



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

01/07/2019

<b>Date Rec'd</b>	12/26/2018
<b>Clerk's File #</b>	OPR 2018-0855
<b>Renews #</b>	
<b>Cross Ref #</b>	
<b>Project #</b>	
<b>Bid #</b>	
<b>Requisition #</b>	

<b>Submitting Dept</b>	MAYOR
<b>Contact Name/Phone</b>	RICK ROMERO 6361
<b>Contact E-Mail</b>	RROMERO
<b>Agenda Item Type</b>	Contract Item
<b>Agenda Item Name</b>	INTERLOCAL AGREEMENT FOR DEVELOPMENT OF SPORTSPLEX

**Agenda Wording**  
 Interlocal Agreement between Spokane Public Facilities District, the City of Spokane, and the City of Spokane Park Board for the Construction of an indoor sports facility.

**Summary (Background)**  
 The Spokane Public Facilities District, the City of Spokane and City of Spokane Park Board desire to enter into an Interlocal 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."

<b>Fiscal Impact</b>	Grant related? NO	<b>Budget Account</b>
	Public Works? NO	
Expense	\$ \$5,000,000.00	# 1610-49854-58700-54201
Select	\$	#
Select	\$	#
Select	\$	#

<b>Approvals</b>		<b>Council Notifications</b>	
<b>Dept Head</b>	SANDERS, THERESA	<b>Study Session</b>	
<b>Division Director</b>	SANDERS, THERESA	<b>Other</b>	1/7/2019
<b>Finance</b>	MARCHAND, CRYSTAL	<b>Distribution List</b>	
<b>Legal</b>	DALTON, PAT	RROMERO@SPOKANECITY.ORG	
<b>For the Mayor</b>	SANDERS, THERESA	JRICHTMAN@SPOKANECITY.ORG	
<b>Additional Approvals</b>		leadie@SPOKANECITY.ORG	
<b>Purchasing</b>			

APPROVED BY  
 SPOKANE CITY COUNCIL:  
 1/14/2019  
  
 CITY CLERK

## **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 [January 15], <sup>2019 8/8</sup> 2018. 1/15/19

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 (6<sup>th</sup>) 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 Division 5<sup>th</sup>  
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: David A. Condon  
Mayor David Condon

Attest: Leri Roberts  
City Clerk

Approved as to form:  
James  
Assistant City Attorney



CITY OF SPOKANE PARK BOARD

By: \_\_\_\_\_  
Its President

SPOKANE PUBLIC FACILITIES DISTRICT

By: Nathaniel Greene  
Nathaniel Greene, Chair of the Board  
Larry Soehren *BS*  
1/15/19

Attest: Brianna Scott  
Brianna Scott, Clerk of the Board

Approved: Stanley M. Schwartz  
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	\$ 421,570	\$ 964,800	\$ 1,786,370	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	35181-4105	PFD	5,000	\$ 40,000	\$ 7,400	\$ 47,400			
6 500 W Dean	35181-4108	PFD	10,000	\$ 80,000	\$ 77,300	\$ 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			
10 481 W Gardner	35181-4106	PFD	20,000	\$ 160,000	\$ 41,500	\$ 191,500			
11 447 W Dean	35181-4118	PFD	7,500	\$ 60,000	\$ 11,200	\$ 71,200			
12 432 W Dean	35181-4128	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	35181-4126	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	30,254	\$ 302,940	\$ 319,200	\$ 622,140	1017 N Washington St	Spokane	WA 99201
16 1009 N Washington	35181-4108	Muriel Bach Diamond Tr	6,176	\$ 51,750	\$ 338,900	\$ 400,660	605 First Ave Ste. 600	Seattle	WA 98104
17 980 N Howard	35181-4239	Spotted Owl	29,775	\$ 267,980	\$ 150,500	\$ 418,480	PO Box 2509	Spokane	WA 99220
18 101 N Howard	35181-4216	Future Vision Properties	4,925	\$ 44,130	\$ 1,000,000	\$ 1,044,130	540 W Cataldo	Spokane	WA 99201
19 1009 N Washington	35181-4217	Park Center Bldg LLC	8,750	\$ 70,000	\$ 12,200	\$ 82,200	12906 N Addison	Spokane	WA 99218
20 521 W Cataldo	35181-4235	Spa Fed Co.	13,750	\$ 110,000	\$ 68,400	\$ 178,400	PO Box 2010	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			
24 434 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			
26 432 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	\$ 160,000	\$ -	\$ 160,000			
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	\$ 62,450	\$ 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			
35 931 W Cataldo	35181-4404	Park Center Bldg LLC	2,500	\$ 21,500	\$ 10,200	\$ 37,700			
36 927 W Cataldo	35181-4407	Park Center Bldg LLC	2,500	\$ 20,000	\$ 9,500	\$ 29,500			
37 907 W Cataldo	35181-4406	City of Spokane	27,500	\$ 302,500	\$ 8,000	\$ 311,000			
38 427 W Cataldo	35181-4408	City of Spokane	22,500	\$ 225,000	\$ 243,600	\$ 468,600			
39 411 W Cataldo	35181-4410	Huckleberry Bay Co	56,532	\$ 508,780	\$ 1,874,900	\$ 2,383,680	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**

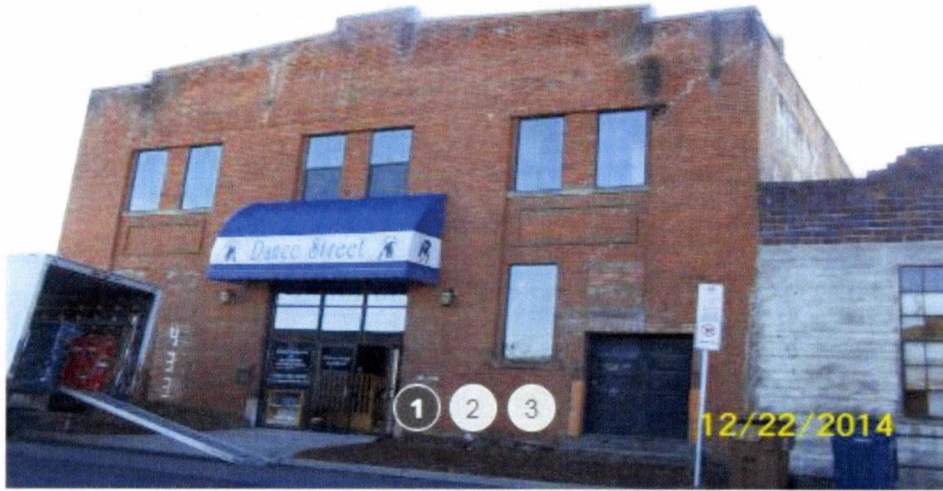
**[and]**

**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

SPOKANE COUNTY RESOLUTION NO. \_\_\_\_\_

SPOKANE PUBLIC FACILITIES DISTRICT RESOLUTION NO. 18-02

JOINT RESOLUTION

A JOINT RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SPOKANE COUNTY, WASHINGTON, AND THE BOARD OF DIRECTORS OF THE SPOKANE PUBLIC FACILITIES DISTRICT REGARDING AN AGREEMENT OF SPOKANE COUNTY TO ISSUE ITS LIMITED TAX GENERAL OBLIGATION BONDS AND LOAN THE PROCEEDS THEREOF TO THE SPOKANE PUBLIC FACILITIES DISTRICT TO PAY PART OF THE COST OF THE CONSTRUCTION OF THE SPORTSPLEX FACILITY OF THE SPOKANE PUBLIC FACILITIES DISTRICT IF CERTAIN CONDITIONS ARE MET; TO PROVIDE FOR THE PLEDGE BY THE SPOKANE PUBLIC FACILITIES DISTRICT OF CERTAIN REVENUES AND FUNDS FOR THE REPAYMENT OF SUCH LOAN; TO PROVIDE FOR THE FUNDING OF A RESERVE ACCOUNT; AGREEING TO COMPLY WITH CERTAIN FEDERAL TAX LAWS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SPOKANE COUNTY, WASHINGTON, AND BY THE BOARD OF DIRECTORS OF THE SPOKANE PUBLIC FACILITIES DISTRICT, as follows:

WHEREAS, Spokane County, Washington (the "County") is a class A county duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State") now in effect;

WHEREAS, the Spokane Public Facilities District (the "District") is a municipal corporation duly organized and existing under and by virtue of the laws of the State, particularly chapter 36.100 of the Revised Code of Washington ("RCW") and has boundaries coterminous with those of the County;

WHEREAS, the District is authorized by RCW 36.100.030(1) to acquire, construct, own, remodel, maintain, equip, reequip, repair and operate regional centers as defined in RCW 35.57.020 ("Regional Centers"), which definition includes convention, conference or special events centers, or a combination of facilities, together with contiguous parking facilities, and "special events center" for this purpose includes facilities available to the public and used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances;

WHEREAS, RCW 36.100.040 provides that a two percent excise tax may be imposed by the District on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar license to use real property on premises having more than 40 lodging units, if a ballot proposition authorizing the imposition of the tax has been approved by a simple majority of the voters of the District voting on the proposition, the proceeds of which tax are to be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing, and operation of the District's public facilities (the "District Hotel/Motel Tax");

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WHEREAS, RCW 82.14.048 authorizes the District to submit a proposition to the voters of the District to impose a sales and use tax at a rate not to exceed two-tenths of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, the proceeds of which sales and use tax shall be used for the financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing and reequipping of its public facilities (the "District Sales and Use Tax") (a one-tenth of one percent sales tax measure was placed on the primary election ballot in September 1991, which measure was approved by the qualified electors within the District);

WHEREAS, RCW 82.14.390 authorizes a public facilities district created before July 31, 2002, that commences construction of a new Regional Center, or improvement or rehabilitation of an existing Regional Center, before January 1, 2004, without an election to impose a sales and use tax (the "State Credit Sales/Use Tax") in addition to other taxes authorized by law and to be collected from those persons who are taxable by the State under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district, at a rate not exceeding 0.033 percent, which tax is to be deducted from the amount of tax otherwise payable to the State under chapters 82.08 and 82.12 RCW and the proceeds of which are to be used to acquire, construct, own, remodel, maintain, equip, reequip, repair and operate Regional Centers;

WHEREAS, the District has imposed and now collects the District Hotel/Motel Tax, the District Sales and Use Tax and the State Credit Sales/Use Tax;

WHEREAS, the District owns and operates the Spokane Veterans Memorial Arena, a 273,000 square foot multi-purpose community center that seats up to 12,000 people (the "Arena");

WHEREAS, the District operates the Spokane Convention Center, which includes a 100,000 square foot exhibit hall, 164,000 square feet of meeting space for convention and trade shows, community events, sporting events, meetings and banquets and a 270 seat theater (the "Convention Center");

WHEREAS, the District owns and operates the INB Performing Arts Center (formerly the Spokane Opera House), a 2,700 seat facility suitable for concerts, ballet, opera, Broadway shows, conventions and lectures, which is located at the Convention Center complex, including an exhibit hall parking garage (the "INB Performing Arts Center");

WHEREAS, the District has participated with the County in making improvements to the Spokane County Fair & Expo Center owned and operated by the County and with the City of Spokane Valley (the "Valley City") in constructing a community center owned and operated by the Valley City (collectively the "Regional Center Projects");

WHEREAS, the District, the County and the Valley City entered into an Interlocal Agreement for Development of Regional Center Projects, dated as of August 20, 2003, filed at Spokane County Auditor's File No. 4962628 (the "Regional Center Projects Interlocal Agreement"), which provides for intergovernmental payments to the County and to the Valley City to assist in the financing of their respective Regional Center Projects;

WHEREAS, the District has outstanding: (1) \$42,265,000 principal amount of its Hotel/Motel Tax and Sales/Use Tax Bonds, Series 2013A and \$80,555,000 principal amount of its Hotel/Motel Tax and Sales/Use Tax Refunding Bonds, Series 2013B (collectively, the "2013 District Bonds"), a portion of the proceeds of which were used to refund all of the District's outstanding Hotel/Motel Tax and Sales/Use Tax Bonds, Series 2003; and (2) \$18,485,000 principal amount of its Hotel/Motel Tax and Sales/Use Tax Bonds, Series 2017 (the "2017 District Bonds" and together with the 2013 District Bonds, the "First Lien Bonds");

**ADOPTION/EXECUTION COPY**

WHEREAS, the First Lien Bonds are secured by a lien on revenues from the District Hotel/Motel Tax and the District Sales and Use Tax on a parity basis;

WHEREAS the First Lien Bonds are additionally secured by a lien on revenues from the State Credit Sales/Use Tax;

WHEREAS, the District: (1) also has outstanding \$13,818,414 principal amount of its Hotel/Motel Tax and Sales/Use Tax Subordinate Note, Series 2012 (the "2012 Subordinate Note"); and (2) has an obligation to make payments to the County and the Valley City pursuant to the Regional Center Projects Interlocal Agreement ;

WHEREAS, the District and the City of Spokane (the "City") desire to construct a Regional Center to be used for community and sporting events, which will consist of a sports field house that will include basketball courts, volleyball courts, an indoor track, associated meeting rooms, locker rooms, restrooms, public areas, office space and concession areas (the "Sportsplex Project");

WHEREAS, the City and the City of Spokane Park Board (the "Park Board") own certain real property immediately north of Riverfront Park, located in the City, described and identified in Exhibit A, attached hereto (the "Property");

WHEREAS, the City and the Park Board, in support of the Sportsplex Project, will lease the Property for 30 years to the District to be used for the development, construction and maintenance of the Sportsplex pursuant to a lease agreement to be executed by the District, the City and the Park Board (the "Lease Agreement");

WHEREAS, in connection with the construction, financing, and development of the Sportsplex, the City, the Park Board and the District will adopt a joint resolution (the "City, Park Board and District Joint Resolution");

WHEREAS, the County has determined, conditioned upon the adoption of this Resolution by the County and the District and upon the adoption of the City, Park Board and District Joint Resolution and the Lease Agreement, that it will be in the best interests of the residents of the County that the County agree to issue its limited tax general obligation bonds (the "County Bonds"), and to loan the District from the proceeds of the County Bonds the amount of up to \$25,000,000 plus issuance costs (the "2018 County Loan") for the purpose of completing the Sportsplex Project. Prior to making the 2018 County Loan, the District will provide the County with a letter, which states in substance, that the proceeds of the 2018 County Loan are necessary to complete the Sportsplex Project; and

WHEREAS, the District has agreed to, among other things,

(1) pledge revenues from the District Hotel/Motel Tax and the District Sales and Use Tax to the repayment of the 2018 County Loan, which pledge is subordinate to such pledge and lien of such excise taxes to the First Lien Bonds, and which pledge is on parity with such pledge and lien of such excise taxes to: (a) the 2012 Subordinate Note; and (b) the obligation of the District to make payments to the County and the Valley City pursuant to the Regional Center Projects Interlocal Agreement; and

(2) establish and maintain a reserve fund in the amount of \$2,000,000, to be funded by the District in the amount of \$250,000 annually for eight years beginning in the year the

**ADOPTION/EXECUTION COPY**

County Bonds are issued, and to pledge such reserve fund solely to the repayment of the 2012 Subordinate Note and the 2018 County Loan;

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of County Commissioners of Spokane County, Washington, and by the Board of Directors of the Spokane Public Facilities District, as follows:

Section 1: Subject to the provisions of this Section 1, and in the event that the District, the Park Board and the City have executed the City, Park Board and District Joint Resolution and the Lease Agreement, the County hereby agrees to authorize the issuance, sale and delivery of the County Bonds which will have a final maturity no later than 25 years from their date of issue, and to make the 2018 County Loan. The proceeds of the 2018 County Loan shall be used solely for the purpose of completing the Sportsplex Project and paying issuance costs. Prior to making the 2018 County Loan, the District will provide the County with a letter, which states in substance that the proceeds of the 2018 County Loan are necessary to complete the Sportsplex Project.

If the County Bonds are issued, the County shall, by subsequent resolution, fix the date, form, denomination, maturities, interest rates, terms, method of sale and covenants of the County Bonds, provided the County shall issue the County Bonds no later than December 31, 2018. Such resolution shall provide for the use and application of the money to be derived from the issuance of the County Bonds, and provide for such other things as may be necessary or appropriate to carry out the intent of such resolution and this Resolution.

Section 2: In the event the County issues the County Bonds pursuant to Section 1 of this Resolution, the County agrees to release to the District the \$1,000,000 currently held by the County to secure the 2012 Subordinate Note; provided, however, that such \$1,000,000 will be used, by the District solely for the cost of the acquisition and construction of the Sportsplex Project.

Section 3: In the event that the County issues the County Bonds pursuant to Section 1 of this Resolution, the District hereby agrees to:

(a) pledge revenues from the District Hotel/Motel Tax and the District Sales and Use Tax to the repayment the 2018 County Loan, which pledge shall be subordinate to the pledge and lien of such excise taxes to the repayment of the First Lien Bonds, and which pledge shall be on parity with such pledge and lien of such excise taxes to the: (i) 2012 Subordinate Note; and (ii) the obligation of the District to make payments to the County and the Valley City pursuant to the Regional Center Projects Interlocal Agreement (such agreement, along together with the 2012 Subordinate Note and the 2018 County Loan, the "Subordinate Lien Obligations"); and

(b) establish and maintain a reserve fund in the amount of \$2,000,000, to be funded by the District in the amount of \$250,000 annually for eight years commencing during the year in which the County Bonds are issued, and to pledge such reserve fund solely to the repayment of the 2012 Subordinate Note and the 2018 County Loan.

(c) replace its current debt service reserve fund in the amount of \$10,969,000 with a reserve fund facility of which not less than \$10,350,000 shall be used for the acquisition and construction of the Sportsplex Project.

(d) enter into a binding agreement with the City and the Park Board pursuant to which the City and the Park Board will agree to lease the Property to the District to construct the Sportsplex Project. The term of the lease shall be 30 years.



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(e) enter into a binding agreement with the City unconditionally obligating the City to donate \$5,000,000 to the District to be used by the District to acquire and construct the Sportsplex Project.

Section 4: In the event that the County issues the County Bonds pursuant to Section 1 of this Resolution:

(a) the District shall account for the expenditure of all proceeds of the 2018 County Loan and provide the County with such expenditure details and interest earnings to permit the County to prepare annual rebate computations pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

(b) the District shall provide the County, prior to the closing of the County Bonds, with an estimated expenditure schedule of the proceeds of the 2018 County Loan on a calendar quarterly basis. In the event that the District fails to meet any temporary period rules established by the Code or the County owes any arbitrage rebate to the United States Treasury in connection with the County Bonds, the District agrees to indemnify and hold harmless the County for any amounts the County may be required to pay pursuant to Section 148 of the Code.

(c) the District shall not take or permit to be taken any action which would cause the County Bonds to be deemed a private activity bond under the Code. The County Bonds will be considered "private activity bonds" if: (i)(A) more than 10% of the proceeds of the County Bonds or the assets financed as a part of the construction programs are used directly or indirectly in the business of a nongovernmental person, or (B) more than \$15 million of the proceeds of the County Bonds are used directly or indirectly in the business of a nongovernmental person, and (ii) more than 10% of the debt service on the County Bonds is directly or indirectly (A) secured by any interest in property used in a private business, or (B) derived from payments made with respect to property used in a private business. No more than five percent of any such private use and any such private security for or private payment of the County Bonds may be unrelated to the construction programs.

(d) the District shall not permit payment of the principal of or the interest on more than 10 percent of the County Bonds (under the terms of such obligations or any underlying arrangement) to be directly or indirectly secured by any interest in property used or to be used for a private business use (or by any interest in payments in respect of such property), or to be derived from payments (whether or not to the District) in respect of property (or borrowed money) used or to be used for a private business use. In the event that proceeds of the County Bonds or the construction programs are to be used for any private business use that is not related (or is disproportionate) to any governmental use of such proceeds, the preceding paragraph shall apply but not more than five percent (rather than 10 percent) of the County Bonds may be so secured.

(e) neither the District, nor the County, shall enter into any contract for the management of the Sportsplex Project unless such contract complies with the guidelines and safe harbor contained in Revenue Procedure 2017-13 (or subsequent or supplemental guidance).

(f) the District shall have completed and submitted to the below-named entities the independent financial feasibility review for the Sportsplex Project performed pursuant to RCW 36.100.025 prior to the incurrence by the District of any indebtedness.

ADOPTION/EXECUTION COPY

(i) such review is to be conducted by the State Department of Commerce through the Municipal Research and Services Center under RCW 43.100.030 or under a contract with another entity under the authority of RCW 43.110.080 for the purpose of examining the potential costs to be incurred by the District and the adequacy of revenues or expected revenues to meet those costs; and such review, upon completion, must be a public document, and is to be submitted to the Governor, the State Treasurer, the State Auditor, the District, the County, the City and appropriate committees of the State legislature

Section 5: In the event that the County issues the County Bonds pursuant to Section 1 of this Resolution, prior to the issuance of additional bonds having a lien on pledged revenues from the District Hotel/Motel Tax and the District Sales and Use Tax equal to the lien of pledged revenues from the District Hotel/Motel Tax and the District Sales and Use Tax on the First Lien Bonds, the District must have on file a certificate of the Chief Executive Officer of the District, dated not earlier than 90 days prior to the date of delivery of such additional bonds, showing that the Adjusted Tax Revenue is at least equal to 1.50 times the Maximum Annual Debt Service (as such is calculated to include the additional bonds and other first lien parity obligations proposed to be issued or incurred), or the District must obtain the prior written consent of the County.

The District shall not issue any additional bonds or enter into any obligation having a lien on the District Hotel/Motel Tax or the District Sales and Use tax that is equal to the pledge of such excise taxes to the Subordinate Lien Obligations without the prior written consent of the County, which consent shall not be unreasonably withheld. Once the District fully funds the reserve fund referred to in Section 3(b) of this Resolution, no County consent is required prior to the District issuing any additional bonds or entering into any obligation having a lien on the District Hotel/Motel Tax or the District Sales and Use Tax that is equal to the pledge of such excise taxes to the Subordinate Lien Obligations.

The District may incur additional obligations having a lien on pledged revenues subordinate to the lien of pledged revenues to the District's First Lien Bonds and the Subordinate Lien Obligations so long as there is no right of acceleration on such obligations.

Section 6: Interest on the County Bonds will be payable semiannually on each June 1 and December 1 commencing December 1, 2018, until maturity or prior prepayment, whichever occurs first. Principal on the County Bonds will be payable annually on each December 1, commencing December 1, 2018, until maturity or prior prepayment, whichever occurs first. The District hereby agrees to transfer money to the County in sufficient amounts to enable the County to pay debt service on the County Bonds at least 30 days prior to each interest or principal payment date.

Section 7: If any provision of this Resolution, or its application to any person or circumstance, is held invalid, the remainder of this Resolution, or the application of the provision to other persons or circumstances shall not be affected.

*[Remainder of this page intentionally left blank.]*

**ADOPTION/EXECUTION COPY**

ADOPTED by the Board of County Commissioners of Spokane County, Washington, at a lawful open public meeting thereof, this 17<sup>th</sup> day of April, 2018.

SPOKANE COUNTY, WASHINGTON

\_\_\_\_\_  
Josh Kerns, Chair

\_\_\_\_\_  
Mary Kuney, Vice-Chair

\_\_\_\_\_  
Al French, Commissioner

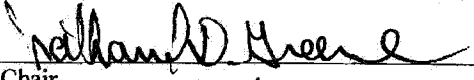
ATTEST:

\_\_\_\_\_  
Ginna Vasquez, Clerk of the Board  
of County Commissioners

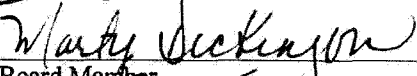
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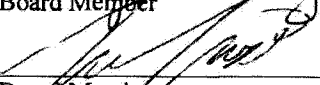
ADOPTED by the Board of Directors of the Spokane Public Facilities District at an open public lawful meeting thereof, this 11<sup>th</sup> day of April, 2018.

SPOKANE PUBLIC FACILITIES DISTRICT

  
Chair

  
Vice-Chair

  
Board Member

  
Board Member

  
Board Member

\* \* \* \* \*

**CERTIFICATE**

I, Ginna Vasquez, Clerk of the Board of County Commissioners of Spokane County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of the Board of County Commissioners, duly held at the regular meeting place thereof on April 17, 2018, of which meeting all members of such Board had due notice, and at which a majority thereof was present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof:

NAYS:

ABSENT:

ABSTAIN:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that such resolution is a full, true and correct copy of the original resolution adopted at such meeting; and that such resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the County on the 17<sup>th</sup> day of April, 2018.

SPOKANE COUNTY, WASHINGTON

\_\_\_\_\_  
Ginna Vasquez, Clerk of the Board  
of County Commissioners

(SEAL)

ADOPTION/EXECUTION COPY

\* \* \* \* \*

CERTIFICATE

I, Brianna Scott, Clerk of the Board of Directors of the Spokane Public Facilities District, Spokane County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of the Board of Directors, duly held at the regular meeting place thereof on April 11, 2018, of which meeting all members of such Board had due notice, and at which a majority thereof was present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof: *Nate Greene, Larry Soehren, Mick McDowell, Marty Dickinson and Travis Tramp*

NAYS:

ABSENT:

ABSTAIN:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that such resolution is a full, true and correct copy of the original resolution adopted at such meeting; and that such resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand on this 11<sup>th</sup> day of April, 2018.

SPOKANE PUBLIC FACILITIES DISTRICT  
Spokane County, Washington

*Brianna Scott*  
\_\_\_\_\_  
Brianna Scott, Clerk of the Board of Directors

**AGENDA SHEET FOR PARK BOARD MEETING OF: Jan. 10, 2019**



Submitting Division  
Parks & Recreation

Contact Person  
Garrett Jones

Phone No.  
509-363-5462

Department:  Finance  Operations  Recreation/Golf  Riverfront Park

Committee:  Finance  Golf  Land  Recreation  Riverfront  UFTC

Type of contract:  New  Renewal  Amendment  Extension  Other

Beginning date: 1/11/2019 Expiration date: \_\_\_\_\_ Open ended

CLERKS' FILE	<u>OPR 2019-001</u>
RENEWAL	
CROSS REF	<u>OPR 2018-085</u>
ENG	_____
BID	_____
REQUISITION	_____

**AGENDA WORDING:**

Inter-Local cooperation agreement for development of the Sportsplex

RECEIVED  
JAN 15 2019  
CITY CLERK'S OFFICE

**BACKGROUND:**

(Attach additional sheet if necessary)

Agreement with Public Facilities District, Parks Division and The City of Spokane for developing a Sportsplex on the North bank.

**RECOMMENDATION:**

RFP Recommends for approval with edits.

**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: \_\_\_\_\_  
Requester: \_\_\_\_\_

**PARK BOARD ACTION:**

**APPROVED BY SPOKANE PARK BOARD**

\_\_\_\_\_  
President  
\_\_\_\_\_  
Jan. 10, 2019  
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