

## Legislation Details

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<b>On agenda:</b>	7/12/2018	<b>Final action:</b>			
<b>Title:</b>	RESOLUTION 2273: SOUTHWEST WASHINGTON REGIONAL AIRPORT INTERLOCAL COOPERATION AGREEMENT				

CITY ATTORNEY REVIEW: REQUIRED

## SUMMARY STATEMENT:

The current interlocal agreement (ILA) for the governance of the Southwest Washington Regional Airport between the City of Kelso, City of Longview, Cowlitz County, and the Port of Longview expires on December 31, 2018. In 2017, The Port of Longview offered to take on the responsibility of writing the new ILA. The airport manager and airport attorney have been working closely with the Port's legal counsel to complete a draft ILA, see attached. The proposed new ILA was written using the current agreement as a template streamlining the process and making the proposed changes and updates easier to identify.

## Changes:

1. Section V. - Operations and Management; Part A; Subpart 6: (This is an addition to the ILA)  
The Airport Strategic Operating Plan was adopted in February of 2018. It was agreed that in order for the strategic plan to remain a usable and valuable guiding document for the airport, the airport manager would review and amend this document annually, to the satisfaction of the airport board, to ensure that strategic decisions are in line with the overall airport goals as agreed upon by the airport operating board.
2. Section V. - Operations and Management; Part B; Subpart 2: (This is a change from the current ILA)  
In the existing and prior ILA, only real estate acquisitions required a unanimous vote by each of the entities. Borrowing money for capital improvement projects only required a majority vote of the parties/entities. This wording creates a conflict if an entity that voted against the loan withdraws from the ILA. Currently, if a party votes against the loan and later withdraws, they are not obligated to the repayment of debt beyond the withdrawal date, forcing the other participating entities to carry that entities share of the debt. This language was allowed in the current 2-year ILA as no debt was planned during the current two-year period. To protect all entities moving forward, the new proposed change requires that any money borrowed for capital improvements must receive unanimous approval from each of the entities. This change will protect all of the entities from unanticipated financial obligations by ensuring any debt agreed upon remains the obligation of all four entities. This change also allows for a more united approach toward the support and strategic development of the airport.
3. Section VI - Finances; Part B; Subpart 1: (This is a change from the current ILA)  
The Port of Longview has agreed to increase its annual contribution to \$76,000, matching the contributions of the remaining entities.
4. Section VI - Finances; Part F (This is a change from the current ILA)  
The budget approval process has been updated to clarify the airport budget adoption process which now includes a clearer timeline. The added language ensures that each entity will take action on the budget by October 1st allowing the airport time to make any necessary changes prior to January 1st of the following year.

5. Section IX - Term, Termination, and Withdrawal; Part A: (This is a change from the current ILA)

Prior to the existing ILA's two-year term, the term of the agreement was five years. The Port of Longview has agreed with returning to a five-year term for the new ILA. Our hope is that all four entities will feel the same, as a five-year ILA allows for long term stability for the airport which will allow the airport to pursue multi-year strategic goals for the improvement and growth of the airport.

6. Section IX - Term, Termination, and Withdrawal; Part D; Subpart 1 & 2: (This is a change from the current ILA)

There are two changes to this section. First, the Port felt that a nine-month notice for withdrawal was a little too long and has suggested a six-month notice of withdrawal term instead. The airport feels this is an acceptable change assuming the second proposed change is also acceptable to each entity (the Port has agreed to the following second change). The second change is limiting the notice of intended withdrawal for the following year to June 30th of the existing year. The reason for this change is so that should an entity wish to withdraw from the ILA, their withdrawal will not negatively impact the budget process of the remaining entities or the airport. Since the airport's budget is due in August and the entities complete their budgets around November, a withdrawal during this time frame would result in the airport and each entity having to re-evaluate the airport's budget and possibly each entities budget. The proposed change will provide adequate notice allowing improved financial stability for the term of the ILA for the airport as well as protect each entity from a last-minute attempt to amend, agree on, and take action on amended budgets. Initial discussions suggested a pro-rated annual contribution (redlined in the attached ILA) should an entity give a notice of withdrawal after June 30th causing their termination date to fall in the following year. However, this option does not avoid any of the conflicts addressed earlier in this paragraph as the airport budget and entity budgets would still need to be amended. We believe the best solution to protect the interest of all parties is to include an annual withdrawal deadline of June 30th for the following year.

RECOMMENDED ACTION:  
Motion to adopt Resolution 2273.

STAFF CONTACT:  
Kurt Sacha, City Manager  
Chris Paolini, Airport Manager

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. SWRA Agreement --JP 6-6-18, 2. Resolution 2273 for Amended Interlocal SW Washington Regional Airport July 2018

Date	Ver.	Action By	Action	Result
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