

**2021 ADDENDUM TO THE INTERLOCAL AGREEMENT FOR ACQUISITION OF REAL
ESTATE BETWEEN THE CITY OF SPOKANE VALLEY AND THE SPOKANE COUNTY
LIBRARY DISTRICT**

WHEREAS, the City of Spokane Valley (the City) and Spokane County Library District (the Library District) (referred to jointly as the Parties) executed an interlocal agreement (the Agreement) on September 27, 2012. The purpose of the Agreement was for the City to sell the District certain real property located on the north side of Sprague Avenue, between Balfour Road and Herald Road, with the intent that the Library District would design and construct a new library facility that would serve as the primary library facility in the City; and

WHEREAS, pursuant to the Agreement, the City sold 2.5 acres to the Library District, Spokane County parcel number 45174.9063 (the Site), with the transaction closing on or about October 31, 2012. The Parties agreed to an additional transfer of property pursuant to the Agreement, which was dependent upon the needs of the Library District as determined in a collaborative joint needs analysis/conceptual site plan prepared by the Parties. The total property acquired by the Library District from the City was 2.82 acres, with the total closing price, including land and apportioned costs, of \$839,285.10; and

WHEREAS, Section 10 of the Agreement contains a requirement that “in the event that the Library District has not, within five years following the Closing, secured voter approval of a construction bond for the library building and ancillary improvements in such amount as shall be determined necessary by the Library District, that thereafter the Library District shall reconvey all of the Property back to the City at the same price paid by the Library District to the City.”

WHEREAS, the conceptual site plan process took place largely in 2013, and included significant technical input and analysis by the Parties, consultants, and the public. This extensive public participation has been integral to the plan to develop the Site as the main library facility in the City, including identifying the functions desired and needed by the community in a modern library facility; and

WHEREAS, in April 2014, the Library District put two ballot measures before the electorate in the greater Spokane Valley region. The first measure was whether to create a capital facilities area which was a subset of the entire Library District, and which would primarily benefit from the proposed improvements. The second measure was whether to approve construction of the new library at the Site, a second but smaller library facility near the intersection of Sprague Avenue and Conklin Road, as well as improvements at the Argonne Branch, located at Argonne Road and Upriver Drive. The creation of the capital facility area, which required a simple majority, was approved. The vote to approve construction of the facilities, which required at least a 60% approval, failed, although it received 54.84% approval; and

WHEREAS, in August 2015, the Library District again requested that the voters in the capital facility area approve the proposed construction. The capital facility area is legally valid for up to two election attempts, so did not need to be approved as part of the 2016 effort. This effort received 57.57% approval, falling just short of being successful; and

WHEREAS, the Parties mutually recognize the importance of having a modern, functional library facility to support the educational needs of the citizens of the City, including children and adults; and

WHEREAS, the Parties mutually recognize the economic development benefits of co-locating the new library facility with the City's proposed renovations of Balfour Park, which are also adjacent to City Hall. The Parties assert these combined improvements will act as a magnet for private development in the area; and

WHEREAS, the Parties prepared a Joint Site Plan which identified certain right-of-way improvements or site-wide improvements (collectively referred to as "frontage improvements") that are necessary for the respective proposed projects on the site. Said improvements will benefit the multiple uses planned for the combined site. The Parties wish to work together to provide the necessary site improvements while keeping the cost manageable for the citizens; and

WHEREAS, the Library District continues to seek ways to fund the new library site, including through application for funding from various entities as an alternative or in addition to a voted bond; and

WHEREAS, the Parties agreed to an Addendum in 2017 (2017 Addendum) that extended the duration of the Agreement for an additional five years, with an additional optional three years if the Parties agreed. Additionally, the 2017 Addendum contained additional minor modifications regarding the approximate size of the building, and included a financial commitment by the City to the project in recognition of the important public benefits that would be achieved once completed; and

WHEREAS, the Parties agree that a continuing and enhanced partnership between the Parties is crucial for success in jointly developing the Site.

NOW THEREFORE, the Parties agree to make the following amendments to the Agreement:

6. **Joint Site Development Plan.**

A. An approximately 30,000 square foot building on one or more floors, that will serve as a destination facility with programming intended to draw participants from the Spokane County region. The ultimate size of the facility shall be determined following appropriate public engagement.

C. Site requirements:

- Building footprint of approximately 30,000 square feet.
- Vehicular access required for rear service entrance.
- Appropriate parking to meet the City's code minimum requirements for a public library, with a 100 seat meeting room.

- Require frontage on or clear visibility from Sprague Avenue but not from behind a parking lot.
- At least one side of library building adjacent and open to landscaped park area.

The Parties agree to contribute the following amounts to the frontage and/or site improvements on the Library Site which have been identified in the Joint Site Development Plan. The Library District shall contribute its investment of \$1.3 million to purchase the two library construction sites, including the Library Site, as well as the second library site near Sprague Avenue and Conklin Road, and will no longer seek reimbursement for the land costs through a subsequent bond. This Library District obligation is separate from and in addition to any amount sought in bond proceeds, and represents the actual expenditure amounts to purchase both sites. The City shall contribute \$1.3 million in frontage and/or joint site improvements on the Library Site. This amount includes the \$839,285.10 paid by the Library District to the City for the Site. This City obligation is separate from and in addition to any frontage or site improvements the City would already be responsible for in developing and constructing Balfour Park. The intent of these contributions by the Parties is to accomplish the mutual goals set forth in the recitals to this Addendum, above, and to reduce the amount of outside funding needed for the project.

Within 30 days of the District executing a contract for architectural services, the Parties shall form a joint site development project team.

9. **Failure of Joint Site Development Plan.** In the event that, despite their good faith best efforts, the Parties are unable to agree on a Joint Site Development Plan as described above, and absent an agreement between the Parties to extend the deadline for developing such Joint Site Development Plan, then City shall, within 60 days after the final deadline for developing the Joint Site Development Plan, reimburse the Library District the full amount of that portion of the Purchase Price together with the pro-rata share of any survey, title, recording, closing, and phase I environmental audit costs paid by the Library District and from that point in time this agreement would be considered void. Each Party shall pay one-half of the costs of the Joint Site Development Plan if the project does not go forward, either due to failure to agree on a Joint Site Development Plan or because the District does not obtain funding pursuant to Section 10.

10. **Re-Purchase by City.** In order to construct a library building and ancillary improvements on the portion of the Property acquired by the Library District, the Library District will need to secure outside funding. The Parties agree that in the event the Library District has not, by October 31, 2024, secured necessary funding to design and construct the library building and ancillary improvements on the Property in such amounts as shall be determined necessary by the Library District, that thereafter the Library District shall reconvey all of the Property back to the City at the same price paid by the Library District to the City, with payment to be in cash. The Library District, in such event, shall convey title to the City with the same type of instrument as it received the Property from the City, and from that point in time this agreement would be considered void. Once full funding is achieved, the Library District shall commence construction within two years.

12. **Use of Property.** The City agrees that its portion of the Property will be dedicated to public use and will not be sold to any third party. A deed restriction shall be recorded by the Library District no later than December 31, 2021 that would limit the use of the Site to a library facility for a minimum of 50 years from date of opening. The Library District agrees that its portion of the Property will be developed into a public library facility provided that funding for such project is secured as provided above in Section 10.

The City, at its expense, will be allowed to use the entire site for civic purposes until the District provides the City with a notice that the District will commence construction activities in 30 days. The City agrees to hold harmless and indemnify the District from and against all claims, causes of action, and damages arising out of the City's use of the Property for any such civic purposes.

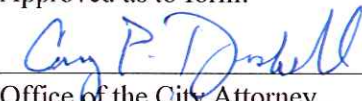
This Addendum shall become effective upon the date of the signature of the last party signing this document.

CITY OF SPOKANE VALLEY



Mark Calhoun, City Manager

Approved as to form:



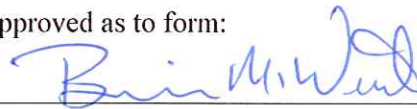
Office of the City Attorney

SPOKANE COUNTY
LIBRARY DISTRICT



Patrick Roewe, Executive Director

Approved as to form:



Brian Werst, Attorney for SCLD