

ORDINANCE NO. 18-02

AN ORDINANCE of the City of Richland creating and providing for the organization, powers and governance of a Public Facilities District to be known as the "Richland Facilities District" to acquire, construct, operate, and/or finance a regional center in Richland including any related parking facilities.

WHEREAS, Chapter 35.57 RCW (the "City PFD Act") authorizes the City Council (the "Council"), as the legislative authority of the City, to create a public facilities district coextensive with the boundaries of the City for the purposes, among others, of acquiring, constructing, operating, and financing one or more "Regional Centers"; and

WHEREAS, a Regional Center is defined in the City PFD Act as ". . . a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved or rehabilitated after July 25, 1999 at a cost of at least \$10,000,000, including debt service"; and

WHEREAS, as authorized by the City PFD Act and RCW 82.14.390 (as amended in 2002 by Third Substitute Senate Bill 5514), and subject to certain restrictions, a public facilities district created before July 31, 2002 that commences construction or improvement of a Regional Center before January 1, 2004 may impose, solely for Regional Center purposes, a 0.033% sales and use tax (the "Sales Tax"); and

WHEREAS, under RCW 82.14.390 the Sales Tax operates to shift a share of the State's sales and use tax revenues to the public facilities district at no additional cost to taxpayers; and

WHEREAS, the amount of Sales Tax that is expected to be deducted from the State's allocation and paid to a City-created public facilities district is expected to exceed \$8.5 million over the next 25 years; and

WHEREAS, the Council has determined that it is in the best interest of the City and its citizens to access the Sales Tax through the formation of a public facilities district to acquire, construct, finance and/or operate a Regional Center located in the City, and thereby to stimulate economic development by creating jobs, attracting tourism and facilitating commercial business; to generate additional sales tax and lodging tax revenues; and to provide facilities for community events;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF RICHLAND:

Section 1. Creation and Purpose. Pursuant to Chapter 35.57 RCW (the "City PFD Act"), there is hereby created a public facilities district, which shall be called the Richland Public Facilities District (the "District"), coextensive with the boundaries of the

City, with only the powers and authority set forth in the City PFD Act. The District is established for the sole purpose of acquiring, constructing, owning, remodeling, maintaining, equipping, re-equipping, repairing, financing and/or operating a Regional Center in the City, but only pursuant to an interlocal agreement between the City and the District.

The City Manager and other appropriate officers of the City are authorized and directed to take any and all such additional actions as may be necessary or desirable to accomplish the creation of the District.

Section 2. Board of Directors. The members of the board of directors of the District (the "PFD Board") shall be selected and appointed by the Council, as required by the City PFD Act. The PFD Board shall consist of five members. Three of the members will be appointed based on recommendations from local organizations. The members shall serve four-year terms. Of the initial members, one will be appointed for a one-year term, one will be appointed for a two-year term, one will be appointed for a three-year term, and the remainder will be appointed for four-year terms.

If it is determined by the Council for any reason that any or all of the PFD Board members should be removed from office, the Council may by resolution remove that PFD Board member(s) from office. The term of any PFD Board member removed pursuant to this section shall expire when the removal resolution takes effect. Vacancies shall be filled by appointment by the Council, and the person appointed to fill a vacancy shall serve for the remainder of the unexpired term of the office for the position to which he or she was appointed.

All corporate powers of the District shall be exercised by or under the authority of the PFD Board; and the business, property and affairs of the District shall be managed under the direction of the PFD Board, except as may be otherwise provided for by law, herein, in the Charter.

Section 3. Organizational Meeting. The District shall be established as of the date of adoption of this Ordinance. Within 10 days after such date, the City Manager or his designee shall call an organizational meeting of the initial PFD Board, giving at least three days' advance written notice to each PFD Board Member, unless waived in writing. At such meeting, the PFD Board shall organize itself, may appoint officers, and shall select the District's place of business.

Section 4. Powers, Duties and Limitations. The District shall have the following powers and duties, subject to the following limitations:

- (1) The District shall have the powers set forth in Chapter 35.57 RCW, RCW 83.14.390 and its Charter, attached as Appendix A.
- (2) Except as specifically agreed in writing by the City, the District shall take no action that might impose liability upon the City. All liabilities incurred by the District shall be satisfied exclusively from the assets, credit, and

properties of the District, and no creditor or other person shall have any right of action against or recourse to the City, its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District.

- (3) The District shall impose all or a portion of the Sales Tax authorized under RCW 82.14.390(1) in support of one or more Regional Centers located in the City and determined by the District to be a viable project that is likely to begin construction before January 1, 2004. The Sales Tax shall be applied to pay costs of such Regional Center(s), as set forth in the interlocal agreement between the City and the District, including without limitation costs of preliminary and due diligence activities in an amount not to exceed \$50,000 without City approval.
- (4) The District shall prepare, maintain and provide to the Council a financial and activities report not less than quarterly, and otherwise as directed by the Council.
- (5) The District shall not impose any tax authorized under the City PFD Act, other than the Sales Tax imposed pursuant to RCW 82.14.390, without prior approval of the Council.

Section 5. Approval of Charter and Bylaws. The Charter is hereby approved in the form set forth at Appendix A. The Charter shall be issued in duplicate originals, each bearing the City seal attested by the City Clerk. One original shall be filed with the City; a duplicate original shall be provided to the District. The Charter shall be amended only with the approval of the Council.

The PFD Board shall maintain rules of procedure and governance of its activities through its Bylaws. The power to alter, amend, or repeal the Bylaws or adopt new Bylaws shall be vested in the PFD Board, except as follows. The Bylaws shall be consistent with this Ordinance and the Charter. As necessary and appropriate in the discretion of the Council, the Council may amend the Bylaws by resolution adopted at a public meeting held with notice to the District. Amendments to the Bylaws adopted by the Council may not be further amended by the District for one year except with Council approval.

Section 6. Applicability of Public Laws. District activity shall, as required by law, comply with the Open Public Meetings Act and other provisions of state law applicable to municipal corporations.

Section 7. Dissolution. The District shall dissolve on January 1, 2004 in the event that construction of a Regional Center has not commenced, or earlier in the event that the District recommends and the Council determines that there is no viable Regional Center project located within the City that is likely to begin construction before January 1, 2004. In addition, if the Council finds, following a public hearing or hearings, that the continued existence of the District would no longer serve the purposes of this Ordinance, it may by ordinance and in such manner as may be required by State law order that the District be dissolved. If the District has outstanding obligations at the time

