

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

March 11, 2003

Ordinance 14585

Proposed No. 2003-0079.1 Sponsors Edmonds 1 AN ORDINANCE authorizing the executive to enter into 2 an agreement between King County and the Northwest 3 Center for transfer of the Hartman pool in Redmond to the 4 Northwest Center. 5 6 7 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY: 8 **SECTION 1. Findings:** 9 A. King County is facing a multiyear fiscal crisis that is forcing major cuts in all 10 nonmandated government services funded by the current expense fund and as a result 11 does not have a sufficient, stable source of revenue to continue to operate and maintain 12 the Hartman pool in the city of Redmond. 13 B. Due to its fiscal crisis, King County desires to divest itself of ownership, 14 management and financial responsibility for pools, parks, open space, recreational 15 facilities and programs inside and near city boundaries. 16 C. The county is currently operating the Hartman pool under a one-year operating

agreement with the city of Redmond. The purpose of entering into an operating

18	agreement was to enable the city and the county to develop a longer-term solution to
19	keeping the pool open for the public.
20	D. King County and the Northwest Center (NWC) have agreed to terms of an
21	agreement for the transfer of the Hartman pool under which the NWC with operate the
22	pool for the use and benefit of the public.
23	E. The recitals in the agreement set forth relevant facts supporting and explaining
24	the terms of the transfer.
25	F. The equipment and supplies being conveyed along with the pool are integral to
26	the continued operation and maintenance of the pool and are surplus to the county's
27	needs.
28	G. King County and NWC have agreed that the transfer will take place within
29	thirty days following execution of the interlocal agreement by both parties.
30	H. Transfer of the Hartman pool under the terms and conditions of the agreement
31	attached to this ordinance will serve an important county purpose by ensuring that the
32	pool will remain open and available to all county residents.
33	SECTION 2. The King County executive is hereby authorized to enter into an
34	agreement, substantially in the form of the agreement attached to this ordinance, with the

Northwest Center relating to the transfer of the Hartman pool and such other documents as are reasonably necessary to effect the transfer.

37

Ordinance 14585 was introduced on 3/3/2003 and passed by the Metropolitan King County Council on 3/10/2003, by the following vote:

Yes: 10 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Pullen, Mr. Gossett, Ms. Hague and Ms. Patterson

No: 0

Excused: 3 - Mr. Phillips, Mr. Constantine and Mr. Irons

KING COUNTY COUNCIL KING COUNTY, WASHINGTON

ynthia Sullivan, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this 24 day of March, 2003

Ron Sims, County Executive

Attachments

A. Pool Transfer Agreement Between King County and Northwest Center

Pool Transfer Agreement Between King County and Northwest Center

This Agreement is made and entered into this ____ day of_______, 2003 by and between Northwest Center for the Retarded, a Washington non-profit corporation, d/b/a Northwest Center hereinafter called "NWC", and King County, a Washington municipal corporation, hereinafter called "County" or "King County". In consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, NWC and the County agree as follows:

A. RECITALS AND FINDINGS:

The County, under the authority of RCW 36.89.050, King County Resolution 34571 and other federal, state and county laws, has acquired and developed a substantial park, recreation and open space system that depends on the continued operation of its many individual properties and facilities in order to fully serve the needs of the residents of King County and the cities within it.

The County does not have a sufficient, stable source of revenue to continue to manage and maintain its pools, parks, open space, recreational facilities and programs at current levels.

The County's budget crisis necessitates that it go out of the business of operating in-city community pools and transfer these pools to other entities.

Ownership, operation and maintenance of pools creates significant expense and potential liability to the County.

The County is legally restricted from converting many of these pools, parks, open space, and recreational facilities from their current uses without expending funds to replace the converted facilities.

Given the legal restriction regarding conversion of the County pool properties and the expense of operating pools, the marketability and value of such pool properties is minimal.

NWC has a history of providing employment services to disabled persons in King County through the operation of a variety of businesses.

The County is currently operating the Hartman Pool ("Pool") in the City of Redmond ("City") under that certain Interlocal Pool Operating Agreement, dated, December 30, 2002 ("Operating Agreement").

The County has explored several options for the future operation of the Pool with the City, and the City has notified the County that it wishes the County to transfer that pool to NWC; and the City has further stated its willingness to provide ongoing funding to NWC to support the operation of the Pool through 2007.

In order to provide training and stable employment to its disabled clientele, a number of whom are also low-income, NWC wishes to accept ownership of the Pool pursuant to the terms of this Agreement and to keep the Pool available for public use and enjoyment.

Transfer of the Pool to NWC will relieve the County of the significant burden and liabilities of owning and maintaining the Pool.

If the Pool is not transferred, the County has determined it would be unable to keep the Pool open beyond the term of the Operating Agreement; thus this Agreement secures a significant public benefit by ensuring the continued operation of the Pool, at least for as long as such operation remains economically viable for NWC or until a replacement pool for the Pool is brought on line, as provided herein.

Transfer of the Pool to NWC is in the best of interest of the public and the County in that the Pool will continue to be available for general public use, and the transfer will allow NWC to provide services and training for disabled persons, many of whom are also low income residents.

1. Conveyance of Title

1.1. Within thirty (30) days of execution of this Agreement and receipt of executed assignments to NWC of the underlying real property lease described more fully in Exhibit A (the "Lease"), King County shall convey to the NWC by deed all its ownership interest in the following listed improvements, which are described more fully in Exhibit B (the "Property" or the "Pool"):

HARTMAN POOL

1.2 All deeds conveying title to the Pool shall be in form and substance acceptable to both parties and contain the following specific covenants pertaining to use, which covenants shall run with the land for the benefit of the County and the County land that makes up its public park, recreation and open space system. The County and NWC agree that the County shall have standing to enforce these covenants, which shall be set forth as follows:

"Grantee covenants that it shall abide by and enforce all terms, conditions and restrictions in King County Resolution 34571 applicable to a transferee, including that NWC covenants that the Property shall continue to be used for the purposes contemplated by Resolution 34571, that the Property shall not be transferred or conveyed except by agreement providing that such lands shall continue to be used for the purposes contemplated by Resolution 34571, and that the Property shall not be converted to a different use unless other equivalent lands and facilities within the County shall be provided."

"Grantee covenants that the primary use of the Property shall be to provide recreational swimming opportunities to the general public, and that it shall not charge fees for such use of the Property in excess of fees reasonably related to the cost of owning, operating and maintaining the Property."

"Grantee covenants that, except for reasonable periods of closure required for necessary maintenance, capital repair or to remedy threats to health or safety, the Property shall be open to the public for swimming during business hours comparable to those of other public pools in King County."

"Grantee covenants that it shall maintain the Property in good, clean, safe and sanitary condition and in compliance with all applicable laws, ordinances and regulations."

"The Grantee covenants that it shall place the preceding covenants in any deed transferring the Property or a portion of the Property for public park, recreation or open space uses; provided, however, that all such preceding covenants shall terminate on May 28, 2010, the expiration of the original term under the Lease and the end of the contemplated useful life of the pools as stated in Resolution 34571."

- 1.3 NWC and County agree that the assignment of the Lease will convey all the rights and obligations of the County contained in therein, NWC shall assume all the rights and obligations of the County (including the covenants contained in said Lease) and such assignments shall discharge the County of any future obligations under the Lease. NWC shall comply with all provisions, terms, conditions, obligations and covenants of the Lease and assignment. The assignment must be mutually acceptable to the County, NWC, and the lessor.
- 1.4 Unless extended by mutual written agreement of the County and NWC, this Agreement shall be null and void if the assignment of the underlying lease for the property on which the Pool is located is not granted consistent with this Section by the lessor prior to May 15, 2003.
- 1.5 The Property being conveyed includes certain equipment and supplies used to operate and maintain the Pool. The County will leave such equipment and supplies on site, which equipment and supplies will include all furniture, lifeguard equipment, first aid supplies, specialty tools, operator manuals, as-built pool and remodel plans, phone system, lighting fixtures, miscellaneous pool equipment, building maintenance supplies, spare parts, and materials such as chlorine and filtration supplies for pool maintenance, as further described in Exhibit C hereto on site, and the County and NWC shall execute a mutually agreeable Bill of Sale for all such equipment and supplies. NWC takes all equipment and supplies AS IS and WHERE IS and agrees that the County holds no future responsibility with regard to the equipment and supplies or any occurrence related to or resulting from use of the equipment and supplies.

1.6 NWC and the County agree that the conveyances referenced in Section 1.1 are contingent upon the receipt of a signed agreement satisfactory to NWC from the City to provide financial support for the Pool. If NWC has not notified the County in writing by May 15, 2003 that it has received such an agreement satisfactory to NWC with respect to the Pool, then this Agreement shall be null and void.

- 1.7 NWC shall use reasonable and diligent efforts to continue the operation of the pools as contemplated herein through the date set forth in the last paragraph of Section 1.2 above. In the event that NWC can demonstrate and certifies in writing to King County that: (1) it has used all reasonable and diligent efforts to continue to operate the Pool and to secure financial support therefor; (2) the economic viability of NWC will be threatened by the continued operation of the Pool; and (3) NWC has been unable to assign its interests in the Pool to another operator or otherwise ensure the continued operation of the Pool as a public pool, then as between the County and NWC, the County will deem NWC's mothballing of the Pool to be in compliance with its obligations to the County to continue operating the Pool under this Agreement (including Section 1.2) and the deed and the assignment of the Lease. "Mothballing" means maintaining such Pool in a manner that protects it from damage associated with closure and that will allow to be reopened for public use at a later date at minimal cost. "Mothballing" includes, but is not limited to, keeping the Pool filled with water and with the filters, pumps, heaters and general pool equipment remaining on, and maintaining the security and usability of the Pooland building. It is further agreed that after the Pool has been mothballed for a period of six months, if NWC can demonstrate and certifies in writing to King County that during such time it has used reasonable and diligent efforts to identify means by which the Pool may be re-opened for public use but has been unable to identify and implement such means, then as between the County and NWC, the County will deem a closure of the Pool to be in compliance with its obligations to the County to continue operating the Pool under this Agreement (including Section 1.2) and the deed and the assignment of the Lease. Such written certification shall include, but not be limited to, thoroughly identifying all steps taken by NWC to avoid closure. NWC shall provided to the County with detailed records regarding all of its efforts to avoid mothballing the Pool and all of its efforts to re-open after such mothballing, copies of which shall be provided to the County within 15 days of its request.
- 1.8 It is understood that the City is providing operating funds to NWC for Pool operations and may by itself or with other entities, construct a new pool in the future. If: 1) such new pool operates as a public pool in the same manner as required for the Pool by this Agreement; 2) is of comparable size and equivalent recreational value; and 3) such the City funds all or a portion of the new pool in lieu of providing continued funding levels to NWC, the new pool shall constitute an equivalent replacement facility for the Pool as contemplated by Resolution 34571. When the City withdraws funding from NWC and the new pool is operational and open to the public, then as between the County and NWC, the County will deem a closure of the Pool to be in compliance with its obligations to the County to continue operating the pool under this Agreement (including Section 1.2) and the deed and the assignment of the Lease. NWC agrees to continue to maintain

and operate the Pool in accordance with this Agreement until the City discontinues funding levels to NWC and the new replacement pool is operational and open to the public.

2. Existing Restrictions, Agreements, Contracts or Permits

2.1 NWC shall abide by and enforce all terms, conditions, reservations, encumbrances, restrictions and covenants of title existing at the time of conveyance and/or in the deed of conveyance. In addition to any other remedies available for breach of a real property covenant and regardless of the enforceability of the covenants in the deed, all such covenants shall also be considered contractual obligations with which NWC must comply. Breach of any such covenant or contractual obligation or breach of any provision of this Agreement shall entitle the County to seek any remedy in law or equity, including without limitation, damages and/or specific performance.

3. Financial Arrangement

3.1 As part of the consideration for NWC's agreement to assume title to and to continue to operate and maintain the Pool at its expense, the County agrees to transfer to NWC funding for the purpose of making capital improvements to the Pool, in accordance with the following schedule:

HARTMAN POOL

\$75,000

The funds will be distributed to NWC in two roughly equal installments, with the first payable on or before April 30, 2003 and the second payable on or before March 31, 2004. In addition, the County will provide not less than \$50,000 for the purpose of making capital improvements to the Pool; the final amount of such payment will be determined by March 31, 2003 in the sole discretion of the County but in no event will it exceed \$125,000. Such funds for additional capital improvements will be distributed to NWC by December 31, 2003 and December 31, 2004 in approximately equal installments. Funds provided pursuant to this paragraph 3.1 may be used only for the planning, construction, reconstruction, repair, rehabilitation or improvement of the Pool. Any such funds not so used shall be returned to the County, or transferred subject to the requirement that the transferee use the funds only for the specified purposes.

3.2 As part of the consideration of NWC's agreement to assume title to and to continue to operate and maintain the Pool, and provided that title to the Pool transfers to NWC pursuant to this Agreement on or before April 1, 2003, the County agrees to transfer to NWC a one-time payment to be used for the operation and maintenance of the Pool. These funds will be distributed to NWC no later than April 30, 2003. The basis for this payment is the County's estimated cost to mothball each pool in 2003, less mothball funds expended pursuant to the Operating Agreement, which amount for the Pool is:

\$58,257.00

- 3.3 Other than the funds provided pursuant to 3.1 and 3.2, the County shall have no obligation whatsoever to provide additional funds to NWC relating to the Property, except for interest on payments that are more than five days late, which interest shall accrue from the due date at a rate of 12 percent per annum.
- 3.4 NWC shall provide the County with detailed and accurate records of all expenditures of funds provided by the County.
- 3.5 NWC shall comply with all applicable laws, ordinances and regulations in using funds provided by the County including, to the extent applicable, those related to "public works," payment of prevailing wages and competitive bidding of contracts.
- 4. Condition of Premises and Responsibility for Operations, Maintenance, Repairs, Improvements, and Recreation Services
 - 4.1 NWC has inspected and knows the condition of the Property and agrees to accept the Property in <u>AS IS</u> condition, and to assume full and complete responsibility for all operations, maintenance, repairs, and improvements of the Property.
 - 4.2 King County does not make and specifically disclaims any and all warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Property or its condition, and no official, employee, representative or agent of King County is authorized otherwise.
 - 4.3 NWC acknowledges and agrees that except as indicated in paragraph 5.2, the County shall have no liability for, and that the NWC shall release and have no recourse against the County for, any defect or deficiency of any kind whatsoever in the Property without regard to whether such defect or deficiency was known or discoverable by NWC or the County.
 - 4.4 The County has contacted Kevin Brown, program analyst III, who oversees capital projects for the parks division of the King County Department of Natural Resources and Parks. To the best of Mr. Brown's knowledge, the only reports developed within the last eight years describing the condition of the Pool are: (1) A memo from Terry Higashiyama dated 12/11/02 re: 1999 Pool Building Maintenance Summary; (2) a "wish list" of 2002 CIP items; and (3) a 1994 Rehabilitation Assessment Study for King County Parks Division. These reports have been provided to NWC..
 - 4.5 The County shall make available, prior to March 20, 2003, to NWC's representatives for interviews, the Pool Operators of the Pool, and the employees of the County who manage and supervise those supervisors. The County shall instruct all such employees to fully cooperate with NWC's representatives and to truthfully and completely answer

all questions presented as they relate to the operations of the Pool and the condition of the Pool equipment, property, furnishings, fixtures and assets. The County shall make the Pool available for inspection by independent experts engaged at NWC's expense to inspect the Pool.

5. Environmental Liability

- 5.1 "Hazardous Materials" as used herein shall mean any hazardous, dangerous or toxic wastes, materials, or substances as defined in state or federal statutes or regulations as currently adopted or hereafter amended.
- 5.2 Nothing in this agreement shall be deemed to waive any statutory claim for contribution that NWC might have against the County under federal or state environmental statutes that arises from hazardous materials deposited or released on the Property by the County prior to transfer of the Pool to NWC. In making such claim, however, NWC is barred from seeking recovery for costs that arise from NWC having exacerbated the costs of remediation upon which a statutory claim for contribution is based as a result of NWC performing construction activities on the Property or changing the use of the Property. Exacerbation shall not be deemed to include the mere discovery of contamination.
- 5.3 If NWC discovers the presence of hazardous materials at levels that could give rise to a statutory claim for contribution against the County it shall immediately notify the County in writing. Prior to undertaking any remediation, the parties shall make their best efforts to reach agreement as to which party is responsible for remediation under the terms of this Agreement.
- 5.4 In no event shall the County be responsible for any costs of remediation that exceed the minimum necessary to satisfy the state or federal agency with jurisdiction over the remediation.

6. Indemnification and Hold Harmless

6.1 King County shall indemnify and hold harmless NWC from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever arising from those occurrences related to the Property that occurred prior to the effective date of conveyance of the Property to NWC, except to the extent that indemnifying or holding NWC harmless would be limited by Section 4 or 5 of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against NWC or NWC and King County, King County shall defend the same at its sole cost and expense and, if final judgment be rendered against NWC and its officials, officers, agents and employees or jointly against NWC and King County and their respective officials, officers, agents and employees, King County shall satisfy the same.

6.2 NWC shall indemnify and hold harmless King County and its elected officials, officers, agents and employees, or any of them, from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, including attorneys' fees and costs, (i) arising from NWC's failure to comply with any provision of this Agreement, and/or (ii) arising from those occurrences related to the Property that occurred on or after the effective date of conveyance of the Property to NWC, except to the extent that indemnifying or holding the County harmless would be limited by Section 5 of this Agreement. In the event that any suit based upon such a claim, action, loss or damage is brought against King County or King County and NWC, NWC shall defend the same at its sole cost and expense and, if final judgment be rendered against King County and its officers, agents and employees or jointly against King County and the NWC and their respective officers, agents and employees, NWC shall satisfy the same.

- 6.3 Each Party to this Agreement shall immediately notify the other of any and all claims, actions, losses or damages that arise or are brought against that Party relating to or pertaining to the Property.
- 6.4 Each party agrees that its obligations under this paragraph extend to any claim, demand, and/or cause of action brought by or on behalf of any employees, or agents. For this purpose, each party, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify the other party.
- 6.5 The County shall defend any claim against NWC or the County that it was unlawful for the County to transfer the Pool to NWC pursuant to this Agreement. This defense obligation shall not be construed as a promise to indemnify NWC from and against any damages or costs, nor as an obligation to defend any other claims including, but not limited to, those alleging that NWC unlawfully discontinued operations, closed or mothballed the Pool.
- 6.6 NWC shall at all times maintain commercial general liability insurance coverage of not less than \$1 million per occurrence and \$2 million in the aggregate. The insurance shall name King County (including its officers and employees) as an additional insured. NWC shall provide evidence of compliance with this provision at the time it executes this Agreement and annually thereafter.

7. Audits and Inspections

7.1 The County shall have full access to and the right to examine and copy, at its expense, during normal business hours and as often as they deem necessary, all of NWC's records with respect to all matters covered by this Agreement. NWC shall have access to and the right to examine and copy at its expense, during normal business hours, any disclosable and non-privileged records retained by the County with respect to the construction, maintenance, use, repair, and/or operation of the Pool.

8. Compliance with Laws

8.1 NWC shall comply, and shall ensure that its contractors comply, with all federal, state and local laws, regulations, and ordinances applicable to the Property and/or its obligations under this Agreement.

9. Legal Relations

- 9.1 This Agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture, agent-principal relationship, or partnership is formed as a result of this Agreement.
- 9.2 This Agreement shall be interpreted in accordance with the laws of the State of Washington. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

10. Waiver and Amendments

10.1 Waiver of any breach of any term or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No term or condition shall be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto.

11. Entire Agreement and Modifications

11.1 This Agreement and its Exhibits sets forth the entire agreement between the parties with respect to the subject matter hereof. It may only be supplemented by addenda or amendments, which have been agreed upon by both parties in writing. Copies of such addenda and amendments shall be attached hereto and by this reference made part of this contract as though fully set forth herein.

12. Miscellaneous

- 12.1 NWC represents and warrants that the execution of this Agreement has been duly authorized and that to the best of NWC's knowledge there is no pending, lawsuit or material claim against or related to NWC that will impede or materially affect NWC's ability to perform the terms of this Agreement, this Agreement does not conflict with the terms of any other agreement to which NWC is a party, and there is no pending investigation of NWC by any governmental agency.
- 12.2 The County represents and warrants that the execution of this Agreement has been duly authorized and that to the best of the County's knowledge there is no pending, lawsuit or material claim against or related to the County that will impede or materially affect the County's ability to perform the terms of this Agreement, and this Agreement does not conflict with the terms of any other agreement to which the County is a party.

- 12.3 This Agreement shall be effective upon its execution by both parties. The terms, covenants, representations and warranties contained herein shall not merge in the deed of conveyance, but shall survive the conveyance and shall continue in force unless both parties mutually consent in writing to termination.
- 12.4 The County acknowledges that NWC intends to create a limited liability company (of which NWC will be the sole member) for the purpose of owning, managing, and operating the Pool and certain other recreational assets (the "LLC"). The County hereby consents to the assignment of the Lease and NWC's rights under this Agreement to the LLC, agrees that NWC may, without further consent of the County, assign all of the rights, privileges, obligations and duties of NWC under this Agreement to the LLC, and agrees that upon such assignment, Northwest Center for the Retarded shall be relieved of and released from all further obligation and liability under this Agreement.

13. Notice

13.1 Any notice provided for herein shall be sent to the respective parties at:

King County:
Bob Burns, Acting Manager
King County Parks and Recreation Division
Dept. of Natural Resources and Parks
King Street Center, 7th Floor
201 S. Jackson St.
Seattle, WA 98104

IN WITNESS WHEREOF, the parties have executed this Agreement.

NWC: David Wunderlin Chief Executive Officer 1600 West Armory Way Seattle, WA 98119

King County	NWC:
King County Executive	David Wunderlin, Chief Executive Officer
Date	Date

STATE OF WASHINGTON)	
) ss.	
COUNTY OF KING)	
On this day of, 2003, before me, the unin and for the State of Washington, duly commissioned and sworn, p	
to me known to be the	~ * *
, to the known to be the, a Washington non-prof.	
the foregoing instrument and acknowledged the said instrument to be and deed of said corporation, for the uses and purposes therein mentions said person was authorized to execute the said instrument for	ioned, and on oath stated tha
WITNESS my hand and official seal hereto affixed the day a above written.	nd year in this certificate
Printed Name:	
NOTARY PUBLIC in and for the State of	
Washington, residing at	
My Commission Expires:	

STATE OF WASHINGTON)	
) ss.	
COUNTY OF KING)	
On this day of, 2003, before me,	the undersigned, a Notary Public
in and for the State of Washington, duly commissioned and sw	
, to me known to be	
foregoing instrument and acknowledged to me that said person delegation of authority from King County Executive Ron Sims deed of King County, for the uses and purposes therein mentio	as the free and voluntary act and
WITNESS my hand and official seal hereto affixed the above written.	day and year in this certificate
Printed Name:	
NOTARY PUBLIC in and for the State of	
Washington, residing at	
My Commission Expires:	

EXHIBIT A

Underlying Real Property Lease to be assigned to NWC Prior to any transfer of Property

1. Lease by and between King County and the City of Redmond, dated May 28, 1970

EXHIBIT B King County Pool Transferring to NWC

1. The improvements known as the HARTMAN POOL, located on that certain real estate described as follows:

EXHIBIT C

Personal Property Inventories

Personal property listed on ______that is owned by King County will be transferred to NWC or Northwest Center Recreation LLC by Bill of Sale