



PARK BOARD STUDY SESSION

2:30 p.m. Jan. 10, 2019

City Conference Room Lobby – Tribal, City Hall
808 West Spokane Falls Blvd., Spokane Washington

Park Board Members:

X Nick Sumner – President
Rick Chase – Vice President
X Leroy Eadie – Secretary
X Chris Wright
X Ted McGregor
X Greta Gilman
X Sally Lodato
X Jennifer Ogden
X Gerry Sperling
X Jamie SiJohn
X Bob Anderson
X Mike Fagan – Council Liaison

Park staff:

Jason Conley
Garrett Jones
Megan Qureshi
Mark Buening
Fianna Dickson
Carl Strong

Guests:

James Richman
Pat Dalton
Sam Faggiano
Eric Sawyer
Andrew Rolwes
Hal McGlathery
Tobby Hatley

MINUTES

1. **Roll Call:** *See above*
2. **Information Item:**
A. Park Board member retirement/Chris Wright – *Nick Sumner* recognized long-standing Park Board member Chris Wright and congratulated him on his upcoming retirement from the Park Board. After 10 years of service on the board, Mr. Wright will conclude his last and final term on the Park Board Feb. 5.
3. **Discussion Item:**
SportsPlex and the Joint Use Agreement – *Garrett Jones* provided background on the cooperation agreement for development of the SportsPlex. This is a three-party agreement between the Park Board, City Council and the Spokane Public Facilities District. The agreement outlines the goals, commitments and responsibilities between the parties, and addresses ways to mitigate some environmental issues associated with the property. The agreement also describes the process for joint use between Parks and the District. *Garrett Jones* reviewed edits which were requested by the Riverfront Park Committee during their

Monday meeting. These changes were also reviewed and agreed upon by the SPFD on Wednesday. Changes were made to [Section 4](#), technical edits by staff and changes to the joint use agreement. Mr. Jones reviewed the following key points: 1) the District and the Park Board will each designate two individuals from their ranks to form a committee that, in consultation with the Sports Commission, will have sole authority to establish use, scheduling, occupancy and cost allocation for use of the SportsPlex; 2) this joint committee will prepare a joint use agreement to establish the procedures for scheduling use and events, including use by Parks for recreational programming and large tournament-style events at the SportsPlex; 3) the joint use agreement is to be finalized by June; 4) the District programming will have first priority for all dates and times; 5) Parks will have use of the facility Monday through Thursday, except as needed for the District's preplanned events; 6) Parks use of the SportsPlex will be free of charge; and 7) Parks will supply its own resources/staff, in lieu of paying the District. The SPFD is scheduled to vote on the Park Board approved agreement Jan. 15. The lease is \$1 per year for 30 years with the right to renew the lease agreement for an additional 30 years upon the same terms, unless agreed otherwise. There was discussion regarding the length of the lease and where the idea of 30 years was derived. *Leroy Eadie* it should probably be for the life of the building or for 60 years, but the Letter of Understanding approved by the Park Board Jan. 11, 2018, spells out a 30-year lease. *Chris Wright* voiced his dislike of the language regarding the lease term. He said the option to decide whether or not to take the building back or to continue should be left to the future board. Mr. Wright added he doesn't believe there should be an automatic renewal as it eliminates the ability for the board to negotiate the terms 30 years from now. Mr. Wright said he would prefer language that states Parks will assure the District they will be willing to renew with the option to negotiate the terms and the rent amount after 30 years. Mr. Eadie said he didn't feel comfortable offering the SPFD the unpredictability of decisions a future board might make. He added the benefit of Parks being able to use the facility for 30 years without having to make the investment of building the facility far out weights the downside of approving a 30-year renewal lease. *Ted McGregor* said the ability for Parks to mitigate the environmental issues and pending litigation associated with the property is another benefit of this agreement.

3. **Adjournment**

- A. The meeting was adjourned at 3:20 p.m.
- B. Next Park Board Study Session: No session scheduled.

Minutes approved by:



Leroy Eadie, Director of Parks and Recreation

INTERLOCAL COOPERATION AGREEMENT FOR DEVELOPMENT OF SPORTSPLEX

THIS INTERLOCAL COOPERATION AGREEMENT is made Effective Date (defined herein), by and between the SPOKANE PUBLIC FACILITIES DISTRICT, a municipal corporation (“**District**”), the CITY OF SPOKANE, WASHINGTON, a first-class charter city (the “**City**”), and the City of Spokane Park Board (“**Parks**” or “**Park Board**”), hereinafter collectively referred to as the “**Parties**.”

RECITALS

- A. Washington’s legislature permits the creation of public facilities districts through Chapter 36.100 RCW to carry out certain objectives of local municipalities, including acquisition, construction, ownership, remodeling, maintenance, repair and operation of sports, entertainment, and convention facilities, together with contiguous parking facilities.
- B. Consistent with the legislature’s authorization, the City and County of Spokane created the District to carry out certain City and County objectives, including establishment of a concentrated development and management structure for the region's sports, convention and entertainment facilities that benefits City and Spokane County residents, businesses and visitors.
- C. After authorization by the Spokane County electors, the District in September 1995 completed the development and construction of the Spokane Veterans Memorial Arena, which provides a venue for basketball, ice hockey, volleyball and other sports and entertainment events.
- D. On July 14, 2003, the Spokane City Council approved Resolution 03-74 and Resolution 03-75 which provided for the intergovernmental transfer of the Spokane Convention Center, Spokane Opera House, Washington State Agricultural Trade Center and Spokane Center Parking Lots to establish the partnership between the City and the District for the purpose of renovating, expanding, operating and managing the Spokane Convention Center to include constructing capital improvements to the existing facilities.
- E. The District has subsequently completed two expansions to the Convention Center, facilitated the development of a public parking garage adjacent to the Convention Center Facilities and engaged in other public facility developments.
- F. Chapter 39.34 RCW authorizes the District and the City to enter into agreements for joint or cooperative action to exercise any power or powers, privileges, or authority exercised or capable of exercise by either the District or the City.
- G. Chapter 35.59 RCW authorizes the City, either individually or jointly with any other municipality such as the District, to acquire and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of sports and recreation facilities located within the City, and to pay for any investigations and any engineering, planning, financial, legal and professional services incident to the development and operation of

such multi-purposes community centers, and further authorizes the City to appropriate and/or expend any public moneys available for carrying out such purposes.

- H. Chapter 67.28 RCW authorizes the City to convey or lease any lands, properties or facilities to any other municipality for the development by such other municipality of tourism-related facilities, or to participate in the financing of all or any part of the public facilities on such terms as may be fixed by agreement between the respective legislative bodies.
- I. The District, the City and Park Board desire to enter into this Agreement to provide for the District's acquisition, development, construction and operation of a multi-purpose indoor sports facility for athletic and recreational events with seating for spectators, known as the "**SportsPlex**."
- J. The District, the City and Park Board each hereby find and determine that this Agreement is mutually fair and advantageous to the District, the City, and Park Board.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, the Parties agree as follows:

- 1. **DEFINITIONS** As used in this Agreement, the following terms have the meanings provided in this Section:

1.1 Acquisition Costs shall mean any and all costs to acquire Additional Sportsplex Property, whether or not such costs arise out of the activities of the City and/or its officers, agents, and/or employees. Without limiting the generality of the foregoing, such costs may include: (a) amounts payable as an option and/or purchase price to the seller(s) of Additional Sportsplex Property, including attorneys' fees and costs, if any, which are either due or payable as part of any settlement relating to voluntary acquisition of Additional Sportsplex Property; (b) amounts awarded by a court/jury to the owner(s) of Additional Sportsplex Property as just compensation following trial, including any attorneys' fees and costs awarded by the court to the owner(s) and/or their attorneys; (c) amounts paid to the owner(s) of Additional Sportsplex Property and/or their attorneys as attorneys' fees and costs upon discontinuance and/or abandonment of efforts to acquire Additional SportsPlex Property by eminent domain; (d) any relocation assistance paid to such owner(s) or seller(s), whether or not required under Chapter 8.26 RCW; (e) costs of necessary appraisals and title insurance to acquire Additional Sportsplex Property; (f) environmental compliance services, demolition, and site preparation costs; (g) amounts payable as a result of any claim against the City that a property owner suffered damages or that such owner's property was inversely condemned as a result of any pre-condemnation; and (h) legal and other professional costs and fees incurred by the City to acquire Additional SportsPlex Property as provided in Section below.

1.2 Additional SportsPlex Property means any real property to be acquired by the City of Spokane and the District which is necessary and reasonable to develop the SportsPlex.

1.3 Agreement means this Interlocal Cooperation Agreement.

1.4 **Effective Date** means [_____], 2018.

1.5 **Permits** mean all licenses, permits, approvals, waivers, and consents applicable to the Property, issued by any governmental authority.

1.6 **SportsPlex Property** means real property owned or acquired by the District or the City (and Park Board) upon which the SportsPlex will be located.

1.7 **Sportsplex** means a facility which shall consist of a field house to generate sports tourism through use by the general public that will include basketball, volleyball, indoor track and other court sports with associated meeting rooms, locker rooms, rest rooms, public areas, office space, concession areas and may include an ice house.

1.8 **Title Company** means a Title Insurance Company located in Spokane.

1.9 **Title Policy** means a policy of title insurance, insuring title to the fee and leasehold interests in the SportsPlex Property in an amount agreed to by the Parties.

1.10 **Title Report** means a preliminary commitment for a Leasehold Title Policy, issued by the Title Company.

2. **PURPOSES.** The purposes of this Agreement are to set forth certain agreements between the City, the Park Board and the District relating to the SportsPlex including: (a) the lease and acquisition of real property and (b) its financing, development, operation and management.

3. **THE SPORTSPLEX.**

3.1 **Lease and Acquisition of SportsPlex Property.** Within sixty (60) days of the Effective Date or as otherwise agreed, the Park Board shall lease the real property described on Exhibit A, attached hereto ("**SportsPlex Property**"), "AS IS", to the District for purposes consistent with this Agreement ("**Lease Agreement**"). It is understood that "**Additional Sportsplex Property**" may be necessary to develop and operate the Sportsplex. In consideration for matters set forth in this Agreement, the annual rent for the lease shall be one dollar (\$1.00) per year for thirty (30) years with the District granted the right to renew the Lease Agreement for an additional thirty (30) years upon the same terms, unless agreed otherwise. The Parties shall agree upon the form and content of the lease agreement for the SportsPlex to include the Additional SportsPlex Property.

3.1.1 **Identification and Acquisition.** The City shall cooperate with the District and its consultants to identify Additional Sportsplex Property reasonable and necessary to develop, construct, operate and maintain the SportsPlex. Thereafter, the City and the District shall exercise best efforts to acquire such real property, consistent with the terms of this Agreement and shall lease the same to the District.

3.1.2 Property Purchase. The City and the District have identified Additional SportsPlex Property which is legally described on Exhibit B and depicted on Exhibit B-1 as reasonably necessary to develop, construct and operate the Sportsplex in accordance with design documents developed by consultants to the District. To acquire the Property the form and content of the Real Estate Purchase and Sale Agreement (REPSA) shall be agreed to by the District and the City and thereafter submitted to the owner of property described on Exhibit B, attached hereto. Upon acceptance of the REPSA by the property owner and the Parties the closing of the property purchase shall proceed as set forth in the REPSA. The City and the District have agreed to share in the cost of the real property acquisition as set forth in Sections 3.4.2.1 and Section 3.4.3.1 herein.

3.1.3 Title Insurance. Within ten (10) days from the Effective Date or as mutually agreed, the City shall provide the District with a Title Report for review and comment. Ten (10) days after receipt of the title report, the District shall provide the City with its written objections to the title report whereupon the Parties shall meet and confer in order to resolve such objections. In the event the Parties are unable to resolve the District's title objections within a reasonable period of time, the District may postpone placing its signature upon the Lease Agreement until such matters are addressed to the reasonable satisfaction of the District. Following execution of the Lease Agreement by the Parties, the City, at its sole cost and expense, shall provide the District with a Title Policy from a Title Company.

3.2 Design and Development. The District shall, at its sole cost and expense, design and construct the Sportsplex. To facilitate such design and construction, the District shall obtain, manage, and coordinate the conceptual design work for the SportsPlex and periodically provide updates to the City Executive Team (a group to be designated by the City). The site design shall include pedestrian connections from the SportsPlex Property to Riverfront Park and shall conform to reasonable standards established by the City Park Board in a manner consistent with the redevelopment of Riverfront Park. Parks staff will participate in the design development discussions and meetings through the design-build validation period.

The District and the City acknowledge, pursuant to the Letter of Understanding between the Parties dated January 11, 2018, the design of the SportsPlex shall include keeping the Executive Team informed on matters that are of mutual interest to the Parties.

3.2.1 Design-Build Procedure. The District, for the purpose of designing and constructing the SportsPlex shall use the design-build procedure set forth in RCW 39.10.300 - .330 ("**D-B Procurement Procedure**") to include making application and seeking approval from the State of Washington Project Review Committee. The District shall be responsible for managing the design, permitting and construction of the SportsPlex.

Following approval by the Project Review Committee the District through the D-B Procurement Procedure shall enter into a contract with a Design-Builder

(consisting of a design professional and general contractor). Such process shall provide that the Design-Builder shall provide the District with a Guaranteed Maximum Price for construction of the Sportsplex.

The District shall pay the costs and expenses incurred in connection with the design and construction of the SportsPlex including costs of site preparation, labor, materials, supplies, and equipment, costs of obtaining required governmental approvals, as well as the District's legal, architectural, engineering, and other professional costs associated with the design and construction of the SportsPlex.

3.2.2 Site Preparation and Environmental Covenants and Indemnification.

The City agrees to reimburse the District for site preparation costs relating directly to demolition and environmental remediation on the SportsPlex Property in an amount not to exceed Eight Hundred Thousand 00/100 Dollars (\$800,000.00). Should site preparation or land acquisition issues arise that are not contemplated by the terms of this Agreement, the Parties agree to enter into an addendum to this Agreement, using the language and concepts in the Letter of Understanding.

3.3 Final Decision Authority. Although the City may consult and assist the District with the acquisition of Additional SportsPlex Property, if any such property needs to be acquired, subject to the provisions herein, the District shall retain final responsibility for and decision making authority and discretion regarding design and construction of the SportsPlex.

3.4 Financing.

3.4.1 Spokane County. Pursuant to Joint Resolution adopted by the Board of County Commissioners of Spokane County, Washington, and the Board of Directors of the Spokane Public Facilities District ("**Joint Resolution**") (attached hereto as Exhibit C), Spokane County has agreed to issue County bonds in the amount of up to \$25,000,000.00 plus issuance costs for the purpose of constructing the SportsPlex.

3.4.2 Spokane Public Facilities District. Pursuant to the Joint Resolution, the District agrees to pledge, subject to other outstanding priority debt, its sales/use tax and lodging tax revenues to pay the County Bonds identified in Section 3.4.1 above and to offset any operating losses of the SportsPlex using City Lodging Tax pledged to this purpose by the District's Lodging Tax Allocation Committee. Beginning in the sixth (6th) year of operation for the SportsPlex, any net profits (defined as operating revenue less operating expenses) from the SportsPlex, excluding any contribution of lodging tax and other legally available funds contributed to the SportsPlex pursuant to this Agreement shall be distributed as follows: 80% to the District and 20% to the City of Spokane Park Department.

3.4.2.1 District Contribution. The District shall make available a total amount of \$1,100,000.00 for the purpose of acquiring Additional SportsPlex Property.

3.4.3 City of Spokane Contribution. Within thirty (30) days of establishing the Guaranteed Maximum Price under the Design-Build Agreement, the City of Spokane, for the purpose of financing a portion of the SportsPlex Project, shall pay the District the amount of \$5,000,000.

3.4.3.1 City/Park Board Contribution. In addition to the above, at closing, the City and Park Board shall contribute the amount of \$1,100,000.00 for the purpose of participating in the acquisition of Additional Sportsplex Property as set forth on Exhibit B, attached hereto.

3.4.4 Matching Contributions. The City and the District shall each advance \$300,000.00 toward the costs for design services and expenses associated with the D-B Procurement Procedure, as well as design costs through the validation period established pursuant to the contract between the Design-Builder and the District. The contributions of the City and the District shall be lump sum payments with any remainder used to fund construction and other development costs set forth herein. The City's advance shall be paid within thirty (30) days of Project Review Committee's approval of the SportsPlex. The City's advance shall be a part of the City's contribution identified in **3.4.3**.

4. USE, OPERATION, ETC., OF SPORTSPLEX.

4.1 Control; Compliance with Laws. Subject to the Joint Use Agreement (defined below), the District shall have sole control and discretion regarding the use, licensing, naming rights, operation and management of the SportsPlex including all policy and procedures regarding the above.

4.1.1 Sports Commission. The District shall engage the Spokane Sports Commission to provide personnel and resources to market, license, promote and program use of the SportsPlex.

4.1.2 Within sixty (60) days after the Effective Date, the District and the Park Board shall each designate (2) individuals from their ranks to form a committee that, in consultation with the Sports Commission, shall meet no less than annually throughout the term of the Lease Agreement and shall have sole authority to establish use, scheduling, occupancy and cost allocation for use of the SportsPlex so as to benefit the Parties and serve the best interest of the public. ("**Joint Committee**").

4.1.3 The Joint Committee shall prepare, for submission to the District and Park Board, a "Joint Use Agreement" to establish the procedures for scheduling of use and events, including use by Parks for recreational programming and large tournament style events in the SportsPlex. The Joint Use Agreement shall contain a dispute resolution clause to be invoked by the Joint Committee in the event the

District and Park Board representatives are unable to agree upon the reasonable and necessary scheduling, cost allocation and other matters that arise during the term of the Lease Agreement. The dispute resolution process shall set forth the process to select a neutral third party for expedited and efficient mediation and, if necessary, arbitration using one arbitrator under the JAMS streamlined arbitration rules and procedures with no right of appeal to Superior Court. The Joint Committee shall meet within sixty (60) days of the Effective Date. All Parties agree on finalizing the Joint Use Agreement by June 2019. Any agreed scheduling calendar set forth in the Joint Use Agreement shall be reviewed and updated no less than twice per year by the Joint Committee.

4.2 City Parks Department's Use of SportsPlex. The SportsPlex shall be a community focal point for residents and visitors alike, offering a place for public sports, recreation, education, and celebration. The Parties recognize and acknowledge that the SportsPlex can be successful and pay for itself only through programming of paid events, which events must be given first priority. At the same time, the District acknowledges that public use and access is a material consideration for the Park Board's commitments under this Agreement. Accordingly, the Joint Use Agreement shall provide that District programming shall have first priority for all dates and times, but that the Park Board, acting by and through the City Parks & Recreation Division, shall enjoy and retain the following rights throughout the term of the Lease Agreement:

- 4.2.1 Priority use and access to the SportsPlex each Monday through Thursday of each week of the year, except as needed for the District's preplanned (4 months or greater) conversions or sports tourism events, with any scheduling conflicts (arising during the 4 month period) determined jointly by the Parks and Recreation Director and the District CEO or designee that are reviewed by the Joint Committee with such review consistent with the goals and arrangements set forth in the Joint Use Agreement; and
- 4.2.2 Non-priority use and access to the Sportsplex Friday – Sunday of each week of the year, subject to the discretion and approval of the District CEO or his/her designee; and
- 4.2.3 Use of the SportsPlex by Parks shall be free of rent or other fee or assessment by the District. Parks shall reimburse the District for any event-specific conversion costs or any event-specific security costs that are directly related to Parks use of the SportsPlex. Unless agreed otherwise or such acts are contrary to District policy or third party agreements for District facilities, Parks shall supply its own resources and/or staff for conversion, event management, and security in lieu of paying the District.

4.3 Limitations on Park's Use. The City and the Parks Department shall not have the right under this Agreement to use the SportsPlex for (1) commercial purposes, that is, to provide use of the facilities to a third party that otherwise would be obligated to compensate the District for such use, or (2) political purposes, that is, to promote a

candidate for elective public office, or to campaign for or against an issue that is the subject of a public vote.

5. **INSURANCE.** During the District's operation of the SportsPlex, the District shall maintain personal injury and property damage insurance policies with coverage and liability limits in amounts that are commercially reasonable and shall name the City as an additional insured on such policies.
6. **INDEMNIFICATION OBLIGATION.** District shall defend, indemnify and hold City and the Park Board, and its officers, directors, employees, agents and contractors including successors and assigns of each of the foregoing (collectively, the "**Indemnitees**") harmless against and from any and all claims, costs, damages or expenses arising from or caused by the acts and omissions associated with the construction, management and operation of the Sportsplex and Sportsplex Property, including, without limitation, any and all claims arising from: (a) any breach or default on the part of District of any covenant or agreement on its part to be performed pursuant to the terms of this Agreement; and (b) any act of negligence or willful misconduct of District, or its officers, directors, employees, agents and contractors including successors and assigns.

Except as provided in Section 3.2.2 above, the City shall defend, indemnify and hold the District, and its Indemnitees harmless against and from any and all claims, costs, damages or expenses arising from or caused by acts or omissions of City, including, without limitation, any and all claims arising from: (a) any breach or default on the part of City, its officers, agents, employees and contractors including successors and assigns in performance of any covenant or agreement on its part to be performed pursuant to the terms of this Agreement; and (b) any act of negligence or willful misconduct of City, or its officers, directors, employees, agents and contractors.

Such indemnity shall include any and all costs, attorney fees, expenses, and liabilities incurred in or about any such claim, action, or proceeding brought thereon, and if any action or proceeding be brought against any Indemnitees by reason of any such claim. Each of the parties hereto shall defend against such action or proceeding, unless such action or proceeding is defended by counsel for any carrier of public liability insurance provided herein. Nothing in this Section shall require: (i) District to indemnify or defend City or Park Board from or against City's or Park Board's own negligent acts or omissions and (ii) City to indemnify or defend District from or against District's own negligent acts or omissions.

6.1 Limitation on Indemnification. If and to the extent this Agreement is a contract or agreement subject to Revised Code of Washington ("**RCW**") Section 4.24.115 as in effect on the date of this Agreement, all provisions of this Agreement pursuant to which a party hereto agrees to indemnify Indemnitees against liability for damages arising out of bodily injury to persons or damage to property ("**Damages**") in connection with the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any improvement hereunder ("**Indemnitees**") will be limited by the provisions of this section. None of such Indemnities will apply to Damages caused by or

resulting from the sole negligence of the indemnitee, its agents or employees. To the extent that any such Damages are caused or result from the concurrent negligence of (a) the indemnitee or its agents or employees and (b) the indemnitor or its agents or employees, the Indemnities will apply only to the extent of the indemnitor's negligence. If RCW 4.24.115 is hereafter amended to eliminate or modify the limitations on indemnities set forth therein, this section will automatically and without further act by either Party be deemed amended to remove any of the limitations contained in this section that are no longer required by then-applicable law. The Parties have specifically negotiated the waiver of and hereby specifically waive any provisions of any industrial insurance act, including Title 51 of the RCW, or any other employee benefit act which might otherwise operate to release or immunize either party from its obligations hereunder.

7. ADDITIONAL COVENANTS. The City and the District agree and covenant as follows:

7.1 Cooperation; Efforts. The City, Park Board and the District will each use reasonable efforts to take all action and do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated in this Agreement.

7.2 Covenant to Complete and Operate the SportsPlex. The District shall promptly design and complete the SportsPlex and shall take all reasonable actions necessary to maintain or cause to be maintained in good repair, working order and condition the Sportsplex. The District pursuant to its reasonable discretion, from time to time, shall make or cause to be made all needed or appropriate repairs, renewals, replacements, additions, betterments and improvements thereto, in a good and workmanlike manner, so that the use of the Sportsplex may be properly and legally conducted.

The District shall not be in default of its obligations under this Section if the prompt completion of the SportsPlex is hindered, delayed, or prevented as a result of fire, explosion, flood, war, accident, interruption, delay in transportation, labor trouble, inability to maintain materials and supplies, unanticipated government regulations, acts of God, or any other causes of like or different character beyond the District's control.

If, during the course of developing the SportsPlex, the Parties discover there are additional or unforeseeable costs associated with the SportsPlex, the Parties shall meet and confer in order to reasonably allocate the unforeseeable costs. It is generally understood that the City and Park Board will assume responsibility for costs associated with delivering the site to the District for development. Thereafter, the District is responsible for designing, constructing and operating the SportsPlex.

8. TERMINATION.

8.1 Termination by Mutual Consent. This Agreement may be terminated by the mutual written consent of the City or Park Board and the District.

8.2 Effect of Termination. If this Agreement terminates pursuant to this Section, all rights and obligations of the City, the Park Board and District shall terminate without liability of one party to the other.

- 9. EVENTS OF DEFAULT.** It shall be an “**Event of Default**” under this Agreement if any party fails to perform, observe or comply with any covenants, term or conditions contained in this Agreement, and such default continues for a period of thirty (30) days after written notice of such failure. Following written notice, if a default is not reasonably susceptible of cure within the applicable cure period provided above, but the defaulting party commences to cure such default within the applicable cure period and thereafter completes such cure within fifteen (15) days of commencing the cure, such default shall not become an Event of Default.
- 10. REMEDIES.** Upon the occurrence and continuance of any Event of Default, the non-defaulting party’s exclusive remedies shall be: (a) perform any and all work necessary to complete, secure and/or protect its property; (d) specifically enforce the defaulting Party’s unperformed obligations; and/or seek legal and equitable remedies.
- 11. MISCELLANEOUS.**
- 11.1 Additional Documents.** Each party hereby agrees, upon the request of any other party, to execute any additional documents reasonably required to effectuate the purposes of the transactions contemplated herein.
- 11.2 Amendments.** This Agreement may not be modified or amended, except by a written document executed by both the District and the City.
- 11.3 Applicable Law.** This Agreement and the rights of the parties hereunder shall be governed by the laws of the State of Washington.
- 11.4 Dispute Resolution.** All disputes arising out of this Agreement shall be determined by the Superior Court of the State of Washington, with venue located in Spokane County, Washington. The substantially prevailing party in any litigation shall be entitled to recover from the substantially nonprevailing party its reasonable attorney fees and costs as determined by the court.
- 11.5 Counterparts.** This Agreement may be executed in any number of separate counterparts, all of which taken together shall be deemed one original instrument, notwithstanding that all parties are not signatory to the same counterpart.
- 11.6 Entire Agreement.** This Agreement, including all Attachments, contains the entire agreement between the parties with respect to the subject matter hereof, and supercedes all prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter hereof.
- 11.7 Filing.** Pursuant to RCW 39.34.040 this Agreement shall be placed on the District's and City's website or other electronically retrievable public source. In lieu of

posting on public agency's website, the Agreement may be filed with the Spokane County Auditor.

11.8 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the City and the District and their respective successors and permitted assigns.

11.9 No Waiver. The failure to enforce or the delay in enforcement of any provision of this Agreement by a party hereto, or the failure of a party to exercise any right hereunder, shall not be construed to be a waiver of such provision or right (or of any other provision or right hereof, whether of a similar or dissimilar nature) unless such party expressly waives such provision or right in writing.

11.10 Notices. Any notice required or authorized under this Agreement shall be in writing and shall be delivered personally or by certified mail at the following addresses or at such addresses as a party shall have designated to the other party in accordance with this Section. Alternatively, any such notice may be sent by email provided proof of delivery and receipt is made available upon request. Notice sent by email shall be deemed to be received by a party when dispatched to said party at the email address provided below. A failure to provide proof of delivery by email, shall be deemed a failure to deliver proper notice.

If to the District: Spokane Public Facilities District
ATTN: Stephanie Curran, CEO
720 West Mallon Avenue
Spokane, WA 99201
Phone: (509) 279-7002
Email:

If to the City: Office of the Mayor
ATTN: David Condon, Mayor
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Phone: (509) _____
Email:

Copy to: Office of the City Attorney
W. 808 Spokane Falls Blvd.
Spokane, WA 99201
Fax: (509) 625-6277
Email:

If to Parks Department: Spokane Park Board
C/o Director of Parks and Recreation Division5th
Floor City Hall

808 W Spokane Falls Blvd.
Spokane, WA 99201
Email:

11.11 Successors and Assigns. This Agreement and each and every provision hereof shall be binding upon and shall inure to the benefit of each party hereto, and each and every of their respective successors and permitted assigns. No party's right or obligations under this Agreement may be assigned or otherwise transferred without the prior written consent of the other party.

11.12 Relationship of Parties. This Agreement contemplates a joint venture of the City and the District, undertaken for the public purpose of preserving the region's role in the convention and tourism industry, as authorized under Chapter 36.100 and 67.28 RCW. In the performance of this Agreement, the Parties, and their respective officers, employees, agents, or subcontractors shall not be considered employees or agents of the other party.

11.13 Severability. In the event of a determination by any court of competent jurisdiction that a portion of this Agreement is invalid or unenforceable, such portion shall be deemed modified or eliminated in accordance with the court's order and the remaining portions of this Agreement shall nonetheless be enforced; provided, however, that if the court deems any restriction on the disclosure of information to be unenforceable, such restriction shall be modified by the court only to the extent required to make such restriction reasonable and enforceable.

11.14 Separate Legal Entity. This Agreement does not create or seek to create a separate legal entity pursuant to RCW 39.34.030.

11.15 Confidential Information. The Parties acknowledge that they, with the support of counsel, architects, appraisers, and other consultants, are engaging in a cooperative venture for their joint benefit. In furtherance of this cooperative venture and the Parties' common interests in obtaining SportsPlex Property, the Parties and their respective legal counsel agree to share information relating to such efforts. Such exchanges and disclosures will be for the exclusive purpose of facilitating the Parties' common interests in the acquisition of SportsPlex Property and will not diminish in any way the confidentiality of the materials exchanged, nor will this exchange constitute a waiver of any of the Parties' attorney-client or work product privileges. To the extent allowed by law, and consistent with the Parties' respective obligations under the Public Records Act, Chapter 42.56 RCW, the District and the City each agree to preserve and protect the confidentiality of all financial, valuation, and other proprietary information that they may obtain, and to create and preserve any applicable attorney/client and litigation work product privileges, and public record disclosure exemptions, in compliance with applicable State law.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

CITY OF SPOKANE

By: _____
Mayor David Condon

Attest: _____
City Clerk

Approved as to form:

Assistant City Attorney

CITY OF SPOKANE PARK BOARD

By: _____
Its President

SPOKANE PUBLIC FACILITIES DISTRICT

By: _____
Nathaniel Greene, Chair of the Board

Attest:

Brianna Scott, Clerk of the Board
Approved:

Stanley M. Schwartz, General Counsel

EXHIBIT A

SportsPlex Property

Address	Parcel	Owner	Land size sf	Land	Improvement	Total	Mailing Address			
1 1020 N Howard	35181.4129	Spokane Civic Theatre	35,730	\$ 321,570	\$ 964,800	\$ 1,286,370	1020 N Howard	Spokane	WA	99201
2 523 W Gardner	35181.4127	PFD	2,500	\$ 20,000	\$ 3,800	\$ 23,800				
3 522 W Dean	35181.4114	PFD	2,500	\$ 20,000	\$ 3,800	\$ 23,800				
4 521 W Gardner	35181.4109	PFD	5,000	\$ 40,000	\$ 7,400	\$ 47,400				
5 518 W Dean	35181.4115	PFD	5,000	\$ 40,000	\$ 7,400	\$ 47,400				
6 540 W Dean	35181.4108	PFD	10,000	\$ 80,000	\$ 22,300	\$ 102,300				
7 512 W Dean	35181.4116	PFD	5,000	\$ 40,000	\$ 7,400	\$ 47,400				
8 502 W Dean	35181.4117	PFD	5,000	\$ 40,000	\$ 7,400	\$ 47,400				
9 501 W Gardner	35181.4107	PFD	15,000	\$ 120,000	\$ 23,600	\$ 143,600				
10 431 W Gardner	35181.4106	PFD	20,000	\$ 160,000	\$ 31,500	\$ 191,500				
11 442 W Dean	35181.4118	PFD	7,500	\$ 60,000	\$ 11,200	\$ 71,200				
12 432 W Dean	35181.4123	Diamond Parking	7,500	\$ 60,000	\$ 10,500	\$ 70,500	605 First Ave Ste. 600	Seattle	WA	98104
13 421 W Gardner	35181.4105	Boy Scouts of America	2,500	\$ 20,000	\$ -	\$ 20,000	1017 N Washington St	Spokane	WA	99201
14 420 W Dean	35181.4125	North Park Building LLC	7,500	\$ 60,000	\$ 242,100	\$ 302,100	2430 S Helena Ct	Spokane	WA	99203
15 1017 N Washington	35181.4126	Boy Scouts of America	30,294	\$ 302,940	\$ 319,200	\$ 622,140	1017 N Washington St	Spokane	WA	99201
16 1009 N Washington	35181.4103	Muriel Bach Diamond Te	6,176	\$ 61,750	\$ 338,900	\$ 400,660	605 First Ave Ste. 600	Seattle	WA	98104
17 930 N Howard	35181.4232	Spo Fed CU	29,775	\$ 267,980	\$ 150,500	\$ 414,480	PO Box 2519	Spokane	WA	99220
18 920 N Howard	35181.4216	Future Vision Properties	4,925	\$ 44,330	\$ 1,000,400	\$ 1,044,730	540 W Cataldo	Spokane	WA	99201
19 532 W Cataldo	35181.4217	Park Center Bldg LLC	8,750	\$ 70,000	\$ 12,200	\$ 82,200	12906 N Addison	Spokane	WA	99218
20 522 W Cataldo	35181.4231	Spo Fed CU	13,750	\$ 110,000	\$ 66,400	\$ 176,400	PO Box 2519	Spokane	WA	99220
21 487 W Dean	35181.4208	City of Spokane	2,500	\$ 20,000	\$ -	\$ 20,000				
22 483 W Dean	35181.4207	City of Spokane	2,500	\$ 20,000	\$ -	\$ 20,000				
23 444 W Cataldo	35181.4206	City of Spokane	35,000	\$ 280,000	\$ 154,300	\$ 434,300				
24 433 W Dean	35181.4205	GW Investments LLC	10,000	\$ 80,000	\$ 229,500	\$ 309,500	12014 E Maxwell	Spokane	WA	99206
25 436 W Cataldo	35181.4222	GW Investments LLC	2,500	\$ 20,000	\$ -	\$ 20,000				
26 422 W Cataldo	35181.4223	GW Investments LLC	5,000	\$ 40,000	\$ -	\$ 40,000				
27 426 W Cataldo	35181.4224	City of Spokane	2,500	\$ 20,000	\$ -	\$ 20,000				
28 432 W Cataldo	35181.4225	City of Spokane	5,000	\$ 40,000	\$ 6,600	\$ 46,600				
29 431 W Dean	35181.4204	City of Spokane	20,000	\$ 120,000	\$ -	\$ 120,000				
30 418 W Cataldo	35181.4226	City of Spokane	12,500	\$ 100,000	\$ 6,500	\$ 106,500				
31 933 N Washington	35181.4201	Hunter, Brian & Gail	8,235	\$ 82,350	\$ 126,800	\$ 209,150	933 N Washington	Spokane	WA	99201
32 923 N Washington	35181.4202	City of Spokane	4,117	\$ 41,170	\$ 5,600	\$ 46,770				
33 921 N Washington	35181.4203	City of Spokane	4,117	\$ 41,170	\$ 5,600	\$ 46,770				
34 908 N Howard	35181.4405	Park Center Bldg LLC	6,281	\$ 56,530	\$ 1,845,300	\$ 1,901,830				
35 531 W Cataldo	35181.4404	Park Center Bldg LLC	2,500	\$ 22,500	\$ 10,200	\$ 32,700				
36 527 W Cataldo	35181.4407	Park Center Bldg LLC	2,500	\$ 20,000	\$ 9,500	\$ 29,500				
37 507 W Cataldo	35181.4406	City of Spokane	27,500	\$ 302,500	\$ 8,500	\$ 311,000				
38 427 W Cataldo	35181.4409	City of Spokane	22,500	\$ 225,000	\$ 243,600	\$ 468,600				
39 411 W Cataldo	35181.4410	Huckleberry Bay Co	56,532	\$ 508,790	\$ 1,874,900	\$ 2,383,690	818 W Riverside Ste 300	Spokane	WA	99201

EXHIBIT B

Legal Description for Additional SportsPlex Property

Lots 17 to 20, Block 6, KEYSTONE ADD.

Spokane County Tax Parcel No.: 35181.4205

Lot 60, Block 6, KEYSTONE ADD.

Spokane County Tax Parcel No.: 35181.4223

[and]

Lots 61 & 62, Block 6, KEYSTONE ADD.

Spokane County Tax Parcel No.: 35181.4222

EXHIBIT B-1

Depiction of Additional SportsPlex Property



EXHIBIT C

Joint Resolution between Spokane County and the Public Facilities District

EXHIBIT A

SportsPlex Property

Address	Parcel	Owner	Land size sf	Land	Improvement	Total	Mailing Address			
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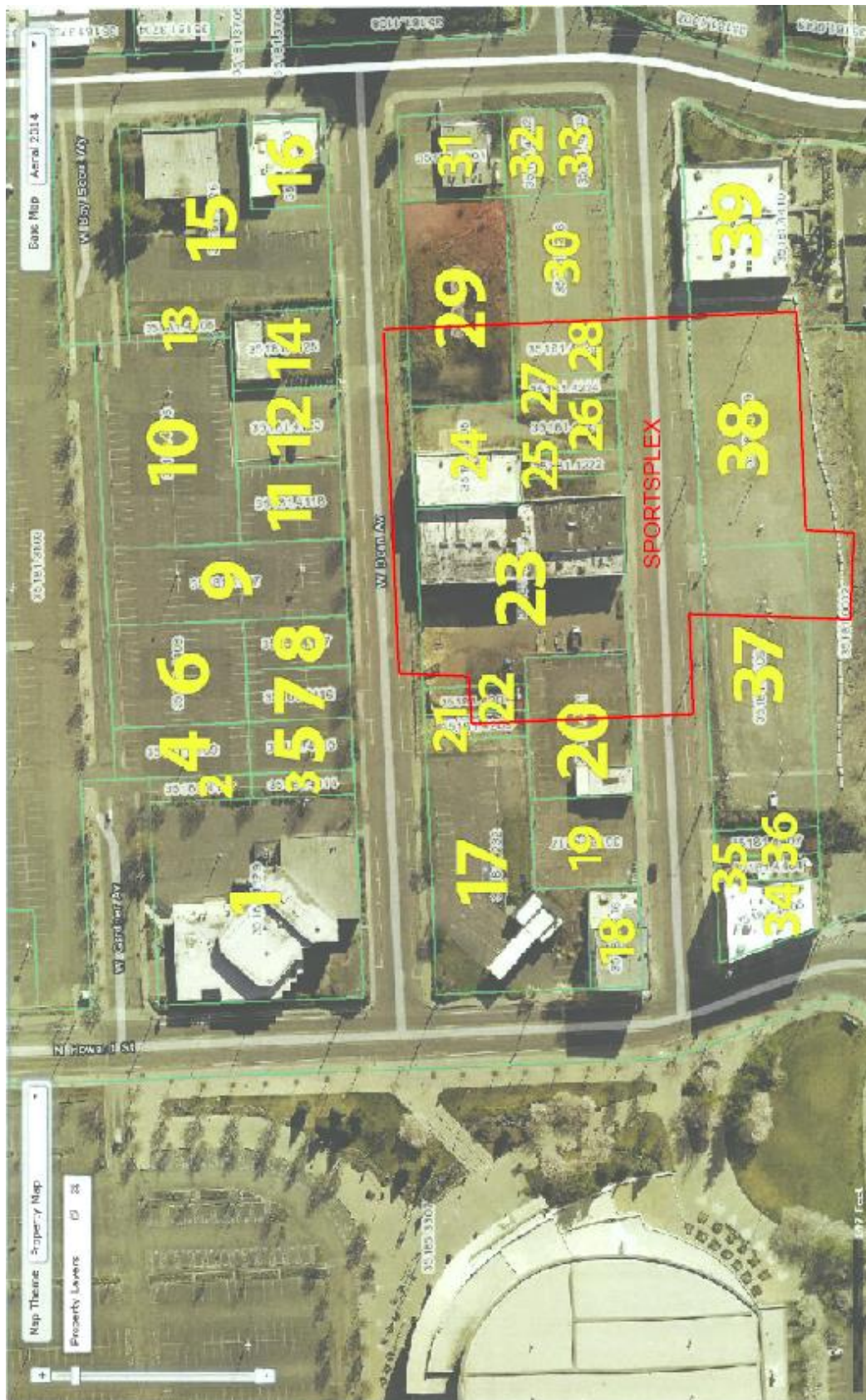


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Lots 61 & 62, Block 6, KEYSTONE ADD.

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EXHIBIT B-1

Depiction of Additional SportsPlex Property



EXHIBIT C

Joint Resolution between Spokane County and the Public Facilities District

Sportsplex: Direct & Indirect Benefits
Briefing Paper
December 2018



Overview

A \$42M Sportsplex is planned on the North Bank, a project of the Public Facilities District (PFD). It is adjacent to the developing playground, wheels park, and basketball court in Riverfront. Through collaborations in development, planning, and programming, there are many direct and indirect benefits to Parks and Recreation.

Direct Benefits

Increased Recreational programming space

- Recreation will have routine use of the Sportsplex for our programming
- Types of programs may include volleyball, basketball, hockey tots, gymnastics, senior activities, Therapeutic Recreation Services, and others
- A Joint Use Agreement will formalize
- The 2014 Master Plan called for exploration of a Field House as a public/private development opportunity on the north bank (section 8.1)

Increased economic impact for neighboring Riverfront Park

- Increase in concentration of park users
- Increase programming and sponsorship opportunities
- Increase in parking revenues
- Increase in property value for underutilized parking lot at Washington & Cataldo
- Spokane Sportsplex Five Year Operating Pro Forma projects an economic impact of \$15.5M in year one, and \$24.6M by year five

Profit sharing

- Any net profit of the Sportsplex will be distributed 80% PFD, 20% Parks and Recreation

Mitigation of short-term and long-term risk

- Through a resolution, the PFD will agree to contribute to the settlement of pending litigation related to the Carnation Building (on the desired Sportsplex property), removing all liability for Parks & Rec
- Increase in City's overall commitment to mitigation, vs. a Division-specific issue. The City is contributing up to \$800K for demolition and environmental.

Indirect Benefits

Increased collaborations, partnerships and funding

- Enhanced collaboration with other divisions (ex: \$6.65M Utilities funding on orange bridge).
- Those additional funds allowed us to enhance investments in revenue-generating amenities, including parking on the North Bank, connections to the Sportsplex, and Pavilion event rental equipment.
- Additional funds also provide for a maintenance and operations facility for Riverfront - not one of the five deliverables in the bond project, but a critical element for the longevity of the community's investment in redevelopment.

###

Carnation Garage Building and Adjacent Property Funding Opportunities

Funding Options (Parks):

- \$463,676 – Riverfront Park “Orange” Bridge Transfer Funds
- \$160,505 – North Bank Soil Mitigation Funds
- \$25,819 – Park Capital Funds

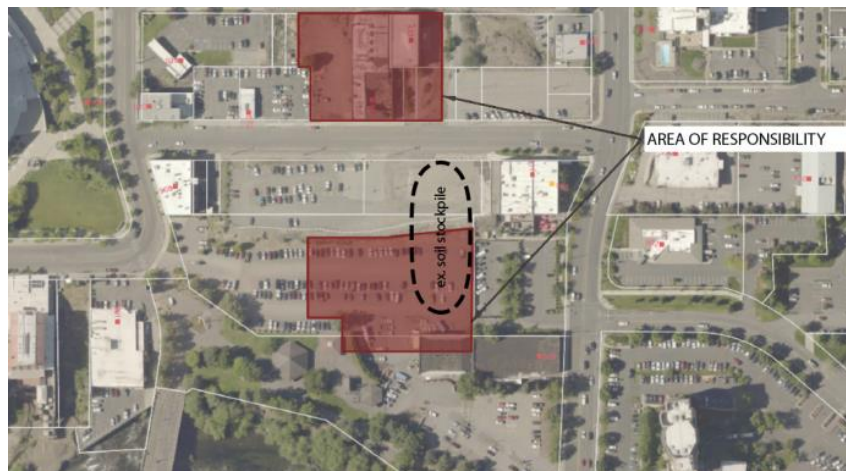
Total Funds Available: \$650,000

Background Information:

- Abatement work to the Carnation Garage was performed in 2017 for \$74,000
- Building Official Administrative Hearing on a Substandard Commercial Building was filed spring of 2018.
 - o An engineering report was produced for selected demolition work (southeast portion of building), asbestos abatement, roof waterproofing and wall bracing.
 - o Bids were received totaling \$204,731 to perform the work and mitigate the Building Official Finding.
- A full building demolition engineering report was produced and an estimate totaling between \$650k – 690K to perform the demo work.
 - o Estimate included (assumed the adjacent private building and shared wall remained)
 - SE Corner Selective Demolition & Stabilization (already bid)
 - Remaining Demolition (includes abatement, demo & new structure as required)
 - Masonry repair to adjacent remaining structure
 - Contingency, monitoring and taxes

Letter of Intent with the Public Facilities District:

- **Per LOI with the Public Facilities District dated January 11, 2018 Section 4-E:**
 - o E. Land acceptance. The City and/or Parks will assure that any City or Parks property, respectively, used for the Sportsplex or parking structure projects is clear of all liens, encumbrances and claims of title. The City and Parks shall retain responsibility for demolition of structures and for any environmental clean-up, as depicted on Exhibit B. The SPFD accepts all other properties used as the site for the Sportsplex “as is” and will assume responsibility for environmental mitigation, removal of structures or any other needs related to construction of the facility.



Briefing Paper

Public Safety and Community Health Committee

Division & Department:	Mayor's Office
Subject:	ILA (contract) with City, PFD, Parks for Sportsplex
Date:	12/31/2018
Contact (email & phone):	Rick Romero (509) 590-6500
City Council Sponsor:	Ben Stuckart, Lori Kinnear,
Executive Sponsor:	City Administrator, City Attorney
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	The Sportsplex is a key component of the Joint Strategic Plan and the two-year Community Investment Plan, both of which were adopted unanimously in December 2017.
Strategic Initiative:	Optimize Public Assets, Regional Collaboration, Public Amenities
Deadline:	January 7, 2019
Outcome: (deliverables, delivery duties, milestones to meet)	Completion of Interlocal Agreement which will commit land and funding to the PFD for the construction of the \$40M Sportsplex.
Background/History: This project is the result of a tremendous Regional Collaboration effort between the City of Spokane, Spokane Parks, Public Facilities District, Sports Commission, Hotel/Motel Association and Spokane County to bring land and funding for the regional Sportsplex on the North Bank. This project is a significant catalyst project for the North Bank development and was a key component of the Joint Strategic Plan and the Strategic Investment Plan adopted in December of 2017. These actions were followed up by the Council adoption of the \$5M Special Budget Ordinance in 2018 which allocates funding.	
Executive Summary: <ul style="list-style-type: none"> • 3 party agreement between City, PFD, Parks • \$5M from Strategic Investment Fund for partnership funding • Activates underutilized North Bank Land from Parks • Resolves City Lawsuit and partnership funding for acquisition/demolition/clean up • Addresses significant environmental remediation adjacent to river and park • Catalyst project for North Bank redevelopment • Connection and expansion of North Bank of Riverfront Park and Regional Playground 	
Budget Impact: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

AGENDA SHEET FOR PARK BOARD MEETING OF: Jan. 11, 2018



Submitting Division
Parks & Recreation

Contact Person
Garrett Jones

Phone No.
363-5462

Department: ☐ Finance ☐ Operations ☐ Recreation/Golf ☒ Riverfront Park

Committee: ☐ Finance ☐ Golf ☐ Land ☐ Recreation ☒ Riverfront ☐ UFTC

Type of contract: ☐ New ☐ Renewal ☐ Amendment ☐ Extension ☒ Other

Beginning date: _____ Expiration date: _____ Open ended ☒

OPR 2015-0349

CLERKS' FILE	_____
RENEWAL	_____
CROSS REF	_____
ENG	_____
BID	_____
REQUISITION	_____

AGENDA WORDING:

North Bank strategic investment letter of understanding (LOU)

RECEIVED

NOV 20 2018

CITY CLERK'S OFFICE

BACKGROUND:

(Attach additional sheet if necessary)


Letter of understanding with PFD (Public Facilities District) for lease and development of north bank property for a Sportsplex and associated Parking Structure.

RECOMMENDATION:

Presented with changes requested by the RFP Committee.

ATTACHMENTS: Include in packets. See back of Agenda Sheet for specific supporting document requirements.

SIGNATURES:


Requester - Garrett Jones


Dept. Manager Garrett Jones


Director of Parks & Rec - Leroy Eadie

Parks Accounting - Megan Qureshi

Legal Dept. - Pat Dalton

DISTRIBUTION:

Parks: Accounting

Parks: Pamela Clarke

Budget Manager: Tim Dunivant

Requester: Bellison@spokanecity

Jlbrown@spokanecity.org

Dlarnold@spokanecity.org

RobertMills@hillintl.com

PARK BOARD ACTION:

APPROVED BY SPOKANE PARK BOARD



President-Chris Wright

Jan. 11, 2018

Fiscal Impact**Expenditure:**

Revenue:

Budget Account



Existing vendor



New vendor – If so, please include vendor packet

**Supporting documents:**

Quotes/Solicitation (RFP, RFQ, RFB)



Contractor is on the City's A&E Roster City of Spokane



Spokane Business registration expiration date: _____



W-9 (for new contractors/consultants/vendors) ACH Forms



(for new contractors/consultants/vendors) Insurance



Certificate (minimum \$1 million in General Liability)

LETTER OF UNDERSTANDING

January 11, 2018

City of Spokane Park & Recreation Department

Spokane Public Facilities District

Re: Lease and Development of North Bank Park Property for a Sportsplex and Associated Parking Structure

The purpose of this Letter of Understanding is to set forth the understanding of the City of Spokane (City), the Spokane Park Board (Parks) and the Spokane Public Facilities District (SPFD) (hereinafter referred to as the "Parties"), regarding the lease and development of the North Bank Site for the construction and operation of a regional indoor sports complex (SportsPlex) and associated parking structure. This Letter of Understanding supersedes and replaces the March 25, 2015, Letter of Understanding between the City of Spokane Park Department and the Spokane Public Facilities District, City Clerk File OPR 2015-0349.

The Parties agree to exercise good faith and best efforts to take all action necessary to fulfill the terms and intent set forth in this Letter of Understanding; however, with the exception to commit funding for preliminary design, no legally binding obligations are intended from this joint Letter of Understanding until such time legally binding documents are created.

The Parties understand and intend the following:

1. The North Bank Site.

Parks owns certain real property immediately north of Riverfront Park, located in the City of Spokane, described and identified in Exhibit A, attached hereto. Some of the Site contains gravel parking lots as well as structures and improvements.

2. The Proposal.

A. The Spokane Sports Commission (Sports Commission), along with the City, Parks and SPFD, desires to develop the SportsPlex, which shall consist of a sports field house for use by the general public that will include basketball, volleyball, indoor track and other court sports with associated meeting rooms, locker rooms, rest rooms, public areas, office space, concession areas and an approximately 300-space car parking structure (the "Project"). The Sportsplex may include an Ice House for team and similar purposes other than family recreational skating. The City, Parks and SPFD will work to finalize siting of the SportsPlex and the parking structure.

B. Parks will lease the North Bank Site to the SPFD for thirty years to develop and maintain the SportsPlex. SPFD will pay rent of \$1.00 per year to Parks as consideration for lease of the North Bank Site.

- C. The City, Parks, and SPFD will enter into an Interlocal Agreement (and such other agreements as may be necessary) to finance, develop and construct the SportsPlex and associated parking structure.
- D. SPFD will be responsible for managing the design, permitting, and construction of the SportsPlex and associated parking structure, with maintenance, and operation of the SportsPlex to be the responsibility of SPFD and operation and maintenance of the parking structure to be the responsibility of Parks. A pledge of lodging tax revenues and other legally available funds will be made to offset any and all operating losses of the SportsPlex. Beginning in the sixth year of operation, net profits from the SportsPlex, excluding any contribution of lodging tax and contributions to a mutually agreeable reserve account, shall be distributed 80% to SPFD and 20% to Parks.
- E. Parks and the SPFD will engage the Sports Commission and obtain a commitment to provide personnel and resources to market, license and program the use of the SportsPlex; and form a Joint Use Committee to develop a "Joint Use Agreement".
- F. The SPFD will commit no less than \$25,000,000 in 2018 Spokane County Bonds subject to SPFD and Spokane County approvals. The bonds are backed by a \$5,000,000 pledge of the SPFD's Lodging Tax Allocation Committee (LTAC). Furthermore, the SPFD will pursue an additional \$2,000,000 in State of Washington Capital requests and other funds to sufficiently fund the SportsPlex project.
- G. The City will approve an ordinance committing \$5,000,000 from the City toward construction of the SportsPlex.
- H. Parks (through the Park Board) will commit up to \$7,000,000 in reimbursement funds toward construction of the parking structure and access, associated demolition costs on Parks property, construction of a new public restroom facility and park maintenance storage/facility.
- I. Parks and SPFD will each contribute up to \$300,000 of the overall project-committed funds for design services that include alternative project delivery approval, RFQ and RFP production and design scope through the project validation phase.

3. Mutual Benefit.

The Parties believe that the development of the North Bank Site creates an opportunity to enhance the use and enjoyment of the Site for public purposes, consistent with the authority of the City Park Board and the SPFD.

4. Other Terms and Commitments.

- A. Design and Development. The SPFD shall manage and coordinate the conceptual design work for the SportsPlex and parking structure, ensuring a public process to receive input from the public, and will work with the City, Parks and other interested persons and groups. The site design shall include pedestrian connections from the Site to Riverfront Park and shall conform to standards established by the Park Board as part of the established process presently used in the redevelopment of Riverfront Park. Permitting and construction shall be by SPFD. Parks shall have the right to

as part of the established process presently used in the redevelopment of Riverfront Park. Permitting and construction shall be by SPFD. Parks shall have the right to approve the final design of the SportsPlex exterior façade and related improvements, and will be responsible for funding all environmental, unsuitable soils, heritage mitigation, utility extensions, pre-design, design and construction costs and any other related elements of the parking structure south of the existing basalt bluff, and specifically reserves the right to make any improvements on adjacent Park land or in Riverfront Park without regard to view corridors. The Parties will develop a storm water retention and discharge plan for the Project.

- B. Periodic Use. SPFD and Parks shall enter into a Joint Use Agreement setting forth Parks' and public use of the facilities of the SportsPlex, taking into account the primary purpose of the SportsPlex is to host large tournament-style events and may support team ice use. Parks shall reimburse SPFD for conversion costs and any event-specific security expenses that exceed normal operations, but shall not be charged rent for use of the facilities. Execution of a Joint Use Agreement shall be a material term of any final agreements(s) executed pursuant to this Letter of Understanding.
- C. Parking Structure. The parking structure shall be maintained and operated by Parks.
- D. Financing. The Parties shall meet and confer on the financing of the SportsPlex. It is understood that the costs of financing (including debt repayments) and other related expenses will come from funds pledged by the City and by the SPFD with a debt service and an operating loss pledge of lodging tax as approved by the Lodging Tax Advisory Committee and Public Facilities District.
- E. Land acceptance. The City and/or Parks will assure that any City or Parks property, respectively, used for the Sportsplex or parking structure projects is clear of all liens, encumbrances and claims of title. The City and Parks shall retain responsibility for demolition of structures and for any environmental clean-up, as depicted on Exhibit B. The SPFD accepts all other properties used as the site for the Sportsplex "as is" and will assume responsibility for environmental mitigation, removal of structures or any other needs related to construction of the facility.
- F. Miscellaneous. The Parties will exercise their best efforts to agree on the following:
 - 1. The form and content of all documents governing the lease, financing, development, management and operation of the SportsPlex and the Site;
 - 2. The site plan and building program for the Project;
 - 3. The extent of and terms for use of the SportsPlex facilities by Parks and public via a Joint Use Agreement;
 - 4. Any legal limitations on construction or use of the SportsPlex or adjacent Park property, whether for the benefit of Parks or the SPFD, including limitation on public access to a potential Ice House for recreational purposes.
 - 5. Other studies determined to be necessary;

7. It's understood by all Parties that the name SportsPlex is a current reference to the facility and the actual name, if changed, could recognize sponsorship naming-rights.
8. It is intended that the preliminary design and validation phase of the SportsPlex, parking structure, all identified amenities and associated final agreements are completed by the end of 2018. Parks will complete the appropriate design procurement for the North Bank Regional Playground and remaining site by summer 2018.
5. Due Diligence. This Letter of Understanding shall be presented to the SPFD Board of Directors for review and action. It shall also be presented to the Spokane Park Board, with a request that the Park Board consider the terms and content of this Letter of Understanding and take action at its next regular meeting. The City agrees to secure any necessary Council approval for allocation of City funds identified in this Letter.
6. Inspection of the Site; Preliminary Study Period. Following execution of this Letter of Understanding, Parks shall allow the SPFD, its agents, consultants, employees and other authorized persons the right to enter the Site, conduct a comprehensive investigation and evaluation of all aspects of the Site, in such scope and detail as may be required or desired by SPFD, including, without limitation:
 - A. A study of the physical condition and attributes of the Site;
 - B. An assessment of the Sites to determine the presence and extent of hazardous and toxic wastes and substances, if any, and other environmental concerns, if any;
 - C. A review of all licenses, agreements, or permits affecting the Site;
 - D. Other matters agreed to by the Parties.

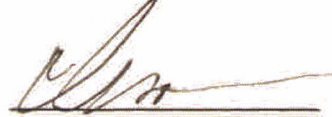
In this regard, Parks grants to the SPFD, its agents and employees, the right to enter the Site, at SPFD's sole expense and risk, to make any and all physical inspections, surveys and tests of the property as are reasonable, and to restore the property to the condition in which it was found, reasonable wear and tear excepted.

In the event SPFD, its agents, employees or authorized persons enter the Site, SPFD agrees to indemnify and hold harmless Parks and City from all liability, loss, costs, expense and damages for personal injury, death of persons or damage to the Site, where such injury, death, or damage is caused by the entry or occupation of the Site by SPFD, its agents, employees or authorized persons.

This Letter of Understanding is signed as of the dates shown below:

City of Spokane Park Board

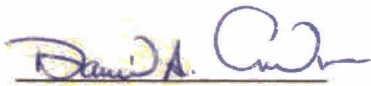
Dated: 1-11-18

A handwritten signature in black ink, appearing to read "Chris Wright", written over a horizontal line.

Attest: Christopher J. Wright, President

City of Spokane

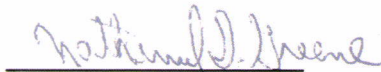
Dated: 1-22-18

A handwritten signature in blue ink, appearing to read "David A. Conner", written over a horizontal line.

Mayor

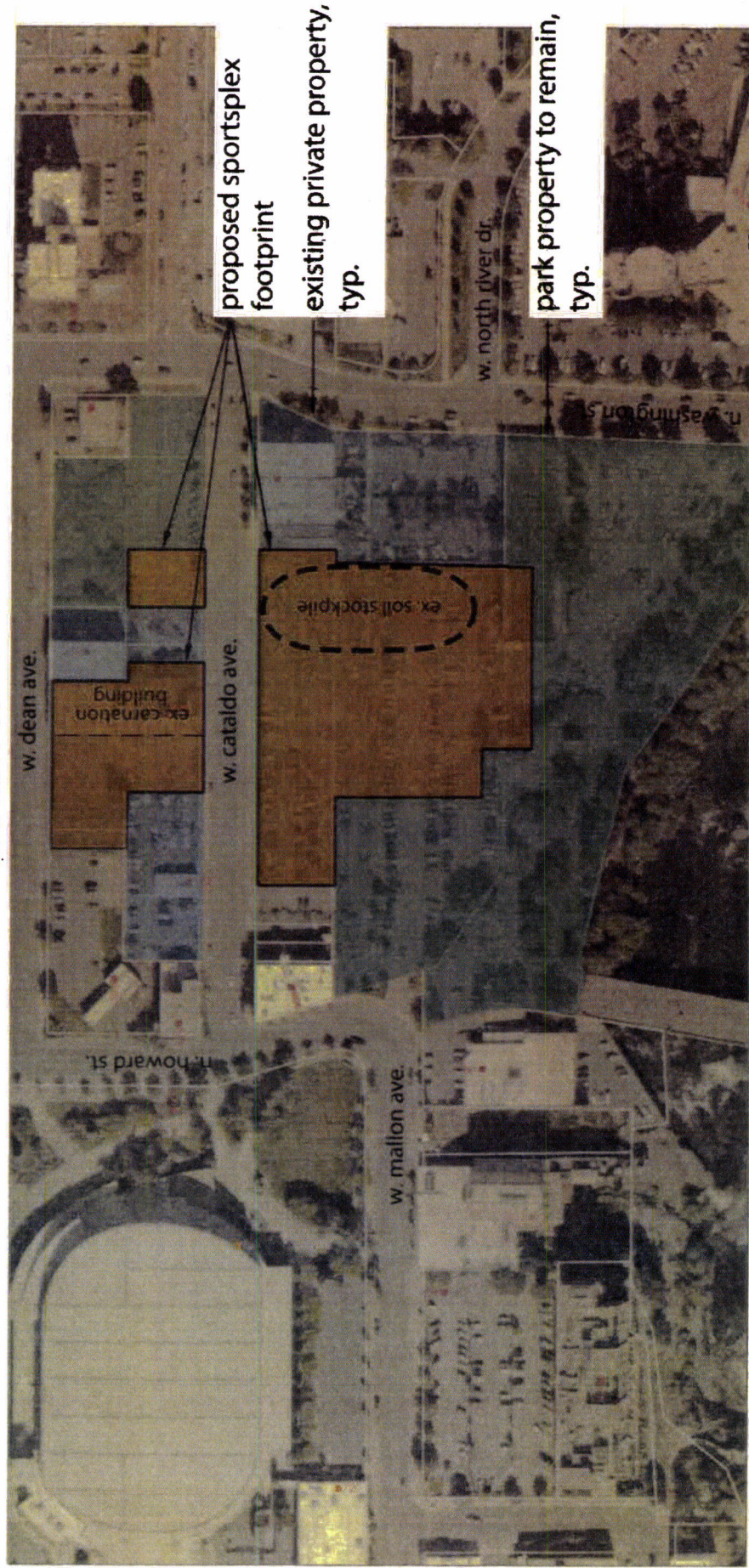
Spokane Public Facilities District

Dated: 1/24/18

A handwritten signature in blue ink, appearing to read "Nathaniel D. Greene", written over a horizontal line.

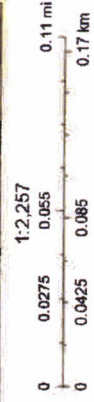
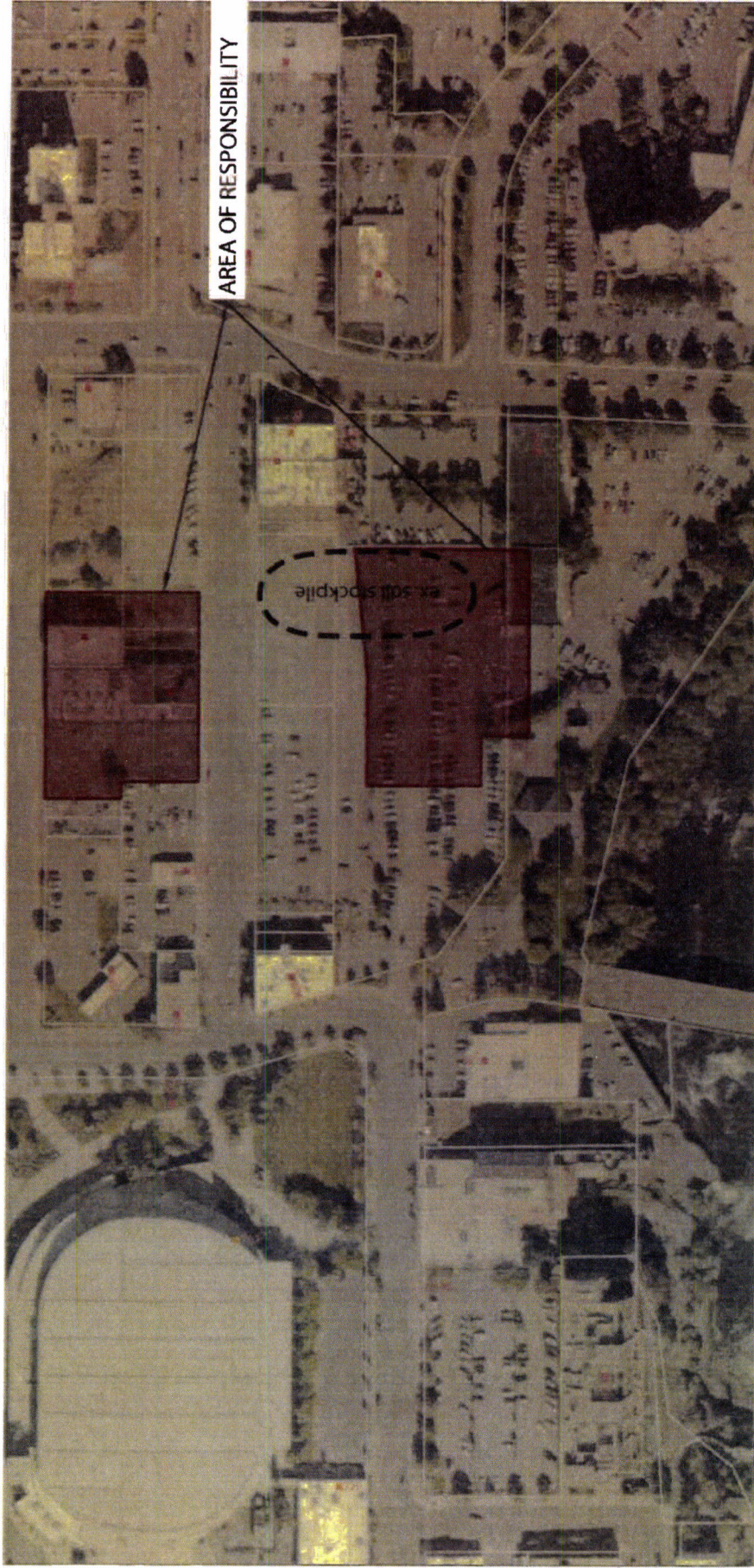
PROPOSED PARKS DEPARTMENT SPORTSPLEX FOOTPRINT

EXHIBIT A



note: 'proposed sportsplex footprint' area totals approximately 172,500 sf (3.96ac)

EXHIBIT B



City of Spokane GIS
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics,
CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User
Community

FACILITY PROGRAM

LOWER GROUND LEVEL/1ST LEVEL
SURFACE PARKING
+/-147 STALLS

2ND LEVEL (NOT SHOWN)
GARAGE PARKING

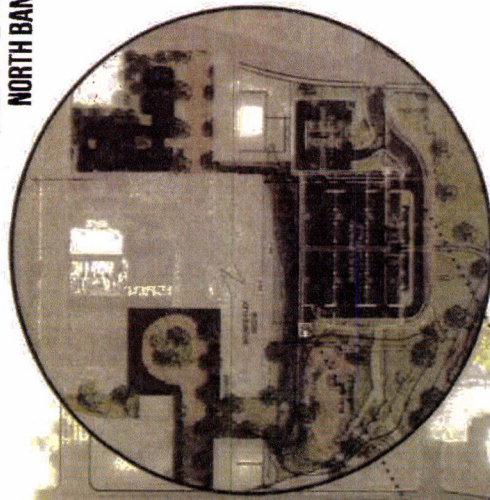
3RD LEVEL (NOT SHOWN)
MECHANICAL SUBFLOOR

UPPER GROUND LEVEL/4TH LEVEL
STADIUM
ICEHOUSE
SPORTSPLEX

2ND LEVEL/5TH LEVEL
STADIUM 2ND FLOOR
SPORTSPLEX 2ND FLOOR

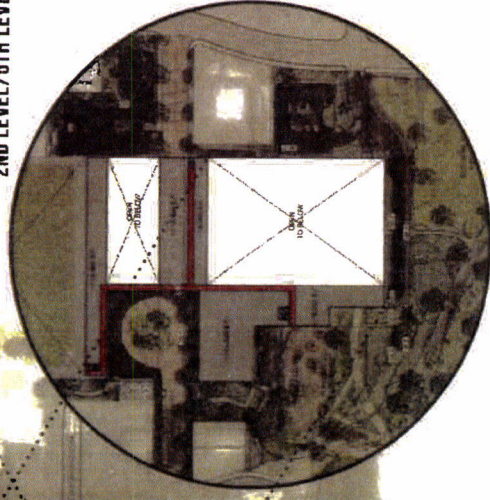
SPOKANEXPERIENCE

NORTH BANK SITE PLAN



LOWER GROUND LEVEL/1ST LEVEL

2ND LEVEL/5TH LEVEL



UPPER GROUND LEVEL/4TH LEVEL



[us]
architecture + design



AGENDA SHEET FOR PARK BOARD MEETING OF: Nov. 8, 2018



Submitting Division
Parks & Recreation

Contact Person
Garrett Jones

Phone No.
363-5462

Department: ☒ Finance ☐ Operations ☐ Recreation/Golf ☐ Riverfront Park

Committee: ☒ Finance ☐ Golf ☐ Land ☐ Recreation ☐ Riverfront ☐ UFTC

Type of contract: ☐ New ☐ Renewal ☐ Amendment ☐ Extension ☒ Other

Beginning date: _____ Expiration date: _____ Open ended ☒

CLERKS' FILE	04R2018-0755
RENEWAL	_____
CROSS REF	_____
ENG	_____
BID	_____
REQUISITION	_____

AGENDA WORDING:

North Bank Land Acquisition Resolution

RECEIVED
NOV 15 2018
CITY CLERK'S OFFICE

BACKGROUND:

(Attach additional sheet if necessary)

Resolution outlining funds for property acquisition and future development for Sportsplex.

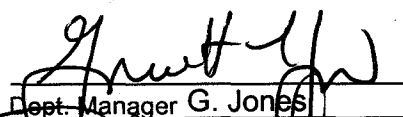
RECOMMENDATION:

Finance Committee approved to offer to Park Board.

ATTACHMENTS: Include in packets. See back of Agenda Sheet for specific supporting document requirements.

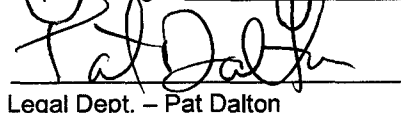
SIGNATURES:


Requester - G. Jones


Dept. Manager G. Jones


Director of Parks & Rec - Leroy Eadie


Parks Accounting - Megan Qureshi


Legal Dept. - Pat Dalton

DISTRIBUTION:

Parks: Accounting

Parks: Pamela Clarke

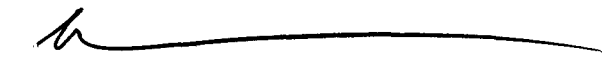
Budget Manager:

Requester: _____

Sam Faggiano _____

PARK BOARD ACTION:

APPROVED BY THE SPOKANE PARK BOARD



President

Nov. 8, 2018

Fiscal Impact**Expenditure:**

Budget Account

Revenue:

☐

Existing vendor

☐

New vendor – If so, please include vendor packet

☐**Supporting documents:**☐

Quotes/Solicitation (RFP, RFQ, RFB)

☐

W-9 (for new contractors/consultants/vendors) ACH Forms

☐

Contractor is on the City's A&E Roster City of Spokane

☐

(for new contractors/consultants/vendors) Insurance

☐

Spokane Business registration expiration date: _____

☐

Certificate (minimum \$1 million in General Liability)

SPOKANE PARK BOARD

RESOLUTION

Whereas, the Parks Division, the City of Spokane, and the Public Facilities District have been working together to create an indoor sports facility (the "SportsPlex") on the North Bank of the Spokane River, and

Whereas, the SportsPlex will be owned and managed by the Public Facilities District and will host athletic competitions all year long, bringing citizens and tourists alike to Riverfront Park, thus increasing visits to the newly redeveloped Riverfront Park and attractions in the Park, and

Whereas, land previously purchased by the Parks Division located to the north of Riverfront Park and known as the North Bank property has been identified as essential for the SportsPlex, and

Whereas, one parcel of this land contains a building commonly known as the Carnation Garage building, which building is not needed by Parks and is in need of expensive repair or demolition, and

Whereas, the Carnation Garage shares a common wall with a privately owned building to the east, making either repair or demolition of the Carnation Garage prohibitively expensive, and

Whereas, the Public Facilities District has identified both the Carnation Garage site and the adjacent privately-owned site as necessary for construction of the SportsPlex, and

Whereas, the owner of the privately held parcel has commenced a Building Official Review against the Parks Division, alleging, among other things, that the condition of the Carnation Garage was substandard requiring demolition and/or abatement, and

Whereas, resolution of the Building Official's Administrative Hearing process would be beneficial to Parks both in the short-term and the long-term, and

Whereas, the Public Facilities District has negotiated a reasonable purchase price of the parcel with the owner of the privately-owned site, which will allow construction of the SportsPlex to proceed, and

Whereas, demolition of both buildings is necessary for construction of the SportsPlex, and

Whereas, demolition of the Carnation Garage would remove a large financial obligation from Parks because the Garage would not have to be repaired, and

Whereas, Parks desires to support the Public Facilities District's acquisition of the privately-owned parcel because it furthers development of the SportsPlex at the same time as it removes a large financial liability from Parks, and

Whereas, Parks has identified \$650,000 to contribute toward the purchase of the privately owned parcel and the demolition of both buildings,

Now, therefore, the Park Board hereby resolves:

1. Parks will contribute to the Public Facilities District for property acquisition for the SportsPlex development and for building demolition up to \$650,000, as follows:
 - a. \$489,495 from the Park fund,
 - b. \$160,505 from North Bank Soil Mitigation Reserve Park Funds
2. Parks will partner with the City of Spokane and the Public Facilities District to manage and mitigate any demolition and environmental remediation (if any) on the site.

ADOPTED by the PARK BOARD this 8th day of November 2018.



Park Board President

HSBS reimbursement		Beginning balance 6.65 Million
		Remaining balance
Approved in July Park Board	2.9 Mil surface parking, M&O & entry enhancement	\$ 3,750,000.00
N Bank Playgrd Enhancement	300K Staircase or climbers, connect to sportsplex	\$ 3,450,000.00
Pav. Skyroom enhancemnet	300K Event rent support & balconies	\$ 3,150,000.00
Pav. Event stage & support	450K Stage strige, sound sys,	\$ 2,700,000.00
Tour Train	250K Placeholder for Campaign	\$ 2,450,000.00
Reimbuse Park Fund	465K for approved Bond expenses	\$ 1,985,000.00
Approved By Park Board Aug.		
Blue Bridge Repairs	419,679.00 Side walk removal Garco CO 6	\$ 1,565,321.00
Approved by Park Board Oct.		
Blue Bridge Repairs	8,970.00 Lead Paint Garco CO 9	\$ 1,556,351.00
Blue Bridge Repairs	11,079.00 Abutment Garco CO 9	\$ 1,545,272.00
Approved By Park Board Oct.		
Budget amendment October		
Overstatement of Bond interest	450,892.00 Correcting accounting error from 2015	\$ 1,094,380.00
Communications cable Rec Rink	7,856.23 Cochran RFP Staff cost over runs FFE	\$ 1,086,523.77
Skate Racks Rec Rink	19,584.00 RFP Staff cost over runs FFE	\$ 1,066,939.77
Remaining balance:		\$ 1,066,939.77