

**Agenda Sheet for City Council Meeting of:**

07/10/2017

Date Rec'd	6/13/2017
Clerk's File #	OPR 2017-0463
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	FINANCE & ADMIN	
Contact Name/Phone	BEN STUCKART/GAVIN COOLEY	625-6586
Contact E-Mail	GCOOLEY@SPOKANECITY.ORG	
Agenda Item Type	Contract Item	
Agenda Item Name	INTERLOCAL AGMNT FOR THE WEST PLAINS/AIRPORT PUBLIC DEVELOPMENT AUTHORITY	

Agenda Wording

An interlocal agreement between the City of Spokane and Spokane County regarding formation of a Public Development Authority for the West Plains/Airport Area.

Summary (Background)

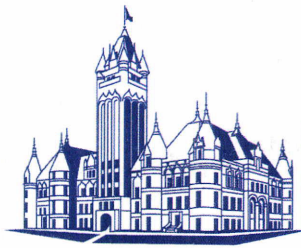
The City and the County desire to enter into this interlocal agreement for the purpose of aligning resources and services to facilitate development and operation of the West/Plains Airport Area Public Development Authority consistent with the Airport Layout Plan, Aerospace Supply Chain Study and other economic development initiatives.

Fiscal Impact	Budget Account
Select \$	#
Select \$	#
Select \$	#
Select \$	#

Approvals		Council Notifications	
Dept Head	BUSTOS, KIM	Study Session	Study Session
Division Director	DUNIVANT, TIMOTHY	Other	
Finance	ORLOB, KIMBERLY	Distribution List	
Legal	SCHOEDEL, ELIZABETH	rromero@spokanecity.org	
For the Mayor	DUNIVANT, TIMOTHY	gcooley@spokanecity.org	
Additional Approvals		eschoedel@spokanecity.org	
Purchasing		ggemmill@spokanecounty.org	
		Jfaught	
		APPROVED BY SPOKANE CITY COUNCIL:	

7/10/17

 CITY CLERK



Spokane County

OFFICE OF COUNTY
COMMISSIONERS

RECEIVED
JUL 20 2017
OFFICE OF THE CITY ATTORNEY
RLR

Josh Kerns, 1st District | Shelly O'Quinn, 2nd District | Al French, 3rd District

July 19, 2017

City of Spokane
Hunt Whaley
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Dear Mr. Whaley:

Enclosed are the following items:

- (Two Originals) Resolution No. 2017-0625 - Interlocal Agreement with the City of Spokane for the Creation of the West Plains/Airport Area Public Development Authority as provided for the RCW 35.21.730-.757, (2) Approving the Charter for the West Plains/Airport Area Public Development, and (3) Approving the Bylaws for the West Plains/Airport Area Public Development Authority.

Please collect remaining signatures on the agreement. Once all signatures have been obtained, please send one original back to the Spokane County Commissioners' Office.

Sincerely,

Shaylynn Bryant
Office Assistant
Spokane County Commissioners

Encl.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF (1) AUTHORIZING)
THE EXECUTION OF AN INTERLOCAL)
AGREEMENT WITH THE CITY OF)
SPOKANE FOR THE CREATION OF THE)
WEST PLAINS/AIRPORT AREA PUBLIC)
DEVELOPMENT AUTHORITY AS)
PROVIDED FOR IN RCW 35.21.730-.757, (2))
APPROVING THE CHARTER FOR THE)
WEST PLAINS/AIRPORT AREA PUBLIC)
DEVELOPMENT, AND (3) APPROVING)
THE BYLAWS FOR THE WEST)
PLAINS/AIRPORT AREA PUBLIC)
DEVELOPMENT AUTHORITY)

RESOLUTION

WHEREAS, pursuant to the provisions of RCW 36.32.120(1), the Board of County Commissioners of Spokane County, Washington (“Board” or “Board of County Commissioners”) has the care of county property and the management of county funds and business; and

WHEREAS, pursuant to the provisions of RCW 36.01.085, it shall be in the public purpose for all counties to engage in economic development programs; and

WHEREAS, pursuant to the provisions of RCW 35.21.703, it shall be in the public purpose for all cities to engage in economic development programs; and

WHEREAS, pursuant to the provisions of 35.21.730 et seq., cities and counties have the legal authority to create public development authorities to (i) administer and execute federal grants or programs, (ii) receive and administer private funds, goods or services for any lawful public purpose, (iii) improve governmental efficiency and services, (iv) improve the general living conditions in the urban areas in and around the City, and (v) perform any lawful public purpose or public function; and

WHEREAS, pursuant to the provisions of RCW 35.21.730, any city or county may by ordinance or resolution create a public development authority; and

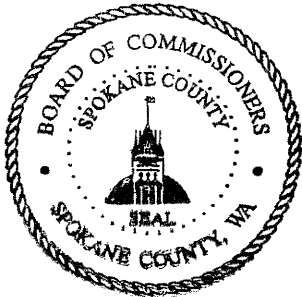
WHEREAS, pursuant to the provisions of chapter 39.34 RCW, two or more public agencies may jointly perform any functions which each may individually perform; and

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), RCW 36.01.085, chapter 39.34 RCW and RCW 35.21.730 et seq., the County and City of Spokane (“City”) have negotiated the terms and conditions of documents entitled “INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING FORMATION OF A PUBLIC DEVELOPMENT AUTHORITY FOR THE WEST PLAINS DEVELOPMENT AUTHORITY”, “CHARTER OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY” as well as “BYLAWS OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY” wherein the County and City will establish a Public Development Authority as provided for in RCW 35.21.703 et. seq., to be known as the West Plains/Airport Area Public Development Authority; and

WHEREAS, the Board of Commissioners desires to approve those documents entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING FORMATION OF A PUBLIC DEVELOPMENT AUTHORITY FOR THE WEST PLAINS DEVELOPMENT AUTHORITY", "CHARTER OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY", AND "BYLAWS OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY" and in so doing create a Public Development Authority as provided for in RCW 35.21.703 et. seq., to be known as the West Plains/Airport Area Public Development Authority consistent with such documents.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Spokane County, Washington, pursuant to the provisions of RCW 36.32.120(6), RCW 36.01.085, chapter 39.34 RCW and RCW 35.21.730 et seq., that the Board does hereby authorize the Board to execute those documents entitled (1) "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING FORMATION OF A PUBLIC DEVELOPMENT AUTHORITY FOR THE WEST PLAINS DEVELOPMENT AUTHORITY", (2) "CHARTER OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY" and (3) BYLAWS OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY and in so doing create a Public Development Authority as provided for in RCW 35.21.703 et. seq., to be known as the West Plains/Airport Area Public Development Authority consistent with such documents.

PASSED AND ADOPTED this 11th day of July, 2017.



ATTEST:

GINNA VASQUEZ
GINNA VASQUEZ, Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

AL FRENCH
AL FRENCH, Chair

JOSH KERNS
JOSH KERNS, Vice-Chair

SHELLY O'QUINN
SHELLY O'QUINN, Commissioner

INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANE AND SPOKANE COUNTY REGARDING FORMATION OF A PUBLIC DEVELOPMENT AUTHORITY FOR THE WEST PLAINS/AIRPORT AREA

THIS AGREEMENT is between the **City of Spokane**, a Washington State municipal corporation, having offices for the transaction of business at 808 West Spokane Falls Boulevard, Spokane, Washington 99201, hereinafter referred to as "CITY" and **Spokane County**, a political subdivision of the State of Washington, having offices for the transaction of business at 1116 West Broadway Avenue, Spokane, Washington 99260, hereinafter referred to as "COUNTY," and jointly hereinafter referred to as the "Parties."

WITNESSETH:

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington, has the care of county property and the management of county funds and business; and

WHEREAS, the City of Spokane is a first-class charter city duly incorporated and validly existing under the laws and Constitution of the State of Washington; and

WHEREAS, pursuant to chapter 39.34 RCW (Interlocal Cooperation Act), two or more public entities may jointly cooperate between each other to perform functions which each may individually perform; and

WHEREAS, RCW 39.34.030 (3) authorizes two or more public agencies to create any separate legal or administrative agency with specific powers delegated thereto; and

WHEREAS, the Parties jointly operate Spokane International Airport ("SIA" or "Airport") and Spokane International Airport Business Park, under and pursuant to the Constitution and Laws of the State of Washington, including chapter 14.08 RCW, RCW 14.08.200, and that certain Joint Resolution and Operating Agreement of the County and City dated August 28, 1990, as amended ("Interlocal Agreement"); and

WHEREAS, the Spokane Airport Board approved Resolution No. 07-15, which recommended the City and County form a PDA consistent with 35.21. 730 -755 and RCW 35.21.757 on December 17, 2015; and

WHEREAS, the Parties desire to enter into this interlocal agreement for the purpose of aligning resources and services to facilitate development and operation of the West Plains/Airport Area Public Development Authority consistent with the Airport Layout Plan, Aerospace Supply Chain Study, and other economic development initiatives of all Parties.

NOW, THEREFORE, the Parties hereby agree and covenant as follows:

Section 1: PURPOSE

The purpose of this Agreement is to set forth the Parties' understanding of the terms and conditions under which the Parties shall facilitate economic development of the Spokane International Airport/West Plains property through the creation of the West Plains/Airport Area Public Development Authority (PDA).

The purpose of the PDA is to provide a legal entity organized under 35.21. 730 - 755 and RCW 35.21.757 to undertake, assist with and otherwise facilitate the acquisition, construction, development equipping, leasing, operation and maintenance of public benefit projects consistent with the Airport Layout Plan, Aerospace Supply Chain Study, and other economic development initiatives of the Parties ("the Projects") within the Geographic Boundaries, as defined herein, located in the City of Spokane and Spokane County in order to assist both the City of Spokane and Spokane County in their ability to improve the economic conditions in and around the City and County of Spokane consistent with RCW 36.01.085 and RCW 35.21.703. To the extent appropriate and consistent with the needs and objectives of the City and County, the PDA will acquire and manage real property, secure financing, undertake the construction and development of and otherwise accomplish all purposes required for development and management of the Projects.

Section 2: DEFINITIONS

"Administrative Board" or "Board" means the Board developed pursuant to this Agreement and any subsequent legal entity, such as a PDA.

"Agreement" means this Interlocal Agreement between the City of Spokane and Spokane County.

"Bonds" mean, collectively, bonds, notes, or other evidences of borrowing issued by the PDA to provide interim and permanent financing for the PDA to finance or refinance equipment, completion, expansion and other capital improvements essential to maintain the PDA.

“City” means City of Spokane, a political subdivision of the State of Washington.

“Costs of Maintenance and Operations” means all reasonable expenses incurred by the Administrative Board or Board in developing and maintaining the Spokane International Airport/West Plains Property.

“County” means Spokane County, a political subdivision of the State of Washington.

“Designated Representative” means the Mayor or Chief Executive Officer, of each Party, or his or her designee.

“Geographic Boundaries” or “PDA Boundaries” means the area and those geographic boundaries depicted in the attached Map, Attachment “A”, which may be amended or revised from time to time by the legislative bodies of the City and County.

“PDA” means the West Plains/Airport Area Public Development Authority created to manage the West Plains/Spokane Airport property as defined in Geographic Boundaries.

“Revenue” means any incremental increases in tax revenue from properties or conducting of business originating from the location of the properties within the PDA Boundaries which shall be calculated and shared based on the terms within this Agreement and any subsequent PDA.

“Spokane Airport Board” means the Spokane Airport Board created pursuant to City of Spokane Number OPR 1986-0318 and Spokane County Number RES 1990-0082.

Section 3: BUSINESS TERMS OF THE PARTIES

The Parties have reached agreement on the following business terms in establishing a PDA for the West Plains Area:

- (1) Geographic Boundaries of the PDA: The area and geographic boundaries as defined above and depicted in the map attached as Attachment “A”.
- (2) Revenue Sharing between City and County: Both the City and County shall share and pay to the PDA, 75% of all incremental increases in tax revenues within the Geographic Boundaries of the PDA. The methodology for calculating and distributing the revenue sharing is outlined in Attachment “B”.

City and County will commit and include the following tax revenue sources for their respective entities:

- a. Property (Real and Personal) Tax Revenue:
 - i. City of Spokane Regular Levy within PDA – Incremental increase.
 - ii. Spokane County Regular Levy within PDA – incremental increase.
 - iii. Spokane County Road Levy within PDA – incremental increase.
Provided, however, this revenue can be spent by the PDA only for those purposes as authorized under chapter 36.82 RCW and/or 36.33.220.
 - b. Sales Tax Revenue:
 - i. City of Spokane incremental Sales Tax increase within the PDA.
 - ii. Spokane County incremental Sales Tax increase within PDA.
 - c. Utility Tax Revenue:
 - i. City of Spokane incremental Private Utility Tax within PDA.
 - ii. Spokane County incremental Private Utility Tax increase within PDA (when levied).
 - d. Leasehold Excise Tax:
 - i. City of Spokane share of incremental Leasehold Excise Tax within PDA.
 - ii. Spokane County share of incremental Leasehold Excise Tax within PDA.
- (3) Debt: City and County agree, to the extent allowed by law, to jointly back any outstanding debt when a guarantee is required. Either Party shall have the right to veto any debt proposal where either Party would be responsible for issuance or repayment of any debt. The Parties recognize that City Charter provisions may prohibit it from providing a guarantee without a vote of its constituents. The Parties agree in instances where a guarantee may require a vote of the City's constituents to consider other mechanisms to satisfy the City's obligation to guarantee any outstanding debt.
- (4) Stand Down on Annexation: For the duration of this Agreement, the City agrees to not initiate and pursue further annexation of property located within the Geographic Boundaries of the PDA.
- (5) GFC Waiver: All General Facilities Charges (GFC) shall be waived for development of properties which are located within the Geographic Boundaries of the PDA.
- (6) Business License Fees: All non-regulatory business license fees shall be waived for businesses located within the Geographic Boundaries of the PDA.

- (7) Water/Sewer Service Charges: Consistent with OPR 1986-0318 and for those areas where the City is the water or sewer utility service provider, utility service shall be provided to users located within the Geographic Boundaries of the PDA at in-City rates. All current rules and regulations for in-City customers, or as hereby amended, as determined by the Spokane City Utilities Division shall apply to all services within the Geographic Boundaries and within the City's designated service area.
- (8) Development Incentives: All available development incentives and tools shall be available for the Projects, to include the City's incentive matrix and any applicable County incentives.
- (9) Airport Layout Plan: The Parties shall work with the Airport to formally amend the Airport Layout Plan to define surplus and non-aeronautical property that may be developed by or in conjunction with the PDA.
- (10) Airport Land: The Parties shall work with the Airport to pursue Federal Aviation Administration ("FAA") release of surplus land for purposes of advancing PDA objectives. Specific details regarding the property use will be defined through future development agreements and in accordance with applicable law.
- (11) Governance: Governance of the PDA shall be as described in Section 5 of this Agreement.
- (12) Initial Funding for PDA Operating Expenses: Initial funding for PDA executive director or consultant shall be as described in Section 7 of this Agreement.

Section 4: TERM

Termination of this Agreement may be: (1) by mutual agreement of the Parties; or (2) by formation of a Special Purpose District that assumes all duties and obligations of the PDA; or (3) by formation of a Port District as provided by Title 53 RCW that assumes all duties and obligations of the PDA; or (4) after a period of twenty (20) years, by either party, effective at the end of any calendar year, serving written notice on the other party at least eighteen (18) months prior to the end of any calendar year.

Notwithstanding any of the other rights, duties or obligations of any Party under this Agreement, withdrawal or termination of any Party from this Agreement shall not occur until

all Bonds issued by the PDA or obligations to pay debt service, as provided herein, are paid in full.

Section 5: GOVERNANCE/ADMINISTRATIVE BOARD

- (1) Formation. An Administrative Board composed of the following positions shall govern the PDA:
 - a. Permanent Board Members:
 - i. One City Airport Board designated representative selected by the City,
 - ii. One County Airport Board designated representative selected by the County,
 - iii. One County Executive,
 - iv. One Airport CEO,
 - v. The City of Spokane City Administrator, and
 - b. At-large Business Representative:
 - i. Two at-large business representatives who will be selected by the 5 permanent Board Members as described in the above subparagraphs i-v).
 - ii. The at-large business representatives will serve 3 year terms, or as otherwise designated by a majority of the Permanent Board Members.
- (2) Allocation of Votes. Each Board Member shall have an equal vote and vote in all Board decisions.
- (3) Voting Requirements. Votes regarding (a) debt; (b) approval of the Budget; (c) employment of the PDA executive director or consultant; (d) cost allocations made prior to issuance of Bonds; and (e) acquisition, sale, transfer, disposal, lease or conveyance of any interest in real property owned by the PDA and not otherwise subject to the Interlocal Agreement shall require an affirmative vote of a majority of the Permanent Members.
- (4) Executive Director/Consultant. The Administrative Board may hire an Executive Director or Consultant to carry out the business affairs of the PDA.
- (5) Officers of the Administrative Board. Members of the Administrative Board shall select a Chair from its members, together with such other officers as a majority of the Administrative Board may determine.

- (6) Meetings of the Administrative Board. There shall be a minimum of two meetings each year and not less than fifteen (15) days' notice shall be given to all members prior to any such meeting. A majority of the Administrative Board members must be present to comprise a quorum and for the Administrative Board to transact any business.
- (7) Bylaws. The Administrative Board shall authorize to establish bylaws that govern procedures of the Board and the PDA's general operations.
- (8) Budget, Policies and Operations. The Executive Director or Consultant shall distribute a proposed Budget to the Administrative Board on or before August 1st of each year.

Section 6: COMPENSATION

There shall be no direct compensation to or from either party, except as provided for herein or as otherwise agreed in writing.

Section 7: INITIAL FUNDING FOR PDA OPERATING EXPENSES/BUDGET

For the first three (3) years, the County, City and Airport shall each provide \$60,000 per year as preliminary funding for operation of the PDA. This amount will be used to fund the staff and other operating expenses of the PDA. The Parties acknowledge the Airport is legally obligated to use Airport revenue exclusively for Airport-related purposes. Accordingly, the Parties intend for, and it is the Airports understanding, that funds paid by the Airport under this Section 7 shall be used for expenses that are related to the Airport or Airport properties.

Section 8: RELATIONSHIP OF THE PARTIES

No agent, employee, servant or representative of the County shall be deemed to be an employee, agent, servant or representative of the City. Likewise, no agent, employee, servant or representative of the City shall be deemed to be an employee, agent, servant or representative of the County

Section 9: LIABILITY

The COUNTY shall indemnify, defend and hold harmless the CITY, its officers and employees from all claims, demands, or suits in law or equity arising from the COUNTY's intentional or negligent acts or breach of its obligations under the Agreement. The COUNTY's duty to indemnify shall not apply to loss or liability caused by the intentional or negligent acts of the CITY, its officers and employees.

The CITY shall indemnify, defend and hold harmless the COUNTY, its officers and employees from all claims, demands, or suits in law or equity arising from the CITY's intentional or negligent acts or breach of its obligations under the Agreement. The CITY's duty to indemnify shall not apply to loss or liability caused by the intentional or negligent acts of the COUNTY, its officers and employees.

If the comparative negligence of the Parties and their officers and employees is a cause of such damage or injury, the liability, loss, cost, or expense shall be shared between the Parties in proportion to their relative degree of negligence and the right of indemnity shall apply to such proportion.

Where an officer or employee of a Party is acting under the direction and control of the other Party, the Party directing and controlling the officer or employee in the activity and/or omission giving rise to liability shall accept all liability for the other Party's officer or employee's negligence.

Each Party's duty to indemnify shall survive the termination or expiration of the Agreement.

Each Party waives, with respect to the other Party only, its immunity under RCW Title 51, Industrial Insurance. The Parties have specifically negotiated this provision.

Section 10: NOTICES

All notices shall be in writing and served on the other party either personally or by certified mail, return receipt requested. Notices sent by certified mail shall be deemed served when deposited in the United States mail, postage prepaid.

CITY: Mayor or designee
City of Spokane
Seventh Floor, City Hall
808 West Spokane Falls Boulevard
Spokane, Washington 99201

With a Copy to: City Attorney's Office
City of Spokane
Fifth Floor, City Hall
808 W. Spokane Falls Boulevard
Spokane, Washington 99201

COUNTY: Chief Executive Officer or designee

Spokane County Courthouse
1116 West Broadway Avenue
Spokane, Washington 99260

With a Copy to

Chairman,
Board of County Commissioners
Spokane County Courthouse
1116 West Broadway Avenue
Spokane, Washington 99260

Section 11: INSURANCE

During the term of the Agreement, the COUNTY and the CITY shall maintain in force at its own expense, each insurance noted below:

- a. Worker's Compensation Insurance in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability or Stop Gap Insurance in the amount of \$5,000,000;
- b. General Liability Insurance on an occurrence basis, with a combined single limit of not less than \$10,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Agreement. It shall provide that the CITY, its officers and employees are additional insureds but only with respect to the COUNTY's services to be provided under this Agreement; and
- c. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than \$5,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.
- d. Professional Liability Insurance with a combined single limit of not less than \$5,000,000 each claim, incident or occurrence. This is to cover damages caused by the error, omission, or negligent acts related to the professional services to be provided under this Agreement. The coverage must remain in effect for two years after the Agreement is completed.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the COUNTY or its insurer(s) to the CITY.

As evidence of the insurance coverages required by this Agreement, the COUNTY shall furnish acceptable insurance certificates to the CITY at the time it returns the signed Agreement. The certificate shall specify all of the parties who are additional insured; and include applicable policy endorsements, the thirty (30)-day cancellation clause, and the deduction or retention level. Insuring companies or entities are subject to CITY acceptance. If requested, complete copies of insurance policies shall be provided to the CITY. The COUNTY shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

Section 12: ANTI-KICKBACK

No officer or employee of the Parties, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in the Agreement.

Section 13: MISCELLANEOUS

- A. **NON-WAIVER:** No waiver by either party of any of the terms of this Agreement shall be construed as a waiver of the same or other rights of that party in the future.
- B. **HEADINGS:** Headings are inserted for convenience of reference only and are not to be deemed part of or to be used in construing this Agreement.
- C. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding of the Parties. No representation, promises, or agreements not expressed herein have been made to induce either party to sign this Agreement.
- D. **MODIFICATION:** No modification or amendment to this Agreement shall be valid until put in writing and signed with the same formalities as this Agreement.
- E. **ASSIGNMENT:** This Agreement shall be binding upon the Parties, their successors and assigns. Neither party may assign, transfer, or subcontract its interest in this Agreement without the written approval of the other party.
- F. **SEVERABILITY:** In the event any portion of this Agreement should become invalid or unenforceable, the rest of the Agreement shall remain in full force and effect.
- G. **COMPLIANCE WITH LAWS:** The Parties shall observe all federal, state and local laws, ordinances and regulations, to the extent that they may be applicable to the terms of this Agreement.

- H. **NON-DISCRIMINATION:** No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, the presence of any sensory, mental or physical disability, or use of a service animal by a disabled person.
- I. **VENUE:** This Agreement shall be under the laws Washington State. Any action at law, suit in equity or judicial proceeding regarding this Agreement, or any provision hereto, shall be instituted only in courts of competent jurisdiction within Spokane County, Washington.
- J. **COUNTERPARTS:** This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

Section 14: RCW 39.34 REQUIRED CLAUSES

- A. **PURPOSE:** See Section No. 1 above.
- B. **DURATION:** See Section No. 4 above.
- C. **ORGANIZATION OF SEPARATE ENTITY AND ITS POWERS:** Each Party shall adopt by its legislative body legislation to create the PDA.
- D. **RESPONSIBILITIES OF THE PARTIES:** See provisions above.
- E. **AGREEMENT TO BE FILED:** The CITY shall file this Agreement with its City Clerk or place it on its web site or other electronically retrievable public source. The COUNTY shall file this Agreement with its County Auditor or place it on its web site or other electronically retrievable public source.
- F. **FINANCING:** Each party shall be responsible for the financing of its contractual obligations under its normal budgetary process.
- G. **TERMINATION:** See Section No. 4 above.
- H. **PROPERTY UPON TERMINATION:** Title to all property acquired pursuant to this Agreement shall remain with the Spokane International Airport unless otherwise agreed to by the Parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on date and year opposite their respective signatures.

DATED: 8-1-17



Attest:

Leri A. Hest
City Clerk

CITY OF SPOKANE

By: *David A. Condon*
Its: DAVID CONDON - MAYOR

Approved as to form:

[Signature]
Assistant City Attorney

DATED: 7-11-17



Attest:

Ginna Vasquez
Ginna Vasquez
Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

Al French
AL FRENCH, Chair

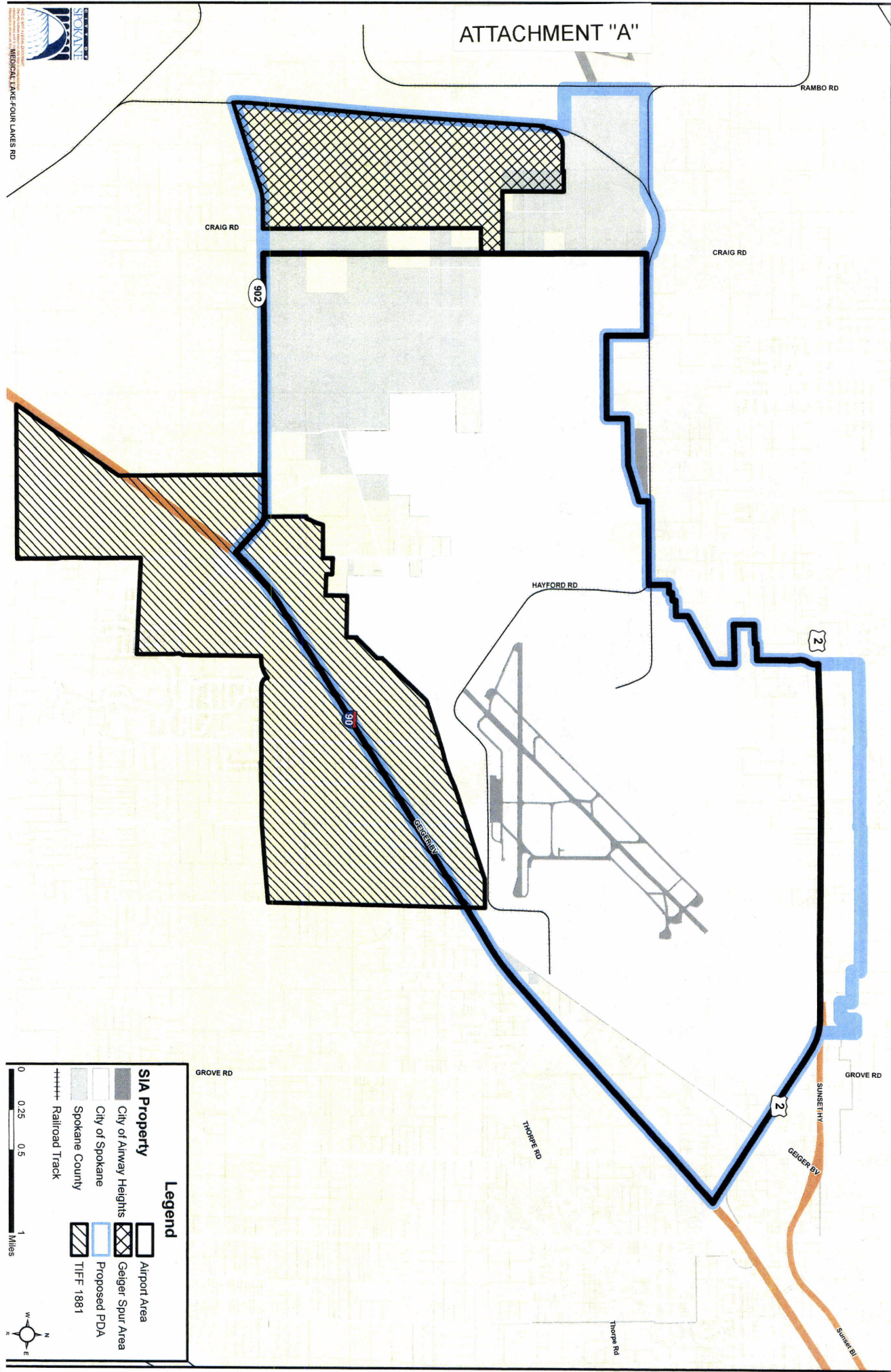
Josh Kerns
JOSH KERNS, Vice Chair

Shelly O'Quinn
SHELLY O'QUINN, Commissioner

Approved as to form:

[Signature]
Deputy Civil Prosecuting Attorney

ATTACHMENT "A"



Legend

	SIA Property		Airport Area
	City of Airway Heights		Geiger Spur Area
	City of Spokane		Proposed PDA
	Spokane County		TIFF 1881
	Railroad Track		

0 0.25 0.5 1 Miles

ATTACHMENT "B"

METHODOLOGY FOR CALCULATING TAX REVENUES AND DISTRIBUTING REVENUE

The following describes the taxes and allocation methods to be used for each tax as it relates to taxes collected within the geographic boundaries of the PDA:

Property (Real and Personal) Tax

The current expense (general fund) property tax levies of the City of Spokane and Spokane County and the road tax levy of the County, within the geographic boundaries of the PDA, will be allocated in the following manner. "Excess" levies and regular levies defined for specific purposes (i.e. conservation futures, EMS, etc.) of either entity will not be included in the allocation to the PDA since these revenues are voted on by the public for a specific purpose.

The methodology to be used is the same as used by entities within the Spokane County area for allocating revenues under Tax Increment Financing. In calendar year 2018, a new tax code area (TCA) will be created for the geographic area of the PDA by the Spokane County Assessor. This will establish the base year for the measurement of property value increases. Beginning in calendar year 2019, the increase in overall taxable assessed value within the PDA's TCA will be calculated. The "regular" levy rates of the City of Spokane and/or Spokane County will be calculated on the increase. The Spokane County Treasurer will allocate 75% of the increase to the PDA, and the remaining 25% will be distributed to the originating tax authority.

Subsequent year's allocations will be calculated using the same methodology.

Sales and Use Tax

The Administrative Board or its designee of the PDA will be responsible for reporting in writing all new businesses within the boundaries of the PDA to both the City of Spokane and Spokane County monthly. Based on this information, the following allocation will be used for the regular sales and use taxes of the City and County as defined in RCW 82.14.030. Beginning in calendar year 2018, 75% of any Spokane City or Spokane County regular sales or use tax generated within the geographic boundaries of the PDA from a new business (defined as a business that did not previously report sales or use tax within the geographic boundaries of the PDA per information reported to the County monthly by the Washington State Department of Revenue) will be allocated to the PDA. The remaining 25% will stay with the originating taxing authority.

Subsequent year's allocations will be calculated using the same methodology.

Leasehold Tax

The TCA established by the Spokane County Assessor in calendar year 2018 will also be used for the calculation as it applies to the Leasehold Tax. The first distributions would occur in 2019. 75% of any increase in the Leasehold Tax within the PDA TCA between 2018 and 2019 will be distributed to the PDA. The remaining 25% will remain with the originating jurisdiction. The calculation will be made as the information is reported by the State Treasurer to the City of Spokane and Spokane County.

Subsequent year's allocations will be calculated using the same methodology.

Utility Tax

The Administrative Board or its designee of the PDA will be responsible for reporting in writing all new businesses within the boundaries of the PDA to the City of Spokane monthly. Based on this information, the following allocation will be applied to the incremental increase in Utility Taxes collected by the City and County as allowed by RCW 35.21.870. It is understood that at the time of adoption of this Agreement, that Counties are not authorized to assess Utility Tax per State Statute. At such time as the County is authorized and elects to assess utility taxes per State Statute, the County will participate in the sharing of their Utility Tax under this section, in the same manner as the City.

Effective with the execution of this Agreement, 75% of any increase in the Utility Taxes collected within the geographic boundaries of the PDA from a new business (defined as a business that did not previously report sales or use tax within the geographic boundaries of the PDA per information reported to the County monthly by the Washington State Department of Revenue) will be allocated to the PDA. The remaining 25% will remain with the originating jurisdiction. Subsequent year's allocations will be calculated using the same methodology.

The County and City will coordinate the development of a database to track new businesses within the geographic boundaries of the PDA for the purposes of tracking and calculating Sales Tax and Utility Tax under this Attachment.

**CHARTER OF THE
WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY**

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CHARTER OF THE WEST PLAINS/ AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY

ARTICLE I

Name and Seal

Section 1.1 Name. The name of this Authority shall be the WEST PLAINS/ AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY (the "Authority").

Section 1.2 Seal. The Authority's seal shall be a circle with the name "West Plains/ Airport Area Public Development Authority" inscribed therein.

ARTICLE II

Authority and Limit on Liability

Section 2.1 Authority. The Authority is a public authority organized pursuant to RCW 35.21. 730 -755 and RCW 35.21.757, as amended (the "Act") and the interlocal cooperation agreement entered into between the City of Spokane ("City") and Spokane County ("County") entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOAKNE AND SPOKANE COUNTY REGARDING FORMATION OF A PUBLIC DEVELOPMENT AUTHORITY FOR THE WEST PLAINS/AIRPORT AREA ("the Interlocal Agreement") a copy of which is attached hereto as Attachment "1" and incorporated herein by reference. All provisions of the Interlocal Agreement are made a part of this Charter and adopted herein by reference. In the event on an inconsistency between the provisions of the Charter and the Interlocal Agreement, the Charter shall control.

Section 2.2 Limit on Liability. The Authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, and no creditor or other person shall have any right of action against or recourse to the City or the County, their respective assets, credit or services, on account of any debts, obligations, liabilities or acts or omissions of the Authority.

Section 2.3 Mandatory Disclaimers. The following disclaimer shall be printed or stamped on all contracts, bonds and other documents that may entail any debt or liability by the Authority.

The West Plains/ Airport Area Public Development Authority is a public authority organized pursuant to the laws of the State of Washington, RCW 35.21.730 through RCW 35.21.757. RCW 35.21.750 provides as follows:

[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall

have any right of action against the city, town, or county creating such corporation, commission or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.

ARTICLE III

Duration

The duration of the Authority shall be perpetual except as provided in the Interlocal Cooperation Agreement between the City and County

ARTICLE IV

Purpose

The purpose of the Authority is to provide a legal entity organized under RCW 35.21.730 - .757 to undertake, assist with and otherwise facilitate the acquisition, construction, development equipping, leasing, operation and maintenance of public benefit projects ("the Projects") within the PDA boundaries as defined in the Interlocal Agreement in order to assist both the City, County and the Spokane International Airport in their ability to improve the economic conditions in and around the City and County of Spokane. To the extent appropriate and consistent with the needs and objectives of the City and County, the Authority will acquire and manage real property, secure financing, undertake the construction and development of and otherwise accomplish all purposes required for development and operation of the Projects.

To the extent appropriate and consistent with the needs and objectives of the City and County and to facilitate or provide for the Projects, the Authority will undertake and accomplish all activities necessary or convenient for the development, operation and implementation of the Projects.

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority an instrument of the City and County pursuant to the Interlocal Agreement (within the meaning of those terms in regulations of the United States Treasury and ruling of the Internal Revenue Service prescribed pursuant to Section 103 of the Internal Revenue Code of 1998, as amended).

ARTICLE V

Powers

Section 5.1 Powers. The Authority shall have and may exercise all lawful powers conferred by state laws, the Interlocal Agreement and Charter. The Authority in all of its activities and transactions shall be subject to the powers, procedures and limitations contained in State law and the Interlocal Agreement. Nothing in the Authority's Charter and Bylaws may contradict state law or the Spokane Municipal Code.

Section 5.2. Powers Generally

Except as limited by the Constitution and laws of the State of Washington, the interlocal agreement, and this Charter, the Authority has and may exercise all lawful powers necessary or convenient to affect the purposes for which it is created and to perform authorized corporate functions, including, without limitation, the power to:

- A. own and sell real and personal property;
- B. contract for any corporate purpose with a government, individual, association or corporation;
- C. sue and be sued in its name;
- D. lend and borrow funds;
- E. do anything a natural person may do;
- F. perform all manner and type of community services and activities;
- G. provide and implement such municipal and community services and functions as the City and County may, by legislative or contractual action direct;
- H. transfer any funds, real or personal property interests or services;
- I. receive and administer federal and private funds, goods or services for any lawful public purpose;
- J. purchase, lease, exchange, mortgage, encumber, improve, use, transfer and grant security interest in real or personal property;
- K. grant or acquire options on real and personal property;
- L. contract regarding income or receipts from real and personal property;
- M. issue negotiable bonds and notes in conformity with applicable provisions of state law in such principal amounts as in the discretion of the board are necessary or appropriate to provide sufficient funds for achieving any purpose of the Authority, upon the condition that:
 - 1. all bonds and notes, and liabilities occurring thereunder, shall be satisfied exclusively from the assets, properties and credits of the Authority; and
 - 2. no creditor or other person may have any recourse to the assets, credit or services of the City or County, unless the city council or the county commissioners by legislative action expressly guarantee such bonds or notes;
- N. contract for, lease and accept transfers, gifts and loans or funds and property from a:
 - 1. government, including property acquired by any such governmental unit through the exercise of the power of eminent domain; and

2. corporation, association, individual and any other source, and to comply with the terms and conditions therefor;
- O. manage, on behalf of a government, any property acquired by such entity through gift, purchase, construction, lease, assignment, default or exercise of the power of eminent domain;
- P. recommend to appropriate governmental authorities public improvements and expenditures in areas of the City or County in which the Authority by its Charter has a particular responsibility;
- Q. recommend to a government any property which, if committed or transferred to the Authority, would materially advance the public purpose for which the Authority is chartered;
- R. initiate, carry out and complete such improvements of benefit to the public, consistent with its charter, as a government may request;
- S. recommend to a government such tax, financing and security measures as the Authority may deem appropriate to maximize the public interest in activities in which the Authority by its Charter has a particular responsibility;
- T. lend its funds, property, credit and services for purposes of the Authority, or act as surety or guarantor for such purposes;
- U. provide advisory, consultative, training, educational and community services and advice to individuals, corporations, associations and governmental agencies, with or without charge;
- V. control the use and disposition of property, assets, and credit of the Authority;
- W. invest and re-invest its funds;
- X. fix and collect charges for services rendered or to be rendered and establish the consideration, if any, for property transferred;
- Y. maintain books and records as appropriate for the conduct of its affairs;
- Z. conduct its affairs, carry on its operations and use its property as allowed by law and consistent with this chapter, its charter and its bylaws;
- AA. name corporate officials, designate agents and engage employees, prescribing their duties, qualifications and compensation;

- BB. secure the services of consultants for professional services, technical assistance and advice;
- CC. identify and recommend to a government the acquisition by the appropriate governmental entity (for transfer to or use by the Authority) property and property rights which, if so acquired, whether through purchase or the exercise of eminent domain, and so transferred or used, would materially advance the purpose for which the Authority is chartered;
- DD. own and acquire property and property rights by purchase, gift, devise, or lease for the construction, maintenance or operation of off-street parking facilities, including the establishment and collection of parking fees and all other matter provided for in chapter 35.86 RCW and chapter 35.86A RCW;
- EE. exercise and enjoy such other powers as may be authorized by law.

Section 5.3 Limitation on Power. The Authority in all activities and transactions shall be limited in the following respects:

- A. The Authority has no power of eminent domain nor power to levy taxes or special assessments.
- B. The Authority may not incur or create any liability that permits recourse by any party or member of the public to any assets, services, resources or credit of the City or County.
 - 1. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the Authority.
 - 2. No creditor or other person may have any recourse to the assets, credit or services of the City or County on account of any debt, obligation, liability, act or omission of the Authority.
- C. Use of Funds.
 - 1. No funds, assets or property of the Authority may be used for any partisan political activity or to further the election or defeat of any candidate for public office.
 - 2. No funds nor a substantial part of the activities of the Authority may be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, the Legislature of the State of Washington, the Spokane City Council or the Spokane County Board of Commissioners.
 - 3. Notwithstanding subsections (1) and (2) of this section, funds may be used for representatives of the Authority to communicate with members

of Congress, state legislators, city council members and county commissioners concerning funding and other matters directly affecting the Authority, so long as such activities:

- a. do not constitute a substantial part of the Authority's activities;
and
- b. are not specifically limited in its charter.

D. All funds, assets and credit of the Authority must be applied toward or expended upon services, projects and activities authorized by its Charter. No part of the net earnings of the Authority may inure to the benefit of, or be distributable as such to, its directors or officers or other private persons, except the Authority is authorized and empowered to:

1. compensate its officials and others performing services for the Authority, including legal counsel, a reasonable amount for services rendered and reimburse reasonable expenses actually incurred in performing their duties;
2. assist its officials, as members of a general class of persons to be assisted by an Authority-approved project or activity, to the same extent as other members of the class as long as no special privilege or treatment accrues to such official by reason of status or position in the Authority;
3. defend and indemnify any current or former director or employee, and spouse and marital community thereof, against all costs, expenses, judgments and liabilities, including attorney's fees, reasonably incurred by or imposed upon such director or employee in connection with or resulting from any claim, action or proceeding, civil or criminal, by reason of being or having been an official of the Authority, or by reason of any action alleged to have been taken or omitted by him as such official, so long as the official was acting:
 - a. in good faith on behalf of the Authority, and
 - b. within the scope of duties imposed or authorized by law;
4. purchase insurance to protect and hold personally harmless any of its officials (including employees and agents) from any action, claim or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from any expense connected with the defense, settlement or monetary judgment from such action, claim or proceeding;
5. sell assets for a consideration greater than their reasonable market value or acquisition cost, charge more for services that the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, as long as gain is not the principal object or purpose of the Authority's transaction or activity and the gain is applied to or expended upon services, projects and activities

as aforesaid.

- E. The Authority may not issue shares of stock, pay dividends, make private distributions of assets, make loans to its directors or employees, or otherwise engage in business for private gain.

Section 5.4 Indemnification. To the extent permitted by law, the Authority shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, fines, penalties, settlements and reasonable expenses (including attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the Authority's best interests and if, in the case of any criminal proceedings, he or she has no reasonable cause to believe his conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as matter of law or by contract or by vote of the Board of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by applicable law.

ARTICLE VI

Board of Directors

Section 6.1 Board Composition. An Administrative Board composed of the following positions shall govern the Authority:

- a. Permanent Board Members:
 - i. One City Airport Board designated representative selected by the City,
 - ii. One County Airport Board designated representative selected by the County,
 - iii. One County Executive,
 - iv. One Airport CEO,
 - v. The City of Spokane City Administrator, and
- b. At-large Business Representative:
 - i. Two at-large business representatives who will be selected by the 5 permanent Board Members as described in the above subparagraphs i-v).

For the purpose of this section, Airport Board shall means the Spokane Airport Board created pursuant to City of Spokane Number OPR 1986-0318 and Spokane County Resolution Number 1990-0082 (the "Airport Interlocal").

Section 6.2 Terms of Office. The Term of Office for Authority Board members shall be as follows: individual Permanent Board members shall be for the term as employed or

elected representative of the designated position and their term shall expire upon their departure from the City, County or Airport. At-large Business Representative shall be for a period of three (3) years, or as otherwise designated by a majority of the Permanent Board Members.

Section 6.3 Officers and Division of Duties. The Authority shall have four (4) officers. The same person shall not serve as both the Chair and any office responsible for the custody of funds and maintenance of accounts and finances. The initial officers of the Authority shall be the Chair, Vice-Chair, Treasurer and Secretary. These officers shall be members of the Board. The Chair shall be the agent of the Authority for service of process; the Bylaws may designate additional corporate officials as agents to receive or initiate process. Further duties of all officers may be provided for in the Bylaws. The Board shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity, and shall have stewardship for management and determination of all corporate affairs.

Section 6.4 Committees. The Board shall have the authority to appoint such advisory committees to the Authority as the Board may from time to time determine appropriate. The appointment of other committees shall be provided for in the Bylaws.

Section 6.5 Removal of Board Member. Board members may only be removed from the Authority Board upon their departure from the City, County, or Airport Board; or as otherwise designated by the City or County in regards to the selection of Airport Board designated representatives in the Airport Interlocal.

ARTICLE VII

Meetings

Section 7.1 Board Meetings.

The Board shall meet as necessary but not less two meetings each year. Special meetings of the Board may be called as provided in the Bylaws,. The Bylaws may provide that meetings shall be recorded and maintained by the Authority.

Section 7.2 Open Public Meetings. All meetings of the Board shall be conducted consistent with the Open Public Meetings Act (OPMA), chapter 42.30 RCW. Notice of meetings shall be given in a manner consistent with the OPMA. . At such meeting, any citizen shall have a reasonable opportunity to address the Board either orally or by written petition. Voting by proxy is not permitted. Participation by a Board member by telephone or other electronic communication shall be permitted.. Conduct of the meetings, including voting, shall be consistent with the OPMA.

Section 7.3 Parliamentary Authority. The rules of Robert's Rules of Order (revised) shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with the Charter or with the special rules of order of the Authority set forth in the Bylaws.

Section 7.4 Minutes. Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them as required by

state law. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence. The Authority is required to maintain and provide in its office a compilation of all minutes and proceedings of the Board and resolutions of the Board.

ARTICLE VIII

Bylaws

The initial Bylaws may be amended to provide additional or different rules governing the Authority and its activities as are not inconsistent with this Charter, state law or the Interlocal Agreement. The Board may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in the Charter for inclusion therein.

ARTICLE IX

Amendments to Charter and Bylaws

Section 9.1 Proposals to Amend Charter and Bylaws. Any Board member may introduce a proposed amendment to the Charter or to the Bylaws at any regular meeting or at any special meeting for which five (5) days advance written notice has been given to members of the Board. Proposals to amend the Charter or Bylaws shall be presented in a format that strikes over material to be deleted and underlines new material.

Section 9.2 Vote Required for Amendments to Charter or Bylaws. Resolutions of the Board approving proposed amendments to the Charter or Bylaws require an affirmative vote of a majority of the Board members voting on the issue, provided that such majority equals not less than four (4) votes.

Section 9.3 City Council and Spokane County Board of Commissioners' Approval of Proposed Charter. Future proposed Charter amendments adopted by the Board shall be submitted to the Spokane City Council and the Spokane County Board of Commissioners for adoption and approval.

Section 9.4 Amendment of Bylaws. The initial bylaws shall be approved by the City and County. Future bylaw amendments shall be approved by the Authority and shall take effect ten days after the amendments have been filed with the City Clerk and the Clerk of the Board of County Commissioners.

ARTICLE X

Commencement

The Authority shall commence its existence effective upon approval of its Charter by the Spokane City Council and Spokane County Board of Commissioners. The Charter shall be issued in quadruple originals, each bearing the City's official seal attested by the City Clerk and the County's official seal attested by the County Clerk. One original each shall be retained by the City Clerk and County Clerk and filed as a public record; one duplicate original shall be provided to the Authority. The Clerk shall give notice of the

issuance of the Charter to the Secretary of State and furnish a copy thereof and of this ordinance upon request.

ARTICLE XI

Dissolution

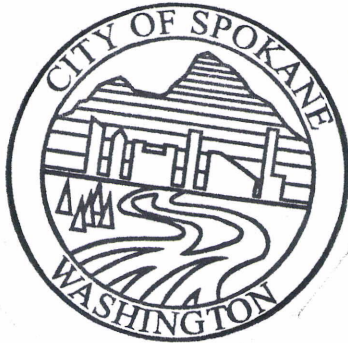
Dissolution of the Authority shall be in the form and manner required by state law and the Interlocal Agreement. Upon dissolution, all assets of the Authority shall revert to the Spokane International Airport.

ARTICLE XII

Approval of Charter

APPROVED by Ordinance No. C35522 adopted by the City Council of the City of Spokane, Washington on July, 17, 2017.

CITY OF SPOKANE



By: David A. Condon 8-1-17

Its: DAVID CONDON - mayor

Attest:

Approved as to form:

Lerin Hoffstedt
City Clerk

[Signature]
Assistant City Attorney

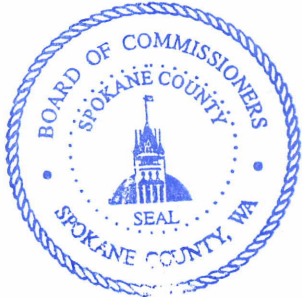
APPROVED by Resolution No. 17-0625 adopted by the Board of County Commissioners of Spokane County, Washington on 11th, July, 2017.

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON


AL FRENCH, Chair


JOSH KERNS, Vice Chair


SHELLY O'QUINN, Commissioner



Attest:


Ginna Vasquez
Clerk of the Board

Approved as to form:


Deputy Civil Prosecuting Attorney

17 - 0 6 2 5

BYLAWS OF THE WEST PLAINS/AIRPORT AREA PUBLIC DEVELOPMENT AUTHORITY

ARTICLE 1. DEFINITIONS

1.1 Authority

"Authority" means the West Plains/Airport Area Public Development Authority organized pursuant to RCW 35.21.730 - .755 and RCW 35.21.757 - .759 as they currently exist and may be amended.

1.2 Electronic Transmission

"Electronic transmission" means an electronic communication that indirectly transfers a record in a tangible medium so that the record may be directly reproduced in a tangible medium and may be retained, retrieved, and reviewed by the sender and the recipient.

1.3 Written Notice

Any "written notice" may be given by electronic transmission.

ARTICLE 2. OFFICES

The registered office of the Authority in the state of Washington is 9000 W. Airport Dr Spokane, WA 99224. The Authority may have such other offices within Spokane County as the Board of Directors may designate.

ARTICLE 3. BOARD OF DIRECTORS

3.1 Power

Management and control of all Authority affairs shall reside in the Board of Directors (Board).

3.2 Number and Qualification

There shall be seven voting directors of the Authority's Board.

The Board shall be composed of five permanent Board members and two at-large Board members as follows:

- a. Permanent Board Members:

- i. One City Airport Board designated representative selected by the City,
- ii. One County Airport Board designated representative selected by the County,
- iii. One County Executive,
- iv. One Airport CEO,
- v. The City of Spokane City Administrator, and

b. At-large Business Representative:

- i. Two at-large business representatives who will be selected by the 5 permanent Board Members as described in the above subparagraphs 3.1).

The Permanent Authority Board members shall remain members of the Board during their term as designated by their capacity with either of the City, County or Airport. The at-large business representatives will serve 3 year terms, or as otherwise designated by a majority of the Permanent Board Members.

3.4 Duties of a Director

Directors owe the Authority a number of duties. First, directors must act in good faith, meaning act with good intentions. Second, directors must act in the best interest of the Authority. Directors have a special fiduciary relationship with the Authority and have the duty to act for the benefit of the Authority, not for their own personal benefit. Third, directors must act with due care. As a fiduciary, the Board is entrusted with the Authority's money and must be careful with the use of those funds. Among other things, each director must evaluate existing programs to determine if they are run efficiently and examine financial statements to ensure the Authority has adequate funds to pay its debts and that those funds are being used to further the organization's goals and mission. Fourth, each director must act as an ordinarily prudent person would act. Directors are expected to use common sense and practical judgment, not necessarily be experts in every matter the Board considers. However, if a Board member has a particular expertise, then this person will be expected to utilize this greater knowledge and be held to this standard in her/his conduct.

3.5 Regular & Special Meetings

The Board shall meet as necessary, but not less than two meetings each year. Special meetings of the Board may be called as provided in the Bylaws and pursuant to state law. The Bylaws may provide that meetings shall be recorded and maintained by the Authority.

3.5.1 Open Public Meetings

All meetings of the Board shall be conducted consistent with the Open Public Meetings Act (OPMA), Chapter 42.30 RCW. notice of meetings shall be given in a manner consistent with the OPMA. Voting by proxy is not permitted. Participation by a board member by telephone or other electronic communication approved by the Chair shall be permitted with prior notice given to the Chair.

3.5.2 Parliamentary Authority

The rules of Robert's Rules of Order (revised) shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with the Charter or with the special rules of order of the Authority set forth in the Bylaws.

3.5.3 Minutes

Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them as required by state law. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence. The Authority is required to maintain and provide in its office a compilation of all minutes and proceedings of the Board and resolutions of the Board.

3.5.4 Applicability of General Laws

A public corporation, commission, or authority created under the authority set forth in 1.1 above, and officers and multimember governing body thereof, are subject to general laws regulating local governments, multimember governing bodies, and local governmental officials, including, but not limited to, the requirement to be audited by the state auditor and various accounting requirements provided under chapter 43.09 RCW, the open public record requirements of chapter 42.56 RCW, the prohibition on using its facilities for campaign purposes under RCW 42.17A.555, the open public meetings law of chapter 42.30 RCW, the code of ethics for municipal officers under chapter 42.23 RCW, and the local government whistleblower law under chapter 42.41 RCW.

3.6 Quorum

At least four (4) members of the Board must be present at any regular or special meeting to comprise a quorum. At all meetings, except as otherwise provided by law or these by-laws, a quorum shall be required for the transaction of any business.

3.7 Manner of Acting

If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the question is one upon which a different vote is required by express provision of law, the Charter or these Bylaws. Provided, votes regarding (a) debt; (b) approval of the Budget; (c) employment of the Authority executive director; (d) cost allocations made prior to issuance of Bonds; and

(e) acquisition, sale, transfer, disposal, lease or conveyance of any interest in real property owned by the Authority shall require an affirmative vote of a majority of the Permanent Authority Board. Each Board Member shall have an equal vote and have the right to vote in all Board decisions.

3.8 Participation by Telecommunication

Directors may participate in a regular or special meeting of the Board by, or conduct the meeting through the use of, any means of communication by which all directors participating can hear each other during the meeting and participation by such means shall constitute presence in person at the meeting.

3.10 Board Committees

The Board of Directors may, by resolution adopted by a majority of directors, designate from among its directors one or more committees, each of which must have two (2) or more directors and shall be governed by the same rules regarding meetings, notice, waiver of notice, quorum, and voting as applicable to the Board of Directors. Each such committee shall have and may exercise only the authority specifically granted to it by the Board of Directors and these bylaws. The designation of any such committee and the delegation thereto of authority shall not relieve the Board of Directors, or any directors thereof, of any responsibility imposed by law on the Board of Directors.

3.10.1 Advisory Committees

In addition to Committees discussed in Section 3.10 above, the officers shall have the ability to appoint advisory committees to the Authority as from time to time determine appropriate.

3.13 Dissolution

Dissolution of the Authority shall be in the form and manner required by state law, the Interlocal Agreement entered into between the City of Spokane and Spokane County entitled "INTERLOCAL AGREEMENT BETWEEN THE CITY OF SPOKANECOUNTY REGARDING FORMATION OF A PBULC DEVELOPMENT AUTHOIRTY FOR THE WEST PLAINS/AIRPORT AREA, the Charter OF THE West Plains/Airport Area Public Development Authority and these Bylaws.

3.14 Compensation

No director shall receive any compensation, either by way of salary or fees for attendance at meetings or otherwise, nor shall any director be reimbursed for expenses, except pursuant to the authorization of the Board of Directors.

ARTICLE 4. OFFICERS

4.1 Number and Qualifications

The officers of the Authority shall be elected by the directors and shall include a Chair, a Vice-Chair, a Secretary, and a Treasurer. Additional Officers, as deemed necessary by the Authority shall exercise only such powers and perform such duties as specifically delegated to them by the Board of Directors. Furthermore, unless specifically authorized by the Board of Directors, no "Additional Officers" shall have authority to sign documents on behalf of the Corporation.

4.2 Appointment and Term of Office

The officers of the Authority shall be elected at the annual meeting of the directors and shall hold office for one (1) year or until their successors are elected and have qualified. Any officer may be removed at any time, with or without cause, by majority vote of the directors. The removal of a Board member from an office does not remove the member from the Board. No officer shall hold the same office position for more than two (2) terms in the same capacity. Vacancies in any office shall be filled by majority vote of the directors for the unexpired term of the vacant office.

4.5 Chair

The Chair shall preside at all meetings of the Authority, shall have general supervision of the affairs of the Authority, and shall perform such other duties as are incident to the office or are properly required of the Chair by the Authority.

4.5 Vice-Chair

During the absence or disability of the Chair, the Vice-Chair shall exercise all the functions of the Chair. The Vice-Chair shall have such powers and discharge such duties as may be assigned to the Vice-Chair from time to time by the Authority.

4.6 Treasurer

The Treasurer shall have the custody of all monies and securities of the Authority and shall keep regular books of account. The treasurer shall oversee the disbursement of funds of the Authority in payment of the just demands against the Authority or as may be ordered by the Authority (taking proper vouchers for such disbursements) and shall render to the from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the Authority. The treasurer

shall perform such other duties as are incident to the office or are directed by the Chair or by the Authority.

4.7 Secretary

The Secretary shall issue notices for all meetings, except for notices of special meetings of the directors and the Authority which are called by the requisite number of directors, shall arrange and distribute minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are directed of the Secretary by the Chair or by the Authority.

4.8 Temporary Transfer of Powers and Duties

In case of the absence or illness of any officer of the Authority, or for any other reason that the directors may deem sufficient, the directors may delegate and assign, for a specified time, the powers and duties of any officer to any other director.

ARTICLE 5. CONTRACTS, LOANS, CHECKS, DEPOSITS

5.1 Contracts

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and that authority may be general or confined to specific instances.

5.2 Loans

No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

5.3 Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by the officer or officers, or agent or agents, of the Authority and in the manner as shall from time to time be prescribed by resolution of the Board of Directors.

5.4 Deposits

All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in an Authority controlled financial account. The Treasurer and the Secretary will have signature rights to the account.

5.5 Loans to Directors and Officers

No loans shall be made by the Authority to any officer or to any director.

ARTICLE 6. MISCELLANEOUS PROVISIONS

6.1 Books and Records

The Authority shall keep correct and complete books and records of account, minutes of the proceedings of the Board of Directors and any committees designated by the Board of Directors, and such other records as may be necessary or advisable.

6.2 Fiscal Year

The fiscal year of the Authority shall be the calendar year or such other fiscal year as may be determined by resolution adopted by the Board of Directors.

6.3 Amendments to these Bylaws

The initial Bylaws shall be approved by the City and County and may be amended to provide additional or different rules governing the Authority and its activities as are not inconsistent with state law, the interlocal agreement and Charter and which are processed and approved as provided for in the Charter. The Board may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in the Charter for inclusion therein. Future bylaw amendments shall be approved by the Authority, processed as provided for in the Charter, Section 9.4, and shall take effect ten days after the amendments have been filed with the City Clerk and the Clerk of the Board of County Commissioners.

6.5 Form of Seal

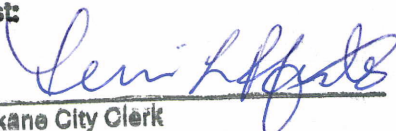
The seal of the Authority shall be a circle with the name "West Plains/ Airport Area Public Development Authority" inscribed therein.

6.6 Voting Requirement

Unless specifically declared otherwise, all matters affecting the Authority may be determined by a vote of the directors, voting either in person or by telecommunication in compliance with section 3.7.

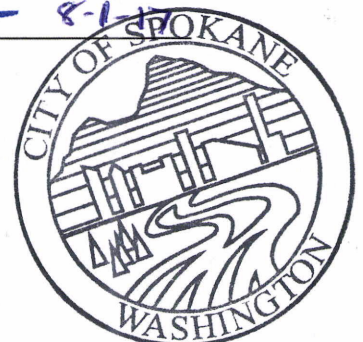
These Bylaws approved by City of Spokane Ordinance No. c35522, adopted by the Spokane City Council on July 17, 2017 and approved by the Spokane County Resolution No. 17-0625, adopted by the Board of County Commissioners on July 11, 2017.

Attest:

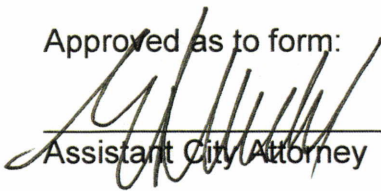

Spokane City Clerk



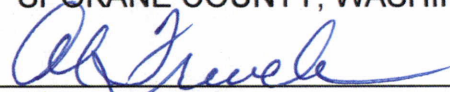
David A. Condon
Mayor
City of Spokane

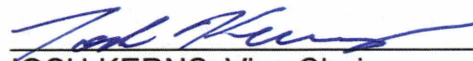


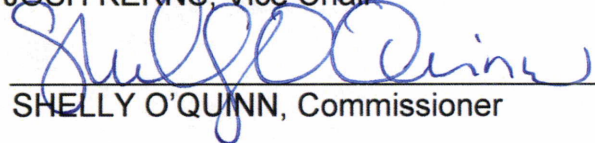
Approved as to form:


Assistant City Attorney

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON


AL FRENCH, Chair


JOSH KERNS, Vice Chair

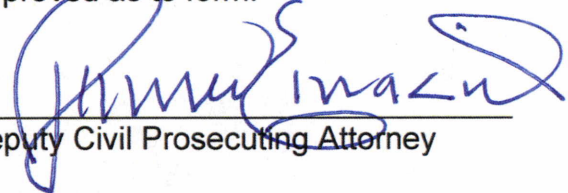

SHELLY O'QUINN, Commissioner



Attest:


Ginna Vasquez
Clerk of the Board

Approved as to form:


Deputy Civil Prosecuting Attorney