



## City Council

### Approval of Amendment to Interlocal Agreement Between the City of Olympia and Washington State Department of Enterprise Services for Fire Protection Services

**Agenda Date:** 7/8/2014  
**Agenda Item Number:** 4.K  
**File Number:** 14-0685

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**Type:** contract   **Version:** 1   **Status:** Passed

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#### **Title**

Approval of Amendment to Interlocal Agreement Between the City of Olympia and Washington State Department of Enterprise Services for Fire Protection Services

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve for the Mayor's signature, the Amendment to Interlocal Agreement between the City of Olympia and Washington State Department of Enterprise Services for Fire Protection Services.

#### **Report**

##### **Issue:**

The Interlocal Agreement signed in July of 2013 for fire protection services on the Capitol Campus needs a second modification. In December of 2013, an amendment was signed to restructure payments from several individual buildings to a single payment from Department of Enterprise Services, DES. There was no change in revenue to the City with the first amendment. An additional amendment is needed to reflect changes to the agreement due to the sale of three properties by the state to non-state entities. This amendment does slightly reduce revenue to the City.

##### **Staff Contact:**

Greg Wright, Deputy Fire Chief, 360.753.8466

##### **Presenter(s):**

Greg Wright, Deputy Fire Chief

##### **Background and Analysis:**

Since 1993 the City of Olympia has billed the State for fire protection services. This billing is allowed per RCW 35.21.779 that stipulates, when the estimated value of state facilities sited in a municipality equals ten percent or more of that municipality's total assessed valuation, state agencies owning

those facilities shall enter into a compulsory fire protection contract with the municipality to provide an equitable share of the fire protection costs.

This amendment recognizes the sale of three properties by the State. Those three properties will continue to receive fire protection services but those services are now paid for by other entities via property tax.

The properties are:

1. Department of Fish & Wildlife - Wildlife Annex, located at 516 Washington St NE sold to LOTT, Clean Water Alliance
2. Department of Fish & Wildlife - Wildlife Office, located at 600 Washington St NE sold to the Port of Olympia
3. Department of Enterprise Services - Personnel Building, located at 600 Franklin St SE, sold to Urban Olympia 3 LLC.

This amendment does not remove enough estimated value to fall below the ten percent threshold required for the compulsory contract.

The two year contracts with the State have typically not been modified if State properties are added or subtracted from the Fire Protection Agreement. This situation is different. The three properties were in the process of being, or were already sold by the State before the Interlocal Agreement was signed but all of the necessary real estate paperwork had yet to be completed. It was not until just recently that the paperwork for all three was completed and the State came to the City to ask for this amendment. The State is not asking for retroactive application of this change, fiscal impact begins in the third quarter of 2014.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

Approve for the mayor's signature, the Amendment to Interlocal Agreement Between the City of Olympia and Washington State Department of Enterprise Services for Fire Protection Services.

**Financial Impact:**

The amended agreement drops the State's payment for Fire Protection Services from \$1,000,701 to \$991,744 in 2014. In 2015, the payment drops to \$988,993. Total decrease to City of Olympia will be \$20,665 over the two years.

The fiscal impact of this change begins in the third quarter of 2014.