

**City Of Woodland
Council Agenda Summary Sheet**

Agenda Item: Approval of loan with Cowlitz County for the Scott Avenue Reconnection Project	Agenda Item #:	<u>Action (@)</u>
	For Agenda of:	<u>May 20, 2013</u>
	Department:	<u>Public Works</u>
	Date Submitted:	<u>May 15, 2013</u>

Cost of Item: NA
Amount Budgeted: NA
Unexpended Balance: NA

BARS #: 104 000 000 542 30 41 00
Description: Street – Professional Services

Department Supervisor Approval: Public Works Department /s/ *Bart Stupp*
Committee Recommendation: Public Works Committee voted 2-0 on 5/14/13 to forward to City Council with due pass recommendation

Agenda Item Supporting Narrative (list attachments, supporting documents):
1) Proposed loan agreement with Cowlitz County

Summary Statement:
The \$2,000,000 grant the City received for the Scott Avenue Reconnection Project requires the City to pay the consultant upfront and then get reimbursed by WSDOT from the grant. The estimated maximum monthly bill from the consultant BergerABAM is \$300,000. The City would draw \$150,000 in June of 2013 and up to \$200,000 in October of 2013. Then depending on the progress of the project the City would pay back \$150,000 - \$200,000 in January or February of 2014 and the rest at the end of the project. Interest is based on the Local Government Investment Pool which is less than 1% at this time.

Staff Summary and Recommendation

Staff recommends that City Council approve the loan with Cowlitz County for the Scott Avenue Reconnection Project. The money is needed to provide the necessary cash flow. Without it the City would need to use reserves to provide the necessary cash flow.

AGENDA SUMMARY

To the Board of County Commissioners:
From: _____

Re: Interlocal Agreement between
Cowlitz County and the City of
Woodland Re: Loan in the Amount
of \$350,000

Staff: _____

Agenda Item No. _____
Dept. of Origin: _____
Date Submitted: _____
For Agenda of: _____
Expenditure Required: \$350,000
Amount Budgeted: \$None
Budget Action Required: Amendment
Clearance of Other Concerned
Departments: Doug Jensen, Chief Civil Deputy
Prosecuting Attorney, has approved
Approved for Agenda: _____

List of Exhibits:

Interlocal Agreement

Summary Statement and Department Recommendation:

Cowlitz County received a request from the City of Woodland for a cash flow loan to assist with expenses for a project known as "Scott Avenue Reconnection Project". The City anticipates grant funds will pay expenses of the project, however these funds are available on a reimbursement basis. Expenses must be paid by the City before grant funds can be requested. The City does not have sufficient resources to accommodate cash flow requirements of such a large project.

The attached Interlocal Agreement sets out the terms of the loan, which provides, among other things, that Cowlitz County will loan the City of Woodland a sum not to exceed \$350,000. The City agrees to pay interest to the county at the same rate offered by the Local Government Investment Pool of the State of Washington for investment purposes. The City further agrees to repay the loan or before June 30, 2016.

RECOMMENDATION:

Staff recommends that the Board of Commissioners approve the Interlocal Agreement and that a loan be made to the City of Woodland from the Solid Waste Equipment, Land & Facilities Fund in an amount not to exceed \$350,000 for a period not to exceed three years with interest accruing on any outstanding principal balance at the same rate offered to Cowlitz County by the Local Government Investment Pool of the State of Washington for investment purposes.

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into June _____, 2013, pursuant to the provisions of R.C.W. 39.34 by and between the **CITY OF WOODLAND**, (hereinafter referred to as "City") and **COWLITZ COUNTY**, a political subdivision of the State of Washington, acting by and through the Board of County Commissioners, (hereinafter referred to as "County").

RECITALS

WHEREAS, the City of Woodland will be undertaking a project known as "Scott Avenue Reconnection Project". The City anticipates grant funds will pay expenses of the project, however these funds are available to the City on a reimbursement basis. Expense must be paid by the City before grant funds can be applied for. The City does not have sufficient resources to accommodate cash flow requirements of such a large project; and

WHEREAS, the City has made a request to the County for a cash flow loan in an amount not to exceed \$350,000.

NOW THEREFORE, the parties hereby agree as follows:

1. Loan. County agrees to provide a loan to the City and City will borrow from the County such amounts as shall from time to time be required by the City to pay expenses related to its Scott Avenue Reconnection Project provided outstanding principal the loan proceeds shall not exceed Three Hundred Fifty Thousand and no/100 Dollars (\$350,000.00) at any time.

2. Interest and Payments. Commencing on the date of the first draw, the outstanding principal will accrue variable interest each month. The interest rate shall change on the first day of each month and on that day every month thereafter. Such date is called a "Change Date." On each Change Date, the interest rate will be adjusted to be equal to the rate offered by the Local Government Investment Pool of the State of Washington for investment purposes. The new interest rate shall become effective on each Change Date and shall apply to the principal amounts then outstanding and any principal amounts loaned up to and including the next Change Date.

Said loan shall be due and payable on or before June 30, 2016, if not sooner paid; provided that the City may prepay the principal amount outstanding, in whole or part. And, provided further, that any partial prepayment be applied first to outstanding interest, then to outstanding principal. Any partial prepayment shall not accelerate the due date.

3. Waiver/Modification. No waiver or modification of any term or condition of this Agreement shall be effective unless executed in writing by both parties; and no waiver or forbearance by either party from full performance of any term or condition of this Agreement or of any obligation on the part of the other party shall be a waiver of the right to subsequent or other full, strict and timely performance.

4. 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 shall be in the courts of the State of Washington in and for the County of Cowlitz. This Agreement shall be governed by the law of the State of Washington.

5. 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 contract are declared severable.

6. Attorney Fees. In the event that litigation must be brought to enforce the terms of this Agreement, the prevailing party shall be entitled to be paid reasonable attorney fees.

7. Construction. This Agreement has been mutually reviewed and negotiated by the parties and should be given a fair and reasonable interpretation and should not be construed less favorably against either party.

8. Entire Agreement. Each party represents that it has the authority to enter into the Agreement and that the same constitutes a valid and binding obligation of each party. This agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties.

9. Repayment Guarantees. For as long as any portion of the Project loans are outstanding, the City irrevocably guarantees to commit any Transportation Improvement Board (TIB) grant funds or other funds awarded to City for the Project and/or to include within its budget an amount sufficient to pay the principal and interest on the indebtedness evidenced by such loans, and that the full faith, credit and resources of the City are pledged irrevocably for the repayment of principal and interest on the loan.

10. Termination. Neither the City nor County the may terminate this Agreement until said Project loans have been repaid in full.

11. Default. Failure to make the payment in the required amount by the date it is due shall constitute an event of default by the City. In the event that the City fails timely to make a Loan payment hereunder, the County shall notify the City of the failure and the City shall have fourteen (14) days to cure its failure. At the option of the County, such an event of default and the City's failure to cure within the stated time period is a sufficient basis upon which the County may take action to collect the amount that is delinquent, and if the County takes action to collect pursuant to this provision, the City shall pay to the County not only the amount owing, but also any collection of reasonable costs incurred by the County.

12. Records and Audit. The City agrees to maintain such records, make such reports and follow such procedures pertaining to this Agreement as may be reasonably required by the County and as are typically maintained and made by the City in the undertaking of a project of this nature. All City records pertaining to this Agreement and the Project work shall be retained by the City for a period of three (3) years after final audit unless a longer period is required to resolve audit findings or litigation. The County and other authorized representatives of the State government shall have access to any books, documents, papers, and records of the City which pertain to this Agreement or the Project work for the purpose of making audit, examination, excerpts, and transcriptions.

13. Hold Harmless. To the extent permitted by law, the City shall indemnify and hold harmless the County, its officers, employees, agents and assigns, and, from all liability, loss or damage, including costs of defense they may suffer as a result of claims, demands, actions costs, or judgments which result from the actions performed by the City, its officers, employees, agents, or assigns pursuant to this Agreement.

14. Assignment. The City shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation) without prior written consent of the County thereto, provided, however, that claims for money by the City from the County under this Agreement may be

assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the County by the City.

**BOARD OF COMMISSIONERS OF
COWLITZ COUNTY, WASHINGTON**

CITY OF WOODLAND

Michael A. Karnofski, Commissioner

Grover Laseke, Mayor

James R. Misner, Commissioner

Dated: _____, 2013.
Attest:

Dennis P. Weber, Commissioner

Mari E. Ripp, Clerk/Treasurer

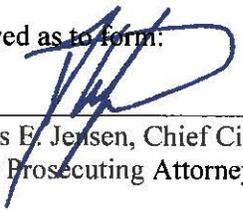
Attest:

Approved as to form:

Vickie M. Musgrove,
Clerk of the Board

William Eling, City Attorney

Approved as to form:



Douglas E. Jensen, Chief Civil
Deputy Prosecuting Attorney