

**INTERLOCAL AGREEMENT
BETWEEN SKAGIT COUNTY AND WASHINGTON STATE UNIVERSITY
FOR PUBLIC FACILITY PROJECT FUNDING PURSUANT TO RCW 82.14.370
WSU RESEARCH AND EXTENSION UNIT PROJECT**

THIS INTERLOCAL AGREEMENT is entered into this 6th day of May, 2002 between Skagit County, Washington (the "County") and the Washington State University ("WSU").

WHEREAS, the County is authorized by RCW 82.14.370 and Laws of 1999, chapter 311 (collectively, the "Act") to impose a sales and use tax not to exceed eight one-hundredths of one percent (0.08%) for the purpose of financing public facilities in the County (the "Tax"); and

WHEREAS, the County imposed the Tax at the maximum statutory rate pursuant to Ordinance No. 17478, adopted by the Board of Skagit County Commissioners on June 21, 1999; and

WHEREAS, the Act authorizes the County to deduct the amount of the Tax from the amount of tax otherwise required to be collected or paid over to the Department of Revenue under Chapter 82.08 or 82.12 RCW; and

WHEREAS, the County has relied on the Legislature's express intent that the County impose the Tax and use it to finance public facilities for not longer than 25 years to promote the ongoing operation and expansion of business in rural distressed areas, to attract new businesses to rural distressed areas, to assist in the development of new businesses from within rural distressed areas, to provide family wage jobs to the citizens of rural distressed areas and to promote the development of communities of excellence in rural distressed areas; and

WHEREAS, the County has consulted with cities, towns and port districts within the County regarding the use of Tax proceeds; and

WHEREAS, on both September 30, 1999 and May 30, 2000 WSU submitted requests for economic development funding in the amount of \$500,000 toward a \$5,000,000 Agricultural Research and Extension Unit Expansion and Miscellaneous Upgrade Project(s) (the "Project"); and

WHEREAS, the Board of Skagit County Commissioners approved the WSU Research and Extension Unit Expansion and Upgrade Project in the amount of \$500,000 pursuant to Resolution No. 18104, dated December 11, 2000; and

WHEREAS, pursuant to the Interlocal Cooperation Act (Chapter 39.34 RCW), the County and WSU are authorized to exercise their powers jointly and thereby maximize their abilities to provide services and facilities which will best fulfill common needs; and



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NOW, THEREFORE, in consideration of the mutual covenants contained herein, the County and WSU agree as follows:

AGREEMENT

1. Effective Date/Duration:

This Agreement shall become effective on full execution hereof, and shall expire upon the completion of the enhancement project(s) utilizing the County economic development funds. Work on the project(s) shall commence only upon the University's authority for, and the completed design and any remaining funding (if necessary) for, construction, improvement, and/or renovation projects to enhance the Mt. Vernon Research Center (Project). The Parties hereto acknowledge and agree the enhancement project(s) may be phased or accomplished as separate public work projects depending upon funding, the priorities of the needs addressed, and scope and detail of the work to be accomplished. The County's economic development funds may therefore be allocated to one or more distinct public work projects.

2. Purpose:

The purpose of this Agreement is to formalize a commitment whereby the County will allocate to WSU the sum specified herein, and whereby WSU will complete the Project, subject to University authority and additional funding necessary for the identified scope of the project(s) for which the County's economic development funds will be utilized (as defined below) upon the terms and conditions described herein.

WSU will use the grant funds on the "WSU Research and Extension Unit Expansion and Miscellaneous Upgrade Project(s)". The Project is a multi-phase project with the end result being a doubling of the campus facilities for research faculty working to improve the livelihood and viability of agriculture in Skagit County and the five northwest county region. The scope also includes both sewer and utility site upgrades necessary for the expansion. In order to house an increased number of faculty and allow them to be productive, the now obsolete campus building needs to be replaced with a new office and laboratory building. Through their research, faculty enable farmers to improve the success of their crops, combat pests and diseases, and identify new high-value crops ideal for the region's maritime climate.

Nothing contained herein shall obligate the University to pursue the Project unless sufficient funds are secured for the design, construction and operation of the Project. In the event WSU fails to proceed with the Project(s) associated with the expansion and upgrades, the County is under no obligation to commit the funds according to this Agreement.

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3. Construction:

WSU possesses sole responsibility for the design, procurement and construction of the Project. The County shall have no responsibility for the Project other than the funding set forth herein. The County shall have no responsibility for the design or construction of said Project, WSU shall have the authority to determine the design, construction, location, acquisition of easements and rights of way for the project, and to enter into partnerships, contracts, or other legal arrangements with potential investors and/or users thereof to assist in financing and/or construction and permitting, in the manner allowed by law.

4. Grant Amount/Project Reimbursement/Budget:

The County agrees to grant \$500,000 towards the total project. Said Project is expected to be completed on or about December 30, 2005. The County's grant of \$500,000 shall be tendered to WSU upon agreement of the Parties. The County shall have the right to audit any payments made with the above funds.

WSU shall be solely responsible for the design and construction of the Project pursuant to the public work statutes governing construction, renovation, improvements, etc. of higher education facilities. Nothing in this Agreement shall be construed to render the County a public "owner" pursuant to the public work statutes.

5. Treatment of Assets:

Upon the termination of this Agreement, all property acquired by WSU shall remain WSU's property, with no obligation to pay the County therefore.

6. Right to Review:

This contract is subject to review by the State Auditor's office. The County or its designee shall have the right to review and monitor the financial components of this Project. Such review may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials, which the County deems pertinent to the Agreement and its performance. WSU shall preserve and maintain all financial records and records relating to this Project under this Agreement for 3 years after contract termination, and shall make them available for such review, within Skagit County, State of Washington, upon request.

7. Modifications:

This Agreement may be modified only by the written consent of each party.

8. Defense & Indemnity Agreement:

WSU agrees to defend, indemnify and save harmless the County, its appointed and elected officers and employees, from and against all loss or expense, including but not limited to judgments, settlements, attorney's fees and costs by reason of any and all claims and



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demands upon the County, its elected or appointed officials or employees for damages because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property including loss of use thereof, whether such injury to persons or damage to property is due to the negligence of WSU, its elected officers, employees or their agents, except such injury or damage as shall have been occasioned by the shared or sole negligence of the County, its appointed or elected officials or employees. It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein.

~~9. Industrial Insurance Waiver:~~

~~With respect to the performance of this Agreement and as to claims against the County, its officers, agents and employees, WSU expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligations to indemnify, defend and hold harmless provided in this Agreement extend to any claim brought by or on behalf of any employee of WSU's.~~

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10. Venue and Choice of Law:

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Skagit. This Agreement shall be governed by the laws of the State of Washington.

11. No Separate Legal Entity:

It is not the intention that a separate legal entity be established to conduct this cooperative undertaking. For purposes of RCW 39.34.030(4)(a), WSU's Vice President for Business Affairs, or his designee, shall administer the Project.

12. Severability:

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications 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.

13. Waiver:

Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

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14. Entire Agreement:

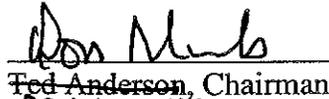
This written Agreement represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

IN WITNESS WHEREOF, the parties have signed this Agreement as of this 6th
day of May, 2002.

**WASHINGTON STATE UNIVERSITY BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**



Greg Royer, Vice Pres
for Business Affairs

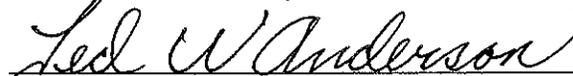


~~Don Munks, Chairman~~

~~DON MUNKS~~



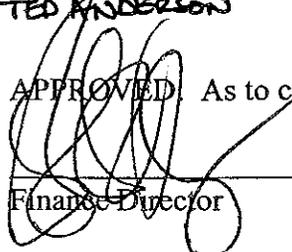
Kenneth A. Dahlstedt, Commissioner



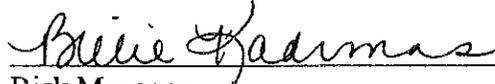
~~Don Munks, Commissioner~~

~~TED ANDERSON~~

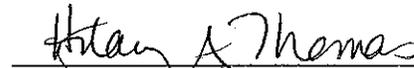
APPROVED As to content


Finance Director

RE: Indemnification and Insurance


Risk Manager

APPROVED AS TO FORM:


Deputy Civil Prosecutor

cc: WSU

SKAGIT COUNTY
Contract # C20020159

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Skagit County Auditor

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