

ORDINANCE NO. 1183

CITY OF LACEY

AN ORDINANCE RELATING TO PUBLIC FACILITIES DISTRICTS, ADOPTING AN "INTERLOCAL AGREEMENT REGARDING CREATION OF A PUBLIC FACILITIES DISTRICT FOR A REGIONAL CENTER" AND THE CHARTER THEREFORE; ADOPTING AN "INTERLOCAL AGREEMENT BETWEEN THURSTON COUNTY AND THE CITY OF LACEY REGARDING CREATION OF A JOINT PUBLIC FACILITIES DISTRICT FOR A REGIONAL CENTER" AND THE CHARTER THEREFORE; ADOPTING A "CHARTER OF A LACEY PUBLIC FACILITIES DISTRICT" AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, Chapter 35.57 RCW as amended by Chapter 363, Laws of 2002, allows the creation by cities and a county or by a city and a county of a joint public facilities district (PFD) to design, construct, and operate a Regional Center as defined in state law, and

WHEREAS, the City of Lacey has the authority under state statute to create its own single-city PFD for the same purposes stated above,

WHEREAS, the Legislature by Chapters 363, Laws of 2002, required that to qualify for state sales tax funds under RCW .82.14.390, a joint or single PFD must be created by July 31, 2002, and

WHEREAS, the Legislature also required that construction of a PFD facility must commence on or before January 1, 2004, and

WHEREAS, the cities of Olympia, Lacey, and Tumwater and Thurston County are interested in working together to form a joint PFD to consider design, construction, and operation of a convention center, conference center, or special events center (Regional Center) as defined in Chapter 363, Laws of 2002, as the same now exists or may hereafter be amended, and

WHEREAS, the jurisdictions desire to enter into an Interlocal Agreement creating a joint PFD, and

WHEREAS, the joint PFD so created would be for the purpose of jointly considering, analyzing, and identifying a possible Regional Center that may be designed, constructed, and operated under or in conjunction with an amended Interlocal Agreement and PFD, and

WHEREAS, it is the intent of the parties that sales and use tax funds authorized pursuant to RCW 82.14.390 should be imposed during this initial phase of the PFD to fund activities necessary to jointly consider, analyze, and identify a possible regional center, and

WHEREAS, the parties have agreed, under the Interlocal Agreement, to work together in good faith to identify a Regional Center to be designed, constructed, and operated under an amended PFD and Interlocal Agreement, and

WHEREAS, the Agreement provides that this collaboration must be completed by December 31, 2002 or the Interlocal Agreement will terminate, and

WHEREAS, it is necessary for the City Council to also establish a joint Thurston County and City of Lacey PFD and a single City PFD for Lacey, either of which could be used in the event considerations and discussions with the other jurisdictions do not prove fruitful and Lacey wishes to pursue a Regional Center either pursuant to a joint PFD with Thurston County or through a PFD of its own, and

WHEREAS, it is necessary and proper for the Lacey City Council to adopt the above-referenced Interlocal Agreement and the Charter for the Capitol Area Regional Public Facilities District attached thereto and, as alternatives, An Interlocal Agreement and a Charter for a Joint Thurston County and City of Lacey PFD and to create a City of Lacey, single City PFD, should either of the latter be necessary,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, AS FOLLOWS:

Section 1. The Lacey City Council hereby approves and adopts that document entitled as the "Interlocal Agreement Regarding creation of a Public Facilities District for a Regional Center" and the "Charter of the Capitol Area Regional Conference Center Public Facilities," attached thereto. The City Manager is hereby authorized to execute that Interlocal Agreement on behalf of the City Council and may so bind the City Council. A copy of the Interlocal Agreement with its "Charter of Capitol Area Regional Public Facilities District" is attached hereto as Exhibit A.

Section 2. The Lacey City Council hereby approves and adopts that document entitled "Interlocal Agreement Between Thurston County and the City of Lacey Regarding Creation of a Joint Public Facilities District For a Regional Center", and the "Charter of


Thurston County and City of Lacey Joint Public Facilities District,” attached thereto. The City Manager is hereby authorized to execute such Interlocal Agreement on behalf of the City Council and may so bind the City Council. A copy of the Interlocal Agreement with its “Charter of Thurston County and City of Lacey Joint Public Facilities District” is attached hereto as Exhibit B. Such District shall be deemed to be created as of the effective date of this ordinance. While deemed created by this ordinance, the Thurston County and City of Lacey joint Public Facilities District is authorized to take action only when authorized by official action by the Board of Commissioners of Thurston County and the City Council of the City of Lacey and only after dissolution of the “Interlocal Agreement Regarding creation of a Public Facilities District for a Regional Center”, or upon withdrawal by Thurston County and the City of Lacey from that Interlocal Agreement.

Section 3. The Lacey City Council hereby further adopts a Charter for the “City of Lacey Public Facilities District” in the form attached hereto as Exhibit C. The Lacey Public Facilities District shall be deemed to be created as of the effective date of this ordinance. While deemed created by this ordinance, the Lacey Public Facilities District is authorized to take action only after official action to do so is taken by the City Council of the City of Lacey and only after the dissolution of the “Interlocal Agreement Regarding creation of a Public Facilities District for a Regional Center”, or upon withdrawal from the City of Lacey from that Interlocal Agreement.

Section 4. The summary attached hereto is approved for publication.

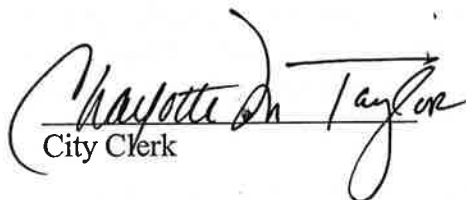
PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 11th day of July 2002.

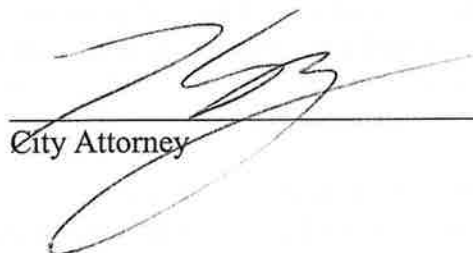
CITY COUNCIL

By 
Mayor

Attest:

Approved as to form:


City Clerk


City Attorney

Published: July 15, 2002
Monday

**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 _____ 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

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

THIS INTERLOCAL AGREEMENT is made and entered into this _____ day of _____ 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 _____ day of _____ 2002.

CITY OF OLYMPIA

CITY OF LACEY

By: _____
Its _____

By: _____
Its _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Mark Erickson, City Attorney

Ken Ahlf, City Attorney

CITY OF TUMWATER

THURSTON COUNTY

By: _____
Its _____

By: _____
Its _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Pat Brock, City Attorney

Ed Holm, Thurston County Prosecutor

moe3119c
6/18/02

**INTERLOCAL AGREEMENT
BETWEEN THURSTON COUNTY
AND THE CITY OF LACEY
REGARDING CREATION OF A
PUBLIC FACILITIES DISTRICT FOR A
REGIONAL CENTER**

THIS INTERLOCAL AGREEMENT is made and entered into this _____ day of _____ 2002 by and between the City of Lacey, herein called, "Lacey" and Thurston County, herein referred called "County".

WHEREAS, Lacey and 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 Lacey 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 Lacey 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. Lacey and the County hereby, through the Lacey City Council and the County Board of Commissioners, jointly adopt a PFD to be known as the Thurston County and City Of Lacey Joint Public Facilities District (the "District"). This Agreement does not preclude either Party from joining together with the cities of Olympia and Tumwater to create a Capitol Area Regional PFD nor does it preclude either party from creating a separate PFD prior to July 31, 2002. Adoption of this Agreement shall be by ordinance. The boundaries of the District shall encompass the corporate limits of the City Of Lacey 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.

EXHIBIT B

Each party reserves the right to withdraw from this Agreement during its term. In such event, the remaining party 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 only after action by both the City Council of Lacey and the Board of Commissioners of the County have authorized such imposition. 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 either Lacey or the County under the terms of a contract approved by both Lacey and the County.
3. Should Lacey 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, neither party commits itself to any amended interlocal agreement or to participation in a Regional Center facility except as the parties have bound themselves to so participate by agreement executed prior to this interlocal agreement.
4. The City Council of Lacey and the Board of Commissioners of the County 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), two each shall be appointed by the City Council of Lacey and the Board of Commissioners of the County. Each of the latter appointments shall be subject to the recommendations from local organizations required by RCW 35.57.010(3)(b)(ii). 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. Upon execution by the cities of Lacey, Olympia and Tumwater and the County of an amended interlocal agreement and an amended charter of the Capitol Area

EXHIBIT B

Regional Public Facilities District calling for the design, construction and/or operation of a Regional Center funded through such Capitol Area Regional Public Facilities District.

- b. Upon execution by both parties of an amended interlocal agreement adopting amendments to the District Charter approved herein and calling for the design, construction, and/or operation of a Regional Center funded through the Thurston County and City Of Lacey joint PFD. Such an amended interlocal agreement and District Charter shall supersede 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.
- c. Withdrawal from the terms of this agreement by either party upon giving thirty days written notice to the other party.

DATED this _____ day of _____ 2002.

CITY OF LACEY

THURSTON COUNTY

By: _____
Its _____

By: _____
Its _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Ken Ahlf, City Attorney

Ed Holm, Thurston County Prosecutor

EXHIBIT B

**CHARTER
OF
THURSTON COUNTY AND CITY OF LACEY
JOINT PUBLIC FACILITIES DISTRICT**

A Municipal Corporation

EXHIBIT B

CHARTER
THURSTON COUNTY AND CITY OF LACEY
JOINT PUBLIC FACILITIES DISTRICT

ARTICLE I

NAME

The name of this corporation shall be the Thurston County and City of Lacey Joint Public Facilities District (hereinafter the "District").

ARTICLE II

AUTHORITY FOR 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 _____ 2002, (hereinafter the "Interlocal Agreement") by and between the City of Lacey 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. 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 An Agreement. The District shall enter into an agreement with one of the Jurisdictions as the Jurisdictions shall deem 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 one of the Jurisdictions as deemed appropriate by the 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 Lacey City Council 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), two each shall be appointed by the Lacey City Council and by the County Board of Commissioners. Each of the latter appointments shall be subject to the recommendations from local organizations required by RCW 35.57.010(3)(b). 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 one of the Jurisdictions 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 one of the Jurisdictions as the Jurisdiction shall deem appropriate 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 one of the Jurisdictions 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

CHARTER

OF

LACEY

PUBLIC FACILITIES DISTRICT

A MUNICIPAL CORPORATION

EXHIBIT C

CHARTER

LACEY
PUBLIC FACILITIES DISTRICT

ARTICLE I

NAME

The name of this corporation shall be the Lacey Public Facilities District (hereinafter referred to as the "District").

ARTICLE II

AUTHORITY FOR LACEY 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. The limits of the PFD shall be coterminous with the corporate limits of the City Of Lacey.

ARTICLE III

DURATION OF DISTRICT

The District shall continue to exist until the City Council of the City of Lacey shall determine that the functions of the District have been completed.

ARTICLE IV

PURPOSE OF DISTRICT

The purpose of the District is to provide an independent legal entity under Chapter 35.57 RCW, as amended by Chapter 363, Laws of 2002, to impose and use state sales tax under RCW 82.14.390 to consider, analyze, and identify a possible Regional Center that may be designed, constructed and operated. The District may take actions in furtherance of any of the above stated purposes only as authorized by the Lacey City Council. If authorized, the Regional Center would serve essential public purposes by providing a regional facility for conventions, exhibitions, public meetings, and/or gatherings and by generally stimulating economic development within the boundaries of the District. The District does not have the authority to perform any functions other than those set forth in this Article or granted to it by Lacey under an agreement.

For the purpose of securing the exemption from federal income taxation for interest on obligations of the District, the District constitutes an instrumentality of the City of Lacey, which 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 this Charter, the District and the District board of Directors on its behalf shall have only the power to:

1. Consider, analyze, and identify a possible regional center that may be designed, constructed and operated. This power shall be exercised under the terms of an agreement with the City Of Lacey.
2. Sue, and be sued, in its corporate name
3. Accept gifts, funds, or property from the United States, the State, other corporations, associations, individuals, or any other sources, and to use said funds in accordance with the powers set forth herein.
4. Provide the necessary administrative means to carry out its powers set forth in this Charter under an agreement with the City Of Lacey.
5. Impose a sales and use tax as authorized by RCW 35.57.404(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 under an agreement with the City of Lacey.
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 City of Lacey.
4. The District shall not amend this Charter without the approval of the City Council of the City of Lacey.
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.

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 Lacey City Council, 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 Lacey (“Lacey”) for Lacey 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.
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 determined by the City Council of the City of Lacey, which funds may be expended only to satisfy the financial obligations of the District. Any matching funds required by RCW 82.14.390 shall be provided by the City of Lacey 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 five members appointed in accordance with the terms of RCW 35.57.010(3)(a).

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 the City Council of the City of Lacey, which Council 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 City Manager of the City of Lacey.
- (c) Transfer of tax proceeds authorized by the Charter to the City of Lacey 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 an agreement with the City Of Lacey 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 Lacey 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 upon the effective date of Ordinance No. ____ of the City Of Lacey. The District shall be empowered to take action upon being authorized to do so by the Lacey City Council.

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 authority of the City of Lacey that 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 City Manager of the City of Lacey or its designees. The books and records of the District and agreements or contracts entered into by the District shall be available for inspection by the City Manager of the City Of Lacey or its 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 City Manager of the City Of Lacey signatory to the Interlocal Agreement.

Section 3. Audits, Dissolutions, etc.

Unless waived by the City Manager of the City Of Lacey, the District shall submit to the City Manager of the City Of Lacey, 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 City Manager of the City Of Lacey.

Section 4. Operations.

The District shall establish by resolution approved by the City Manager of the City of Lacey, procedures for the receipt, payment, and investment of District funds, which shall be performed by Lacey under the agreement. Such procedures may be amended by District resolution, subject to the approval of the City Manager of the City Of Lacey.

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 Lacey City Council shall approve any necessary amendments to this Charter 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

ORDINANCE NO. 1196

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CITY OF LACEY

AN ORDINANCE APPROVING AN AMENDMENT TO THE "INTERLOCAL AGREEMENT REGARDING CREATION OF A PUBLIC FACILITIES DISTRICT FOR A REGIONAL CENTER" ADOPTED BY SECTION 1 OF ORDINANCE 1183.

WHEREAS, Chapter 35.57 RCW as amended by Chapter 363, Laws of 2002, allows the creation by cities and a county of a joint public facilities district (PFD) to design, construct, and operate a Regional Center as defined in state law, and

WHEREAS, in Ordinance No. 1183, the City of Lacey approved and adopted an Interlocal Agreement, along with the City of Tumwater, the City of Olympia, and Thurston County, to create such a joint Public Facilities District, known as the Capitol Area Regional Public Facilities District; and

WHEREAS, the joint PFD so created is for the purpose of jointly considering, analyzing, and identifying a possible Regional Center that may be designed, constructed, and operated under or in conjunction with an amended Interlocal Agreement and PFD, and

WHEREAS, the parties have agreed, under the Interlocal Agreement, to work together in good faith to identify a Regional Center to be designed, constructed, and operated under an amended PFD and Interlocal Agreement, and

WHEREAS, the Agreement provides that this collaboration must be completed by December 31, 2002 or the Interlocal Agreement will terminate; and

WHEREAS, the cities of Olympia, Lacey, and Tumwater and Thurston County have been working together in good faith pursuant to the Interlocal Agreement to select a specific convention center, conference center, or recreational / special events center (Regional Center) as defined in Chapter 363, Laws of 2002, and

WHEREAS, the cities of Olympia, Lacey, and Tumwater and Thurston County desire to extend the December 31, 2002 deadline in the Interlocal Agreement, to allow additional time to finalize selection of a Regional Center project and site;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, AS FOLLOWS:

Section 1. The Lacey City Council hereby approves and adopts the following amendment to Section 5 of the "Interlocal Agreement Regarding Creation of a Public Facilities District for a Regional Center" dated June 26, 2002:

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 ~~January~~ December 31, 2003~~2~~, 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.

Section 2. Except as specifically amended above, the "Interlocal Agreement Regarding Creation of a Public Facilities District for a Regional Center" dated June 26, 2002, shall remain in full force and effect according to its terms. The Charter attached as Exhibit A to said Interlocal Agreement, the Interlocal Agreement between Thurston County and the City of Lacey regarding creation of a Joint Public Facilities District for a Regional Center and the Charter of Thurston County and City of Lacey Joint Public Facilities District and the Charter for the City of Lacey Public Facilities District which were also adopted and approved by Ordinance No. 1183 are not affected by the amendment in Section 1 above, and shall also remain in full force and effect, according to their terms.


PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly-called meeting thereof, held this 19th day of DECEMBER, 2002.

CITY COUNCIL


By: 

Mayor

Approved as to form:


City Attorney

Attest:


Deputy City Clerk