

**INTERLOCAL COOPERATION AGREEMENT
(TRI-CITIES REGIONAL PUBLIC FACILITIES DISTRICT)**

This is an Interlocal Cooperation Agreement (Agreement) among the Cities of Kennewick, Pasco and Richland, Washington, ("Cities") pursuant to RCW 39.34 and RCW 35.57 for creation of the Tri-Cities Regional Public Facilities District (TCRPFDD) and related financing, development, ownership and operation of one or more Regional Centers or Recreational Facilities to serve the Tri-Cities area in Benton and Franklin Counties.

WHEREAS, RCW 39.34 authorizes Cities in the State of Washington to enter into agreements for the joint and cooperative exercise of certain powers, privileges and authority; and

WHEREAS, the Cities have jointly formed the Tri-Cities Regional Oversight Committee for the purpose of evaluating the possible need for regional facilities and the alternative methods for approval, funding and management of such facilities; and

WHEREAS, as a result of the efforts of the Oversight Committee, the Legislature has approved amendments to RCW Chapter 35.57, the City Public Facilities District Act, allowing for the creation of regional public facilities districts; and

WHEREAS, RCW 35.57.010 now authorizes three or more contiguous cities, with a combined population of at least one hundred sixty thousand, each having previously created a Public Facilities District (PFD), to create a Regional Public Facilities District (RPFDD); and

WHEREAS, RCW 35.57 authorizes RPFDDs to develop and operate one or more Regional Centers defined 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 ten million dollars, including debt service;" and further authorizes RPFDDs to develop and operate one or more Recreational Facilities (other than ski areas); and

WHEREAS, each of the Cities of Kennewick, Pasco and Richland have created PFDs consistent with the statutory authority of RCW 35.57; and

WHEREAS, RCW 82.14.048 authorizes a RPFDD governing board to submit an authorizing proposition to the voters of its district and, if the proposition is approved by a majority of persons voting, to levy a sales and use tax at the rate of up to 0.2% in addition to other taxes authorized by law; and

WHEREAS, the Cities of Kennewick, Pasco, and Richland have mutually agreed to create the Tri-Cities Regional Public Facilities District, ("TCRPFDD") to fund and operate one or more regional centers or recreational facilities (hereafter a "Regional Center or Regional Centers") serving all three Cities and benefiting the entire Tri-Cities area;

NOW, THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

ARTICLE I: DEFINITIONS

Section 1.01 Interpretation

As used in this Agreement, the following terms have the meanings provided by Article I. Words imparting the singular number shall include the plural number and vice-versa unless the context shall indicate otherwise. Initials used in this Agreement are as defined with terms indicated with Section 1.02 Definitions.

Section 1.02 Definitions

- (A) Agreement refers to this Interlocal Cooperation Agreement except as may be defined separately in conjunction with other related agreements.
- (B) Cities means the Cities of Kennewick, Pasco and Richland, which have agreed to cooperatively and jointly create the TCRPFD for the purposes of funding, constructing and operating one or more Regional Centers described by this Agreement.
- (C) Regional Center shall have that meaning set forth in RCW 35.57.020(1)(a)and(b).
- (D) TCRPFD means the Tri-Cities Regional Public Facilities District.

ARTICLE II: REGIONAL PUBLIC FACILITIES DISTRICT CREATED

Section 2.01

Pursuant to RCW Chapter 35.57.010(1)(e) (the "City PFD Act"), there is hereby created a regional public facilities district, which shall be called the Tri-Cities Regional Public Facilities District (the "TCRPFD"), coextensive with the boundaries of the Cities, with the powers and authority set forth in the City PFD Act. The TCRPFD is established for the purpose of acquiring, constructing, owning, remodeling, maintaining, equipping, re-equipping, repairing, financing, operating one or more Regional Centers and/or participating with any other qualified public facilities district in a cooperative and joint development of a Regional Center in the Tri-Cities area by interlocal agreement. The TCRPFD shall have all of the powers available to a public facilities district created pursuant to RCW 35.57.010(1)(e).

Section 2.02 Board of Directors

The Board of Directors ("Board") of the TCRPFD shall consist of nine members, three members from each city, selected and appointed by the respective City Councils of the Cities, as required by RCW 35.57.010(3)(d). Each member of the Board shall be either a member of the City Council or a member of the governing board of the Public Facilities District of the respective city. The Board members shall serve three-year terms. Of the initial members, one member from each city 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.

If it is determined by the City Council of any city, for any reason, that any or all of its appointed Board members should be removed from office, that Council may by resolution remove the Board member(s) from office effective the date designated in the resolution. Vacancies shall be filled by appointment by the respective City 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 TCRPFD shall be exercised by or under the authority of the Board; and the business, property and affairs of the TCRPFD shall be managed under the direction of the Board, except as may be otherwise provided for by law herein, or in the Charter.

Section 2.03 Organizational Meeting

The TCRPFD shall be established effective October 1, 2010. Within 60 days after such date, the Board shall hold an organizational meeting, written public notice for said meeting which shall be given at least ten days in advance and to each Board member, unless waived in writing. At such meeting, the Board shall organize itself, may appoint officers, and shall select the TCRPFD's place of business.

Section 2.04 Joint Board

There is established a Joint Board consisting of the City Managers of each of the Cities to administer the joint undertaking set forth herein and administer this Agreement and to take any and all such administrative actions as may be necessary or desirable to accomplish the creation of the TCRPFD.

ARTICLE III: POWERS, DUTIES AND LIMITATIONS OF TCRPFD

Section 3.01 Powers

- (A) The TCRPFD shall have and may exercise all lawful powers conferred by State law and its Bylaws subject to the following limitations:
- (1) The TCRPFD shall have no independent power of eminent domain.
 - (2) Without the express authorization of a City by ordinance: (i) TCRPFD may not incur or create any liability that permits recourse by any person to any assets, services, resources, or credit of the Cities; (ii) all liabilities incurred by the TCRPFD shall be satisfied exclusively from the assets and credits of TCRPFD; (iii) no creditor or other person shall have any recourse to the assets, credit, or services of the Cities on account of any debts, obligations, liabilities, acts, or omissions of the TCRPFD.
 - (3) All revenue, receipts, assets, or credit of the TCRPFD shall be applied toward or expended upon services, projects, and activities authorized by State law and this Interlocal Agreement; and

- (4) The TCRPFD may contract with one or more of the Cities or other qualified vendor for all support staff, support services, and other forms of assistance or services as may be necessary.
- (B) The TCRPFD shall have the authority to acquire, hold and dispose of real and personal property.
- (C) The TCRPFD shall be authorized to establish a special fund with one of the Cities designated "Operating Fund of Tri-Cities Regional Public Facilities District."
- (D) The TCRPFD shall prepare, maintain and provide to each of the respective City Councils a written financial and activities report not less than quarterly, and otherwise as directed by the Councils.
- (E) The TCRPFD shall not submit any proposition to the voters that has not been approved by a majority of the members of the Board of Directors representing each of the Cities.

Section 3.02 Bylaws

The Board may 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 Board, except the Bylaws shall be consistent with this Agreement which shall prevail over any conflict therein.

Section 3.03 Applicability of Public Laws

TCRPFD activity shall as required by law, comply with the Open Public Meetings Act and other provisions of State law applicable to municipal corporations.

Section 3.04 Conflict of Interest

No member, official, or employee of any party to this Agreement shall have any personal interest, direct or indirect, in the subject matter of this Interlocal Cooperation Agreement, nor shall any such member, official or employee participate in any decisions relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which she or he is directly or indirectly interested.

Section 3.05 Public Participation

Public participation will be a key element of project planning for the Tri-Cities Regional Public Facilities TCRPFD. Prior to the selection of any Regional Center Project, the TCRPFD shall prepare and implement a public participation process including consideration of the formation of an ad hoc advisory committee(ies) for the purpose of receiving public input and providing information on the proposed Regional Center, including, as appropriate, the anticipated cost, scope of operations, alternative sites, and funding; and for the gathering of public comment on such proposed Regional Center.

ARTICLE IV: FUNDING

Section 4.01 Startup Funding

Startup costs for operational expenses (administration, legal counsel, insurance, etc.) shall not exceed \$50,000 per year without prior approval of the Cities. Project planning costs (concept and design, election, etc.) shall not exceed \$100,000 without prior approval of the Cities. Startup and project planning costs will be divided equally between the Cities.

Section 4.02 Capital Funding

Capital costs refer to the costs of development, which may include, but are not limited to, design, permitting, acquisition, construction, demolition, improvements, or rehabilitation of a Regional Center facility. It is anticipated that capital costs for funding a Regional Center will come from sources which may include any or some combination of the following:

- (A) General obligation or revenue bonds to be issued by or on behalf of the TCRPFD, repaid in full or part by sales tax proceeds over a multi-year period at a rate of up to 0.2% as approved by the voters of the TCRPFD and as limited by RCW 35.57 and RCW 82.14.048.
- (B) Funding resources consistent with RCW 35.57 for a Regional Center such as charges and fees for use of its facilities; gifts, grants, and donations for the purposes of a Regional Center.
- (C) Other sources available to TCRPFD for Regional Center construction and/or operation costs including a tax on admissions (up to 5%), vehicle parking charges, vehicle parking taxes (up to 10%). The TCRPFD shall not levy property taxes or submit a ballot proposition for voter authorization on property taxes without receiving approval by the City Council resolution of each of the Cities.

Section 4.03 Operations Funding

Funding of annual operating costs for the Regional Center may include any or some combination of the following:

- (A) The portion of TCRPFD sales tax proceeds as approved by the voters that are not committed to debt repayment or other capital costs.
- (B) Other sources consistent with RCW 35.57 including, but not limited to: admission charges and user fees, a tax on admissions, vehicle parking charges, and vehicle parking taxes; charges and fees for use of Regional Center facilities; gifts, grants, and donations for the purposes of a Regional Center.
- (C) Funding made possible via contracts with one or more public or private entities contracted for the operation or management of the Tri-Cities Regional Center, or any portion thereof.

ARTICLE V: AGREEMENT DURATION AND MODIFICATIONS

Section 5.01 Term of Agreement

This Agreement shall take effect on the date of its execution by all signatories hereto and shall remain in effect in perpetuity or until terminated by the parties hereto consistent with the terms of this Article.

This Agreement shall be listed on each party's website or other electronically retrievable public source as provided by RCW 39.34.040.

Section 5.02 Agreement Amendment

This Agreement may be amended for any reason throughout its duration, subject to the approval of each of the participating Cities in the same form as originally approved, and if after the formation of the TCRPFD, subject to the acceptance by the TCRPFD Board.

Section 5.03 Dispute Resolution

Should a dispute arise over any issue concerning the implementation or interpretation of this Agreement, the City Managers of each of the Cities shall first meet in a good faith attempt to resolve the dispute. In the event the dispute is not resolved by the City Managers, the dispute may be submitted to mediation, and if still not resolved, shall be submitted for by binding arbitration pursuant to RCW 7.04A, as amended; the Mandatory Rules of Arbitration and the laws of the State of Washington shall apply; venue shall be placed in the Superior Court of Benton County and the prevailing party/parties shall be entitled to its reasonable attorney fees and costs. For the purposes of this section, any actions or decisions made by the City Managers shall be subject to ratification by the respective City Councils.

Section 5.04 Agreement Termination

It is the intent of the Cities to provide an adequate opportunity for the TCRPFD to initiate a regional center project, but not to continue the TCRPFD, in the absence of a project, for an unreasonable period of time. Therefore, notwithstanding any provisions to the contrary, this agreement may not be terminated prior to January 1, 2015 without the agreement of each of the Cities.

After January 1, 2015, this Agreement may be terminated for reasons including but not limited to the following:

- (A) A resolution calling for termination passed by the City Council of one of the Cities.
- (B) Transfer of the capital and operating responsibilities of the Tri-City Regional Center to another public or private organization as mutually agreed by the Cities providing funding to the Regional Center.

- (C) Completion of debt repayment as mutually agreed by the Cities providing funding to the Regional Center.
- (D) Other reasons as may be mutually agreed by the Cities providing funding to the Center, subject to assurance of ongoing sustainable operation of the Regional Center subsequent to termination of this Agreement.
- (E) Notwithstanding the foregoing, this Agreement may not be terminated nor may the TCRPFD be dissolved if such action would impair any existing contracts to bond holders or others.

Section 5.05 Dissolution Process Upon Termination

- (A) If the Board makes an affirmative finding that dissolution is necessary or appropriate because the purposes of the TCRPFD may not be fulfilled for any reason, the Board may adopt a resolution requesting the Cities to dissolve the TCRPFD.
- (B) Upon termination as provided in Section 5.05 above, the TCRPFD Board shall file a dissolution statement with each of the City Clerks of the Cities setting forth:
 - (1) The name and principal office of the TCRPFD;
 - (2) The debts, obligations and liabilities of the TCRPFD, including conditions of grants and donations, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
 - (3) Any pending litigation or contingent liabilities;
 - (4) The Board resolution requesting such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary;
 - (5) A list of persons to be notified upon completion of dissolution; and
 - (6) Dissolution plan subject to approval by each City Council.
- (C) The Cities intend that disposition of real or personal property assets will be determined in the following order of priority:
 - (1) As stipulated in the Development and/or Operating Agreements negotiated subsequent to the date of this Interlocal Cooperation Agreement.
 - (2) As determined by agreement of the signatories hereto based on terms of the termination process as may be mutually agreed by all participating Cities.
 - (3) Transfer to the City in which the Tri-Cities Regional Center is located, if items (1) and (2) prove to be not applicable.

- (4) Provision for ongoing accounting of funding, operating income and expenses, assets, and liabilities shall survive this Agreement pending disposition pursuant to the specifications of this Section.
- (D) The dissolution plan will be administered in accordance with RCW 53.48 under the jurisdiction of the Benton County Superior Court.

ARTICLE VI: ENTIRE AGREEMENT

This agreement contains all the terms and conditions agreed upon by the Cities. All items incorporated by reference are attached. No other understandings, verbal or otherwise, in regards to the subject matter of this agreement shall be deemed to exist. Any modifications to this agreement shall be in writing and signed by each of the Cities to be effective.

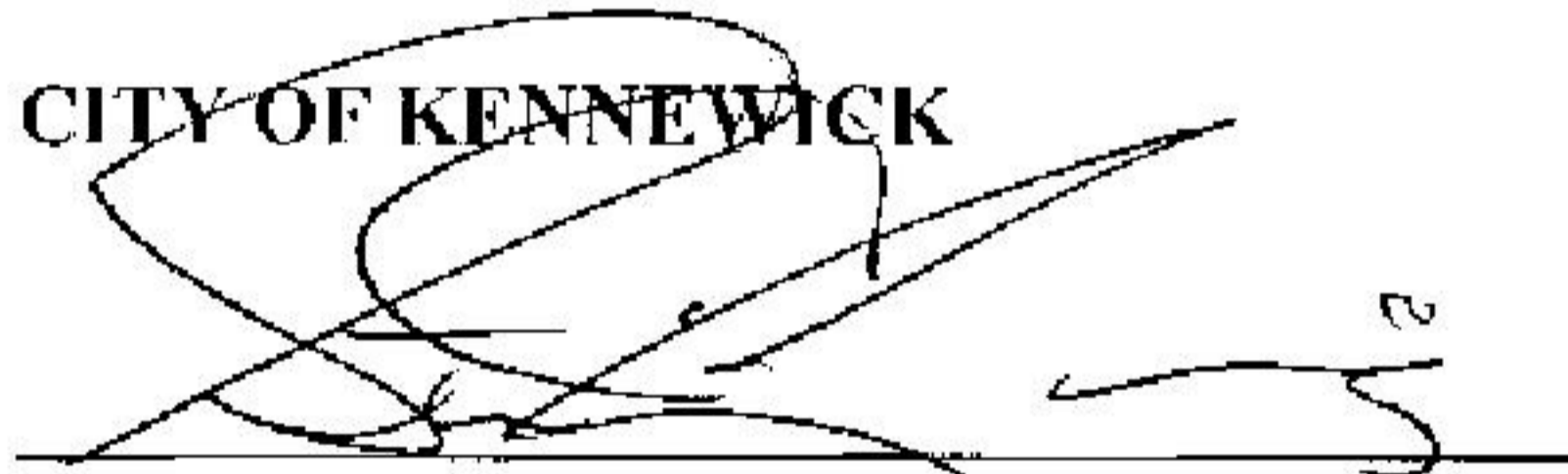
ARTICLE VII: AGREEMENT AUTHORIZATION

This Interlocal Cooperation Agreement (Agreement) shall take effect on the date of its execution and is governed by the respective laws of the State of Washington. In the event that any portion of this Agreement is deemed invalid, the remainder of the Agreement shall remain in full force and effect.

For purposes of this Agreement, authorization is subject to approval by ordinance, resolution or otherwise pursuant to law enacted by each of the City Councils of the participating Cities.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 17th day of AUGUST, 2010.

CITY OF KENNEWICK




 Steve C. Young, Mayor

APPROVED AS TO FORM



 Lisa Beaton, Attorney

CITY OF PASCO




 Matt Watkins, Mayor



 Lee Kerr, Attorney

CITY OF RICHLAND



 John Fox, Mayor



 Tom Lampson, Attorney

COPY

RESOLUTION NO. 45-10

A RESOLUTION of the City of Richland authorizing an Interlocal Agreement among the cities of Kennewick, Richland and Pasco, Washington for the creation of the Tri-Cities Regional Public Facilities District.

WHEREAS, RCW 39.34 authorizes cities in the state of Washington to enter into agreements for the joint and cooperative exercise of certain powers, privileges and authority; and


WHEREAS, the cities of Kennewick, Richland and Pasco have responded to citizens' expressed interest for realizing one or more "regional centers" such as an aquatics facility or a performing arts center, and;

WHEREAS, the Tri-Cities Regional Oversight Committee has studied alternatives to funding and managing regional centers and has made the recommendation for the formation of a "Tri-Cities Regional Public Facilities District" (TCRPF), and;

WHEREAS, the Richland City Council supports the formation of the TCRPF as the preferred organizational vehicle to present the question of funding one or more regional centers to the voters; NOW THEREFORE,

BE IT RESOLVED by the City Council of the City of Richland, Washington that the City adopts the Interlocal Agreement for the creation of the Tri-Cities Regional Public Facilities District and, further, authorizes the Mayor to sign the Interlocal Agreement.


ADOPTED by the City Council of the City of Richland at a regular meeting on the 3rd day of August, 2010.



JOHN FOX
Mayor

ATTEST:

APPROVED AS TO FORM:



DEBRA C. BARHAM
Chief Deputy City Clerk



THOMAS O. LAMPSON,
City Attorney

COPY

RESOLUTION NO. 3266

A RESOLUTION authorizing an Interlocal Agreement among the cities of Kennewick, Richland and Pasco, Washington for the creation of the Tri-Cities Regional Public Facilities District.

WHEREAS, RCW 39.34 authorizes cities in the state of Washington to enter into agreements for the joint and cooperative exercise of certain powers, privileges and authority; and

WHEREAS, the cities of Kennewick, Richland and Pasco have responded to citizens' expressed interest for realizing one or more "regional centers" such as an aquatics facility or a performing arts center; and

WHEREAS, the Tri-Cities Regional Oversight Committee has studied alternatives to funding and managing regional centers and has made the recommendation for the formation of a "Tri-Cities Regional Public Facilities District" (TCRPF); and

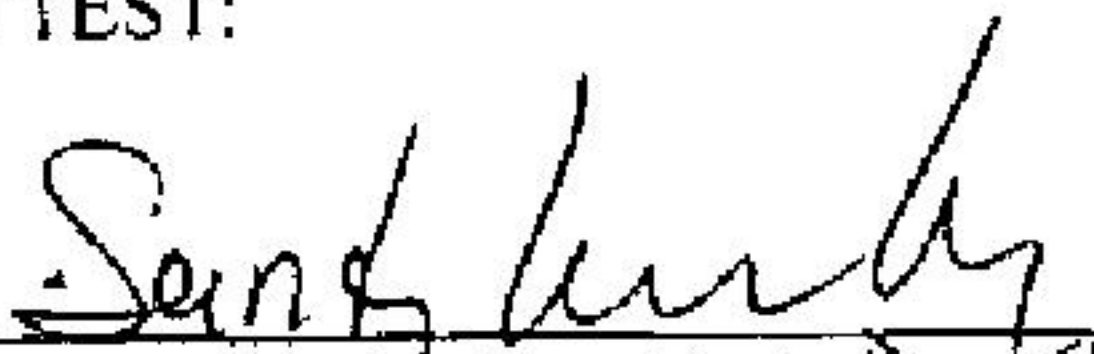
WHEREAS, the Pasco City Council supports the formation of the TCRPF as the preferred organizational vehicle to present the question of funding one or more regional centers to the voters; NOW THEREFORE,


THE CITY COUNCIL OF THE CITY OF PASCO, WASHINGTON, DO RESOLVE AS FOLLOWS:

Section 1: That the City Council adopts the Interlocal Agreement for the creation of the Tri-Cities Regional Public Facilities District and, further, authorizes the Mayor to sign the Interlocal Agreement.

Passed by the City Council of the City of Pasco this 16th day of August 2010.


Matt Watkins, Mayor

ATTEST:

Debra L. Clark, City Clerk Deputy

APPROVED AS TO FORM:

Leland B. Kerr, City Attorney