MEMORANDUM OF UNDERSTANDING
REGARDING STUDY OF COUNTY-OWNED SITE FOR LOCATION OF FACILITY TO MEET CITY AND COUNTY NEEDS FOR JAIL BEDS AND COUNTY NEEDS FOR CRIMINAL JUSTICE USES AND REGARDING POTENTIAL FUTURE AGREEMENTS WITH RESPECT TO THIS PURPOSE

WHEREAS, the Cities of Seattle, Bellevue, Shoreline, Redmond and Kirkland (collectively, the "Cities") have entered into a "SEPA Nominal Lead Agency Agreement" ("Cities SEPA Agreement") to provide for the funding and preparation of an environmental impact statement to evaluate multiple alternatives for location of a jail with up to 640 beds to accommodate current and future misdemeanant needs of the Cities and potentially the jail needs of other cities in North and East King County identified on Exhibit A (that environmental impact statement is referred to as the "EIS"); and

WHEREAS King County ("County") has received a copy of the Cities SEPA Agreement; and

WHEREAS, the Cities have asked the County to include the County-owned vacant site located at the southeast corner of the intersection of Fifth Avenue and Jefferson Street in downtown Seattle (the "Site") which is adjacent to the King County Correctional Facility ("KCCF") as one of the sites for consideration under the EIS; and

WHEREAS, King County has previously identified on a preliminary basis the need to locate a range of County criminal justice facilities on the Site, which could include an expansion of the KCCF to include additional jail beds for County-responsible inmates, superior and district court courtrooms, community corrections facilities, crisis diversion facilities, sheriff criminal investigation division facilities, psychiatric and medical jail beds, general administrative space for County criminal justice agencies, and related space needs; and

WHEREAS, the Cities and the County (collectively, the "Parties") anticipate there could be substantial mutual benefit both operationally and financially from co-locating city jail beds and the County criminal justice facility uses into a single integrated facility on the Site; and

WHEREAS the Parties wish to memorialize their intention, if the scoping process for the EIS results in a decision to include the Site, to collaborate in the study of a possible joint facility on the Site as part of the EIS, examining impacts of joint use of the Site in a single integrated facility meeting the needs of both the Cities and the County as generally described herein; and

WHEREAS, the parties further wish to memorialize their goal of working towards the necessary detailed agreements that would be required to support the design, permitting, construction, financing and operation of such facility if, after environmental review and other necessary processes, the Parties were to determine to proceed with a facility at the Site;

NOW, THEREFORE, THE PARTIES STATE THEIR INTENT AS FOLLOWS:

A. **Site to be Evaluated for Joint Use Facility**. The Cities will consider, in the scoping process for the EIS contemplated under the Cities SEPA Agreement, the inclusion of a joint facility at the Site as one of the alternatives studied in the EIS for construction of up to 640 jail beds for north and east city misdemeanant needs into the future. The provisions below assume that after a public scoping process, the Site is included as an alternative. Evaluation of the Site will include study of Cities jail bed uses, and County criminal justice function uses identified by the County which may include without limitation:

1. Up to 450 beds for County responsible inmates and an additional as yet unspecified number of jail beds for psychiatric and medical use;
2. Superior Court and District Court Courtrooms;
3. Sheriff Department Criminal Investigation Division operations space;
4. Community Corrections facilities;
5. Crisis diversion facilities;
6. General administrative space for King County criminal justice agencies; and
7. Parking associated with these County uses.

The County will identify all of the potential County uses and their maximum sizes no later than the conclusion of the Cities' scoping process, which shall occur on or about January 15, 2009. The uses the County so identified are referred to collectively as "the County Facility Uses." It

is intended that the combined-use building (the "Facility") would be constructed and function as an extension of the current King County Correctional Facility ("KCCF"). It is understood that program space to accommodate jail beds, as an increment to existing KCCF capacity, may also need to be incorporated into the Facility.

B. **EIS Process and Agreement**. Seattle and King County will develop an agreement separate from the Cities SEPA Agreement concerning how the County will work together with Seattle, as nominal lead agency, on the Cities' site selection EIS with the intent that the EIS be adequate to address the potential uses contemplated by the Cities and the County for the Facility, for purposes of the actions (within the meaning of the State Environmental Policy Act and regulations thereunder ("SEPA")) of the Cities and the County that would need to be taken to develop the Facility, except that the County will be responsible for any SEPA process associated solely with the decision of the County concerning where to locate County Facility Uses. This separate agreement will also address the manner in which Seattle and the County will cooperate with one another to review and comment on drafts of the SEPA documents, to make decisions on the content of such documents, and to provide information, technical analysis and design work necessary to complete such documents as they relate to the Site. The inclusion of the Site in the Cities' EIS, and the County's participation in this EIS process is contingent upon execution of this separate agreement.

C. **Subsequent Agreements.** The County and the Cities intend to work together to determine if the necessary agreements can be negotiated to make the Site available for construction of a building that would include both 640 jail beds, or such lower number as the Cities determine adequate (the "Cities Jail Beds"), together with the County Facilities Uses. Such agreements would be subject to the final outcome of the site selection process and other related actions.

1. If the Site is mutually agreed to as the location for the proposed development of the Facility by the Cities and the County, the Parties will need to negotiate multiple new agreements that address design, permitting, construction, financing and operation of the Facility. Governance and allocation of costs will need to be a part of all of these agreements.

2. If the Site is mutually agreed to as the location for the proposed development of the Facility by the Cities and the County, the City of Seattle intends to work diligently and collaboratively with the other Parties to identify and plan for the land use, design and other applications and processes required for development of the Facility under Seattle ordinances. The County, if it is the project proponent, intends to pursue diligently all necessary City of Seattle approvals, in addition to completing all necessary actions under County plans and ordinances.

3. The Parties acknowledge the critical importance of appropriate Facility design to ensure the Facility will not adversely impact existing King County facilities and operations. As a result, the County has expressed its desire to have the lead role in the development of the Facility design, with extensive involvement and oversight from the Cities, and the Cities acknowledge the County's interest in having the lead role. The parties have not selected an agency to have the lead role; however, the Parties are willing to explore a variety of options for Facility design oversight and control that could meet the Parties' respective needs. Specific roles, approval processes and safeguards to address the needs of all Parties in the design development will be spelled out in a future agreement.

4. The Parties acknowledge the critical importance of construction management to minimize any adverse impacts from construction of the Facility on existing King County facilities and operations and to ensure protection of the Cities' financial interest in the Facility. As a result, the County has expressed its desire to have a lead role in construction of the Facility, and the Cities acknowledge the County's interest in having a lead role. The parties have not selected an agency to have a lead role; however, the Parties are willing to explore a variety of options for Facility construction oversight and control that could meet the Parties' respective needs. Specific roles, approval processes and safeguards to address the needs of all Parties during construction will be spelled out in a future agreement.

D. **Cities Jail Beds.** The Parties intend that, if they ultimately agree to build the Facility at the Site:

1. The Cities Jail Beds in the Facility will be part of the King County jail system.

2. The Parties intend to negotiate an agreement under which the County will operate the Facility and operate and manage the new Cities Jail Beds as part of County jail system. Said agreement will establish the nature of the Cities' equity interest in the City Jail beds, and Cities' and the County's rights, roles, responsibilities, programs and services, rates and charges, with respect to Cities Jail Beds at the Facility and within the County jail system.

3. For the useful life of the Facility and subject to Cities satisfying their respective financial obligations related to the Cities Jail Beds and the Facility under an agreement(s) with the County, the Cities will have irrevocable rights to the use of a number of County jail beds equal to the number of Cities Jail Beds ultimately constructed in the Facility, at either the Facility or elsewhere in the County jail system. The Parties ongoing financial obligations related to operating and maintenance, major maintenance and capital improvement funding for the Facility will be negotiated, the terms of which will depend in part on the agreed arrangements for ownership and financing of the Facility.

E. **Cost Responsibilities**. Cities will be responsible for costs associated with the planning and preliminary concept design work and the completion of the EIS, including the Facility as an alternative. The County will provide the necessary County staff time to assist Seattle's consultants in development of the preliminary concept design for the Site and in the related environmental review. The County will be responsible for costs associated with all County processes involved in the selection of the Site for the County Facility Uses. The County will be responsible for any SEPA process associated solely with the decision of the County concerning where to locate County Facility Uses. To the extent that the Parties determine to proceed beyond the study of a proposed Facility at the Site:

1. Allocation of costs as between the City and County will be determined by later agreement(s) and will include an allocation of the costs of any capital improvements, major maintenance, and operation and maintenance at the KCCF and Maleng Regional Justice Center needed to accommodate the Cities Jail Beds

and County Facility Uses in the Facility, as identified jointly between the Cities and County.

2. If the Facility is built, King County will receive value for the contribution of the Site.
3. If the Facility is built, the parties acknowledge they each bring value to the project, including avoided costs and opportunity costs, and the value of existing infrastructure that supports operation of the Facility, and these values will be a subject of negotiation to determine allocation of costs.
4. If the Parties agree to build the Facility, the Parties will negotiate the allocation of costs associated with the completion of the preliminary concept design and EIS.

F. **Facility Financing**. It is anticipated that one or more of the Cities may initially finance the Facility, however, the parties recognize that additional work is needed to establish the legal relationships with respect to the ownership and use of the Site, as well permitting, design, financing, ownership and construction of the Facility. The Parties acknowledge the critical importance to the Cities of establishing a new governance structure and controlling their costs of housing inmates in the County jail system, including but not limited to the Cities' interest in: (1) securing limitations on the amount of overhead and indirect costs charged; and (2) securing an ownership interest in the Facility or a portion of the Facility. The Parties are willing to explore a variety of options for governance and cost containment that could meet the Parties' respective needs, with these issues to be addressed in a future operating agreement.

G. **Not a Binding Memorandum.** This Memorandum sets forth the intent of the Parties only and does not create any binding obligation on the part of any Party, nor shall it be the basis for any legal claims or liabilities by or among the Parties. Each Party's actions provided for herein will require the negotiation and execution of subsequent agreements to carry out the intent of this Memorandum. Further, there is no obligation on the part of the Cities to choose the Site as the preferred alternative in the EIS; and even if it is selected as preferred alternative, there is no obligation on either the Cities or the County to ultimately enter into agreements for the construction and operation of a jail on the Site.

This Memorandum may be signed in counterparts and shall be effective as of the date it is signed by all Parties.

King County _____ Ron Sims King County Executive Date: _____	**City of Bellevue** _____ Steve Sarkozy City Manager Date:_____	**City of Kirkland** _____ Dave Ramsay City Manager Date: _____
City of Redmond _____ John Marchione Mayor Date:_____	**The City of Seattle** _____ Gregory J. Nickels Mayor Date: _____	**City of Shoreline** _____ Robert Olander City Manager Date:_____

Exhibit A: List of Cities

Exhibit A: List of Cities Identified in Cities SEPA Agreement

Beaux Arts
Bellevue
Bothell
Carnation
Clyde Hill
Duvall
Hunts Point
Issaquah
Kenmore
Kirkland
Lake Forest Park
Medina
Mercer Island
Newcastle
North Bend
Redmond
Sammamish
Seattle
Shoreline
Skykomish
Snoqualmie
Woodinville
Yarrow Point