

**INTERLOCAL COOPERATIVE PROJECT AGREEMENT BETWEEN
THE PORT OF PASCO AND THE CITY OF PASCO**

BY THIS INTERLOCAL COOPERATIVE AGREEMENT, hereinafter referred to as "Interlocal Agreement," entered into this 20th day of March, 2009, the City of Pasco, Washington, a municipal corporation, hereinafter referred to as the "City", and the Port of Pasco, Washington, a municipal corporation, hereinafter referred to as the "Port", enter into the following agreement:

WHEREAS, this Interlocal Agreement concerns land use planning and related issues for property located east of the Cable Bridge and adjacent to the Columbia River shoreline, in the City, as shown on Exhibit "A". Portions of this property are owned and controlled by the Port ("Tank Farm"), other portions are owned and controlled by the City and private owners ("Boat Basin"); and

WHEREAS, the Port has applied for and received a City shoreline substantial development permit for a proposed Master Plan (SMP 08-001) for the property as shown in Exhibit "B". The approved Master Plan includes a mix of land uses and is divided into four general areas: (1) the Riverfront Business Park; (2) the Expansion Area; (3) the Retention Area; and (4) the Rail/Barge Terminal Area, NOW, THEREFORE, the parties agree as follows:

Section 1. The Port and the City desire to prepare a subarea plan that will include the Boat Basin public and private properties and the Tank Farm area. The subarea planning process is intended to be incorporated into the City's Comprehensive Plan. It is also intended that the subarea plan will functionally incorporate and coordinate elements of the existing Port Master Plan (SMP 08-001) with the Tank Farm and Boat Basin properties. The Port and the City will use their best efforts to complete the subarea planning process in a manner acceptable to both parties within two (2) years from the date of this Interlocal Agreement.

Section 2. The subarea planning process will include (at a minimum): a statement of the desired results of the planning process, an inventory of existing physical conditions of the planning area, a public participation component, identification of preferred land use, a transportation (including bicycle and pedestrian facilities) and infrastructure element and a capital facility element that will identify preferred financing options. Additional components (design guidelines, development standards, regulatory and environmental constraints...) are encouraged.

Section 3. The Port and the City acknowledge that the planning process will involve the assistance of a planning consultant, and hereby agree to share the costs. The City shall contract with the consultant, and will pay 30% of such costs (not to exceed \$15,000.00 total). The Port will pay the remainder, provided the entire cost shall not exceed \$50,000.00. The Port shall reimburse the City for its respective share of the cost within thirty (30) days of receipt of an invoice.

Section 4. The City and the Port may terminate this Interlocal Agreement by mutual agreement. In the event the Interlocal Agreement is terminated, both the City and the Port will receive an electronic and hard copy of all work conducted up to the termination date.

Section 5. This Interlocal Agreement shall be construed and enforced in accordance with, and the validity and performance shall be governed by the laws of the State of Washington. Venue of any suit between the parties arising out of this Interlocal Agreement shall be the Superior Court for the County of Franklin, State of Washington.

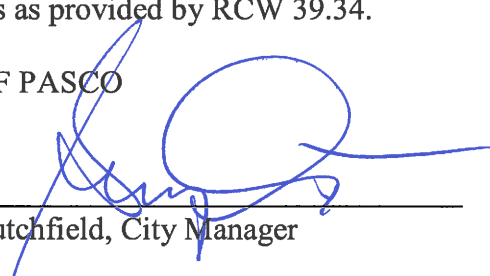
Section 6. This Interlocal Agreement may be changed, modified, or amended only upon written agreement executed by the parties.

Section 7. It is not intended that a separate legal entity shall be established to conduct the cooperative undertaking nor is the acquiring, or holding, or disposing of real or personal property anticipated. The City Manager and Port Executive Director are designated as the Administrator of the project.

Section 8. This Interlocal Agreement contains all the terms and conditions agreed upon by the parties. All items incorporated by reference are attached. No other understandings, verbal or otherwise, in regard to the subject matter of this Interlocal Agreement, shall be deemed to exist or to bind any of the parties.

Section 9. This Interlocal Agreement shall be filed or placed on the City's and the Port's web sites as provided by RCW 39.34.

CITY OF PASCO

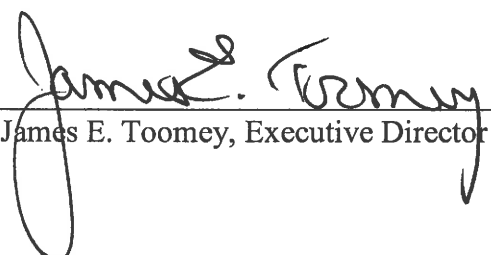


Gary Crutchfield, City Manager

3-20-2009

Date

PORT OF PASCO



James E. Toomey, Executive Director

3/19/2009

Date