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ORIGINAL

Island County Fire Protection District No. 3
2874 East Verlane Street
Langley, WA 98260

EXCISE TAX EXEMPT

SEP 29 1999

MAXINE R. SAUTER
ISLAND COUNTY TREASURER

Document title: INTERLOCAL AGREEMENT FOR ANNEXATION OF CITY OF
LANGLEY TO ISLAND COUNTY FIRE PROTECTION DISTRICT NO. 3
Reference Number of Related Document: None
Parties: Island County Fire Protection District No. 3 and the City of Langley
Legal Description: Lots 13 and 14, Block 11, Plat of Langley
Additional Legal Description: on Exhibit B of the Agreement
Assessor's Tax Parcel Number: S7345-00-11014 0

**INTERLOCAL AGREEMENT FOR ANNEXATION OF CITY OF LANGLEY
TO ISLAND COUNTY FIRE PROTECTION DISTRICT NO. 3**

THIS AGREEMENT is entered into by the City of Langley ("the City") and
Island County Fire Protection District No. 3 ("the District"), for the purposes stated
below.

RECITALS:

WHEREAS, each of the parties is a municipal corporation organized
under the laws of the State of Washington; and

WHEREAS, the City and the District are both located in Island County,
Washington and have contiguous boundaries; and

WHEREAS, Chapter 39.34 RCW ("The Interlocal Cooperation Act")
permits municipal corporations to contract with one another to perform any act that each
is independently authorized to perform; and

WHEREAS, the City owns a fire station located at 209 Second Street,
Langley, Washington and certain fire fighting / rescue equipment worth approximately

INTERLOCAL AGREEMENT FOR ANNEXATION

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{JLS408543.DOC;1/00029.010003/9000000}

\$141,700.00, the extent of which is listed on Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, the City has a bond obligation that now totals \$170,000.00 which must be retired in the year 2005; and

WHEREAS, the City and the District have each determined that it is in the best interest of their citizens and constituents to have the District annex the City; and

WHEREAS, the City and the District are authorized by Chapter 52.04 RCW to cause an election to be held in order for the voters of the City and the voters of the District to decide whether or not the City should be annexed to and become part of the District; and

WHEREAS, the City and the District have had ongoing discussions concerning whether, and under what terms, they would agree to submit this issue to the voters; and

WHEREAS, the parties have agreed that the City will transfer all of its fire and rescue equipment to the District and will lease the fire station on Second Street to the District for below-market rent in exchange for the District agreeing to assume the \$170,000.00 bond obligation if the annexation is passed by the voters; and

WHEREAS, the City and the District have now reached agreement on the said terms and conditions and desire to reduce their agreement to writing.

A G R E E M E N T

IN CONSIDERATION OF the terms and conditions set forth below, the parties agree as follows:

1. **Annexation Process.**

A. **Pursuit of Annexation.** Pursuant to RCW 52.04.061 - .131, the parties agree to pursue annexation of the City to the District according to the terms and conditions set forth in this Agreement and any amendments thereto, subject to approval of the voters of the City and District. Contemporaneously with its execution of this Agreement, the City has passed an ordinance requesting annexation to the District. Contemporaneously with its execution of this Agreement, the District has concurred in the City's annexation request.

B. **Notification of County Commissioners - Election.** The District agrees to take all necessary steps to notify the Island County Commissioners of the District's concurrent in the annexation and to request that the Commissioners place it on a general election to be held in November, 1999.

C. Costs. The parties agree to divide the costs associated with the conduct of the election equally, one half to each.

D. Cooperation as to Other Matters. The parties agree to cooperate as to any other matters necessary to effectuate the annexation of the City to the District.

2. **Post-Annexation Fire Service.**

A. Upon annexation of the City to the District, the District shall be solely responsible for the provision of fire protection, fire suppression, and emergency medical services within the incorporated boundaries of the City and the boundaries of the District. The District shall provide a generally uniform level of service throughout the District, including within the incorporated boundaries of the City, and shall in no event provide a lesser level of service within the City's boundaries than outside such boundaries. Upon annexation, the City shall thereafter have no responsibility for providing such services, except as expressly provided in this Agreement.

B. Other than the suppression or extinguishment of dangerous fires, the District shall not administer or enforce the Uniform Fire Code as set forth in UFC § 2.101, as hereafter amended, unless the parties agree otherwise in a separate interlocal agreement.

C. The District agrees that it shall not charge the City for the provision of fire service to City-owned property that is located within the City or the District.

3. **Langley Fire Hall.** Effective upon the date of annexation, the City hereby agrees to lease to the District the land and building commonly known as the Langley Fire Hall and located at 209 Second Street, Langley, Washington, including any and all furnishings, fixtures and equipment contained within the same. The land to be leased is legally described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full. Such lease shall be for a rental rate of \$-0- per month for the first 18 months (year 2000 and first six months of year 2001), \$1,000 per month for the next 30 months (Second six months of Year 2001, and Years 2002 and 2003), and \$2,500 per month for the following 24 months (Years 2004 and 2005). Such lease shall be conducted in accordance with the Lease Agreement between the parties, a copy of which is attached hereto as Exhibit C and incorporated herein by this reference.

4. **Apparatus and Equipment.** Effective upon the date of annexation, the City hereby conveys and transfers to the District the City's entire interest in any and all fire, medical and other emergency apparatus, including, without limitation, all fire engines, fire vehicles, trailers, and other emergency equipment utilized by the fire department of the City. The City will also convey and transfer to the District any and all interest in any computers, telephones, radios, and other miscellaneous items utilized by the City fire department. All equipment to be transferred is listed on Exhibit A to this Agreement. The City will execute any necessary documents to confirm the transfer, but

the intent of this paragraph is that title be conveyed immediately and automatically upon the effective date of annexation. The City agrees to transfer and assign any and all interest it may have in any manufacturer's, contractor's, or vendor's warranties related to the items to be conveyed under this paragraph to the District, to the extent that the same may be validly transferred or assigned. The conveyances required by this paragraph shall be without additional charge by the City. The District hereby accepts the items to be conveyed under this paragraph in an "as is" condition as of the date of the transfer and the City makes no warranties or guarantees of any kind as to the condition of the same or the fitness of the same for any particular use, intended or unintended.

5. **Maintenance and Operation of Fire Station, Apparatus and Equipment.** Upon transfer of the property to be conveyed by the City to the District under paragraphs 3 and 4 above, the District shall assume sole responsibility for the maintenance, operation and repair of the same and the City shall in no event be liable for any such maintenance, operation or repair.

6. **City Employees.** The City has no fire department employees. Thus, no transfer of employees or related obligations will take place.

7. **City's 1999 Budgeted Amount.** In the event that the annexation election provided for in RCW 52.04.071 occurs in November, 1999 and results in a vote in favor of annexation, the City agrees that it will continue to make the amount provided in the City's 1999 fire department operating budget available for the provision of fire services by the District for the remainder of the 1999 calendar year. The District, by and through the Chief of the District's Fire Department, shall make request to the City for the payment of operational expenses and the City shall provide the District with the funds necessary to make such payments to the extent that the expenses were contemplated within the City's 1999 fire department operating budget. The City shall not pay said expenses directly, but the District shall be solely responsible for such payment from funds provided by the City. The District shall provide evidence acceptable to the City's Finance Director showing such payments in order that the City's auditing responsibilities may be satisfied. In the event that the annexation election is delayed to a date other than November, 1999, the District and the City will determine what, if any, portion of the City's budget will be used to fund continued operations of the fire department.

8. **Collection of Taxes.** In the event that the District is not legally entitled to levy taxes within the incorporated limits of the City in 1999 for collection in 2000, the City agrees to continue to levy City property taxes in 1999 for collection in 2000 as if the City were not annexed to the District. From these property taxes, the City agrees to remit to the District a sum equal to the assessed valuation of the property within the City multiplied by the property tax levy rate imposed by the City for the Bond Repayment described in Langley Ordinance No. 708. This sum shall be paid as the City collects the property taxes. The District shall use all such funds received to provide fire services as required under paragraph 2 above.

9. **Assumption of Bond Obligation by District.**

A. **Assumption.** The District hereby assumes the obligation of the City to make payments when due of principal of and interest on \$170,000 principal amount of the City's Unlimited Tax General Obligation Bonds, 1995 (the "Bonds"), issued pursuant to City Ordinance No. 708 (the "Bond Ordinance"). The District shall make payments of interest semiannually on each June 1 and December 1, commencing June 1, 2000, to the maturity or earlier redemption of the Bonds, and shall make payments of principal annually on each December 1, commencing December 1, 2000, in accordance with the Bond Ordinance. Upon delivery of the payments are required herein by the District, the City shall provide the District with a written receipt acknowledging the payments. Notwithstanding the assumption by the District of the obligation to make payments when due of principal of and interest on the Bonds, the City shall remain liable for all duties and obligations arising under or in connection with the Bonds.

B. **Defeasance.** In the event that: (i) for purposes of calculating net indebtedness of the City in ascertaining the constitutional debt limit, the Bonds are considered outstanding and no equivalent deduction is made for the District's assumption under this Agreement; or (ii) the District fails to make any payment when due of principal of or interest on the Bonds under this Agreement; or (iii) the City is advised by its bond counsel that interest on the Bonds has or will become includable in gross income for federal income tax purposes as a result of the District's assumption under this Agreement; then upon written notice of such event given by the City to the District, the District shall within 60 days pay to the City in cash a sum sufficient to defease the Bonds in accordance with Section 14 of the Bond Ordinance, including the reasonable administrative and legal fees of such defeasance, and the City shall so defease the Bonds.

C. **Optional Redemption.** So long as no event identified in Paragraph B above has occurred: (i) the City shall not exercise its option to redeem Bonds prior to their stated maturity dates, as set forth in Section 5 of the Bond Ordinance, without the prior written consent of the District; and (ii) upon receiving 90 days' notice from the District, the City shall exercise its option to redeem Bonds prior to their stated maturity date, as set forth in Section 5 of the Bond Ordinance, in accordance with the District's notice, and the District shall make payments when due of principal of and interest on the Bonds to be redeemed in accordance with such optional redemption.

D. **Reserve Fund to be Created by the District.** In accordance with RCW 52.16.020, the District agrees to establish by December 31, 1999 a special reserve fund for bond repayment. This Reserve Fund shall remain in effect until the bond obligation assumed by the District is retired. Each year, on or before December 31, 1999, the District shall place into the Reserve Fund an amount sufficient to make the principle and interest payments on the bond for the next calendar year.

10. Liabilities - Indemnity.

A. By City. The City agrees to indemnify, hold harmless, and defend the District, its officers, agents, and employees, from and against any and all claims, damages, losses, and expenses, including but not limited to attorney's fees, for injuries, sickness, or death of persons, including employees of the City, or damage to property, occurring prior to the effective date of annexation and arising out of any negligent act, error, or omission of the City, its officers, agents, or employees, in providing fire and emergency medical services.

B. By District. The District agrees to indemnify, hold harmless, and defend the City, its officers, agents, and employees, from and against any and all claims, damages, losses, and expenses, including but not limited to attorney's fees, liability for injuries, sickness, or death of persons, including employees of the District, or damage to property, occurring on or after the effective date of annexation and arising out of any negligent act, error, or omission of the District, its officers, agents, or employees, in providing fire and emergency medical services.

C. Insurance Requirements.

i. The District shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damage to property that may arise from or in connection with the discharge of its responsibilities of fire and emergency medical services within the city limits of the City of Langley. Before the date of annexation, the District shall provide evidence, in the form of a Certificate of Insurance, of insurance coverage and limits (at a minimum):

a. Business auto coverage for any autos, no less than \$1,000,000 each accident limit;

b. Commercial general liability, \$1,000,000 per occurrence with a \$1,000,000 aggregate. Coverage shall include, but not be limited to, contractual liability, products and completed operations, property damage, and employer's liability;

c. Professional liability insurance with no less than \$1,000,000 per occurrence.

ii. The District is responsible for the payment of any deductible or self-insured retention that is required by the District's insurance. If the City is required to contribute to the deductible under any of the District's insurance policies, the District shall reimburse the City the full amount paid by the City.

iii. The District shall provide the City with a letter from its insurance carrier demonstrating that the City is an additional insured under the District's

policy as described in this Agreement. The City reserves the right to receive a certified and complete copy of all of the District's insurance policies described herein.

11. **Obligations Contingent.** The obligations of the parties under this Agreement are expressly contingent upon receipt of a favorable vote on annexation at the November 1999 election. In the event that the annexation ballot proposition is not submitted to the voters in 1999, or in the event that the proposition is submitted and does not receive the favorable vote in both the District and the City that is required for annexation, this Agreement shall terminate and the parties shall have no further obligations under it.

12. **Availability of Records.** The City agrees to cooperate with the District in making available public records in the City's possession and control regarding the fire department operations.

13. **Notices.** Any notices to be given under this Agreement shall be delivered in person or mailed to the parties at the following addresses:

To the City: Mayor Lloyd H. Furman
City of Langley
112 Second Street
Langley, WA 98260

To the District: Chief Don Smith
Island County Fire Protection District No. 3
2874 East Verlane Street
Langley, WA 98260

14. **Integrated Agreement.** This Agreement and attachments hereto constitutes the entire agreement between the parties regarding the subject matter hereof and may be modified only by a written instrument signed by all parties hereto.

15. **Severability.** In the event that any section, sentence, clause, or paragraph of this Agreement is held to be invalid by any court of competent jurisdiction, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

16. **Litigation – Dispute Resolution.**

A. **Mediation Required.** If a dispute arises under this Agreement that the parties cannot otherwise resolve, the parties agree to submit the dispute to mediation. A request for mediation shall be submitted to the other party along with documentation outlining the nature of the dispute and any supporting materials. The parties agree that the mediator shall be the Washington Arbitration and Mediation Service (WAMS), or another agreed-upon mediator. The involved parties shall share the cost of mediation equally, except that any party may refer the question of division of costs to the mediator.

B. Litigation. In the event that the parties are unable to resolve their differences in mediation and either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, such actions shall be initiated in Island County Superior Court. Participation in mediation as outlined in A above shall be a prerequisite to filing suit. The prevailing party in any such litigation or appeal thereof shall be entitled to recover its costs, including reasonable attorneys' and expert witness fees, in addition to any other award.

18. Effective Date. This Agreement shall be effective after occurrence of all of the following events:

A. Approval of the Agreement by official action of the governing bodies of each of the parties hereto;

B. Execution of the Agreement by the duly authorized representatives of each of the parties hereto; and

C. The filing of a copy of this Agreement with the Island County Auditor.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates below noted.

CITY OF LANGLEY

ISLAND COUNTY FIRE PROTECTION
DISTRICT NO. 3



Mayor Lloyd H. Furman




Chair
Board of Fire Commissioners

Date: Sept. 23, 1999


Date: 9/23/99

ATTEST/AUTHENTICATED:

ATTEST/AUTHENTICATED:



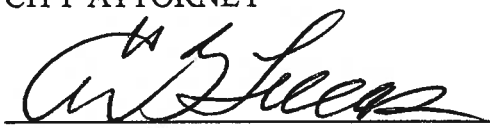
Debbie L. Mahler
City Clerk



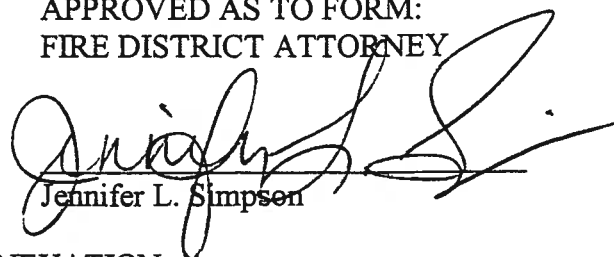
District Secretary

APPROVED AS TO FORM:
CITY ATTORNEY

APPROVED AS TO FORM:
FIRE DISTRICT ATTORNEY



Eric Lucas



Jennifer L. Simpson

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**LANGLEY FIRE DEPARTMENT
EQUIPMENT**

Office: (computer equipment, portable radios, desk, chairs, etc.)	Total	\$6,000
Day Room: (refrigerator, microwave, TV, VCR)	Total	\$200
Apparatus Room: (14 sets turnouts, 1991; EMS equipment issued to members, tools, supplies and other equipment)	Total	\$6,000
2 Defibrillators, (one Life Pk 200, the other AED 500 with trainer, less than a year old, cost \$3,000)	Total	\$3,000
8Kw Propane Portable Emergency Station Generator (less than two years old); Portable Cascade SCBA Refill Station (in service this year) (see pg. 2)	Total	\$4,500
Entire inventory of Fire Hose (Langley spent \$19K on hose in 1997)	Total	\$15,000
1980 E-1, 50' Readi-Tower (including all tools, nozzles, Bas, and equipment) (See pg. 2)	Total	\$40,000
1986 Ford, 1000 GPM Front Mount Pumper (including all tools, nozzles, Bas, and equipment) (see pg. 2)	Total	\$50,000
1996 Ford E-250 Aid Van (including all medical equipment) (see pg. 2)	Total	\$17,000
Estimated Grand Total for all equipment:		\$141,700

**LANGLEY FIRE DEPARTMENT
VEHICLES & MOBILE EQUIPMENT**

Year	Description	Vin/Serial #	License
1980	PMFAB Ladder/Engine	8vfo62462	19602D
1986	Ford Fire Engine	1FDXK87U1HVA27346	01996D
1996	E-250 Ford Van (EMS)	1FTFE24H7THA80345	19613D
1989	Utility Trailer	17XFP0815k1894263	19619D
	Generator	89121J96	

EXHIBIT B
Boundary Line Adjustment
Lots 13 and 14, Block 11, Plat of Langley
2/97

Current Legal Description:

Lots 13 and 14, Block 11, Plat of Langley, as recorded in Volume 2 of Plats, page 15, records of Island County, Washington.

New Legal Description:

Lots 13 and 14, Block 11, Plat of Langley, as recorded in Volume 2 of Plats, page 15, records of Island County, Washington, more particularly described as follows:
Beginning at the Southeast corner of said Block 11, Plat of Langley, as described in the records of Island County, Washington, A.F. #287595, the true point of beginning;
Thence N00°58'00"E 258.45 feet;
Thence N88°33'30"W 33.76 feet;
Thence S1°16'30" W 258.70 feet;
Thence S89°00'00"E 35.10 feet to the true point of beginning.

Together with and subject to easements, restrictions and reservations of record.