

**INTERLOCAL AGREEMENT  
REGARDING CREATION OF A  
PUBLIC FACILITIES DISTRICT FOR A  
REGIONAL CENTER**

**THIS INTERLOCAL AGREEMENT** is made and entered into this 25<sup>th</sup> day of June 2002 by and between the City of Olympia, a municipal corporation, herein referred to as "Olympia," the City of Lacey, a municipal corporation, herein referred to as "Lacey," the City of Tumwater, a municipal corporation, herein referred to as "Tumwater," and Thurston County, herein referred to as "the County".

WHEREAS, Olympia, Lacey, Tumwater and the County wish to consider constructing and operating a Regional Center under the authority granted by Chapter 35.57 RCW as amended by Chapter 363, Laws of 2002; and

WHEREAS, a public facilities district (PFD) can be created by Olympia, Lacey, Tumwater and the County for that purpose; and

WHEREAS, in conjunction with creation of a PFD for that purpose, it is desirable that the roles and responsibilities of the three cities and the County be set forth in an interlocal agreement; and

WHEREAS, this Agreement does not create a separate legal entity other than the PFD discussed herein.

**IT IS HEREBY AGREED AS FOLLOWS:**

1. Olympia, Lacey, Tumwater, and the County hereby, through their respective City Councils and the County Commission, jointly adopt a PFD to be known as the Capitol Area Regional Public Facilities District (the "District"). This Agreement does not preclude any Party from creating a separate PFD either singularly or jointly with another Party prior to July 31, 2002 to be activated if and when the District is terminated per Section 5(a) of this Agreement. Adoption of this Agreement shall be by ordinance. The boundaries of the District shall encompass the corporate limits of Olympia, Lacey, and Tumwater and the unincorporated areas of the County. A copy of the Charter is attached hereto and incorporated herein by reference. Ordinance adoption shall be completed by the parties in a timely manner so that the effective date of each ordinance occurs on or before July 31, 2002.

Each jurisdiction reserves the right to withdraw from this Agreement during its term. In such event, the remaining jurisdictions may retain the District under an amended interlocal agreement.

2. The parties hereby agree to jointly consider, analyze, and identify a possible Regional Center that may be designed, constructed, and operated under or in conjunction with an amended District. The parties agree to work together in good faith toward that end and shall give due consideration to feasibility studies already existing. The District is authorized to impose the 0.033% sales and use tax authorized pursuant to RCW 82.14.390 and apply tax receipts to pay costs of implementing the terms of this interlocal agreement. No other duties are authorized to be performed under the District. Costs associated with the above joint activity may be paid by the District using sales and use tax revenues collected pursuant to Chapter 35.57 RCW as amended and RCW 82.14.390. Said sales and use tax revenues shall be collected by the District, under a contract with Olympia, or other appropriate Jurisdiction, and the terms of such contract shall be approved by Olympia, Lacey, Tumwater, and the County.
3. Should Olympia, Lacey, Tumwater and the County determine to proceed with design, construction, and operation of a Regional Center under the structure of an amended District, an amended interlocal agreement incorporating an amended District Charter shall be executed defining the roles and responsibilities of each jurisdiction. By executing this Agreement, no jurisdiction commits itself to any amended interlocal agreement or to participation in a Regional Center facility.
4. The City Councils of Olympia, Lacey, and Tumwater and the Thurston County Board of Commissioners shall appoint the District Board members pursuant to RCW 35.57.010(3)(b)(i). Of the four members to be appointed under RCW 35.57.010(3)(b)(ii), one each shall be appointed by the City Councils of Olympia Lacey and Tumwater and by the County Commission. Each of the latter appointments shall be subject to the recommendations from local organizations required by RCW 35.57.010(3)(b)(ii). Required actions of the City Council of Tumwater shall be satisfied upon confirmation of appointments by the Mayor. All provisions of RCW 35.57.010(3)(b) shall apply to the appointment of board members.
5. This Interlocal Agreement shall remain in force until either of the following events occur, but no longer.
  - a. Failure by the cities and the County, by December 31, 2002, to agree to proceed with the design, construction, or operation of a Regional Center through an amended District; or

b. Upon execution by all three cities and the County of an amended District and amended interlocal agreement to design, construct, and/or operate a Regional Center funded through a PFD. The amended interlocal agreement and District shall supercede this interlocal agreement. Provided, that no such amendment shall be considered to have created a new PFD for purposes of Chapter 35.57 RCW as amended by Chapter 363, Laws of 2002.

DATED this 25<sup>th</sup> day of June 2002.

CITY OF OLYMPIA

By: [Signature]  
Its Mayor

APPROVED AS TO FORM:

[Signature]  
Mark Erickson, City Attorney

CITY OF TUMWATER

By: [Signature]  
Its Mayor

APPROVED AS TO FORM:

[Signature]  
Pat Brock, City Attorney

moe3119c  
6/18/02

CITY OF LACEY

By: [Signature]  
Its CITY MANAGER

APPROVED AS TO FORM:

[Signature]  
Ken Ahlf, City Attorney

THURSTON COUNTY

By: [Signature]  
Its Chair, Commissioner  
July 22, 2002

APPROVED AS TO FORM:

[Signature]  
Ed Holm, Thurston County Prosecutor

**CHARTER  
OF  
CAPITOL AREA REGIONAL  
PUBLIC FACILITIES DISTRICT**

**A Municipal Corporation**

# CHARTER

## CAPITOL AREA REGIONAL PUBLIC FACILITIES DISTRICT

### ARTICLE I NAME AND DISTRICT SEAL

The name of this corporation shall be the Capitol Area Regional Public Facilities District (hereinafter the "District"). The corporate seal of the District shall be a circle with the name of the District and the word "SEAL" inscribed therein.

### ARTICLE II AUTHORITY FOR CAPITOL AREA REGIONAL PUBLIC FACILITIES DISTRICT

The District is a municipal corporation organized pursuant to Chapter 35.57 RCW and Chapter 363, Laws of 2002, as the same now exists or may hereafter be amended, or any successor act or acts and is created pursuant to that certain interlocal agreement dated JUNE 25 2002, (hereinafter the "Interlocal Agreement") by and between the Cities of Olympia, Lacey, Tumwater, and Thurston County (hereinafter the "Jurisdictions"), which Jurisdictions comprise the District.

### ARTICLE III DURATION OF DISTRICT

The District shall continue to exist until it is terminated pursuant to the terms of the Interlocal Agreement.

### ARTICLE IV PURPOSE OF DISTRICT

The purpose of the District is to provide an independent legal entity under Chapter 35.57 RCW, to impose and use state sales tax under RCW 82.14.390 to acquire, construct, own, remodel, maintain, equip, re-equip, repair, finance, and operate one or more Regional Centers as defined in RCW 35.57.020(1), as amended by, Chapter 363, Laws of 2002. The District may take actions in furtherance of any of the above stated purposes only as authorized under the Interlocal Agreement. If authorized, the Regional Center(s) would serve essential public purposes by providing one or more

regional facilities for conventions, conferences and/or special events. The District does not have the authority to perform any functions other than that set forth in this Article.

For the purpose of securing the exemption from federal income taxation for interest on obligations of the District, the District constitutes an instrumentality of each of the Jurisdictions that created the District (within the meaning of those terms in regulations of the United States Treasury and rulings of the Internal Revenue Service prescribed pursuant to Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended).

## **ARTICLE V POWERS OF DISTRICT**

Except as may be otherwise provided in the Charter, the District and the District Board of Directors on its behalf shall have only the power to:

1. Act as authorized under Chapter 35.57 RCW, as limited by the Interlocal Agreement.
2. Sue, and be sued, in its corporate name
3. Accept gifts, funds, or property from the United States, the State, the Jurisdictions, other corporations, associations, individuals, or any other sources, and to use said funds in accordance with the powers set forth in Article IV.
4. Provide the necessary administrative means to carry out its powers set forth in this Charter.
5. Impose a sales and use tax as authorized by RCW 35.57.040(d) and RCW 82.14.390.

## **ARTICLE VI LIMITS ON DISTRICT POWERS**

1. No part of the revenue of the District shall inure to the benefit of, or be distributable to, the members of the District Board of Directors or officers of the District or other private persons, except that the District is authorized and empowered to:
  - (a) Reimburse District Board Members for reasonable expenses actually incurred in performing their duties; and
  - (b) Provide the administrative means to carry out the District's powers under Article V.
2. No part of the activities of the District shall include any attempt to influence legislation; and the District shall not participate in, or intervene in (including the

publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

3. The District may not incur or create any liability that permits recourse by any contracting party or members of the public to any assets, services, resources, or credit of the Jurisdictions.
4. The District shall not amend this Charter without the approval of the Jurisdictions.
5. The District shall not issue any debt nor shall it submit to the voters of the District a ballot proposition for imposition of a sales or use tax.

The District may not exercise its powers as delineated in Article V until such time as it has, in accordance with RCW 35.57.040(d) and RCW 82.14.390, imposed the maximum allowable sales and use tax for the purpose of securing a source of revenue to satisfy the financial obligations of the District.

6. In the event of a conflict between the terms of this Charter and of the Interlocal Agreement dated \_\_\_\_\_, the terms of the interlocal agreement shall govern.

## **ARTICLE VII DUTIES OF THE DISTRICT**

In addition to other duties as may be provided herein, the District and the District Board of Directors shall undertake the following:

1. Provide Financial Assistance. The District, through the District Board of Directors during its first or a subsequent meeting, shall, if authorized by the Jurisdictions per the Interlocal Agreement, impose a sales and use tax of not more than .033 percent to be collected from those persons who are taxable by the State of Washington under RCW 82.08 and 82.12, upon the occurrence of any taxable event within the District in accordance with RCW 82.14.390.
2. Enter Into Agreements. The District shall enter into an agreement with the City of Olympia ("Olympia") or such other Jurisdiction as shall be appropriate to perform any administrative functions on behalf of the District as may be necessary to carry out the District's functions as prescribed under Title V of this Charter or the Interlocal Agreement.
3. Revenues. All revenues received by the District which are derived from the imposition of charges, fees, and taxes as authorized by RCW 35.57.040, shall be deposited in such a manner as described in its agreement with Olympia or other appropriate Jurisdiction, which funds may be expended only to satisfy the

financial obligations of the District consistent with this Charter and the Interlocal Agreement. Any matching funds required by RCW 82.14.390 shall be provided by the Jurisdictions under an agreement, or by other private or public sources.

## **ARTICLE VIII ORGANIZATION OF DISTRICT**

### **Section 1. District Board of Directors.**

The management of all District affairs shall reside with the Board of Directors. The Board shall be composed of seven members appointed in accordance with the terms of RCW 35.57.010(3)(b). The City Councils of Olympia, Lacey, and Tumwater and the Thurston County Board of Commissioners shall appoint the members pursuant to RCW 35.57.010(3)(b)(i). Of the four members to be appointed under RCW 35.57.010(3)(b)(ii), one each shall be appointed by the City Councils of Olympia, Lacey and Tumwater and by the County Commission. Each of the latter appointments shall be subject to the recommendations from local organizations required by RCW 35.57.010(3)(b)(ii). Required actions of the City Council of Tumwater shall be satisfied upon confirmation of appointments by the Mayor. All provisions of RCW 35.57.010(3)(b) shall apply to the appointment of Board members.

### **Section 2. Consecutive Absences.**

Any Board Member who is absent for three consecutive regular meetings without excuse may, by resolution duly adopted by a majority vote of the whole Board, be deemed to have forfeited his or her position as Board Member.

### **Section 3. Removal of Board Members.**

Any Board Member may be removed at will, with or without cause, by his or her appointing Jurisdiction, which appointing Jurisdiction shall appoint a new Board Member to fill the unexpired term for the vacant position. The term of any Board Member removed pursuant to this Section shall expire when the member receives a copy of the resolution removing him or her.

### **Section 4. Vacancy on District Board of Directors.**

A vacancy, or vacancies, on the District Board of Directors shall be deemed to exist in case of the death, disability, resignation, removal, or forfeiture of membership as provided herein. Vacancies on the Board shall be filled by appointment in the same manner in which members of the Board are regularly appointed. Any person selected to fill a vacancy on the Board shall serve the balance of the term of the person being replaced.



## Section 5. Duties of Board Members.

A general or particular authorization or concurrence of the Board by resolution shall be necessary for any of the following transactions:

- (a) Adoption of an annual budget;
- (b) Certification of annual audited financial statements and other reports and statements to be filed with the chief administrative officers of the Jurisdictions in the Interlocal Agreement as true and correct in the opinion of the District except as noted;
- (c) Transfer of tax proceeds authorized by the Charter to the City of Olympia or other appropriate Jurisdiction per an agreement; and
- (d) Perform such other transactions, duties, and responsibilities as the Charter shall require of the Members of the Board or the District.

## Section 6. Voting Requirements/Quorum.

- (a) Action, which requires Board approval, may only be authorized by a vote representing both a majority of the Board Members voting and not less than four members. Four voting members must be present at any regular or special meeting of the Board to comprise a quorum, and for the Board to transact any business.
- (b) Proxy voting shall not be allowed.
- (c) The adoption and amendment of bylaws shall require an affirmative vote of a majority of the Board's voting membership representing two-thirds of the Board Members voting on the issue and not less than four members.

## Section 7. Right to Indemnification.

Each person who was, or is, threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was an official of the District, whether the basis for such proceeding is alleged action in an official capacity as a director, trustee, officer, employee, or agent, or in any other capacity, shall be indemnified and held harmless by the District to the full extent permitted by applicable law as then in effect, against all expense, liability, and loss (including attorneys' fees, judgments, fines, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be an official and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in this Section, with respect to proceedings seeking to enforce rights to indemnification, the District shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person

only if such proceeding (or part thereof) was authorized by the District Board of Directors; provided, further, the right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the District the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the District of an undertaking, by or on behalf of such official, to repay all amounts so advanced if it shall ultimately be determined that such official is not entitled to be indemnified under this Section or otherwise.

Provided, further, that the foregoing indemnity shall not indemnify an person from or on account of:

- (a) Acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law; or
- (b) Any transaction with respect to which it was finally adjudged that such person personally received a benefit in money, property, or services to which such person was not legally entitled.

If a claim under this Section is not paid in full by the District within 60 days after a written claim has been received by the District, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days, the claimant may at any time thereafter bring suit against the District to recover the unpaid amount of the claim. The claimant shall be presumed to be entitled to indemnification under this Section upon submission of a written claim (an, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the District), and thereafter the District shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the District to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper nor a determination by the District that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

The right of indemnification and the payment of expenses conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Charter, Bylaws, any agreement, or otherwise.

The District may maintain insurance, at its expense, to protect itself and any director of the District against any expense, liability, or loss whether or not the District would have the power to indemnify such person against such expense, liability, or loss.

Section 8. Conflict of Interest and Code of Ethics.

No member of the Board shall have an ownership interest in real or personal property used for or in conjunction with any Regional Center site. Members of the District Board of Directors and the District's staff shall be subject to RCW 42.52.

**ARTICLE IX  
OFFICERS OF DISTRICT**

Section 1. Tenure of Officers.

The members shall elect from among themselves the following District officers: President, Treasurer, and Secretary. The President and the Treasurer may not be the same person. The term of any officer shall expire at such time as such officer's membership on the Board ceases or terminates, or at such sooner time as the term of office expires and the office has been filled by appointment or reappointment.

Section 2. Duties of Officers.

The officers of the District shall have the following duties:

- (a) President. Subject to the control of the District Board of Directors, the President shall have general supervision, direction, and control of the business and affairs of the District. On matters decided by the District, unless otherwise required under the Interlocal Agreement or by this Charter, the signature of the President alone is sufficient to bind the corporation.
- (b) Treasurer. The Treasurer shall receive and faithfully keep all funds of the District and deposit the same in such accounts as may be designated by the District Board of Directors. The Treasurer shall discharge such other duties as prescribed by the District Board of Directors. Before taking office, the Treasurer shall file a bond in an amount determined by the District with the Secretary of the District, and shall continue in office only so long as such bond continues in effect.
- (c) Secretary. The Secretary shall keep or authorize others to keep a full and complete record of the meetings of the District Board of Directors, committees when acting on behalf of the Board and to the extent they are separate, and the meetings of the officers with appropriate minutes; shall keep the seal of the District and affix the same to such papers and such instruments as may be required in the regular course of business; shall make service of such notices as may be necessary or proper; shall supervise the keeping of the books and other records, ledgers, and other written documents comprising the business and purpose of the District, and shall

discharge such other duties as pertain to the office as prescribed by the District Board of Directors.

- (d) The District shall contract with Olympia or other appropriate Jurisdiction to provide the services necessary to assist the officers in carrying out the officer's duties under this Section.

## **ARTICLE X COMMENCEMENT OF DISTRICT**

The District shall come into existence and be authorized to take action at such time as the Interlocal Agreement incorporating this Charter is approved by the legislative authorities of the Jurisdictions that comprise the District.

## **ARTICLE XI CONSTITUENCY**

There shall be no constituency of the District.

## **ARTICLE XII MISCELLANEOUS**

### Section 1. Public Records.

The public shall have access to records and information of the District to the extent required by applicable law.

### Section 2. Public Meetings.

Meetings of the District shall be open to the public as required by state law, and any special meetings shall be called and held in accordance with Section 11, Chapter 250, Laws of 1971, Extraordinary Session, and any subsequent amendments thereto. Members or designees of the legislative authorities of the Jurisdictions that comprise the District are entitled to appear in person or by representative and speak at any meeting of the District called and held pursuant to law.

Notice of meetings and proposed agendas shall be transmitted to the chief administrative officers of the Jurisdictions or their designees. The books and records of the District and agreements or contracts entered into by the District shall be available for inspection by the chief administrative officers of the Jurisdictions or their designee, and such documents shall be open for inspection by the public to the extent required by applicable laws, or as may be directed by agreement of the chief administrative officers of the Jurisdictions signatory to the Interlocal Agreement.

Section 3. Audits, Dissolutions, etc.

Unless waived by the chief administrative officers of the Jurisdictions, the District shall submit to the chief administrative officers of the Jurisdictions, on or before December 31, a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year; as well as such other reports required by applicable state and federal laws, applicable ordinances, and by the chief administrative officers of the Jurisdictions.

Section 4. Operations.

The District shall establish by resolution approved by the chief administrative officers of the Jurisdictions, procedures for the receipt, payment, and investment of District funds, which shall be performed by Olympia under the agreement. Such procedures may be amended by District resolution, subject to the approval of the chief administrative officers of the Jurisdictions.

Section 5. Effect of Legislation.

Should legislation be passed by the Washington State Legislature that conflicts materially with the provisions of this Charter, the PFD shall dissolve upon the effective date of such legislation, unless the Jurisdictions approve any necessary amendments to the Interlocal Agreement within 180 days of notice of the legislation

This Charter is APPROVED and ISSUED as of this \_\_\_\_ day of \_\_\_\_\_ 2002.

APPROVED this \_\_\_\_ day of \_\_\_\_\_ 2002 as authorized by District Board Resolution No. \_\_\_\_\_.

\_\_\_\_\_  
District President

ATTEST:

\_\_\_\_\_  
District Secretary

moe3117c  
6/18402