

INTERLOCAL AGREEMENT BETWEEN KITTITAS COUNTY AND THE CITIES
OF ELLENSBURG, ROSLYN, AND CLE ELUM FOR A CONSOLIDATED
LODGING TAX GRANT PROCESS

This Agreement is made and entered into this 4th day of February, 2018, by and between the cities of Ellensburg, Roslyn, and Cle Elum, Washington municipal corporations (the "Cities" or "City"), and Kittitas County, a political subdivision of the State of Washington (the "County")(collectively "Municipalities").

WHEREAS, Ch. 67.28 RCW provides for the collection and use of lodging tax revenues by local jurisdictions subject to certain conditions as set forth therein; and

WHEREAS, the four municipalities in Kittitas County collect and distribute lodging taxes for tourism promotion through an application and grant process; and

WHEREAS, tourism and related service industries have become an important industry in Kittitas County by providing or supporting jobs which enhance the local economy; and

WHEREAS, each jurisdiction distributes funds to tourism-related projects and activities through a variety of means and methods; and

WHEREAS, the Municipalities each have a grant application and award process for qualifying local projects and organizations which are not coordinated with each other and differ in the schedule for the applications and awards; and

WHEREAS, the separate lodging tax application and awards process may result in organizations applying to multiple agencies for the same project, which can lead to overlapping funding awards for the same project, limiting opportunities for other qualified applicants; and

WHEREAS, lodging tax grant applicants must also fill out multiple applications and negotiate different processes for each municipality at different times of the year, which may create confusion among applicants and awarding jurisdictions, as well as resulting in funding uncertainty for an event because an applicant has to apply to multiple jurisdictions for the same project at different times of the year; and

WHEREAS, the Municipalities intend by this Agreement to streamline, consolidate, coordinate and standardize the process for application, review and award of lodging tax grant awards; and

WHEREAS, this Agreement for cooperative services is authorized by the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act,

NOW, THEREFORE, it is hereby agreed as follows:

1. **Purpose.** The purpose of this Agreement is to set forth the respective responsibilities of the Cities of Ellensburg, Roslyn, and Cle Elum and Kittitas County regarding the provision for a consolidated lodging tax grant process.

2. **Scope of Activities.** The Municipalities will implement as soon as reasonably feasible the process for consolidating the lodging tax application and review process as set forth in the “Consolidated Lodging Tax Grant Process Proposal,” as described in Subsections A through G of this Section of the Interlocal Agreement:

A. **Consolidated Application.** The Chairperson from each Lodging Tax Advisory Committee (“LTAC”), or jurisdictional appointees if there is no LTAC, will review existing applications and draft a consolidated application, including instructions for applicants, which will include the pre-activity reporting requirements as set forth in RCW 67.28.1816(2)(a)-(b). The draft consolidated application will be forwarded to each municipality’s LTAC (or other appointees if there is no LTAC) for review and comment. The final consolidated application will be sent for approval by the legislative bodies for the Municipalities. After approval, applicants for lodging tax grants will be required to submit applications to the County for distribution.

B. **Coordinated Schedule.** The schedule for application deadlines, review and awards will be coordinated by the Municipalities.

C. **Coordinated Funding.** Each participating municipality will decide annually prior to the application acceptance period on its authorized level of funding which will be made available for lodging tax grants. Considerations by each municipality may include how much tax is collected or anticipated to be collected that year, any outstanding obligations related to the lodging tax fund, any available lodging tax fund balance, or any other use of the lodging tax funds not related to grants for local events and project. The funds provided by each municipality will be noticed publicly for award consideration, and each municipality providing funding for the coordinated process shall be guaranteed grant awards will be made for applications that will directly impact that jurisdiction in an amount equal to or greater than the funding level which has been committed (subject to qualifying applications).

D. **Streamlined Application Review and Award Process.** Lodging tax grant applications will be processed as follows:

1) **Categorize applications.** Applicants may apply for one or both funding categories. Applications will be categorized as follows:

a) **New Projects/Events.** This category is for applications from events/projects which are within the first four (4) years of existence. Applications may also be considered in this category for established projects/events which have previously received funding but are proposing a new or expanded project/event which will increase tourism as part of an ongoing project/event.

- b) Ongoing Project/Event Support. This category is for applications from established projects/events (ongoing for more than four (4) years) which may request continuing support. Grant awards are limited in this category to no greater than 10% of the projects's/event's expense budget.

Review, Ranking and Recommendations by LTAC's. The County will compile and distribute all applications to the various funding jurisdictions for review by each LTAC (or appointee(s) if no LTAC) for review, ranking, and funding recommendation, which will then be processed as follows:

- a) Each jurisdiction's LTAC (or other) will review each application and assign it a numerical rating based upon an agreed scoring system.
 - b) Each jurisdiction's LTAC (or other) will rank the applications in order by score.
 - c) Each jurisdiction's LTAC (or other) will produce a recommended funding level, considering each application in order of rank, and including any additional comments which provide insight into the respective funding decision. If any applications are disqualified, an explanation shall be provided explaining the reason.
 - d) The ratings, rankings, and recommendations from each LTAC (or other) will be submitted to the County.
- 2) LTAC Work Group Review. The County will compile the ratings, rankings, and recommendations into a master list based on averages along with the applications and submit them to a combined county-wide LTAC work group which will be comprised of three members from the LTAC of each participating municipality (or appointees if there is no LTAC) for consideration. The County will act as Chair of the work group. After submission:
- a. The work group will hold a public meeting where it will provide an opportunity for applicants to make a presentation before the work group and answer any questions from work group members.
 - b. The work group will review the recommendations, deliberate publicly, and make final recommendations based upon the master list. All decisions will be made by simple majority vote. In the event of a tie vote, the application or motion will be deemed to have been rejected or failed, respectively.
 - c. Any meeting of the work group requires a quorum of seven (7) members to meet.
- 3) Legislative Decision. The County will submit the work group's final recommendations for funding local events and festivals to each funding jurisdiction's legislative body for final decision and action. If a legislative body does not approve the work group's final recommendations, the legislative body must notify the chair of the work group in writing with specific objections. The work group will reconvene in a public meeting to reconsider the final recommendations. After reconsideration, the county will re-submit the work

group's final recommendation to each funding jurisdictions for final decision and action.

- 4) Notification. The County will notify all applicants of the final grant decisions on behalf of the funding municipalities.

E. **Contracts for Grant Recipients.** All grantees will be required to enter into a single grant contract which clearly communicates the responsibilities and expectations of the grantee as well as the amount and authorized use of the funding as approved by each legislative body. Contracts should be approved by all participating entities prior to being utilized. As with the other coordination and streamlining, the County would likely be the logical choice for the contracting agency.

F. **Streamlined Reimbursement Process.** Grant reimbursement requests from awardees will be sent to the County for review for consistency of the grant authorization and contract prior to issuing a reimbursement. Each participating entity's share will then be billed by the County to the specific city according to each city's requirements. The city will then send payment to the County to replenish the fund. The County will perform this service at no administrative cost to the other participants.

G. **Post-Activity Reports.** Each grant recipient will comply with the post-activity reporting requirements of RCW 67.28.1816(2)(c) and provide copies of the report to all Municipalities. The County will prepare and submit all required post-activity reports to the Joint Legislative and Audit Review Committee (JLARC), which will conform to the reporting requirements of Ch. 67.28 RCW.

3. Duration/Termination. This Agreement shall remain in full force and effect until terminated by agreement of the parties, or by written notice of termination given by one party to the other parties at least thirty (30) days prior to the date of such termination; PROVIDED, that this Agreement shall remain in full force and effect as to the remaining parties hereto so long as at least two parties remain active participants.

4. Disputes. In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto.

5. Indemnification.

A. The County shall indemnify and hold harmless the Cities and their officers, agents employees and elected officials, or any of them, 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 act or omission of the County, its officers, agents, employees and elected officials, or any of them, relating to or arising out of the performance of this contract. In the event that any suit based upon such a claim, action, loss or damage is brought against the Cities, the County shall defend that same at its sole cost and expense, provided that the Cities retain the right to participate in said suit if any principle or governmental or public law is involved; and if final judgment be rendered against the Cities or their officers, agents, employees and elected officials, or any of them, or jointly against the Cities and the County and their respective officers, agents, employees and elected officials, or any of them, the County shall satisfy the same.

B. The Cities shall indemnify and hold harmless the County and its officers, agents, employees and elected officials, or any of them, 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 act or omission of the Cities, their officers, agents, employees and elected officials, or any of them, relating to or arising out of the performance of this contract. In the event that any suit bases upon such a claim, action, loss or damage is brought against the County, the Cities shall defend the same at its sole cost and expense; provided that the County retains the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment be rendered against the County or its officers, agents, employees and elected officials, or any of them, or jointly against the County and the Cities and their respective officers, agents, employees and elected officials, or any of them, the Cities shall satisfy the same.

6. Future support. No party to this Agreement makes any commitment to future support and assumes no obligation for future support of any activity contracted for herein, except as may be expressly set forth in this Agreement.

7. Compliance with laws. Each party hereto, in its performance of this Agreement, agrees to comply with all applicable local, State, and Federal laws and ordinances.

8. Relationship of the parties. No agent, employee or representative of the County shall be deemed to be an agent, employee or representative of the Cities for any purpose, and the employees of the County are not entitled to any of the benefits the Cities provide to City employees. No agent, employee or representative of the Cities shall be deemed to be an agent, employee or representative of the County for any purpose, and the employees of the Cities are not entitled to any of the benefits the County provides to County employees.

9. Non-delegation / Non-assignment. No party may delegate the performance of any contractual obligation to a third party, unless agreed in writing by all other parties. No party may assign this Agreement without the written consent of the other parties.

10. Agreement not for benefit of third parties. This Agreement is entered into solely for the benefit of the parties hereto and vests no rights in, or is it enforceable by, any third parties.

11. Governing law; venue. This Agreement shall be governed by and construed in accordance with the Laws of State of Washington. The venue for any action to enforce or interpret this Agreement shall be in the Kittitas County Superior Court.
12. Entire agreement; modification. This Agreement constitutes the entire Agreement of the parties. The provisions of this Agreement may be modified or amended only by written mutual consent of the parties.
13. Waiver. A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.
14. Severability. If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.
15. Ratification. Acts taken in conformity with this Agreement prior to its execution are hereby ratified and affirmed.
16. Administration and notices. This Agreement will be administered on behalf of the Cities by, and all notices to be issued to the Cities shall be addressed to the attention of:

City of Ellensburg
Attn: Lodging Tax Grant Application
501 N. Anderson Street
Ellensburg, WA 98926

City of Roslyn
Attn: Lodging Tax Grant Application
100 E. Pennsylvania Ave
P.O. Box 451
Roslyn, WA 98941

City of Cle Elum
Attn: Lodging Tax Grant Application
119 West First Street
Cle Elum, WA 98922

This Agreement will be administered on behalf of the County by, and all notices to be issued to the County by the Cities shall be addressed to the attention of:

Kittitas County Auditor
Attn: Lodging Tax Grant Application

205 West 5th, Suite
Ellensburg, WA 98926

17. Filing. Pursuant to RCW 39.34.040, this Agreement shall be posted on the Kittitas County and City of Ellensburg public websites and/or filed with the County Auditor.
18. Financing. There shall be no budget maintained for any joint or cooperative undertaking pursuant to this agreement.
19. Property. This interlocal agreement does not provide for the acquisition, holding or disposal of real or personal property.
20. Joint Administration. No separate legal or administrative entity is created by this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

CITY OF ELLENSBURG

[Signature]
Mayor

Attest:

[Signature]
City Clerk

KITITAS COUNTY

[Signature]
Chairman

[Signature]
Vice-Chairman

[Signature]
Commissioner

Approved as to form:

[Signature]
City Attorney



Attest:

[Signature]
Clerk of the Board

CITY OF ROSLYN

Mayor

Approved as to form:

Prosecuting Attorney

CITY OF CLE ELUM

Mayor