

TO BE POSTED ON THE  
CITY OF VANCOUVER WEB SITE  
AND  
FILED WITH THE  
CLARK COUNTY AUDITOR

PW 09-103

**INTERLOCAL AGREEMENT**  
**BETWEEN CLARK COUNTY AND THE CITY OF VANCOUVER**  
**FOR TRAFFIC IMPACT FEE JOINT PROGRAM ADMINISTRATION**

THIS IS AN INTERLOCAL AGREEMENT, entered into under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW, between Clark County, a municipal corporation of the State of Washington ("the County"), and the City of Vancouver, a municipal corporation and charter city of the first class the State of Washington ("the City").

WHEREAS, pursuant to Chapter 39.34 RCW (Interlocal Cooperation Act), one or more public entities may contract with one another to jointly perform government functions or services which each is by law authorized to perform; and

WHEREAS, the Growth Management Act generally requires that new development be served by adequate public facilities; and

WHEREAS, to achieve that Growth Management Act mandate, it is necessary to finance public facilities with the participation of new development that adds to the need for such facilities; and

WHEREAS, the Growth Management Act authorizes the collection of traffic impact fees ("TIF") on development activities to fund a proportionate share of the cost of public roads and streets that are reasonably related to and which benefit the new development; and

WHEREAS, the City and County have duly adopted and periodically update transportation capital facilities plans that meet requirements for traffic impact fee programs under the Growth Management Act; and

WHEREAS, a traffic impact fee program joint program administration is more effective and efficient than separate programs; and

WHEREAS, the City and County adopted a joint impact fee program in 1996 and coordinated a traffic impact fee program update in 2001; and

WHEREAS, the City and County have separately adopted or revised impact fee ordinances and capital facilities plans since 2001 following the recommendations of their respective planning commissions and consideration by their legislative bodies at duly advertised public hearings; and

WHEREAS, City and County staff are in continuing negotiations to develop a new proposed full scope of TIF program coordination; and

WHEREAS, although the City and County do not operate identical TIF programs at this time, there is an immediate need to formalize an agreement authorizing TIF fund transfers and reporting between the City and County in certain situations as defined in this Agreement.

NOW, THEREFORE,

The parties agree as follows:

SECTION 1. ADOPTION OF RECITALS. The recitals set forth above are hereby adopted as the factual basis for this Agreement.

SECTION 2. PURPOSE. The purpose of this Agreement is to establish a coordinated program for the imposition, collection, administration, reporting, and transfer of traffic impact fees between the City and County in certain situations as defined in this Agreement.

SECTION 3. TERM and EXTENSIONS. The term of this Agreement is for a period of five (5) years beginning from the date of execution by the last-signing party, October 13, 2009, and continuing through October 13, 2014. The term of this Agreement shall be automatically extended in five-year increments, up to maximum of fifteen (15) additional years, through

October 13, 2029, unless otherwise terminated pursuant to the termination provision of this Agreement.

SECTION 4. TERMINATION. Prior to expiration of this Agreement, this interlocal Agreement may be terminated by legislative action of either the City or the County upon one hundred and eighty (180) days advance notice to the other party.

SECTION 5. FINANCING. Each party shall bear its own costs and establish its own budget as necessary to carry out its responsibilities under this Agreement.

SECTION 6. DEFINITIONS. For the purposes of this Agreement, the following definitions shall apply. Additional definitions set forth in RCW 82.02.090 are also applicable to this Agreement. All definitions shall be interpreted in a manner that is consistent with RCW 82.02.050 through RCW 82.02.090.

"Capital Facilities Plan" means a capital facilities plan for roads/streets, adopted pursuant to the Growth Management Act, that meets requirements of RCW 82.02.050(4).

"City" means the City of Vancouver, State of Washington.

"County" means Clark County, State of Washington.

"Director" means:

- In the case of the County, the County Director of Public Works or designee;
- In the case of the City, the City Transportation Manager or designee.

"Growth Management Act" refers to the Growth Management Act, Chapter 36.70A RCW, including the impact fees that may be assessed under the Growth Management Act pursuant to RCW 82.02.050 through RCW 82.02.090.

"Impact Fee Fund" means an account held in compliance with RCW 82.02.070(1) having separate accounts that are segregated by Service or Overlay Area.

"Jurisdiction" means either the City or the County.

"Lead Jurisdiction" means jurisdiction with primary administrative responsibility for the traffic impact fee program. The City shall be the Lead Jurisdiction in the Vancouver, East City, Evergreen Service Areas. The County shall be the Lead Jurisdiction in the North Orchards, Hazel Dell, and Mt. Vista Service Areas. South Orchards shall not have a Lead Jurisdiction at this time.

"Overlay Area" means a geographic area designated in a Capital Facilities Plan to be served by a system improvement(s), which area is not generally contiguous with an established Individual Service Area. An Overlay Area may be local (covering-only a portion of a single Service Area), regional (covering portions or all of several Service Areas), or County-wide (covering, incorporated and unincorporated areas of the County)

"Parties" means the parties to this agreement—the City of Vancouver, Washington and Clark County, Washington.

"Program Administration" shall mean those specific responsibilities and obligations of the City and County under this Agreement.

"Service Area" means a geographic area designated in a Capital Facilities Plan in which a defined set of system-improvements provides service to development within the area.

- "Shared Service Area" means a Service Area that includes land under both City and County jurisdiction.
- "Individual Service Area" means a Service Area wholly within either City or County jurisdiction.

"TIF" or "Traffic Impact Fee" means the traffic impact component of the payment of money imposed under RCW 82.02.050 - RCW 82.02.090 upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development..

"TIF Credit" means a credit issued pursuant to the requirements of RCW 82.02.060(3) and VMC 20.915.090 or CCC 40.630.060.

"Vancouver Urban Growth Area" or "VUGA" means the Vancouver urban growth area designated by the County in 2007 pursuant to the Growth Management Act, and as amended by future duly enacted changes to the Vancouver Urban Growth Boundary

SECTION 7. TRAFFIC IMPACT FEE ORDINANCE. The City and County have each enacted TIF ordinances meeting the requirements of the Growth Management Act. These ordinances, as they exist on the date of execution of this Agreement, are the basis of the TIF Joint Program Administration set forth in this Agreement. Amendment of these ordinances has the potential to require changes in the TIF Joint Program Administration.

7.1. Amendment. Each party agrees to provide the other party with ninety (90) days written notice in advance of the effective date of any amendment to the City or County traffic

impact fee ordinance affecting TIF Joint Program Administration as set forth in this Agreement. Upon issuance of such notice, the Administrators of this Agreement shall jointly develop such draft revisions to the TIF Joint Program Administration as are required by the ordinance amendment. Prior to the effective date of the ordinance amendment, the Administrators shall present the draft revisions to their respective legislative bodies as proposed amendments to this interlocal Agreement, if such amendments are needed for continued operation of the TIF Joint Program Administration

7.2. Exceptions. Notwithstanding Section 7.1, and provided that notice of intent is communicated in writing to the non-affected jurisdiction forty-five (45) days prior to adoption or enactment of a proposed modification, either the City or County may unilaterally adopt amendments to its traffic impact fee ordinance dealing with:

7.2.1. Exempt development.

7.2.2. Administrative appeals.

7.2.3. Any other ordinance provision dealing exclusively with administration of the impact fee program that will not affect the joint program.

7.2.4. TIF Ordinance provisions dealing exclusively with unincorporated areas outside the VUGA.

7.2.5. The right to set or modify traffic impact fee rates for their respective jurisdictions; provided that the district/s subject to rate changes shall not be subject to TIF Joint Program Administration under this Agreement unless the changes have been implemented in compliance with all of the requirements of Section 7.1. of this Agreement.

SECTION 8. SERVICE AREAS. The TIF Joint Program Administration set forth in this Agreement shall apply to defined Service Services Areas as they exist on the date of this

Agreement. Amendment of these Service Areas has the potential to require changes in the TIF Joint Program Administration.

8.1. Exhibit "A," attached hereto and incorporated by this reference, is the map depicting TIF Service Areas within the Vancouver Urban Growth Area as they exist on the date of this Agreement. The parties hereby agree that operation of the TIF Joint Program Administration set forth in this Agreement is applicable to these TIF Service Areas.

8.2. Modification criteria. Additional or revised Service Areas may be designated by each party through amendment of its own capital facilities plan(s) upon consideration of relevant geographic, land use, and service factors, which shall not include the present or planned location of City boundaries. Such modifications may be independently made by each party as its planning needs require, but such modifications shall be included in the TIF Joint Program Administration only if they have been made in compliance with all of the terms of Sections 7 and 8 of this Agreement.

8.3. Automatic TIF Service Area Boundary Modification: TIF service areas, scheduled for expansion, adjacent to a VUGA boundary shall automatically incorporate the expansion area concurrent with effective date of any legislative action if the expansion area is to be part of the VUGA; provided that the City and County may, by ordinance, agree to a different provision. Such Automatic TIF Service Area Boundary Modifications shall automatically be included in the TIF Joint Program Administration set forth in this Agreement.

8.4. Joint Action. Other than those automatic boundary modifications covered by Section 8.3, any modification to a TIF Service Area boundary that affects a Shared Service Area shall be included in the TIF Joint Program Administration set forth in this Agreement if it is adopted by both the City and County. If either party adopts a modification to a Shared Service Area without concurrent adoption by the other party, each party agrees to provide the other party

with one-hundred eighty (180) days written notice in advance of the effective date of any modification to a Shared Service Area affecting TIF Joint Program Administration as set forth in this Agreement. Upon issuance of such notice, the Administrators of this Agreement shall consult on such draft revisions to the TIF Joint Program Administration as are required by the modification to a Shared Service Area. Prior to the effective date of the modification to a Shared Service Area, the Administrators shall present the draft revisions to their respective legislative bodies as proposed amendments to this interlocal Agreement, if such amendments are needed for continued operation of the TIF Joint Program Administration.

8.5. Joint Action Not Required. Boundary modifications that affect an Individual Service Area may occur at any time, provided that notice of intent is communicated in writing to the non-affected jurisdiction forty five (45) days prior to adoption or enactment of a proposed modification

#### SECTION 9. TIF JOINT PROGRAM ADMINISTRATION

9.1. Administrator. The Directors shall be responsible for administering this Agreement.

9.2. Impact Fee Fund. The Parties have established and shall maintain an impact fee fund having separate accounts held in compliance with RCW 82.02.070(1) that are segregated by Service or Overlay Area. All interest shall be retained in the accounts. Account deposits and interest earned shall be expended for the TIF program purposes only.

9.3. Fee Collections. The Parties shall each endeavor to collect impact fees in accordance with their impact fee ordinances and capital Facilities Plans and deposit receipts to the Impact Fee Fund for the Service or Overlay Area where it was collected.

9.4. Fee Exemptions. The Directors shall maintain an accounting of the impact fee exemptions granted by Service Area and Overlay Area.

9.5. **Fund Management and Expenditures.** Management and expenditure of TIF funds for Individual Service Areas and Overlay Areas which are entirely in one jurisdiction shall comply with RCW 82.02.070 and be expended solely by that jurisdiction. Management and expenditure of TIF Funds within for Shared Service Areas and Overlay Areas shall comply with RCW 82.02.070 and shall be expended with mutual consent.

9.6. **Refunds.** Impact fees shall be expended or encumbered for a permissible use within six (6) years of receipt unless such period is extended pursuant to RCW 82.02.070. Any required refunds and interest, if applicable, for Service Areas or Overlay Areas shall be processed and paid by the lead agency. Refunds shall be invoiced to the applicable impact fee fund account. Any refunds from Service Area wholly within the unincorporated area shall be processed by the County and similarly invoiced.

9.7. **Credits.** The Directors or designee shall maintain a ledger of accounts of impact fee credits issued pursuant to VMC 20.915.090 or CCC 40.630.060 and shall maintain appropriate systems to accurately track and monitor the transfer and application of impact fee credits in Shared Service Areas.

9.8. **Fund Transfers.** The parties shall transfer impact fees received from Shared Service Areas on a monthly basis to the Lead Jurisdiction, pursuant to Section 9.5 above. Transferred impact fees shall be deposited by the Lead Jurisdiction into the Impact Fee account for the Service Area where it was collected.

9.8.1. Each transfer shall be accompanied by an itemized list as follows:

- a. Revenue generated and interest accrued
- b. Summary of payments made to Lead Jurisdiction

9.8.2. **Vancouver, East City, and Evergreen Service Areas.** The City of Vancouver is the Lead Jurisdiction for the Vancouver, East City, and Evergreen Service Areas. The County



shall transfer all funds collected within those Service Areas by the County to the City on a monthly basis; provided, that any portion of revenue received from a project base beyond the Shared Service Area, for example revenue generated by a regional overlay, shall be retained by the jurisdiction collecting for that purpose.

9.8.3. Hazel Dell and Mt. Vista Service Areas: Clark County is the Lead Jurisdiction in the Hazel Dell and Mt. Vista Service Areas. The City shall transfer all funds collected within those Service Areas by the City to the County on a monthly basis provided, that any portion of revenue received from a project base beyond the Shared Service Area, for example revenue generated by a regional overlay, shall be retained by the jurisdiction collecting for that purpose.

9.8.4. North and South Orchards Service Areas (formerly Orchards Service Area):

a. North Orchards: All revenue generated from the North Orchards service area shall remain with the County until a procedure is further defined. Any portion of revenue received from a project base beyond the service area, for example revenue generated by a regional overlay, shall be retained by the County in a segregated account.

b. South Orchards: All revenue generated from the South Orchards service area shall remain with the agency that collects the revenue until a procedure is further defined.

9.9. Credit Transfers. In Shared Service Areas, impact fee credits shall be transferable between the City and County. Credit transfer guidelines and limitations are as follows:

9.9.1. At the request of a TIF Credit holder, the City or County shall transfer the requested number of credits by deleting the credits from their own ledger and issuing a letter of TIF credit transfer in the same amount to the corresponding finance department in the City or County.

9.9.2. The letter of TIF credit transfer shall list the Service Area the credits originated in, the amount of TIF credits to be transferred, and the name of the account holder.

9.9.3. The jurisdiction that receives a TIF credit transfer letter shall establish a TIF credit account consistent with the TIF credit transfer letter.

9.9.4. Orchards TIF credits shall be redeemed or transferred as follows:

a. Original Orchards: Credits issued prior to October 15, 2007 are transferable between the City and County; and, can be used towards TIF payments for developments within both South Orchards and North Orchards (pre 10-15-2007 Orchards boundary)

b. Post 10-15-2007 Orchards: Credits issued after October 14, 2007 are transferable between the City and County in the South Orchards Service Area only; and, are NOT transferable between South and North Orchards.

9.10. Reporting.

9.10.1. Quarterly Report. For Shared Service Areas, the Lead Jurisdiction shall provide a quarterly report to the non-Lead Jurisdiction showing each Service Area and Overlay Area fund account current cash balance, accrued interest, and deposits.

9.10.2. Annual Report. The City and County shall each produce an Annual TIF Program Report by November 1 of each year for the previous year. The Annual Report shall include the following:

- a. An annual summary of the information detailed in Section 9.8.1.;
- b. Credits issued, credits redeemed, credit balances; and
- c. The actual TIF fund expenditure for joint Service and Overlay

Areas.

9.10.3. Discrepancies. Any account discrepancies shall be identified by the City or County within ninety (90) days of receipt of a report. If so identified, the City and County Directors shall utilize their best efforts to resolve the discrepancy and, if unsuccessful, shall thereafter refer the matter to the legislative bodies.

9.11. Effect of Termination. Upon expiration or termination of this Agreement, the Parties shall remain obligated to the provisions of Section 9 of this Agreement, TIF Joint Program Administration, until the Impact Fee Fund balances for shared districts are equal to zero.

#### SECTION 10. DISPUTE RESOLUTION.

10.1. In the event of a dispute between the County and the City regarding this Agreement that cannot be resolved by their respective designated Directors, the County Administrator and the Vancouver City Manager or their designated representatives shall review such dispute and options for resolution.

10.2. Any controversy or claim arising out of or relating to this Agreement or the alleged breach of such Agreement that cannot be resolved by the County Administrator and the City Manager may be submitted to mediation.

10.3. Venue for any litigation relating to any controversy or claim arising out of or relating to this Agreement or the alleged breach of such Agreement shall be in Clark County, Washington. This Agreement shall be governed by the laws of the State of Washington.

SECTION 11. HOLD HARMLESS/INDEMNIFICATION. It is understood and agreed that each Party will be responsible for its own negligence or non-compliance with state law and will, to the extent of its negligence, non-compliance or failure to timely refund, indemnify and hold harmless the other party from any and all claims, losses, or causes of action, suits and actions in equity of any kind.

SECTION 12. ATTORNEYS FEES AND COSTS. The parties shall bear their own costs of enforcing the rights and responsibilities under this Agreement.

SECTION 13. ASSIGNMENT/SUBCONTRACTING. Neither party shall transfer or assign, in whole or in part, any or all of its respective rights or obligations under this Agreement without the prior written consent of the other. Consent may be given by the County Administrator or the City Manager.

SECTION 14. NO THIRD PARTY BENEFICIARY. The County does not intend by this Agreement to assume any contractual obligations to anyone other than the City. The City does not intend by this Agreement to assume any contractual obligations to anyone other than the County. The County and City do not intend there be any third-party beneficiary to this Agreement.

SECTION 15. NOTICE. Any notices to be given under this Agreement shall at minimum be delivered, postage prepaid and addressed to:

To the City:

CITY OF VANCOUVER  
P.O. Box 1995  
Vancouver, Washington 98668-1995  
Attention: Thayer Rorabaugh, Transportation Manager

To the County:

CLARK COUNTY  
P.O. Box 9810  
Vancouver, Washington 98666-9810  
Attention: Pete Capell, Public Works Director

The name and address to which notices shall be directed may be changed by either party giving the other notice of such change as provided in this section.

SECTION 16. WAIVER. No waiver by either party of any term or condition of this Agreement incorporated in this Agreement shall be deemed or construed to constitute a waiver of

any other term or condition or of any subsequent breach, whether of the same or different provision.

SECTION 17. INTERLOCAL COOPERATION ACT COMPLIANCE. This is an Agreement entered into pursuant to Chapter 39.34 RCW. Its purpose is as set forth in Section 1. Its duration is as specified in Section 3, Term and Extensions. Its method of termination is set forth in Section 4. Its manner of financing and of establishing and maintaining a budget therefore is described in Section 5. This Agreement does not establish a separate legal entity to carry out the duties undertaken herein. Section 9.1 makes provision for administrators responsible for the undertaking. No property shall be acquired pursuant to this Agreement that will need to be disposed of upon partial or complete termination of this Agreement.

SECTION 18. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties with respect to the subject matter covered or mentioned therein, and no prior Agreements shall be effective to the contrary.

SECTION 19. AMENDMENT. The provisions of this Agreement may be amended with the mutual consent of the parties. No additions to, or alterations of, the terms of this Agreement shall be valid unless made in writing and formally approved and executed by the duly authorized agents of both parties, except as provided in Sections 4 and 5, respectively.

SECTION 20. DOCUMENT EXECUTION AND FILING.

The County and the City agree that there shall be four (4) signed originals of this Agreement procured and distributed for signature by the necessary officials of the County and the City. The party who last executes this Agreement shall cause one executed original to be filed with the Clark County Auditor, retain one original for its records, and distribute conformed originals to the designated agents of the parties named as follows:

City of Vancouver: Raelyn McJilton  
Records Officer  
City of Vancouver  
P.O. Box 1995  
Vancouver, WA 98668-1995

Clark County: Louise Richards  
Clerk to the Board  
Clark County  
P.O. Box 5000  
Vancouver, WA 98666-5000

Upon filing with the Clark County Auditor of a signed original, each such signed original shall constitute an Agreement binding upon the parties.

SECTION 21. RATIFICATION. Acts taken in conformity with this Agreement prior to its execution are hereby ratified and affirmed.

SECTION 22. SEVERABILITY. If any section or part of this Agreement is held by a court to be invalid, such action shall not affect the validity of any other part of this Agreement.

IN WITNESS WHEREOF, the County and City have caused this Agreement to be executed in their respective names by their duly authorized officers and have caused this Agreement to be dated as of the 5<sup>th</sup> day of October, 2009.

Agreed to by the City Council of the City of Vancouver this 5<sup>th</sup> day of October 2009.

City of Vancouver  
SIGNATURE ON FILE

\_\_\_\_\_  
Pat McDonnell, City Manager

Agreed to by the Board of Clark County Commissioners this 13 day of Oct., 2009.

Board of Clark County Commissioners  
SIGNATURE ON FILE

\_\_\_\_\_  
Marc Boldt, Chair

\_\_\_\_\_  
Steve Stuart, Commissioner

\_\_\_\_\_  
Tom Mielke, Commissioner

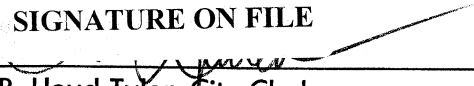
Approved as to form:

SIGNATURE ON FILE

  
\_\_\_\_\_  
Ted H. Gathe, City Attorney

Attest:

SIGNATURE ON FILE

  
\_\_\_\_\_  
R. Lloyd Tyler, City Clerk  
By: Carrie Lewellen, Deputy City Clerk

Approved as to form only:

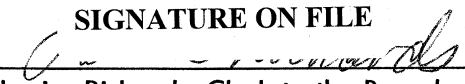
Arthur D. Curtis  
Prosecuting Attorney

SIGNATURE ON FILE

By:   
\_\_\_\_\_  
Chris Horne, Deputy Prosecuting Attorney

Attest:


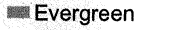




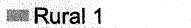
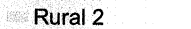
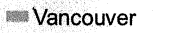
SIGNATURE ON FILE

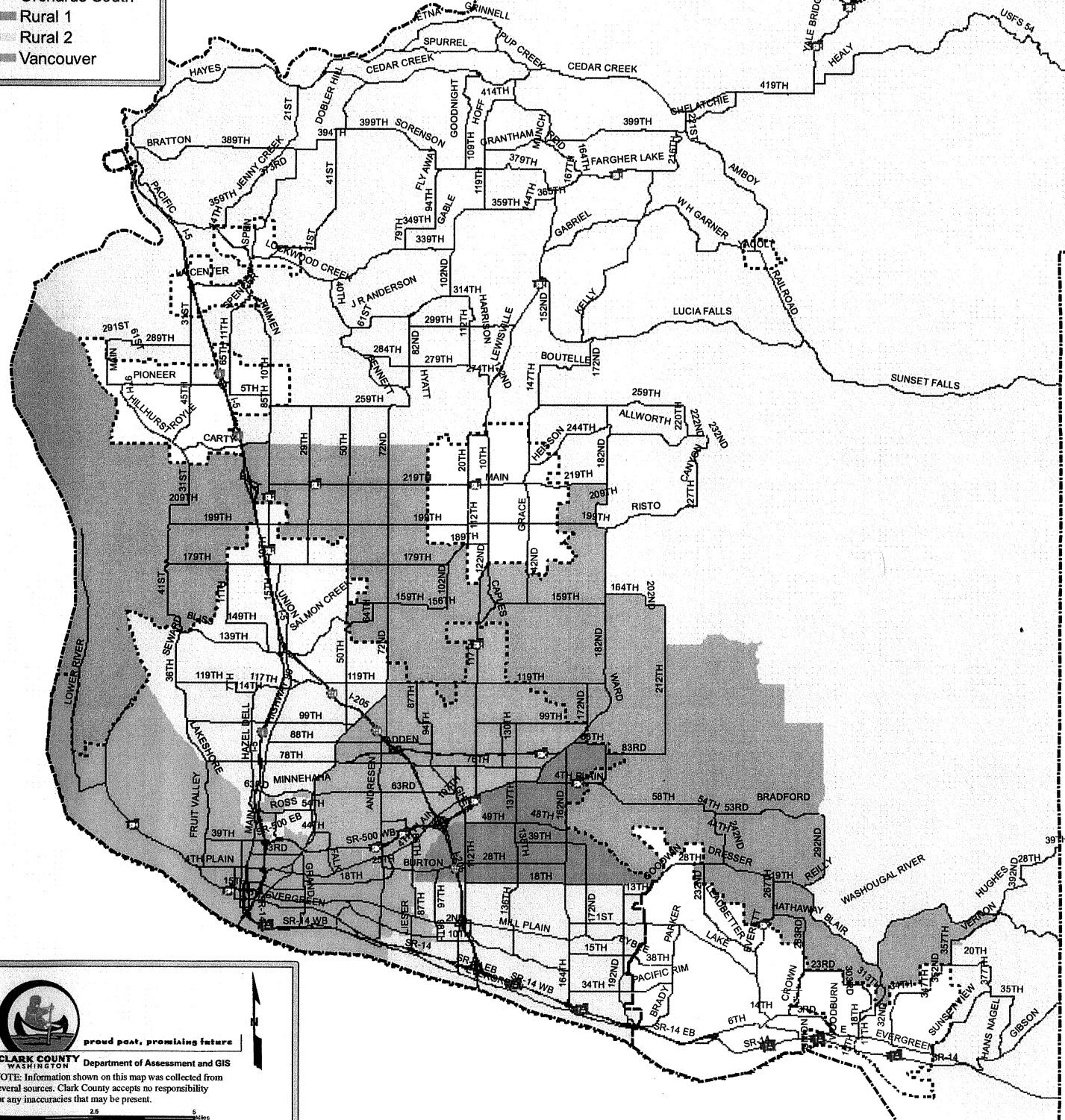
  
\_\_\_\_\_  
Louise Richards, Clerk to the Board

# TIF Districts

Adopted - September 2007

## Proposed TIF Districts

-  East City
-  Evergreen
-  Hazel Dell
-  Mt. Vista
-  Orchards North
-  Orchards South
-  Rural 1
-  Rural 2
-  Vancouver



proud past, promising future

**CLARK COUNTY**  
WASHINGTON Department of Assessment and GIS

NOTE: Information shown on this map was collected from several sources. Clark County accepts no responsibility for any inaccuracies that may be present.

0 2.5 5 Miles

Printed on: Sep 18, 2007  
Project: Q:\Projects\IconSrvs\Pub\Wks\20040\Proposed TIF Districts.mxd (dailemem)