

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 5/27/14

AGENDA ITEM: Interlocal Agreement with the Marysville Transportation Benefit District	
PREPARED BY: Sandy Langdon, Finance Director/City Clerk	DIRECTOR APPROVAL:
DEPARTMENT: Finance	
ATTACHMENTS: An Interlocal Agreement Between the City of Marysville and the Marysville Transportation Benefit District	
BUDGET CODE:	AMOUNT: \$600,000.00
SUMMARY:	

On April 22, 2014 Marysville voters approved the financing of the Marysville Transportation Benefit District (TBD) with .2% sales and use tax increase. This increase, per state law, will take effect on October 1, 2014.

The TBD would like to begin projects during the 2014 construction season. Since the funding begins on October 1, 2014 the TBD will need interim financing to begin these projects.

The TBD would like to request a short term loan from the City to assist with beginning projects in the current construction 2014 year instead of the following year, to provide the voters with an immediate result of their vote.

The short term financing will be subject to interest imposed at a rate to be determined by a formula as recommended by the Local Government Investment Pool and subject to other terms as detailed in the agreement.

RECOMMENDED ACTION: Council authorize the Mayor to sign the Interlocal Agreement with the Marysville Transportation Benefit District regarding short term financing.
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[DRAFT]
AN INTERLOCAL AGREEMENT BETWEEN

THE CITY OF MARYSVILLE, WASHINGTON,
AND
THE MARYSVILLE TRANSPORTATION BENEFIT DISTRICT

This agreement between the City of Marysville, Washington (“Marysville”), and the Marysville Transportation Benefit District (“TBD”), each of whom is organized as a Municipal Corporation under the laws of the state of Washington, is dated this _____ day of _____, 2014.

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, Marysville is empowered to operate, maintain, construct, and reconstruct, public street infrastructure within its City limits in accordance with the powers granted pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, pursuant to Ordinance No. 2938, Marysville established the TBD and authorized funding for any purpose allowed by law, including to operate the District and to make transportation improvements consistent with existing state, regional, and local transportation plans; and

WHEREAS, the voter authorized the funding of the TBD through a .2% increase in sales and use tax to be effective October 1, 2014; and

WHEREAS, each entity has the authority to borrow and lend; and

WHEREAS, Marysville and the TBD desire to begin transportation improvements during the 2014 construction season and therefore the need for short-term financing;

NOW, THEREFORE,

The parties have entered into this agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act, RCW Chapter 39.34.

1. **Purpose and Interpretation.** The City of Marysville is empowered by Title 35A to construct, reconstruct, maintain and preserve City streets and other related public infrastructure either by contract or through the use of City forces. The TBD has been constituted in accordance with State law to provide a source of funding for the maintenance and preservation of streets and construction of other transportation related infrastructure within the City limits of the City of Marysville. The TBD has no employees and its officers are City Council Members serving in an ex officio capacity. In order to make the most efficient use of public monies, to avoid duplication of effort, and to coordinate their efforts, the parties have entered into this agreement. In the event of ambiguity or the need for guidance arises, this agreement shall be interpreted in accordance with Chapter 36.73 RCW, the Bylaws of the TBD and the provisions of the Governmental Accounting Act and RCW 43.09.210 as the same exists or shall hereafter be amended. In the event that any provision of his agreement is held to be in conflict with existing statute or any future amendment thereof, such provisions shall be severable, and the remaining provisions of this agreement shall remain in full force and effect.

2. **Undertakings of Marysville.** Marysville shall:
 - a. Provide short-term funding in the amount of six hundred thousand dollars (\$600,000) to the TBD. As used in this agreement, “short term funding” means funding for a period not to extend beyond March 1, 2017.
 - b. Short-term funding will be subject to interest imposed at a rate to be determined by a formula as recommended by the Local Government Investment Pool.

3. **Obligations of the TBD.** In accordance with the requirements of Chapter 36.73 RCW, Marysville Ordinance No. 2938, future Resolution of the TBD and the TBD Bylaws, the Transportation Benefit District agrees to:
 - a. Pay Marysville \$200,000, plus interest, annually by the March 1st of each of three years beginning in 2015.
 - b. Establish adequate budget appropriate to satisfy the provisions of the loan.

4. **Ownership.** Streets and related transportation infrastructure preserved, maintained and constructed with TBD funds are and shall remain the property of the City of Marysville. No joint property ownership is contemplated under the terms of this agreement.

5. **No Joint Board.** No provision is made for a joint board. The TBD shall exercise its function in accordance with its charter, using staff as provided by the City of Marysville, pursuant to law and to this agreement.

6. **Insurance; Indemnity.**
 - a. The parties agree to participate in the Washington Cities Insurance Authority (WCIA) insurance pool in accord with their respective agreements with WCIA. The original charge or premium for the TBD will be borne by Marysville as a cost to be covered under Section 3(a) and shall be paid for with funds received from or through the TBD. In the event that either or both cease to participate in the WCIA pool, the party or parties agree to obtain comparable coverage.
 - b. Each party agrees to indemnify and hold harmless the other party, its officers, agents, and employees from any claim, loss, or liability arising from or out of the other party's negligent, tortuous, or illegal actions under this agreement.

7. **Termination.** This agreement shall terminate or expire as follows:
 - a. Upon full payment plus interest of the short-term financing.
 - b. Unless sooner terminated by either party, this agreement shall expire on the date when the District is automatically dissolved in accordance with provisions of 36.73.170 RCW, as the same exists or is hereafter amended.

8. **Effective Date.** This agreement shall be effective upon the last authorizing signature affixed hereto and when listed by subject on the City of Marysville's website or other electronically retrievable public source as required by RCW 39.34.040.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

CITY OF MARYSVILLE

Jon Nehring, Mayor

MARYSVILLE TRANSPORTATION BENEFIT DISTRICT

_____, Chair

APPROVED AS TO FORM

Grant K. Weed, City Attorney