



Agenda Sheet for City Council Meeting of:
09/12/2022

Date Rec'd	8/22/2022
Clerk's File #	OPR 2022-0622
Renews #	

Submitting Dept	COMMUNITY AND ECONOMIC	Cross Ref #	
Contact Name/Phone	MIKE PICCOLO 625-6237	Project #	
Contact E-Mail	MPICCOLO@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	
Agenda Item Name	0750 - ILA FOR ESTABLISHMENT OF SPOKANE CO TPA		

Agenda Wording

Interlocal Cooperation Act Agreement for Establishment of Spokane County Tourism Promotion Area (TPA)

Summary (Background)

In 2004, the City of Spokane entered into an interlocal agreement (ILA) with Spokane County and the City of Spokane Valley. The ILA was amended twice over the years with Spokane Valley taking action earlier in the year to terminate its participation in the regional TPA effective January 1, 2023. The current TPA will expire at that time.

Lease? NO	Grant related? NO	Public Works? NO
Fiscal Impact		Budget Account

Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#

Approvals		Council Notifications	
Dept Head	MACDONALD, STEVEN	Study Session\Other	PIES - 8/22/22
Division Director	MACDONALD, STEVEN	Council Sponsor	CM Zappone; CM
Finance	ORLOB, KIMBERLY	Distribution List	
Legal	PICCOLO, MIKE	mpiccolo@spokanecity.org	
For the Mayor	ORMSBY, MICHAEL	smacdonald@spokanecity.org	
Additional Approvals		sbishop@spokanecity.org	
Purchasing			



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

State law requires that any city participating in a regional TPA has to agree with and enter into an ILA with the lead agency, which will be Spokane County. The terms and formation of the TPA will be similar to the original TPA. The ILA provides for an eight-person TPA commission consisting of three non-voting ex-official members, one from each of the three governing agencies. The remaining five voting members shall consist of one member appointed by Spokane County, one member appointed by the City of Cheney and three members appointed by the City of Spokane. Members of the Commission shall be selected by the respective governing agency from a list prepared by the Spokane Hotel and Motel Association and must be operators of lodging businesses within the Spokane County Tourism Promotion Area or employed by the operator of such a lodging business.

Fiscal Impact

Select \$

Select \$

Budget Account

#

#

Distribution List

Committee Agenda Sheet

[PIES]

Submitting Department	Community & Economic Development
Contact Name & Phone	Mike Piccolo - x6237
Contact Email	mpiccolo@spokanecity.org
Council Sponsor(s)	CM Zack Zappone
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>5 min</u>
Agenda Item Name	Interlocal Cooperation Act Agreement for Establishment of Spokane County Tourism Promotion Area (TPA)
Summary (Background)	<p>In 2004, the City of Spokane entered into an interlocal agreement (ILA) with Spokane County and the City of Spokane Valley. The ILA was amended twice over the years with Spokane Valley taking action earlier in the year to terminate its participation in the regional TPA effective January 1, 2023. The current TPA will expire at that time. It is anticipated that operators of lodging businesses located in Spokane County will be filing an Initiation Petition pursuant to Chapter 35.101 to form a new regional TPA that will become effective on January 1, 2023, consisting of the City of Spokane, the City of Cheney and unincorporated Spokane County. State law requires that any city participating in a regional TPA has to agree with and enter into an ILA with the lead agency, which will be Spokane County.</p> <p>The terms and formation of the TPA will be similar to the original TPA. The ILA provides for an eight-person TPA commission consisting of three non-voting ex-official members, one from each of the three governing agencies. The remaining five voting members shall consist of one member appointed by Spokane County, one member appointed by the City of Cheney and three members appointed by the City of Spokane. Members of the Commission shall be selected by the respective governing agency from a list prepared by the Spokane Hotel and Motel Association and must be operators of lodging businesses within the Spokane County Tourism Promotion Area or employed by the operator of such a lodging business.</p> <p>The special assessment consists of a base charge of \$2.00 plus an additional \$2.00 for a total assessment of \$4.00 per day per room for all of the lodging businesses located within the TPA boundaries with the exception of lodging businesses with room revenues during the preceding calendar year of less than \$500,000, in which case the assessment is \$0.50 per room per day.</p>
Proposed Council Action & Date:	Approval at the September 12, 2022 City Council Meeting

Fiscal Impact:

Total Cost:

Approved in current year budget? Yes No N/A

Funding Source One-time Recurring

Specify funding source:

Expense Occurrence One-time Recurring

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impacts

What impacts would the proposal have on historically excluded communities?

N/A

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

N/A

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

This proposal supports the City's economic development plans and incentives by increasing funding for tourism promotion, which will generate additional tourism revenue for hotel/tourism related businesses, increase employment opportunities and increase City tax revenues.

**INTERLOCAL COOPERATION ACT AGREEMENT
FOR ESTABLISHMENT OF
SPOKANE COUNTY TOURISM PROMOTION AREA**

THIS INTERLOCAL COOPERATION ACT AGREEMENT (“Interlocal Agreement”) made and entered into between **Spokane County**, a political subdivision of the State of Washington, having offices for the transaction of business at 1116 W. Broadway Avenue, Spokane, Washington 99260, hereinafter referred to as the “County,” and the **City of Spokane**, a municipal corporation of the State of Washington having offices for the transaction of business at 808 West Spokane Falls Boulevard Spokane, Washington 99201, hereinafter referred to as the “City,” together referred to as the “Parties.”

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of the 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 2003 State Legislature of the State of Washington recognized the importance of tourism promotion in the State of Washington and passed Engrossed Substitute Senate Bill No. 6026 subsequently codified as chapter 35.101 RCW authorizing the establishment of a Tourism Promotion Area by a county to permit the levy of Special Assessments (charges) to fund tourism promotion; and

WHEREAS, on the 11th day of August, 2022, the Clerk of the Board of County Commissioners of Spokane County, Washington received an Initiation Petition as provided for in RCW 35.101.020 from the Operators of Lodging Businesses located within Spokane County requesting the Board of County Commissioners conduct of a public hearing pursuant to the authority of chapter 35.101 RCW for the purposes of considering the establishment of a Spokane County Tourism Promotion Area specifically including the areas within the jurisdiction of the unincorporated area of Spokane County, City of Spokane, and City of Cheney to provide funds for tourism promotion in Spokane County. The Operators of Lodging Business subsequently submitted a Supplemental Initiation Petition.; and

WHEREAS, on the 30th day of August, 2022, the Board of County Commissioners of Spokane County adopted a resolution entitled a “IN THE MATTER OF ADOPTING A RESOLUTION OF INTENTION TO ESTABLISH A SPOKANE COUNTY TOURISM PROMOTION AREA HAVING CERTAIN BOUNDARIES AND OTHER MATTERS RELATED THERETO” for the promotion of tourism promotion within Spokane County, describing the boundaries of the proposed Spokane County Tourism Promotion Area, the proposed uses and projects to which the proposed revenues from Special Assessments levied within the Spokane County Tourism Promotion Area would be dedicated and setting the proposed rates for the Special Assessments to be levied on Lodging Businesses to fund the uses and projects of the Spokane County Tourism Promotion Area, estimating the total cost for the proposed activities and programs for the use of funds received by the Spokane County Tourism

Promotion Area, fixing the date, time and place of a public hearing to be held by the Board of County Commissioners of Spokane County to consider the establishment of such a Spokane County Tourism Promotion Area, and directing the giving of notice of such public hearing; and

WHEREAS, the Board of Commissioners of Spokane County has adopted a “RESOLUTION OF INTENTION TO ESTABLISH A SPOKANE COUNTY TOURISM PROMOTION AREA HAVING CERTAIN BOUNDARIES AND OTHER MATTERS RELATED THERETO” following a hearing held on the 13th day of September, 2022, pursuant to the request of an Initiation Petition submitted by the Operators of Lodging Businesses within Spokane County and Supplemental Initiation Petition, excluding the boundaries of the City of Cheney in that the City of Cheney determined not to enter into an interlocal agreement to participate in the Spokane County Tourism Promotion Area; and

WHEREAS, the Board of County Commissioners of Spokane County has the authority pursuant to the terms of chapter 35.101 RCW, to enter into an Interlocal Agreement with City of Spokane to establish a Tourism Promotion Area, including the areas within the jurisdiction of the unincorporated area of Spokane County and the City of Spokane pursuant to the provisions of the Initiation Petition and Supplemental Initiation Petition received from the Operators of Lodging Businesses; and

WHEREAS, the City Council of the City of Spokane has by appropriate legislative action authorized the execution of this Interlocal Agreement with Spokane County to permit the establishment of a Spokane County Tourism Promotion Area to include collection of Special Assessments (charges) from Lodging Businesses within their jurisdiction.

NOW, THEREFORE, for and in consideration of the promises set forth hereafter and the above recitals which are adopted herein by reference, Spokane County and the City of Spokane hereby agree as follows:

1. Purpose. The purpose of this Interlocal Agreement is to promote tourism in within certain geographic areas of Spokane County by permitting the establishment of a Tourism Promotion Area (“TPA”) pursuant to chapter 35.101 RCW, which when created, will permit collection of Special Assessments from Lodging Businesses located within certain geographic areas of Spokane County to fund tourism promotion and to memorialize the agreement between the Parties relating to this TPA.

2. Definitions. As used in this Interlocal Agreement, the following terms, unless the context otherwise dictates, shall have the following meanings:

2.1 “Interlocal Agreement” shall mean this interlocal cooperation agreement between Spokane County and the City of Spokane for the establishment of a Spokane County Tourism Promotion Area by Spokane County as authorized by RCW 35.101.040 (2).

2.2 “Lodging Business” means a business located within the Spokane County Tourism Promotion Area that furnishes lodging taxable by the state under chapter 82.08 RCW that has forty (40) or more lodging units.

2.3 “Operator” means the Operator of a Lodging Business, whether in the capacity of owner, general manager, lessee, sub lessee, mortgagee in possession, license or any other similar capacity.

2.4 “Room Revenues” means the gross per-night-charge (nights of stay) imposed for the rental of a room or combination of rooms for Lodging.

2.5 “Special Assessment” means the levy (charge) imposed by Spokane County on the Operators of a Lodging Business within the Spokane County Tourism Promotion Area and subsequently passed on to the guests of the Lodging Business, under the authority of chapter 35.101 RCW for the purpose of providing for funding of tourism promotion in the Spokane Metropolitan Area.

2.6 “Spokane Hotel-Motel Association” means the Spokane Hotel-Motel Association, Inc., a Washington non-profit corporation.

2.7 “Spokane Hotel and Motel TPA Commission” means the Spokane Hotel and Motel TPA Commission, established by Spokane County, whose members are appointed by the Board of County Commissioners of Spokane County and the City Council of the City of Spokane to provide recommendations to the Board of County Commissioners of Spokane County on proposed uses and projects of the Spokane County Tourism Promotion Area pursuant to the provisions of RCW 35.101.130 (1).

2.8 “Spokane Metropolitan Area” means unincorporated area of Spokane County and the City of Spokane.

2.9 “Spokane County Tourism Promotion Area” means the Tourism Promotion Area created by the Ordinance of the Board of County Commissioners of Spokane County pursuant to the authority of chapter 35.101 RCW, as authorized or as will be authorized by the resolutions of the City Council of the City of Spokane adopting the terms of this Interlocal Agreement.

2.10 “TPA Manager” shall mean a tourism destination marketing organization or other similar organization employed by the Board of County Commissioners to administer the operation of the Tourism Promotion Area.

2.11 “Tourism Promotion” means activities and expenditures designed to increase tourism and convention business, including but not limited to, advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

2.12 “Transient Basis” means the rental of a room or rooms for dwelling, lodging, or sleeping purposes by the Operator of a Lodging Business for a period of thirty (30) consecutive calendar days or less, counting a portion of a day as a full calendar day.

2.13 “Zone” or “Zones” means the distinct geographic subarea or subareas within the Spokane County Tourism Promotion Area as established by Ordinance of the Board of County Commissioners of Spokane County.

2.14 “Annual Budget” shall mean the Spokane County Tourism Promotion Area budget for a fiscal year, as adopted or amended by the Board of County Commissioners of Spokane County, after the receipt of a recommendation from the Spokane Hotel and Motel TPA Commission, identifying all estimated revenue from Special Assessments (charges) for the fiscal year, and providing for all proposed uses of Special Assessment revenue for the purpose of providing tourism promotion in the Spokane Metropolitan Area for the ensuing fiscal year.

3. Tourism Promotion Area to be Established by Spokane County.

A. It is hereby understood and agreed to by Spokane County and the City of Spokane, pursuant to the authority of RCW 35.101.040(2), that Spokane County shall establish a “Tourism Promotion Area” designated as the Spokane County Tourism Promotion Area to include the unincorporated area of Spokane County and the City of Spokane.

B. It is hereby understood and agreed by Spokane County and City of Spokane that the purpose of permitting the Board of County Commissioners and Spokane County to form the Spokane County Tourism Promotion Area under RCW 35.101.040(2) is to provide revenue to fund tourism promotion within the Spokane Metropolitan Area which will benefit the Operators of Lodging Businesses in the unincorporated area of Spokane County and the City of Spokane.

4. Levy of Special Assessments on Lodging Businesses within the Spokane County Tourism Promotion Area.

A. The Board of County Commissioners of Spokane County will impose Special Assessments on the Operators of Lodging Businesses within the Spokane County Tourism Promotion Area in accordance with the zones and levels of Special Assessments as set forth hereinafter.

B. Spokane County shall contract with the State Department of Revenue for the administration and collection of such Special Assessments pursuant to RCW 35.101.090.

C. It is understood and agreed by the Parties that the Spokane County Tourism Promotion Area shall include the following four (4) zones:

Zone A. Zone A encompasses those Lodging Businesses located within the area of the incorporated city limits of the City of Spokane.

Zone B. Zone B encompasses all Lodging Businesses located outside Zone A but within the unincorporated area of Spokane County.

Zone C. Zone C encompasses all Lodging Businesses with room revenue under \$500,000 per year, situated within the Spokane County Tourism Promotion Area, regardless of their specific location.

Zone D. Zone D encompasses Lodging Businesses located within the Tourism Promotion Area, as that term is addressed in WAC 458-20-166 as it presently exists or may be hereinafter amended, other than hotels, motels, and bed and breakfast facilities. Lodging Businesses within this zone, as addressed in WAC 458-20-166, would include only (i) trailer camps and recreational vehicle parks that rent space to transient tenants for house trailers, campers, recreational vehicles, mobile homes, tents, and similar accommodations; (ii) educational institutions that sell overnight lodging to person other than students; and (iii) private lodging houses, dormitories and bunkhouses and similar accommodations operated by or on behalf of a business or school solely for the accommodation of employees of such businesses or student of the school, which are not held out to the public as a place where sleeping accommodations may be obtained.

D. It is understood and agreed by and between Spokane County and the City of Spokane that the Operators of Lodging Businesses within the Spokane County Tourism Promotion Area operating in the above-described zones will be subject to Special Assessments to be levied as follows:

Total Charge
("Special Assessments")

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone A.	\$2.00 per room/day	\$2.00 per room/day	\$4.00 per room/day
Zone B.	\$2.00 per room/day	\$2.00 per room/day	\$4.00 per room/day

The charge ("Special Assessments") to be imposed on the operators of those Lodging Businesses with room revenues during the preceding calendar year, which did not exceed five hundred thousand dollars (\$500,000) is as follows:

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone C.	\$.50 per room/day	\$.50 per room/day	\$1.00 per room/day
Zone D.	\$0.00 per room/day	\$0.00 per room/day	\$0.00 per room/day

The Additional Charge portion of the Total Charge ("Special Assessments") identified above shall automatically expire at midnight on June 30, 2027. Upon the expiration of the Additional Charge portion of the Total Charge ("Special Assessments"), the Total Charge ("Special Assessments") shall be automatically reduced to the Base Charge as of 12:01 a.m. on July 1, 2027. In the event the legislature extends the Additional Charge portion of the Total Charge ("Special Assessments")

beyond midnight on June 30, 2017, the Additional Charge portion of the Total Charge (“Special Assessments”) shall be automatically extended for the time frame authorized by the legislature.

E. Any change in the Special Assessment rates for any zone as set forth hereinabove shall be made only by amendment of the Ordinance by the Board of County Commissioners, with the approval of the City of Spokane. No increase in the Special Assessment rates for any zone or change in the boundaries of any zone shall be made by the Board of County Commissioners of Spokane County except upon the affirmative recommendation of the Spokane Hotel and Motel TPA Commission.

F. It is understood and agreed by the Parties, that the charges (Special Assessments) imposed under this section are not a tax on the “sale of lodging” for the purposes of RCW 82.14.410 and do not apply to temporary medical housing exempt under RCW 82.08.997.

5. Administration and Collection of Special Assessments.

A. It is understood and agreed that in accordance with RCW 35.101.090, the Washington State Department of Revenue shall administer the Special Assessments authorized under this Interlocal Agreement and shall deposit the Special Assessments collected into the local tourism promotion account created in the custody of the state treasurer under RCW 35.101.100.

B. It is understood and agreed that in accordance with RCW 35.101.100, the state treasurer has the authority to distribute the money from the tourism promotion account to Spokane County on a monthly basis.

6. Use of Special Assessment Revenues for the Promotion of Tourism and Convention Business in Spokane County.

A. It is understood and agreed that all of the revenues from Special Assessments collected by Spokane County from Lodging Businesses within the jurisdiction of unincorporated Spokane County and the City of Spokane shall be allocated by the Board of County Commissioners of Spokane County in accordance with the Annual Budget(s) for the Spokane County Tourism Promotion Area. The Spokane Hotel and Motel TPA Commission shall make a recommendation to the Board of County Commissioners on all Annual Budget(s). The Board of County Commissioners shall have the ultimate authority to set and approve all Annual Budget(s).

B. The revenues from the Special Assessments levied by Spokane County on the Operators of Lodging Businesses situated within the Spokane County Tourism Promotion Area shall be used for the following purposes only:

- (1) The general promotion of tourism within the Spokane Metropolitan Area as specified in the Tourism Promotion Area business plans to be presented by the Spokane Hotel and Motel TPA Commission and adopted annually,

(2) The marketing of the Spokane Metropolitan Area to the leisure and business travel industry to benefit local tourism and the Lodging Businesses in Spokane County,

(3) The marketing of convention and trade shows that benefit local tourism and the Lodging Businesses in the Spokane Metropolitan Area, and

(4) The marketing of the Spokane Metropolitan Area to recruit sporting events to benefit local tourism and the Lodging Business in Spokane County.

7. Establishment of the Spokane Hotel and Motel TPA Commission.

A. It is understood and agreed that the Board of County Commissioners of Spokane County shall, pursuant to the authority of RCW 35.101.130(1) create a five (5) member Spokane Hotel and Motel TPA Commission to advise the Board of County Commissioners of Spokane County on the expenditure of Special Assessment revenues collected within the Spokane County Tourism Promotion Area to fund tourism promotion in the Spokane Metropolitan Area. Three (3) members of the Spokane Hotel and Motel TPA Commission as identified in Section B shall be voting members.

B. Members of the Spokane Hotel and Motel TPA Commission shall be selected by the Board of County Commissioners of Spokane County and the City Council of Spokane from a list of nominees prepared by the Spokane Hotel and Motel Association. All nominees for membership on the Spokane Hotel and Motel TPA Commission must be Operators of Lodging Businesses within the Spokane County Tourism Promotion Area or employed by the Operator of such a Lodging Business. One *ex officio* member of the Commission may be appointed from the members of the Board of Commissioners of Spokane County and one *ex officio* member may be appointed from the members of the City Council of the City of Spokane. *Ex officio* members of the Spokane Hotel and Motel TPA Commission may participate in all discussions regarding proposed activities and programs by the Spokane County Tourism Promotion Area for the promotion and marketing of tourism in Spokane County but shall not have voting rights.

C. The Board of County Commissioners of Spokane County shall appoint one member and one *ex officio* member of the Spokane Hotel and Motel TPA Commission to represent the County of Spokane and the City Council of the City of Spokane shall appoint two members and one *ex officio* member of the Spokane Hotel and Motel TPA Commission to represent the City of Spokane. Any vacancy, on the Spokane Hotel and Motel TPA Commission arising from a resignation or other cause shall be filled by the appointing entity from the list of nominees prepared by the Spokane Hotel and Motel Association within 30 days from the date the vacancy occurs.

D. It is understood and agreed that the initial voting members of the Spokane Hotel and Motel TPA Commission shall serve staggered terms, with one voting member serving a one-year term and two voting members serving for two-year terms. The length of the term for each

individual member of the initial Spokane Hotel and Motel TPA Commission shall be chosen by lot at the first meeting of the Commission. Thereafter, all members subsequently appointed to the Spokane Hotel and Motel TPA Commission shall serve for three-year terms.

8. Contract For Management of Spokane County Tourism Promotion Area.

A. The Board of County Commissioners shall contract with a TPA Manager. The contract shall be awarded consistent with all applicable Spokane County laws, ordinances and regulations. The contract shall require the TPA Manager to comply with all applicable provisions of law, including chapter 35.101 RCW and with all Spokane County resolutions and ordinances as well as all regulations lawfully imposed by the state auditor or other state agencies.

B. The TPA Manager will be responsible for administering the activities and programs of the Spokane County Tourism Promotion Area and to prepare an Annual Budget for the Spokane County Tourism Promotion Area to be reviewed and approved by the Spokane Hotel and Motel TPA Commission and submitted to the Board of County Commissioners of Spokane County on or before November 1st of each year. The TPA Manager shall also act as staff to the Spokane Hotel and Motel TPA Commission in conjunction with assisting it in determining what activities and programs to recommend for funding from the Special Assessments. The TPA Manager, with information provided from the Spokane County Budget and Finance Office, shall provide to the Parties, on a quarterly basis, the aggregate amount of TPA Special Assessments collected from lodging businesses located within their respective boundaries.

C. The Annual Budget for the Spokane County Tourism Promotion Area shall consist of:

(1) A list of the Lodging Businesses subject to Special Assessments and an estimate of the revenue to be received from all such Lodging Businesses; and

(2) A statement of the proposed budget for all Spokane County Tourism Promotion Area activities and programs recommended by the Spokane Hotel and Motel TPA Commission to be funded from Special Assessments during the ensuing fiscal year.

D. All Special Assessments received by Spokane County from the Washington State Department of Revenue and any interest therein shall be deposited by Spokane County in a special account. Payments to the TPA Manager will be made as provided for in the agreement between the Spokane County and the TPA Manager. Provided, however, no Special Assessment shall be dispersed in any fiscal year until after the adoption of that year's fiscal Annual Budget. Provided further, Spokane County shall not expend in any fiscal year Special Assessments in excess of the approved fiscal Annual Budget.

9. Modification of the Special Assessment (charge) or Disestablishment of the Spokane County Tourism Promotion Area.

A. If a majority of those lodging businesses assessed the base charge or additional charge imposed under Section 4 petition in writing to the Board of County Commissioners that the base charge and/or additional be charge be removed, the Board of County Commissioners must remove the charge. The Board of County Commissioners may determine the timing of when to remove the charge so that the effective date of the expiration of the charge will not adversely impact existing contractual obligations not to exceed twelve months. The Board of County Commissioner may not be held liable for any financial obligations, contractual obligations, or damages from removing the charge.

B. The Board of County Commissioners of Spokane County may, by Ordinance, disestablish the Spokane County Tourism Promotion Area after conducting a hearing to receive public comment regarding the disestablishment of the Spokane County Tourism Promotion Area. Upon receipt of a petition indicating a desire to disestablish the Spokane County Tourism Promotion Area, with the signatures of persons who operate lodging businesses in the Spokane County Tourism Promotion Area who pay over forty percent (40%) of the Special Assessments levied within the Spokane County Tourism Promotion Area, the Board of County Commissioners of Spokane County shall adopt a resolution of intention to disestablish the Spokane County Tourism Promotion Area, and shall state the time and place of a public hearing to be held by the Board of County Commissioners to consider the proposed action, provided the public hearing will be at least fifteen (15) days prior to consideration of the proposed action. If at said hearing a petition objecting to the disestablishment is presented, with signatures of the person who operate lodging business in the Spokane County Tourism Promotion Area who pay fifty-one percent (51%) or more of the total Special Assessments, the Spokane County Tourism Promotion Area shall not be disestablished. If such petition objecting to the disestablishment is not presented at said hearing, the Board of County Commissioners shall disestablish the Spokane County Tourism Promotion Area.

10. Miscellaneous Provisions:

A. Duration and Termination of this Agreement by a Party. This Interlocal Agreement shall continue in full force and effect until such time as the Spokane County Tourism Promotion Area is disestablished by action of the Board of County Commissioners of Spokane County as provided in Section 9 above.

Following termination of this Interlocal Agreement, Spokane County shall be responsible for utilizing any remaining unallocated revenue from Special Assessments for use for tourism promotion in Spokane Metropolitan Area.

B. Waiver. No officer, employee, or agent of the Parties has the power, right, or authority to waive any of the conditions or provisions of this Interlocal Agreement. No waiver of any breach of this Interlocal Agreement by Parties shall be held to be a waiver of any other or subsequent breach. Failure of Parties to enforce any of the provisions of this Interlocal Agreement or to require performance of any of the provisions herein, shall in no way be construed to be a waiver of such conditions, nor in any way effect the validity of this Interlocal

Agreement or any part hereof, or the right of Parties to hereafter enforce each and every such provision.

C. Records. All records prepared, owned, used or retained by the TPA Manager in conjunction with operating or administering the activities and programs of the Spokane County Tourism Promotion Area as provided for under the terms of this Interlocal Agreement shall be deemed records of all Parties and shall be made available by the TPA Manager upon request to Parties, State Auditor, or their authorized representatives. Records shall be retained according to Spokane County records retention schedules.

D. Property and Equipment. Spokane County shall be the owner of all property and equipment purchased by the TPA Manager from Special Assessment Revenues. Provided, however, in the event of the termination of the Interlocal Agreement with the TPA Manager, Spokane County agrees to make the property and/or equipment available to the successor TPA Manager for its use in conjunction with providing similar services. Provided further, in the event of disestablishment of the Spokane County Tourism Promotion Area, all property and equipment purchased by the TPA Manager from Special Assessment Revenues shall be retained by Spokane County and used for any lawful purpose.

E. Integration. This Interlocal Agreement contains all of the terms and conditions agreed upon by the Parties concerning the establishment of the Spokane County Tourism Promotion Area by the Board of County Commissioners of Spokane County and the collection of Special Assessments from Operators of Lodging Businesses within the Tourism Promotion Area. No other understandings, oral or otherwise, regarding the subject matter of this Interlocal Agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this Interlocal Agreement, and now state that no representation, promise, or agreement not expressed in this Interlocal Agreement has been made to induce the officials of the Parties to execute this Interlocal Agreement.

F. Severability. In the event any provision of this Interlocal Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

G. Execution of Agreement. This Interlocal Agreement shall become effective immediately after it is duly adopted by the Board of County Commissioners of Spokane County and the City of Spokane and shall be filed with each entity as provided for in RCW 39.34.040.

H. Litigation. In the event litigation is brought against the TPA or any Parties to this Interlocal Agreement Spokane County shall cause legal counsel to be employed for the purpose of defending or prosecuting the matter. The cost of the legal counsel shall be paid by out of Special Assessments. The Parties reserve the right to monitor and participate in any litigation as solely determined by the party as its sole cost and expense.

I. Amendment. Provisions within this Interlocal Agreement may be amended with the mutual consent of the Parties hereto. No additions to or alteration of the terms of this Interlocal Agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of all Parties.

11. Chapter 39.34 RCW Required Clauses:

- A. Purpose: See Section 1 above.
- B. Duration: See Section 9 and 10 above.
- C. Organization of Separate Entity and its Powers: No new or separate legal or administrative entity is created to administer the provisions of this Interlocal Agreement.
- D. Responsibilities of the Parties: See provisions above.
- E. Agreement to be Filed: See Section 10 G above.
- F. Financing: Each party shall be responsible for the financing of its contractual obligations under this Interlocal Agreement, if any, under its normal budgetary process.
- G. Termination: See Section 9 and 10 above.
- H. Property upon Termination: See Section 10 G above.

IN WITNESS WHEREOF, Spokane County and the City of Spokane have executed this Interlocal Agreement by their duly authorized officials pursuant to all requirements of law on the date opposite their respective signature block.

DATED: 9-13-2022

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON



ATTEST:

Mary L. Kuney
MARY L. KUNEY, Chair

Al French
AL FRENCH, Vice-Chair

Ginna Vasquez
Ginna Vasquez, Clerk of the Board

Josh Kerns
JOSH KERNS, Commissioner

DATED: 9/21/2022

CITY OF SPOKANE

By: *Yakue Anderson*

Its: Mayor

ATTEST:

Verni H. [Signature]
City Clerk

Approved as to form:

Michael J. Puccio
Assistant City Attorney



BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF AUTHORIZING THE
EXECUTION OF AN INTERLOCAL
COOPERATION ACT AGREEMENT FOR
ESTABLISHMENT OF THE SPOKANE
COUNTY TOURISM PROMOTION AREA
BETWEEN THE CITY OF SPOKANE AND
SPOKANE

RESOLUTION

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

WHEREAS, the 2003 Washington State Legislature recognized the importance of tourism promotion in the State of Washington and passed Engrossed Substitute Senate Bill No. 6026, subsequently codified as chapter 35.101 RCW, authorizing the establishment of a Tourism Promotion Area by a county to permit the levy of Special Assessments (charges) to fund tourism promotion; and

WHEREAS, on the 11th day of August, 2022, the Clerk of the Board of County Commissioners of Spokane County, Washington received an Initiation Petition as provided for in RCW 35.101.020 from the Operators of Lodging Businesses located within Spokane County requesting the Board of County Commissioners conduct of a public hearing pursuant to the authority of chapter 35.101 RCW for the purposes of considering the establishment of a Spokane County Tourism Promotion Area specifically including the areas within the jurisdiction of the unincorporated area of Spokane County, City of Spokane, and City of Cheney to provide funds for tourism promotion in Spokane County. The Operators of Lodging Business subsequently submitted a Supplemental Initiation Petition.; and

WHEREAS, on the 30th day of August, 2022, the Board of County Commissioners of Spokane County adopted a resolution entitled a “IN THE MATTER OF ADOPTING A RESOLUTION OF INTENTION TO ESTABLISH A SPOKANE COUNTY TOURISM PROMOTION AREA HAVING CERTAIN BOUNDARIES AND OTHER MATTERS RELATED THERETO” for the promotion of tourism promotion within Spokane County, describing the boundaries of the proposed Spokane County Tourism Promotion Area, the proposed uses and projects to which the proposed revenues from Special Assessments levied within the Spokane County Tourism Promotion Area would be dedicated and setting the proposed rates for the Special Assessments to be levied on Lodging Businesses to fund the uses and projects of the Spokane County Tourism Promotion Area, estimating the total cost for the proposed activities and programs for the use of funds received by the Spokane County Tourism Promotion Area, fixing the date, time and place of a public hearing to be held by the Board of County Commissioners of Spokane County to consider the establishment of such a Spokane County Tourism Promotion Area, and directing the giving of notice of such public hearing; and

WHEREAS, the Board of Commissioners of Spokane County has adopted a “RESOLUTION OF INTENTION TO ESTABLISH A SPOKANE COUNTY TOURISM PROMOTION AREA HAVING CERTAIN BOUNDARIES AND OTHER MATTERS RELATED THERETO” following

a hearing held on the 13th day of September, 2022, pursuant to the request of an Initiation Petition submitted by the Operators of Lodging Businesses within Spokane County and Supplemental Initiation Petition, excluding the boundaries of the City of Cheney in that the City of Cheney determined not to enter into an interlocal agreement to participate in the Spokane County Tourism Promotion Area; and

WHEREAS, the Board of County Commissioners of Spokane County has the authority pursuant to the terms of chapter 35.101 RCW, to enter into an Interlocal Cooperation Act Agreement with City of Spokane to establish a Tourism Promotion Area, including the areas within the jurisdiction of the unincorporated area of Spokane County and the City of Spokane pursuant to the provisions of the Initiation Petition and Supplemental Initiation Petition received from the Operators of Lodging Businesses; and

WHEREAS, the City Council of the City of Spokane has or will by appropriate legislative action authorized the execution of this Interlocal Cooperation Act Agreement with Spokane County to permit the establishment of a Spokane County Tourism Promotion Area to include collection of Special Assessments (charges) from Lodging Businesses within their jurisdiction.

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Spokane, Washington, pursuant to the provisions of RCW 36.32.120(6) and RCW 35.101.040(2), that either the Chairperson of the Board of County Commissioners or a majority of the Board of County Commissioners be authorized to execute that document entitled "INTERLOCAL COOPERATION ACT AGREEMENT FOR ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA" wherein under certain terms and conditions Spokane County and the City of Spokane will set forth the terms and conditions under which they form a Tourism Promotion Area provided for in chapter 35.101 RCW to include the boundaries of the City of Spokane County and the unincorporated area of Spokane County.

PASSED AND ADOPTED this 13th day of Sept, 2022.

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON




MARY L. KUNEY, CHAIR



AL FRENCH, VICE-CHAIR

ATTEST:





Ginna Vasquez, Clerk of the Board



JOSH KERNS, COMMISSIONER