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**INTERLOCAL AGREEMENT BETWEEN  
PUBLIC HOSPITAL DISTRICT NO. 2  
AND THE CITY OF LYNNWOOD**

THIS INTERLOCAL AGREEMENT ("Agreement") made this 10<sup>th</sup> day of December 2014, by and between the City of Lynnwood, a Washington municipal corporation, and Public Hospital District No. 2, Snohomish County, Washington, a public hospital district formed under Chapter 70.44 RCW, under the laws of the State of Washington, hereinafter referred to as "Lynnwood" and "PHD2" respectively.

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local government units to make the most efficient use of their powers by enabling them to cooperate with other government entities on the basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organizations that will accord best with geographic, economic population, and other factors influencing the needs and development of local communities; and

WHEREAS, the completion of a regional bicycle network that establishes several key north/south and east/west corridor routes and connects major destinations and transit locations, as generally depicted on the preliminary drawings attached hereto as Exhibit A and incorporated herein by this reference (the "Project"), will serve Lynnwood's transportation and recreation purposes; and will serve PHD2's health and health maintenance programs; and

WHEREAS, Lynnwood will make separate arrangements with the City of Edmonds and the City of Mountlake Terrace to participate in the implementation of the Project; and

WHEREAS, RCW 70.44.240 authorizes PHD2 to "contract" with any "legal entity" to "provide any hospital or other health care facilities or other health care services to be used by individuals, districts, hospitals, or others, including providing health care maintenance services;" and

WHEREAS, through a comprehensive needs assessment, PHD2 has determined there continues to be a need for community access to recreation and physical activity programs within its service area, and through a series of assessments of the bike infrastructure in its service area identified opportunities for improvement; and

WHEREAS, PHD2 has reviewed the Project relative to PHD2's mission, and allocated funds to provide for resources sufficient to complete the Project.

NOW, THEREFORE, Lynnwood and the PHD2 agree as follows:

1. PURPOSE.

1.1 The primary purpose of this Agreement is to provide a cost-sharing arrangement between Lynnwood and the PHD2 to allow for a comprehensive bicycle improvement program (the "Program") to improve the health and well-being of residents of the PHD2 service area, including the City of Lynnwood, implemented in part through the design and installation of the regional bicycle network Project described above accompanied by

52 a usage study, and education and outreach effort. The Program scope is initially  
53 described in Exhibit A to Lynnwood's grant application to PHD2 and the scope will be  
54 further developed and refined, but not substantially altered without the prior written  
55 authorization of PHD2.

56  
57 2. CONTRACT ADMINISTRATOR

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59 2.1 Pursuant to RCW 39.34.030(4)(a), Lynnwood and PHD2 appoint a Contract  
60 Administrator who shall be responsible for administering this Agreement, and at the  
61 direction of the parties, this Contract Administrator shall take such action as is necessary  
62 to ensure that this Agreement is implemented in accordance with its terms. The parties  
63 hereby designate City of Lynnwood Deputy Public Works Director/City Engineer as the  
64 Contract Administrator of this Agreement.

65  
66 2.2 This Agreement does not create a separate legal or administrative entity, and  
67 consequently is being administered in accordance with RCW 39.34.030(4), as provided  
68 in paragraph 2.1.

69  
70 3. REAL AND PERSONAL PROPERTY

71  
72 3.1 The parties will not, during the term of and pursuant to this Agreement, jointly  
73 acquire or hold any property (real or personal).

74  
75 3.2 By operation of this Agreement, PHD2 acquires no interest in and disclaims any  
76 interest in the improvements constructed pursuant to this Agreement, which  
77 improvements will be Lynnwood's property or that of Edmonds, Mountlake Terrace,  
78 Snohomish County, Swedish/Edmonds, Community Transit, or Sound Transit as  
79 participants in the Project.

80  
81 3.3 Any plans, engineering drawings or other documents or records made in  
82 preparation for Project design approvals are deemed to be the property of Lynnwood or  
83 its authorized designees.

84  
85 4. OBLIGATIONS OF PARTIES

86  
87 4.1 Lynnwood or its authorized designees shall:

88  
89 4.1.1 Develop and complete the Project plan. PHD2's execution of this Agreement  
90 represents acceptance of the Plans depicted in Exhibit A hereto, which are to serve as  
91 the guideline for final engineering and design of the Project. Lynnwood shall provide  
92 PHD2 with the final network design map when available. PHD2 may not object to the  
93 final engineering and design of the Project unless the design is materially inconsistent  
94 with the Plans depicted in Exhibit A and such inconsistency will substantially interfere  
95 with the intended use of the Project for implementing a comprehensive bicycle network.  
96 If PHD2 objects, PHD2 must so notify Lynnwood within thirty (30) days of receipt of the  
97 final engineering and design drawings. If Lynnwood is unable to resolve PHD2's  
98 objection within thirty (30) days after Lynnwood receives such notice, the PHD2 may  
99 terminate this Agreement.

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101 4.1.2 Lynnwood or its authorized designees shall ascertain and obtain any necessary  
102 permits or required governmental approvals to complete the Project.

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4.1.3 Use funds from PHD2 to: 1) complete 10 critical missing links (approximately 29,900 linear feet) referenced in Exhibit A of the community's bicycle network; 2) install bicycle emphasis and wayfinding signs; 3) install bicycle parking at key destinations as outlined in its funding application to PHD2; 4) conduct public education and outreach about bicycle safety, benefits, maps and routes; and 5) measure the Project results as described in section 4.1.5 of this Agreement.

4.1.4 Provide PHD2 with annual reports of this Project during the term of this Agreement. On an annual basis by March 15 of each year, Lynnwood shall submit progress reports of activities carried out under the Program including summaries of results and budget reports on the Project.

4.1.5 Measure the Program effectiveness as follows: 1) Measure overall usage (pre-and post-construction) of the network in key locations and corridors utilizing visual and automatic counters in cooperation with the annual Washington State Bicycle and Pedestrian Documentation Project; 2) Conduct a survey to gauge the community's attitudes and behaviors toward bicycling vis-a-vis the bicycle network infrastructure and compare results to the 2013 Cascade Bicycle Club survey; 3) Measure overall improved safety by comparing collision data collected and submitted to Washington Department of Transportation on an annual basis; and 4) Measure self-reported ridership changes through surveys distributed at outreach and educational events. Lynnwood shall complete the measurements described above before the end of this Agreement term on December 31, 2019.

4.1.6 Credit PHD2 in its publicity vehicles about this Program and Project, including but not limited to press releases, websites, brochures and fliers. The PHD2 dba Verdant Health Commission name and/or logo should also be featured prominently on wayfinding signs and other bicycling facilities in a manner that is mutually agreeable to PHD2 and Project partners and complies with local, state, and federal transportation rules and guidelines.

4.2 PHD2 shall:

4.2.1 Commit and pay to Lynnwood the PHD2 funds for the Project as stated in Paragraph 6 of this Agreement.

## 5. PROJECT COSTS AND APPROVAL

5.1 PHD2 acknowledges receipt of cost estimates related to the Project, copies of which are attached hereto as Exhibit A and incorporated herein by this reference ("Project Budget Estimates"). Lynnwood shall have the authority to enter into final contracts to facilitate construction of the Project based on the Project Cost Estimates.

5.2 Lynnwood or its authorized designees, in completing construction of the Project, shall, in its sole discretion, complete the architectural and final design drawings and direct the Contract Administrator with regard to Project construction details and completion of the construction bid package. PHD2 shall have no right to object to the final design of the Project, so long as it conforms generally to the plans depicted on Exhibit A, as set forth in paragraph 4.1.1 of this Agreement.

154 6. FUNDING OF PROJECT

155

156 6.1 PHD2's total funding responsibility shall be one million nine hundred thousand  
157 dollars and no cents (\$1,900,000.00) (the "Funds"). PHD2 shall provide the Funds to  
158 Lynnwood in three payments as follows: an initial payment of four hundred seventy  
159 thousand dollars and no cents (\$470,000.00) upon the execution of this Agreement; a  
160 second payment of seven hundred six thousand dollars and no cents (\$706,000.00) by  
161 no later than December 15, 2015 and a third payment of seven hundred twenty four  
162 thousand dollars and no cents (\$724,000.00) by no later than December 15, 2016.

163

164 6.2 Lynnwood shall use the Funds provided by PHD2 only for this Program  
165 consistent with paragraph 4.1 of this Agreement, and shall return any portion of the  
166 payments that are not used for the Program by December 31, 2019.

167

168 6.3 Following mutual execution of this Agreement, Lynnwood shall direct the  
169 Contract Administrator to secure appropriate contracts for labor, goods and professional  
170 services as needed to complete the work identified in the Project scope in accordance  
171 with applicable laws, including but not limited to RCW 39.04 and RCW 35A.

172

173 7. DURATION AND TERMINATION

174

175 7.1 The term of this Agreement shall commence on the date first written above and  
176 shall end on December 31, 2019, unless this Agreement is terminated prior to such date  
177 or modified or amended in accordance with Paragraph 8.7 below. This Agreement shall  
178 take effect upon filing a copy thereof with the County Auditor or, alternatively, upon  
179 listing by subject on Lynnwood's web site or other electronically retrievable public source  
180 in accordance with RCW 39.34.040.

181

182 8. MISCELLANEOUS

183

184 8.1 The Contract Administrator shall supervise and manage the completion of the  
185 Project on behalf of Lynnwood and PHD2 following mutual execution of this Agreement.  
186 PHD2 shall have no responsibility to supervise or manage completion of the Project.

187

188 8.2 In the event that Lynnwood utilizes an architect or engineer by independent  
189 contract or a public works contract to fulfill completion of the Project, Lynnwood shall  
190 direct the Contract Administrator to use its best efforts to obtain whatever warranties  
191 may be reasonably available and to secure contractual indemnities to protect Lynnwood  
192 and PHD2 from liability arising out of the work performed under this Agreement,  
193 PROVIDED, however, that Lynnwood shall incur no liability arising from this Agreement  
194 if the Contract Administrator is unable to obtain such warranties and indemnities. The  
195 Contract Administrator shall also require such professional or contractor to provide  
196 adequate insurance to cover any and all liability incurred during the course of  
197 construction.

198

199 8.4 Lynnwood and PHD2 shall maintain records necessary to carry out the purposes  
200 of this Agreement in accordance with generally accepted accounting principles, as  
201 applicable to municipal corporations. Such records shall be available during normal  
202 working hours for the review of the respective parties, their accounting representatives  
203 or the State Auditor.

204

205 8.5 This Agreement and all questions concerning the capacity of the parties,  
206 execution, validity (or invalidity), and performance of this Agreement, shall be  
207 interpreted, construed and enforced in all respects in accordance with the laws of the  
208 State of Washington.

209  
210 8.6 Nothing in this Agreement shall be interpreted to create any right or liability with  
211 respect to any person or entity not a signatory to this Agreement.

212  
213 8.7 This Agreement, together with its Exhibits, contains the entire integrated  
214 agreement of the parties with respect to the subject matter of this Agreement. No  
215 addition to or modification of any term or provision in this Agreement shall be effective  
216 unless set forth in writing and signed by an authorized representative of each party.

217  
218 8.8 In the event of a dispute between the parties arising under this Agreement, the  
219 PHD2 Superintendent and the Lynnwood Public Works Director shall meet to attempt to  
220 resolve the dispute within thirty (30) days' notice from the Contract Administrator of the  
221 existence of a dispute. In the event the PHD2 Superintendent and Lynnwood Public  
222 Works Director are unable to resolve the dispute within sixty (60) days' notice from the  
223 Contract Administrator of the dispute, the parties shall submit the dispute to a mutually  
224 agreed upon private arbitrator for a binding resolution, or, if both parties agree, to a  
225 private mediator for mediation. In the event the parties cannot agree on an arbitrator,  
226 one will be appointed by the Presiding Judge of the Snohomish County Superior Court,  
227 with costs of arbitration borne equally. The prevailing party shall be entitled to recover  
228 reasonable attorneys' fees and costs related to said arbitration.

229 AGREED TO:

230

231 PUBLIC HOSPITAL DISTRICT NO. 2

232 SNOHOMISH COUNTY, WASHINGTON

233

234 By: Carl Zapora Date: 12/2/14

235 Carl Zapora, Superintendent

236

237 CITY OF LYNNWOOD

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239 By: Nicola Smith Date: 5 Dec 2014

240 <sup>WA</sup> Nicola Smith, Mayor

241

242 ATTEST:

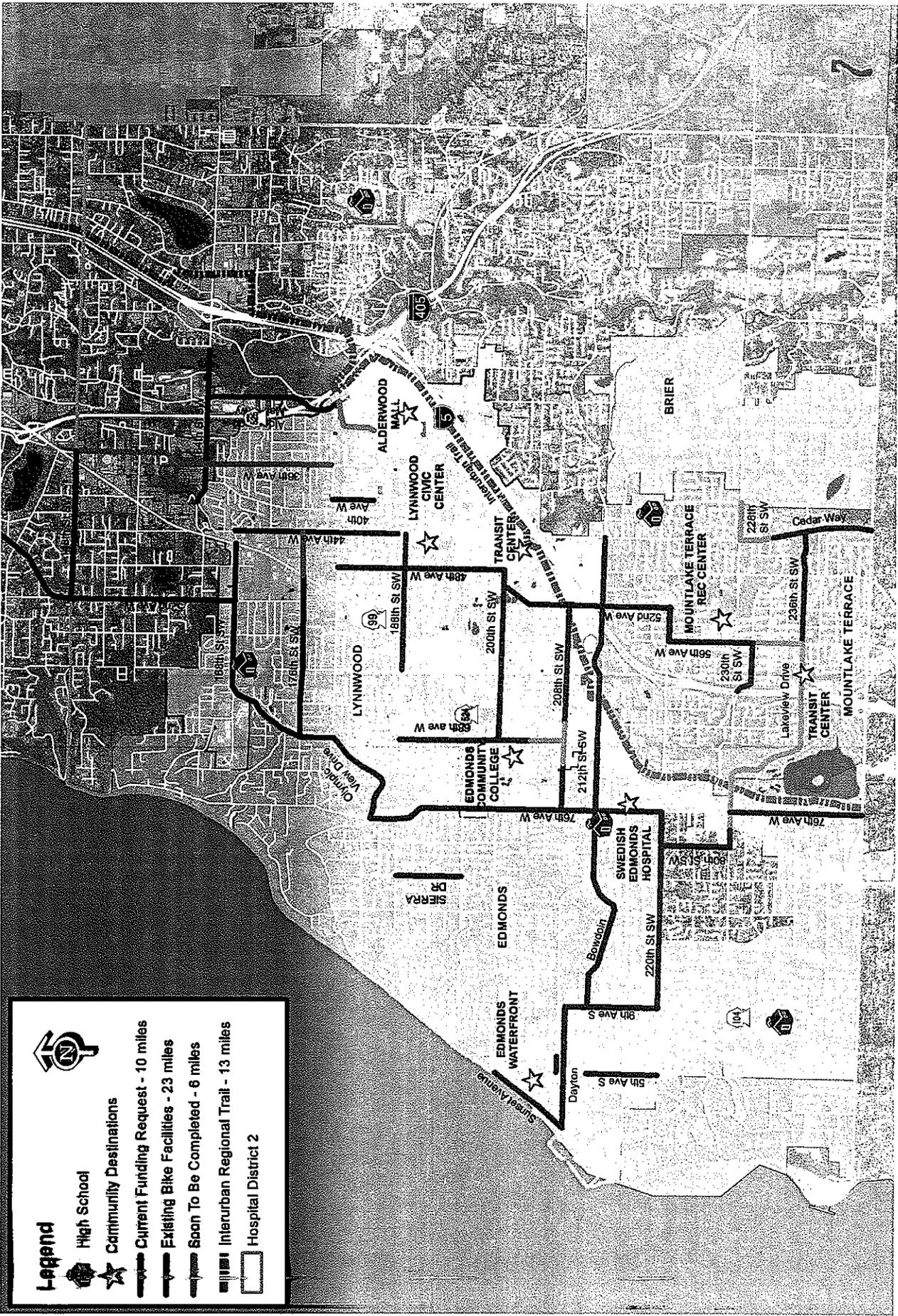
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244 By: [Signature] Date: 12/10/14

245 Name/Title: ANT GENIERA  
Interim Director, Administrative Services

AE





**Legend**

- High School
- Community Destinations
- Current Funding Request - 10 miles
- Existing Bike Facilities - 23 miles
- Soon To Be Completed - 6 miles
- Interurban Regional Trail - 13 miles
- Hospital District 2



**LYNNWOOD**  
WASHINGTON



**MOUNTLAKE**  
**TERRACE**

**SW Snohomish**  
**County BikeLink**

