

**RESOLUTION NO. 1592
CITY OF PRINEVILLE, OREGON**

A RESOLUTION AUTHORIZING THE CITY OF PRINEVILLE TO APPROVE AN INTERGOVERNMENTAL AGREEMENT BETWEEN CROOK COUNTY AND THE CITY OF PRINEVILLE FOR MANAGEMENT OF CROOK COUNTY/PRINEVILLE AIRPORT

Whereas, City of Prineville (“City”) and Crook County (“County”) are units of local government authorized under ORS 190.100 to enter into intergovernmental agreements for the performance of any functions or activities that a party to the agreement has the authority to perform by one of the parties for the other party.

Whereas, County is the owner of the real property known as the Crook County Prineville Airport S39 (“Airport”) and its Airport Sponsor for FAA/AIP/ODA purposes.

Whereas, the City and County have been operating under that certain Intergovernmental Agreement between each other, effective September 23, 2011, as amended from time to time, regarding the Airport’s management.

Whereas, County has contracted with a Fixed Based Operator to perform many services previously performed by City.

Whereas, County is prepared to increase its role in the management, planning, and operation of the Airport.

Whereas, County has prepared an Intergovernmental Agreement (“IGA”) for City’s consideration.

Whereas, City staff believes it is in the best interest of the City to approve and execute the IGA.

Now, Therefore, the City of Prineville resolves that the Intergovernmental Agreement Between Crook County and the City of Prineville attached to this Resolution between the City and County is hereby approved and that the Mayor and the City Manager are authorized and instructed to sign such IGA on behalf of the City.

Approved by the City Council this 9th day of April, 2024.



Rodney J. Beebe, Mayor

ATTEST:



Lisa Morgan, City Recorder

**INTERGOVERNMENTAL AGREEMENT FOR
AIRPORT MANAGEMENT BETWEEN
CROOK COUNTY AND THE CITY OF PRINEVILLE**

This Intergovernmental Agreement for Airport Management between Crook County and the City of Prineville (“Agreement” or “IGA”) is made by and between Crook County, a political subdivision of the State of Oregon (County) and the City of Prineville, a municipal corporation of the State of Oregon (“City” or “Contractor”), effective April 1, 2024 (the “Effective Date”). County and City may hereinafter be referred to as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS, units of local government are authorized under ORS 190.110 to enter into intergovernmental agreements for the performance of any functions or activities that a party to the agreement has the authority to perform by one of the parties for the other party;

WHEREAS, County is the owner of the real property known as the Crook County Prineville Airport S39 (Airport) and its Airport Sponsor for FAA/AIP/ODA purposes;

WHEREAS, the Parties have been operating under that certain Intergovernmental Agreement between Crook County and the City of Prineville, effective September 23, 2011, as amended from time to time (the “Prior IGA”);

WHEREAS, County has contracted with a Fixed Base Operator (FBO) to perform many services previously performed by City;

WHEREAS, County is prepared to increase its role in the management, planning, and operation of the Airport; and

WHEREAS, the Parties desire to update their relative roles and responsibilities at the Airport through this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants, promises, and obligations contained herein, the parties agree as follows:

1. PURPOSE.

A. Joint Goals.

The Parties enter into this Agreement for the purpose of continuing the progress made in the Airport’s efforts to become self-sustaining financially. Achievement of that goal requires the collaboration of the Parties pursuant to this Agreement in the areas of master planning, leasing and

utilization of real property, operations, and providing a welcoming, nondiscriminatory, and safe aeronautical experience in full compliance with FAA sponsor assurances and relevant laws.

B. Replacement.

The Parties have been operating under the Prior IGA. This Agreement replaces the Prior IGA in its entirety and constitutes the full understanding and agreement of the Parties with respect to the Airport and Airport operations for the length of the Term.

2. CONSIDERATION.

In exchange for the Airport management services described in this Agreement, County shall pay City ONE HUNDRED TWELVE THOUSAND AND 00/100 DOLLARS (\$112,000.00) per year. This figure represents the personnel and related costs for the employment of an Airport Manager, information technology and administration costs of this Agreement. This amount shall be adjusted annually, each July 1, by three percent plus \$35,000, through July 1, 2026. Said payments shall be remitted to City quarterly, in advance, by the 15th day of the month at the beginning of each quarter.

3. TERM AND TERMINATION.

A. Term.

This Agreement shall remain valid and binding for three years and three months from the Effective Date, until June 30, 2027, unless terminated or extended in accordance with this Agreement. The Term shall automatically renew for one additional year, unless a Party delivers notice at least a year prior to the end of the Term of its desire to retain the original termination date.

B. Termination.

All obligations and liabilities of this Agreement accrued by the termination date shall survive early termination.

i. Mutual Consent

The Parties may terminate this Agreement by mutual consent.

ii. For Cause.

Should a Party be in breach of the terms this Agreement, the non-breaching party shall provide written notice to the breaching party detailing the specific circumstances constituting the breach. Within 30 calendar days of receipt of notice, the breaching party shall provide written documentation the breach has been cured or describe its good-faith efforts to cure the breach. Should the breaching party fail to provide evidence of cure within 30 calendar days of receipt of notice, this Agreement may be terminated by the non-breaching party immediately thereafter.

iii. Insufficient Appropriation.

Notwithstanding any other provision of this Agreement, the Parties shall not be obligated to perform hereunder or by any provision of this Agreement during any of Party's future fiscal years unless and until the relevant authority appropriates funds for this Agreement in Party's budget for such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated.

4. CITY'S OBLIGATIONS.

City, through its Airport Manager, shall manage Airport operations, coordinate the maintenance of Airport facilities with County, and act as the liaison between County and third parties regarding Airport operations. Specific duties include:

A. Review FBO Operations.

City will review all monthly reports from FBOs and other commercial operators required to submit reports at the Airport. City will make commercially reasonable good-faith efforts to verify the accuracy of said reports and notify County of any discrepancies or failures by the commercial operators to fulfill their contractual obligations with County.

B. Lease Management of Ground and Storage Space.

City shall employ good-faith efforts to solicit tenants for all available Airport ground and storage space, while coordinating with County to ensure tenants comply with all terms of their leases as well as FAA guidance and regulations. City shall provide a comprehensive report of the status of all third-party Airport leases to County twice yearly, in June and December of each year. City shall also coordinate with County on periodic inspections of all hangars and leaseholds.

C. FAA Compliance and Master Planning.

City shall coordinate with County's selected Airport consultants and designated FAA representatives to ensure compliance with all AIP sponsor assurances, FAA regulations, and master planning obligations. City will promptly notify County of any current or anticipated occurrences of noncompliance.

D. Periodic Reporting.

City shall provide a report to County each quarter detailing all significant Airport activities, including the status of FBO operations, updates or issues with third-party Airport leases, and capital projects.

5. COUNTY'S OBLIGATIONS.

County's obligations under this Agreement include all other aspects of the management and operation of the Airport. These obligations specifically include the following.

A. Legal and Financial Services.

County, or its agent, will draft all necessary legal documents, including those required to transfer an interest in real property, solicit and contract with third parties, and regulations and policies.

Additionally, County will handle all Airport finances, including processing all payments from Airport tenants, submitting payments to vendors and contractors, and state and federal grant funds.

B. Inspection and Enforcement.

County will, with cooperation from City, perform all inspections of Airport leaseholds. When warranted, County will pursue enforcement actions against Airport tenants or members of the public in violation of Airport regulations or policies.

C. Maintenance and Improvements.

County will, with cooperation from City, make all capital improvement decisions regarding Airport property and in conformance with the master plan. All capital improvement and property maintenance costs not funded through grants will be paid for by County.

6. FINANCES.

A. Reconciling City's Airport Fund.

City has established a "City Airport Fund," which is a component of the City of Prineville budget and subject to State law, local budget law, and City policy. As of the Effective Date of this Agreement, the Parties shall work collaboratively to reconcile the City Airport Fund and ensure that all contributions from City and County are equal, and the accounts are balanced as of June 30, 2024. The City's administration fee shall be prorated to the Effective Date. Reconciliation shall be completed by July 31, 2024 and any required payments submitted to the other Party by August 31, 2024, with such amount not to exceed \$45,000. Following reconciliation, any remaining funds shall be the sole property of the Party or entity thereafter managing the fund or monies derived therefrom.

B. City's Airport Expenses.

As of the Effective Date, City's reasonable and necessary Airport Expenses, which comprise licensed Airport vehicle maintenance costs, shall be borne or reimbursed by County. If and when said Airport vehicles require replacement, County shall purchase and own the replacement vehicles.

7. COLLABORATION AND COOPERATION.

A. Generally.

The Parties will collaborate in good faith regarding all aspects of this Agreement to achieve their Joint Goals for the Airport. The Parties agree to meet to discuss any topic under this Agreement within 30 calendar days upon request of either Party.

B. Dispute Resolution.

If a dispute arises between the Parties concerning matters related to this Agreement or the interpretation of any provision herein, it is always best to resolve such issues informally and efficiently. City and County hereby agree to first attempt to resolve any such disputes through cooperative dialogue with the good faith intention of achieving resolution within thirty days of

initiating discussions. If no resolution has been mutually agreed in writing after thirty days of the start of these informal negotiations, either Party may elect to resolve the dispute through mediation or arbitration, using such process as they may choose. Both Parties enter into this informal dispute resolution process voluntarily and in furtherance of their Joint Goals.

8. INSURANCE.

County shall sufficiently insure all facilities and equipment owned by County. The current licensed Airport vehicles are and will remain owned by City and insured by the FBO, naming both County and City as additional insureds.

9. INDEMNIFICATION.

Neither Party shall be liable to the other for any incidental or consequential damages arising out of or relating to this Agreement. Neither Party shall be liable for any damages of any sort arising solely from the termination of this Agreement or any part hereof in accordance with its terms.

A. Generally.

If any third party makes any tort claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (a "Third-Party Claim") against a Party (the "Notified Party") with respect to which the other Party (the "Other Party") may have liability, the Notified Party shall promptly notify the Other Party of the Third-Party Claim and deliver to the Other Party, along with the notice, a copy of the claim, process and all legal pleadings with respect to the Third-Party Claim that have been received by the Notified Party. Each Party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this section, and a meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing, are conditions precedent to the Other Party's contribution obligation under this section with respect to the Third-Party Claim.

B. County's Contribution.

With respect to a Third-Party Claim for which County is jointly liable with City (or would be if joined in the Third-Party Claim), County shall contribute to the amount of expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by City in such proportion as is appropriate to reflect the relative fault of County on the one hand and of City on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of County on the one hand and of City on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. County's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the County had sole liability in the proceeding.

C. City's Contribution.

With respect to a Third-Party Claim for which City is jointly liable with the County (or would be if joined in the Third-Party Claim), City shall contribute to the amount of expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the County in such proportion as is appropriate to reflect the relative fault of City on the one hand and of the County on the other hand in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of City on the one hand and of the County on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. City's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

D. Other Claims.

The Parties shall take all reasonable steps to cause their contractor(s) that are not units of County or the City as defined in ORS 190.003, if any, to indemnify, defend and hold harmless the other Party and their officers, employees and agents (the "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) to the extent caused, or alleged to be caused, by the negligent or willful acts or omissions of that contractor or any of the officers, agents, employees or subcontractors of the contractor. The Parties specifically intend that the Indemnitee shall, subject to ORS 30.140 with regard to Third Party Claims, in all instances, except for claims arising from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the contractor from and against any and all claims to the extent the damages are caused by their fault.

10. REPRESENTATIONS AND WARRANTIES.

A. Non-Discrimination.

Each party agrees that no person shall, on the grounds of race, color, creed, national origin, sex, marital status, age or sexual orientation, suffer discrimination in the performance of this Agreement when employed by either party. Each party agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Additionally, each party shall comply with the Americans with Disabilities Act of 1990 (Pub. L. No. 101-366), ORS 659.425, and all regulations and administrative rules established pursuant to those laws. Each party agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

B. Suspension or Debarment.

City certifies herein that it is not excluded or disqualified from participating in any covered transaction under 2 CFR § 180.

C. Signature Authority.

The person signing this agreement hereby warrants that they have the legal authority to execute this agreement on behalf of the respective Party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. Each Party is fully entitled to rely on these warranties and representations in entering into this Agreement or any amendment hereto.

11. NOTICES.

The Parties are required to update the information in this section. Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered (i) when hand delivered to the other party at such addresses listed below, or at such other addresses as the receiving party may designate by proper notice to the sending party, or (ii) three (3) days after being deposited in the United States Mail, postage prepaid, addressed as follows:

To County:
Crook County
Attn: County Administrator
300 NE Third Street
Prineville, OR 97754

To City:
City of Prineville
Attn: City Manager
387 NE Third Street
Prineville, OR 97754

With a copy to:
Crook County Counsel
300 NE Third Street
Prineville, OR 97754

With a copy to:
Jered Reid, Prineville City Attorney
545 NE 7th Street
Prineville, OR 97754

12. RECORDS MAINTENANCE; REVIEW AND AUDIT.

Up until the date that reconciliation is complete pursuant to Section 6 above, the Parties shall maintain all financial records relating to the Agreement in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984. Moreover, the Parties shall make available to the other Party's duly authorized representatives access to such financial records and other books, documents, papers, plans, records of shipments and payments and writings by the other Party that are pertinent to this Agreement, whether in paper, electronic, or other form. Upon reasonable request, the Parties shall promptly provide the other Party with any other such information regarding this Agreement that the other Party may require.

13. MISCELLANEOUS.

A. Governmental Powers.

Nothing in this Agreement should be construed or interpreted to mean that the County waives, surrenders, or sacrifices any of its governmental powers in any way.

B. Relationship of the Parties.

Nothing contained in this Agreement is to be deemed or construed, either by the parties to this Agreement or by any third party, to create any partnership, joint venture, or other association between County and City, particularly with respect to the other Party's debts or liabilities of whatever kind or nature, except as expressly provided herein.

C. Non-Delegation.

City shall not delegate its obligations under this Agreement to any other individual, agency, or entity without the prior written consent and in the sole discretion of County.

D. Survival.

All agreements (including but not limited to indemnification agreements) set forth in this Agreement, the full performance of which are not required before the expiration or earlier termination of this Agreement, will survive the expiration or earlier termination of this Agreement and be fully enforceable thereafter.

E. Severability.

If any term or provision of this Agreement or the application of the Agreement to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

F. Non-Waiver.

The failure of County to insist upon the performance of any term or provision of this Agreement or to exercise any right granted herein shall not constitute a waiver of County's right to insist upon appropriate performance or to assert any such right on any future occasion.

G. Force Majeure.

If either party's performance of an obligation under this Agreement (excluding a monetary obligation) is delayed or prevented in whole or in part by (a) any legal requirement (and not attributable to an act or omission of the party); (b) any act of God, fire, or other casualty, flood, storm, explosion, accident, epidemic, war, civil disorder, strike, or other labor difficulty; (c) shortage or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation; or (d) any other cause not reasonably within the party's control, whether or not the cause is specifically mentioned in this Agreement, the party will be excused, discharged, and released of performance to the extent that such performance or obligation (excluding any monetary obligation) is so limited or prevented by the occurrence without liability of any kind.

H. Costs and Attorney Fees.

In the event there should be a breach or default under any provision of this Agreement and either party should retain attorneys or incur other expenses for the collection of rent, fees or charges, or

the enforcement of performance or observances of any covenant, obligation or agreement, County and City agree that each party shall be responsible for its own attorneys' fees.

I. Applicable Law and Venue.

This Agreement shall be construed in accordance with and governed by the laws of the State of Oregon. The Parties agree that any civil action will be brought in the circuit court in Crook County.

J. Time Is of the Essence.

Time is of the essence as to the performance of all the covenants, conditions, and agreements of this Agreement.

K. Interpretation.

In interpreting this Agreement in its entirety, the printed provisions of this Agreement and any additions written or typed thereon must be given equal weight, and there must be no inference, by operation of law or otherwise, that any provision of this Agreement may be construed against either party hereto. County and City acknowledge that they and their counsel have reviewed and revised this Agreement and that any otherwise applicable rule of construction or any other presumption to the effect that any ambiguities are to be resolved against the drafting party will not be used in the interpretation of this Agreement or any exhibit or amendment hereto.

L. Headings, Captions, and References.

The headings and captions contained in this Agreement are for convenience only and do not in any way define, describe, limit, or amplify the scope or intent of this Agreement or any term or provision in it. The use of the term "Herein" refers to this Agreement as a whole, inclusive of the Exhibits, except when noted otherwise. The use of a masculine or neuter gender in this Agreement includes the masculine, feminine, and neuter genders and the singular form includes the plural when the context so requires.

M. Entire Agreement.

This Agreement contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. City and County mutually acknowledge and agree that there are no verbal agreements or other representations, warranties, or understandings affecting this Agreement.

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N. Counterparts.

This Agreement may be executed in one or more counterparts, including electronically transmitted counterparts, which when taken together shall constitute one in the same instrument. Facsimiles and electronic transmittals of the signed document shall be binding as though they were an original of such signed document.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date as set forth above.

CITY OF PRINEVILLE



Rodney J. Beebe, Mayor

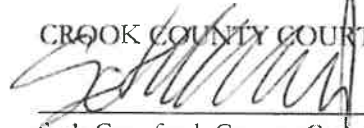
Date: April 9, 2024



Steve Forrester, City Manager

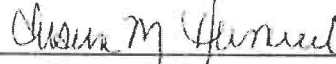
Date: April 9, 2024

CROOK COUNTY COURT



Seth Crawford, County Commissioner

Date: 03/20/2024



Susan Hermreck, County Commissioner

Date: March 20, 2024



Brian Barks, County Commissioner

Date: 03/20/2024