



**Council Chambers, 865 SE Barrington Drive  
NOTICE OF WORKSHOP MEETING**

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NOTICE IS HEREBY GIVEN that the Oak Harbor City Council will hold a Workshop Meeting on Wednesday, October 26, 2016 at 3:00 PM to discuss the following agenda items. This meeting will be held in the Council Chambers, 865 SE Barrington Drive .

DATED this October 21, 2016.

Nicole Tesch, Deputy City Clerk

The City Council may meet informally in workshop sessions (open to the public) to do concentrated strategic planning, to review forthcoming programs of the City, receive progress reports on current programs or projects, or receive other similar information from the City Administrator, provided that all discussions and conclusions thereon shall be informal. Council shall make no disposition of any item at a workshop meeting. Public comment is not normally allowed at workshop meetings, although Council may allow, or request participation.

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**WORKSHOP MEETING  
CITY COUNCIL AGENDA**

**October 26, 2016**

**3:00 PM**

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**Introduction of New Employees**

**Departmental Briefings**

1. Special Revenue Funds Budget Review- Marina, Senior Center, Streets, Arterials
2. 2018 SRF Loan Application Update

**Pending Agenda Items**

3. Discussion of Property Tax Levy (11/15)- Finance
4. Discussion of Budget
5. Second Amendment to the Interlocal Agreement for HVAC Replacement at Oak Harbor Library

**City of Oak Harbor**  
City Council Workshop Meeting  
October 26, 2016



# Workshop Item

## Departmental Briefing

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**Item 1.**  
**Special Revenue Funds Budget Review- Marina, Senior Center,  
Streets, Arterials**

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## Attachments

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**City of Oak Harbor**  
City Council Workshop Meeting  
October 26, 2016



# Workshop Item

## Departmental Briefing

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**Item 2.**  
**2018 SRF Loan Application Update**

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## Attachments

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Attachment A: [Resolution 14-29](#)

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**RESOLUTION NO. 14-29**

**A RESOLUTION OF THE CITY COUNCIL OF OAK HARBOR, WASHINGTON ACCEPTING AND APPROVING RECOMMENDATIONS SUBMITTED FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF THE WASTEWATER TREATMENT PLANT, AND AUTHORIZING THE MAYOR AND STAFF TO PREPARE DOCUMENTS NECESSARY FOR LOAN AND GRANT FUNDING, FOR A REVENUE BOND SALE, AND FOR ANY FEE OR RATE ADJUSTMENTS NECESSARY TO SERVICE THE AMORTIZATION OF THE REVENUE BONDS.**

WHEREAS, the City has held meetings on a regular basis, has reviewed and analyzed relevant information and facts, prepared a proposal as a basis for public discussion, conducted public outreach activities, and prepared a project funding recommendation for the City Council; and

WHEREAS, City staff authorize the Mayor and staff to prepare grant and loan applications, and to issue revenue bonds to fund the total project cost, and

WHERE AS, the City has expended certain costs related to the project, the City expects to design, construct and to make capital expenditures on and after the date of adoption of this resolution in connection with the improvements set forth in this resolution, and the City intends to reimburse itself for such expenditures with the proceeds of loans or revenue bonds plus costs of issuance and plus costs of interest on any temporary financing, and

WHEREAS, the City of Oak Harbor wishes the Wastewater Treatment Plant funding commitments be authorized by resolution of City Council;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OAK HARBOR THAT:**

Section 1. The Oak Harbor City Council hereby accepts and approves the recommendations provided by the staff as described in Attachment A, a copy of which is attached and incorporated herein; and

Section 2. The City Council authorizes the Mayor and staff to begin implementing these recommendations by preparing the documents necessary for a grant application, loan application, revenue bond sale application, the necessary resolutions to adjust the wastewater rate and schedules as needed, and any other applications or documents required to obtain total funding for the project.

PASSED by the City Council and approved by its Mayor this 7<sup>th</sup> day of October 2014.

THE CITY OF OAK HARBOR

  
SCOTT DUDLEY, MAYOR

Attest:



Anna Thompson, Esq., City Clerk

Approved as to Form:



Nikki Esparza, City Attorney

Adopted:

Published:

**City of Oak Harbor**  
City Council Workshop Meeting  
October 26, 2016



# Workshop Item

## Pending Agenda Items

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**Item 3.**  
**Discussion of Property Tax Levy (11/15)- Finance**

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## Attachments

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**City of Oak Harbor**  
City Council Workshop Meeting  
October 26, 2016



# Workshop Item

## Pending Agenda Items

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**Item 4.**  
**Discussion of Budget**

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## Attachments

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**City of Oak Harbor**  
City Council Workshop Meeting  
October 26, 2016



## Workshop Item

### Pending Agenda Items

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**Item 5.**  
**Second Amendment to the Interlocal Agreement for HVAC  
Replacement at Oak Harbor Library**

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### Attachments

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Attachment A: [DRAFT Agenda Bill - Second Amendment to the Interlocal Agreement for HVAC Replacement at Oak Harbor Library](#)

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**City of Oak Harbor  
City Council Agenda Bill**

Bill No. \_\_\_\_\_  
Date: November 1, 2016  
Subject: Second Amendment to the  
Interlocal Agreement for  
HVAC Replacement at  
Oak Harbor Library

**FROM: Cathy Rosen, Public Works Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

\_\_\_\_ Bob Severns, Mayor  
\_\_\_\_ Doug Merriman, City Administrator  
\_\_\_\_ Patricia Soule, Finance Director  
\_\_\_\_ Nikki Esparza, City Attorney, as to form

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**RECOMMENDED ACTION**

A motion to:

- 1) Approve the second amendment to the Interlocal Agreement with Skagit Valley College (SVC) for the replacement of sixteen (16) HVAC units at the Oak Harbor Library and Hayes Hall Building; and
- 2) Authorize the Mayor to sign the second amendment to the Interlocal Agreement with Skagit Valley College, with the City of Oak Harbor's share of the HVAC replacement project is not to exceed \$228,604.85.

**BACKGROUND/SUMMARY INFORMATION**

In March 2016, City Council approved an Interlocal Agreement with Skagit Valley College as the lead agency to design and bid for the replacement of sixteen (16) HVAC units at the Oak Harbor Library and Hayes Hall Building. At that time, the City's share of this work was estimated to be \$170,000.

Once the design was completed, the City was notified that the project cost estimate had increased to \$500,080, with the City's estimated share to be \$216,603. This estimated cost included the estimated construction cost, 10% contingency, sales tax and soft costs in the amount of \$76,170 (architectural and miscellaneous costs). On September 6, 2016, City Council approved Amendment Number 1 to the Interlocal Agreement between the City and Skagit Valley College for HVAC repair at Oak Harbor Library, increasing the authorized contract amount to \$216,603.

Since that time, Skagit Valley College solicited bids for the project. One bid was received from Johansen Mechanical, Inc. in the amount of \$378,345, excluding contingency and sales tax. The Washington State Department of Enterprise Services requires a 10% contingency on their projects. Adding a 10% contingency and sales tax to the bid amount brings the total estimated construction cost to \$452,387.12 and the total estimated project cost, including soft costs, to \$528,556.12. Under our cost sharing agreement, the City share (43.25%) of this cost is estimated to be \$228,604.85. As this amount exceeds the amount authorized in the Interlocal Agreement between the City and Skagit Valley College, an amendment to the agreement is required.

In 1990 the City of Oak Harbor and Skagit Valley College entered into an Interlocal Cooperation Agreement to jointly construct a Library-Instructional Building located on the campus of Skagit Valley College. Under this agreement, the City of Oak Harbor is responsible for the Oak Harbor Library structure portion of the building, including the heating, ventilation and cooling system (HVAC), and for a portion of shared spaces in the building. The building was constructed in 1991 and the HVAC units are 25 years old and have now exceeded their useful life expectancy. The City and SVC have also been experiencing mechanical and operational problems with the existing units.

The City and SVC share spaces in the building, including bathrooms, conference rooms, reading rooms and hallways. According to the agreement, the basis for apportioning costs is by floor area. The City is responsible for 43.25% of the area and SVC is responsible for 56.75% of the area. SVC takes the lead on maintenance and operation but costs are shared.

The building has a total of sixteen (16) HVAC roof top units. Eight (8) are solely for SVC and five (5) are solely for the Oak Harbor Library. Three (3) units supply heating to shared spaces. The cost estimate to replace all of the units is \$528,566.12, and the City's share (at 43.25%) is \$228,604.85.

Under the Interlocal Agreement, SVC took the lead to manage the replacement program, including design and bidding, and is now requesting to amend the Agreement with the City in order to complete the project.

#### **FISCAL IMPACT**

The City's share of this project is not to exceed \$228,604.85. Funds for this project are available in the General Fund.

#### **PREVIOUS COUNCIL/BOARD/CITIZEN INPUT**

On March 15, 2016, the City Council approved an Interlocal Agreement with Skagit Valley College as the lead agency to design and bid for the replacement of sixteen (16) HVAC units at the Oak Harbor Library and Hayes Hall Building.

On September 6, 2016, City Council approved Amendment Number 1 to the Interlocal Agreement with Skagit Valley College for HVAC replacement at Oak Harbor Library, increasing the authorized contract amount to \$216,600.

#### **ATTACHMENT**

- SVC Interlocal Agreement - Amendment 2
- Johansen Mechanical, Inc. Project
- SVC Interlocal Agreement - Amendment 1
- Interlocal Agreement between SVC and City for HVAC Replacement 2016
- Letter of Understanding and Interlocal Cooperation Agreement between SVC and City 1990
- Amendment One to the Interlocal Cooperation Agreement between SVC and City 1990

**INTERLOCAL AGREEMENT  
BETWEEN  
SKAGIT VALLEY COLLEGE  
AND  
THE CITY OF OAK HARBOR**

**Second Amendment**

This Second Amendment modifies the Interlocal Agreement between Skagit Valley College and The City of Oak Harbor (ILA #1516-438) as follows:

Cost of Project,

- The total project cost estimate, including a 10% contingency, has been increased to \$528,566
- The cost to the City of Oak Harbor shall not exceed \$228,605.

All other terms and conditions of the Interlocal Agreement between Skagit Valley College and the City of Oak Harbor (ILA #1516-438) shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date set forth below by the authorized representatives.

Skagit Valley College

The City of Oak Harbor

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Johansen Mechanical, Inc. Base Bid	\$378,345.00
10% Contingency	\$37,834.50
8.7% tax	<u>\$36,207.62</u>
Total Construction Cost	\$452,387.12

<b>Project Cost</b>	
Construction Cost	\$452,387.12
Architectural Costs	\$74,679.00
Misc. Cost	<u>\$1,500.00</u>
	\$528,566.12
OH Portion (43.25%)	\$228,604.85

**INTERLOCAL AGREEMENT  
BETWEEN  
SKAGIT VALLEY COLLEGE  
AND  
THE CITY OF OAK HARBOR**

**First Amendment**

This First Amendment modifies the Interlocal Agreement between Skagit Valley College and The City of Oak Harbor (ILA #1516-438) as follows:

**Cost of Project,**

- The total project cost estimate has been increased to \$500,800
- The cost to the City of Oak Harbor shall not exceed \$216,603.

**Term of Agreement,**

- Subject to its other provisions, the period of performance of this Agreement shall commence upon final signatures, and be completed by 3/31/2017, unless terminated sooner or extended.

All other terms and conditions of the Interlocal Agreement between Skagit Valley College and the City of Oak Harbor (ILA #1516-438) shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date set forth below by the authorized representatives.

Skagit Valley College

The City of Oak Harbor

By \_\_\_\_\_

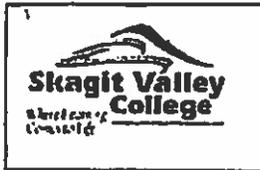
By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



Contract No. ILA-15M-138  
Dates:  
From 4/1/14 To 12/31/16  
Contract  
Amount \$ 170,000

**INTERLOCAL AGREEMENT**  
**BETWEEN**  
**SKAGIT VALLEY COLLEGE**  
**AND**  
**The City of Oak Harbor**

**PARTIES TO THE AGREEMENT**

THIS AGREEMENT is made and entered into by and between Skagit Valley College, hereinafter referred to as "SVC" and the City of Oak Harbor pursuant to the authority granted by Chapter 39.34 RCW.

PURPOSE OF THIS AGREEMENT is to coordinate the replacement of HVAC units on jointly owned Hayes Hall.

THEREFORE, IT IS MUTUALLY AGREED THAT: Skagit Valley College will enlist the services of a consultant to design the replacement of the existing sixteen (16) HVAC units on one building named Hayes Hall (SVC) and the Oak Harbor Library (COH). Eight (8) of the HVAC units supply Hayes Hall (SVC) and five (5) of the HVAC units supply the Oak Harbor Library (City of Oak Harbor). Three (3) HVAC units supply to shared space between Hayes Hall (SVC) and Oak Harbor Library (City of Oak Harbor). Representatives of The City of Oak Harbor will have the right to approve all design material before the project goes out to bid. Skagit Valley College will put the project out to bid and, working with the Department of Enterprise Services (DES), work out a contract with the low bidder. Skagit Valley College, with input from the City of Oak Harbor will oversee all construction.

Skagit Valley College will be responsible for paying all costs stemming from this project and will invoice the City of Oak Harbor (as described below) for 43.25% of all costs. The cost to the City of Oak Harbor shall not exceed \$170,000.00

**STATEMENT OF WORK**

SVC shall furnish the necessary personnel, equipment, material and/or service(s) and otherwise do all things necessary for or incidental to the performance of the work set forth here.

**PERIOD OF PERFORMANCE**

Subject to its other provisions, the period of performance of this Agreement shall commence upon final signatures, and be completed by 12/31/2016, unless terminated sooner or extended, as provided herein.

**PAYMENT**

Compensation for the work provided in accordance with this Agreement has been established under the terms of RCW 39.34.130. The parties have determined that the cost of accomplishing the work herein will not exceed \$393,000. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a

higher amount. Compensation for services shall be based on the following rates; 43.25% of all costs. The 43.25% cost allocation is the City of Oak Harbor share of City occupied and shared space as agreed upon in an interlocal agreement between Skagit Valley College and the City of Oak Harbor dated February 9 1990.

#### **BILLING PROCEDURE**

SVC shall submit invoices no more often than monthly. Payment to SVC for approved and completed work will be made by warrant or account transfer by the City of Oak Harbor within 30-days of receipt of the invoice. Upon expiration of the Agreement, any claim for payment not already made shall be submitted within 30-days after the expiration date or the end of the fiscal year, whichever is earlier.

#### **AGREEMENT CHANGES, MODIFICATIONS AND AMENDMENTS**

This Agreement may be changed, modified or amended by written agreement executed by both parties.

#### **ASSIGNMENT**

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

#### **CONTRACT MANAGEMENT**

The program manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Program Manager for SVC is: *Dave Scott, 2405 E. College Way, 360-416-7751, dave.scott@skagit.edu*

The Program Manager for the City of Oak Harbor is *Rich Tyhuis, 865 SE Barrington Dr, 360-279-4753, rtyhuis@oakharbor.org*

#### **DISALLOWED COSTS**

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

#### **DISPUTES**

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

#### **GOVERNANCE**

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable state and federal statutes and rules;
- b. Statement of work; and
- c. Any other provisions of the agreement, including materials incorporated by reference.

#### **INDEPENDENT CAPACITY**

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

#### **RECORDS MAINTENANCE**

The parties to this Agreement shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

#### **RIGHTS IN DATA**

Unless otherwise provided, data which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned jointly. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

#### **SEVERABILITY**

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement, which can be given effect without the invalid provision if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

#### **TERMINATION**

Either party may terminate this Agreement upon 30-days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

**TERMINATION FOR CAUSE**

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15-working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

**WAIVER**

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

**ALL WRITINGS CONTAINED HEREIN**

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement.

\_\_\_\_\_  
SVC Authorized Signer (printed name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Agency Authorized Signer (printed name)  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

Skagit Valley College  
2405 East College Way  
Mount Vernon, WA 98273

BUDGET ACCOUNT (required) \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Signature on file  
Assistant Attorney General

## SKAGIT VALLEY COLLEGE

2405 College Way  
Mount Vernon, WA 98273-5899  
(206) 428-1261



Skagit Valley College and the City of Skagit Island, San Juan County, WA

Letter of Understanding  
between  
Skagit Valley College  
and  
City of Oak Harbor

This letter of understanding is made between Skagit Valley College, hereinafter referred to as the "College", and the City of Oak Harbor, hereinafter referred to as the "City", for the purpose of expressing their intent to design, construct, and occupy a building in Oak Harbor which will serve as an educational facility for the College and a public library for the City.

The College and the City, therefore, agree to cooperatively develop agreements which will stipulate the following:

1. the nature of the shared ownership of the building by the College and the City.
2. ownership of the land by the College.
3. the College's role as the lead agency for the design and construction of the building, and the City's participation in design and construction decisions.
4. a sharing of design, construction, and site development costs, and provision for such construction problems as cost increases, non-performance, fire or other loss.
5. coordination of equipment and furnishings purchases.

6. means of effecting changes in building ownership or occupancy when conditions or needs change in the future.
7. a sharing of expenses related to maintenance, utility, renovation, and repair costs of the building.
8. the College's responsibility for administration of the building, and the City's role.
9. the creation of an Oversight Committee composed of representatives of both parties to assist in the resolution of conflicts and to make recommendations to the governing bodies of each party.
10. liability and property loss responsibilities.
11. accounting procedures for jointly funding the design and construction of the project, and payment schedules and procedures.

The parties will join with the Sno-Isle Regional Library System to develop an operating agreement to cover the day-to-day operation of the building, including the use of shared facilities by the College and Sno-Isle.

The parties further agree to complete the basic agreement by December 1, 1989, for final approval by their respective agencies.

For SKAGIT VALLEY COLLEGE

Mary Ann Funk

Date October 10, 1989

For the CITY OF OAK HARBOR

Pat Stevens

Date 10/11/89

INTERLOCAL COOPERATION AGREEMENT

Community College District No. 4 of the State of Washington, hereinafter referred to as "the College", and the City of Oak Harbor of the State of Washington, hereinafter referred to as "the City", do hereby, this 9th day of February, 1990, enter into the following Interlocal Cooperative Agreement.

WITNESSETH:

WHEREAS, Skagit Valley College and the City of Oak Harbor wish to enter into an agreement to accomplish the construction of a library-instructional building on the property held by the State of Washington/State Board for Community College Education for the use of Skagit Valley College; and

WHEREAS, the State Board for Community College Education has expressed its full support for the proposed construction and use of joint facilities for Skagit Valley College and the City of Oak Harbor; and

WHEREAS, the Interlocal Cooperation Act, RCW Chapter 39.34, provides that any two public agencies of the state having separate authority to exercise a particular power may enter into an agreement for cooperative or joint exercise of that power; and

WHEREAS, it is understood that Skagit Valley College will perform survey functions, design and construction of the building using funds available to the College and provided by the City;

NOW, THEREFORE, IT IS MUTUALLY UNDERSTOOD AND AGREED THAT:

A. The duration of this agreement shall be continuous during the useful life of the building to be constructed pursuant to this agreement, unless mutually terminated by written agreement sixty (60) days prior to the start of the College's budgetary year. Duration of this agreement shall not be subject to arbitration.

B. The purpose of this agreement is to establish an arrangement under which the College and the City will cooperate in the construction and use of a library-instructional building owned by the College and the City. A detailed description of the facility will be agreed upon by the parties prior to the completion of the schematic design phase.

C. In order to accomplish the stated purposes, the College and the City agree as follows:

I.

OWNERSHIP

The College and the City will each have an undivided ownership interest in the building and related parking improvements in proportion to their respective contributions to the costs of planning, design and construction of the building and site improvements including parking areas necessary to add the City Library. Instructional equipment and all furnishing costs shall not be included in the cost basis for the undivided shares of ownership. An addendum to this document will be

completed no later than December, 1992, specifying the proportions owned by the College and the City and describing the site of building and parking improvements.

Unless otherwise changed by the parties, the shared ownership of the building shall continue during the useful life of the building. If demolition of the building is required, the costs shall be borne by both parties in proportion to their respective shares of ownership.

Ownership of the land remains exclusively with the College.

## II.

### OCCUPANCY

The College's portion of the building, approximately 14,000 square feet, shall include instructional and library spaces to be used exclusively by the College and some spaces to be shared. The City's portion of the building, approximately 11,000 square feet, shall include library space to be used exclusively by the City and some spaces to be shared. The shared portions of the building shall include the following: the multipurpose room, staff lounge, rest rooms, entry areas, corridors, janitorial closets, construction areas, and the academic reading room in the library portion of the building, as well as the commons area between the library and instructional portions of the building. Use of the multipurpose room will be for instructional, library, and community purposes.

### III.

#### ADMINISTRATION AND OPERATION OF THE BUILDING AND THE SITE

Administration of the building and the site shall be the College's responsibility. This shall include routine maintenance and custodial work, and coordination of scheduling of shared spaces. Routine maintenance work shall include replacement and repair of a minor nature to the building structure and its mechanical and electrical systems, such as fixing the heating system, replacing broken windows and lights, and roof patching. The College shall maintain all spaces in the building and the parking areas in good condition. The City shall reimburse the College for reasonable costs of maintenance and custodial services in proportion to its share of ownership in the building and parking areas.

The cost of repairs and renovations to areas exclusively occupied by the College and the City respectively shall be borne by the user and shall not affect respective shares of ownership. The College and the City shall jointly share, in proportion to ownership, the costs of repair and renovation in the shared portions of the building as well as all roof, deck, structural, and parking areas. Repairs, renovations, and remodellings shall be done with due regard to the aesthetic appearance and attractiveness of the building and site. If agreement is not reached regarding repairs and renovations to shared portions of

the building, the matter will be referred to the building Oversight Committee for negotiation.

The College and the City shall execute a cost sharing agreement which shall specify the share each shall pay of operating costs, including electrical, water, gas, sewage and waste disposal, as well as routine maintenance and custodial costs.

The day-to-day operation of the libraries and multipurpose room portions of the building shall be specified in a separate operating agreement between the College, the City, and library service provider.

The College and the City shall each have the right to schedule operation of their portion of the building as they deem necessary. Each shall do so with due regard for the safety and security of the other's spaces. Each party may also use the shared spaces specified in Section II with the use of the multipurpose room to be cooperatively scheduled.

#### IV.

##### OVERSIGHT COMMITTEE

An oversight committee shall be established, consisting of two representatives appointed by the College and two representatives appointed by the City. The committee shall function to review conditions of this agreement as necessary, to mediate conflicts, and to make recommendations to the governing bodies of each agency.

V.

DESIGN AND CONSTRUCTION OF THE BUILDING  
AND SITE

The College will be responsible for the design and construction of the building, making all necessary site improvements, and preparing all documents necessary to the construction of the facility. The City shall establish its plan for the City library and work with the project architect to design its portion of the building.

The State of Washington Division of Public Works of the Department of General Administration shall select an architect and necessary design and engineering consultants to conduct required surveys, site tests, and to design and inspect the building and site in accordance with local and state building and site codes, and shall call for construction bids and administer construction related contracts. Supervision of project construction shall be the responsibility of the College and the Division of Public Works. The College will consult with and regularly review the progress of construction with the City.

It is the intent of the City that its share of project costs shall not exceed \$1,000,000 dollars excluding furnishings unless otherwise agreed to in writing.

The College and City shall each be responsible for its portion of the design, site, and building construction costs in

proportions based on the project architect's "Statement of Probable Cost", as of March 15, 1990.

Remedies in the event of construction problems such as cost increases, non-performance by contractors, delays, fire or other loss, shall be as specified in the construction contract between the College and the contractor. Alternative building and site specifications shall be prepared in case bid estimates exceed available College and/or City funding.

The College shall establish necessary accounts from which to pay for design and construction of the building and parking areas. The College shall perform all necessary accounting functions and will periodically bill the City for its portion of project costs. Each agency shall have a contingency fund to be used in the event of cost increases. The College and City will each have final authority to approve cost increases in their respective portions of the building. Cost increases in shared portions of the building will be jointly approved.

The College and the City may jointly purchase equipment and furnishings as is feasible and economical. Each is responsible for equipping and furnishing spaces it exclusively occupies. Shared spaces shall be equipped and furnished as mutually agreed by the College and the City with such costs apportioned based on use of the space.

VI.

INSURANCE

The City shall obtain and maintain fire and general comprehensive insurance policies on the entire building, parking and related improvements, excluding equipment, furnishings and personal property, and name the College as an additionally insured party. Maintenance of these policies shall continue as long as the City occupies some portion of the building and shares in building ownership. The City shall be entitled to a credit against its share of operating and maintenance expenses for the portion of the costs of the above mentioned insurance in excess of its proportionate share of the insurance (the proportional share of operating and maintenance costs).

VII.

CHANGES IN CONDITIONS OF OWNERSHIP OR OCCUPANCY

The College and/or City may, in time, wish to change the conditions of ownership and occupancy of the facility. Such conditions may include College or City expansion at the site, occupancy of each other's portions of the building, or either party leaving the building and the site. In each case of such changes, the College and City shall cooperatively renegotiate the conditions of this agreement.

VIII.

RELATION TO THE COLLEGE'S QUITCLAIM DEED

The Quitclaim Deed dated February 28, 1989, between the United States of America and the College conveyed to the State on behalf of the College title to the land on which the building shall be constructed, and specifies that the land will be used solely for educational purposes. It is agreed that the terms of this agreement and the operations agreements specified herein will be subordinate to the Deed, and that the City will use its portions of the facility for educational purposes only.

This agreement shall not take effect until approved by action of the Board of Trustees of Skagit Valley College, the State Board for Community College Education, and the Oak Harbor City Council.

This Agreement contains the entire agreement between Skagit Valley College and the City of Oak Harbor, except as herein specified, and shall not be modified in any manner except by an instrument in writing executed by both parties.

SKAGIT VALLEY COLLEGE

CITY OF OAK HARBOR

Mary Ann Funk  
Dated: 1-27-90

[Signature]  
Dated: \_\_\_\_\_

James M. Ford  
Dated: 1-18-90

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to Form:

*Burton A. McGuire*  
Assistant Attorney General  
Dated: *January 18 1990*  
*per auth. from D. Kole*

*Philip B. Bell*  
Oak Harbor City Attorney  
Dated: *2/9/90*

**Libraries and Meeting Room Operations  
in the  
Skagit Valley College - City of Oak Harbor Building**

This agreement provides for understanding regarding the day-to-day operation of the SVC Library, City of Oak Harbor Library, and shared spaces including the meeting room (Room 137), reading room (Room 122), staff lounge (Room 116), and entries. While the College and City Libraries will each be operated independently, it is recognized that cooperative efforts are necessary and will improve service to the community and students.

**Organization.** An operations committee of representatives from the College, City of Oak Harbor and Sno-Isle Regional Library will be established to meet at least quarterly. Items to be addressed by this group shall include:

1. Scheduling and upkeep of the meeting room (Room 137)
2. Building safety and security
3. Cooperative projects
4. Parking

**Administration and Operation.** As specified in the SVC-City of Oak Harbor Interlocal Agreement of February 9, 1990, the College is responsible for the overall administration and operation of the building. This includes maintenance and custodial work. Such work will be under the supervision of the Dean of Whidbey Campus or his designee and requests for maintenance and custodial work should be made to the Dean or his designee.

**Security.** SVC maintains a security patrol on a part-time basis to provide assistance to students and staff, and to maintain the safety and security of College buildings.

**Access.** College and City Library staff will have access to their respective portions of the building and shared spaces as needed. Maintenance and custodial workers will have access to all spaces.

**Staff Lounge.** The staff lounge will be available for use by College and City Library staff. It will not be used by students or the community. The building staff will meet to develop guidelines for lounge use.

**Meeting Room.** The meeting room (Room 137) is a shared space. Room use will be jointly developed using the meeting times in the College's quarterly class schedule as a guide. Meeting room use will be for College classes and activities, City Library programs, City of Oak Harbor activities and community use. A policy and procedures guide will be developed to guide room use.

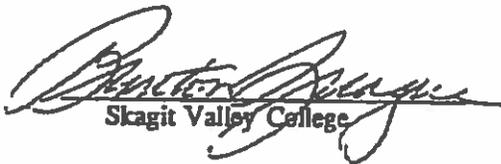
**Reading Room.** The reading room (Room 122) is a shared space intended for quiet study and reading. It will be jointly used when both libraries are open and may be used by either library when it is open. SVC will maintain a security system at its entry to the reading room.

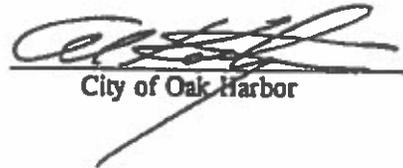
Copy Machines. Both libraries will maintain copy machines which will offer copying service at the same price.

Use of Dedicated Equipment. Each library may establish guidelines to ensure that principal use of its equipment and services is available for each library's primary clientele.

Loading Zone. The loading zone will be shared by the College and the City Library.

Cooperative Efforts. The library staff will work cooperatively in sharing resources.

  
Skagit Valley College

  
City of Oak Harbor

  
Sno-Isle Regional Library

dated:

AMENDMENT ONE TO THE  
INTERLOCAL COOPERATION AGREEMENT BETWEEN  
SKAGIT VALLEY COLLEGE AND THE CITY OF OAK HARBOR  
DATED FEBRUARY 9, 1990

This amendment is the operating agreement for the building jointly owned and occupied by Skagit Valley College and the City of Oak Harbor as specified in Section III of the Interlocal Cooperation Agreement.

Costs to be shared. The following operating costs will be shared in the proportions specified in Section B:

1. Utilities:                    electricity  
                                      gas  
                                      water  
                                      sewer  
                                      solid waste disposal
2. Custodial
3. Routine maintenance of the building and parking areas

Not included will be the costs of operating and maintaining telephones, facsimile machines, copy machines, computer on-line charges.

Basis for apportioning costs. The costs of operation of the building shall be shared by the College and the City in proportion to the area of the building operated by and shared by each party. In shared spaces, each party shall share equally in the costs of operation of the space.

	<u>area (sq. ft.)</u>		<u>percentage</u>
<u>College operated spaces</u>			
Instructional areas	6973		
Library	<u>5726</u>		
		12,699	45.5
<u>City operated spaces</u>			
City library	8026		
Library workroom	<u>915</u>		
		8,941	32.0
<u>Shared spaces</u>			
Meeting room	1695		
Staff lounge	225		
Restrooms	856		
Entry	351		
Corridors-Library wing	1096		
Reading Room	1292		
Custodial & Mechanical	<u>784</u>		
		6,299	22.5
		<u>27,939</u>	
	<u>Owned spaces</u>	<u>1/2 shared spaces</u>	<u>Total %</u>
College share	45.5	11.25	56.75
City share	32.0	11.25	43.25

**Budgeting and Billing.** The College and City shall jointly develop annual budgets for the building's operating costs. The College shall provide the services indicated above, make all required payments for these services, and bill the City for its share of the costs. The City's estimated share for 1993 is \$28,000.

Skagit Valley College

City of Oak Harbor





Date: February 23, 1993

Date: April 7, 1993