

1. Agenda

Documents:

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Documents:

[BUSINESS RETENTION AND EXPANSION PROGRAM DRAFT.PDF](#)
[CDC SR 041119.PDF](#)
[STANWOOD LIBRARY REQUEST.PDF](#)



City Council Committee Meeting Agenda

Community Development Committee

Stanwood-Camano School District
Administration Building Board Room
26920 Pioneer Highway, Stanwood

Thursday April 11, 2019 6:00 PM

1. Business Retention Program
2. Library Board Request
3. Shoreline Code Update
4. Ovenell Banners
5. Building and Inspection Support Services



**CITY OF STANWOOD
COMMUNITY DEVELOPMENT COMMITTEE
AGENDA STAFF REPORT**

DATE: April 11, 2019 Meeting

SUBJECT: April CDC Agenda Topics

FROM: Jennifer Ferguson, City Administrator
Patricia Love, Community Development Director

BUSINESS RETENTION PROGRAM:

Business retention and expansion is the foundation of effective economic development. It makes little sense to invest time and resources to recruit new businesses while losing others due to lack of attention to changing needs or emerging obstacles. Business Retention and Expansion (BRE) programs are focused on the support of a community's existing businesses through on-going engagement and information-sharing between the city's economic development professionals and local business owners. A city's existing businesses form the foundation for local employment opportunities, stabilize our tax base, and serve as key engines for its overall economic growth.

As such, staff is recommending that we define, establish, and implement business programs and policies that foster the retention and expansion of existing local businesses. The key objectives of a business retention and expansion program are to identify local businesses' existing and anticipated needs and address those needs through coordinated resources, partnerships, and tools. Young businesses (less than 5 years old) tend to have excellent prospects for growth but at the same time can be especially vulnerable to damaging changes in market conditions, so a successful BRE program must understand the business life-cycle, identify early and often new firms and align them with opportunities to support their stability, growth and development.

A business retention program is time and labor intensive, and requires building and maintaining good relationships with existing businesses. The key is responsiveness. The city can't just listen to problems; it must be prepared to act, understand and genuinely appreciate the business community and its contribution to the economic viability of the community. We recognize that existing businesses have the most significant impact on job opportunities and future job growth and seek to remove the bureaucratic barriers to doing business. Because of the time involved with supporting local businesses, staff will be including economic development initiatives and the levels of services needed for supporting a BR&E program as we work on our organizational assessment and staffing analysis study to start in the last quarter of 2019.

The Economic Development Board reviewed the proposed Business Retention and Expansion Program at their March 2019 and recommended that the City Council approve the program.

LIBRARY BOARD REQUEST:

The Stanwood Library, is located at 9701 271st Street NW in the City's Central Downtown District and is a popular destination for all community members. The City is in receipt of a request from the Stanwood Library Board and Sno-Isle Library Board of Trustees to amend the Annexation Agreement, dated January 2016, by removing the location and time restriction. In this agreement, the Library agreed to stay in the downtown districts until 2023; however, they request removal of the restriction for better flexibility to plan for the Library's future.

SHORELINE CODE UPDATE:

The Shoreline Management Act requires all jurisdictions to review and update their Shoreline Management Plans on an eight (8) year schedule established by the Legislature. This review ensures that local SMP's stay current with changes in state laws and rules, remains consistent with other Stanwood plans and regulations, and is responsive to changing circumstances, new information and improved data.

Stanwood is required to update its SMP on or before June 30, 2019. The State is not requiring any major updates to our inventory, restoration efforts, or cumulative impacts analysis. However, we must include all state mandated updated between 2007 and 2017 as well as any local changes which have occurred since the last SMP adoption.

Below is a summary of the state mandated changes and the City's response to those mandates. The draft code is out for the required 30 day public review and the Planning Commission will be reviewing it on April 8th. Our tentative schedule shows the Planning Commission holding a public hearing on the amendment on May 20th with City Council review on June 13 and 27.

General State Mandated Amendments:

- Definitions:
Amended definitions of "Development", "Floodway", "Nonconforming Uses, Structures, and Lots", and Wetlands
- Exemptions:
Eliminated the long list of state listed exemptions from the Stanwood Municipal Code and referenced RCW 90.58.030 or WAC 173-27-040.
- Exceptions:
Added a new section to the Stanwood Municipal Code listing the state mandated exceptions which include:
 - Remedial Actions
 - Boat Yard Improvements
 - WSDOT Facility Maintenance and Safety Inspections

- Projects Under the Environmental Excellence Program
 - Project Authorized by the Energy Facility Site Evaluation Council
 - Areas under Exclusive Federal Jurisdiction
- Procedures:
Updated Stanwood Municipal Code Chapter 17.150, Shoreline Management, with state mandated procedures for processing permits, notification to Ecology and adoption of Shoreline Master Plans.
 - Non-Conforming Uses:
Established clear definitions and regulations for non-conforming uses, structures and lots.
 - Critical Areas:
Updated wetland buffer widths per the Department of Ecology's 2018 guidance documents and changed the wetland delineation methodology to follow the federal manual.

City Suggested Amendments:

- Update the SMP regulations allowing multifamily residential structures in the Shoreline Residential Designation consistent with an administrative interpretation issued on October 5, 2015.
- Update the critical areas regulations notes that trails and walkways within buffer areas should meet federal accessibility requirements.
- Updated the stream buffer types to reflect the Department of Natural Resources (DNR) stream typing codes.

OVENELL BANNERS:

FOSPAT is interested in installing the murals / banners on the barns at Ovenell Park. At the PTAC's February meeting they recommended that the project be approved with the previously approved banners (Basket Weaving and Ovenell Farm) and a third banner noting "Future Ovenell Park" be hung between the two banners and remove the free-standing signage posted. At the PTAC's April meeting they will review the "Future Ovenell Park" banner design. Below for your review and comment are "mock-ups" of the banners and their location.

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Ovenell Barn with Mark Up / Conceptual Idea for Potential Banner Locations:



Approved Banner #1: Basket Weaving



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Proposed Banner #3: Option 1 Future Ovenell Park – Dark and Whitewash Options



Proposed Banner #3: Option 2 Future Ovenell Park- Dark and Whitewash Options



Proposed Sizing and Spacing



Materials:

Banners would be made out of canvas and attached to 2x4 inch wood frames that would be attached to the SR 532 facing side wall of the barn.

Cost:

Each banner would cost \$250.00 plus tax; additional costs would include the 2x4's and hanging brackets. FOSPAT will cover these costs.

Installation:

Public Works will power wash the side of the barn and hang the banners.

BUILDING AND INSPECTION SUPPORT SERVICES:

The Council approved funds in the 2019/2020 budget to hire additional staff or consultants to provide building plan review and inspection services. Our first attempt to partner with Island County did not work as they hired a full time plan reviewer / inspector in early 2018 and do not anticipate needing any additional help.

Since Stanwood has only one Building Official who performs both plan review and inspections, there is a need for additional support services during busy construction seasons, vacations, conferences, and illnesses. One of our on-call consultants, Pacific Rim, is no longer able to service Stanwood, as a result staff is in the process of interviewing firms to replace Pacific Rim and help with periods of the high permit demand.

Firms being considered include: SafeBuilt, West Coast Code Consultants, and BHC. Staff will be forwarding an on-call contract to the full City Council once a firm has been selected; we anticipated the contract will be ready for Council approval in May.



City of Stanwood

10220 270th Street NW
Stanwood, Washington 98292
(360) 629-2181 Fax: (360) 629-3009

Business Retention & Expansion Program

April 2019

Business Retention and Expansion (BRE) programs are focused on the support of a community's existing businesses through on-going engagement and information-sharing between the city's economic development professionals and local business owners. The City of Stanwood businesses, as well as, Camano Island businesses form a foundation for local employment opportunities, stabilization of its tax base, and serve as key engines for the City's overall economic growth. As such, the City has established an economic development program that fosters the retention and expansion of existing local businesses. This program will be known as the Stanwood Business Retention and Expansion Program (BREP).

Program Objectives

The key objectives of the Stanwood Business Retention and Expansion Program are to:

1. Ensure that the City has accurate knowledge of the business community and maintains constant communication.
2. Develop a city/business collaboration framework that supports city understanding of existing business needs.
3. Address business needs through development of initiatives that coordinate resources, build partnerships, and provide tools for business to be successful.
4. Identify early and often new business and align them with opportunities that support their stability, growth and development.
5. Align the Stanwood organizational structure and allocate staffing resources that support economic development initiatives and business development programs.

Program Initiatives

Business Surveys

- A major business survey will be conducted to understand existing business issues, needs and opportunities and to collect information for the business inventory
 - Follow up or mini surveys may be conducted every two years and visitation surveys are conducted during BR&E Ambassador visits

Business Inventory

- A database of local businesses information will be maintained with accurate business information from surveys and visitations. Business financial, commercial, and proprietary information is kept confidential per RCW 42.56.270

Stanwood Business Webpage

- Located on the City Website – “Doing Business” webpages will be created and maintained and will serve as the primary location for the all business resources, information and a business events calendar
- City Hall will host Business kiosk where resources for business will be available in print form

Business newsletter

- The City will provide a business newsletter on a bi-monthly cycle and include business related topics, resource information, and notice of business events

BR&E Ambassadors & Visitation

- Ambassadors will be a select group of community business members or economic development board members, who are trained or certified in BR&E best practices and city business retention practices.
 - Business visitation schedule will encourage a three-year cycle and conduct a physical business visits
 - All businesses will be included: Corporate, retail, restaurants, industry and service
 - BR&E Ambassador will be required to attend routine training and adhere to confidential reporting and adherence to RCW 42.56.270. Certification may be required.
- Visits are centered on an interview with the business owner, president or other lead staff to learn how the city might assist. Visits are conducted using questions similar to business surveys and the discussion will seek to understand and identify issues of importance to the business, obstacles to their success and opportunities for assistance.
 - Follow up and documentation of the visit and update to the business database are required.

Financial Resources

- A consortium of local banks who commit to support of the BR&E program will be listed on the City's website and included as a resource in the Stanwood Business Newsletter
- Local Investment Opportunities Network (LIONS)
 - A LION connects local investors with local business owners who need capital. It is not a bank, investment club or financial institution. *Further discovery is in progress to determine the city's ability to start a LION. This section of the retention program is reserved for future initiatives associated with the development of a LION*
- Profit Mastery Program is a financial and management training program to assist business owners with overcoming the greatest business knowledge gap. *Further discovery is in progress to determine the city's ability to offer Profit Mastery workshops to business owners.*

Zoning, Sites & Permitting Resources

- Business development related services are available to help businesses with expansion of current sites and facilities, assistance in identifying and preparing sites for expansion that requires relocation, and assistance with regulations and permits related to planning, zoning and building.
 - A member of the Economic Development staff is assigned as liaison for every major development project, ensuring a single point of contact to deal with all municipal and developmental issues.

Workshops and Events

The City may host a variety of business workshops and events to connect with business owners. Those events may include, but not be limited to:

Business Fairs

- Full or half day workshops may be planned and include regional resource providers, lenders, business guest speakers, training and educational topics. Business workshops will provide face-to-face connections with business owners and provide them with resources and opportunities to succeed.
 - Frequency of workshops and special events will be at times/dates are flexible to all types of businesses

Business roundtables

- The Stanwood Mayor may host periodic Business Breakfast meetings or other roundtable events at alternate times of the year so as to reach as many business owners as possible.



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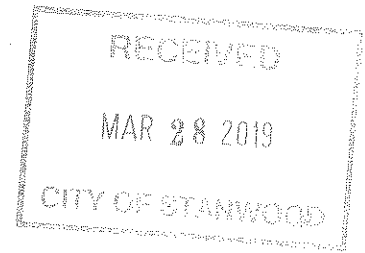
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Stanwood Library Board
9701 271st Street NW
Stanwood, WA 98292



March 12, 2019

The Honorable Leonard Kelley
Stanwood City Council Members
City of Stanwood
10220 270th Street NW
Stanwood, WA 98292

Dear Mayor Kelley and City Council Members,

In 2014, Stanwood voters approved the annexation of the Stanwood Library services into the Sno-Isle Library District. The Annexation Agreement with Sno-Isle was put into effect January 2016. A section of the Annexation Agreement (7.6.1) requires that any new library building be located "within the City's downtown center" for a period of seven years, until 2023.

Sno-Isle Libraries included a recommendation for replacement of the Stanwood Library building in its 2016-2025 Capital Facilities Plan.¹ The past two years have seen increased community interest in a new library.

The Board of the Stanwood Library asks that the City Council amend the 2016 Annexation Agreement to remove the location and time restrictions. This will allow greater freedom in moving forward with engaging the community and planning for the Library's future.

Thank you for your consideration.

Sincerely,

Dennis Myers, Chairman
Stanwood Library Board

Approved by Stanwood Library Board Members:

Bonnie Thielke
Sue Mancer
Patty Tingle
Sandi Evans

Cc: Lois Langer Thompson
Sno-Isle Libraries Board of Trustees

¹ Sno-Isle Libraries Capital Facilities Plan - Stanwood (PDF)

**ADDENDUM NO. 1 TO AMENDED AND RESTATED
LIBRARY SERVICES AGREEMENT
BETWEEN
THE CITY OF STANWOOD
AND
SNO-ISLE INTERCOUNTY RURAL LIBRARY DISTRICT**

This Addendum No. 1 is made by and between the CITY OF STANWOOD, a Washington municipal corporation ("City"), and SNO-ISLE INTERCOUNTY RURAL LIBRARY DISTRICT, a Washington municipal corporation ("Library District"), as follows.

WHEREAS, the City and the Library District entered into an Amended and Restated Library Services Agreement (hereinafter "Agreement") effective as of January 1, 2013;

WHEREAS, the Agreement set forth the obligations of the City and the obligations of the Library District with regard to the Library Building and operation of the Library;

WHEREAS, the Agreement stated that the City and the Library District desire to provide for a ballot proposition to the qualified voters in the City as to whether the City should be annexed to the Library District, and the Library District is willing to equally share the costs of submitting a ballot proposition in either 2013 or 2014; and

WHEREAS, the City desires to delay submitting a ballot proposition for an additional year;

WHEREAS, the Library District values the long term partnership with the City and is willing to equally share the costs of submitting a ballot proposition through 2015;

WHEREAS, the City and the Library District mutually desire to amend the Agreement to allow the extension of the term for submission of the ballot proposition for annexation to 2015;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the sufficiency of which is hereby acknowledged, the City and Library District agree as follows:

1. **Amendment to Agreement.** The Agreement is hereby amended as follows:

4.5 Effect of Annexation

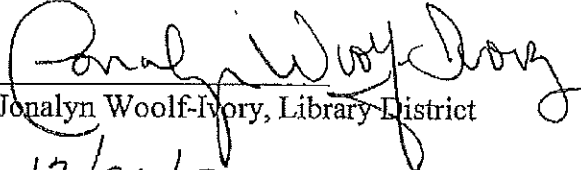
Section 4.5 of the Agreement shall be eliminated and replaced in its entirety with:

4.5 **Effect of Annexation.** The Library District will equally share with the City the costs of submitting a ballot proposition to the qualified voters provided such a ballot proposition occurs in or before 2014 2015. In the event the City formally becomes part of the Library District through annexation during the term of this Agreement, the City's Annual Assessment due for the year in which annexation occurs shall continue to be paid, unless the Library District is authorized to collect taxes for library services in the City during the

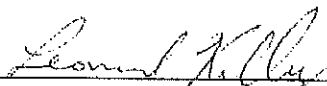
year in which annexation occurs. This Agreement shall then terminate as set forth in Section 8.2 below.\

2. **Other Terms and Conditions Remain Unchanged.** Except as amended herein, the Agreement shall remain in full force and effect as stated.

**SNO-ISLE INTERCOUNTY RURAL
LIBRARY DISTRICT:**


Jonalyn Woolf-Ivory, Library District
12/26/13
Date

CITY OF STANWOOD:


Dianne White, Mayor
11/25/13
Date

ATTEST:


City Clerk
11/25/2013
Date

APPROVED AS TO FORM:


City Attorney
11.25.13
Date

AMENDED AND RESTATED
LIBRARY SERVICES AGREEMENT

This Amended and Restated Library Services Agreement ("Agreement") is made this 31st day of December, 2012 by and between the CITY OF STANWOOD, a Washington municipal corporation (hereinafter "City") and the SNO-ISLE INTERCOUNTY RURAL LIBRARY DISTRICT, (hereinafter "Library District"), jointly referred to as "Parties", amending and restating the Library Services Agreement having an effective date of January 1, 1998, between the Parties.

WHEREAS, the City and the Library District entered into a Library Services Agreement dated as of January 1, 1998, (executed by the City on August 8, 1998, and by the Library District on August 31, 1998) (hereinafter "Original Agreement") pursuant to which the Library District provides library services to residents of the City; and

WHEREAS, the City and the Library District entered into Amendment No. 1 to the Library Services Agreement on April 28, 2003 with terms and conditions contingent on the passage of a ballot proposition to establish a Library Capital Facility Area and an associated bond measure, which said bond measure did not pass thereby nullifying Amendment No. 1 to the Services Agreement; and

WHEREAS, the City and the Library District discussed certain relationship distinctions and services outlined in the Original Agreement and reached an agreement that the Library District shall assume responsibility of arranging for, and paying directly for, janitorial services, effective January 1, 2009; and

WHEREAS, the City and the Library District desire to modify annual contract fees for Library District services over a three-year period, to a basis equivalent to that which would be paid by the taxpayers of the City if the City were annexed to the Library District; and

WHEREAS, the City and the Library District desire to bring increased clarity to certain obligations for the general appearance, maintenance and repair of the facility; and

WHEREAS, the City and the Library District desire to provide for a ballot proposition to the qualified voters in the City as to whether or not the City should be annexed to the Library District, and the Library District is willing to equally share the costs of submitting a ballot proposition in either 2013 or 2014;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the sufficiency of which is hereby acknowledged, the City and the Library District agree as follows:

1.0 Effective Date

This Agreement shall be effective as of January 1, 2013.

2.0 Library Services

The Library District shall provide "Library Services" at the Stanwood Library, including without limitation books, staff, equipment, etc. which services shall be in accordance with RCW Chapter 27.12 ("Library Services") as further described in Exhibit A (incorporated by this reference) within the boundaries of the City, including any areas that may be annexed to the City during the term of this Agreement.

3.0 Facilities

The City shall be responsible for all building repairs or replacement of capital items that are part of the City-owned facilities. The Library District shall arrange for and pay for janitorial services. The Parties agree that all non-janitorial service requests shall be initiated with the City through the Library District's Facility Manager (or responsible designee).

3.1 City Obligations.

- 3.1.1 The City shall provide the Library District with City-owned building space known as the Stanwood Library, at 9701 271st Street, NW, Stanwood, WA, ("Library Building") together with associated grounds and parking facilities, hereinafter ("Premises"), at no rental cost, together with current furnishing, to facilitate the Library District's provision of Library Services.
- 3.1.2 The City shall undertake its duties and responsibilities for care of the Premises under this Agreement professionally and with all appropriate skill, care and diligence.
- 3.1.3 The City shall engage such employees, vendors, suppliers, and retain such agents, contractors and subcontractors as are reasonably necessary or appropriate in accordance with the obligations or liabilities under or pursuant to this Agreement.
- 3.1.4 The City shall keep the Premises in good order and repair at all times and shall be responsible for maintaining the Library Building including without limitation, foundation, walls, roof, HVAC, electrical and plumbing.
- 3.1.5 The City shall provide utility services and landscaping services to the Premises and shall maintain its surrounding grounds including sidewalk and parking lot to include snow/ice removal.
- 3.1.6 The City shall be responsible for maintaining its own furnishings and equipment.
- 3.1.7 To the extent permitted by law, the City may assist the Library District in soliciting donations and in kind services for purposes of care of the Premises.

3.2 Library District Obligations.

- 3.2.1 The Library District shall undertake its duties and responsibilities for care of the Premises under this Agreement professionally and with all appropriate skill, care and diligence.

- 3.2.2 The Library District shall engage such employees, vendors, suppliers, and retain such agents, contractors and subcontractors as are reasonably necessary or appropriate in accordance with the obligations or liabilities under or pursuant to this Agreement.
- 3.2.3 The Library District shall at all times keep the Premises neat, clean, and in a sanitary condition and shall preserve said premises in good repair except for reasonable wear and tear and damage by fire or other unavoidable casualty.
- 3.2.4 The Library District shall contract for and bear the cost of janitorial services to maintain the Premises. Janitorial services will generally consist of routine waste disposal, periodic carpet cleaning, window washing, collection and disposal of debris on the grounds and changing of light bulbs. The City agrees to permit the Library District to perform minor facility repairs as may occur from time to time provided such repairs are within the scope of a janitorial service contract which shall be made available to the City.
- 3.2.5 The Library District shall be responsible for maintaining its own furnishings and equipment.
- 3.2.6 The Library District agrees to not store or deposit materials, supplies or other objects on the exterior of the Premises without the permission of the City.
- 3.2.7 The Library District shall not permit dangerous wastes, hazardous wastes, or extremely hazardous wastes as defined by RCW 70.105.010, *et seq.* to exist on the Premises and shall, at the Library District's sole expense, undertake to comply with all rules, regulations and policies of the Washington State Department of Ecology and the United States Environmental Protection Agency.
 - 3.2.7.1 The Library District shall promptly notify the City of the existence of dangerous wastes, hazardous wastes, or extremely hazardous wastes as required by state and federal regulations. The Library District shall comply with any requirements for hazardous waste disposal as may be imposed by RCW 70.105D.030 and the State Department of Ecology.
- 3.3 Parking. The City shall provide parking on the Premises in accordance with an agreed-upon plan for parking facilities for all motor vehicles in connection with the Library District's business.
- 3.4 Surrender of Premises. The Library District agrees that at the expiration or termination of this Agreement, the Library District will quit and surrender said Premises in a neat and clean condition and will deliver to the City all keys to all buildings on the Premises.

4.0 Compensation for Library Services

- 4.1 Contract Fee Formula. In consideration of the Library Services provided by the Library District, the City shall be assessed a sum of money determined by (i) multiplying the City's previous year's Contract Fee by the percentage rate increase of the Library District's property tax levy, limited to one hundred and

three percent (103%), plus (ii) the value of the new construction and annexation with the City multiplied by the Library District's previous year's levy rate.

4.2 Annual Assessment

4.2.1 Calendar Year 2013. Commencing January 1, 2013, the City shall pay to the Library District an Assessment in the following amount:

4.2.1.1 The amount determined for said year by using the Contract Fee Formula set forth in Section 4.1 of this Amendment; plus

4.2.1.2 One-third (1/3) of the difference between the amount determined pursuant to paragraph 4.2.1.1 of this Subsection 4.2.1 and the amount of the Annual Assessment that would otherwise be payable as determined under Subsection 4.2.3 below if it were then in effect.

4.2.2 Calendar Year 2014. Commencing January 1, 2014, the City shall pay to the Library District an Assessment in the following amount:

4.2.2.1 The amount determined for said year by using the Contract Fee Formula set forth in Section 4.1 of this Amendment; plus

4.2.2.2 Two-thirds (2/3) of the difference between the amount determined pursuant to paragraph 4.2.2.1 of this Subsection 4.2.2 and the amount of the Annual Assessment that would otherwise be payable as determined under Subsection 4.2.3 below if it were then in effect.

4.2.3 After Calendar Year 2014. The City shall pay to the Library District, each year during the term of this Agreement, after calendar year 2014 referenced in Subsection 4.2.2, above, an Annual Assessment equal to the amount determined by multiplying the Library District's then current uniform tax levy rate for the Library District pursuant to RCW 27.12.150 for all approved Library District levies, including without limitation, all regular and excess levies (the "Levy Rate") by the taxable value of all property located within the corporate boundaries of the City, as determined by the Snohomish County Assessor (the "Tax Base"). The amount determined each year by multiplying the Levy Rate by the Tax Base shall be the "Annual Assessment" and shall be paid by the City to the Library District not later than December 15 of each year during the term of this Agreement.

4.3 Adjustment for Utility

4.3.1 After the Contract Fee Formula and Annual Assessments have been determined and totaled for each year, all actual expenditures by the City for utilities associated within any City library facility used by the Library District for the prior year shall be deducted from this total.

4.3.2 The City shall submit to the Library District on or before February 1 of each year a detailed record of all utility expenses associated with any City library facility used by the Library District for the previous year in which a credit is claimed. The Library District may review the supporting invoices and other documentation for utility expenses for which a credit is claimed.

- 4.3.3 Sample Formula. Exhibit B to this Agreement, attached and incorporated by this reference, is a sample calculation demonstrating the application in the terms of this Section 4.3
- 4.4 Payment. The Library District shall send invoices to the City for the amount of the Annual Assessment at least thirty (30) days prior to the payment due date. Late payments shall be assessed interest at the rate of twelve percent (12%) per annum until paid, on the unpaid portion of such Annual Assessment remaining unpaid more than fourteen (14) days following the payment due date.
- 4.5 Effect of Annexation. The Library District will equally share with the City the costs of submitting a ballot proposition to the qualified voters provided such a ballot proposition occurs in either 2013 or 2014. In the event the City formally becomes part of the Library District through annexation during the term of this Agreement, the City's Annual Assessment due for the year in which annexation occurs shall continue to be paid, unless the Library District is authorized to collect taxes for library services in the City during the year in which annexation occurs. This Agreement shall then terminate as set forth in Section 8.2 below.

5.0 Annual Budget

- 5.1 Scope. The Annual Budget shall include only reasonable and necessary expenditures for the provision of Library Services.
- 5.2 Budget Administration and Accountability. The Library District shall be responsible for the total administration of the Annual Budget. The Library District shall provide accurate Budget reports to the City and to the City's Council as requested, including reports of any and all amendments to the Annual Budget.
- 5.3 Accounting Standards. The Annual Budget shall be prepared in accordance with the statutory requirements relating to library districts and the Budgeting and Reporting System (BARS) Manual as established by the Washington State Auditor's Office.

6.0 Allocation of Liability; Indemnification

- 6.1 The City and the Library District, for themselves, their officers, elected and appointed officials, employees and agents (collectively "personnel") shall each at all times be solely responsible for their own acts and omissions and for all acts and omissions of their own personnel, when any such acts or omissions arise from or are connected with performance of this Agreement.
- 6.2 The City and the Library District agree to save, hold harmless and indemnify the other from all cost, expense, loss, liability and/or damage, including without limitation bodily injury or damage to property or the cost of consultants, defense or reasonable attorneys' fees, which may be incurred in connection with or as a result of any act or omission of the indemnifying party.
- 6.3 For purposes of this section, each Party expressly waives its immunity under RCW Title 51, to the extent necessary to give full effect to the provisions of Subsection 6.2.

7.0 Insurance

- 7.1 Property Insurance. Each party shall procure and maintain for the duration of this Agreement property insurance coverage for their respective property on a replacement cost basis if available at commercially reasonable rates and otherwise on a fair market value basis.
- 7.2 Liability Insurance. The Library District and the City shall each procure and maintain for the duration of this Agreement liability insurance against claims for injuries to persons or damage to property which may arise from their respective actions in connection with this Agreement. The liability insurance shall minimally conform to the following requirements:
 - 7.2.1 Certificate of Insurance. Each Party shall provide a certificate of insurance to the other Party evidencing each of the required liability coverage. The City shall be named as an additional insured on the Library District's Commercial General Liability and Public Officials Liability insurance policies, and a copy of the endorsement naming the City as an additional insured shall be attached to the certificate of insurance.
 - 7.2.2 Automobile Liability insurance covering all vehicles of each Party shall be maintained with coverage limits of no less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
 - 7.2.3 Commercial General Liability insurance written on an occurrence basis shall be maintained with coverage limits of no less than one million dollars (\$1,000,000) combined single limit per occurrence and two million dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU), if applicable; and employer's liability.
- 7.3 Deductible. Any payment of deductible or self-insured retention shall be the sole responsibility of the Party procuring the insurance.
- 7.4 Coverage. The insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The insurance shall be primary insurance with respect to the other Party in accordance with insurance industry conventions. Each Party shall be given thirty (30) days prior written notice of any cancellation, suspension or material change in coverage of the other Party. In the event of a default by either Party in providing the insurance set forth above, the other Party may procure any such insurance and deduct or add the cost thereof from its next Contact Fee as the case may be. All the insurance requirements of the City under Section 7.2 and Subsections 7.2.1, 7.2.3 and 7.2.4 are considered fulfilled by the City's membership in the Association of Washington Cities Risk Management Services Agency, provided such membership provides required coverage for all such liability risks.
- 7.5 Mutual Waiver of Claims. The Library District and the City each release and relieve the other, and waive their right of recovery against the other, for loss or damage to their respective property which arises out of the occurrence of any peril

normally insured against in a standard "all risk" property insurance policy. Each Party shall have its respective insurer endorse the applicable insurance policies to reflect the foregoing waiver, provided that such endorsement shall not be required if the applicable insurance policy permits the named insured to waive rights of subrogation on a blanket basis, in which case such blanket waiver shall be acceptable.

7.6 In Event Of Loss

7.6.1 Total Destruction. The Stanwood Library is an important public facility. In the event that the current library building located at 9701 271st Street NW is destroyed, or suffers catastrophic loss, or the Library District wishes to construct a new library within the City limits, the Library District agrees for up to seven (7) years from the effective date of the Annexation Agreement (Exhibit C) to locate the Stanwood Library within the City's downtown center as defined by the area incorporating East Stanwood, the 271st Street Corridor, and West End unless otherwise agreed upon by the Parties. After the annexation to the Library District has been effective for more than seven (7) years, and the current library building is destroyed, or suffers catastrophic loss, or the Library District wishes to construct a new library, the City and the Library District shall meet and negotiate in good faith concerning different terms as appropriate for this Agreement.

7.6.2 Partial Destruction. In case of partial destruction, the insurance proceeds shall be used for repairing the damage.

8.0 Term

8.1 The term of this Agreement commences on the effective date of this Agreement and shall continue thereafter until either party elects to terminate this Agreement by delivering written notice to the other party at least one hundred eighty (180) days prior to the end of the calendar year in which the electing party desires to terminate this Agreement; provided, however, if the City is annexed into the Library District, the City and the Library District shall immediately thereafter enter into an Annexation Agreement, Exhibit C, in the form attached hereto and by this reference incorporated herein, and this Agreement shall thereafter terminate without further notice or action by either party upon the Effective Date of said Annexation Agreement.

8.2 Termination by Annexation. If the City annexes into the Sno-Isle Intercounty Rural Library District during the term of this Agreement, then this Agreement shall be terminated following the annexation at the beginning of the first year in which the Library District begins to receive tax revenue from the annexed areas.

9.0 General Terms and Conditions

9.1 Severability. If any provision of this Agreement or its application is held invalid, the remainder of this Agreement and its application shall not be affected.

9.2 Integration; Modification. This Agreement represents the entire agreement between the Parties and supersedes all other agreements whether oral or written. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding on either of the Parties unless executed in writing by

authorized representatives of the Party against whom the change, termination or waiver is claimed. This Agreement shall not be modified, supplemented or otherwise affected by course of dealings between the Parties.

- 9.3 Notices. All notices, requests, demands and other communications required by this Agreement shall be in writing and, except as expressly provided elsewhere in this Agreement, shall be deemed to have been given at the time of delivery if personally delivered, or at the time of mailing if mailed first class, postage prepaid and addressed to the Party at its address as stated in this Agreement or at such address as any Party may designate at any time in writing.
- 9.4 Authority. By and through their signatures below, each party warrants to the other that it is fully authorized to enter into this Agreement and has performed all of the actions required for such authorization, provided that any defect in such performance or authorization shall not release that Party from its obligations under this Agreement.
- 9.5 No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the Library District and the City. This Agreement shall confer no benefits, direct, indirect or implied, on or to any third persons, and no third persons shall claim any such benefits.
- 9.6 Dispute Resolution. In the event of a dispute relating to the interpretation, application or performance of this Agreement, the principals of each Party agree to meet within twenty (20) days of written notice of the dispute to negotiate a resolution in good faith. In the event the dispute remains unresolved thirty (30) days after such meeting, the Parties may jointly or individually seek professional mediation and/or jointly or individually apply to the Superior Court for Snohomish County for such relief as may be deemed appropriate.
- 9.7 Attorneys' Fees. The prevailing Party in any dispute arising under or in connection with this Agreement shall be entitled to an award of its reasonable costs and attorney fees against the non-prevailing Party.
- 9.8 Re-Opener. By mutual agreement of the Parties, any provision of this Agreement may be re-opened for possible modification.

WHEREFORE, the parties enter into this Amended and Restated Library Services Agreement and agree to be bound by its terms and conditions and to faithfully adhere to the same.

SNO-ISLE INTERCOUNTY RURAL LIBRARY DISTRICT

By: Gregory M. DeFazio
Its: Board President

CITY OF STANWOOD

By: Deanne White
Its: Mayor

Attest:

By: Alex Pham
Its: CITY CLERK

Approved As to Form:

By: Donna Wee
City Attorney