

**PLEASE NOTE SPECIAL MEETING DATE, TIME AND PLACE**

**CHEHALIS CITY COUNCIL AGENDA**  
LEWIS COUNTY FIRE DISTRICT 6  
2123 JACKSON HIGHWAY, CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor		
Terry F. Harris, District 1, Mayor Pro Tem		Anthony E. Ketchum Sr., District 3
Daryl J. Lund, District 2		Chad E. Taylor, Position at Large
Dr. Isaac S. Pope, District 4		Bob Spahr, Position at Large

**Tuesday, July 12, 2016**

**6:00 p.m.**

SPECIAL BUSINESS		
1. <u>Approve Annexation Mitigation Agreement with Lewis County Fire District No. 6 and Authorize City Manager to Execute.</u> (City Manager, City Attorney)	---	

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON  
OTHER ITEMS NOT LISTED ON THIS AGENDA**

**NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, JULY 25, 2016**

## ANNEXATION MITIGATION AGREEMENT

This Agreement is entered into between Lewis County Fire Protection District No. 6 a municipal corporation referred to as "District", and the City of Chehalis, a municipal corporation, referred to as "City".

### RECITALS

1. This Agreement is entered into by the City and the District under the authority of RCW 52.12.031, in conformity with chapter 39.34 RCW, the Interlocal Cooperation Act.
2. The District and the City currently maintain and operate their own fire departments to provide fire protection, fire suppression and emergency medical services in their respective areas.
3. A portion of the City's Urban Growth Area lies within the boundaries of the District.
4. The City is currently attempting to annex a portion of the District commonly known as the Industrial Area.
5. Annexations within the District by the City remove the area from the District and terminate the District's receipt of tax revenues from the annexed areas on the effective date of annexation.
6. The Industrial Area Annexation will have a financial impact on the District's ability to maintain its current service level to the portions of the District that remain after an annexation has become effective.
7. The parties' intention in entering into this agreement is to mitigate the impact on the District and to prevent District opposition to the annexation.

### AGREEMENT

To carry out the purposes of this Agreement and in consideration of the benefits to be received by the parties, it is agreed as follows:

1. **Term.** This Agreement shall be effective on mutual execution of the parties and shall remain in effect until the City has completed the payments specified in Paragraph 3.
2. **Annexation Areas.** The provisions of this Agreement shall apply only to the Industrial Annexation and is not intended to set a precedent or bind the City to any future agreements relating to any future annexations.
3. **Mitigation Payments.** The City agrees to pay to the District
  - 3.1. 100% of the tax revenues the City is entitled to collect under RCW 35A.14.801(2) for the year an Annexation Area is annexed into the City.

3.2. For the three years subsequent to the year in which the area is annexed, the City agrees to pay the District a specified percentage of an amount equal to the assessed value of the Annexation Area multiplied by the District's regular property tax levy in effect the year the payment is due plus tax revenues generated by new construction in the Annexation Area. The payment of the tax revenue shall be made by July 1<sup>st</sup> of the year in which the City collects the taxes. The following table establishes the percentage of the above amounts that shall be paid by the City to the District:

Calendar year following year Annexation became effective	Percentage of amount calculated under Paragraph 3.2
1	100%
2	66%
3	33%

4. **Assessed Valuation.** Assessed Valuation shall be the regular assessed valuation established annually by the Lewis County Assessor's Office. The City shall provide the District with the assessed valuation of the Annexation Area subject to the terms of this Agreement annually at the time it is released by the office of the Assessor.
5. **Asset Transfer.** The City shall not invoke the statutory asset transfer provisions of RCW 35.02.205 or 35A.14.400.
6. **No Contest Provision.** In anticipation of this Agreement, the District has withdrawn its request for review before the Washington State Boundary Review Board for Lewis County and the District agrees that it will not challenge or oppose any City annexation subject to the terms of this Agreement.
7. **Automatic Aid Agreements.** During the term of this Agreement, the District will agree to waive any requests for additional payments related to any automatic aid agreements for the Industrial Park Annexation Area if such agreements are requested by the City.
8. **Notification.** With the exception of any annexations pending at the time of the execution of this Agreement, the City agrees to provide the District with a minimum of three (3) months written notice of a planned annexation.
9. **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, at the time of transmittal if transmitted by facsimile transmission or at the time of mailing if mailed by first class, postage pre-paid and addressed to the party at its address as stated in this Agreement or at such address as either party may designate at any time in writing.

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

11. **Modification.** This Agreement represents the entire Agreement between the parties. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding on the parties unless executed in writing by authorized representatives of the parties. The Agreement shall not be modified, supplemented or otherwise affected by the course of dealing between the parties.

12. **Benefits.** 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.

13. **Litigation.** In the event of litigation concerning the terms of or performance under this agreement, the prevailing party, in addition to costs, shall be entitled to reasonable attorney's fees as determined by the Court.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

CITY OF CHEHALIS

LEWIS COUNTY FIRE PROTECTION  
DISTRICT NO. 6

By : \_\_\_\_\_

City Manager

By : \_\_\_\_\_

Commissioner

By : \_\_\_\_\_

Commissioner

Attest: \_\_\_\_\_

City Clerk

By : \_\_\_\_\_

Commissioner

Approved as to form:

By : \_\_\_\_\_

Secretary

\_\_\_\_\_  
City Attorney