unless sooner terminated by either party, this Agreement shall expire on the date when the District is automatically dissolved in accordance with the provisions of Chapter 36.73 RCW and Chapter 12.40 of the Shelton Municipal Code, as the same exists or is hereafter amended.

11. **Severability.** In the event that any provision of this Agreement is held to be in conflict with existing state 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.

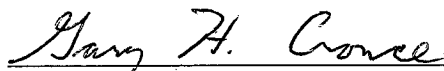
12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event of ambiguity or the need for guidance arises, this Agreement shall be

interpreted in accordance with Chapter 36.73 RCW, Chapter 12.40 of the Shelton Municipal Code, the provisions of the Governmental Accounting Act and RCW 43.09.210, as the same exist or shall hereafter be amended.

13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.
14. **Filing with County Auditor.** The City Clerk of the City of Shelton shall file and record a copy of this Agreement with the Mason County Auditor's Office immediately following the mutual execution of this Agreement.

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

CITY OF SHELTON



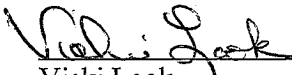
Gary Cronce, Mayor

SHELTON TRANSPORTATION
BENEFIT DISTRICT



District Board Chair

ATTEST/AUTHENTICATE:



Vicki Look
City of Shelton City Clerk

