

ORDINANCE NO. 3852

**AN ORDINANCE** of the City of Kent, Washington, providing for the creation, powers and governance of a public facilities district to provide for the design, construction, ownership, operation, and/or financing of a regional center, comprised of a multi-purpose arena for hockey and other public uses.

**RECITALS**

A. Chapter 35.57 RCW (the "City PFD Act") authorizes the City of Kent ("the City") to create a public facilities district coextensive with the boundaries of the City for the purposes, among others, of constructing, owning, operating and/or financing regional centers.

B. A regional center is defined in RCW 35.57.020 as a convention, conference, or special events center (consisting of 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) or any combination of such facilities, and related parking facilities, serving a regional population, constructed, improved or rehabilitated at a cost equal to or greater than \$10,000,000, including debt service.

C. The City Council of the City of Kent has determined that it is in the best interest of the City and its citizens to provide for the design, construction, ownership, operation and/or financing of a regional center, for the sole purpose of pursuing the design, construction, ownership, operation, and/or financing of specifically, a special events center that includes a multi-purpose arena for hockey and other public uses, together with related parking facilities ("Special Events Center"), individually or in cooperation with other governmental and/or private entities as allowed by law, located within the City to provide needed public

facilities to serve a regional population and to serve local and regional business, community, family entertainment, youth, performance sport, recreation and athletic organizations, to promote economic development and to further the revitalization of business, financial and commercial interests within the City.

D. As authorized by the City PFD Act and RCW 82.14.390, and subject to certain restrictions, a public facilities district created by a City located in a county with a population greater than one million may create a public facilities district, when the city has a total population of less than 115,000 but greater than 80,000 and commences construction of a regional center prior to July 1, 2008, and such a public facilities district may impose solely for regional center purposes, a 0.033 percent sales and use tax that is deducted from the amount of the sales and use tax otherwise required to be collected and paid over to the Washington State Department of Revenue under Chapter 82.08 and 82.12 RCW.

E. According to the Washington State Office of Financial Management's population figures as of April 1, 2005, the population of the City of Kent is 84,920.

F. The City Council has determined that it is in the best interest of the City and its citizens to create a public facilities district to assist the City in the financing of a viable Special Events Center project and for the public facilities district board of directors to serve in an advisory capacity to the operations of a viable Special Events Center project located within the City of Kent, with the construction, ownership and operation of that Special Events Center to be carried out by the City of Kent on behalf of the City and the public facilities district.

THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON,  
DOES HEREBY ORDAIN AS FOLLOWS:

### **ORDINANCE**

**SECTION 1. - Creation and Purpose.** Pursuant to Chapter 35.57 RCW (the "City PFD Act"), there is hereby created a public facilities district which shall be called the City of Kent Special Events Center Public Facilities District (the "District") coextensive with the boundaries of the City, as those boundaries are

changed from time to time, with the powers and authority set forth by law and below. The District is established for the sole purpose of pursuing the design, construction, ownership, operation and/or financing of a regional center comprised of a Special Events Center, individually or in cooperation with any other governmental and/or private entities as allowed by law.

As provided by RCW 35.57.010(4), the District is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

**SECTION 2.** - *Board of Directors.* The Board of Directors (the "Board") shall consist of five directors ("Directors"). The Directors of the Board shall be selected and appointed by the City Council consistent with RCW 35.57.010(3)(a). Of the initial Directors, for the purpose of determining the length of terms of the initial members of the Board, the City Council shall designate by resolution which initial member will be appointed for a one-year term, which will be appointed for a two-year term, which will be appointed for a three-year term, and which have been appointed for four-year terms. Thereafter, all Directors shall be appointed to four-year terms of office.

**SECTION 3.** - *Organizational Meeting.* The District shall be deemed established as of the date of the appointment of the initial Directors of the Board. Within ten (10) days of such date the Mayor or her designee shall hold an organizational meeting of the District's initial Board, giving at least three (3) days' advance notice to each of the Directors, unless waived in writing. At such meeting, the Board shall organize itself, may appoint officers, and shall select the District's place of business. However failure to hold an organizational meeting within the 10-day period set forth above shall not render a subsequent organizational meeting invalid.

The Mayor, the Finance Director of the City and their designees are authorized and directed to take any and all additional actions as may be necessary or desirable to accomplish the organization of the District.

**SECTION 4.** - *Organization.* The District shall adopt and maintain rules of procedure and governance of its activities through bylaws duly adopted by the

District Board. The power to alter, amend, or repeal the bylaws and adopt new bylaws shall be vested in the District Board, except the bylaws shall be consistent with this ordinance and the Interlocal Agreement entered into with the City.

**SECTION 5.** – *Powers, Duties, and Limitations.* For the purpose of providing for the design, construction, ownership, operation and/or financing of a Special Events Center, the District shall have the powers, duties, and limitations specified by the City PFD Act, RCW 82.14.390 and other applicable law, that are consistent with this ordinance and any interlocal agreement it enters into with the City. The Finance Director of the City shall serve as Treasurer of the District, pursuant to the interlocal agreement substantially in the form attached as Exhibit A and incorporated herein by reference, as such interlocal agreement may be amended from time to time (the "Interlocal Agreement"). It is the intention of the City that the primary role of the District shall be to assist in the financing of the Special Events Center and to serve in an advisory capacity in regards to the operation of the Special Events Center, and that the design, construction, ownership, and operation of the Special Events Center and any other regional center projects shall be carried out by the City, on behalf of the City and the District, pursuant to the Interlocal Agreement between the City and the District. To assist in financing the design, acquisition, and construction of the Special Events Center, the District shall also have the authority to issue revenue bonds or general obligations bonds consistent with RCW 35.57.030, RCW 35.57.090 and other applicable provisions of state law, but only in such principal amounts as may be approved by the City. All such bonds and or liabilities of the District shall be satisfied exclusively from the assets, properties, credit, or services of the District unless the City expressly agrees to pay for or to guarantee such obligations pursuant to a financing and contingent loan agreement with respect to such obligations. Without prior approval by the City Council, the District shall not participate in or carry out the design, construction, ownership, operation and/or financing of any regional center or other facility other than a Special Events Center.

**SECTION 6.** – *Interlocal Agreement.* The City desires to facilitate the creation and operation of the District. Accordingly, the City Council approves the City's execution of the Interlocal Agreement. The Mayor is authorized to execute

an agreement substantially in the form of Exhibit A, together with such other modifications as she deems consistent with the purposes of this ordinance.

**SECTION 7. - Severability.** If any section, sentence, clause, or phase of this ordinance should be held invalid or unconstitutional by a court of competent jurisdiction such invalidity or unconstitutionality shall not affect the validity of the constitutionality of any other section, sentence, clause, or phrase of this ordinance.

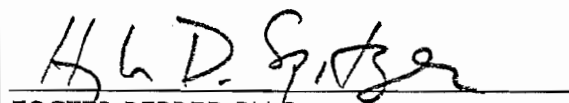
**SECTION 8. - Effective Date of ordinance - Ratification of Prior Acts.** This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law. Any action taken consistent with the authority of this ordinance, after its passage but prior to its effective date or the effective date of the formation of the District, is ratified, approved, and confirmed.

  
SUZETTE COOKE, MAYOR

ATTEST:

  
BRENDA JACOBER, CITY CLERK

APPROVED AS TO FORM:

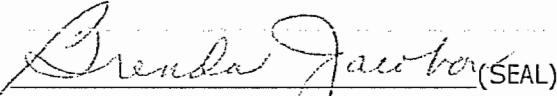
  
FOSTER PEPPER PLLC

PASSED: 7 day of August, 2007.

APPROVED: 7 day of August, 2007.

PUBLISHED: 15 day of August, 2007.

I hereby certify that this is a true copy of Ordinance No. 3852 passed by the city council of the city of Kent, Washington, and approved by the mayor of the city of Kent as hereon indicated.

  
BRENDA JACOBES, CITY CLERK (SEAL)

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**EXHIBIT A**

**FORM OF INTERLOCAL AGREEMENT**

**INTERLOCAL AGREEMENT  
FOR DEVELOPMENT OF SPECIAL EVENTS CENTER**

This Interlocal Agreement ("Agreement") is entered into by and between the **City of Kent**, a city duly organized and existing under and by virtue of the laws of the state of Washington (the "City") and the **Kent Special Events Center Public Facilities District**, a municipal corporation duly organized and existing under and by virtue of the laws of the state of Washington, established by the City of Kent (the "District").

**RECITALS**

1. The City Council of the City (the "City Council"), by Ordinance No. \_\_\_\_\_, effective \_\_\_\_\_, 2007, established the District for City purposes, pursuant to Chapter 35.57 RCW, to assist in the design, construction, ownership, financing and operation of a regional center defined under RCW 35.57.020 (a "Regional Center"), specifically, as a multi-purpose arena for hockey and other public uses, together with related parking facilities (a "Special Events Center"); and
2. The City and the District have determined to proceed with the development of a the Special Events Center to serve a regional population and to serve local and regional business, community, family entertainment, youth, performance sport, recreation and athletic organizations, to promote economic development and to further the revitalization of business, financial and commercial interests within the City; and
3. The District has imposed or will impose, under the authority of RCW 82.14.390, a Sales and Use Tax at the rate of 0.033 percent of the selling price or value of any article sold or used within the corporate limits of the District (which limits are coextensive with the boundaries of the City) to support the development of the Special Events Center; and
4. Money received by the District under the authority of RCW 82.14.390 must be used for the acquisition, financing, design, construction, operation and maintenance of a Regional Center and related parking facilities as defined by RCW 35.57.020 and must be matched with an amount, from other public or private sources, equal to 33 percent of the amount collected by the District under RCW 82.14.390; and
5. The City has previously retained consultants and a general contractor/construction manager to proceed with the design and construction of a Special Events Center to be located on City-owned property, and the City has also negotiated the terms of a long-term license agreement with Thunderbird Hockey Enterprises, LLC for the use of the Special Events Center for Western Hockey League games; and
6. The District desires to participate jointly with the City in the development of the Special Events Center, specifically, to provide financing for part of the cost of that facility; and
7. The City and the District have the authority to enter into interlocal agreements under chapter 39.34 RCW for joint and cooperative action, including provisions to finance joint or cooperative undertakings, multi-purpose community centers, regional centers and other facilities and to provide for services to be provided by one government to another; and



8. The City and the District have the authority, pursuant to applicable provisions of state law, including chapters 35.57 RCW and RCW 82.14.390, to jointly acquire, design, construct, own, remodel, maintain, equip, re-equip, repair, finance and operate a Regional Center, including related parking facilities; and these agencies propose to use one or more interlocal agreements to make effective and efficient use of the powers and authorities granted to them to construct, own and operate Regional Centers such as the Special Events Center to serve the City and adjacent regional areas; and

9. The District desires to make ongoing project payments to the City to contribute to the cost of the joint construction and operation of the Special Events Center, and alternatively the City may request that the District issue bonds or other obligations, payable from District taxes, to contribute to the cost of construction of the Special Events Center;

NOW, THEREFORE, the City and the District enter into this Agreement which outlines the responsibilities and commitments of each Party in the development of the Special Events Center:

#### **A. DEFINITIONS**

For the purposes of this Agreement, the terms defined in this Section shall have the following meanings:

*Agreement* is this Interlocal Agreement entered into among the City and the District under the authority of chapter 39.34 RCW for the development of the Special Events Center as a Regional Center.

*City* is the city of Kent, a municipal corporation of the state of Washington.

*District* is the Kent Special Events Center Public Facilities District, a municipal corporation established by the City of Kent by Ordinance No. \_\_\_\_\_ adopted by the City Council pursuant to the authority of chapter 35.57 RCW.

*Special Events Center* is a multi-purpose arena for hockey and other public uses approved by the City, together with related parking facilities, to be located north of and adjacent to James Street in Kent between 5<sup>th</sup> Ave. South and the Union Pacific Railroad right-of-way.

*Develop or Development* includes any one or more of the following: acquisition of, construction of, ownership of, remodeling, maintaining, equipping, re-equipping, repairing, financing, and operating the Special Events Center as specified herein and undertaken by the Parties as agreed to in this Agreement according to the powers conferred upon the Parties under chapter 35.57 RCW and RCW 82.14.390.

*Local Match* is the amount of money or in-kind contributions derived from public or private sources required by RCW 82.14.390(4) to match the amount of Sales and Use Taxes received and utilized by the District for the development of a Regional Center.

*Parties* means the City and the District.

*Regional Center*, as defined in RCW 35.57.020, means a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving

a regional population and constructed at a cost of more than Ten Million Dollars (\$10,000,000), including debt service.

*Sales and Use Taxes* are the taxes imposed, received and applied by the District pursuant to the authority of RCW 82.14.390 for the development of a Regional Center.

## **B. DEVELOPMENT OF THE SPECIAL EVENTS CENTER**

The Parties intend to jointly develop the Special Events Center, in accordance with this Agreement, as a multipurpose regional, tourism-related facility, meeting the definition of a Regional Center under RCW 35.57.020. The Special Events Center is intended to serve as a Regional Center serving the City, the District and their respective residents, as well as serving a broader population in the region and the state, all consistent with chapter 35.57 RCW.

The City, on behalf the Parties, shall commence construction of the Special Events Center as a Regional Center prior to January 1, 2009. The City shall, on behalf of itself and the District, be the agency with the primary responsibility for the development of the Special Events Center as a Regional Center, as defined by RCW 35.57.020, and shall finance (with District assistance), acquire, design, construct, own, operate and maintain the Special Events Center, and otherwise administer its development and operation for the benefit of itself and the District, all subject to the limitations set forth herein.

### **B.1. Site Acquisition, Development and Ownership.**

a. The City has acquired all real property necessary to serve as a site for the Special Events Center. Title to Special Events Center property shall be in the City, which shall hold that property and the Special Events Center on behalf of and for the benefit of the Parties. For purposes of any legal proceedings to which the City and the District may be parties, this Agreement shall serve as a joint defense agreement and the Parties and their attorneys may jointly share confidential information which shall be nondisclosable to others.

b. The City shall, on behalf of the Parties, acquire the approvals necessary and shall take such other actions as may be required to enable the site to be suitable for use as a Special Events Center.

c. The City shall develop the Special Events Center, and shall own and operate the Special Events Center for and on behalf of the Parties. The District's interest in the Special Events Center shall terminate and revert to the City upon the retirement, redemption or defeasance of the bonds described in Section C, the final distribution to the District of Sales and Use Taxes, the termination of the District's obligation to make project payments to the City, or when mutually agreed between the District and the City, consistent with applicable law. The District's ownership interests in the Special Events Center also shall be transferred to the City if the District ceases to exist; provided that any District obligations with respect to the Special Events Center shall have been retired or fully provided for, or, if not, that the City shall assume all remaining obligations of the District related to the Special Events Center.

d. The District's Board of Directors may, upon the City's request, advise the City on the operation of the Special Events Center. The City may from time to time request that the Board provide such advice on specific topics of concern.

**B.2. Administration of This Agreement; Responsibilities of the Parties.**

a. No separate legal entity will be established to conduct the joint and cooperative undertaking of the Parties. Pursuant to RCW 39.34.030(4)(a), the City, and specifically the Mayor of the City, shall serve as the administrator responsible for administering the joint and cooperative undertaking.

b. The City shall provide a meeting place for the District's board of directors and shall provide staff support for District meetings. The City shall advance costs to the District to provide for professional services, insurance, supplies, staff support, record-keeping, treasury, financial and other materials and services reasonably requested from the City by the District. Upon the City's request, the District shall reimburse the City for City expenses advanced by the City for professional services, insurance, supplies, staff support, record-keeping, treasury, financial and other materials and services requested from the City by the District, except to the extent the City determines that any such services are to constitute a portion of the matching funds required under RCW 82.14.390.

c. The Finance Director of the City shall serve as Treasurer of the District. The Finance Director, on the District's behalf, shall prepare, maintain, and provide financial reports to the City and to the District's board of directors, at such times and in such form as the Mayor and the District's board may require.

d. Subject to applicable law, the District shall not act to dissolve itself or otherwise eliminate its obligations pursuant to this agreement before the retirement, redemption or defeasance of the bonds described in Section C, the final distribution to the District of Sales and Use Taxes, and the termination of the District's obligation to make project payments to the City.

**C. FINANCING OF THE SPECIAL EVENTS CENTER**

**C.1. General Obligations and Revenue Obligations.**

a. The total cost of design and construction of the Special Events Center is currently estimated to be approximately Seventy-eight Million Six Hundred Thousand and 00/100 Dollars (\$78,600,000.00). At the City's option a portion of the cost of design and construction of the Special Events Center may be financed by either general obligation bonds and/or revenue bonds of the City. The City may issue general obligation bonds secured by the full faith and credit of the City, and may issue either general obligation bonds or revenue bonds payable in whole or in part from intergovernmental project payments from the District to the City from the proceeds of the Sales and Use Taxes. Upon written request of the City, if the City executes a financing and contingent loan agreement with the District to support the District's obligations, the District shall issue either general obligation bonds and/or revenue bonds in amounts sufficient to provide for all or part of the cost of the design and construction of the Special Events Center. Long-term obligations may be issued up to the maximum term allowed by law. The obligations issued by the City for the development of the Special Events Center may be in one or more series and may be tax-backed general obligations, revenue obligations or a combination thereof. District general obligation bonds shall pledge the Sales and Use Taxes and the full faith and credit of the District. The type and amount of bonds or other obligations issued by the City and/or the District shall be determined by the City, in consultation with the District's Board of Directors.

b. The District shall impose the Sales and Use Taxes authorized by RCW 82.14.390 to finance part of the cost of the joint acquisition, design, construction, operation and maintenance of the Special Events Center. If requested by the City, the District shall promptly (and in no event at least monthly) remit the proceeds of those taxes, as intergovernmental project payments, to the City for the purposes set forth in this Agreement.

c. If determined to be advantageous to the financing of the Special Events Center, the City may at its option execute a contingent loan agreement with the District, under which the City will agree to make loans to the District in the event that insufficient Sales and Use Taxes are available to provide for debt service on District general obligation bonds.

### **C.2. Local Match.**

The City will provide for the contribution of 33 percent Local Match, as required by RCW 82.14.390(4), with respect to the Sales and Use Taxes levied and received by the District and contributed to the City pursuant to this Agreement. It is anticipated that such match will be provided by City general funds and City revenues from the ownership and operation of the Special Events Center.

### **C.3. Pledge of Revenue in Support of Bonds.**

The Parties acknowledge and agree that the City or District, as appropriate, may pledge this Agreement, as well as all Sales and Use Tax received from the District, to the payment of bonds, short-term notes or other obligations issued to finance the Special Events Center. Such pledges will be material to the offer and sale of the bonds, and will be disclosed to potential purchasers and purchasers of bonds issued by the City or the District, respectively. The Parties consider this Agreement to be a binding contract and acknowledge that lenders to the City, including bondowners, holders of short-term notes and financial institutions providing credit support for such bonds or other obligations, will rely on the terms of this Agreement, including the pledge by the District to make the monthly payments described in Section C.1.b, in deciding to make loans to the City or in purchasing bonds or short-term notes for the funding of the development of the Special Events Center, or in providing credit support for such bonds, notes or other obligations. The Parties acknowledge that lenders to the District, including bondowners, holders of short-term notes and financial institutions providing credit support for such bonds or other obligations, will rely on the terms of this Agreement, including the pledge by the City to make loans to the District under any contingent loan agreement under Section C.1.c, in deciding to make loans to the District or in purchasing bonds or short-term notes for the funding of the development of the Special Events Center, or in providing credit support for such bonds, notes or other obligations. Each of the Parties acknowledges that its commitment under this agreement constitutes a valid and binding enforceable, contractual commitment by that Party.

Obligations issued by each Party, and disclosure documents related thereto, shall contain a statement to the effect that those obligations shall be payable solely from sources expressly pledged. However, each Party acknowledges that with respect to obligations issued by the other Party, it may be treated as an "obligated person" for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(5), and each Party agrees to make an appropriate written undertaking for the benefit of owners of bonds, consistent with the requirements of that SEC rule.

### **C.4. Limitation on Additional Projects.**

Without the City's written concurrence, the District shall not impose any taxes or engage in the development, financing, ownership or operation of any Regional Center or other facility other than the Special Events Center. Further, upon the City's reasonable request, the District shall impose such taxes or fees to support the Special Events Center as the District may be authorized to impose under applicable law. The District also agrees that it will not amend Article V ("Purpose") of its bylaws without approval by the City Council.

#### **D. INDEMNIFICATION**

To the extent permitted by law, the City shall indemnify, defend and hold harmless the District, its officers and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") caused by any negligent act, error or omission of the City or its officials, officers, employees, agents, contractors or subcontractors (the "City's Functionaries"), when acting within such designated capacity, arising out of the development, financing, acquisition, design, construction, ownership, operation, or maintenance of the Special Events Center.

The City's obligation shall include, but not be limited to, defending all claims alleging damages from any negligent action, error or omission or breach of any common law, statutory or other delegated duty by the City and the City's Functionaries. The District will provide information to the City, and the City will provide information to the District, regarding all claims.

To the extent permitted by law, the District shall indemnify the City, its officers and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") caused by any negligent act, error or omission of the District its officials, officers, employees, agents, contractors or subcontractors other than the City (the "District's Functionaries"), when acting within such designated capacity, arising out of the development, financing, acquisition, design, construction, ownership, operation, or maintenance of the Special Events Center.

The City agrees to acquire and maintain insurance in form and amounts as it determines is consistent with the coverage of comparable Special Events Center facilities and undertakings related to said facilities as contemplated under this Agreement and to name the District as an additional named insured. Such insurance may, without limitation, include self-insurance and/or pool insurance. If a license agreement or other agreement with a user of the Special Events Center provides that the licensee must obtain specified insurance and name the City as an additional insured, the City will use reasonable efforts to have the District also named as an additional insured.

#### **E. SUPPLEMENTAL DOCUMENTS**

The Parties agree to complete and execute all supplemental documents necessary or appropriate to fully implement the terms of this Agreement.

**F. DURATION OF AGREEMENT**

This Agreement shall continue in full force and effect until the later of: the retirement, redemption or defeasance of the bonds described in Section C, the final distribution to the District of Sales and Use Taxes, or the termination of the District's obligation to make project payments to the City.

**G. GOVERNING LAW; VENUE**

This Agreement is governed by, and shall be construed in accordance with, the laws of the State of Washington. Except as otherwise required by applicable law, any legal action under this Agreement shall be brought in the Superior Court of the State of Washington in and for King County.

**H. SEVERABILITY**

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**I. AMENDMENTS**

This Agreement may not be effectively amended, changed, modified, altered, or terminated except by an instrument in writing duly executed by the City and the District (or their successors).

**J. NO RIGHTS CREATED IN THIRD PARTIES**

The terms of this Agreement are not intended to establish nor to create any rights in any persons or entities other than the City and the District and the respective successors and assigns of each.

**K. EFFECTIVE DATE**

This Agreement is dated and is effective as of the later date of execution by each of the two parties, as indicated below.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officers and representatives as of the day indicated below.

**CITY OF KENT**

**KENT SPECIAL EVENTS CENTER  
PUBLIC FACILITIES DISTRICT**

\_\_\_\_\_  
**Suzette Cooke, Mayor**

\_\_\_\_\_  
\_\_\_\_\_, Chair

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**THE CITY OF KENT  
SPECIAL EVENTS CENTER  
PUBLIC FACILITIES DISTRICT**

**BYLAWS  
September 14, 2007**

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## **ARTICLE I**

### **NAME AND SEAL; DEFINITIONS**

Section 1.1. Name. The official name of this organization is the City of Kent Special Events Center Public Facilities District, and may be referred to in these Bylaws as the "Public Facilities District" or "District" or "PFD."

Section 1.2. Definitions. All capitalized terms used but not defined herein shall have the same meanings set forth in Ordinance No. 3852 of the City Council of the City of Kent, adopted on August 7, 2007, creating the District (the "Formation Ordinance").

## **ARTICLE II**

### **OFFICIAL SEAT AND PRINCIPAL OFFICE**

Section 2.1. Official Seat and Principal Office. The official office of the City of Kent Special Events Center Public Facilities District will be located in 220 Fourth Ave. South, Kent, Washington, 98032, or at such other place as may be fixed from time to time by the Board of Directors by resolution.

## **ARTICLE III**

### **AUTHORITY AND LIMIT ON LIABILITY**

Section 3.1. Authority. The District is a public facilities district organized pursuant to Chapter 35.57 RCW and the Formation Ordinance.

Section 3.2. Limit on Liability. Except as may be otherwise provided in one or more interlocal agreements with the City, all liabilities incurred by the District shall be satisfied exclusively from the assets, credit, and properties of the District, and no creditor or other person shall have any right of action against or recourse to the City of Kent (the "City"), to the State of Washington, to any other municipal corporation other than the District, or to any of their respective assets, credit, or services, on account of any debts, obligations, liabilities or act or omissions of the District.

Section 3.3. Powers, Duties, and Limitations. The District shall have and may exercise all lawful powers conferred by State law and the Formation Ordinance, including the usual powers of a corporation for public purposes.

## **ARTICLE IV**

### **DURATION**

The duration of the District shall be perpetual until dissolved in accordance with the State law and any interlocal agreement with the City.

## **ARTICLE V**

### **PURPOSE**

The purpose of the District is to provide a legal entity under Chapter 35.57 RCW and the Formation Ordinance for the sole purpose of pursuing the design, construction,

ownership, operation, and/or financing of a regional center, specifically, a special events center for hockey and other public uses approved by the City, together with related parking facilities, to be located on James Street in Kent between 5<sup>th</sup> Ave. South and the Union Pacific Railroad right-of-way, and any other lawful purposes approved by the City.

To the extent appropriate and consistent with the District's specific purpose, the District may acquire and manage real property, including, but not limited to, ownership of all or a portion of a special events center, including parking facilities; secure financing; undertake or otherwise provide for the construction, development, management and/or operation of the special events center; and otherwise undertake and accomplish all activities and projects necessary for the special events center and enter into interlocal agreements and contracts for accomplishing the same.

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

Section 6.1. Board. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the District shall be managed under the direction of the Board of Directors (the "Board").

Section 6.2. Composition of the Board. As provided by law, the District shall be governed by a Board of Directors and the Board shall be made up of five directors ("Directors" or "members"). The appointment of Directors shall be as provided by Chapter 35.57 RCW and the Formation Ordinance. For the purpose of determining the length of terms of the initial members of the Board, the City Council has designated which initial member has been appointed for a one-year term, which has been appointed for a two-year term, which has been appointed for a three-year term, and which have been appointed for four-year terms.

Section 6.3. Vacancies. Vacancies on the Board shall be filled by appointment by the City Council. A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, disability, resignation or removal from office of any Board member as provided herein. Upon such an occurrence, the Board shall notify the City Clerk.

Section 6.4. Compensation and Expenses. The Board may, by resolution, provide for their payment of their expenses, if any, of attendance at each meeting of the Board as well as for reimbursement of actual and necessary expenses for performing their duties as provided by law. Any compensation received by Directors shall only be pursuant to the authority provided by, and consistent with, Chapter 35.57 RCW.

Section 6.5. Travel Reimbursement. The Board shall, by resolution, establish the basic requirements governing methods and amounts of reimbursement payable to District officials and employees for travel and other business expense incurred on behalf of the PFD.

## **ARTICLE VII**

### **OFFICERS**

Section 7.1. Officers Designated. The officers of the District shall be a Chair, Vice Chair, and Secretary, each of who shall be elected by the Board. In addition, the Treasurer of the District shall be the City of Kent Finance Director, serving as Treasurer of the District. No person may simultaneously hold more than one office. In addition to the powers and

duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 7.2. Nominations and Election of Officers. The Board shall elect each of the officers (other than the Treasurer) from among its members. The officers shall be elected annually by the Board at the first regular meeting. Nominations shall be made from the floor. The election shall follow immediately thereafter. A nominee receiving a majority vote of those present shall be declared elected. The Board at its organizational meeting shall elect the first officers of the Board. Vacancies in elective officers shall be filled immediately by regular election procedure for the unexpired portion of the term.

Section 7.3. Term of Office. The elected officers shall immediately assume their positions at the conclusion of the elections and shall serve one year, or until a successor is elected.

Section 7.4. Powers and Duties.

a) Chair. The Chair shall be the chief executive officer of the District, and, subject to the direction and control of the Board, shall have the general supervision and charge over its property, business, and affairs. The Chair shall:

- (1) Preside over all meetings of the Board and exercise all the powers incident to the office, retaining however, the full right as a Director of the Board to have a vote recorded on all deliberations of the Board, to propose motions and to second motions;
- (2) Set agendas;
- (3) Call special meetings of the Board in accordance with the Bylaws;
- (4) Execute documents and notices relating to procedural affairs;
- (5) Sign and execute, in the name of the District, deeds, leases, bonds, contracts and other instruments duly authorized by the Board, and see to it that all action of the Board are properly taken; and
- (6) Generally shall perform all duties incident to the office of the Chair and such other duties as may from time to time be assigned to such office by the Board.

b) Vice Chair. At the request of the Chair or in case of his or her absence or disability, the Vice Chair shall perform all duties of the Chair and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the Chair. In addition, the Vice Chair shall perform such other duties as may from time to time be assigned to that office by the Board or the Chair. The Vice-Chair shall retain the full right as a Director of the Board to have a vote recorded in all deliberations of the Board, to propose and to second motions.

c) Secretary. The Secretary shall:

- (1) Certify and keep (or cause to be kept) at the office of the District, or at such other place as the Board may order, the original or a copy of the Bylaws, as they may have been amended;

- (2) Keep or cause to be kept at the office of the District, or at such other place as the Board may order, a book of minutes of all meetings of the Board, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat;
- (3) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (4) Exhibit at all reasonable times to any Director, upon request, the Bylaws and minutes of the proceedings of the directors of the PFD; and
- (5) Perform such other duties as are incident to his or her office or as are assigned to him or her by the Board or by the Chair.

d) Treasurer. Subject to the direction of the Board and subject to applicable State law, the City of Kent Finance Director shall be the treasurer of the District (the "Treasurer") and shall:

- (1) Receive and have custody of all the funds and securities of the District;
- (2) Keep adequate records and correct amounts of the District's properties and business transactions;
- (3) Render reports on the condition of the finances of the District at such times as may be required, and shall make a full annual financial report to be presented to the Board as directed by the Board; and
- (4) Perform all duties of the office of Treasurer, including all duties incident to the office of chief financial officer, and such other duties as may from time to time be assigned to such office by the Board.

e) Other Officers. In addition to the foregoing officers, the Board may, from time-to-time, elect such other officers as it may see fit, with such duties as the Board may deem proper.

Section 7.5. Removal. Upon reasonable prior notice to all Directors of the alleged reasons for dismissal, the Board by an affirmative vote of the majority of all the Directors may remove any officer (other than the Treasurer) from his or her office (but not from his or her membership on the Board) whenever in its judgment the best interests of the District will be served thereby.

Section 7.6. Vacancies. The Board shall fill any office that becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor has been duly elected and qualified. A Director's failure to attend three consecutive meetings without being excused by the Chair shall be considered abandonment of office and the position shall be considered vacant.

## **ARTICLE VIII**

### **EXECUTION OF INSTRUMENTS**

Section 8.1. Execution of Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or documents, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall will be binding upon the District.

## **ARTICLE IX**

### **RECORDS AND REPORTS**

Section 9.1. Records of Corporate Meetings and Director Register. The District shall keep, at its principal office the following: records of all proceedings of the Board; a record of officers and Directors, including names and addresses; current Bylaws; correct and adequate records of accounts and finances; minutes of the proceedings of the Board; and any minutes which may be maintained by a committee of the Board; and such other records as may be maintained by the Board. Records may be written, or electronic if capable of being converted to writing. The records shall be open for inspection at any reasonable time by any Director and by any member of the public to the extent required under applicable law. The District shall provide no less than 90 days' written notice to the City Clerk prior to the destruction of any books and records.

Section 9.2. Copies of Records. Any person dealing with the District may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board, when certified by the Chair or Secretary.

Section 9.3. Books of Account. With the assistance and under the direction of the Treasurer, the District shall keep appropriate and complete books of account.

Section 9.4. Money. All money received by the District for any purpose whatsoever shall be deposited in an account or accounts in any commercial bank or other financial institution permitted by state law, and all withdrawals from such account shall be by check or warrant and to be signed by an officer or officers of the District as may be from time-to-time designated by the Board. Funds may be combined or commingled with funds held by the City of Kent for purposes of management and investment, but shall continue to be accounted for separately.

Section 9.5. Inspection of Books and Records. All books and records provided for by statute shall be open to inspection of the Directors and members of the public from time to time upon reasonable notice.

## **ARTICLE X**

### **MEETINGS**

Section 10.1. Regular Board Meetings. Regular meetings of the Board shall be held at such times and at such places as may be prescribed by resolution of the Board. The Chair shall have the authority to change the location of a meeting upon notice to the Directors. If a regular meeting falls on a legal holiday, that meeting shall automatically be held on the next day which is not a holiday unless the Board, by formal action sets a special

meeting day. A quorum of the Board may, at any regular meeting, substitute another day for the regular meeting of the following month and shall cause notice to be given thereof in the manner provided for notice of a special meeting. Notwithstanding the foregoing or any of the provisions of Section 10.2 through 10.5, the District shall hold meetings and shall give notice of meetings in accordance with State law, as it may change from time to time.

Section 10.2. Notice of Regular Board Meetings. Notice and conduct of the regular meeting shall be consistent with Chapter 42.30 RCW.

Section 10.3. Special Board Meetings. Special meetings of the Board may be held at places at times when called by the Chair or a majority of the members of the Board, all consistent with the provisions of Chapter 42.30 RCW.

Section 10.4. Notice to the City. Notice of all meetings and minutes of all meetings of the Board shall be given to the City Clerk.

Section 10.5. Minutes and Records. A record of proceedings of all official meetings shall be recorded and made a part of a permanent public record. The agenda, with a record of action taken and attendance, shall constitute the record of proceedings. A copy of the record of proceedings taken at any meeting shall be provided to anyone on request. The minutes of all Board meetings shall include, except in cases of unanimity, a record of individual votes on all matters requiring Board concurrence.

Section 10.6. Quorum. The presence of three Directors at a meeting shall constitute a quorum and shall be necessary for the transaction of any business, except that a lesser number may adjourn any meeting from time to time until a quorum is obtained, and no further notice thereof need be given. The Directors present at a duly organized meeting may continue to transact business at such meeting and at any adjournment of such meeting, notwithstanding the withdrawal of enough Directors from either meeting to leave less than a quorum.

Section 10.7. Meetings Open. All regular and special meetings of the Board shall be open and the public shall be permitted to attend, except that the Board may meet, deliberate, and take action in an Executive Session as authorized by State law.

Section 10.8. Participation in Meetings by Telephone. Directors of the Board, or Directors of a committee may participate in their respective meetings by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting, including members of the general public, can hear each other at the same time. Participation in a meeting by conference telephone shall constitute presence in person at such meeting.

Section 10.9. Robert's Rules. Meetings of the Board shall be conducted as determined by the Chair. However, upon the request of any Director, any meeting of the Board or any District committee shall be conducted in accordance with Robert's Rules of Order. Meetings shall also be held in accordance with applicable State law.

## **ARTICLE XI**

### **COMMITTEES**

Section 11.1. Establishment of Committees. The Chair may, from time to time, establish a committee of the Board to carry out certain specific duties or functions as the

Board or the Chair deems advisable. The Chair may appoint or recommend its Directors to outside committees. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any Director of any responsibility imposed by law. The Chair may also establish *ad hoc* committees or task forces, including members of the public, to assist the Board on specific matters.

Section 11.2. Appointment and Terms of Committee Directors. The Chair of the Board shall appoint the Directors of each committee and shall name the chair of each committee.

Section 11.3. Duration of the Committee. The committee shall complete its assigned tasks expeditiously and report its findings to the entire Board.

Section 11.4. Limited Powers. No standing or special committee shall have the power to commit the District to any action without approval by the Board.

## **ARTICLE XII**

### **DISTRICT BOARD DIRECTOR CONDUCT**

Section 12.1. Public Statements. While any Director has a right to express personal views and opinions pursuant to constitutional guarantees of freedom of speech, statements purporting to represent the view or pronouncements of the Board or the District or committees thereof shall not be made in advance of the Board's final determination of the matter, except as directed or authorized by a majority of the entire Board at any special or regular meeting or public hearing. The Board may appoint one of its Directors to issue such statements as the Board deems necessary. In the absence of any such appointment, the Chair shall serve as the spokesperson for the Board. This shall not prejudice the right of any dissenting Directors to express their minority position. Directors shall refrain from disclosing confidential information of the District.

Section 12.2. Sharing of Information. It is in the public interest that, to the greatest extent possible, all Directors of the Board should be aware of and act upon the information that is available to other Directors. Therefore, all Directors are encouraged to place upon the record of the District, the substance of information concerning all matters that come before the Board for action.

Section 12.3. Conflict of Interest. If it shall appear to any Director at any time that a conflict of interest problem with respect to a matter pending before the Board exists, it shall be the Director's duty to openly state the nature of such conflict, and refrain from participating in any subsequent deliberation of the Board and the decision-making process with respect to the matter. In the event a question arises concerning whether a conflict of interest issue exists, the same shall be determined by a majority vote of the total Board, with the Director in question being allowed to vote. Notwithstanding the foregoing, action of the Board and the Directors shall at all times be consistent with applicable State law governing conflicts of interest, including without limitation Chapter 42.23 RCW.

Section 12.4. Attendance. Regular attendance of scheduled regular or special meetings is important and critical to the operation of the District. Each Director is responsible for notifying the Chair when a scheduling conflict arises that prevents them from attending a scheduled meeting. In the event that a Director cannot actively participate in scheduled regular or special meetings, the Director should consult with the Chair to determine if their absence can be accommodated.



## ARTICLE XIII

### **INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AND OFFICERS**

Section 13.1. Indemnification of Directors, Employees, and Officers. To the extent permitted by law, the District shall protect, defend, hold harmless and indemnify any person who becomes a Director of the Board, or employee of the District, and is a party, or is threatened to be made a party, to a proceeding, by reason related to that person's conduct as a Director, an officer or employee of the District, against judgment, fines, penalties, settlements and reasonable expenses (including attorneys' fees), incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the District's best interests; and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. The indemnification protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the Board. The Board may purchase and maintain appropriate insurance for any person to the extent provided by applicable law. The District may grant a request by such person that the attorney of the District's choosing be authorized to defend said claim, suit or proceeding; and the costs of defense, attorneys' fees, and any obligations for payment arising from such action may be paid from the District's funds.

## ARTICLE XIV

### **AMENDMENT OF BYLAWS**

Section 14.1. Proposals to Amend Bylaws. Proposals to amend the Bylaws shall be presented in a format that strikes over material to be deleted and underlines new material. Any Board member may introduce a proposed amendment to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which 15 days' advance notice has been given.

Section 14.2. Board Consideration of Proposed Amendments. If notice of a proposed amendment to Bylaws, and information including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board 10 days prior to any regular Board meeting or any special meeting of which advance notice has been given, then the Board may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Board may not vote on the proposed amendment until the next regular Board meeting or special meeting of which 20 days' advance notice has been given and at least 10 days prior to which meeting such notice and information is provided to Board members. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 14.3. Vote Required for Amendments to Bylaws. Resolutions of the Board approving proposed amendments to the Bylaws require an affirmative vote of a majority of the Board members then in office. Additionally, proposed amendments to Article V - Purpose shall require the approval of the Kent City Council.

Section 14.4. Amendments to Indemnification and Amendments Affecting Contracts. No amendment to these Bylaws shall retroactively reduce or eliminate the indemnification provisions of Article XIII. In addition, no amendment shall impair any existing contract or obligation of the District.

**ARTICLE XV**

**DISSOLUTION**

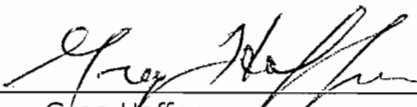
If the Board makes an affirmative finding that dissolution is necessary or appropriate because the purposes of District may not be fulfilled for any reason, or for any other cause the Board may adopt a resolution requesting commencement of the dissolution of the District pursuant to chapter 53.48 RCW or other applicable law. However, the District shall not commence dissolution proceedings without concurrence by the City Council by resolution.

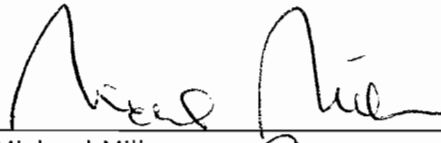
**ARTICLE XVI**

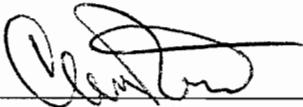
**FISCAL YEAR**

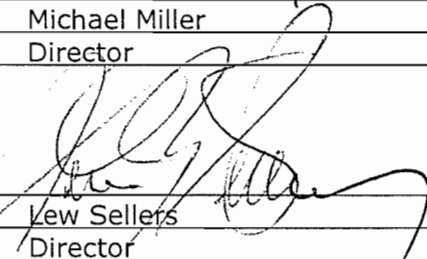
Section 16.1. Fiscal Year. The Fiscal Year of the District shall begin January 1 and end December 31 of each year, except the first fiscal year, which shall run from August 7, 2007, to December 31, 2007.

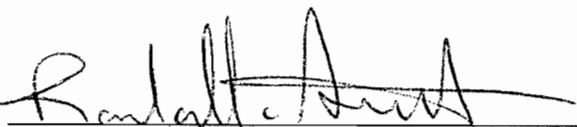
APPROVED this 14 day of September, 2007.

  
By: Greg Haffner  
Its: Director

  
By: Michael Miller  
Its: Director

  
By: Cass Prindle  
Its: Director

  
By: Lew Sellers  
Its: Director

  
By: Randall Smith  
Its: Director