

SUPPLEMENTAL INTERLOCAL AGREEMENT REGARDING REVITALIZATION AREA FOR INDUSTRY, SCIENCE AND EDUCATION

This Supplemental Interlocal Cooperative Agreement among the Benton County Treasurer's Office ("Treasurer"), Benton County, a political subdivision of the State of Washington ("County"), the City of Richland, a municipal corporation and code city of the State of Washington ("City"), and the Port of Benton, a municipal corporation of the State of Washington ("Port") is effective May1, 2012.

RECITALS

WHEREAS, within the City an area was designated as the "Revitalization Area for Industry, Science and Education" pursuant to Chapter 39.104 RCW. To facilitate this endeavor, the City entered into Interlocal Cooperative Agreements with the County dated September 7, 2011 (recorded under AF# 2011-025069), and the Port dated September 7, 2011 (recorded under AF# 2011-025068) (collectively, "the Underlying Interlocal Agreements");

WHEREAS, the Underlying Interlocal Agreements contain provisions relating to the transfer of "local property tax allocation revenues" derived from property taxes imposed by the County and the Port on property within the Revitalization Area for Industry, Science and Education of the City as defined in City Ordinance 05-11 (hereafter "Revitalization Area"), and the Interlocal Agreement between the City and the County expressly requires that a billing and payment process be agreed to in writing by the Treasurer and the City regarding the distribution of County property taxes to the City;

WHEREAS, the Treasurer desires to develop common practices and uniformity regarding how and when the various property taxes imposed by the other parties will be transferred to the City by the Treasurer's Office, and the parties agree that the billing and payment process for property taxes transferred from the Port to the City should also be set forth in writing;

WHEREAS, the Underlying Interlocal Agreements do not clearly identify the property tax levies that are applicable to the revenue sharing and transfers agreed to by the County and the Port;

WHEREAS, the County and the Port routinely assess earmarked levies in addition to their regular property tax levies, otherwise known as their current expense levies, and the intent of all parties hereto is that the transfer of property taxes under the Underlying Interlocal Agreements only applies to "local property tax allocation revenues" generated by the current expense levies of the County and the Port in the Revitalization Area for Industry, Science and Education and not to the entities' earmarked levies such as administrative refund levies, indigent soldier levies, mental health levies or construction fund levies;

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 implementation of the Revitalization Area, the County the City, and the Port agree as follows:

1. Timing and Manner of Payment of Property Tax Distributions.
 - A. The Treasurer agrees to distribute the applicable property taxes due from the County and Port under the Underlying Interlocal Agreements to the City twice per

year, once on or before May 31st and once on or before November 15th. The May 31st distribution in 2012 will consist of transferable property taxes collected on 2012 regular property tax levies paid by taxpayers on or before April 30, 2012. The May 31st distribution thereafter will consist of transferable taxes collected between the preceding November 1 and April 30. The distribution due by November 15th of each year will consist of transferable property taxes collected between May 1st and October 31st. The parties acknowledge and agree that in order to implement this subsection, only with respect to property taxes collected in the first thirty-one days of May and the first fifteen days of November of each year the Treasurer may exercise his discretion to distribute property taxes to the Port according to RCW 84.56.230 and that no interest on such amounts shall be owed to them so long as those funds are distributed by the deadlines set forth in that statute.

- B. The transferable property taxes will be distributed by the Treasurer to the City by the same means that the Treasurer distributes the City levied property taxes to the City. The Treasurer agrees to promptly send individual written notices of transmittal to each of the parties to this agreement to the persons set forth below, and the City shall independently acknowledge to the Treasurer, in writing, receipt of the funds from the Treasurer on behalf of each jurisdiction.

Benton County
Attn: Benton County Administrator
P.O. Box 190
Prosser, WA 99350

City of Richland
Attn: City Manager
P.O. Box 190 MS-04
Richland, WA 99352

Port of Benton
Attn: Executive Director
3100 George Washington Way
Richland, WA 99354

Any party desiring to change the person or address designated above shall notify the Treasurer in writing of such change, with such change being effective fourteen (14) days from the date of delivery.

2. Objection Period. Any disagreement by the County, the City or the Port as to the Treasurer's compliance with its obligations under this agreement or with respect to his or her calculations as to the amount of property taxes transferred to the City pursuant to the Underlying Interlocal Agreements shall be promptly raised by the County, the City, and/or the Port by sending written notice to the Treasurer. Such notice shall specify the basis for the County, the City and/or the Port's position that the Treasurer has not complied with his or her obligations under this agreement or has erred in computing the amount of property taxes to be transferred to the City under the Underlying Interlocal Agreement(s). The County, the City and the Port agree that if no such notice is provided by them to the Treasurer within ninety (90) days of the date of the Treasurer's written notice of the applicable transfer, then the entity failing to so object shall be deemed to have waived all right to assert any non-compliance with this agreement with respect to such transfer or to assert non-compliance with the Underlying Interlocal Agreement(s) mandating the transfer in question, notwithstanding any longer applicable statute of limitations or other Washington law.

3. Termination of Property Tax Distributions. It is the responsibility of the Port to notify the Treasurer in writing if its obligation to transfer property tax revenues to the City pursuant its Underlying Interlocal Agreement terminates prior to December 31, 2031, and they agree to hold the Treasurer and the County harmless to the extent that they fail to do so and transfers are made to the City of property taxes that otherwise would be distributed to them, except that this hold harmless shall not apply with respect to any transfers to which the Port timely objects to under section 2 above.
4. Calculation of "Local Property Tax Allocation Revenues" Under RCW 39.104.020. The County, the City and the Port each agree that for the purposes of the Underlying Interlocal Agreements, only their current expense levies constitute regular property tax levies with respect to the definition of "local property tax allocation revenues" as that term is used in the Underlying Interlocal Agreements and that tax revenues derived from earmarked levies imposed by them for specific purposes, including but not limited to refund levies, indigent soldier levies, mental health levies and construction fund levies are not subject to distribution to the City.
5. Effect on Underlying Interlocal Agreements. The parties agree that this agreement supplements the Underlying Interlocal Agreements and except as terms of the Underlying Interlocal Agreements are expressly clarified or supplemented herein, the Underlying Interlocal Agreements shall not be affected by this agreement.
6. Severability/Counterparts/Binding Effect. If any provision of this agreement shall be held to be invalid, illegal or unenforceable, such shall not affect any other provisions of this agreement. This agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

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

All parties hereto 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 Treasurer, the County, the City, the Port and the Hospital and is enforceable according with its provisions.
7. Governing Law. This agreement shall be construed in accordance with and is governed by the laws of the State of Washington.
8. Entire Agreement. The parties agree that this agreement and the Underlying Interlocal Agreements are the complete expression of the parties on the subject of the transfer of property taxes levied within the Revitalization Area. Any oral or written representations or understandings on that subject not incorporated into this agreement or the Underlying Interlocal Agreements are specifically excluded. This agreement may only be amended in writing and if signed by all parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized, execute this agreement on behalf of the parties effective as of May 1, 2012.

BENTON COUNTY TREASURER'S OFFICE

Duane Davidson, Treasurer

CITY OF RICHLAND

Date _____

Cindy Johnson, City Manager

Date _____

PORT OF BENTON



Scott Keller, Executive Director

Date 5-7-12

**BOARD OF BENTON COUNTY
COMMISSIONERS**

Chairman

Date: _____

Member

Member

Attest:

Constituting the Board of
Benton County Commissioners

Clerk to the Board

Approved as to form:



Ryan K. Brown, Deputy
Prosecuting Attorney

