

**INTERLOCAL AGREEMENT FOR EXCHANGE OF LAND AND
TO FACILITATE CONSTRUCTION OF NEW LIBRARY**

THIS AGREEMENT is entered into between the City of Redmond ("the City") and the King County Rural Library District ("the District"), pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW.

WHEREAS, the District provides library service throughout its boundaries, including within the City of Redmond, which annexed to the District in 1991, and

WHEREAS, the District currently owns and operates a library ("the existing library") at 15810 N.E. 85th Street, Redmond, Washington, which is legally described as Lot 2, Redmond Municipal Campus Short Plat, as recorded under King County Recorder No. 910724-9001 ("Lot 2"), and

WHEREAS, on September 17, 1996, voters within the City approved the formation of a Library Capital Facilities Area ("the LCFA") pursuant to Chapter 27.15 RCW, in order to finance the design and construction of a new library building ("the new library") to replace the existing one and to provide an expanded level of service to library patrons, and

WHEREAS, the original plan of the District was to demolish the existing library and to construct the new library and its parking facility on the same property, and

WHEREAS, the City and the District have determined, after thorough discussion, that the best interests of both parties and the constituents they represent would be to construct the new library on property owned by the City adjacent to the existing library property and on the northwest corner of N.E. 85th Street and 160th Ave. N.E., which property is legally described as Lot 3, Redmond Municipal Campus Short Plat, as recorded under King County Recorder No. 910724-9001 ("Lot 3"), and to transfer a portion of Lot 2 and the existing library to the City for integration into the City's municipal campus, and

WHEREAS, constructing the new library on the corner site would

- allow continued use of the existing library for library operations up to the time of occupancy of the new library, without interruption of service or the need to relocate all or part of the library's functions; and

- give the City an opportunity to "anchor" the City campus on its most visible corner with a structure of a quality equal to other District buildings of comparable scale; and
- allow the City to aggregate its land holdings on the campus, permitting better integration of and access to City operations, as well as more rational campus development in the future; and
- provide greater prominence and visibility for the new library, along with better pedestrian access and improved urban aesthetic; and
- provide savings of some costs of site preparation, building demolition, and temporary use parking, which costs are included in the current project budget and which savings can be applied to the new building and/or its contents and furnishings; and

WHEREAS, the parties desire to reduce their agreement as to the terms and conditions under which the transaction will occur to writing, now, therefore,

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

1. **Purpose of Agreement.** The purpose of this Agreement is to provide for the new library authorized by the LCFA to be constructed on the northwest corner of N.E. 85th Street and 160th Avenue N.E. and to specify the terms and conditions under which the parties will cooperate on revising the existing plans for the construction of the new library to relocate the same to the corner and to provide for use of the existing library by the City.

2. **Agreement to Design and Construct New Library on Corner Site.** Subject to the terms and conditions set forth in this Agreement, the District agrees that it will design, engineer and construct the new library on Lot 3 and that portion of Lot 2 to be retained by the District under the provisions of paragraph 9 below.

3. **Lease of Lot 3 to District.** The City hereby leases Lot 3 to the District and the District hereby leases Lot 3 from the City for the purpose of the design, engineering and construction of the new library according to the following terms:

- A. **Term.** The lease of Lot 3 shall commence upon execution of this agreement by both parties and approval of construction of the new library on Lot 3 by the governing board of the LCFA. The lease shall terminate upon the recording of a deed conveying Lot 3 to the District as provided in paragraph 9 below.

- B. **Rental.** The District shall pay the City rental in the sum of one dollar (\$1.00) per year for each year or portion thereof during which the lease remains in effect.
- C. **Premises Leased As Is.** The District agrees that Lot 3 is leased to the District in an "as is" condition and without warranty of any kind as to merchantability, habitability, or fitness for any particular use or purpose.
- D. **Purpose.** During the term of the lease, the District shall not use Lot 3 for any purpose other than the design, engineering, and construction of a new library on the site.
- E. **Control of Premises - Indemnity.** During the term of the lease, the District shall have exclusive control of Lot 3, provided, that the City may enter the same at all reasonable times to perform inspections during construction as part of its permitting authority. The District agrees to indemnify, hold harmless, and defend the City, its elected and appointed officials, employees, and agents, from and against any and all claims, suits, causes of action, losses, damages, and liabilities, for injuries or sickness of persons (including employees of the District), or damage to property, caused by or arising out of the negligent acts, errors or omissions of the District, its board members, officers, agents, employees, or contractors in the use of Lot 3 or in the construction activities undertaken by the District on the said Lot 3, provided, that
- 1) The District's obligation to indemnify, hold harmless and defend shall not extend to any claim, suit, cause of action, loss, damage or liability which is caused by or arises out of the sole negligence of the City, its elected or appointed officials, employees, or agents; and
 - 2) In the event that any claim, suit, cause of action, loss, damage, or liability is caused by or arises out of the concurrent negligence of the District, its board members, officers, agents, employees, or contractors, and the City, its elected or appointed officials, employees, or agents, the District's obligation to indemnify, hold harmless, and defend shall apply only to the extent that the negligence of the District, its board members, officers, agents, employees, or contractors caused or contributed to the injury, sickness or property damage for which the claim, suit, cause of action, loss, damage, or liability is brought.
- F. **Contracts.** The District shall include an indemnity provision in substantially the form set forth in the preceding paragraph in all contracts entered into in connection with the construction of the new library on Lot 3 in order to protect the City, its elected and appointed officials, employees, and agents from the negligent acts, errors, or omissions of the contractor. The District shall also

require the contractor to name the City as an additional insured on any and all liability policies required in connection with the work.

4. **Payment by City.** Upon execution of this Agreement and approval of the relocation of the new library to Lot 3 by the governing board of the LCFA, the City will pay the sum of Seven Hundred Thousand Dollars (\$700,000) to the District. The \$700,000 shall be used by the District exclusively for the design and construction of the new library and shall not supplant any funds previously budgeted for the project. The District will have no obligation to provide a detailed accounting for the expenditure of the amount paid, but shall demonstrate to the City that the funds were expended for the new library.

5. **Library Design - City's Design Review Board.** The City will work with and consult with the District during the District's design process for the new library in order to ensure that the new library will have the recommendation of City staff and will be a design that the City will advocate for approval by the City's Design Review Board. Both parties recognize, however, that the Design Review Board is an independent entity and is not obligated to follow the City's staff's recommendation. Nothing in this paragraph is intended to limit the Design Review Board's authority.

6. **Permit Process.** The City will make every effort to expedite the permit review process for the new library, to the extent that the City can do so consistent with its obligation to process other development applications in a timely manner. Nothing in this paragraph shall obligate the City to review incomplete applications or to assume or accomplish any work that is the responsibility of the District as the permit applicant.

7. **Transportation Impact Fees for New Library.** The transportation impact fees to be paid to the City by the District for the new library shall be limited to the amount derived by multiplying the difference in square footage between the new library and the existing library by the applicable transportation impact fee for the transportation management district in which the new library is located.

8. **Use of Existing Library Building Pending Completion of New Library.** The District shall have the right to continue to use the existing library until the District moves its library operation to the new library upon completion of that building and issuance of a certificate of occupancy. The District agrees that it will provide continuous library service up until the move and that the District will move into the new library as expeditiously as practicable after issuance of the certificate of occupancy. The District further agrees to keep, maintain, and operate the existing library in good condition and repair during the continued occupancy and to keep and maintain fire, casualty, liability and other appropriate insurance coverages on the existing library during such occupancy. Such fire and casualty coverage shall be in amounts sufficient to provide full replacement value to the City should the building be damaged or destroyed by fire or other casualty during the period between the signing of this Agreement and

the exchange described in paragraph 9 below. The District shall provide the City with evidence of such coverages and the City shall approve such coverages in writing.

9. **Exchange of Land - Initial Configuration of Lots.** Upon completion of the new library and issuance of a certificate of occupancy for the same, the parties agree to exchange land as follows:

- A. **Lot 3.** The City agrees to convey Lot 3 to the District.
- B. **Lot 2.** The District agrees to convey a portion of Lot 2 to the City which is equal in size to Lot 3 and which completely contains within its boundaries the existing library building in conformity with the City's setback regulations, which building shall be included in the conveyance.
- C. **Initial Configuration - Lot Line Revision.** The parties agree to jointly pursue a lot line revision through the City's normal process in order to change the boundary between Lots 2 and 3 to the approximate location and configuration shown in Exhibit A attached hereto and incorporated herein by this reference as if set forth in full. The lot line revision shall be accomplished without cost to the District.
- D. **Conveyance Instruments - As Is Condition.** The conveyances described in subparagraphs A and B above shall be by statutory warranty deed, free from any and all liens and encumbrances, except easements of record and any other encumbrances as may be acceptable to the grantee. The improvements conveyed shall be as is and without warranty, provided, that the following shall apply to the existing library:
 - 1) The existing library shall be conveyed to the City in the same condition as it exists as of the date this Agreement is signed, ordinary wear and tear excepted; and
 - 2) All charges for utility service to the existing library shall be pro-rated as of the conveyance date; and
 - 3) Any and all code violations on the premises will be corrected by the District prior to the conveyance date, at the District's expense. For the purposes of this paragraph, the term "code violation" refers to the applicable provisions of the building code as of the time of construction of the existing library and any safety improvements that were required to be made by the building code and/or state or local regulations after the initial construction of the existing library, provided, however, that this shall not require the District to improve the existing library to meet the

requirements of the Americans with Disabilities Act or to meet current earthquake protection standards; and

- 4) The District shall be entitled to remove all personal property belonging to the District from the existing library prior to conveyance, but no fixtures or equipment shall be removed without the consent of the City and such fixtures and equipment shall be part of the conveyance unless otherwise agreed, provided, that for purposes of this paragraph book shelves shall not be considered fixtures and may be removed by the District; and
- 5) In the event that the existing library is damaged or destroyed by fire or other casualty prior to conveyance, the obligation of each party under this Agreement will continue, notwithstanding any such casualty, and the rights to all insurance proceeds for such casualty shall be assigned to the City. The City and the District agree to cooperate in resolving any such claims against the insurance.

E. **Closing Costs.** The parties agree to share equally in any escrow fees incurred in order to close the conveyance transactions described above. Each party shall pay for its own title insurance on the property it is to receive, if such insurance is desired by such party. Each party will pay for recording the deed to the property it is to receive. Each party shall be responsible for its own attorney's fees and other costs incurred in preparing or reviewing documents and otherwise closing the transactions.

10. **Redevelopment of Lot 2 - Reconfiguration of Lots.** Upon request of the City, made in conjunction with the demolition of the existing library building and the redevelopment of Lot 2 after the initial exchange, the District and the City agree to jointly pursue a lot line revision through the City's normal process in order to reconfigure the boundary between Lot 2 and Lot 3 to the approximate location and configuration shown on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full. The square footage of the lots shall remain the same before and after this revision. The lot line revision shall be accomplished without cost to the District.

11. **Frontage Improvements - Maintenance of Frontage on N.E. 85th Street.** While the lots are in the interim configuration shown on Exhibit A, the parties agree as follows:

- A. **Frontage Improvements.** The District shall not be required to do any frontage improvements on that portion of the reconfigured Lot 3 which is shown on Exhibit C attached hereto and incorporated herein by this reference as if set forth in full; and

- B. **Development.** The District will not undertake any development activity in that portion of the reconfigured Lot 3 which is shown on Exhibit C; and
- C. **Landscape Maintenance.** The City will maintain the landscaping in that portion of the reconfigured Lot 3 which is shown on Exhibit C without cost to the District; and
- D. **Other.** Other than landscape maintenance, the City shall have no obligations with respect to that portion of the reconfigured Lot 3 which is shown on Exhibit C and any and all such obligations, including but not limited to liability insurance coverage with respect to the same, shall remain with the District.
12. **Parking.** The parties understand that parking is critical to the functioning of the new library and the integration of the existing library into the City's municipal campus. To that end, the parties agree as follows:
- A. **Parking Stickers.** Once the maximum number of parking spaces allowed for the new library building is determined through the appropriate City of Redmond process, the City will issue City parking stickers to the District equal in number to the difference between the maximum number of parking spaces allowed for the new library building and the actual number of parking spaces which the District can reasonably provide on the new library building site, provided, that the City shall not be obligated to issue more than 10 stickers even if the difference between the allowed and actual spaces exceeds that number. The District shall not be required to achieve any specific ratio of compact to full size parking spaces on the site, but shall utilize a reasonable mix of such spaces in order to minimize the need for City parking stickers. The stickers will be issued to library employees and will be provided without charge to the District. The stickers may be used in any City lot, subject to the same terms and conditions as are applicable to City employees.
- B. **Parking Structure.** In the event that structured parking is constructed on the City's municipal campus, the District will have the right to utilize twenty (20) spaces in the structure for its employees, provided that the City and the District can agree upon an amount and method of payment, such as an employee monthly or periodic rate or lump sum payment, which fully reimburses the City for the marginal cost of constructing the 20 spaces.
- C. **Use of New Library Parking Lot.** The District and the City will work on alternatives to prevent the use of parking spaces in the new library parking lot by City or non-library patrons. The District will have no financial responsibility with respect to satisfaction of this provision.

13. **Artwork.** The City agrees to consider the new library as a location when determining where to display spare or new City-owned pieces of artwork, subject to conformance with the art policy of the District, including citizen review.

14. **Obligations Under Existing Interlocal Agreement.** The parties entered into an agreement on March 16, 1990 entitled, "Agreement for Library Services Pending Annexation of the City of Redmond into the King County Rural Library District." Said agreement provided that the District was to construct a 7,000 square foot addition to the existing library by 1995. The City agrees that the District's contribution of One Million Five Hundred Thousand Dollars (\$1,500,000) to the project budget for the new library and the District's fulfillment of the terms and conditions of this Agreement are fully acceptable to the City in lieu of the requirement to construct the addition to the existing library and the City hereby releases the District from any and all obligations with respect to the 7,000 square foot addition in consideration for the District's agreement to contribute the above-referenced amount to the new library project and the District's fulfillment of this Agreement.

15. **Duration of Agreement.** This Agreement shall commence upon signature by both parties and shall remain in effect until all of its terms and conditions have been carried out and fulfilled.

16. **LCFA.** The parties agree to present this Agreement to the governing board of the LCFA and to seek and obtain approval from that body for any provision of this Agreement which may require such approval, if any.

17. **Administration - Dispute Resolution.** No separate legal or administrative entity is created by this Agreement. To the extent any administration of this Agreement is required, such administration shall be done jointly by the Mayor of the City and the Director of the District, or their designees. In the event of any dispute between the parties as to any matter within the scope of this Agreement, the Mayor and the Director agree to meet in an effort to resolve the same.

18. **Ownership of Property.** This Agreement is not intended to create any jointly owned property. The District shall at all times remain the sole owner of the new library and the ownership interests of the parties in the existing library and the lots currently existing and to be exchanged will be as previously provided.

19. **Financing.** Neither party shall have any financing obligation with respect to this Agreement other than as specifically indicated herein.

20. **Termination.** This Agreement shall terminate upon the fulfillment of all conditions set forth above.

21. **Notices.** Any notice given under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier, or given by mail. Any notice given by mail must be sent, postage prepaid, by certified mail, return receipt requested. All notices must be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

City: Mayor
City of Redmond
P.O. Box 97010
Mail Stop CHEX
Redmond, WA 98073-9710

District: Director
King County Library System
300 - 8th Avenue N.
Seattle, WA 98109-5191

Any notice will be deemed to have been given, if personally delivered, when delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, three business days after deposit at any United States post office.

22. **Waiver.** Neither the City's nor the District's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of any subsequent breach of the same covenant.

23. **Non-Severability.** Each and every provision of this Agreement is essential to the consideration flowing between the parties and to that end the provisions of this Agreement are not severable.

24. **Survival - Nonmerger.** The terms and provisions of this Agreement, including, without limitation, all indemnification obligations, are deemed material and will not merge in, but will survive, closing of the land exchange transactions contemplated under this Agreement.

25. **Assignment.** Neither party shall assign any portion of this Agreement without the express written consent of the other party.

26. **Time of the Essence.** Time is of the essence of this Agreement.

27. **Attorney's Fees.** If either party fails to perform any of its obligations under this Agreement, or if a dispute arises concerning the interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing

its rights under this Agreement, including, but not limited to, court costs and reasonable attorney's fees incurred in connection with any litigation.

28. **Amendments.** This Agreement may be amended or modified only by a written instrument executed by the City and the District.

29. **Specific Performance.** In the event of any breach or nonperformance of this Agreement, the nondefaulting party may, in addition to any other remedies it may have, insist on specific performance.

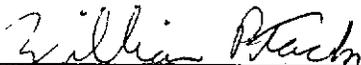
30. **Cooperation - Execution of Additional Instruments.** The parties agree to cooperate in ensuring that the terms and conditions of this Agreement are carried out and the purposes for which it is entered into achieved. The parties further agree to execute any and all additional instruments which may be necessary to fulfill their obligations under this Agreement.

31. **Entire Agreement.** This Agreement and the exhibits to it constitute the entire agreement between the parties with respect to the new and the existing libraries and supersede all prior agreements and understandings between the parties relating to the subject matter of this Agreement.

ENTERED INTO by the parties on the last date set forth below.

KING COUNTY RURAL LIBRARY
DISTRICT

CITY OF REDMOND



WILLIAM PTACEK, DIRECTOR
Date: June 23, 1997



ROSEMARIE IVES, MAYOR
Date: 6-24-97

APPROVED AS TO FORM:

ATTEST/AUTHENTICATED:

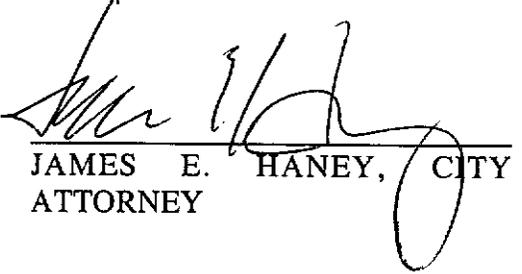


TERENCE P. LUKENS, ATTORNEY
FOR DISTRICT



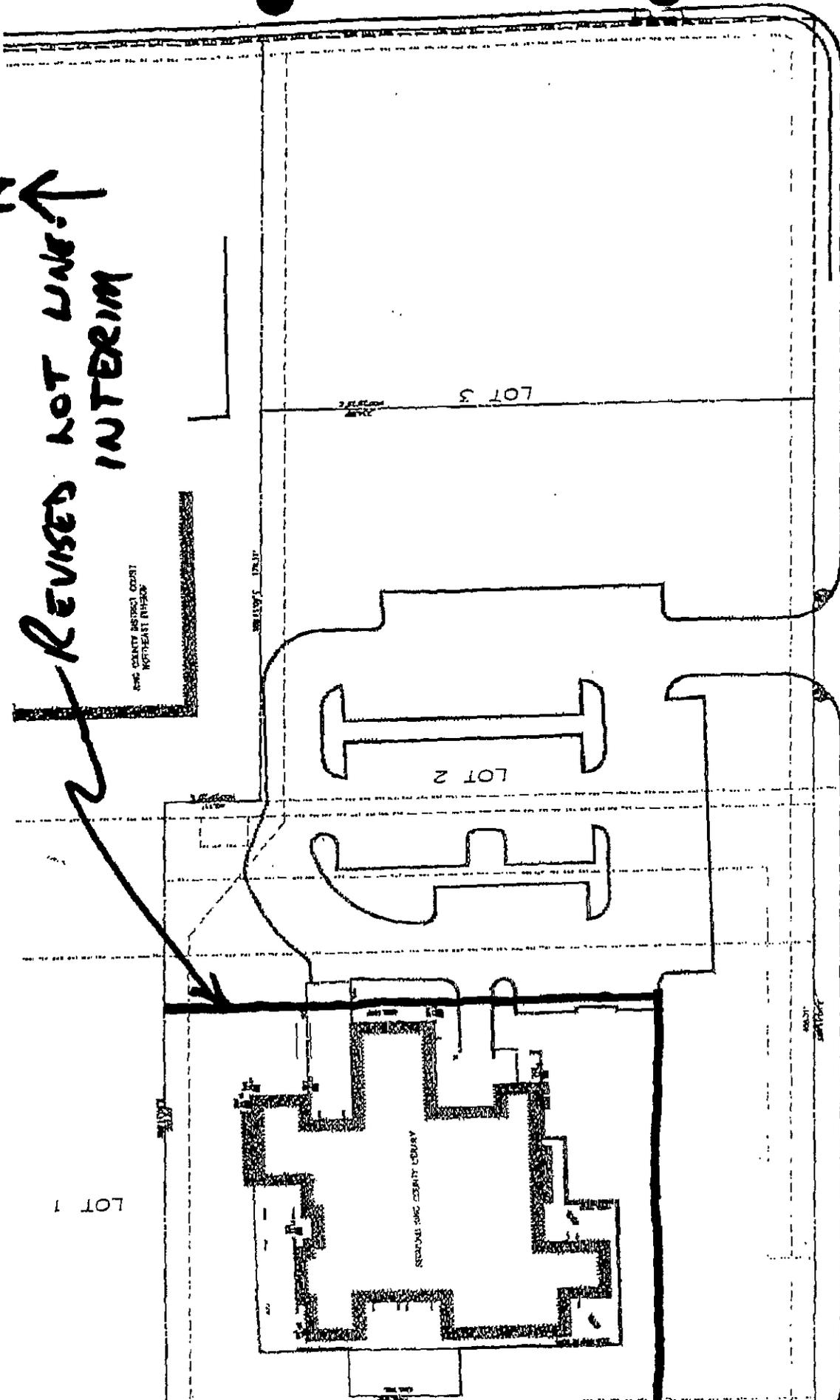
BONNIE MATTSON, CITY
CLERK

APPROVED AS TO FORM:



JAMES E. HANEY, CITY
ATTORNEY

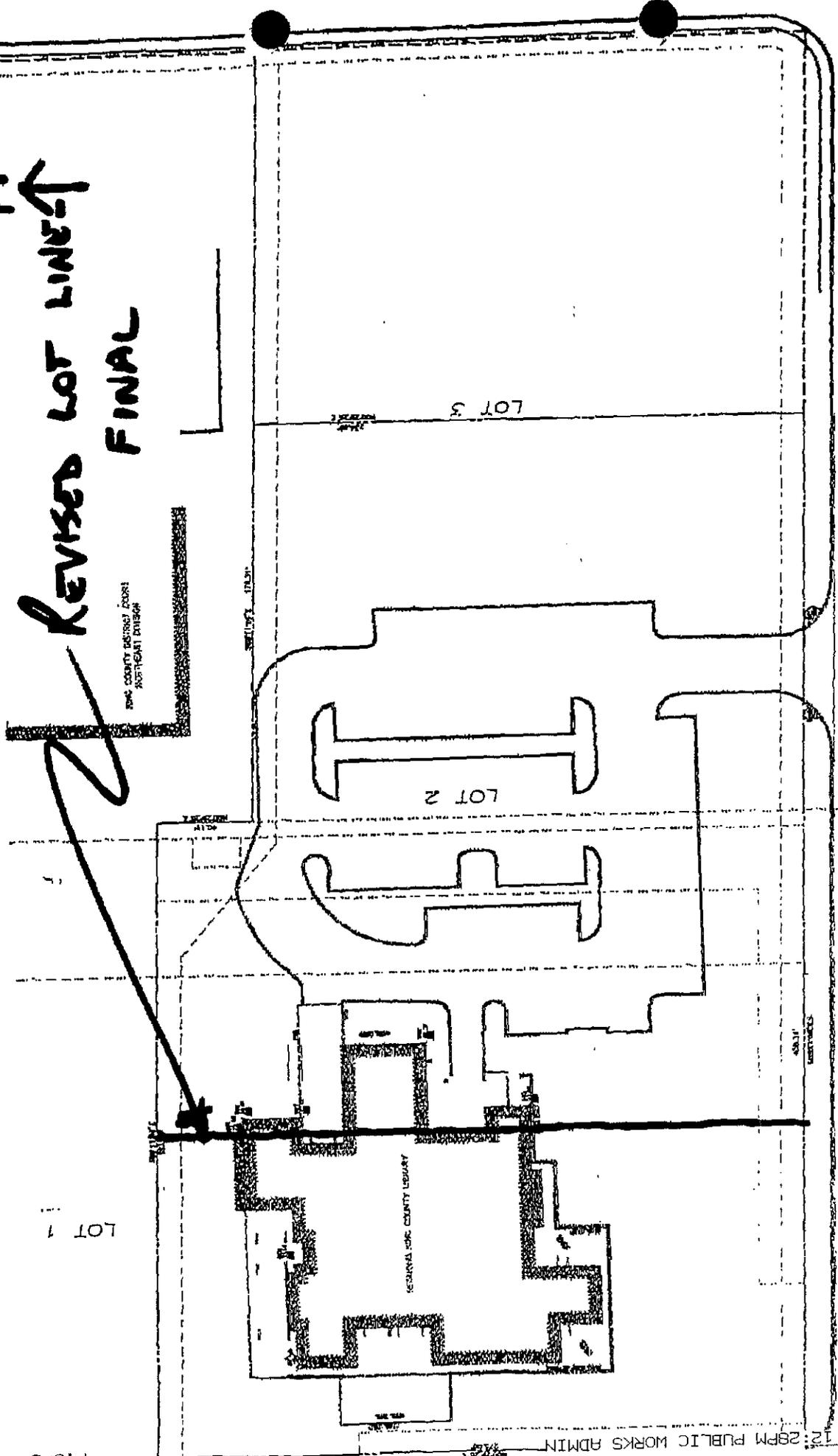
REVISED LOT LINE ↑
INTERIM



NE 85TH

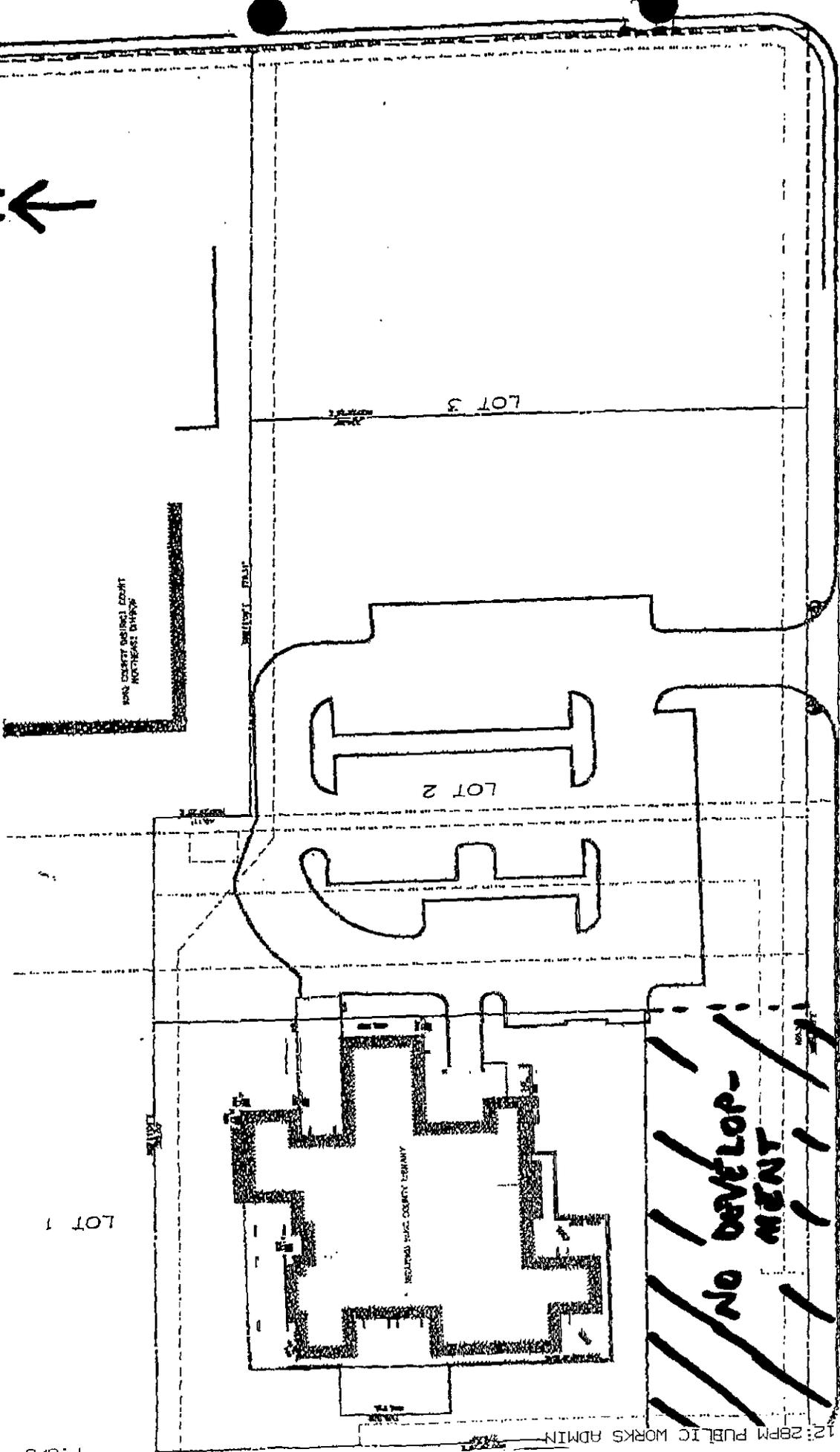
EXHIBIT A

H
REVISED LOT LINE
FINAL



NE 85TH

EXHIBIT B



LOT 1

LOT 2

LOT 3

NEEDHAM HILLS COUNTY TOWNSHIP

NO DEVELOPMENT

NE 05TH

EXHIBIT C