

SEP 19 2011

INTERLOCAL COOPERATION AGREEMENT Contract No. 55-11
RELATING TO
REVITALIZATION AREA for INDUSTRY, SCIENCE and EDUCATION

This Interlocal Cooperation Agreement (the "Agreement") is made and entered into as of September 1, 2011, by the City of Richland, Washington, a municipal corporation and city of the first class in the State of Washington (the "City"), and Port of Benton, Washington, a public body corporate of the State of Washington (the "Port").

RECITALS

WHEREAS, the City and the Port are each authorized by Second Substitute Senate Bill 5045 (Chapter 270, Laws of 2009) and further by Second Substitute Senate Bill 6609 (Chapter 164, Laws of 2010) (the "Act") to establish "revitalization areas" and to use "local revitalization financing" therein to finance "public improvements" that are reasonably likely to increase private investment and employment within such revitalization areas and generate increases in state and local property, sales, and use tax revenues;

WHEREAS, the City created on August 25, 2009, pursuant to Ordinance No. 28-09, a revitalization area as designated in that Ordinance as the "Revitalization Area for Industry, Science and Education"; and

WHEREAS, on June 7, 2011, the City amended the boundaries of the revitalization area pursuant to Ordinance No. 05-11, and the current boundaries of the revitalization area are described by that Ordinance and by the legal description and map attached as Exhibit A to this Agreement (hereinafter, the "Revitalization Area"), which is incorporated herein by this reference; and

WHEREAS, the City and the Port wish to evidence their respective agreements pertaining to the use of a portion of the Port's "local property tax allocation revenues" for purposes of local revitalization financing of public improvements and repayment of bonds within the Revitalization Area;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and the benefits to be realized by each party and by the general public from the creation of the Revitalization Area, the City and the Port agree as follows:

1. Authority and Purpose. This Agreement is entered into pursuant to the authority of chapters 39.34 RCW and the Act. This Agreement sets forth the Port's approval of and agreement to, pursuant to Sections 106, 107, and 201 of the Act, the City's use of a portion of the Port's share of "local property tax allocation revenues" (as defined in Section 102(6) of the Act) with respect to the Revitalization Area generated in the Revitalization Area for local revitalization financing of the "Public Improvement Costs" of "Public Improvements" (the definitions of such terms are set forth in Section 102(15) and (16) of the Act and are incorporated herein by reference) made in the Revitalization Area.

2. Real Property Tax Distributions. Commencing on January 1, 2012, the Port shall, pursuant to Section 201 of the Act, annually distribute to the City the lesser of: (i) fifty percent (50%) of the additional revenue of the regular property taxes levied by the Port upon the "property tax allocation revenue value" (as defined in Section 102(14) of the Act) within the Revitalization Area; or (ii) Twenty Three Thousand Dollars (\$23,000), to be used by the City for the purposes described by Section 1 of this Agreement. Such distributions shall be used for repayment of bonds issued in accordance with Section 701 of the act and shall terminate on retirement of the bonds or December 31, 2031, whichever occurs sooner.

3. Payment Process. The billing and payment process to implement Section 2 above shall be that agreed to in writing by the Benton County Treasurer and the City; provided, such agreement shall not require the Port to distribute payments more frequently than twice per year. Any disagreement by the City as to Port's compliance with its obligations under Section 2 above shall be promptly raised by the City by sending written notice to both the Port of Benton Board of Commissioners and the Benton County Treasurer. Such notice shall specify the basis for the City's position that the Port has not complied with its obligations under Section 2. The City agrees that if no such notice is provided to the Port within ninety (90) days of receipt of a payment by the City, the City shall be deemed to have waived all right to assert any non-compliance with this Agreement that is based on such payment amount, notwithstanding any longer applicable statute of limitations or other Washington law.

4. Interlocal Cooperation Act Required Provisions.

(a) Duration. This Agreement shall continue until the earlier of: (i) the date that all obligations to distribute money to the City under Section 2 of this Agreement have expired; or (ii) December 31, 2031; provided this Agreement shall automatically terminate on December 31, 2011 in the event: (i) the City has not received a project award of at least Three Hundred Twenty Five Thousand Dollars (\$325,000) from the Department of Revenue for the Industry, Science and Education Local Revitalization Financing project by such date; or (ii) Benton County and the City have not executed an interlocal agreement by such date whereby Benton County is obligated to distribute to the City 50% of the regular property taxes levied by the County upon the "property tax allocation revenue value" (as defined in Section 102(14) of the Act) within the Revitalization Area for the same period of time that the Port is contributing under Section 2 above, not to exceed Twenty Three Thousand Dollars (\$23,000) in any year.

(b) Organization of Separate Entity and Its Powers. No separate legal entity is intended to be created pursuant to this Agreement.

(c) Purpose. See Section 1 above.

(d) Manner of Financing and Establishing and Maintaining a Budget. The financing of the Public Improvements will be accomplished in the manner described under Sections 1, 2 and 3 of this Agreement. The parties adopt Section 5 of the Ordinance as the budget for such expenditures.

(e) Termination and Disposal of Property. This Agreement may not be terminated any earlier than as provided in paragraph 4(a) above. Title to all property acquired by any party in the performance of this Agreement shall remain with the acquiring party upon termination of this Agreement.

(f) Administration of this Agreement. The Port hereby designates the Executive Director as its representative for the purpose of implementing this Agreement on behalf of the Port. The City hereby designates the City Manager as its representative for the purpose of implementing this Agreement on behalf of the City.

(g) Manner of Acquiring, Holding and Disposing of Property. All real and personal property acquired pursuant to this Agreement shall be acquired by the City, held by the City and disposed in such manner as the City determines from time to time.

(e) Agreement to be Filed. The City shall file this Agreement with its City Clerk. The City shall also file this Agreement with the County Auditor.

5. Reporting. Each quarter starting with the quarter ending December 31, 2011, the City shall provide the Port with a written report identifying the Public Improvements proposed for financing through Local Revitalization Finance completed or under construction in the Revitalization Area, the amount paid for such Public Improvements in that quarter, the entity making any of those payments, and the cumulative cost of Public Improvements in the Revitalization Area since the effective date of this Agreement. The City shall also promptly provide the Port with a copy of the annual report due by March 1st of each year from the City to the Department of Revenue under Section 501 of the Act.

6. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

7. Counterparts. The parties may sign this Agreement in one or more counterparts hereto and each counterpart shall be treated as an original.

8. Binding Effect. Both parties have full power and authority to execute and deliver this Agreement and to perform their respective obligations under this Agreement. This Agreement constitutes a valid and binding obligation of the Port and the City and is enforceable in accordance with its provisions.

9. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Washington.

10. Entire Agreement. The City and the Port agree that this Agreement is the complete expression of the parties on this subject. Any oral or written representations or understandings not incorporated in this Agreement are specifically excluded. This Agreement may only be amended in a writing signed by both parties that expressly indicates such writing is intended to amend this Agreement.

IN WITNESS WHEREOF, the parties have executed the Agreement and it shall be effective as of September 1, 2011.

CITY OF RICHLAND, WASHINGTON


City Manager

Dated: 8-4-11

ATTEST:


City Clerk

(SEAL)



PORT OF BENTON, WASHINGTON


President, Port of Benton Commission

Dated: 9/1/2011

ATTEST:


Secretary, Port of Benton Commission

(SEAL)

EXHIBIT A

Boundaries of Revitalization Area

A PORTION OF LAND LYING IN SECTIONS 14,15,16,17,19,20,21,22,23,26,27,28, AND 34, ALL WITHIN TOWNSHIP 10 NORTH. RANGE 28 EAST, W.M., CITY OF RICHLAND, WASHINGTON, BEING DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT BEING THE INTERSECTION OF THE NORTH RIGHT-OF-WAY MARGIN OF PUBLIC ROAD KNOWN AS SR240 AND THE NORTH QUARTER CORNER OF SAID SECTION 34; THENCE NORTHWESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE OF 16,200 FEET MORE OR LESS TO A POINT ON THE WEST LINE OF SECTION 20, TOWNSHIP 10 NORTH, RANGE 28 EAST, W.M. BENTON COUNTY, WASHINGTON; THENCE NORTH ALONG THE WEST LINE THEREOF FOR A DISTANCE 600 FEET MORE OR LESS TO THE NORTHWEST CORNER THEREOF; SAID POINT ALSO BEING THE SOUTHWEST CORNER OF THE LANDFILL PARCEL AS DEPICTED ON RECORD OF SURVEY NUMBER 4165, RECORDS OF BENTON COUNTY WASHINGTON; THENCE SOUTH ALONG THE WEST LINE THEREOF AND THE WEST LINE OF SAID SECTION 20 FOR A DISTANCE OF 146 FEET MORE OR LESS TO AN ANGLE POINT; THENCE SOUTHEAST CONTINUING ALONG THE BOUNDARY OF SAID LANDFILL PARCEL FOR A DISTANCE OF 385 FEET MORE OR LESS; THENCE EASTERLY CONTINUING ALONG THE SOUTH LINE THEREOF FOR A DISTANCE OF 2480 FEET MORE OR LESS TO THE SOUTHEAST CORNER THEREOF; THENCE NORTHERLY ALONG THE EAST LINE THEREOF FOR A DISTANCE OF 4,200 FEET MORE OR LESS TO THE NORTH RIGHT-OF-WAY MARGIN OF A ROAD KNOWN AS HORN RAPIDS ROAD; THENCE SOUTHEASTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE OF 3,700 FEET MORE OR LESS; THENCE EASTERLY CONTINUING ALONG THE NORTH LINE THEREOF A DISTANCE OF 11,800 FEET; THENCE CONTINUING ALONG THE NORTH LINE THEREOF IN A NORTHEASTERLY DIRECTION A DISTANCE OF 600 FEET MORE OR LESS; THENCE EASTERLY ALONG THE NORTH LINE THEREOF PROJECTED A DISTANCE OF 1,800 MORE OR LESS FEET THE HIGH WATER LINE OF THE

COLUMBIA RIVER; THENCE SOUTHERLY ALONG THE WATER LINE THEREOF FOR A DISTANCE OF 6,160 FEET MORE OR LESS TO THE CENTER LINE OF A ROAD KNOWN AS 1ST PROJECTED; THENCE WEST ALONG SAID PROJECTION FOR A DISTANCE OF 308 FEET MORE OR LESS TO THE BEGINNING OF SAID CENTERLINE OF FIRST STREET; THENCE SOUTH 40 TO THE SOUTH RIGHT-OF-WAY LINE OF SAID 1ST STREET; THENCE WEST 100 FEET MORE OR LESS ALONG THE SOUTH LINE THEREOF TO THE NORTHEAST CORNER OF A PARCEL; THENCE SOUTHERLY FOR A DISTANCE OF 960 FEET MORE OR LESS; THENCE SOUTHEASTERLY FOR A DISTANCE OF 1720 FEET TO THE NORTH LINE OF A ROAD KNOWN AS SPROUT ROAD; THENCE WESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE 2,800 FEET MORE OR LESS TO THE WEST RIGHT-OF-WAY MARGIN OF SAID GEORGE WASHINGTON WAY; THENCE NORTHERLY ALONG THE WEST LINE THEREOF FOR A DISTANCE OF 1,300 FEET MORE OR LESS TO POINT ON THE SOUTH RIGHT-OF-WAY MARGIN OF A ROAD KNOWN AS UNIVERSITY DRIVE; THENCE WESTERLY ALONG THE SOUTH LINE THEREOF FOR A DISTANCE OF 1,250 FEET MORE OR LESS TO A POINT ON THE EAST BOUNDARY OF A PARCEL OWNED BY THE PORT OF BENTON; THENCE SOUTH ALONG SAID WEST LINE FOR A DISTANCE OF 320 FEET MORE OR LESS; THENCE WESTERLY FOR A DISTANCE OF 285 FEET MORE OR LESS TO THE WEST BOUNDARY OF PARCEL A AS DEPICTED IN RECORD OF SURVEY NUMBER 4104, RECORDS OF BENTON COUNTY, WASHINGTON; THENCE SOUTHERLY ALONG THE WEST LINE THEREOF FOR A DISTANCE OF 3,440 FEET MORE OR LESS; THENCE SOUTHWESTERLY CONTINUING ALONG SAID WESTERLY BOUNDARY FOR A DISTANCE OF 1,300 FEET MORE OR LESS; THENCE WESTERLY FOR A DISTANCE OF 270 FEET MORE OR LESS; THENCE SOUTHERLY 300 FEET MORE OR LESS TO THE NORTH RIGHT-OF-WAY MARGIN OF A ROAD KNOWN AS SPENGLER STREET; THENCE WESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE OF 1,300 FEET MORE OR LESS TO THE SAID WEST RIGHT-OF-WAY MARGIN OF STEVENS DRIVE; THENCE SOUTHERLY ALONG THE WEST LINE THEREOF FOR A DISTANCE OF 1,300 FEET MORE OR LESS TO THE NORTH RIGHT-OF-WAY OF A ROAD KNOWN AS SNYDER STREET;

THENCE WESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE OF 1,300 FEET MORE OR LESS TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 10 NORTH, RANGE 28 EAST; THENCE NORTH ALONG THE EAST LINE THEREOF TO THE NORTH LINE THEREOF; THENCE WESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE 1,300 TO THE WEST LINE THEREOF; THENCE SOUTHERLY ALONG THE WEST LINE THEREOF TO THE NORTHEASTERLY RIGHT-OF-WAY MARGIN OF A ROAD KNOWN AS ROBERTSON DRIVE; THENCE EASTERLY AND SOUTHERLY ALONG SAID RIGHT-OF-WAY ALONG A CURVE FOR A DISTANCE OF 1,200 FEET MORE OR LESS; THENCE SOUTHWESTERLY ALONG THE EAST LINE THEREOF PROJECTED FOR A DISTANCE OF 260 FEET MORE OR LESS TO THE NORTH LINE OF SAID SR240; THENCE NORTHWESTERLY ALONG THE NORTH LINE THEREOF FOR A DISTANCE OF 340 MORE OR LESS TO THE SAID TRUE POINT OF BEGINNING.

CITY OF RICHLAND
REVITALIZATION AREA FOR INDUSTRY SCIENCE AND EDUCATION

LAND FILL
 HORN RANTOS RD
 SR 240
 SR 201
 SR 4104
 KINGSCLAY WAY
 FUTURE LOGSTON BLVD (road and utilities)
 FUTURE 1ST ST
 STEVENS DRIVE
 UNIVERSITY WAY
 CURLE
 SPROUT RD
 TRI CITIES
 1ST ST
 COLUMBIA RIVER
 CEDRIDGE
 WASHINGTON WAY
 POB PARCEL DEED# 2001-006829
 RICHMOND BLVD
 SPENDLER ST
 HANFORD ST
 SMD
 TPOB

DATED: 08/21/11

DATED:03/21/11