

JOINT DEVELOPMENT AGREEMENT

THIS JOINT DEVELOPMENT AGREEMENT is made as of October __, 2024 by and between **Willapa Community Development Association**, hereinafter referred to as “WCDA”, and the **City of Raymond**, hereinafter referred to as “Raymond”.

Add Exhibits!

RECITALS

WHEREAS, the City of Raymond (“Raymond” or “City”) is a municipal corporation organized under the laws of the State of Washington; and

WHEREAS, Willapa Community Development Association, Inc. (“WCDA”) is a nonprofit community development corporation formed under the laws of the State of Washington. The WCDA was formed in 1999 and has experience in a range of development projects, including affordable housing; and

WHEREAS, the City and WCDA have shared goals regarding the need for a new Raymond City Hall, expanded housing in the community, community services and revitalization of the City of Raymond’s downtown core; and

WHEREAS, WCDA is in the process of purchasing real property located at 221 Duryea Street in Raymond, Washington, consisting of 8 tax parcels, Pacific County Tax Parcel #s 72039015110 and 72039015010 (“Property”), further described as:

Raymond Replat & 1st Addition, South 19.5 feet of Lot 9, Lots 10-13, Block 15, plus 15’
Vacated Alley adjacent to Lots 11-13

The Property is currently owned by American Legion Post 150 (“Legion”) currently occupied by a building (“Legion Building”); and

WHEREAS, the Property is located in the City of Raymond’s “Retail Core” Zone; and

WHEREAS, the Legion Building has been determined to be in a severely deteriorated condition, and cannot be repaired in a cost effective manner; and

WHEREAS, the WCDA plans to demolish the existing Legion Building and construct a new building on the Property (“New Development”) to include apartments, a community resource center, a shared meeting room and public restrooms; and

WHEREAS, the WCDA has funding commitments and has assembled a development team for the construction of the residential and resource center portions of the New Development; and

WHEREAS, the City’s existing City Hall is also in a severely deteriorated condition, and is in need of replacement; and

WHEREAS, there is sufficient room in the planned New Development for a new City Hall for Raymond; and

WHEREAS, the City intends to share in the predevelopment and development costs of the New Development, and in exchange shall be sold an estimated 22.6% of the New Development for a new City Hall, meeting room and public rest rooms as shown in Exhibit B; and

WHEREAS, the City has selected an architectural firm for the design of the new city hall; and

WHEREAS, WCDA has obtained Development and Predevelopment budgets, which are attached to this Agreement as Exhibit “A”; and a Preliminary Design, which is attached as Exhibit “B”; and

WHEREAS, RCW 36.70B.170 et. seq., authorizes the City to enter into development agreements with owners, contract purchasers, and option holders of real property, such as WCDA, to establish, among other things, “the development standards and other provisions that shall apply to and govern and vest the development, use, and mitigation of the development of the real property for the duration specified in the agreement”; and

WHEREAS RCW 35.23.452 authorizes the City to purchase real estate necessary or proper for municipal purposes; and

WHEREAS, RCW 39.30.010 authorizes the City to execute an executory conditional sales contract with any private party for the purchase of real property or property rights in connection with the exercise of any powers or duties which they now or hereafter are authorized to exercise, so long as the purchase price specified in the contract does exceed certain percentages of the value of taxable property; and

WHEREAS, pursuant to RCW 36.70B.200, a public hearing has been held before the City Council and the City Council has enacted Resolution No. ____ authorizing the City Mayor to enter into this Agreement; and

WHEREAS, the parties have entered into a Memorandum of Understanding Regarding Design and Construction of City Hall at 221 Duryea Street in the New American Legion Building (“Memorandum”), dated July 2, 2024; and

WHEREAS, the Memorandum obligates the parties to enter into a Joint Development Agreement (“Agreement”); and

NOW, THEREFORE, subject to the terms and conditions hereinafter stated, the City and WCDA hereby covenant and agree as follows:

Joint Development Agreement-2

AGREEMENT

SECTION 1. Summary/Background.

Section 1.1 The New Development as proposed by WCDA will meet the objects and purposes of Raymond Municipal Code (“RMC”) Section 16 “Building and Construction” and RMC 17 “City of Raymond Comprehensive Plan”.

Section 1.2 It would be an unfair and unreasonable burden on the New Development, as well as an economic impediment to affordable housing development, to require the New Development to set aside or show sufficient area for parking spaces as is usually required under RMC 15.30.070.

Section 1.3. The New Development is consistent with the City’s development standards as required by RCW 36.70B.170.

Section 1.4 The proposed improvements, use and design of the New Development will be compatible with other permitted uses within the Retail Core Zone.

Section 1.5 The public interest suffers no substantial detrimental effect from the proposed improvements and use, and the proposed project is in the best interest of the public health, safety, morals and welfare of the City’s citizens.

Section 1.6 The New Development will include a portion of approximately 5,000 square feet apportioned for the new Raymond City Hall, including a meeting room and two public restrooms, which the City will make available to resource center users.

Section 1.7 The New Development will include a Community Resource Center (“CRC”) of approximately 4,000 square feet.

Section 1.8 The New Development will include a minimum of seventeen affordable studio and one-bedroom rental apartments.

Section 1.9 The City Hall will face Third Street and the Community Resource Center will face Duryea Street.

Section 1.10 The City will purchase the portion of the building allotted for the City Hall for a price agreed upon by the parties. The parties agree to enter into a Purchase and Sale Agreement within 90 days of the signing of this Agreement. The New Development will be jointly owned by the City and WCDA, with a proportional ownership interest based on the size of the City Hall vs. the total size of the New Development

SECTION 2. Design.

Section 2.1 WCDA's development team will be responsible for the construction of the New Development, including the City Hall space. The WCDA's development team, in collaboration with the City, shall also be responsible for the City Hall design.

Section 2.2 The City's development team will be responsible for the design and construction of the "finishing" and "improvements" within the City Hall's portion of the building, but will collaborate and consult with WCDA's development team. The construction, including "finishing" and "improvements" will be completed under the same contract as WCDA's portion of the building. The City will be responsible for the costs related to the city hall portion of both design and construction of the building.

Section 2.3 WCDA will manage the design in collaboration with the City as to design elements relevant to the City Hall portion of the New Development.

Section 2.4 The City will waive any City of Raymond Municipal Code parking requirements for the New Development.

SECTION 3. Financial

Section 3.1 The City will be responsible for the cost of the City Hall space, as well as land and professional costs. The City's cost will be the actual construction cost of the City Hall space and 22.6% of other development costs. *The WCDA and City will negotiate with the owner of the adjoining building to reach agreement on the repair of the party wall and the responsibilities and contributions of each party.* The City and WCDA will split all attorney fees necessary to effect the parties' agreement 50/50.

Section 3.2 The City will be responsible to provide for City Hall unit costs as construction progresses. Construction loan expenses or other financial fees for the City Hall unit costs are the City's responsibility and must be paid as they accrue.

Section 3.3 The City will contribute their pro-rata share towards predevelopment expenses, primarily architecture and engineering. The preliminary estimated City share of predevelopment expenses is \$235,000, see Exhibit "A".

Section 3.4 The WCDA will be responsible for the design and construction cost of the CRC and residential units.

Section 3.5 The City agrees to pursue the possibility of obtaining a state sales tax exemption for the housing portion of the New Development.

SECTION 4. Maintenance

Section 4.1 The City will pay its portion of shared building maintenance based on relative square footage. The City will be responsible for the maintenance within their space and common areas and WCDA will be responsible for maintenance inside the remainder of the building. Shared building maintenance includes the building's structural components, all shared building systems, and the exterior of the building and the grounds.

Section 4.2 WCDA will maintain a building replacement reserve to address long term capital needs. The replacement reserve will be funded based on capital needs assessment with a 20-year repair schedule that will be completed within 6 months of construction completion. Each party will maintain a reserve for their individual maintenance needs and the parties agree to negotiate a joint reserve the shared building system.

SECTION 5. Timing

Section 5.1 The City will make its first contribution of \$100,000 towards predevelopment expenses by December 1, 2024.

Section 5.2 The City and WCDA will enter into a Purchase and Sale Agreement within 90 days of execution of this Agreement.

Section 5.3 WCDA will apply for building permits by April 1, 2025

Section 5.4 WCDA plans to close on the purchase of the Property and start construction in Summer of 2025

Section 5.5 Construction is expected to take 12-16 months. Both parties recognize that this is an estimate.

Section 5.6 Upon completion of the City Hall, the City will reimburse the WCDA for any outstanding development costs as required by this Agreement.

SECTION 6. Contingencies

Section 6.1 The Legion must complete the sale to the WCDA.

Section 6.2 The NEPA environmental review must be completed with a "No Effect" determination.

Section 6.3 The funders of the WCDA portion of the building agree to the change in project scope involving the incorporation of the City Hall into the New Development.

Section 6.4 This project is contingent upon the availability of funding for both parties' respective portions of the building.

SECTION 7. Authority to Execute.

Section 7.1 The City of Raymond is delegated authority by RCW 36.70B.170-36.70B.200 to enter into Development Agreements as a proper exercise of the municipal police power and contract authority. This Agreement is entered into pursuant to this said authority. The Board of Directors of WCDA has authorized WCDA to enter into this Agreement. Each of the parties hereto represents and warrants that this Agreement is duly executed and delivered by them and constitutes a legal, valid, and binding obligation on them, enforceable in accordance with its terms.

SECTION 8. Agreement Modification.

Section 8.1 This agreement shall not be modified or amended except in writing signed by the City and WCDA or their respective successors in interest; provided the City expressly reserves authority under RCW 36.70B.170(4) to impose new or different regulations to the limited extent required by a serious threat to public health and safety; provided further that this Development Agreement may be amended or modified only by written Agreement of the parties, as limited by the requirements of RCW 36.70B.180.

The City shall proceed, if necessary, with the required review, environmental analysis, and public process to initiate and adopt area-wide/non-project specific amendments and any and all other code, rule, policy or regulatory amendments to the Development Regulations as necessary to ensure that the Development Regulations allow for development of the Property in accordance with this Agreement.

ARTICLE 9. Termination.

Section 9.1 This Agreement shall terminate if either party, after good faith efforts, is unable to obtain sufficient funding for their portion of the New Development.

ARTICLE 10. Public Notice.

Section 10. 1 The City has provided advance notice of a public hearing on this matter pursuant to RCW 36.70B.200.

ARTICLE 11. Development Regulations.

Section 11.1 All development regulations and associated charges in existence as of the date a completed application is filed in conformance with this Agreement shall apply to and govern and vest the development of the Property during the term of this Agreement except as modified by specific terms of this Agreement.

ARTICLE 12. Further Discretionary Actions.

Section 12.1 WCDA acknowledges that the existing land use regulations contemplate the exercise of further discretionary powers by the City. Nothing in this Agreement shall be construed to

Joint Development Agreement-6

limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying existing land use regulations.

ARTICLE 13. Dispute Resolution.

Section 13.1 In the event of any dispute as to interpretation or application of the terms or conditions of this Agreement, WCDA and the City Mayor shall meet within twenty (20) business days after request from either party for the purpose of attempting, in good faith, to resolve the dispute. The meeting may, by mutual agreement, be continued to a date certain in order to include other parties or persons, or to obtain additional information. The meeting shall be a pre-requisite to the filing of a lawsuit by any party regarding any aspect of this Agreement or the Project, except to the extent necessary to meet the requirements of applicable statute of limitations.

Section 13.2 This agreement affects your legal rights and obligations and will have tax implications. If a dispute arises regarding this transaction, the prevailing party shall recover costs and reasonable attorney's fees, including those for appeals

ARTICLE 14. Applicable Law and Venue.

Section 14.1 This Agreement shall be governed by and be construed in accordance with the laws of the State of Washington. Any action with respect to this Agreement shall be brought in Pacific County Superior Court, Washington.

SECTION 15. Assignment and Assumption.

Section 15.1 WCDA shall have the right to assign or transfer all or any portions of the interest, rights and obligations under this Agreement to other parties acquiring an interest or estate in the Property. Consent by the City shall be required for any transfer of rights pursuant to this Agreement. The City's consent will not be unreasonably withheld or delayed.

SECTION 16. Notices.

Section 16.1 All communications, notices and demands of any kind which a party under this Agreement is required to or desires to give to any other party shall be in writing and either (1) delivered personally, (2) sent deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

CITY:

City of Raymond
ATTN: City Mayor
230 Second Street
Raymond, WA 98577

WCDA:

WCDA
Executive Director
P.O. Box 111
Raymond, WA 98577

SECTION 17. Duty of Good Faith.

Section 17.1 Each party hereto shall cooperate with the other in good faith to achieve the objectives of this Agreement. The parties shall not unreasonably withhold requests for information,

approvals or consents provided for, or implicit in this Agreement. The parties agree to take further actions and execute further documents, either jointly or within their respective powers and authority, to implement the intent of this Agreement and any subsequent Development Agreement.

SECTION 18. Entire Understanding.

Section 18.1 This Development Agreement and the Exhibits attached to it and incorporated by reference comprise the entire Agreement of the parties and supersedes any and all prior written or oral agreements.

SECTION 19. Severability.

Section 19.1 If any term, provision, condition or portion of this Agreement shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Agreement, which shall continue in full force and effect. The headings of sections and paragraphs of this Agreement are for convenience or reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

SECTION 20. No Presumption against Drafter.

Section 20.1 This Agreement has been reviewed and revised by legal counsel for all parties and no presumption or rule that ambiguity shall be construed against the party drafting the documents shall apply to the interpretation or enforcement of this Agreement.

SECTION 21. Recitals.

Section 21.1 The recitals set out herein are incorporated into and made a part of this Development Agreement.

SECTION 22. Recording.

Section 21.1 This Agreement shall, when approved by the City Council and executed by the parties hereto, be filed as a matter of public record in the office of the Pacific County Auditor. It is the intent to have this Agreement, so long as it is in force, to be considered, interpreted, and regarded as a covenant running with the land.

SECTION 23. Execution in Counterparts

Section 23.1 This Development Agreement may be simultaneously executed in several counterparts, each of which shall be original and all of which shall constitute but one and the same instrument.

Dated this _____ day of October, 2024

City of Raymond
230 Second Street

Joint Development Agreement-8

Willapa Community Development Association
P.O. Box 111

Raymond, WA 98577

By: _____
Dee Roberts, Mayor

Raymond, WA 98577

By: _____
Dave Gauger, Executive Director