

POULSBO DISTRIBUTION SCHEDULE

ORDINANCE NO.

RESOLUTION NO.

RESOLUTION OF INTENTION NO.

SUBJECT: Interlocal Agreement between KC and Cities re Revenue Sharing Upon Annexation and within City's UGA

CONFORM AS TO DATES & SIGNATURES

- Filed with the City Clerk
- Passed by the City Council 12/5/2001
- Signature of Mayor
- Signature of City Clerk
- Publication
- Effective Date - *until terminated*
- Recorded

DISTRIBUTE CONFORMED COPIES AS FOLLOWS:

- Kitsap County Herald - Publish Summary
- Ordinance or Resolution Book
- Book Publishing File
- City Attorney
- Civil Service Commission and/or Sec/Chief Examiner
- Clerk's Department - Original
- City Council
- Finance
- Engr/Bldg
- Fire District #18
- Mayor
- Municipal Court
- Municipal Research
- Planning
- Police
- Public Works
- Parks/Recreation
- Bookshelf Contracts Copy
- File
- Indexing - Karol
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CERTIFIED COPIES:

City Clerk

2-4-2002
Date

Interlocal Agreement Between Kitsap County and the City of Bainbridge Island, City of Bremerton, City of Port Orchard and City of Poulsbo Concerning Revenue Sharing Upon Annexation and In Conjunction With Major Land Use Decisions Within a City's Urban Growth Area

This Agreement, made pursuant to Chapter 39.34 RCW, is between KITSAP COUNTY (hereinafter, the County), a political subdivision of the State of Washington, and the CITY OF BAINBRIDGE ISLAND, the CITY OF BREMERTON, the CITY OF PORT ORCHARD, and the CITY OF POULSBO, (hereinafter, the Cities), municipal subdivisions of the State of Washington.

WHEREAS, through the Kitsap Regional Coordinating Council (hereinafter KRCC), the County and the Cities have worked together constructively on revenue sharing issues that in the past have been adversarial; and

WHEREAS, the County and Cities sought a balanced set of revenue sharing provisions that would benefit both the County and the Cities and support the orderly evolution of logical land use patterns and jurisdictional boundaries; and

WHEREAS, the County and Cities reached accord on a set of Principles of Agreement for Revenue Sharing in Annexations and in Major Land Use Decisions; and

WHEREAS, the County and Cities desire to implement the Principles of Agreement through an interlocal agreement;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

SECTION 1 ANNEXATIONS

The purpose of this section is to provide a framework for logical and orderly annexations that are consistent with the Growth Management Act, Chapter 36.70A RCW (hereinafter GMA), and to mitigate the fiscal impact to the County of annexations initiated after the effective date of this agreement.

1.1 The Cities each confirm their willingness to eventually annex all land within their designated Urban Growth Area (hereinafter UGA) boundaries.

1.2 Each City shall encourage annexation of all lands equally, and will support logical and coordinated annexations, consistent with the intent of the GMA.

1.3 As part of the KRCC's 2002 Work Program, the County and Cities will continue to address coordinated development within the UGAs, including infrastructure standards and funding.

2. The Year 2 payment will be equal to 50% of the County's lost revenue;
- and
3. The Year 3 payment will be equal to 25% of the County's lost revenue.

D. The calculation of lost revenue pursuant to subsection B of this Section requires revenue data for one full year following annexation. Therefore, the County shall initiate a request for payment under this Section by written notice to the annexing City within two years of the effective date of the annexation.

SECTION 2 MAJOR LAND USE ACTIONS

The purpose of this section is to recognize that retail development near jurisdictional boundaries has an impact on neighboring jurisdictions and, in particular, on existing businesses and the demand for public services and facilities. This Section is designed to mitigate these impacts by providing that sales tax revenues from new major business development within a City's designated UGA, or from the relocation of an existing major business from a City to a location within the City's designated UGA, will be shared with the affected City.

2.1 For purposes of this Agreement, "major land use" means:

- A. A new development within a City's designated UGA that houses any single retail tenant greater than 40,000 square feet;
- B. The expansion of an existing retail business within the City's designated UGA if the expansion is greater than 40,000 square feet;
- C. A retail business greater than 25,000 square feet that is relocated from a City to the City's designated UGA; or
- D. An automobile, truck, recreational vehicle, manufactured or mobile home, or boat dealership, regardless of the size of the building permitted, that is newly located within a City's designated UGA, or relocated from a City to the City's designated UGA.

2.2 The County agrees to share with the affected City revenue lost to the City and gained by the County due to a major land use, as follows:

- A. Revenue sharing payments will be required only for local retail sales tax revenues generated from major land uses. Because there are limitations, related to confidentiality, on using a figure based on actual sales tax collections from the new or relocated business, the revenue sharing payment will be based on estimated sales tax revenues derived by using industry standards, such as the Washington State Department of Revenue or the Urban Land Institute, for taxable retail sales per square foot for businesses.

from the date the request for reevaluation was made, the requesting party may initiate the process for termination provided in this Agreement.

3.3 Termination. After completion of the Reevaluation process required by this Agreement, a party may terminate this Agreement by 12 months' written notice to the other parties. Termination does not extinguish the obligations of the terminating party under this Agreement for annexations initiated, or major land uses for which an application is filed, prior to the effective date of termination.

3.4 Filing. When fully executed, this Agreement shall be filed with the Kitsap County Auditor.

3.5 Notices. Any notices required by this Agreement shall be delivered, or mailed postage prepaid, and addressed to:

Kitsap County
Clerk to the Board
Office of the Kitsap County
Board of Commissioners
614 Division Street
Mailstop 4
Port Orchard, WA 98366

City of Bainbridge Island
City Clerk
City of Bainbridge Island
280 Madison Avenue N.
Bainbridge Island, WA 98110

City of Bremerton
City Clerk
City of Bremerton
239 4th Street
Bremerton, WA 98337

City of Port Orchard
City Clerk
City of Port Orchard
216 Prospect Street
Port Orchard, WA 98366

City of Poulsbo
Mayor
City of Poulsbo
19050 Jensen Wy NE
P.O. Box 98
Poulsbo, WA 98370

Kitsap Regional Coordinating Council
Executive Director
Kitsap Regional Coordinating Council
25406 S. Kingston Road
Kingston, WA 98346

3.6 Administration. As this Agreement contemplates no joint or cooperative undertaking, each party shall administer the Agreement as to its own responsibilities under the Agreement. The KRCC shall oversee the revenue sharing process provided for in this Agreement.

3.7 Reporting. The County and the Cities shall report to the KRCC at the start of each calendar year any payments made or received by the reporting jurisdiction pursuant to this Agreement during the preceding calendar year.

3.8 Waiver. The failure by the County or any City to enforce any term or condition of this Agreement shall not be construed to constitute a waiver of any other term or condition, or of any subsequent breach of any provision, of this Agreement.

3.9 Entire Agreement. This Agreement includes the entire agreement of the parties with respect to any matter addressed in this Agreement

**Interlocal Agreement Between Kitsap County and the City of
Bainbridge Island, City of Bremerton, City of Port Orchard and
City of Poulsbo Concerning Revenue Sharing Upon Annexation
and In Conjunction With Major Land Use Decisions Within a
City's Urban Growth Area**

PASSED BY THE CITY OF BAINBRIDGE ISLAND CITY COUNCIL

this 14th day of November, 2001.

APPROVED BY THE CITY OF BAINBRIDGE ISLAND MAYOR

this 15th day of November, 2001.



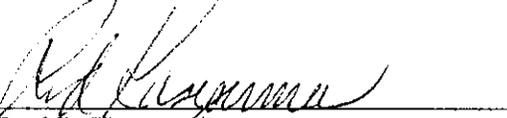
Dwight Sutton, Mayor

Attest:



Susan P. Kasper
City Clerk

Approved as to Form:



Rod P. Kaseguma
City Attorney

**Interlocal Agreement Between Kitsap County and the City of
Bainbridge Island, City of Bremerton, City of Port Orchard and
City of Poulsbo Concerning Revenue Sharing Upon Annexation
and In Conjunction With Major Land Use Decisions Within a
City's Urban Growth Area**

PASSED BY THE CITY OF BREMERTON CITY COUNCIL

this 12th day of December, 2001.

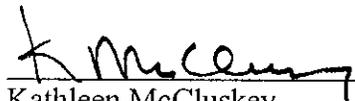
APPROVED BY THE CITY OF BREMERTON MAYOR

this 19th day of December, 2001.



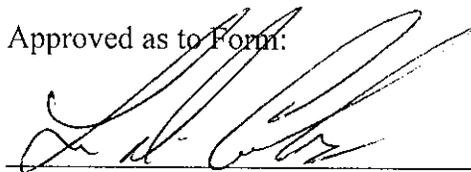
Lynn S. Horton, Mayor

Attest:



Kathleen McCluskey
City Clerk

Approved as to Form:



Loren D. Combs
City Attorney

DATED this 10th day of December, 2001.

CITY OF PORT ORCHARD



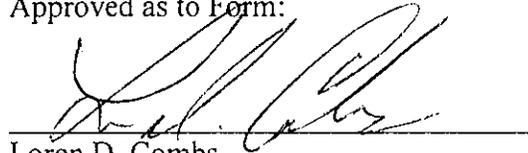
Leslie J. Weatherill, Mayor

Attest:



Patricia Parks
City Clerk

Approved as to Form:



Loren D. Combs
City Attorney

**Interlocal Agreement Between Kitsap County and the City of
Bainbridge Island, City of Bremerton, City of Port Orchard and
City of Poulsbo Concerning Revenue Sharing Upon Annexation
and In Conjunction With Major Land Use Decisions Within a
City's Urban Growth Area**

PASSED BY THE CITY OF POULSBO CITY COUNCIL

this 5th day of December, 2001.

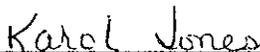
APPROVED BY THE CITY OF POULSBO MAYOR

this 11th day of December, 2001.



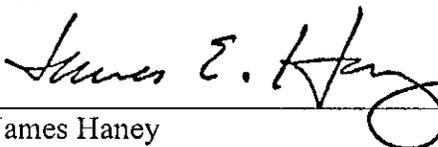
Donna Jean Bruce, Mayor

Attest:



Karol Jones
City Clerk

Approved as to Form:



James Haney
City Attorney

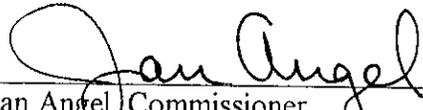
**Interlocal Agreement Between Kitsap County and the City
of Bainbridge Island, City of Bremerton, City of Port
Orchard and City of Poulsbo Concerning Revenue Sharing
Upon Annexation and In Conjunction With Major Land
Use Decisions Within a City's Urban Growth Area**

APPROVED BY THE KITSAP COUNTY BOARD OF COMMISSIONERS

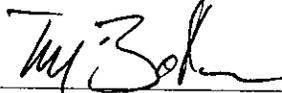
this 17th day of Dec., 2001.



Chris Endresen, Chair

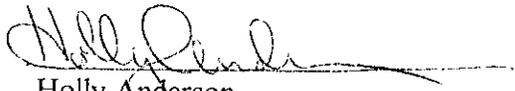


Jan Angel, Commissioner



Tim Botkin, Commissioner

ATTEST:



Holly Anderson
Clerk of the Board