

**HIGHLINE WATER DISTRICT
King County, Washington**

RESOLUTION 10-5-26A

**RESOLUTION AUTHORIZING AN INTERLOCAL AGREEMENT BY AND
BETWEEN THE CITY OF TUKWILA AND HIGHLINE WATER DISTRICT
REGARDING THE SOUTHCENTER PARKWAY PROJECT**

WHEREAS, the District has a franchise ("Franchise") dated December 2, 1991, from the City which authorizes the District to construct, operate, maintain, repair and replace water mains and facilities (collectively "Water Facilities") in, under, along and through City right-of-way pursuant to the terms and conditions of the Franchise; provided the Franchise also requires the District at its expense to raise, lower or move its Water Facilities located in City right-of-way or to place such Water Facilities in a location to accommodate City improvements to or work in City right-of-way.

WHEREAS, the District presently maintains an eight (8) inch water main and related facilities ("Existing Water Facilities") in Southcenter Parkway and Frager Road as such City right-of-way is presently constructed and aligned.

WHEREAS, the City entered into a development agreement dated June 10, 2009 ("Development Agreement"), with La Pianta LLC, a Washington limited liability company, now known as Segale Properties LLC ("Segale"), which provides for the development of certain real property known as the "Tukwila South Property" as a project known as the "Tukwila South Project" as further described in the Development Agreement; and the Development Agreement provides, in part, for the installation of certain street and utility infrastructure by the City and Segale as described in the Development Agreement, and, specifically, the realignment, relocation and extension of Southcenter Parkway located in the vicinity of the Tukwila South Property ("SCP Project").

WHEREAS, the Development Agreement requires the City to prepare a final design of the SCP Project, including utilities such as water, sewer, stormwater and other utilities necessary to serve the Tukwila South Project and to bid and undertake the construction of the SCP Project as a City public works project; and the Development Agreement in Section 4.3.4 requires Segale to obtain water service from the District and to pay all costs related to the design and construction of the water system upgrades necessary to serve the Tukwila South Project; therefore the City now requires the District to relocate its Existing Water Facilities and construct new water mains and facilities necessary to serve the SCP project as such facilities are described on **Exhibit A** attached hereto and incorporated herein by this reference ("Highline Work").

WHEREAS, the Highline Work includes both the relocation of the Existing Water Facilities in Southcenter Parkway and Frager Road due to the relocation of such City right-of-way as provided for in the Franchise (the "Franchise Work") and also the design and construction of oversized watermains with greater capacity than the Existing Water Facilities to serve Segale's

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Tukwila South Project (the "Oversizing Work"); provided, that the District shall pay for the cost and expense of the Franchise Work and Segale shall pay for the cost and expense of the Oversizing Work.

WHEREAS, the Development Agreement in Section 4.3.4.1 provides that the City will include the Highline Work in its SCP Project as a bid additive, account for and invoice the District separately for the Highline Work and enter into an agreement with the District pursuant to which the District will reimburse the City for the cost of the Highline Work; provided, the Development Agreement also provides that the District shall enter into a separate agreement with Segale pursuant to which Segale shall reimburse the District for the cost of the Oversizing Work; provided further, the Development Agreement requires Segale to provide the City with a letter of credit in the amount of 110% of the estimated cost of the Oversizing Work as security for payment of those costs, and in the event that the District fails to reimburse the City pursuant to the terms of this Agreement, the City may draw upon the letter of credit as provided for in the Development Agreement.

WHEREAS, Highline and Segale have agreed that of the final cost of the Highline Work and associated administrative costs ("Highline Work Final Cost") the District is responsible to pay fifty-one (51) per cent of the Highline Work Final Cost ("Franchise Final Cost") and Segale is responsible to pay forty-nine (49) per cent of the Highline Work Final Cost ("Oversizing Final Cost").

WHEREAS, the City competitively bid the construction of the SCP Project, included the Highline Work in such project bid as a separate additive bid schedule, and the apparent lowest responsible bidder submitted a bid for the Highline Work in the amount of One Million Three Hundred Sixty Seven Thousand Nine Hundred Thirty Dollars and Ninety-Four Cents (\$1,367,930.94), including applicable Washington State sales tax ("Highline Work Bid Cost"); and the District desires the City to include the Highline Work in the SCP Project and will agree to reimburse the City for the cost of the Highline Work on the terms and conditions set forth in this Agreement to achieve cost savings and benefits in the public's interest.

WHEREAS, the City will agree to include the Highline Work in the SCP Project on the condition that the District reimburse the City for the cost of the Highline Work on the terms and conditions set forth in this Agreement; and, assuming the City awards the SCP Project contract resulting in the Highline Work Bid Cost, the City shall require Segale to provide the City with a letter of credit as provided for in Section 4.3.4.1 of the Development Agreement in the amount of Seven Hundred Ninety Six Thousand Two Hundred Ninety Nine Dollars and Ninety Six Cents (\$796,299.96), which amount is 110% of forty-nine (49) per cent of the Highline Work Bid Cost plus eight (8) percent construction administration costs.

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WHEREAS, pursuant to RCW 39.34.080, the Parties are authorized to enter into a contract to provide for the performance of governmental activities and undertakings which both Party is authorized by law to undertake and perform.

NOW THEREFORE, BE IT RESOLVED:

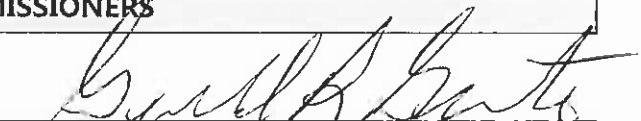
1. The General Manager or designee are authorized to enter into an Interlocal Agreement with the City of Tukwila for the Southcenter Parkway Project (attached as Exhibit A and herein incorporated by this reference).

ADOPTED BY THE BOARD OF COMMISSIONERS of Highline Water District, King County, Washington, at a Special Workshop Open Public Meeting held this **26th** day of **May 2010**.

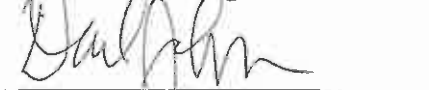
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