

## POULSBORO AGREEMENT DISTRIBUTION SCHEDULE

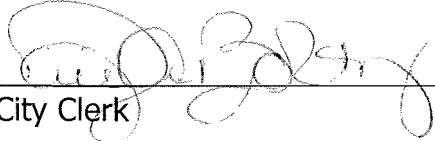
SUBJECT: Memorandum of Understanding – Kitsap County  
RE: District Court Facility (City Hall)

### CONFORM AS TO DATES & SIGNATURES

- Passed by the City Council: 07/15/2009
- Effective: 07/27/2009
- Completion: Until termination by both parties
- Recorded: N/A

### DISTRIBUTE CONFORMED COPIES AS FOLLOWS:

- City Attorney
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- Municipal Court
- MRSC
- Parks/Recreation
- Planning/Building
- Police:
- Public Works/Engineering:
- Kitsap Fire Prevention District No. 18

  
\_\_\_\_\_  
City Clerk

August 5, 2009  
\_\_\_\_\_  
Date

**MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF POULSBO AND KITSAP COUNTY RE DISTRICT COURT FACILITY**

**WHEREAS**, Kitsap County (the “County”) predicts population growth requiring continued District Court and other county services for the County’s north end; and

**WHEREAS**, the County adopted a capital facilities plan providing a funding strategy for that North End District Court, recognizing the existing court facility’s life span is limited; and

**WHEREAS**, the City of Poulsbo (the “City”) is building a new city hall (the “New City Hall”) and has, in the immediate term, space to share with other governmental entities; and

**WHEREAS**, the City also desires to see County regional services offered to north end residents, including District Court services;

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**1. Purpose.** The purpose of this memorandum of understanding (this “MOU”) is to provide the initial terms and conditions under which the County shall purchase an interest in the New City Hall. The County will own approximately 7.7% of the New City Hall or 2,332 square feet as set forth in the floor plan attached to this MOU as Exhibit 1 (the “Court Facility”). The parties intend to enter into a binding interlocal agreement; however, the terms of the interlocal agreement are agreed to be consistent with those set forth herein.

**2. Construction Costs.** The cost of constructing the Court Facility shall be shared equally by the parties, but in no event shall the County’s contribution exceed \$1,250,000. Such costs shall include a portion of the City’s land acquisition costs, systems costs and mitigation costs for the New City Hall and will be defined more specifically in the interlocal agreement. Construction and financing of the New City Hall, including the Court Facility, will be the responsibility of the City. The County will pay its share of the construction costs upon substantial completion of the New City Hall, provided that in the event there are any outstanding claims involving the Court Facility construction at the time of substantial completion, or claims are filed subsequently, the County will be responsible for payment of its share of any such claims upon settlement or adjudication, but in no event shall the County’s total contribution exceed \$1,250,000.

**3. Approval of Plans.** The County has reviewed and approved plans and specifications as they pertain to the Court Facility prior to advertisement of the New City Hall project for construction. The County will also timely review and approve any change orders related to the Court Facility as construction progresses. During construction, the County may submit proposed changes in the approved plan and specifications or the approved scope of work to the City for the City’s review and approval. All such changes and the responsibility to pay for the same must be mutually agreed upon. The County shall not communicate directly with, instruct, or initiate changes or change orders directly with the City’s contractor.



**4. Ownership.** Upon completion of the New City Hall, the County and the City will each have an ownership interest in the land and building in proportion to their contribution to the project costs. The City and County will agree upon, execute and record any necessary instruments to reflect the parties' ownership interests.

**5. County Use.** The County will use its designated space for District Court and such other County operations as the County and City may from time to time agree upon.

**6. Existing City Hall and Courts Property.** The existing Poulsbo city hall and courts property will be sold as surplus property. Each party will complete any necessary process to declare the property surplus. The parties will agree on the timing and a price for which the parties will offer to sell the property and will ultimately agree on a sales price with any prospective buyer. The proceeds of the sale will be shared by the parties according to their ownership interests in the property: 75% to the City and 25% to the County. The sale proceeds may be used as a financing source for the New City Hall.

**7. Maintenance, Utilities and Operating Costs.** The City will be responsible for maintaining, operating and paying for utility service for the New City Hall, including for the Court Facility, upon completion of construction. The County will pay its share of such maintenance, utility and operations costs according to its ownership share in the New City Hall. The County will reimburse the City for the County's share of costs on a monthly basis after receiving an invoice from the City, either based upon actual billings and charges or upon a mutually agreed upon square footage fee.

**8. Staffing and Operation.** Each party will be responsible for the staffing and conduct of its own operations and activities, including providing security personnel, judges, administrative staff, prosecutors, public defenders, interpreters and related personnel.

**9. County to Remain for At Least Five Years.** The County will maintain an ownership interest and occupancy in the New City Hall for a minimum of five years after final occupancy of the Court Facility. At any time after expiration of the initial five-year period, the County or City may terminate the interlocal agreement upon giving written notice of its intentions at least one full fiscal year in advance, provided that the parties may by mutual written agreement reduce the notice period.

**10. City's Obligation to Purchase County's Interest Upon Termination.** In the event that the County or the City terminates the interlocal agreement as provided in Section 9, the City agrees to purchase the County's interest in the New City Hall and the County agrees to sell that interest to the City. The County shall not have the authority to sell its interest to any person, firm, or corporation other than the City. The purchase price to be paid by the City will be determined by taking the initial construction cost of the New City Hall, including all land acquisition and development costs, escalating per the construction cost index for Seattle, Washington, as published in the Engineering News Record (or, if that index ceases to be published, a substantially equivalent construction cost index), and then using the result to calculate the County's proportionate share of such value based on its ownership interest in the New City Hall. The City will pay the full amount due the County at the time the interlocal

agreement termination becomes effective, unless the parties mutually agree otherwise. Any dispute over the value of the County's interest will be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

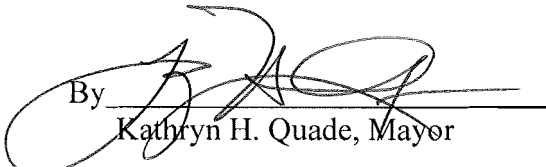
**11. Further Negotiations.** Both parties recognize that terms will have to be included in the interlocal agreement beyond those set forth above. By enumerating the above, the parties intend to set forth the basic terms of the anticipated agreement and not to preclude any additional terms that may be reasonable and appropriate. The County and the City will negotiate in good faith and use their best efforts to arrive at a mutually acceptable definitive interlocal agreement for approval, execution and delivery on the earliest reasonably practicable date. Both parties agree that they will pursue obtaining formal authorization for the negotiation of such an agreement from their respective legislative bodies at their earliest convenience. The County and the City will thereupon use their best efforts to consummate the agreement as promptly as is reasonably practicable.

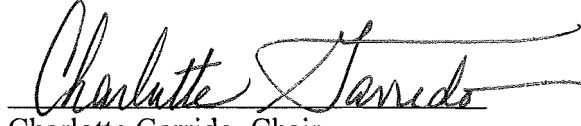
**12. Effective Date.** This MOU will take effect upon signature by both parties.

**IN WITNESS WHEREOF, THE PARTIES HAVE DULY AFFIXED THEIR SIGNATURES HERETO.**

**CITY OF POULSBO**

**BOARD OF COUNTY COMMISSIONERS  
KITSAP COUNTY, WASHINGTON**

By   
Kathryn H. Quade, Mayor

  
Charlotte Garrido, Chair

ATTEST:

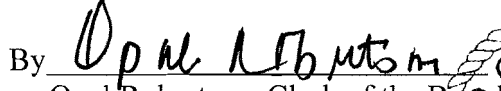
  
Steve Bauer, Commissioner

By   
Jill A. Boltz, City Clerk

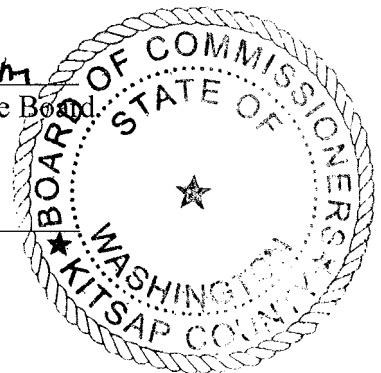
  
Josh Brown, Commissioner

Date 07-17-09

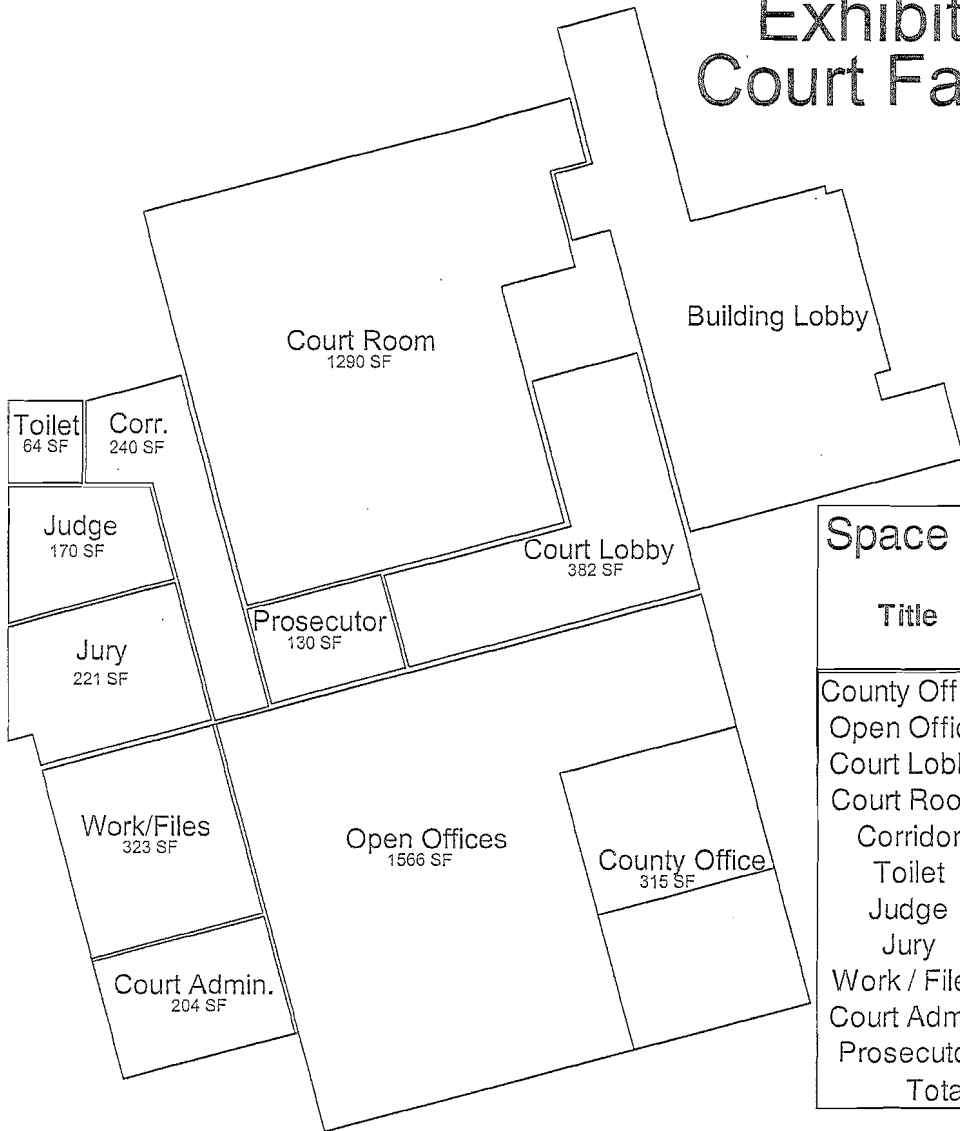
ATTEST:

By   
Opal Robertson, Clerk of the Board

Date 7/27/09



# Exhibit 1 Court Facility



POULSBO CITY HALL  
KITSAP COUNTY  
COURT SPACE ALLOCATION

### Space Allocation Summary:

Title	City Area (sf)	County Area (sf)	Total Area (sf)	County Percent
County Office	0	315	315	100%
Open Office	783	783	1566	50%
Court Lobby	191	191	382	50%
Court Room	645	645	1290	50%
Corridor	120	120	240	50%
Toilet	32	32	64	50%
Judge	85	85	170	50%
Jury	221	0	221	0%
Work / Files	161	161	322	50%
Court Admin	204	0	204	0%
Prosecutor	130	0	130	0%
Totals:	2572	2332	4904	47.55%

### Equity Calculations

Total Building Area	30,000 SF
County Area	2,332 SF
County Percentage	7.77%
Project Cost	\$15,830,430
County Cost	\$1,230,552



**Kitsap County**  
**eCONTRACT REVIEW SHEET**  
 (Chapter 3.56 KCC)

**A. GENERAL INFORMATION**

1. Contractor City of Poulsbo  
 2. Purpose Memorandum of Understanding for ownership interest in Poulsbo City Hall  
 3. Contract Amount \$1,250,000 NTE Disburse  Receive   
 4. Contract Term \_\_\_\_\_  
 5. Contract Administrator Nancy Buonanno Grennan Phone 360 337-4403  
 Approved: [Signature] Date 7/21/09  
Department Director

**B. AUDITOR – ACCOUNTING INFORMATION**

1. Contract Control Number KC-318-09  
 2. Fund Name Real Estate Excise Tax  
 3. Payment from-Revenue to CC/Account Nbr 1/311.5610  
 4. Encumbered By Lillian Shierk Date 7-21-09

**C. AUDITOR'S ACCOUNTING – GRANTS REVIEW**  
*Signature required only if contract is grant funded*

1.  Approved  Not Approved  
 Reviewer Lillian Shierk [Signature] Date 7-21-09  
 2. Comments: \_\_\_\_\_

**D. ADMINISTRATIVE SERVICES DEPARTMENT – RISK MANAGER REVIEW**

1.  Approved  Not Approved  
 Reviewer Mark Abernathy [Signature] Date 7/21/09  
 2. Comments: \_\_\_\_\_

**E. ADMINISTRATIVE SERVICES DEPARTMENT – BUDGET MANAGER REVIEW**  
*Signature required only if contract is for \$50,000 or more, OR it will be signed by board of commissioners (regardless of dollar amount)*

1.  Approved  Not Approved  
 Reviewer Lisa Fryer [Signature] Date \_\_\_\_\_  
 2. Comments: \_\_\_\_\_

**F. PERSONNEL DEPARTMENT – PERSONNEL DIRECTOR REVIEW**  
*Signature required only if union or employment contract*

1.  Approved  Not Approved  
 Reviewer \_\_\_\_\_ Date \_\_\_\_\_  
 2. Comments: \_\_\_\_\_

**G. PROSECUTING ATTORNEY REVIEW**

1.  Approved as to Form  Not Approved as to Form  
 Reviewer Jacquelyn Aufderheide [Signature] Date 7/21/09  
 2. Comments: \_\_\_\_\_

**H. CERTIFICATION BY CONTRACT ADMINISTRATOR: THIS CONTRACT IS READY FOR CONSIDERATION BY THE AUTHORIZED CONTRACT SIGNER.**  
 (For contract signing authority, see KCC 3.56.075)

Contract Administrator [Signature] Date 7/21/09  
 Date Approved by Authorized Contract Signer: \_\_\_\_\_ Date July 27, 09  
 RETURN SIGNED ORIGINALS TO: