

RESOLUTION NO. 8 -0156

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SPOKANE COUNTY, WASHINGTON, STATING ITS POLICY AND GOALS WITH RESPECT TO THE HEALTH SCIENCES AND SERVICE AUTHORITY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

SPOKANE COUNTY, WASHINGTON

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SPOKANE COUNTY, WASHINGTON, 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");

WHEREAS, the population of the inland northwest region (the "Region") is over one million people and spans four states including Eastern Washington, Northern Idaho, Western Montana, and Northeastern Oregon;

WHEREAS, the region is nationally known for having a high quality of life that includes diverse outdoor and recreational activities, an affordable cost of living and an efficient transportation system;

WHEREAS, the Region includes: (1) a significant network of rural and urban hospitals (including two of the top three in the state of Washington); (2) excellent higher education facilities (including a comprehensive regional university, a research university and three private colleges); (3) a significant community college system; and (4) a multi-program federal lab and world-class digital infrastructure allowing for broadband communication;

WHEREAS, recent studies by Tripp Umbach entitled "Opportunities for Biomedical Economic Development" and the Eastern Washington University Public Policy Institute entitled "The Economic Impact of Health Care to Spokane County" verifies that an economic development strategy that includes biomedicine is both possible and essential to supporting the significant economic engine of the delivery of health care in the County;

WHEREAS, the Region is known as the center for health care delivery with the economy of the County significantly influenced by the delivery of health care and the high wage jobs that this economic sector provides;

WHEREAS, the County has been a leader in supporting economic development strategies to establish and maintain a competitive "health care cluster" through funding to entities engaged in this strategy, including: (1) Greater Spokane, Inc.; (2) the Inland Northwest Technology Education Center; (3) the Institute for Systems Medicine Planning Authority; (4) Connect Northwest; and (5) Project Access, among others;

WHEREAS, the County has invested in these entities in the expectation that there would be a significant economic return to the taxpayers of the Region;

WHEREAS, the Health Sciences and Services legislation enacted last session was signed into law in Spokane by Governor Gregoire with the prime sponsors of the legislation being Spokane legislators Senators Lisa Brown and Chris Marr and Representative Don Barlow;

WHEREAS, the Health Sciences and Services Authority (the "HSSA") will enhance the effort to create and support a nationally competitive health care cluster and catalyze connections between higher education and health care that will lead to high wage job creation, economic diversification and long term sustainability;

WHEREAS, on December 14, 2007, the County adopted its Resolution No. 7-1054 establishing the HSSA;

WHEREAS, the Board of Spokane County Commissioners (the "Board") are committed to the successful and prudent administration of the HSSA and intends to provide guidance on HSSA administrative matters;

WHEREAS, the County intends to issue limited tax general obligation bonds and lend the proceeds to the HSSA with the understanding that the HSSA will repay such loan from its sales tax revenue;

WHEREAS, the Board recognizes that the Board of Trustees on the HSSA (the "Trustees") must provide appropriate oversight and management of the HSSA funds, including effective grantee selection, negotiation of grantee contracts and measurement of grantee deliverables;

WHEREAS, the Board understands that the primary function of the HSSA is to evaluate requests and to distribute the HSSA funds to eligible grantees, as described in the HSSA legislation;

WHEREAS, the Board will require, as a condition of the County issuing limited tax general obligation bonds and lending the proceeds to the HSSA, that the Trustees to budget and spend approximately 10 percent of total funding available to the HSSA in administering the HSSA, which shall include the hiring of a director, additional staff as needed and consultants and others skilled in the activities adequate to conduct the business of the HSSA;

WHEREAS, since the Board is principally interested in the economic impact of the HSSA resulting in the creation of new high wage jobs and associated positive economic impacts, it will require, as a condition of the County issuing limited tax general obligation bonds and lending the proceeds to the HSSA, that the Trustees distribute approximately 75 percent of total funding available to the HSSA to activities which may include, but are not limited to, the conduct of biomedical research, hiring of scientific faculty, the acquisition of important instrumentation and laboratory cores, commercialization of biomedical technology and other efforts to improve health and patient outcomes;

WHEREAS, the Board recognizes the importance of charity care and will require the Trustees, as a condition of the County issuing limited tax general obligation bonds and lending

the proceeds to the HSSA, to distribute approximately 15 percent of total funding available to the HSSA in support of the underinsured and uninsured within the County.

WHEREAS, the Board, as a condition of the County issuing limited tax general obligation bonds and lending the proceeds to the HSSA, will require the Trustees to create a scientific advisory board (the "Advisory Board") to report to the Trustees to insure that HSSA investments are likely to lead to important breakthroughs in biology and medicine. The Advisory Board may coordinate with the Strategic Advisory Board ("SAB") that has been formed to advise and support the Institute for Systems Medicine and its partners. The Advisory Board must ensure that matters of fairness and conflict of interest are resolved in a transparent manner;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1: Goals of County Investments

The results expected by the Board from HSSA grant investments are ambitious. They are: (1) to provide better health and health care within the County and the region; (2) to create hundreds of well paying jobs within the County and the region; and (3) to develop an economic engine to power future growth within the County. The Board anticipates that the HSSA investments will earn local economic returns while fostering new scientific knowledge focused on health care advancement. To achieve these goals the Board will require, as a condition of the County issuing limited tax general obligation bonds and lending the proceeds to the HSSA, the Trustees to follow sound investment principles in making and managing it grants.

Section 2: Ethics and Conflicts of Interest

The Board will require that the Trustees adopt the Ethics and Conflicts of Interest Policy developed for and used by the Trustees of the Life Sciences Discovery Fund and may modify such Policy to meet its particular requirements and policies.

Section 3: Intellectual Property

The Board will require that the Trustees utilize the Intellectual Property Policy adopted by the Life Science Discovery Fund in developing its intellectual property policy.

Section 4: Leveraging of County Money and Fund Raising

The County will mandate the Trustees to require that the grantees of HSSA money derived from the County be matched or otherwise leveraged by non County resources. In addition, the County will require that the Trustees undertake, or cause to be undertaken, fund raising activities to obtain additional and non County funds to be used to achieve the goals set forth in Section 1 of this Resolution.

Section 5: Grant Administration

The Board will strongly recommend to the Trustees that the HSSA explore contracting with the Inland Northwest Foundation, or a similar foundation, for grant administration and contract negotiation.

Section 6: No Personal Recourse

No recourse shall be had for any claim based on this Resolution against any Board member, officer or employee, past, present or future, of the County or of any successor body as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 7: Ratification

All actions not inconsistent with the provisions of this Resolution heretofore taken by the Board and the County’s employees with respect to the adoption of this Resolution are hereby in all respects ratified, approved and confirmed.

Section 8: Repealer

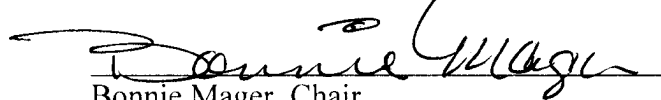
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 9: Effective Date

This Resolution shall be in full force and effect from and after its adoption.

ADOPTED AND APPROVED by the Board of County Commissioners of Spokane County, Washington, at a regular meeting thereof, held on February 26, 2008.

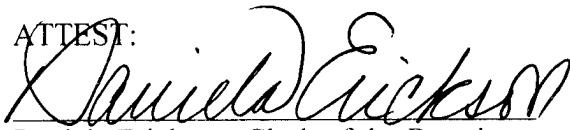
SPOKANE COUNTY, WASHINGTON

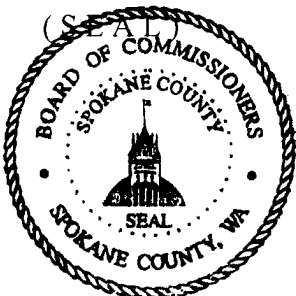

Bonnie Mager, Chair


Todd Mielke, Vice-Chair


Mark Richard, Commissioner

ATTEST:


Daniela Erickson, Clerk of the Board
of County Commissioners



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CERTIFICATE

I, Daniela Erickson, 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 February 26, 2008, 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: *Mager, Millke & Richard*

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 and the seal of the County on February 26, 2008.

SPOKANE COUNTY, WASHINGTON

Daniela Erickson

Daniela Erickson, Clerk of the
Board of County Commissioners

