

**INTERLOCAL AGREEMENT FOR THE COLLECTION,
DISTRIBUTION, AND EXPENDITURE OF FIRE IMPACT FEES**

THIS AGREEMENT is entered into this 13th day of November, 2017 ("Effective Date") by and between the City of Renton, a Washington municipal corporation (the "City"), and the Renton Regional Fire Authority, a Washington special purpose district ("RRFA") (collectively, the City and the RRFA are the "Parties").

RECITALS

1. The Washington State Legislature passed the Growth Management Act of 1990 (GMA) now codified as chapter 36.70A RCW and chapter 82.02 RCW (the "Act") which authorizes the imposition and collection of impact fees on development activity as part of the financing for public facilities, including fire protection facilities, in order to serve new growth; and
2. The Act requires that financing for these public facilities must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees; and
3. Impact fees are a critical form of funding necessary for maintaining adequate public fire protection facilities concurrently with development; and
4. The Act allows the collection and expenditure of impact fees only for public facilities that are addressed by a capital facilities element of a comprehensive land use plan; and
5. The City Council has adopted section 4-1-190 of the Renton Municipal Code ("RMC"), titled Impact Fees, which governs the City's impact fee program, and authorizes the City to collect fire impact fees in conformance with the Act; and
6. In the Interlocal Agreement for Cooperation Between the City of Renton and Renton Regional Fire Authority, which became effective on July 5, 2016, and is maintained as City file number CAG-16-116 (the "2016 ILA"), the City and the RRFA agreed that until 2017 the City would charge the fire impact fees listed in the City's 2015-2016 fee schedule, but that "[b]eginning in 2017, by no later than September 1 of each year, the RRFA may submit to the City proposed updates to the Fire Impact Fees, together with an updated Fire Capital Facilities Plan;" and
7. The 2016 ILA also addressed debt service on a promissory note relating to Fire Station 13, providing as follows at its Section XIV.A.:

"Pursuant to the RFA Plan, the City will retain collected Fire Impact Fees necessary to cover the debt service requirement for a promissory note

between Fire District 40 and the City for the transfer of Fire Station 13 (the 'Debt'). Fire Impact Fees collected in excess of such debt service shall be remitted to the RRFA and spent in accordance with all applicable laws. To the degree Fire Impact Fees are collected by the City through its billing, permit or license systems, the City will remit to the RRFA in a timely manner all funds collected in excess of the Debt;"

and the City's amortization schedule for the debt service requirement on the promissory note relating to Fire Station 13 (the "Debt Service") is attached hereto as **Exhibit A**; and

8. The City makes two payments each year on the Debt Service, on March 1 and September 1. As of September 1, 2017, the balance on the Debt Service was \$4,531,492, plus interest at an annual interest rate of 3.75%, all as shown in Exhibit A; and
9. The Parties reaffirm their intent that the fire impact fees collected by the City will be first applied to the entire Debt Service, with only those fire impact fees collected in excess of the entire Debt Service to be remitted by the City to the RRFA; and
10. As anticipated in the 2016 ILA, the RRFA prepared a Capital Facilities Plan ("RRFA CFP") under the Act and a Rate Study for Fire Impact Fees ("Fire Rate Study") for adoption by the RRFA's Governance Board, and authorization to collect and expend fees is contingent upon the City's adoption of the RRFA CFP as part of the City's comprehensive land use plan ("Comprehensive Plan"), as required by the Act, and the RRFA CFP's adherence to the statutory requirements of the Act; and
11. The RRFA provided copies of the adopted RRFA CFP and Fire Rate Study to the City for consideration and for adoption of the RRFA CFP into the City's Capital Facilities Element of the Comprehensive Plan as anticipated in the 2016 ILA; and
12. The City Council is scheduled to adopt by ordinance the RRFA CFP into the City's Capital Facilities Element of the Comprehensive Plan, adopted the Fire Rate Study, and amended RMC 4-1-190 to provide for collection of fire impact fees in the amounts established in the Fire Rate Study; and
13. The City and the RRFA desire to enter into this Interlocal Agreement pursuant to chapter 39.34 RCW, for the purposes of setting forth the responsibilities and requirements of the Parties with regard to the fire impact fee program, as anticipated in the 2016 ILA.

NOW, THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

AGREEMENT

The City and the RRFA agree to comply with the terms of this Agreement, which shall govern the collection, distribution, expenditure, and refunding of fire impact fees.

I. ADOPTION OF RECITALS

The foregoing recitals are adopted and incorporated herein as terms of this Agreement.

II. RESPONSIBILITIES OF THE RRFA

The RRFA, by and through its officials, employees, agents, and representatives, agrees to:

- A. Annually, on or before September 1 of each year, submit to the City either (1) a six-year capital facilities plan which shall comply with the applicable requirements of RMC 4-1-190, together with an impact fee schedule which meets the requirements of the Act or (2) an update of a previously adopted plan and shall comply with all other applicable requirements of RMC 4-1-190.
- B. Accept full responsibility if any fire impact fees are challenged, as more fully set forth in Section VI.
- C. At such time as the City begins to transfer Impact Fees to the RRFA under Section III.F, expend impact fees remitted to the RRFA under this Agreement, and all interest proceeds on such fees, solely for expenditures authorized by the Act.
- D. At such time as the City begins to transfer Impact Fees to the RRFA under Section III.F, prepare an annual report in accordance with the requirements of RCW 82.02.070(1) and RMC 4-1-190 showing the system improvements that were financed in whole or in part by impact fees and the amount of funds expended. The RRFA shall provide the annual report to the City no later than September 1 of each year for the preceding calendar year.
- E. At such time as the City begins to transfer Impact Fees to the RRFA under Section III.F, refund impact fees and interest earned on impact fees when a refund is required pursuant to RCW 82.02.080.
- F. At such time as the City begins to transfer Impact Fees to the RRFA under Section III.F, maintain accounts and records necessary to ensure proper accounting for all impact fee funds and for compliance with this Agreement, the Act, and RMC 4-1-190.

- G. At such time as the City begins to transfer Impact Fees to the RRFA under Section III.F, in the event the RRFA has extraordinary and compelling reasons for holding impact fees for longer than the period provided in RCW 82.02.070(3), the RRFA shall identify such findings in writing to its Governance Board and to the City Council.
- H. At the request of the City, review for form any covenant or declarations of restrictions that purports to maintain exemptions from payment of fire impact fees.

III. RESPONSIBILITIES OF THE CITY

The City, by and through its officials, employees, agents, and representatives, agrees to:

- A. Timely review and take action to adopt the RRFA CFP, the Fire Rate Study, and the RRFA's impact fee schedule, and subsequent updates to those documents, provided that the RRFA has complied with the terms of this Agreement.
- B. Pursuant to RMC 4-1-190, assess and collect the fire impact fees established in and consistent with the RRFA capital facilities plan, Fire Rate Study, and impact fee schedule that are adopted by the City.
- C. Impose and collect an administrative fee for the collection of fire impact fees, if established by Council resolution, which administrative fees shall belong solely to the City. The City agrees that it will not impose an administrative fee prior to the time in which the Debt Service has been paid in full.
- D. Establish and maintain fire impact fee account(s) pursuant to RCW 82.02.070.
- E. Between the Effective Date and the date the City has collected sufficient impact fees to satisfy the Debt Service, the City shall apply such impact fees, together with all interest accrued on the City's impact fee account(s) to the Debt Service. The City shall not be required to transfer any impact fees or interest to the RRFA until the City has collected sufficient impact fees to satisfy the Debt Service. During this time period, the City shall, on behalf of the RRFA, be responsible for performing the refunding, reporting and accounting obligations set forth in Section II.D.E.F. and G.
- F. After the date the City has collected sufficient impact fees to satisfy the Debt Service, the City shall remit monthly to the RRFA, all impact fees and accrued interest on such fees collected by the City during the prior month. Each remittal shall be less any applicable administrative fees.

IV. GENERAL TERMS

- A. This Agreement may only be amended in writing and shall become effective only when the governing body of each party has approved a written amendment or addendum to this Agreement.
- B. The Parties acknowledge that, except as otherwise specifically provided for herein, the City shall in no event be responsible for the payment of any impact fees to the RRFA, except for impact fees actually collected for the RRFA.
- C. The Parties acknowledge that the RRFA shall in no event be responsible for the payment of any of the Debt Service regardless of the amount of impact fees collected.
- D. This Agreement shall remain in effect until terminated as provided in Section VII.
- E. No separate legal or administrative entity is created under this Agreement.
- F. No joint financing structure or budget is hereby created under this Agreement.
- G. No real or personal property will be acquired under this Agreement.
- H. This Agreement will be administered by the Chief Administrative Officer of the City of Renton, or his/her designee and the Fire Chief of the RRFA or his/her designee.

V. AUDIT

- A. Both Parties' records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review, or audit by the other party or by an appropriate state agency.
- B. The RRFA agrees to cooperate with any monitoring or evaluation activities conducted by the City that pertain to the subject of this Agreement. The RRFA agrees to allow the City, or appropriate state agencies and/or any of their employees, agents, or representatives to have full access to and the right to examine during normal business hours, all of the RRFA's records with respect to all matters covered by this Agreement. The City and/or any of its employees, agents, or representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records and to make audits of all invoices, materials, payrolls, and record of matters covered by this Agreement. The City will give fifteen (15) days' advance notice to the RRFA of fiscal audits to be conducted.
- C. The results and records of such audits shall be maintained and disclosed in accordance with chapter 42.56 RCW and RMC 4-1-190.

VI. INDEMNIFICATION AND HOLD HARMLESS

- A. The RRFA shall, at its own cost and expense, protect, defend, indemnify, and hold harmless the City, its officers, employees and agents, from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the acts or omissions of the RRFA, its officers, employees or agents, relating to the RRFA's implementation of the fire impact fee program, performance of the responsibilities set forth in Section II of this Agreement, or compliance with the terms of the Act or RMC 4-1-190, all as may be amended from time to time. This indemnification by the RRFA of the City shall include, but not be limited to:
1. The RRFA's responsibility to refund any fees with interest, which are determined by a court of competent jurisdiction to have been improperly paid, regardless of whether the City erroneously required the fee amount;
 2. The RRFA's agreement not to impose any liability on the City for the City's failure to collect the proper fee amount or any fee from a developer conducting any development activity, provided that the City shall make reasonable attempts to collect such fee.
- B. The RRFA shall, at its own cost and expense, protect, defend, indemnify, and hold harmless the City, its officers, employees, and agents, from any and all costs, claims, judgments, or awards of damages, resulting from a challenge to the legality of any provision of RMC 4-1-190 as applied to a developer engaging in a development activity located within the RRFA's boundaries; provided, however, that if the RRFA offers to defend the City, the RRFA shall not be liable for any of the City's attorney's fees or incidental litigation expenses incurred after such offer to defend is made; provided further, that if the RRFA defends the City, the RRFA shall be authorized to settle any such challenge.
- C. The RRFA further agrees that the RRFA shall, at its own costs and expense, protect, defend, indemnify, and hold harmless the City, its officers, employees, and agents from any and all costs, claims, judgments, or awards of damages arising out of or in any way resulting from the RRFA's failure to refund impact fees, or interest on such impact fees including but not limited to a determination that impact fees from development activity that was not completed are not refundable because the funds were expended or encumbered by the RRFA whether or not the RRFA's determination was made in good faith; provided however, that if the RRFA offers to defend, the RRFA shall not be liable for any of the City's attorney's fees or incidental litigation expenses incurred after such offer to defend is made; provided further/that if the RRFA defends the City, the RRFA shall be authorized to settle any such challenge.
- D. The RRFA's duties to the City under this Section shall not be diminished or extinguished by the prior termination of this Agreement pursuant to Section VII.

- E. Except as provided in paragraphs A, B and C, the City shall, at its own cost and expense, protect, defend indemnify and hold harmless the RRFA, its officers, employees, or agents, from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the acts or omissions of the City, its officers, employees, or agents, relating to the City's implementation of the fire impact fee program, performance of the responsibilities set forth in Section III of this Agreement, or the terms of RMC 4-1-190, all as may be amended from time to time; provided however, that if the City offers to defend, the City shall not be liable for any of the RRFA's attorney's fees or incidental litigation expenses incurred after such offer to defend is made, and provided further that the RRFA shall promptly refund any fees as required by a final court order including payment of any pre- or post-judgment interest.
- F. The City's duties to the RRFA under this Section shall not be diminished or extinguished by termination of this Agreement pursuant to Section VII.
- G. As anticipated in the 2016 ILA, the RRFA accepts full responsibility for ensuring that the fire impact fees remitted to the RRFA are lawfully charged; for that reason, unless extent expressly and directly limited by any of the preceding terms, the RRFA agrees to indemnify, defend, and hold the City harmless from all claims or actions arising out of the City's collection and remittance of fire impact fees.

VII. COMMENCEMENT DATE AND TERMINATION

- A. The term of this Agreement shall commence upon the Effective Date.
- B. The RRFA's authorization to receive impact fees under this Agreement may be terminated without cause by the City, in whole or in part, at any time, but only upon the repeal or invalidation of the fire impact fee-related portions of RMC 4-1-190.
- C. Unless otherwise expressly provided in this Agreement, no party may terminate this Agreement until after all of the following conditions have been satisfied:
 - 1. The City or the RRFA provides at least 180 days' written notice that this Agreement is being terminated; and
 - 2. Neither the RRFA, nor the City on behalf of the RRFA, retains unexpended, unencumbered, or unrefunded impact fees collected during the term of the Agreement and interest earned thereon, as provided in chapter 82.02 RCW; and
 - 3. The Debt is fully paid off.
- D. The obligations under Section VI, Indemnification and Hold Harmless, shall be continuing and shall not be diminished or extinguished by the termination of this Agreement.

- E. Nothing herein shall, limit, waive, or extinguish any right or remedy provided by this Agreement or by law that either party may have in the event that the obligations, terms, and conditions set forth in this Agreement are breached by the other party.

VIII. SEVERABILITY

In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications of this Agreement which can be given effect without the invalid term, condition or application. To this end the terms and conditions of this Agreement are declared severable.

IX. RIGHTS TO OTHER PERSONS OR PARTIES

It is understood and agreed that this Agreement is solely for the benefit of the Parties and conveys no right to any other person or party.

X. GOVERNING LAW AND FILING

This Agreement shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by the laws of the State of Washington. Jurisdiction of any dispute arising under this Agreement shall be in King County Superior Court, and each party shall be responsible for its own costs and attorneys' fees. This Agreement shall be filed with the clerk of the City, the clerk of the RRFA, and may be recorded with the King County Auditor's Office or posted on the websites of the Parties.

XI. ADMINISTRATION

The City's representative shall be and notices shall be sent to:
Chief Administrative Officer
1055 Grady Avenue South
Renton, WA 98057
425.430.6500

The RRFA's representative shall be and notices shall be sent to:
Fire Chief
24611 116th Ave SE.
Renton, WA 98030
425.430.7000

XII. NOTICE

All communications, including notices, regarding this Agreement shall be sent to the Parties' representatives at the addresses listed in Section XI. Any written notice shall become effective upon (1) personal service or (2) three (3) business days after the date of mailing by registered or certified mail and first-class mail, and shall be deemed sufficiently given if sent to the address stated in this Agreement, or to such other address as may be specified in writing by a party.

XIII. ENTIRE AGREEMENT/WAIVER OF DEFAULT

The Parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Both Parties recognize that time is of the essence in the performance of the provisions of this Agreement. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement shall not be deemed to be waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval by the Parties, which shall be attached to the original Agreement.

XIV. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[The remainder of this page is blank; signatures follow below.]

IN WITNESS, the Parties below execute this Agreement, which shall become effective on the last date entered below.

RENTON REGIONAL FIRE AUTHORITY



By: Roderick Marshall

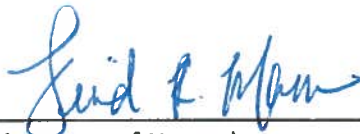
Its: Fire Chief

Dated: 12/27/18

STATE OF WASHINGTON)
) SS
COUNTY OF King)

On this 27th day of December, 2018, before me personally appeared RODERICK MARSHALL, to me known to be the Fire Chief of the RENTON REGIONAL FIRE AUTHORITY, a Washington special purpose district, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said special purpose district for the uses and purposes therein mentioned, and on oath stated that he was authorized to executed said instrument.

DATED December 27th, 2018.



(Signature of Notary)

Linda R. Mann

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington, residing at Renton, WA King County

My appointment expires: 2/09/20

APPROVED AS TO FORM:



Brian Snure
Attorney for RRFA

CITY OF RENTON

By: Denis Law
Its: Mayor
Dated: 1/31/19

Attest:
Jason A. Seth
City Clerk



STATE OF WASHINGTON)
) SS
COUNTY OF King)

On this 31st day of January, 2019, before me personally appeared DENIS LAW, to me known to be the Mayor of the CITY OF RENTON, a Washington municipal corporation, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to executed said instrument.

DATED January 31, 2019.

Cynthia R. Moya

(Signature of Notary)



Cynthia R. Moya

(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State of Washington,
residing at Porter WA
My appointment expires: 8/27/2022

APPROVED AS TO FORM:

Shane Moloney

Shane Moloney, City Attorney

EXHIBIT A:
DEBT AMORTIZATION SCHEDULE

[Attached]

EXHIBIT A: Amortization Schedule

Fire District #40, Fire Station 13

7,000,096 Addtl Principal 0
 (202,011) Pymts/Year 2
 6,798,085 Start Date 03/01/09
 3.75% Sched Pymt 250,317
 20 Total Int 2,796,650

Loan Amount
 Less 2008 BH Bond Proceeds
 Promissory Note Amount
 Ann Int Rate
 Loan Pd (Yrs)

Pymt No	Pymt Date	Beginning Balance	Scheduled Payment	Addtl Principal Amount	Benson Hill Estimated Bond Proceeds (Credit)	Principal	Interest	Ending Balance	City of Renton semi-annual outlay
	03/01/09			-				6,798,085	
1	09/01/09	6,798,085	250,317	333	(250,650)	122,138	128,512	6,675,946	-
2	03/01/10	6,675,946	250,317	-	(126,246)	126,172	124,145	6,549,774	124,071
3	09/01/10	6,549,774	250,317	-	(126,246)	126,500	123,818	6,423,275	124,071
4	03/01/11	6,423,275	250,317	-	(135,462)	130,871	119,447	6,292,404	114,856
5	09/01/11	6,292,404	250,317	-	(135,462)	131,365	118,952	6,161,039	114,856
6	03/01/12	6,161,039	250,317	-	(140,527)	135,114	115,203	6,025,924	109,790
7	09/01/12	6,025,924	250,317	-	(140,527)	136,403	113,915	5,889,522	109,790
8	03/01/13	5,889,522	250,317	-	(145,265)	140,796	109,521	5,748,725	105,052
9	09/01/13	5,748,725	250,317	-	(145,265)	141,643	108,675	5,607,083	105,052
10	03/01/14	5,607,083	250,317	-	(151,469)	146,049	104,269	5,461,034	98,849
11	09/01/14	5,461,034	250,317	-	(151,469)	147,081	103,236	5,313,953	98,849
12	03/01/15	5,313,953	250,317	-	(158,163)	151,500	98,818	5,162,453	92,154
13	09/01/15	5,162,453	250,317	-	(158,163)	152,726	97,592	5,009,727	92,154
14	03/01/16	5,009,727	250,317	-	(164,356)	156,642	93,675	4,853,085	85,961
15	09/01/16	4,853,085	250,317	-	(164,356)	158,574	91,743	4,694,511	85,961
16	03/01/17	4,694,511	250,317	-	(170,969)	163,019	87,299	4,531,492	79,348
17	09/01/17	4,531,492	250,317	-	(170,969)	164,653	85,664	4,366,839	79,348
18	03/01/18	4,366,839	250,317	-	(178,830)	169,112	81,205	4,197,727	71,487
19	09/01/18	4,197,727	250,317	-	(178,830)	170,963	79,354	4,026,764	71,487
20	03/01/19	4,026,764	250,317	-	(186,030)	175,436	74,881	3,851,328	64,288
21	09/01/19	3,851,328	250,317	-	(186,030)	177,511	72,806	3,673,816	64,288
22	03/01/20	3,673,816	250,317	-	(193,414)	181,622	68,695	3,492,194	56,904
23	09/01/20	3,492,194	250,317	-	(193,414)	184,300	66,017	3,307,894	56,904
24	03/01/21	3,307,894	250,317	-	(63,648)	188,804	61,513	3,119,090	186,669
25	09/01/21	3,119,090	250,317	-	-	191,354	58,964	2,927,736	250,317
26	03/01/22	2,927,736	250,317	-	-	195,873	54,444	2,731,862	250,317
27	09/01/22	2,731,862	250,317	-	-	198,674	51,643	2,533,189	250,317
28	03/01/23	2,533,189	250,317	-	-	203,210	47,107	2,329,978	250,317
29	09/01/23	2,329,978	250,317	-	-	206,271	44,046	2,123,707	250,317
30	03/01/24	2,123,707	250,317	-	-	210,607	39,710	1,913,100	250,317
31	09/01/24	1,913,100	250,317	-	-	214,152	36,165	1,698,948	250,317
32	03/01/25	1,698,948	250,317	-	-	218,724	31,593	1,480,224	250,317
33	09/01/25	1,480,224	250,317	-	-	222,335	27,982	1,257,889	250,317
34	03/01/26	1,257,889	250,317	-	-	226,926	23,392	1,030,964	250,317