

EXHIBIT L

Interlocal Agreement with Kitsap County for

Poulsbo Urban Growth Area

Exhibit L

POULSBO DISTRIBUTION SCHEDULE

ORDINANCE NO.

RESOLUTION NO.

RESOLUTION OF INTENTION NO.

SUBJECT: Interlocal Agreement w/Kitsap County for Poulsbo UGA

CONFORM AS TO DATES & SIGNATURES

- ☐ Filed with the City Clerk
- ☒ Passed by the City Council 6/5/2002
- ☒ Signature of Mayor
- ☐ Signature of City Clerk
- ☐ Publication
- ☒ Effective Date 6/5/2002
- ☐ Recorded

DISTRIBUTE CONFORMED COPIES AS FOLLOWS:

- ☐ Kitsap County Herald - Publish Summary
- ☐ Ordinance or Resolution Book
- ☐ Book Publishing File
- ☒ City Attorney
- ☐ Civil Service Commission and/or Sec/Chief Examiner
- ☒ Clerk's Department - Original
- ☐ City Council
- ☐ Finance
- ☐ Engr/Bldg
- ☐ Fire District #18
- ☐ Mayor
- ☐ Municipal Court
- ☐ Municipal Research
- ☒ Planning
- ☐ Police
- ☐ Public Works
- ☐ Parks/Recreation
- ☒ Bookshelf Contracts Copy
- ☒ File 1016.18
- ☐ Indexing
- ☐ Purchasing
- ☒ WA State Office of Community Development
- ☒ Record w/Kitsap County Auditor
- ☐
- ☐

CERTIFIED COPIES:

☐

K.
City Clerk

6/6/2002
Date

**Inter-local Agreement
For the City of Poulsbo Urban Growth Area**

THIS AGREEMENT is entered into effective as of the date of the last signature set forth below, by the CITY OF POULSBO (hereinafter "the City") and KITSAP COUNTY (hereinafter "the County") in conjunction with the adoption and implementation of the Poulsbo Subarea Plan (hereinafter "Subarea Plan"), and the designation of the areas described in that Subarea Plan as an Urban Growth Area (hereinafter "UGA").

WHEREAS, the County Comprehensive Plan designates an area of the County adjacent to the City as the City of Poulsbo Urban Joint Planning Area and requires that the parties prepare and implement a joint subarea plan before the area is designated as a UGA; and

WHEREAS, the parties entered into a Memorandum of Agreement in July, 1999, to provide the framework for this cooperative planning effort, to outline a work program, and to initiate the collaborative planning called for by the County Comprehensive Plan; and

WHEREAS, pursuant to the Memorandum of Agreement, the County and the City have jointly developed and processed the Subarea Plan and the same is now ready for final adoption by both parties; and

WHEREAS, the Memorandum of Agreement and the County Comprehensive Plan contemplate that the City and the County will enter into an additional Inter-local agreement to specify the process for adopting the Subarea Plan and provide for its implementation, and the City and the County now desire to enter into such an agreement, Now, Therefore,

FOR AND IN CONSIDERATION OF the terms and conditions set forth below the parties agree as follows:

1. **Nature of Agreement – Purpose.** This Agreement constitutes both the Inter-local Agreement referred to in the County's 1998 Comprehensive Plan Policies UGA 6 through UGA 13, and the "urban growth management" agreement and "annexation agreement" required by the Kitsap County-Wide Planning Policy. This Agreement is also intended to fulfill the requirement of the Memorandum of Agreement that when the Subarea Plan is completed, the parties will enter into an Inter-local Agreement to implement the requirements of the 1998 Comprehensive Plan and identify how and when the Subarea Plan will be adopted by each jurisdiction.
2. **Adoption of Subarea Plan and Agreement, Designation of UGA.** The City and the County agree to undertake the following:
 - 2.1 **Adoption by the County.** The County will adopt the Subarea Plan and this Agreement as an amendment to the County's Comprehensive Plan, as contemplated by Policy UGA 13 of that Plan. The County will also amend its Comprehensive Plan to remove the Urban Joint Planning Area designation from the area that is the subject of this Agreement. The

County will designate the area that is shown on attachment A of this agreement as a UGA. The County will also revise all applicable zoning classifications and development regulations for the affected lands to conform to the adopted Subarea Plan and this Agreement. The County will accomplish the actions specified in this paragraph within 90 days of the effective date of this Agreement.

2.2 **Amendments to the City's Comprehensive Plan.** The City will adopt amendments to the City's Comprehensive Plan and development regulations to implement the Subarea Plan and this Agreement within 90 days of the effective date of this Agreement.

2.3 **Appeals.** In the event that the Subarea Plan or any other action to be taken by the County or City as provided in Sections 2.1 and 2.2 is appealed to the Central Puget Sound Growth Management Hearings Board, or to any court of competent jurisdiction, the parties agree to jointly defend said actions through the parties' respective staffs and legal counsel.

3. **Review Process for Land Use Actions in Urban Growth Area.** Upon adoption of the Subarea Plan and this Agreement as part of the County's Comprehensive Plan, designation of the City of Poulsbo's UGA and adoption of development regulations governing development within the UGA, the parties agree that the following procedures will govern amendment of the Subarea Plan or development regulations, and land use activities and development within the UGA.

3.1 **Land Use Review and Development Permits.** The County will continue to review and take action on all applications for land use and development within the UGA outside the boundaries of the City of Poulsbo. Permits shall be reviewed as follows:

3.1.1 **Applicable Regulations.** As a component of its development regulations, the County shall adopt the substantive provisions of the City of Poulsbo's zoning ordinance and subdivision ordinance in effect on the date the County adopts the Subarea Plan and apply them within the UGA.

3.1.1.1 **Critical Areas Ordinance.** The County will apply the County's Critical Areas Ordinance, title 19 of the Kitsap County Code, until such time the City of Poulsbo adopts a Critical Areas Ordinance which is consistent with requirements under the Growth Management Act for Best Available Science. .

3.1.1.2 **Preplanning.** Preplanning is required in a manner consistent with Section 17.315.090 of the Kitsap County Code.

- 3.1.2 Review and Process. All applications shall be reviewed and processed in a manner consistent with the Kitsap County Land Use and Development Procedures Ordinance, Chapter 21.04 of the Kitsap County Code.
- 3.1.3 Notification. The County agrees to promptly notify the City of all applications for land use review and development permits. The County shall provide the City an opportunity to comment on all applications. County staff will consult with City staff as needed so that City input is taken into account and the County is processing applications in a manner consistent with adopted development regulations.
- 3.1.4 SEPA Review. The County shall act as lead agency for all SEPA review of all proposals that are located entirely within the UGA and outside of the City's boundaries, provided, that in accord with WAC 197-11-926, the City shall act as lead agency for any public proposal within the UGA initiated by the City.
- 3.1.5 Inspections. The County shall conduct all required inspections for any construction activity, except for that permitted and inspected by other agencies having jurisdiction.
- 3.1.6 Appeals. Judicial appeals shall be as provided in state law. The City and County agree to share all costs associated with any appeals that involve a challenge to the validity of the City's development regulations that are adopted by the County pursuant to Section 3.2.1 above. The costs associated with any and all other appeals shall be borne by the County.
- 3.2 **Subarea Plan and Development Regulation Amendments.** Either party may propose amendments to the Subarea Plan or development regulations pertaining to land within the unincorporated UGA.
- 3.2.1 Any proposed amendment to the Subarea Plan or development regulations pertaining to land within the unincorporated UGA will be processed by the County in a manner consistent with established procedures for amending the Kitsap County Comprehensive Plan and/or Kitsap County development regulations, including but not limited to the Kitsap County Zoning Ordinance and Critical Areas Ordinance. Any such amendments will be processed by the City in accord with established procedures for amending the City of Poulsbo Comprehensive Plan and/or development regulations, subject to paragraph 3.2.2 below.
- 3.2.2 The parties recognize that the City may amend City development regulations that the County has adopted pursuant to paragraph

3.1.1 above. At the request of the City, the County agrees to consider in good faith adopting such amendments as County regulations within the unincorporated UGA if: 1) The amendments are consistent with the Subarea Plan as adopted by the County; 2) the City forwards the amendments to the County for review and comment prior to adopting them; and 3) the City promptly notifies the County of the date on which the City adopts the amendments.

3.3 Code Enforcement. The County shall remain responsible for the enforcement of all land use and public safety regulations within the unincorporated portion of the Urban Growth Area.

3.4 Public Improvements.

3.4.1 The County retains the ultimate decision-making authority and responsibility for the construction of public improvements within the unincorporated portion of the UGA, including but not limited to transportation and utilities that are provided by the County or by other purveyors other than the City. The County acknowledges that

3.4.1.1 The County does not provide water service within the unincorporated portion of the UGA and the Kitsap County Coordinated Water Supply Plan places much of the unincorporated portion of the UGA within the City of Poulsbo's water service area. The City has planned for and will continue to plan for providing water service in this area and the County agrees that the infrastructure planning and utility construction necessary for development to obtain water service from the City lies within the City's sole discretion, as limited by the Public Water System Coordination Act, the Growth Management Act, the Coordinated Water Supply Plan, and any applicable franchises issued by the County to the City.

3.4.1.2 The County does not provide sanitary sewer service within the unincorporated portion of the UGA and the City has relied on the population allocation set forth in the County's Comprehensive Plan and on the City's ability to provide sewer service within unincorporated portion of the UGA in the City's sewer planning. In addition, the City has relied upon the population allocation and ability to provide sewer service in the unincorporated portion of the UGA in entering into agreements with the County for wastewater treatment services and for capital contributions to the County's wastewater treatment facilities. Therefore, the County agrees that the City shall be the sewer service

provider in the unincorporated portion of the UGA and that the infrastructure planning and utility construction necessary for development to obtain sewer service from the City lies within the City's sole discretion, as limited by the Growth Management Act, the agreements for wastewater treatment between the City and the County, and any applicable franchises issued by the County to the City.

3.4.1.3 The parties agree to cooperate and coordinate their capital improvement planning and construction for the UGA so that such improvements are constructed in an orderly manner and consistent with the Subarea Plan and development regulations. To the extent that the planning or construction of any such improvements affects the Subarea Plan or development regulations, the parties agree to coordinate said planning or development with the other party and with the Kitsap Regional Coordinating Council (KRCC). The County shall maintain all County owned public improvements within the Urban Growth Area and the City shall maintain all City owned public improvements within this area. Nothing in this agreement shall alter the maintenance responsibilities of the parties as to their respective improvements.

4. **Annexation.** Upon designation of the Poulsbo UGA and full execution of this Agreement, the City may annex land or enter into agreements for delayed annexation in accord with state law and City ordinances. The City will notify the county of all resolutions initiating annexation within thirty days after the resolution is passed. Such notice shall be given to the County in any event prior to any final action of the city. The City shall receive the comments from the County in good faith.

4.1 **Effect of Annexation.** Upon the effective date of the annexation of any territory within the UGA, this Agreement shall no longer apply to such annexed area.

4.2 **Effect of Annexation on Land use Applications.** Upon the effective date of annexation of any territory within the UGA, the City shall assume the review authority for any new land use or development application. The County will complete all pending land use or development applications to their conclusion as an independent contractor of the City. The County agrees to indemnify, hold harmless, and defend the City, its officers, agents, and employees, from and against any and all claims, losses, or liability, of any kind arising out of any act, error, or omission of the County, its officers, agents, consultants or employees, in connection with the processing of applications as provided herein, provided, however, that:

- 4.2.1 The County's obligations to indemnify, defend and hold harmless shall not apply to claims, losses or liability caused by or resulting from the invalidity of any City development regulation adopted by the County under this Agreement or from the sole act, error, or omission of the City, its officers, agents or employees; and
- 4.2.2 The County's obligations to indemnify, defend and hold harmless for claims losses or liability caused by or resulting from the concurrent acts, errors, or omissions of the County and the City, or of the County and a third party other than an officer, agent, consultant or employee of the County, shall apply only to the extent that the county's acts, errors, or omissions caused or contributed thereto.
- 4.3 **Records.** Upon the effective date of annexation of any territory within the UGA, the County and the City will coordinate the orderly transfer of all land use and development permit files for the area being annexed. The City and the County will share equally in any costs associated with this transfer.
5. **Expenses.** Each party shall bear its own costs and expenses in connection with the activities provided for in this agreement. No joint property is to be acquired by the parties under this agreement.
6. **Effect of County Wide-Planning Policy.** The County-Wide Planning Policy as adopted or amended, and the Revenue Sharing Agreement entered into between the parties and other cities in the County, will guide any issue not specifically addressed in this agreement. This may include transfer of capital facilities, revenue sharing, impact fees and other issues.
7. **Duration – Termination.** This agreement shall remain in effect until all land within the UGA is annexed into the City. This Agreement may be wholly or partially terminated prior to such time only as follows:
- 7.1 **Complete Termination by Mutual Consent.** The parties may terminate this Agreement by mutual consent at any time. The parties understand that amendments to the County and City Comprehensive Plans may be required to effect a complete termination of this Agreement and such termination shall not take effect unless and until such amendments are adopted.
- 7.2 **Complete Termination by Unilateral Action.** Either party may terminate this Agreement by giving the other 180 days advance written notice of the terminating party's intent to do so. The parties understand that amendments to the County and City Comprehensive Plans may be required to effect a complete termination of this Agreement and such

termination shall not take effect unless and until such amendments are adopted.

8. **Administration.** The planning directors of the County and the City shall administer this Agreement on a day-to-day basis. In the event that an administrative issue arises that cannot be resolved by agreement of the planning directors, the Mayor of the City and the Chair of the Board of County Commissioners shall meet as a Joint Board to attempt to resolve the issue. If the issue cannot be resolved through agreement of the City Council and Board of County Commissioners, the dispute resolution procedures set forth in Section 9 shall be utilized.
9. **Mediation.** If the County and the City are unable to reach agreement concerning any dispute over the interpretation of this Agreement, the rights or responsibilities of either party hereunder, or any other issue related to this Agreement, the City and County agree to submit such unresolved issues to mediation through the auspices of the State of Washington Office of Community Development (OCD). In the event that OCD is unwilling or unable to conduct such mediation, the parties will agree upon an independent mediator. The mediation will be non-binding. If at the conclusion of such mediation, the issues remain unresolved, the parties reserve the right to take such action to any available remedies before the Central Puget Sound Growth Management Hearings Board or the Courts, provided, that if a statute of limitations on an available remedy would otherwise run during the time that the parties would take to mediate, either party may, in its sole discretion, file such legal proceedings as may be necessary to preserve any such remedies, but both parties agree that such proceedings may be stayed or otherwise delayed until mediation can take place, if such a stay or delay is consistent with applicable law.
10. **Severability.** If any section, sentence, clause or phrase of this Agreement should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this agreement.
11. **Authority.** This Agreement is executed pursuant to the Authority of the Interlocal Cooperation Act, Chapter 39.33 RCW, and the Growth Management Act, Chapter 39.70A RCW. This Agreement is not intended, and shall not be construed, to alter the responsibility and authority of the City or the County under the Growth Management Act or other applicable laws, or to affect the ability of either party to address issues of concern to the Central Puget Sound Growth Management Hearings Board.
12. **Filing.** A copy of this Agreement shall be filed with the Kitsap County Auditor. The City and the County will provide a copy of this Agreement to the Washington State Office of Community Development.

13. **Notices.** Any written notice to be provided by either party to the other under this Agreement shall be delivered in person or by certified mail to the respective parties at the following addresses:

To the City:
City of Poulsbo
Attn: Mayor's Office
19050 Jensen Way NE
P.O. Box 98
Poulsbo, WA 98370

To the County:
Board of County Commissioners
Attn: Chair
Kitsap County Courthouse
614 Division Street
Port Orchard, WA 98366

Or such other addresses that the parties may specify from time to time in writing.

14. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties concerning its subject matter and supersedes all prior agreements, written or oral. This Agreement may be amended by written instrument executed by both parties.

ENTERED INTO between the parties as of the last date set forth below.

DATED this 5 day of June, 2002.

CITY OF POULSBO



Donna Jean Bruce, Mayor

DATED this 3 day of June, 2002.

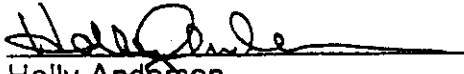
KITSAP COUNTY BOARD OF COMMISSIONERS

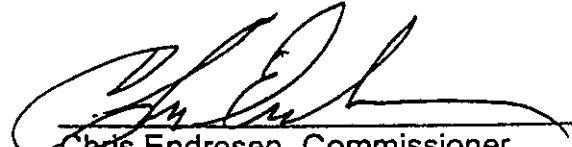


Tim Botkin, Chair

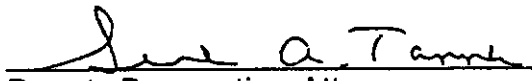

Jan Angel, Commissioner

ATTEST:


Holly Anderson
Clerk of the Board


Chris Endresen, Commissioner

Approved as to form:


Deputy Prosecuting Attorney