

EXHIBIT "A" TO RESOLUTION NO.

INTERLOCAL AGREEMENT BETWEEN THE CITY OF FIFE, THE
CITY OF LAKEWOOD, THE CITY OF TACOMA, AND THE CITY
OF UNIVERSITY PLACE FOR CREATION OF THE GREATER
TACOMA REGIONAL CONVENTION CENTER PUBLIC
FACILITIES DISTRICT

AFTER RECORDING RETURN TO:

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF FIFE, THE CITY OF LAKEWOOD,
THE CITY OF TACOMA, AND THE CITY OF UNIVERSITY PLACE
FOR CREATION OF THE GREATER TACOMA REGIONAL CONVENTION
CENTER PUBLIC FACILITIES DISTRICT**

THIS INTERLOCAL AGREEMENT is made and entered into this
day of _____, 1999, between the CITY OF FIFE ("Fife"), THE CITY OF
LAKEWOOD ("Lakewood"), THE CITY OF TACOMA ("Tacoma"), and the CITY OF
UNIVERSITY PLACE ("University Place").

RECITALS

WHEREAS the Laws of Washington, Chapter 165, 1999 Regular Session,
Sections 1 through 23, authorize the legislative authorities of any contiguous group
of cities located in a county or counties, each with a population of less than one
million, to enter into an agreement under RCW 39.34 for the creation and joint
operation of a public facilities district ("District") to facilitate the construction and
operation of a regional convention center, and

WHEREAS Fife, Lakewood, Tacoma, and University Place recognize and find that there is a public need for a new regional convention center ("Convention Center") to be located in Tacoma, and recognize the public use and benefit to the citizens of these cities to be derived from the construction and operation of such a Convention Center, and

WHEREAS Tacoma has, by ordinance, appropriated and expended funds for pre-construction activities including analysis of site locations and preliminary design studies for the Convention Center. Further, Tacoma has, by resolution, identified a preferred site for the Convention Center, and is currently undertaking appraisal of properties within the preferred site and engaging in negotiations for purchase and sale of the properties and relocation of owners and tenants. Further, Tacoma intends to provide debt financing for the Convention Center, and

WHEREAS Fife, Lakewood, Tacoma, and University Place desire to create a District to facilitate the commencement of construction and operation of the Convention Center in Tacoma before January 1, 2003, and

WHEREAS the District will assist in financing the Convention Center through imposition of a sales and use tax of not more than 0.033 percent to be collected from those persons who are taxable by the State of Washington under RCW 82.08 and 82.12 upon the occurrence of any taxable event within the District. Further, the District may additionally impose admission and parking taxes through means authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(b) &(c), 10, and 11; provided that the imposition of admission and parking taxes shall apply only to admission to and parking at the Greater Tacoma Regional Convention Center facility, and

WHEREAS the District will enter into an agreement or agreements with Tacoma for the design, development, construction, and operation of the Convention Center which shall provide that; Tacoma shall advertise for, select, and enter into agreements with the contractor or contractors for the design, development, and construction of the Convention Center; Tacoma shall oversee and make all decisions relative to the design, development, and construction of the Convention Center; Tacoma shall manage and administer the contracts relative to the design, development, and construction of the Convention Center, which development may include a public/private partnership; and Tacoma will issue bonds for the debt financing of the Convention Center;

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. PURPOSE. The purpose of this Interlocal Agreement ("Agreement") is to create a Public Facilities District ("District") to facilitate the commencement of construction and operation of a regional convention center in Tacoma before January 1, 2003, pursuant to the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23.

2. TERM. The term of this Agreement shall be perpetual except as may be otherwise provided herein.

3. REVIEW/WITHDRAWAL.

3.1 Review: Fife, Lakewood, Tacoma, and University Place (collectively "Cities") agree to review the effectiveness of this Agreement within 60 days of each tenth anniversary of the effective date of this Agreement. The purpose of any such review shall be to ensure that the District continues to effectively serve the public. The Cities agree to make a full and good faith effort to participate in the review. If, after completion of each such review, the Cities unanimously agree that the public interest will be served by modifying certain terms and conditions of this Agreement or by termination of the District, such modifications or termination shall be made by the legislative authorities of each jurisdiction. Provided that, the District shall automatically terminate in the event that it no longer is a party to the Interlocal operating agreement between Tacoma and the District for the joint construction and operation of the Convention Center ("Operating Agreement").

3.2 Withdrawal: Any one or more of the Cities may withdraw from the District upon each of the following conditions having been met:

a. It has been more than ten years since the District executed the initial Operating Agreement for the operation of the Convention Center; and

b. The city desiring to withdraw has served a formal written notice upon each of the Cities of its intent to withdraw from the District; and

c. The Board convenes at a special meeting called by the President at the request of the city desiring to withdraw to, in good faith, discuss the impact of the withdrawal on the operation of the District and the ability of the District to meet its obligations; and

d. The legislative body of the city desiring to withdraw enacts an resolution or ordinance authorizing the city to withdraw from the District; and

e. The withdrawal from the District takes place no sooner than six months from the date of service of the notice of withdrawal.

3.3 Effect of Withdrawal. Withdrawal of one or more cities from the District shall not cause the District to terminate except in the event that all Cities have withdrawn. The boundaries of the District shall be modified in the event of withdrawal of a city to reflect the boundaries of the remaining cities.

4. AMENDMENTS. This Agreement may be amended at any time by the mutual written consent of each legislative body of the Cities.

5. CREATION of the District.

5.1. Formation. The District shall be formed upon execution of this Agreement by each party, by and through the designated public officials as authorized by the respective legislative bodies of the Cities, pursuant to a lawfully enacted ordinance or resolution.

5.2. Municipal Corporation. The District shall be a Municipal Corporation and 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.

5.3. Boundaries. The District shall be coextensive with the boundaries of the Cities.

5.4. Powers. The District shall have only those powers as provided for under its Charter.

6. APPOINTMENT OF DISTRICT BOARD. The Cities will appoint the seven members of the District Board of Directors ("Board") in accordance with the terms of Laws of Washington, Chapter 165, 1999 Regular Session, Section 3(b). The City Council of each of the Cities shall each appoint one member for a four-year term. The members appointed by the Cities shall not be a member of their respective City Councils. Tacoma shall appoint four members based on the recommendations of local organizations. The members appointed by Tacoma shall not members of the Tacoma City Council. Of the four members appointed by Tacoma, one shall serve a one-year term, one shall serve a two-year term, one shall serve a three-year term, and one shall serve a four-year term. Every member or members appointed by a city to the Board, may be removed at will by his or her appointing City and a new member appointed to fill the unexpired term in the same manner as described above.

In the event a city withdraws pursuant to Section 3 herein, the term of the member appointed by the withdrawing City shall expire upon the effective date of the withdrawal, and Tacoma shall appoint a member to that position for the four year term and each succeeding term.

7. Adoption of Charter. The District shall operate under the Charter attached hereto as Exhibit "A," which shall be adopted at the first meeting of the Board. The Charter may be amended only by mutual agreement authorized pursuant to a resolution or ordinance of the legislative bodies of the Cities.

8. Adoption of By-laws. The District shall, at the first meeting of the Board, adopt and operate under by-laws consistent with those by-laws attached hereto as Exhibit "B."

9. FINANCING.

9.1. Administrative Costs. The administrative costs of the Board will be the obligation of the District. Tacoma will initially provide mutually agreed upon in-kind services to the District to facilitate performance of the functions of the Board until the District enters into an agreement with Tacoma for the development, construction, and operation of the Convention Center. In-kind services may include, but are not limited to, the provision of meeting facilities and clerical assistance. Tacoma will initially pay the costs of the services rendered by the City as Ex-officio Treasurer and the initial insurance premium for public liability insurance authorized pursuant to Article VI of the Charter; provided that, such costs shall be an obligation of the District, and the District shall reimburse Tacoma for such expenses as soon as practicable.

9.2. Financing. Financing of the development, construction, and operation of the Convention Center shall be as provided in the Charter. It is agreed that the District will enter into an agreement or agreements with Tacoma to provide for the custody, investment, and accounting of all funds of the District and assist in the administration of the financial affairs of the District.

9.3. Audit. The funds of the District shall be subject to audit as otherwise provided by law for the auditing of public funds.

10. PROPERTY. The District shall have authority to acquire and dispose of property as provided in the Charter. In the event of termination of the District, all property held or acquired by the District shall become the property of Tacoma.

11. FILING. A copy of this Agreement shall be filed with the City Clerks of Fife, Lakewood, Tacoma, and University Place, and the Pierce County Auditor; provided, however, that failure to file shall not affect the validity of this Agreement.

12. FAILURE TO COMPLY. In the event either of the Parties defaults on the performance of any terms of this Agreement, or either Party places the enforcement of this Agreement in the hands of an attorney, or is required to file a judicial or administrative appeal, or files a lawsuit, the prevailing party shall be entitled to be reimbursed its reasonable attorneys' fees, costs and expenses. The venue for any dispute related to this Agreement shall be Pierce County, Washington.

13. GENERAL PROVISIONS. This Agreement contains all of the agreements of the Cities with respect to any matter covered or mentioned in this Agreement, and no prior agreement shall be effective for any purpose. No provision of this Agreement may be amended or modified except by written agreement signed by the Cities. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same

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counterpart. The effective date of this agreement shall be the last date executed by any one of the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CITY OF TACOMA

Ray E. Corpuz, Jr.
City Manager

Countersigned:

Peter Luttrupp, Finance Director

William Pugh, Department Director

Attest:

City Clerk

Approved as to form and legality:

City Attorney

Risk Manager

CITY OF FIFE

City Administrator

Finance Director

City Clerk

City Attorney

CITY OF LAKEWOOD

City Manager

Finance Director

City Clerk

City Attorney

CITY OF UNIVERSITY PLACE

City Manager

Finance Director

City Clerk

City Attorney