

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: June 26, 2023

SUBJECT: Memorandum of Understanding (MOU): Early Learning and Family Support Facility Project

STATEMENT OF ISSUE:

A number of local organizations are partnering to construct an Early Learning and Family Support Facility to be located on the Port Townsend High School Campus. The project is to be funded through three grants: one from the United States Department of Agriculture, one from the United States Department of Commerce and another from Jefferson Healthcare. Total cost of the facility is not expected to exceed \$4,700,000.

The facility will help address the critical shortage of early learning and family support facilities in Port Townsend and Jefferson County.

ANALYSIS:

The local partners wish to enter into a memorandum of understanding to ensure that all parties fully understand the project and their respective roles in bringing the project to fruition. All parties to the attached draft MOU have indicated their administrative approval and will have their governing bodies approve it in the coming days.

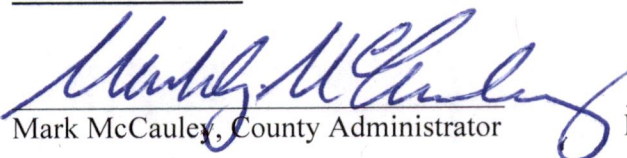
FISCAL IMPACT:

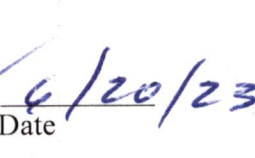
This request has no financial impact.

RECOMMENDATION:

That the Board approve the MOU.

REVIEWED BY:


Mark McCauley, County Administrator


Date

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: MOU with Multiple Partners: Jefferson Healthcare, YMCA, PTSD Contract No: YMCA/JH 2023

Contract For: Early Learning and Family Support Facility Term: To be determined

COUNTY DEPARTMENT: County Administrator

Contact Person: Mark McCauley

Contact Phone: 360-385-9130

Contact email: mmccauley@co.jefferson.wa.us

AMOUNT: No dollar amount

Revenue: N/A

Expenditure: N/A

Matching Funds Required: N/A

Sources(s) of Matching Funds: N/A

Fund #: N/A

Munis Org/Obj: N/A

PROCESS:

☒ Exempt from Bid Process

☐ Cooperative Purchase

☐ Competitive Sealed Bid

☐ Small Works Roster

☐ Vendor List Bid

☐ RFP or RFQ

☐ Other: _____

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☒ N/A: ☐

Signature

Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐

Signature

Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 6/20/2023.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 6/21/2023.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

Memorandum of Understanding Regarding Early Learning and Family Support Facility Project

This jointly developed memorandum of understanding ("MOU"), dated June __, 2023 (the "MOU Date"), is by and among the parties listed below (individually, the "Party," and collectively, the "Parties"). All defined terms used herein will have the meanings set forth in this MOU.

1. Parties to the MOU.

The following legal entities are the parties to the MOU:

- a. Jefferson County Public Hospital District No. 2, Jefferson County, Washington, d/b/a Jefferson Healthcare ("Jefferson Healthcare");
- b. Jefferson County, Washington ("County");
- c. Port Townsend School District No. 50 of Jefferson County, Washington ("School District");
- d. Clallam County Young Men's Christian Association d/b/a Olympic Peninsula YMCA ("YMCA");
- e. Washington State Department of Commerce ("Commerce"); and
- f. United States Department of Agriculture ("USDA").

2. Description of the Project to be Completed by the Parties.

The project (the "Project") consists of building and operating an early learning and family support facility (the "Facility") to be located on a 1.16-acre site comprising the field on the high school campus (1500 Van Ness Street) bordering Harrison and Blaine Street in Port Townsend, Washington (the "Site"). The cost of the Project is not currently expected to exceed the amount of funding requested (\$4,700,000), which includes a 10 to 15% contingency.

3. Description of the Parties' Roles in Completing the Project.

The role of each of the Parties with respect to completing the Project will be as follows:

a. School District. School District owns the Site and will lease the Site to YMCA at nominal rent pursuant to the terms of a ground lease. The School District will file a notice of Federal interest with respect to the Site that will provide notice of a Federal interest in the Site for a period of up to 35 years.

b. YMCA. YMCA will lease the Site from School District and build, own, and operate the Facility on the site. YMCA will be a co-applicant with County for the USDA Congressionally Directed Spending ("CDS") funds of \$1,375,000. YMCA will be responsible for submitting reimbursement requests directly to USDA and USDA will reimburse YMCA invoices via the County.

c. Commerce. Commerce will provide a \$1,000,000 grant to Jefferson Healthcare to be used by Jefferson Healthcare to fund a portion of the cost of constructing the Facility through a subcontract between Jefferson Healthcare and YMCA.

d. USDA. USDA will provide a \$1,375,000 grant to County to be used by County to fund a portion of the cost of constructing the Facility through a subcontract between the County and YMCA.

e. Jefferson Healthcare. Jefferson Healthcare will provide a \$1,000,000 sub-grant, funded with the proceeds of the Commerce grant to Jefferson Healthcare, and a \$50,000 grant, funded with its own funds, to YMCA to be used by YMCA to fund a portion of the cost of constructing the Facility through a subcontract between Jefferson Healthcare and YMCA.

f. County. USDA will provide a \$1,375,000 sub-grant to YMCA through the County to be used by YMCA to fund a portion of the cost of constructing the Facility through a contract among USDA, County and YMCA. YMCA will be a co-applicant with the County for the USDA grant. A required match of \$50,000 for the USDA grant will be provided by Jefferson Healthcare. County will provide an additional \$290,000 sub-grant to YMCA, funded with the proceeds of funds received by County from the American Rescue Plan Act, to YMCA to be used by YMCA to fund a portion of the cost of constructing the Facility through a contract between County and YMCA. YMCA will submit reimbursement requests with respect to the cost of constructing the Facility directly to USDA. USDA will reimburse YMCA invoices through County. County will monitor and review for compliance as required by the USDA contract.

4. Design and Construction of Facility.

The initial design work with respect to the Facility will be performed through a contract between Jefferson Healthcare and an architect. The architect's contract will be assigned by Jefferson Healthcare to YMCA effective July 1, 2023. YMCA will enter into a construction contract with a contractor selected by YMCA. YMCA will cause the Facility to be constructed in compliance with the applicable provisions of the BABA Act.

5. Additional Sources of Funding.

The Parties will work together, with YMCA taking the lead, to identify additional sources of funding for the Project if additional funding becomes necessary.

6. Contracts Required to Carry Out the Project.

The following contracts will be entered into with respect to the Project, including the construction of the Facility. USDA will be provided an opportunity to review all contracts.

- a. Ground lease between School District and YMCA (completed).
- b. Grant agreement between Commerce and Jefferson Healthcare.
- c. Promissory note between Commerce and Jefferson Healthcare under which Jefferson Healthcare agrees to pay back the grant if the terms of the grant agreement are not satisfied (e.g., Facility is not used to operate an early learning and family support center for a minimum of 10 years in accordance with the 2021-2023 Early Learning Facilities Program).
- d. Restrictive covenant with School District as grantor and Commerce as grantee with respect to the Site under which Grantor and its successors and/or assigns

agrees to provide on the Site for a period of 10 years an early learning and family support center, in accordance with the 2021-2023 Early Learning Facilities Program.

- e. Sub-grant agreement between Jefferson Healthcare and YMCA under which YMCA agrees to comply with the terms of the grant agreement between Commerce and Jefferson Healthcare.
- f. Grant agreement between USDA and co-applicants, Jefferson County and YMCA.
- g. Sub-grant agreement between County and YMCA under which YMCA agrees to comply with the terms of the ARPA grant agreement (completed).
- h. Contract between Architect and Jefferson Healthcare through June 30, 2023 with subsequent architectural contract with the YMCA.
- i. General Contractor agreement.
- j. School District, the site owner, will provide a Notices of Federal Interest of 35 years.

7. Project Timeline.

The estimated timeline for Project completion is 18 months. The following is a working timeline for the Project:

2.23.2022	Pre-planning and Feasibility Finalized
2.5.2023	Site Control Finalized
9.15.2023	Design Final
11.30.2023	Construction Budget Final
11.30.2023	Equipment Budget Final
1.31.2024	Binding Agreements with Contractors Finalized
2.1.2024	Start Date for Construction
1.1.2025	Completion Date for Construction
2.1.2025	Licensure as an Early Learning Facility per RCW 43.31.565(3)
3.1.2025	Opening Date after Project Complete

8. Non-Binding Commitment.

This MOU is not intended to and does not constitute a legally binding obligation, liability or contractual commitment by the Parties with respect to the Project or any other transactions contemplated herein. Any such legally binding obligation with respect to the Project will arise only upon the execution and delivery of mutually acceptable definitive contracts, subject to the terms and conditions set forth therein. Furthermore, it is understood that this MOU is not intended to set forth all of the terms and conditions to be set forth in the definitive contracts.

9. Termination.

This MOU will terminate and be of no further force and effect upon the earlier of: (a) the mutual agreement of the Parties; (b) the execution of the definitive contracts; (c) _____, 2023; or (d) the provision of notice of termination by any one of the Parties to all of the other Parties for any reason or no reason.

10. Counterparts.

This MOU may be executed in one or more counterparts, each of which will be deemed to be an original copy of this MOU and all of which, when taken together, will be deemed to constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives as of the date first written above.

Jefferson County Public Hospital District No. 2,
Jefferson County, Washington, d/b/a Jefferson
Healthcare

By: _____
Title: _____

Jefferson County, Washington

By: _____
Title: _____

Port Townsend School District No. 50 of
Jefferson County, Washington

By: _____
Title: _____

Clallam County Young Men's Christian Association
d/b/a Olympic Peninsula YMCA

By: _____
Title: _____

Approved as to form only:



June 21, 2023

Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting Attorney