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INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND CITY OF LYNNWOOD FOR BEHAVIORAL HEALTH FACILITY

This Interlocal Agreement ("Agreement") is made and entered into by the Snohomish County, a political subdivision of the State of Washington ("County"), and the CITY OF LYNNWOOD, a municipal corporation in the State of Washington ("City"), (collectively the "Parties" and, individually, a "Party").

RECITALS

WHEREAS Chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes public agencies, including the County and the Cities, to enter into cooperative agreements with one another to make the most efficient use of their respective resources; and

WHEREAS, The City is redeveloping the Civic Justice Center into the Lynnwood Community Justice Center and the Lynnwood Community Recovery Center.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the City agree as follows:

1. **Purpose of this Agreement.** The purpose of this Agreement is to provide funds for the construction of a behavioral health facility (the "Project") called the Lynnwood Community Recovery Center, located at 19321 44th Avenue West, Lynnwood, WA 90036, legally described in Attachment 1 hereto (the "Property").

2. **Project Number.** HCS-24-70-2401-167

3. **Term**. The term of this Agreement shall commence on the Effective Date and extend until December 31, 2029 (the "Term"). As provided by RCW 39.34.040, this Agreement shall not take effect unless and until it has (i) been duly executed by both Parties, and (ii) either filed with the County Auditor or posted on the County Interlocal Agreements website ("Effective Date"). Notwithstanding the Effective Date of this Agreement, all activities described in the Agreement that are performed on or after November 18, 2021, shall be governed by the terms of this Agreement.

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4. **County Obligations.**

The County shall provide up to Three Million Dollars ($3,000,000.00) for the construction of a behavioral health facility on a reimbursement basis. County shall reimburse the City for materials and labor for construction of the facility.

5. **City Obligations.**

a. The City shall ensure that the Project complies with chapter 4.25 Snohomish County Code (SCC) and RCW 82.14.460. The City agrees to comply fully with all applicable federal, state, and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through this Agreement.

b. The City shall construct a three-story building on the northeast corner of the Property that City shall operate, once construction is complete, as a Washington State Department of Health licensed residential treatment facility. The City shall ensure that the facility provides immediate facility-based services for adults ages 18 or older in a behavioral health crisis. City shall ensure that the facility offers at least one licensed unit for short-term (up to 24 hours) and a licensed unit for longer term (up to 7 calendar days) stays. City shall ensure that the facility houses 16 recliners and 16 beds and serves 32 individuals with short-term or long-term stays.

c. The City shall complete construction of the Project by December 31, 2024.

d. If the City hires a contractor to operate the behavioral health facility, the City shall require that said contractor be licensed through the Washington State Department of Health as a behavioral health agency. City shall also provide a copy of the contract to the County.

e. The City shall meet the requirements of WACs, applicable local and state rules, and state and federal statutes. In addition, the City shall meet the applicable program requirement for licensure and certification to perform services. A copy of the license and certification shall be submitted to the County upon County request.

f. The City shall maintain relevant and appropriate licensure by the State of Washington to provide behavioral health services. The City shall notify the County in writing within five (5) business days of any change in licensure status.

g. The City shall meet all applicable standards for program operations set forth in WAC and RCW. The Subrecipient shall ensure that WAC and RCW requirements are followed and are adjusted as the WAC and RCW are amended, revised, eliminated or added.

h. The City must have policies and procedures in place to protect and safeguard individually identifiable health information obtained in the course of providing services under this Agreement. The City shall not disclose individually identifiable health information, directly or indirectly, except to the extent allowed under applicable state or federal laws and regulations. The City shall comply with all terms and conditions of Federal Confidentiality of Substance Use Disorder Patient

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Records, 42 CFR Part 2 and applicable provisions of the Health Insurance Portability and Accountability Act (HIPAA).

i. City shall make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City.

6. **Budget and Compensation.** The County shall provide up to Three Million Dollars ($3,000,000.00) for the Project. County shall reimburse city 30 days following receipt of a Request for Reimbursement Form demonstrating eligibles expenses and documentation substantiating said eligible expenses. A sample Request for Reimbursement Form is attached as Attachment 2 to this Agreement. The City shall submit all Requests for Reimbursement no later than December 31, 2024.

7. **Indemnification and Hold Harmless.** Subject to the liability limitation stated in Section 8 of this Agreement, City shall hold harmless, indemnify, and defend, at its own expense, the County, its elected officials, officers, employees and agents, from any loss or claim for damages of any nature whatsoever, arising out of the City's performance under this Agreement, including claims by City's employees or third parties, except for those losses or claims for damages solely caused by the negligence or willful misconduct of the County, its elected and appointed officials, officers, or agents. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the City, and the City, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

   Nothing contained within this Section shall affect and/or alter the application of any other term or condition of this Agreement. This hold harmless agreement and waiver of immunity was mutually and expressly negotiated and agreed between the County and the City. The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Agreement.

8. **Limitation of Liability** In no event will County be liable for any special, consequential, indirect, punitive or incidental damages, including but not limited to loss of data, loss of revenue, or loss of profits, arising out of or in connection with the performance of the County or City under this Agreement, even if the County has been advised of the possibility of such damages.

9. **Insurance.** The City shall carry for the duration of this Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the City, its agents, representatives, employees or subcontractors. Annual proof of insurance will be submitted to the County.

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No Limitation. The City's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the City to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or in equity.

The City shall obtain insurance of the types described below:

A. Minimum Scope and Limits of Insurance. The City shall maintain coverage at least as broad as, and with limits no less than:

(i) General Liability: $ 3,000,000 per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a $ 4,000,000 aggregate limit. CG 00 01 current edition, including Products and Completed Operations;

(ii) Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage. CA 0001 current edition, Symbol 1;

(iii) Workers' Compensation: Statutory requirements of the state of residency; and

(iv) Employers' Liability or "Stop Gap" coverage: $ 1,000,000.

B. Other Insurance Provisions and Requirements. The insurance coverages required in this Agreement for all liability policies except Workers Compensation are to contain, or be endorsed to contain, the following provisions:

(i) The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the City in connection with this Agreement. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents. Additional Insured Endorsement shall be included with the certificate of insurance, "CG 2026 11/85" or its equivalent is required. The County requires this Endorsement to complete the Agreement.

(ii) The City's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(iii) Any deductibles or self-insured retentions must be declared to the County. The deductible and/or self-insured retention of the policies shall not limit or apply to the City's liability to the County and shall be the sole responsibility of the City.

(iv) Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after forty-five (45) calendar days' prior written notice, has been given to the County.

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(v) Insurance coverage is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.

If at any time any of the foregoing policies fail to meet minimum requirements, the City shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

10. **Miscellaneous.**

a. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes any and all prior oral or written agreements between the Parties regarding the subject matter contained herein. This Agreement may not be modified or amended in any manner except by a written document signed by the Party against whom such modification is sought to be enforced.

b. Dispute Resolution. The City and the County mutually agree to use a formal dispute process such as mediation, through an agreed-upon mediator and process, if agreement cannot be reached regarding interpretation or implementation of any provisions of this Agreement. All costs for mediation shall be divided equally between the City and the County. Each jurisdiction is responsible for the costs of its own legal representation.

c. No Separate Entity Necessary/Created. The Parties agree that no separate legal or administrative entities are necessary to carry out this Agreement.

d. Ownership of Property. Except as expressly provided to the contrary in this Agreement, any real or personal property used or acquired by either Party in connection with the performance of this Agreement will remain the sole property of such Party, and the other Party shall have no interest therein.

e. Administrators. Each Party to this Agreement shall designate an individual (an "Administrator"), which may be designated by title or position, to oversee and administer such Party's participation in this Agreement. The Parties' initial Administrators shall be the following individuals:

County's Initial Administrator:

Jackie Anderson
Snohomish County Office of Housing and Community Development
3000 Rockefeller Avenue, M/S 305
Everett, WA 98201

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City's Initial Administrator:
Michelle Meyer
City of Lynnwood
19100 44th Avenue West
Lynnwood, WA 98036

Either Party may change its Administrator at any time by delivering written notice of such Party's new Administrator to the other Party. Notices under this Agreement shall be sent to a Party's Administrator.

f. **Interpretation**. This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the Parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

g. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

h. **No Waiver**. A Party's forbearance or delay in exercising any right or remedy with respect to a Default by the other Party under this Agreement shall not constitute a waiver of the Default at issue. Nor shall a waiver by a Party of any particular Default constitute a waiver of any other Default or any similar future Default.

i. **Assignment**. This Agreement shall not be assigned, either in whole or in part, by either of the Parties hereto. Any attempt to assign this Agreement in violation of the preceding sentence shall be null and void and shall constitute a Default under this Agreement.

j. **Warranty of Authority**. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign this Agreement.

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k. No Joint Venture. Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture or other joint enterprise between the Parties.

l. No Third Party Beneficiaries. This Agreement is made and entered into for the sole benefit of the City and the County. No third party shall be deemed to have any rights under this Agreement; there are no third party beneficiaries to this Agreement.

m. Compliance with Applicable Law. Each Party shall comply with all other applicable federal, state and local laws, rules and regulations in performing under this Agreement.

n. Changes. No changes or additions shall be made to this Agreement except as agreed to by both Parties, reduced to writing, and executed with the same formalities as are required for the execution of this Agreement.

o. Termination. If the City breaches any provision of this Agreement and if such breach is not cured within thirty (30) days after receiving written notice from the County specifying such breach in reasonable detail, the County shall have the right to terminate this Agreement by giving written notice thereof to the party in breach, which termination shall be effective immediately upon receipt.

p. Compliance with Public Records Act. The parties acknowledge that they are subject to the Public Records Act, chapter 42.56 RCW. Both parties shall cooperate with each other so that each may comply with its obligations under the Public Records Act.

q. Prevailing Wage. The City shall comply with Washington State Prevailing Wage laws. Compliance with this section is material to this Agreement and any breach of this Section is cause for County termination under this Agreement.

r. Audit and Repayment. The City shall return funds provided to it by the County under this Agreement upon the occurrence of any of the following events:

i. If overpayments are made; or
ii. If an audit of the Project or this Agreement by the State or the County determines that the funds have been expended for purposes not permitted by applicable law, the State, the County, or this Agreement.

In the case of (i) or (ii) the County may make written demand upon the City for repayment, and the City shall be obligated to repay to the County the funds demanded within sixty (60) calendar days of the demand. The County's right to demand repayment from the City may be exercised as often as is necessary to recoup from the City all funds required to be returned to the County. The City is solely responsible for

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seeking repayment from any subcontractor in conformance with its debt collection policy.

s. Exhibits. The following Exhibits, which are attached to this Agreement, are incorporated herein and by this reference made a part of this Agreement:

Attachment 1 – Property Legal Description
Attachment 2 - Invoice – Request for Reimbursement / Actual Expenditure Report

t. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF the Parties execute this Agreement this 10th day of June, 2024.

SNOHOMISH COUNTY	City of Lynnwood
_____	DocuSigned by: Christine Frizzell 77ADF363AF504F4...
County Executive	Christine Frizzell, Mayor
RECOMMENDED FOR APPROVAL:	ATTEST: DocuSigned by: Lydia Lonie 9859FC9ACFCA4CF...
_____	_____

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ATTACHMENT 1

Property Legal Description

Real property in the City of Lynnwood, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

PARCEL 1A:

ALL OF THE NORTH 162.2 FEET AS MEASURED ALONG THE EAST LINE OF TRACT 10, BLOCK 5, ALDERWOOD MANOR, ACCORDING TO THE PLAT RECORDED IN VOLUME 9 OF PLATS, PAGE 71, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

EXCEPT THE WEST 8 FEET CONVEYED TO THE CITY OF LYNNWOOD UNDER AUDITOR'S FILE NO. 7712020277.

TOGETHER WITH THAT PORTION OF TRACT 10, SAID BLOCK 5, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF TRACT 10, BLOCK 5, PLAT OF ALDERWOOD MANOR, ACCORDING TO THE PLAT RECORDED IN VOLUME 9 OF PLATS, PAGE 71, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, SOUTH 1"01'20" WEST FROM THE NORTHEAST CORNER A DISTANCE OF 162.2 FEET;
THENCE CONTINUING ALONG SAID EAST LINE SOUTH 1"01'20" WEST A DISTANCE OF 15.0 FEET
THENCE NORTH 88°58' 40" WEST PARALLEL TO THE NORTH LINE THEREOF A DISTANCE OF 210.52 FEET;
THENCE SOUTH 77°30'26" WEST A DISTANCE OF 39.17 FEET, MORE OR LESS, TO A POINT WHICH IS 7.5 FEET EAST OF THE WEST LINE THEREOF;
THENCE NORTH 0°43'24" EAST PARALLEL WITH THE WEST LINE A DISTANCE OF 24.15 FEET;
THENCE SOUTH 88°58'40" EAST PARALLEL WITH THE NORTH LINE THEREOF A DISTANCE OF 248.73 FEET TO
THE POINT OF BEGINNING.

EXCEPT THE WEST 8 FEET CONVEYED TO THE CITY OF LYNNWOOD UNDER AUDITOR'S FILE NO. 7712020277.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

PARCEL 1B:

THAT PORTION OF LOT 9, BLOCK 5, ALDERWOOD MANOR, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, PAGE 71, RECORDS OF SNOHOMISH

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COUNTY, WASHINGTON, LYING NORTHERLY OF THE 60 FOOT RIGHT OF WAY DEEDED TO THE CITY OF LYNNWOOD BY DEED RECORDED UNDER AUDITOR'S FILE NOS. 8410050066 AND 8503200279;

EXCEPT THAT PORTION THEREOF LYING WITHIN THE SECONDARY STATE HIGHWAY NO. 1-W (SR-524) (196TH STREET SOUTHWEST) AS ACQUIRED BY DECREE OF APPROPRIATION ENTERED IN SNOHOMISH COUNTY SUPERIOR COURT CAUSE NO. 87246.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

PARCEL 2:

THAT PORTION OF LOT 8, BLOCK 5, ALDERWOOD MANOR, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, PAGE 71, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING NORTHERLY OF 194TH PLACE S.W. AS CONVEYED TO THE CITY OF LYNNWOOD BY DEED RECORDED UNDER AUDITOR'S FILE NO. 7807110228. SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Tax Parcel Numbers:	007405-001-101-00 and 003726-005-008-00
Situs Address:	19321 44th Avenue West Lynnwood, WA

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ATTACHMENT 2

INVOICE

(Request For Reimbursement / Actual Expenditure Report)

Date: _____ Project Number: HCS-24-70-2401-167

Project Title: **Lynnwood Community Recovery Center**

Contracting Organization/Agency**: City of Lynnwood**

Report Period: _____

Draw #: _____

Amount of Request: _____

CERTIFICATIONS:

I, the undersigned, do hereby certify under penalty of perjury:

1. That I am duly authorized to submit this claim for reimbursement on behalf of the above Contract Organization/Agency;

2. That the enclosed Report of Actual Expenditures and documentation accurately reflects materials furnished, services rendered, and/or labor performed in furtherance of the above Project;

3. That payment has been made or is currently due or obligated for such materials, services and/or labor;

4. That such expenditures or current obligation constitute allowable costs under the principles in applicable Office of Management and Budget Circulars and conform to the approved Project Budget; and

5. That the materials, services, and/or labor for which reimbursement from grant funds is requested by this document have not and will not be paid for or reimbursed by any other agency, corporation, partnership, firm or individual, OTHER THAN the Contracting Organization/Agency, its officers, agents, and/or employees.

Compliance

☐ Authorized Signature ☐ Within Budget
☐ Allowable/Eligible Cost ☐ Meets Contract Terms

G.A. _____ Date _____

☐ Sufficient Funds ☐ Documentation
☐ Allowable/Eligible Costs

Financial _____ Date _____

_____
(Signature)

_____
(Name)

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REPORT OF ACTUAL EXPENDITURES

Project Name: **Lynnwood Recovery Center**

Project Number: HCS-24-70-2401-167

Agency: **City of Lynnwood**

Report Period: _____ to _____

CATEGORY	County Budget (CDMH)	County CDMH Expenditure (This Draw)	Total County CDMH Drawn (incl. this Draw)	Total Disbursed to Date (all Sources incl. this Draw)
Salaries/Wages				
Benefits				
Supplies/Minor Equip.				
Prof. Services				
Postage				
Telephone				
Mileage/Fares				
Meals				
Lodging				
Advertising				
Leases/Rentals				
Insurance				
Utilities				
Repairs/Maint.				
Client Flex Funds				
Client Rent				
Printing				
Dues/Subscrip.				
Regis./Tuition				
Machinery/Equip.				
Administration				
Indirect				
Occupancy				
Miscellaneous				
Misc. Construction				
Acquisition				
Relocation				
Closing/Title/Recording				
Legal				
Consultant Reports				
Construction/Rehabilitation				
Appraisal				
Cash Advance				
Other				
TOTAL	**$**		**$**	**$**