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**After Recording, return document to
Spokane Valley City Clerk
11707 E. Sprague Avenue, Suite 106
Spokane Valley, WA 99206**

**INTERLOCAL AGREEMENT FOR BUILDING PLAN REVIEW
FOR THE CITY OF AIRWAY HEIGHTS
(June 28, 2011)**

THIS AGREEMENT, made and entered into by and between the **City of Airway Heights**, a municipal corporation of the State of Washington, having offices for the transaction of business at 1208 South Lundstrom Street, Airway Heights, Washington 99001 hereinafter referred to as "CITY OF AIRWAY HEIGHTS" and the **City of Spokane Valley**, a municipal corporation of the State of Washington, having offices for the transaction of business at, 11707 East Sprague Avenue, Suite 106, Spokane Valley, Washington 99206, hereinafter referred to as "CITY OF SPOKANE VALLEY," jointly hereinafter referred to as the "Parties." The CITY OF AIRWAY HEIGHTS and the CITY OF SPOKANE VALLEY agree as follows:

SECTION NO. 1: RECITALS AND FINDINGS

- A. Cities may contract with each other to perform certain functions which each may legally perform under chapter 39.34 RCW (Interlocal Cooperation Act) and;
- B. The CITY OF AIRWAY HEIGHTS has adopted and enforces the Washington State Building Code pursuant to Chapter 19.27 RCW within its jurisdictional boundaries and;
- C. The CITY OF SPOKANE VALLEY has a building division staffed by trained personnel that regularly review permit applications and plans for compliance with the State building code and;
- D. The CITY OF AIRWAY HEIGHTS has a need for building plan review services to supplement their plan review program and the CITY OF SPOKANE VALLEY currently has the ability to provide these services without negative impacts to their program or service and;
- E. This Agreement is entered into for the benefit of the parties to this Agreement only and shall confer no benefits, direct or implied, on any third persons.
- F. This Agreement

SECTION NO. 2: DEFINITIONS

A. Agreement: "Agreement" means this Interlocal Agreement between the CITY and the CITY OF SPOKANE VALLEY regarding building plan review services.

B. Services: "Services" means those services identified in this agreement.

C. Compensation: "Compensation" means the amount of money which the City OF AIRWAY HEIGHTS will collect and pay the CITY OF SPOKANE VALLEY for providing Services as identified in this agreement.

D. Uncontrollable Circumstances: "Uncontrollable Circumstances" means the following events: riots, wars, civil disturbances, insurrections, acts of terrorism, external fires and floods, volcanic eruptions, lightning or earthquakes at or near where the Services are performed and/or that directly affect providing of such Services.

SECTION NO. 3: PURPOSE

The purpose of this Agreement is to reduce to writing the PARTIES' understanding as to the terms and conditions under which the CITY OF AIRWAY HEIGHTS and the CITY OF SPOKANE VALLEY will enter into this Agreement. It is the intent of the PARTIES that Services to be provided will be consistent with the CITY OF AIRWAY HEIGHTS' Council/Manager form of government provided for in chapter 35A.13 RCW.

SECTION NO. 4: DURATION/WITHDRAWAL

This Agreement shall commence on May 15, 2011, and run until one of the PARTIES provides notice as set forth in Section 8.

Any Party may withdraw at any time from this Agreement for any reason whatsoever upon a minimum of 60 days written notice as provided for in Section 8 to the other Party.

SECTION NO. 5: PARTIES RESPONSIBILITIES:

The CITY OF SPOKANE VALLEY will conduct plan reviews of building permit applications for compliance with the State adoption of the International Building Code (IBC) and the International Residential Code (IRC), as currently adopted or subsequently amended, on behalf of the CITY OF AIRWAY HEIGHTS using the CITY OF SPOKANE VALLEY building division plan review staff.

A. The CITY OF SPOKANE VALLEY agrees to utilize a certified plans examiner to conduct reviews.

B. Plan reviews of building permit applications shall be conducted as follows:

1. A detailed initial review following standard CITY OF SPOKANE VALLEY review procedures shall be conducted pursuant to IBC section 106.3 or IRC section 106.3.

2. If building permit application documents are found to be non-compliant, the CITY OF SPOKANE VALLEY will provide a written, detailed list of deficient items to the CITY OF AIRWAY HEIGHTS.

3. If building permit application documents are found to be compliant, the CITY OF SPOKANE VALLEY will provide a written notice of compliance to the CITY OF AIRWAY HEIGHTS.

C. Unless previously agreed to by both Parties, the building permit plan review will be completed and written comments returned to the CITY OF AIRWAY HEIGHTS in five working days or less for applications reviewed subject to the IRC and 15 working days or less for applications reviewed subject to the IBC. Notwithstanding the foregoing, plan review timeframes can be adjusted by written agreement of both Parties.

D. The CITY OF AIRWAY HEIGHTS shall be responsible for implementing the CITY OF SPOKANE VALLEY's plan review determinations through the CITY OF AIRWAY HEIGHTS' permitting process.

SECTION NO 6: COST OF SERVICES AND PAYMENTS

The CITY OF AIRWAY HEIGHTS shall pay the CITY OF SPOKANE VALLEY for Services provided by the CITY OF SPOKANE VALLEY under this Agreement in accordance with Schedule B – Building- Plan Review Fee Calculation section of the most recently adopted CITY OF SPOKANE VALLEY Master Fee Schedule, attached as Appendix A to this agreement and as may be amended by the City of Spokane Valley in the future. The CITY OF SPOKANE VALLEY agrees to give the CITY OF AIRWAY HEIGHTS 60 days notice of any fee increases that affect this agreement resulting from such amendment of the Master Fee Schedule.

The CITY OF AIRWAY HEIGHTS shall collect such plan review fees at the time of building permit application. The amount of the fee shall be included with application materials forwarded to the CITY OF SPOKANE VALLEY. The actual plan review fees collected shall be paid to the CITY OF SPOKANE VALLEY at reasonable intervals, although not less frequently than once per quarter. Either party may dispute any claimed moneys owed. In the event the PARTIES cannot mutually resolve any dispute over moneys owed within 30 calendar days from the time a written claim is made, unless otherwise agreed by the PARTIES, the matter shall be resolved pursuant to the Dispute Resolution provisions set forth in Section No. 16.

The PARTIES recognize that it is not always possible for either Party to discover errors in payment. The PARTIES further recognize that there must be some finality to addressing such errors. Accordingly, the PARTIES agree that both PARTIES are foreclosed from challenging any errors in payment if the matter is not drawn in writing to the other PARTY'S attention within 30 calendar days of the last invoice of the calendar year. Errors raised within this time frame that are not mutually resolved shall be subject to the Dispute Resolution provisions set forth in Section No. 16.

SECTION NO. 7: RELATED RESPONSIBILITIES IN CONJUNCTION WITH PROVIDING SERVICES

A CITY OF SPOKANE VALLEY representative shall make reasonable efforts to meet upon request by the CITY OF AIRWAY HEIGHTS' City Manager or his/her designee to discuss any Service provided under the terms of this Agreement.

SECTION NO. 8: NOTICE

All notices or other communications given hereunder shall be deemed given on: (1) the day such notices or other communications are received when sent by personal delivery; or (ii) the third day following the day on which the same have been mailed by first class delivery, postage prepaid addressed to the CITY OF SPOKANE VALLEY or the CITY OF AIRWAY HEIGHTS at the address set forth below for such Party, or at such other address as either Party shall from time-to-time designate by notice in writing to the other Party:

CITY OF SPOKANE VALLEY: City of Spokane Valley City Manager
or his/her authorized representative
11707 East Sprague Avenue, Suite 106
Spokane Valley, Washington 99206

CITY OF AIRWAY HEIGHTS: City of Airway Heights City Manager
or his/her authorized representative
1208 South Lundstrom Street
Airway Heights, Washington 99001

SECTION NO. 9: ASSIGNMENT

No Party may assign in whole or part its interest in this Agreement without the written approval of the other PARTY.

SECTION NO. 10: CITY OF SPOKANE VALLEY EMPLOYEES

The CITY OF SPOKANE VALLEY shall appoint, hire, assign, retain and discipline all employees performing CITY OF SPOKANE VALLEY Services under this Agreement according to applicable collective bargaining agreements and applicable state and federal laws. The CITY OF AIRWAY HEIGHTS shall appoint, hire, assign, retain and discipline all employees performing CITY OF AIRWAY HEIGHTS Services under this Agreement according to applicable collective bargaining agreements and applicable state and federal laws.

SECTION NO. 11: LIABILITY

A. The CITY OF SPOKANE VALLEY shall indemnify and hold harmless the CITY OF AIRWAY HEIGHTS and its officers, agents, and employees, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the CITY OF SPOKANE VALLEY, its officers, agents and employees, relating to or arising out of performing Services pursuant to this Agreement. In the event that any suit based upon such claim, action, loss, or damages is brought against the CITY OF AIRWAY HEIGHTS, the CITY OF SPOKANE VALLEY shall defend the same at its sole cost and expense; provided that the CITY OF AIRWAY HEIGHTS reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the CITY OF AIRWAY HEIGHTS, and its officers, agents, and employees, or jointly against the CITY OF AIRWAY HEIGHTS and the CITY

OF SPOKANE VALLEY and their respective officers, agents, and employees, the CITY OF SPOKANE VALLEY shall satisfy the same.

B. The CITY OF AIRWAY HEIGHTS shall indemnify and hold harmless the CITY OF SPOKANE VALLEY and its officers, agents, and employees, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the CITY, its officers, agents and employees, relating to or arising out of performing Services pursuant to this Agreement. In the event that any suit based upon such claim, action, loss, or damages is brought against the CITY OF SPOKANE VALLEY, the CITY OF AIRWAY HEIGHTS shall defend the same at its sole cost and expense; provided that the CITY OF SPOKANE VALLEY reserves the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment in said suit be rendered against the CITY OF SPOKANE VALLEY, and its officers, agents, and employees, or jointly against the CITY OF SPOKANE VALLEY and the CITY OF AIRWAY HEIGHTS and their respective officers, agents, and employees, the CITY OF AIRWAY HEIGHTS shall satisfy the same.

C. If the comparative negligence of the Parties and their officers and employees is a cause of such damage or injury, the liability, loss, cost, or expense shall be shared between the Parties in proportion to their relative degree of negligence and the right of indemnity shall apply to such proportion.

D. Where an officer or employee of a Party is acting under the direction and control of the other Party, the Party directing and controlling the officer or employee in the activity and/or omission giving rise to liability shall accept all liability for the other Party's officer or employee's negligence.

E. Each Party's duty to indemnify shall survive the termination or expiration of the Agreement.

F. The foregoing indemnity is specifically intended to constitute a waiver of each Party's immunity under Washington's Industrial Insurance Act, chapter 51 RCW, respecting the other party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. The PARTIES acknowledge that these provisions were specifically negotiated and agreed upon by them.

G. The CITY OF SPOKANE VALLEY and the CITY OF AIRWAY HEIGHTS agree to either self insure or purchase policies of insurance covering the matters contained in this Agreement with coverage's of not less than \$3,000,000 per occurrence with \$3,000,000 aggregate limits including professional liability and auto liability coverage's.

SECTION NO. 12: RELATIONSHIP OF THE PARTIES

The PARTIES intend that an independent contractor relationship will be created by this Agreement. The CITY OF SPOKANE VALLEY shall be an independent contractor and not the agent or employee of the CITY OF AIRWAY HEIGHTS, that the CITY OF AIRWAY HEIGHTS is interested only in the results to be achieved and that the right to control the particular manner, method and means in which the services are performed is solely within the discretion of the CITY OF SPOKANE VALLEY. Any and all employees who provide Services to the CITY OF AIRWAY HEIGHTS under this Agreement shall be deemed employees solely of the CITY OF SPOKANE VALLEY. The CITY OF SPOKANE VALLEY shall be solely responsible for the conduct and actions of all employees under this Agreement and any liability that may attach thereto. Likewise, no agent, employee, servant or representative of the CITY shall be deemed to be an employee, agent, servant or representative of the CITY OF SPOKANE VALLEY for any purpose.

SECTION NO. 13: MODIFICATION

This Agreement may be modified in writing by mutual written agreement of the PARTIES. Proposals for modification shall be submitted to the other party at least 60 days before the end of the agreement.

SECTION NO. 14: PROPERTY AND EQUIPMENT

The ownership of all property and equipment utilized in conjunction with providing the Services shall remain with the original owner, unless otherwise specifically and mutually agreed to by the PARTIES to this Agreement. For the purpose of this section, the terminology "owner" means that Party which paid the full purchase price for the property or equipment.

SECTION NO. 15: ALL WRITINGS CONTAINED HEREIN/BINDING EFFECT

This Agreement contains terms and conditions agreed upon by the PARTIES. The PARTIES agree that there are no other understandings, oral or otherwise, regarding the subject matter of this Agreement. No changes or additions to this Agreement shall be valid or binding upon the PARTIES unless such change or addition is in writing, executed by the PARTIES.

This Agreement shall be binding upon the PARTIES hereto, their successors and assigns.

SECTION NO. 16: DISPUTE RESOLUTION

Any dispute between the PARTIES which cannot be resolved between the PARTIES shall be subject to arbitration. Except as provided for to the contrary herein, such dispute shall first be reduced to writing and considered by the CITY OF SPOKANE VALLEY and the CITY OF AIRWAY HEIGHTS' City Manager. If the CITY OF SPOKANE VALLEY and the CITY OF AIRWAY HEIGHTS City Manager cannot resolve the dispute it will be submitted to arbitration. The provisions of chapter 7.04 RCW shall be applicable to any arbitration proceeding.

The CITY OF SPOKANE VALLEY and the CITY OF AIRWAY HEIGHTS shall have the right to designate one person each to act as an arbitrator. The two selected arbitrators shall then jointly select a third arbitrator. The selection of arbitrators shall commence within thirty (30) calendar days of the running of the thirty (30) calendar day time frame as described in section 6, paragraph 2. The decision of the arbitration panel shall be binding on the PARTIES and shall be subject to judicial review as provided for in chapter 7.04 RCW.

The costs of the arbitration panel shall be equally split between the PARTIES. Each PARTY shall be responsible for its own costs in preparing and presenting its case.

SECTION NO. 17: VENUE STIPULATION

This Agreement has been and shall be construed as having been made and delivered within the State of Washington and it is mutually understood and agreed by each party that this Agreement shall be governed by the laws of the State of Washington both as to interpretation and performance. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement, or any provision hereto, shall be instituted only in courts of competent jurisdiction within Spokane County, Washington.

SECTION NO. 18: SEVERABILITY

The PARTIES agree that if any parts, terms or provisions of this Agreement are held by the courts to be illegal, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the PARTIES shall not be affected in regard to the remainder of the Agreement. If it should appear that any part, term or provision of this Agreement is in conflict with any statutory provision of the State of Washington, then the part, term or provision thereof that may be in conflict shall be deemed inoperative and null and void insofar as it may be in conflict therewith and this Agreement shall be deemed to modify to conform to such statutory provision.

SECTION NO. 19: RECORDS

All public records prepared, owned, used or retained by the CITY OF SPOKANE VALLEY in conjunction with providing Services under the terms of this Agreement shall be deemed CITY OF AIRWAY HEIGHTS property and shall be made available to the CITY OF AIRWAY HEIGHTS upon request by the CITY OF AIRWAY HEIGHTS City Manager subject to the attorney client and attorney work product privileges set forth in statute, court rule or case law. The CITY OF SPOKANE VALLEY will notify the CITY OF AIRWAY HEIGHTS of any public disclosure request under chapter 42.56 RCW for copies or viewing of such records as well as the CITY OF SPOKANE VALLEY's response thereto.

SECTION NO. 20: HEADINGS

The section headings appearing in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to define, limit or extend the scope or intent of the sections to which they pertain.

SECTION NO. 21: UNCONTROLLABLE CIRCUMSTANCES/IMPOSSIBILITY

A delay or interruption in or failure of performance of all or any part of this Agreement resulting from Uncontrollable Circumstances shall be deemed not a default under this Agreement.

A delay or interruption in or failure of performance of all or any part of this Agreement resulting from any change in or new law, order, rule or regulation of any nature which renders providing of Services in accordance with the terms of this Agreement legally impossible, and any other circumstances beyond the control of the CITY OF SPOKANE VALLEY which render legally impossible the performance by the CITY OF SPOKANE VALLEY of its obligations under this Agreement, shall be deemed not a default under this Agreement.

SECTION NO. 22: FILING

This Agreement shall be filed by the CITY OF AIRWAY HEIGHTS with such offices or agencies as required by chapter 39.34 RCW.

SECTION NO. 23: EXECUTION AND APPROVAL

The PARTIES warrant that the officers executing below have been duly authorized to act for and on behalf of the Party for purposes of confirming this Agreement.

SECTION NO. 24: INITIATIVES

Version Dated: March 11, 2011

The PARTIES recognize that revenue reducing initiative(s) passed by the voters of Washington may substantially reduce local operating revenue for the CITY OF AIRWAY HEIGHTS, CITY OF SPOKANE VALLEY or both PARTIES. The PARTIES agree that it is necessary to have flexibility to reduce the contracted amount(s) in this Agreement in response to budget constraints resulting from the passage of revenue reducing initiative(s). If such an event occurs, the PARTIES agree to negotiate in good faith to achieve a mutually agreeable resolution in a timely fashion.

SECTION NO. 25: COMPLIANCE WITH LAWS

The Parties shall observe all federal, state and local laws, ordinances and regulations, to the extent that they may be applicable to the terms of this Agreement.

SECTION NO. 26: DISCLAIMER

Except as otherwise provided, this Agreement shall not be construed in any manner that would limit either Party's authority or power under law.

IN WITNESS WHEREOF, the PARTIES have caused this Agreement to be executed on the date and year opposite their respective signatures.

DATED: 6/29/11

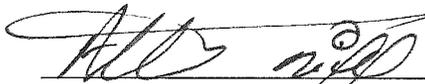
CITY OF SPOKANE VALLEY



Michael Jackson, City Manager

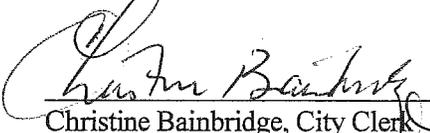
DATED: 6-9-11

CITY OF AIRWAY HEIGHTS



Albert Tripp, City Manager

ATTEST:



Christine Bainbridge, City Clerk

APPROVED AS TO FORM ONLY:



Office of the City Attorney