

# RESOLUTION 2020 839

BEFORE THE BOARD OF COMMISSIONERS OF BENTON COUNTY, WASHINGTON

## IN THE MATTER OF THE RURAL COUNTY CAPITAL FUND, DISBURSEMENT TO THE CITY OF RICHLAND FOR THE "CENTER PARKWAY EXTENSION" 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 discretionary disbursement to cities and ports within the County who request County participation with qualified capital development projects that are compliant with both State law and County policy; and,

**WHEREAS**, the City of Richland submitted an application for disbursement of funds to be used toward certain improvements located with the city referenced herein as the "Center Parkway Extension", which calls for the extension of Center Parkway from its current terminus at a traffic circle intersection with Gage Boulevard, northward and down a hillside to a new intersection with Tapteal Drive, for the purposes of facilitating more and better private sector development throughout the Tapteal Drive corridor; 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 Richland for the disbursement of up to \$1,240,000.00 toward completion of the "City Hall Demolition" project, which includes \$980,000.00 from the City's own allocation of Rural County Capital Funds and \$260,000.00 from the County's allocation of Rural County Capital Funds, as stipulated in the *Disbursement Agreement*.

Dated this 10 day of November, 2020.

  
Chairman of the Board

  
Member

  
Member

Constituting the Board of Commissioners  
of Benton County, Washington.

Attest.....  
  
Clerk of the Board

## **DISBURSEMENT AGREEMENT FOR USE OF RURAL COUNTY CAPITAL FUNDS**

This Agreement, between Benton County (hereinafter "County") and the City of 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 Chapter 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 purpose of this Agreement is to fund the extension of Center Parkway from Gage Boulevard to Tapteal Drive to improve access into and circulation throughout the Tapteal Business Park, which currently has 33 acres of undeveloped, high-visibility, commercially-zoned property, by extending Center Parkway from the traffic circle at Gage Boulevard across the railroad tracks and down the hill to a new connection at Tapteal Drive, thereby providing a missing north-south link to the undeveloped Tapteal Drive properties from the Columbia Center Mall area. This work will consist of: acquisition of property rights to establish the street right of way, engineering design, demolition of existing improvements, construction of water and sewer mains, conduit for other utilities, relocation of existing overhead utility lines, an at-grade railroad crossing system, street improvements consisting of curb, gutter, and sidewalk, subgrade preparation, crushed rock base, asphalt pavement, pavement markings and signs, street lights, and stormwater management facilities (hereinafter, the "Project"); and,

WHEREAS, the purpose of the Project is to facilitate commercial site development and redevelopment near the new street segment in both Richland and Kennewick; and,

WHEREAS, upon completion the new street connectivity is predicted to support development of 33 acres of commercially zoned property with high visibility from SR240 and close proximity to the vibrant Columbia Center area. The Project is predicted to draw more than \$200 million in private capital investment and lead to more than 900 new jobs. In addition a number of presently vacant properties near the new street segment are likely to be redeveloped or reoccupied adding additional investment and employment; and,

WHEREAS, the City has requested \$2,275,000 for the Project from the Fund; and,

WHEREAS, the City's current available allocation from the Fund is \$980,000; and,

WHEREAS, the City has requested and the County has agreed to provide up to \$260,000 from the County's own allocation of the Fund in addition to the City's \$980,000 allocation from the Fund; and,

WHEREAS, the County's evaluation of the Project confirms funding eligibility, and,

WHEREAS, because the City's current available balance in the Fund is only \$980,000, the City is limited to receiving that amount plus the agreed amount of up to \$260,000 from the County's allocation, for a total funding amount under this Agreement of \$1,240,000.

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 \$1,240,000 of qualified direct costs incurred by the City for the Project *after* the execution of this Agreement from a combination of the City's allocation (\$980,000) and the County's allocation (\$260,000); contingent upon: (i) the City having \$980,000 in its Fund allocation at the time of execution of this Agreement and that amount shall be disbursed prior to any disbursement from the County's allocation of the Fund; and (ii) that each reimbursement is consistent with the County's Rural County Capital Fund Disbursement Policy.
2. The City represents that the use of revenues from the Fund for the Project is 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 every ninety (90) days after the effective date of this Agreement, identifying all Project costs incurred by the City during the prior quarter 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:  

Richland City Hall  
625 Swift Boulevard  
Richland, Washington 99352
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 quarterly 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; provided that maintaining the Project on schedule is the Port'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**

  
\_\_\_\_\_  
Jim Beaver, Commission Chairman

Date: 11-10-2020

ATTEST:

  
\_\_\_\_\_  
Cami McKenzie, Clerk to the Board

APPROVED AS TO FORM:

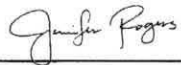
  
\_\_\_\_\_  
Chief Deputy Prosecuting Attorney

**CITY OF RICHLAND**

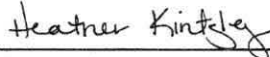
  
\_\_\_\_\_  
Cindy Reents, City Manager

Date: November 4, 2020

ATTEST:

  
\_\_\_\_\_  
Jennifer Rogers, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Heather Kintzley, City Attorney

**EXHIBIT A**

**ESTIMATED PROJECT COMPLETION AND FUND DISBURSEMENT SCHEDULE**

Projected schedule and expenses, in dollars. Disbursement schedule is depicted quarterly, with Sales Taxes and Contingencies included. Work on the Project is expected to begin in November 2020, and is projected to be completed in October, 2022, contingent upon funding, property acquisition process, weather, construction delays, or other unexpected events.

Project Items	2020	2021				2022		TOTALS
	10/1 – 12/31	1/1 – 3/31	4/1 – 6/30	7/1 – 9/30	10/1 – 12/31	1/1 – 3/31	4/1 – 6/30	
Appraisals	\$16,000							\$16,000
Negotiations		\$16,000						\$16,000
Acquisitions			\$300,000	\$300,000				\$600,000
Relocations				\$170,000	\$170,000			\$340,000
Engineering Design				\$25,000	\$25,000			\$50,000
Mobilization						\$75,000		\$75,000
Demolition						\$70,000		\$70,000
Water						\$32,000		\$32,000
Sewer						\$15,000		\$15,000
Other Utilities						\$1,000		\$1,000
Construction Management fees to Third Party						\$20,000	\$5,000	\$25,000
<b>TOTALS</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$300,000</b>	<b>\$495,000</b>	<b>\$195,000</b>	<b>\$213,000</b>	<b>\$5,000</b>	<b>\$1,240,000</b>