

Bonni FATS  
ATTACHMENT 5  
5/9/96

**AN INTERLOCAL AGREEMENT  
BETWEEN KING COUNTY AND THE CITY OF KENT  
RELATING TO THE SE 240TH STREET 196TH/200TH STREET AND SE  
277TH CORRIDOR IMPROVEMENTS**

This Agreement is hereby made and entered into between King County, a home rule charter county, a political subdivision of the State of Washington (hereinafter called the "County"), and the City of Kent, a municipal corporation of the State of Washington (hereinafter called the "City").

WHEREAS, the Countywide Planning Policies, adopted and approved by the Metropolitan King County Council and ratified by cities within the County, include policies calling for collaboration between the County and the cities that have designated potential annexation areas within the Urban Growth Area, established pursuant to the Growth Management Act, in order to provide urban services and facilities within the potential annexation areas; and

WHEREAS, King County has responded to the rapid erosion of the County Road Fund's tax base resulting from annexations and incorporations by adopting a policy that allows the King County Department of Public Works, Roads & Engineering Division, to continue to design and construct safety and operational improvements within potential annexation areas without financial participation by the affected city, but requires a cost-sharing agreement with the affected city prior to awarding a construction contract on major growth-oriented roadway capacity improvements; and

WHEREAS, the City of Kent has recently received approval from the Boundary Review Board to annex an area that is approximately 5.2 square miles in size, lying east of the City of Kent on the Soos Creek Plateau (the "Meridian Annexation"); and

WHEREAS, the boundaries of the Meridian Annexation, as proposed by the City and approved by the Boundary Review Board, abut -- but do not include -- the rights-of-way (ROW) for three County arterials with major growth-oriented roadway capacity improvements programmed for various stages of work in the County's adopted 1995-2000 Roads Capital Improvement Program (CIP); these arterials are SE 240th Street, 132nd Avenue SE, and SE 256th Street; and

WHEREAS, these three arterials will remain in the City of Kent's potential annexation area upon the effective date of the Meridian Annexation; and

WHEREAS, at this time, the City is interested in participating in only one of the County's road widening projects on the border arterials -- the SE 240th project (CIP No. 500187), which would widen the existing two-lane road to five lanes between 116th Avenue SE and approximately 500 feet east of 132nd Avenue SE, ; and

WHEREAS, the County has previously appropriated funds for the segment of the City's 196th/200th Street Project that lies within unincorporated area and the County Council has previously placed restrictions on making these funds available to the City;

NOW THEREFORE, pursuant to RCW 39.34, the County and City hereby agree:

**1. PURPOSE.** The purpose of this Agreement is to delineate the respective roles of the City and County in completing the design and construction of a major road widening project on SE 240th Street; and to clarify financial responsibilities for a portion of the City's 196th/200th Corridor improvement. The County has expended funds in designing and obtaining ROW for CIP Project No. 500187. The County and City agree, at this time, to proceed only with the portion of the County's CIP Project No. 500187 that will widen SE 240th Street to five lanes from 116th Avenue SE to 900 feet east of 132nd Avenue SE (the "Project"). The three-lane portion of CIP Project No. 500187 will be delayed indefinitely, unless the County Council determines that three-lane road improvements in Potential Annexation Areas are not subject to the new cost-sharing policy.

**2. PROJECT MANAGEMENT AND COORDINATION.** The County will be the lead agency for the completion of design, ROW acquisition and construction of the Project. Prior to finalizing the plans and specifications for the Project, the County will:

- a. Adjust the eastern terminus of the Project to tie into the existing two-lane section at approximately 900 feet easterly of 132nd Avenue SE, if made necessary by the deferral of the three-lane segment; and
- b. Allow the City's Public Works Department to review the plans and specifications for potential cost savings that might result from substituting City road design standards for County standards. The County Road Engineer will determine whether to substitute City standards, as proposed by the City's Public Works Director.

**2.1 Property Acquisition for Shared Border Section.** The County shall be responsible for the acquisition of all property necessary for the Shared Border Section, including property along 116th Avenue Southeast, 120th Avenue Southeast, as well as along Southeast 240th Street. The City agrees to cooperate, as necessary, in the County's efforts to acquire property that lies within the City's corporate limits; the City agrees to use its land use authority to require dedication of the property required for the Shared Border Section by any affected property owners with pending land use actions. The City authorizes the County to exercise eminent domain, as necessary, to acquire property for the Shared Border Section that lies within the corporate limits of the City. Any County expenditures for property acquisition for the Shared Border Section will be shared by the

City and County pursuant to the method described in Sections 3.3 and 3.4 of this Agreement.

**2.2 Right of Entry.** The City grants the County right of entry into the corporate limits of the City for the purpose of performing any and all tasks necessary to complete the Project.

**3. COST-SHARING.** Prior to the effective date of the County's capacity project cost-sharing policy (January 1, 1996), the County has appropriated a total of \$2,440,070 for CIP Project No. 500187 (the "Existing Appropriations"). These funds will be expended by the County on activities related to completing the Project, without any reimbursement from the City.

**3.1 Additional Appropriation.** An estimated \$7,204,510 additional appropriation is need to complete ROW acquisition and construction of the Project. A portion of this cost (\$4,970,664) is associated with the segment of the Project that lies on the northern border of the Meridian Annexation, from 116th Avenue SE to about 127th Avenue SE, (the "Shared Border Section"). The remainder of the estimated additional appropriation is for the balance of the Project that extends to 900 feet east of 132nd Avenue SE.

**3.2 TIA Grant.** The County has acquired a Transportation Improvement Account (TIA) grant for CIP Project No. 500187. The City and County agree to cooperate in requesting approval of the Transportation Improvement Board (TIB) to use the unexpended balance of the grant on the Project, in recognition of the fact that the three-lane section of CIP Project No. 500187 will be deferred indefinitely.

**3.3 Shared Border Section Costs.** The City agrees to pay the County one-half of the costs associated with the Shared Border Section of the Project, between 116th Avenue SE and 127th Avenue SE, after deducting moneys received from Existing Appropriations and the TIA grant. These costs will be reimbursed on the basis of monthly progress billings prepared by the County, commencing upon the depletion of the Existing Appropriations.

**3.4 City's Liabilities Upon Annexation.** The City also agrees to reimburse the County for the undepreciated value of the County's investment in the balance of the Project (net of Existing Appropriations and grants) at whatever point in the future the City annexes territory surrounding the Project. This includes territory to the north of SE 240th Street along the Shared Border Section of the Project, or to the north and/or south of the segment that extends to 900 feet east of 132nd Avenue SE. This reimbursement will be made as follows:

**3.4.1 Annuity Established.** Within thirty (30) days of completing construction of the Project, King County will establish and transmit to the City an annuity to depreciate the value of the County's investment over an assumed 20-year useful life of the Project, with a nominal interest rate of 4%. "Annuity Year" shall mean a 12 month period. Annuity Year 1 shall commence on the first day of the first month following completion of construction of the Project, as certified to the City by the County Road Engineer. Each succeeding Annuity Year shall commence on the anniversary of the commencement of Annuity Year 1. The initial value to be depreciated will be the total Project expenditures made by the County, less those funds appropriated prior to 1996 and less any federal or state grant funding received by the County for the Project. [Attached is an illustrative estimated annuity schedule for the Project.]

**3.4.2 Payment Options.** Upon annexation of the surrounding territory, the City will have the option of making annual payments, pursuant to the annuity schedule, of the undepreciated value of the Project, or to make a lump sum payment. The City's obligation for making annual payments or a lump sum shall begin in the month of the Annuity Year in which the annexation takes effect. If the City elects to make annual payments, the City shall pay all moneys due for the remaining months of that Annuity Year, and for all remaining Annuity Years when due (see Section 3.4.3). If the City elects the lump sum option, the City lump sum will be adjusted, as necessary, for a partial Annuity Year based upon the effective date of the annexation. If the annexation takes effect before the Project construction is complete, the City's obligation begins in the first month of Annuity Year 1.

**3.4.3 Payment Schedule.** Within thirty (30) days of the effective date of a future annexation by the City of the territory surrounding the Project, the City will notify the County which payment option it chooses. Within thirty (30) days of receipt of this notice, the County will transmit to the City an invoice and payment schedule. The City will make payment within thirty (30) days of receipt of the invoice.

**3.4.4 Partial Annexation.** If a future annexation by the City includes a portion -- but not all -- of the territory surrounding the Project, the City will be obligated only for a pro rata allocation of the Project annuity. This pro rata allocation will be based on the portion of the total lineal feet of the Project that is included in the annexation area.

**3.5 Mitigation Fees.** The City shall not impose mitigation fees for this project on developments in unincorporated King County unless a reciprocal impact fee agreement with the County is executed and implemented.

#### 4. CORPORATE BOUNDARY

The corporate boundary of the City adjacent to the Shared Border Section, as approved by the Boundary Review Board, is the south margin of Southeast 240th Street. Widening of the Shared Border Section will require right-of-way acquisition and will result in a southerly shift of the south margin of Southeast 240th Street by about 20 feet ("Relocated South Margin"). Pursuant to RCW 35A.21.210 the City and County agree that upon completion of the Shared Border Section of the Project, as certified in writing to the City by the County Road Engineer, the corporate boundary of the City shall coincide with the Relocated South Margin of Southeast 240th Street.

#### 5 196TH/200TH STREET CORRIDOR

**5.1 King County Contribution.** The City's 196th/200th Street major widening project includes a segment in the unincorporated area bounded by the cities of Sea-Tac, Tukwila and Kent. The King County Council has previously appropriated County Road Fund moneys for this segment of the City's project, a portion of which have been made available to the City through a May 1993 Interagency Agreement for the design of the improvement and for construction of the intersection at Orillia Road.

**5.1.1 Sea-Tac/Tukwila Annexations.** Both the cities of Sea-Tac and Tukwila have previously expressed interest in annexing the area that includes this segment of the City's 196th/200th Street Project. Notwithstanding the 1992 County Council budget proviso for this project and the 1995 Roads Capacity Project Budget Proviso, no pre-annexation agreement with either city will be required prior to amending the May 1993 Interagency Agreement to authorize transfer of the County's appropriated funds for the construction phase of this project.

**5.2 Sea-Tac/Tukwila Corridor Contributions.** Although no prior pre-annexation agreement with either Sea-Tac or Tukwila will be required as a condition of releasing the County Road Fund dollars appropriated for the City's 196th/200th Project, the County will use its best efforts to secure a cost-sharing agreement with the affected city, seeking a commitment to repay the undepreciated value of the County Road Fund investment in the project, similar to methodology used for the SE 240th Street cost-sharing described in Section 3.4 of this Agreement. Any funds reimbursed to the County by Sea-Tac or Tukwila for the County Road Fund's share of the City's 196th/200th Project will be used by the County for other improvements in the 196th/200th Corridor.

**5.3 Property Acquisition.** As stipulated in the "Interagency Agreement for the South 196th/200th Street Project," executed in July 1993, the City shall be responsible for the

acquisition of all property necessary for the South 196th/200th Street Project, including property in the unincorporated area. Notwithstanding Section 2.7 of the July 1993 Interagency Agreement on this project, the County authorizes the City to exercise eminent domain, as necessary, to acquire parcels in the unincorporated area that require condemnation. Allocation of property acquisition costs between the City and County will be governed by Section 3 of the July 1993 Interagency Agreement. The County agrees to cooperate, as necessary, in the City's efforts to acquire property that lies within the unincorporated area.

**6. SE 277th Corridor.** King County recently completed its preliminary environmental review of the Southeast extension of the SE 272/277th Corridor Project. However, nearly one-half of this portion of that Project now lies within the City of Kent. At this time, the City has indicated it is not willing to enter into a joint financing agreement for the construction of that project, as would be required by the County's Capacity Proviso. For this and other reasons, when adopting its 1996-2001 Roads CIP, the King County Council deferred indefinitely any funding for preparing an EIS for the Southeast extension portion of this project. As a result, King County will not pursue further project development activity on this portion of the 272/277th Corridor Project unless a prior agreement with the City is reached regarding joint funding for the project.

**7. RELATIONSHIP TO EXISTING LAWS AND STATUTES.** This Agreement is in no way intended to modify or supersede existing laws and statutes and shall be construed in a manner which is consistent therewith. In meeting the commitments encompassed in this Agreement, all parties will comply with the requirements of the annexation statutes, Open Meetings Act, State Environmental Policy Act, Growth Management Act, the King County Countywide Planning Policies, the King County Comprehensive Plan and any other applicable laws and regulations.

**8. POTENTIAL POLICY CHANGE.** If the County's annexation policy regarding major roadway capacity improvements is amended in a manner that is more favorable to cities in King County with respect to requiring cost-sharing agreements for such projects, then the parties shall reopen negotiations with respect to the cost-sharing provisions of this Agreement. Additionally, if the County's road capacity improvement annexation policy is repealed or so substantially altered that its effect is essentially void, then the portions of this Agreement requiring City payments in the event of future annexations, shall also be void.

## **9. ADMINISTRATION**

**9.1 Project Team.** The provisions of this Agreement will be managed by a Project Team composed of the King County Executive or designee and the Mayor of Kent or designee, with additional staff to be determined by each party.

**9.2 Administrative Procedures.** The Project Team will meet as necessary to ensure that the provisions of this Agreement are fulfilled and will develop written procedures and records as required to accomplish the work of this Agreement.

**9.3 Conflict Resolution.** The Project Team will use consensus to reach agreements. In the event consensus cannot be reached on an issue, the parties will first seek the assistance of a neutral mediator, selected jointly. If the issue still cannot be resolved, the issue will be forwarded to the legislative authorities of the City and County for resolution.

## **10. VENUE AND APPLICABLE LAW**

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the parties hereto agree that any such action shall be initiated in the King County Superior Court of the State of Washington. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to such action shall have the right of appeal from such decisions of the King County Superior Court in accordance with the laws of the State of Washington.

## **11. TERMINATION**

This Agreement is effective upon approval by the governing bodies of the City and County and upon signature of the parties. The Agreement shall continue to be in effect from year to year unless terminated upon written agreement by both parties.

## **12. AUDITS AND INSPECTIONS**

The records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review or audit by the County or the City during the terms of this Agreement and three (3) years after termination.

## **13. NON-WAIVER OF BREACH**

The failure of either party to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more

instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

**14. MODIFICATION**

No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the County.

**15. ENTIRE AGREEMENT**

This written agreement supersedes all prior verbal statements of any officer or other representative of the City and the County, and those statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this agreement. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement.

**16. INVALID PROVISIONS**

If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected hereby if such remainder would then continue to serve the purposes and objectives of the parties.

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

KING COUNTY

By *Tom Laake*  
its EXECUTIVE  
Date: 5-9-96

CITY OF KENT

By *JAM Kull*  
its Mayor  
Date: 3-18-96

Attest: *Gwendy Jacobson*

Approved as to form:

Approved as to form:

By *[Signature]*  
Deputy Prosecuting Attorney

By *[Signature]*  
Kent City Attorney *Deborah*  
*City Attorney*

SE 240th Street

	Shared Border - Kent	Shared Border - King County	Remainder - KC - 5 lane	Remainder - KC - 3 lane	Total
Project Cost					10,602,000
Current Appropriation					(2,440,070)
Adjusted Total					<u>8,161,930</u>
Share Percentage	30.45%	30.45%	27.37%	11.73%	100.00%
Unappropriated Balance	2,485,332	2,485,332	2,233,846	957,421	8,161,930
Total	2,485,332	2,485,332	2,233,846	957,421	8,161,930
TIA Grant \$	(727,364)	(727,364)	(653,763)	-	(2,108,491)
KC MPS \$					
Balance	1,757,970	1,757,968	1,580,083	957,421	6,053,439
KC Contribution					
Kent Contribution	1,757,970				1,757,970
Capacity Project Mortgage Principal - Full Project		1,757,968	1,580,083	957,421	4,295,472
Net Balance					
5 lane Project Principal		1,757,968	1,580,083		3,338,051

KC

2,440,070

2,440,070

2,440,070

(385,050)

2,055,020

2,055,020

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- Note 1: All amounts are in 1995 \$
- Note 2: Project cost updated for 1996-2001 CIP, split reflects 5 lane versus 3 lane segments.
- Note 3: Cost is shared 50/50 on shared boundary.
- Note 4: Life to Date MPS Revenue for SE 240th Project collected from 1/1/91 thru 6/30/95
- Note 5: Annual adjustment would be made to principal to reflect MPS revenue collected for SE 240th only with annual MPS program.
- Note 6: Completing the three lane segment as a separate element may result in additional minor adjustments.

**Payment Schedule**

Concept: King County assumes responsibility for "payment" until annexation;  
 Kent assumes responsibility for "payment" or "Project Balance" upon annexation.

Shared Border \$ 1,757,968  
 Remainder KC \$ 1,580,083  
 Total \$ 3,338,051  
 Imputed Interest 4.0%  
 Term of "Payback" 20

Annuitiy Year	"Payment"	"Interest"	Project Balance
Year 1	\$ 245,620	133,522	3,225,953
Year 2	\$ 245,620	129,038	3,109,372
Year 3	\$ 245,620	124,375	2,988,127
Year 4	\$ 245,620	119,525	2,862,033
Year 5	\$ 245,620	114,481	2,730,894
Year 6	\$ 245,620	109,236	2,594,510
Year 7	\$ 245,620	103,780	2,452,671
Year 8	\$ 245,620	98,107	2,305,158
Year 9	\$ 245,620	92,206	2,151,745
Year 10	\$ 245,620	86,070	1,992,195
Year 11	\$ 245,620	79,688	1,826,263
Year 12	\$ 245,620	73,051	1,653,694
Year 13	\$ 245,620	66,148	1,474,222
Year 14	\$ 245,620	58,969	1,287,572
Year 15	\$ 245,620	51,503	1,093,455
Year 16	\$ 245,620	43,738	891,574
Year 17	\$ 245,620	35,663	681,617
Year 18	\$ 245,620	27,265	463,262
Year 19	\$ 245,620	18,530	236,173
Year 20	\$ 245,620	9,447	0

1. Annuitiy Year 1 commences on the first day of the first month following completion of construction of the project and extends for 12 months.
2. Annuitiy Year is the twelve month period beginning on the anniversary of Year 1.

principal 1,810,709  
 rate 0.04800 4.80%  
 term 20

	PAYMENT	INTEREST	PRINCIPAL	BALANCE
	142,842.26			1,810,709.00
1	142,842.26	86,914.03	55,928.23	1,754,780.77
2	142,842.26	84,229.48	58,612.78	1,696,167.99
3	142,842.26	81,416.06	61,426.20	1,634,741.79
4	142,842.26	78,467.61	64,374.65	1,570,367.14
5	142,842.26	75,377.62	67,464.64	1,502,902.50
6	142,842.26	72,139.32	70,702.94	1,432,199.56
7	142,842.26	68,745.58	74,096.68	1,358,102.88
8	142,842.26	65,188.94	77,653.32	1,280,449.56
9	142,842.26	61,461.58	81,380.68	1,199,068.88
10	142,842.26	57,555.31	85,286.95	1,113,781.92
11	142,842.26	53,461.53	89,380.73	1,024,401.19
12	142,842.26	49,171.26	93,671.00	930,730.19
13	142,842.26	44,675.05	98,167.21	832,562.98
14	142,842.26	39,963.02	102,879.24	729,683.74
15	142,842.26	35,024.82	107,817.44	621,866.30
16	142,842.26	29,849.58	112,992.68	508,873.63
17	142,842.26	24,425.93	118,416.33	390,457.30
18	142,842.26	18,741.95	124,100.31	266,356.99
19	142,842.26	12,785.14	130,057.12	136,299.87
20	142,842.26	6,542.39	136,299.87	0.00
	2,856,845	1,046,136	1,810,709	





King County  
Department of Transportation  
821 Second Avenue  
Seattle, WA 98104-1598

April 11, 1996

TO: Gary Locke, King County Executive

FM: Paul Toliver, Director, King County Department of Transportation

RE: Interlocal Agreement Between King County and the City of Kent  
Regarding the SE 240th Street and South 196th/200th Corridor Improvements

Enclosed for your signature are three originals of an interlocal agreement between King County and the City of Kent regarding the SE 240th Street and South 196th/200th Corridor Improvements. The King County Council approved Motion 9811 on March 11, 1996 authorizing you to enter into this agreement.

This is the first agreement prepared and approved in response to a policy which requires negotiating cost sharing arrangements prior to awarding construction contracts for major growth-oriented roadway capacity improvements in city designated potential annexation areas located in the Urban Growth Area. The agreement provides for a cost sharing arrangement with the City of Kent for construction of improvements that is to be undertaken by the County on SE 240th Street (CIP No. 500187) which borders the City's recent Meridian Annexation Area. The agreement also addresses the use of previously authorized County funds to support the City of Kent's 196th/200th Street major widening project.

If you have any questions, please contact Jesse Krail, County Road Engineer, Manager of the Road Services Division, at extension 6-6590.

PT:lb

Enclosure

