

**RESOLUTION NO. 86**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY LAKE, SPOKANE COUNTY, WASHINGTON, APPROVING A COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT; AUTHORIZING THE EXECUTION OF SUCH AGREEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO**

**CITY OF LIBERTY LAKE  
Spokane County, Washington**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY LAKE, SPOKANE COUNTY, WASHINGTON, as follows:

WHEREAS, the City of Liberty Lake, Spokane County, Washington (the "City") is a non charter code city duly organized and existing under and by virtue of the constitution and laws of the state of Washington;

WHEREAS, chapter 39.89 RCW requires taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the increment area to execute a written agreement approving the utilization of community revitalization financing before employing such financing to finance all or a portion of the costs of designated public improvements;

WHEREAS, a portion of the territory encompassed by the City is located within a proposed tax increment area (the "Increment Area") wherein regular property taxes may be apportioned for community revitalization financing;

WHEREAS, pursuant to chapters 35A.89 and 84.52 RCW, the City is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, Spokane County, Washington (the "County"), seeks to obtain the written agreement of the City for the use of community revitalization financing to finance all or a portion of the costs of certain designated public improvements to be constructed within the Increment Area at an estimated cost of \$15 million;

WHEREAS, the City is authorized to participate in the financing of such public improvements by entering into a Community Revitalization Financing and Tax Increment Area Agreement (the "Agreement"); and

WHEREAS, the City Council of the City (the "Council") has determined that creation of the Increment Area and the corresponding use of community revitalization financing to finance all or a portion of the costs of those public improvements associated with the Increment Area construction and valued at an amount not to exceed \$15 million, for a period not to exceed 15

years from the date the tax allocation revenues are first collected, are in the best interest of the patrons and taxpayers of the City;

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

**Section 1: Approval of Agreement**

The Agreement attached hereto as Exhibit "A" is hereby approved.

**Section 2: Execution**

The Mayor and Clerk of the City are hereby authorized to execute the Agreement on behalf of the City.

**Section 3: Miscellaneous**

The Mayor of the City is further authorized to execute such other documents and take such actions as are necessary to further accomplish the purposes of the Agreement.

**Section 4: Repealer**

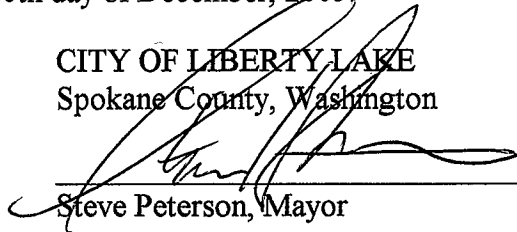
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

**Section 5: Effective Date**

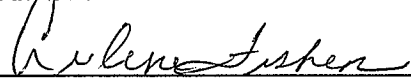
This Resolution shall be effective immediately upon its adoption.

APPROVED by the City Council of the City of Liberty Lake, Spokane County, Washington, at a meeting thereof, held this 20th day of December, 2005.

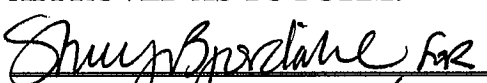
CITY OF LIBERTY LAKE  
Spokane County, Washington

  
\_\_\_\_\_  
Steve Peterson, Mayor

ATTEST:

  
\_\_\_\_\_  
Arlene Fisher, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Stanley M. Schwartz, City Attorney

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**CERTIFICATION**

I, Arlene Fisher, the City Clerk of the City of Liberty Lake, 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 City Council of the City of Liberty Lake, duly held at the City Hall on December 20, 2005, of which meeting all members of such Council had due notice, and at which a majority thereof were present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof, Councilmembers: 6

NAYS, Councilmembers: 0

ABSENT, Councilmembers: *Just Owens*

ABSTAIN, Councilmembers: 0

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

IN WITNESS WHEREOF, I have set my hand on this 20th day of December, 2005.

CITY OF LIBERTY LAKE  
Spokane County, Washington

*Arlene Fisher*  
\_\_\_\_\_  
Arlene Fisher, City Clerk

**EXHIBIT "A"**

**COMMUNITY REVITALIZATION FINANCING AND  
TAX INCREMENT AREA AGREEMENT**

This COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT (this "Agreement") is made and entered into as of this 20<sup>th</sup> day of December, 2005, by and among the Spokane County Library District, Spokane County, Washington (the "Library District"), Spokane County Fire Protection District No. 1, Spokane County, Washington (the "Fire District"), the City of Liberty Lake, Spokane County, Washington (the "City") and Spokane County, Washington (the "County").

**WITNESSETH:**

WHEREAS, the Library District is a rural library district duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State");

WHEREAS, a portion of the territory encompassed by the Library District is located within a proposed tax increment area, the boundaries of which are set forth in Exhibit "A" hereto (the "Increment Area");

WHEREAS, the Fire District is a fire protection district duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the Fire District is located within the Increment Area;

WHEREAS, the City is a non-charter code city duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the City is located within the Increment Area;

WHEREAS, the County is a Class A county duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, pursuant to chapter 39.89 RCW, the County is authorized to adopt a resolution to create the Increment Area after obtaining the written agreement for the use of community revitalization financing to finance all or a portion of the costs of designated public improvement from taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area, and upon the approval of any fire protection district lying within the Increment Area;

WHEREAS, the County, the Library District, the Fire District and the City are taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area;

WHEREAS, the County seeks to obtain the written agreement of the Library District, the Fire District and the City for the use of community revitalization financing to finance a portion of the costs of certain designated public improvements to be established, purchased, acquired or constructed within the Increment Area, as set forth in Exhibit "B" hereto (the "Public Improvements");

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County are authorized to fix the duration of this Agreement;

WHEREAS, pursuant to RCW 27.12.212, the Library District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 27.12 and 84.52 RCW, the Library District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the Fire District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 52.12, 52.16 and 84.52 RCW, the Fire District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the City is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 35A.33 and 84.52 RCW, the City is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, the Library District, the Fire District, the City and the County have determined it is in the best interest of the Increment Area taxpayers for the Library District, the Fire District, the City and the County to agree to employ community revitalization financing to apportion regular property taxes within the Increment Area;

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County have determined it is in the best interest of Increment Area taxpayers to affix a duration for this Agreement such that it shall terminate no later than 15 years from the date the tax allocation revenues generated from the Increment Area are first collected;

WHEREAS, the Board of Trustees of the Library District adopted Resolution No. 05-13 on December 20, 2005, authorizing the execution of this Agreement;

WHEREAS, the Board of Fire Commissioners of the Fire District adopted Resolution No. 2005-255 on December 19, 2005, authorizing the execution of this Agreement; and

WHEREAS, the City Council of the City adopted Resolution No. 86 on December 20<sup>th</sup> 2005, authorizing the execution of this Agreement;

NOW, THEREFORE, each of the Library District, the Fire District, the City and the County do mutually agree as follows:

*Section 1.* Each of the Library District, the Fire District, the City and the County hereby agree to the use of community revitalization financing to finance a portion of the costs of the Public Improvements, in an amount not to exceed \$15 million. As set forth in Exhibit "B" hereto, the Public Improvements shall be limited to those items associated with the Increment Area construction. Apportionment of taxes within Spokane County Increment Area No. 2005-01 to pay the costs of the public improvements to be made within such increment area shall be for a maximum term of 15 years from January 1, 2006.

*Section 2.* Each of the Library District, the Fire District, the City and the County hereby agree that, pursuant to a formula provided in chapter 39.89 RCW, regular property tax revenues derived from the property within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County, with a maximum of 75 percent of any increase in the true and fair value of real property in the Increment Area placed on the tax rolls of the County after the Increment Area is created. The remaining apportionment of the regular taxes within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County as if the Increment Area had not been created. The County anticipates the Public Improvements and consequent private improvements will increase total property tax levies within the Increment Area.

*Section 3.* This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto, other than those imposed by operation of law.

*Section 4.* This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, each of the Library District, the Fire District, the City and the County have executed this Agreement as of the date and year first written above.

SPOKANE COUNTY LIBRARY DISTRICT  
Spokane County, Washington

SPOKANE COUNTY FIRE PROTECTION  
DISTRICT NO. 1  
Spokane County, Washington

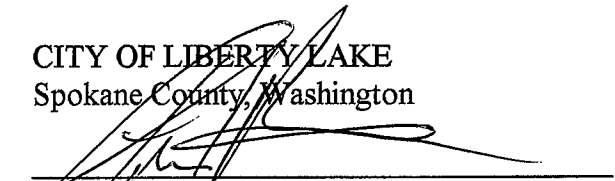
\_\_\_\_\_  
Michael J. Wirt  
Director and Secretary, Board of Trustees

\_\_\_\_\_  
Joe Dawson  
Chair, Board of Fire Commissioners

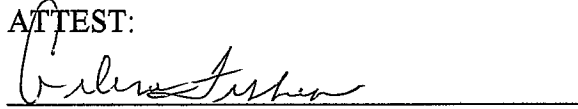
(S E A L)

(S E A L)

CITY OF LIBERTY LAKE  
Spokane County, Washington

  
\_\_\_\_\_  
Steve Peterson, Mayor

ATTEST:

  
\_\_\_\_\_  
Arlene Fisher, City Clerk

(S E A L)

SPOKANE COUNTY, WASHINGTON

\_\_\_\_\_  
Phillip D. Harris, Chair

\_\_\_\_\_  
Todd Mielke, Commissioner

\_\_\_\_\_  
Mark Richard, Commissioner

ATTEST:

\_\_\_\_\_  
Daniela Erickson, Clerk to the Board of  
County Commissioners

(S E A L)

## **EXHIBIT "A"**

### **INCREMENT AREA BOUNDARIES AND LEGAL DESCRIPTION**

Portions of Section 3, 4, 5, 8, 9, 10, 15, 16 and 17, Township 25N, Range 45E, W.M. more particularly described as follows:

**BEGINNING** at the intersection of the Northerly Right of Way line of Euclid Avenue and the North/South center of Section line of said Section 5; thence Southerly along the North/South center of Section lines of said Sections 5, 8, and 17 to the Southerly Right of Way line of Appleway Avenue; thence Easterly along said Southerly Right of Way line to the intersection of the Southerly Right of Way line of Country Vista Drive; thence continuing Easterly along said Southerly Right of Way line of Country Vista Drive to the North/South center of Section line of said Section 16; thence Northerly along said North/South center of Section line to the Southerly Right of Way line of Interstate 90; thence Easterly along said Southerly Right of Way line to the intersection with a line 285 feet more or less Westerly of and parallel with the East line of Section 10; thence Northerly along said parallel line to the Northerly ordinary high water line of the Spokane River; thence Westerly along said ordinary high water line to the Easterly Right of Way line of Harvard Road; thence Northerly along said Easterly Right of Way line to the North Right of Way line of Euclid Avenue; thence Westerly along said Northerly Right of Way line to the **POINT OF BEGINNING**.

Situate in the County of Spokane, State of Washington

## **EXHIBIT "B"**

### **DESCRIPTION OF PUBLIC IMPROVEMENTS**

Arterial Roads; sewer collection lines, sewer water reuse systems and sewer pump stations in both the Spokane County and Liberty Lake Sewer District service areas; water distribution systems; roadway storm drainage systems, street lighting and street trees; public parks, trails and public open space improvements and other approved infrastructure.

**COMMUNITY REVITALIZATION FINANCING  
AND  
TAX INCREMENT AREA AGREEMENT**

This COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT (this "Agreement") is made and entered into as of this 22nd day of December, 2005, by and among the Spokane County Library District, Spokane County, Washington (the "Library District"), Spokane County Fire Protection District No. 1, Spokane County, Washington (the "Fire District"), the City of Liberty Lake, Spokane County, Washington, (the "City") and Spokane County, Washington (the "County").

**WITNESSETH:**

WHEREAS, the Library District is a rural library district duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State");

WHEREAS, a portion of the territory encompassed by the Library District is located within a proposed tax increment area, the boundaries of which are set forth in Exhibit "A" hereto (the "Increment Area");

WHEREAS, the Fire District is a fire protection district duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the Fire District is located within the Increment Area;

WHEREAS, the City is a non-charter code city duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the City is located within the Increment Area;

WHEREAS, the County is a Class A county duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, pursuant to chapter 39.89 RCW, the County is authorized to adopt a resolution to create the Increment Area after obtaining the written agreement for the use of community revitalization financing to finance all or a portion of the costs of designated public improvement from taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area, and upon the approval of any fire protection district lying within the Increment Area;

WHEREAS, the County, the Library District, the Fire District and the City are taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area;

WHEREAS, the County seeks to obtain the written agreement of the Library District, the Fire District and the City for the use of community revitalization financing to finance a portion of the costs of certain designated public improvements to be established, purchased, acquired or constructed within the Increment Area, as set forth in Exhibit "B" hereto (the "Public Improvements");

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County are authorized to fix the duration of this Agreement;

WHEREAS, pursuant to RCW 27.12.212, the Library District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 27.12 and 84.52 RCW, the Library District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the Fire District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 52.12, 52.16 and 84.52 RCW, the Fire District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the City is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 35A.33 and 84.52 RCW, the City is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, the Library District, the Fire District, the City and the County have determined it is in the best interest of the Increment Area taxpayers for the Library District, the Fire District, the City and the County to agree to employ community revitalization financing to apportion regular property taxes within the Increment Area;

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County have determined it is in the best interest of Increment Area taxpayers to affix a duration for this Agreement such that it shall terminate no later than 15 years from the date the tax allocation revenues generated from the Increment Area are first collected;

WHEREAS, the Board of Trustees of the Library District adopted Resolution No. 05-13 on December 20, 2005, authorizing the execution of this Agreement;

WHEREAS, the Board of Fire Commissioners of the Fire District adopted Resolution No. 2005-255 on December 19, 2005, authorizing the execution of this Agreement; and

WHEREAS, the City Council of the City adopted Resolution No. 85 on December 20, 2005, authorizing the execution of this Agreement;

NOW, THEREFORE, each of the Library District, the Fire District, the City and the County do mutually agree as follows:

*Section 1.* Each of the Library District, the Fire District, the City and the County hereby agree to the use of community revitalization financing to finance a portion of the costs of the Public Improvements, in an amount not to exceed \$15 million. As set forth in Exhibit "B" hereto, the Public Improvements shall be limited to those items associated with the Increment Area construction. Apportionment of taxes within Spokane County Increment Area No. 2005-01 to pay the costs of the public improvements to be made within such increment area shall be for a maximum term of 15 years from January 1, 2006.

*Section 2.* Each of the Library District, the Fire District, the City and the County hereby agree that, pursuant to a formula provided in chapter 39.89 RCW, regular property tax revenues derived from the property within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County, with a maximum of 75 percent of any increase in the true and fair value of real property in the Increment Area placed on the tax rolls of the County after the Increment Area is created. The remaining apportionment of the regular taxes within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County as if the Increment Area had not been created. The County anticipates the Public Improvements and consequent private improvements will increase total property tax levies within the Increment Area.

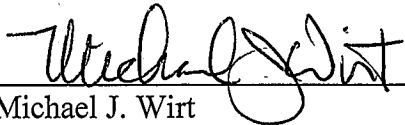
*Section 3.* This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto, other than those imposed by operation of law.

*Section 4.* This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, each of the Spokane County Library District, Spokane County Fire District No. 1, the City of Liberty Lake and Spokane County have executed this Agreement as of the date and year first written above.

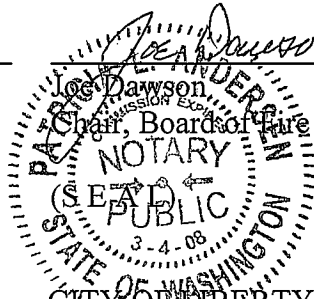
SPOKANE COUNTY LIBRARY DISTRICT  
Spokane County, Washington

SPOKANE COUNTY FIRE PROTECTION  
DISTRICT NO. 1  
Spokane County, Washington




Michael J. Wirt  
Director and Secretary, Board of Trustees

(S E A L)

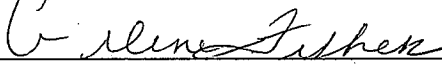


Joe Dawson  
Chair, Board of Fire Commissioners  
CITY OF LIBERTY LAKE  
Spokane County, Washington



Steve Peterson, Mayor


ATTEST:



Arlene Fisher, City Clerk

(S E A L)

SPOKANE COUNTY, WASHINGTON



Phillip D. Harris, Chair



Todd Mielke, Vice Chair



Mark Richard, Commissioner

ATTEST:



Daniela Erickson, Clerk to the Board of  
County Commissioners



**EXHIBIT "A"**  
**TO**  
**COMMUNITY REVITALIZATION FINANCING**  
**AND**  
**TAX INCREMENT AREA AGREEMENT**

**INCREMENT AREA BOUNDARIES AND LEGAL DESCRIPTION**

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**BEGINNING** at the intersection of the Northerly Right of Way line of Euclid Avenue and the North/South center of Section line of said Section 5; thence Southerly along the North/South center of Section lines of said Sections 5, 8, and 17 to the Southerly Right of Way line of Appleway Avenue; thence Easterly along said Southerly Right of Way line to the intersection of the Southerly Right of Way line of Country Vista Drive; thence continuing Easterly along said Southerly Right of Way line of Country Vista Drive to the North/South center of Section line of said Section 16; thence Northerly along said North/South center of Section line to the Southerly Right of Way line of Interstate 90; thence Easterly along said Southerly Right of Way line to the intersection with a line 285 feet more or less Westerly of and parallel with the East line of Section 10; thence Northerly along said parallel line to the Northerly ordinary high water line of the Spokane River; thence Westerly along said ordinary high water line to the Easterly Right of Way line of Harvard Road; thence Northerly along said Easterly Right of Way line to the North Right of Way line of Euclid Avenue; thence Westerly along said Northerly Right of Way line to the **POINT OF BEGINNING**.

Situate in the County of Spokane, state of Washington.

**EXHIBIT "B"**  
**TO**  
**COMMUNITY REVITALIZATION FINANCING**  
**AND**  
**TAX INCREMENT AREA AGREEMENT**

**DESCRIPTION OF PUBLIC IMPROVEMENTS**

Arterial Roads; sewer collection lines, sewer water reuse systems and sewer pump stations in both the Spokane County and Liberty Lake Sewer District service areas; water distribution systems; roadway storm drainage systems, street lighting and street trees; public parks, trails and public open space improvements in the public right of way and other approved infrastructure.

**RESOLUTION NO. 2005-1169**

**A RESOLUTION OF SPOKANE COUNTY, WASHINGTON APPROVING A COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT; CREATING A TAX INCREMENT AREA AND DESCRIBING THE BOUNDARIES THEREOF; DESCRIBING CERTAIN PUBLIC IMPROVEMENTS TO BE MADE WITHIN THE BOUNDARIES OF SUCH TAX INCREMENT AREA; STATING THE ESTIMATED COST AND EXPENSE OF SUCH PUBLIC IMPROVEMENTS AND THE PORTION THEREOF TO BE BORNE BY COMMUNITY REVITALIZATION FINANCING; ESTIMATING THE TIME DURING WHICH REGULAR PROPERTY TAXES ARE TO BE APPORTIONED TO PAY FOR THE COSTS OF SUCH PUBLIC IMPROVEMENTS; PROVIDING THE DATE WHEN SUCH APPORTIONMENT OF REGULAR PROPERTY TAXES WILL COMMENCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

**SPOKANE COUNTY, WASHINGTON**

BE IT RESOLVED BY THE BOARD OF 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 laws of the state of Washington (the "State");

WHEREAS, the Board of County Commissioners (the "Board") is authorized to conduct proceedings and to create increment areas from which taxes are to be appropriated to finance public improvements pursuant to chapter 39.89 RCW;

WHEREAS, the Board has determined that it is advisable and necessary for the public health, safety and welfare to create an increment area within the County and to finance certain public improvements to be made within such increment area using community revitalization financing pursuant to chapter 39.89 RCW;

WHEREAS, chapter 39.89 RCW requires written agreement for the use of community revitalization financing to finance all or a portion of the costs of designated public improvements from Taxing Districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within an increment area;

WHEREAS, a portion of the territory encompassed by the County is located within the proposed increment area;

WHEREAS, pursuant to chapters 36.33 and 84.52 RCW, the County is authorized to levy Regular Property Taxes upon all taxable property within the proposed increment area;

WHEREAS, the Board desires to continue apportionment of taxes within the proposed increment area to pay the costs of the public improvements to be made within the proposed increment area for a maximum of 15 years from the date such apportionment commences;

WHEREAS, the governing bodies of each of (i) the Spokane County Library District, a rural library district duly organized and existing under and by virtue of the Constitution and laws of the State and situated within the boundaries of the proposed increment area, (ii) Spokane County Fire Protection District No. 1, a fire protection district duly organized and existing under and by virtue of the Constitution and laws of the State and situated within the boundaries of the proposed increment area, and (iii) the City of Liberty Lake, Washington, a non charter code city duly organized and existing under and by virtue of the Constitution and laws of the State and situated within the boundaries of the proposed increment area have duly authorized and executed a Community Revitalization Financing and Tax Increment Area Agreement in the form attached hereto as Exhibit A, which, among other things, approves the use of community revitalization financing to finance all or a portion of the costs of certain public improvements to be constructed in the proposed increment area (the "Agreement");

WHEREAS, chapter 39.89 RCW authorizes the County to participate in the financing of such public improvements by entering into the Agreement; and

WHEREAS, in accordance with chapter 39.89 RCW and pursuant to Resolution No. 05-1129, adopted by the Board on December 13, 2005, the Board ratified action taken to properly publish, in a newspaper of general circulation within the proposed increment area and post in at least six conspicuous places within the proposed increment area, notice of a public hearing fixing the date, time and place for such public hearing on the creation of the proposed increment area, and held such public hearing on December 20, 2005.

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

**Section 1. Definitions**

The terms used in this Resolution and not otherwise defined herein have the meanings provided in this Section 1. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice-versa unless the context shall otherwise indicate.

*Chair* shall mean the Chair of the Board or any presiding officer or titular head of the Board, or his successor in functions, if any.

*Increment Value* shall mean 75 percent of any increase in the True and Fair Value of real property in an increment area that is placed on the tax rolls after the increment area is created.

*Public Improvement Costs* shall mean the costs of: (a) design, planning, acquisition, site preparation, construction, reconstruction, rehabilitation, improvement, and installation of public improvements; (b) relocating, maintaining and operating property pending construction of public improvements; (c) relocating utilities as a result of public improvements; (d) financing public improvements, including interest during construction, legal and other professional services, taxes, insurance, principal and interest costs on general indebtedness issued to finance public improvements and any necessary reserves for general indebtedness; (e) assessments incurred in revaluing real property for the purpose of determining the Tax Allocation Base Value that are in excess of costs incurred by the assessor in accordance with the revaluation plan under chapter 84.41 RCW, and the costs of apportioning the taxes and complying with the Statute and other applicable law; and (f) administrative expenses and feasibility studies reasonably necessary and related to these costs, including related costs that may have been incurred before adoption of any resolution authorizing the public improvements and the use of community revitalization financing to fund the costs of the public improvements.

*Regular Property Taxes* shall mean regular property taxes as defined in RCW 84.04.140, except: (a) regular property taxes levied by port districts or public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness; and (b) regular property taxes levied by the state for the support of the common schools under RCW 84.52.065. Regular property taxes do not include excess property tax levies that are exempt from the aggregate limits for junior and senior taxing districts as provided in RCW 84.52.043.

*Resolution* shall mean this Resolution No. 2005-1169, adopted December 22, 2005, creating IA No. 2005-01.

*Tax Allocation Base Value* shall mean the True and Fair Value of real property located within an increment area for taxes imposed in the year in which the increment area is created, plus 25 percent of any increase in the True and Fair Value of real property located within the increment area that is placed on the assessment rolls after the increment area is created.

*Tax Allocation Revenues* shall mean those tax revenues derived from the imposition of Regular Property Taxes on the Increment Value and distributed to finance public improvements.

*Taxing District* shall mean a governmental entity that levies or has levied for it Regular Property Taxes upon real property located within a proposed or approved increment area.

*True and Fair Value* shall mean the true and fair value of property as defined in and determined pursuant to RCW 84.40.030.

## **Section 2. Interpretation**

For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires:

A. *Internal References.* All references in this Resolution to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Resolution. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular section or other subdivision.

B. *Persons.* Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. *Headings.* Any headings preceding the texts of the several sections of this Resolution and the table of contents shall be solely for convenience of reference and shall not constitute a part of this Resolution nor shall they affect its meaning, construction or effect.

## **Section 3. Approval of Agreement**

The Agreement is hereby approved. The Chair of the Board is hereby authorized to execute the Agreement on behalf of the County.

## **Section 4. The Increment Area**

A. *Creation.* There is hereby created an increment area pursuant to chapter 39.89 RCW, to be designated "Spokane County Increment Area No. 2005-01" ("IA No. 2005-01").

B. *Boundaries of IA No. 2005-01.* The boundaries of IA No. 2005-01 are as set forth in Exhibit B attached to this Resolution.

## **Section 5. The Public Improvements**

A. *The Public Improvements.* The proposed public improvements to be made within the boundaries of IA No. 2005-01 will consist of the acquisition, construction and installation of: (1) streets, roads and sidewalks; (2) curbs and gutters; (3) street lighting; (4) water and sewer lines; and (5) other public improvements as may be necessary in conjunction with development of IA No. 2005-01. It is hereby provided that the plans for the acquisition, construction and installation of such public improvements shall be subject to such changes as to detail not affecting the service to be provided by the general comprehensive plan of development of the County and as shall be authorized by the Board either prior to or during the course of construction.

B. *Costs and Financing of the Public Improvements.* The Public Improvement Costs of such public improvements are estimated not to exceed \$15,000,000. Such estimate is not a commitment by the County to acquire such public improvements or a commitment by the County to acquire such public improvements at any particular price.

C. *Purchase of the Completed Public Improvements.* The Board hereby authorizes the County to purchase such public improvements upon the completion, satisfactory to the County in its sole discretion, of the acquisition, construction and installation of such public improvements by the developer of the private development within IA No. 2005-01. The purchase price of such public improvements shall be equal to the Tax Allocation Revenues generated from IA No. 2005-01 during a period not to exceed 15 years from the date such Tax Allocation Revenues are first collected. Any and all Public Improvements Costs of such public improvements in excess of such Tax Allocation Revenues shall be borne by the developer of the private development within IA No. 2005-01.

#### **Section 6. Tax Revenue Apportionment**

A. *Duration of Tax Revenue Apportionment.* The Board estimates that the time during which revenues from the levy of Regular Property Taxes on property within the boundaries of IA No. 2005-01 shall be apportioned shall not exceed 15 years.

B. *Commencement of Apportionment.* Beginning on January 1, 2006, and pursuant to chapter 39.89 RCW, Tax Allocation Revenues shall be apportioned to the County, with the remaining Tax Allocation Base Value to be allocated to those Taxing Districts located within the boundaries of IA No. 2005-01.

#### **Section 7. Findings**

A. *Justification.* The Board hereby finds, concludes and determines that the public improvements proposed to be financed in whole or in part using community revitalization financing are expected (i) to encourage private development within the proposed increment area, and (ii) to increase the fair market value of the real property within the proposed increment area.

B. *Comprehensive Plan.* The Board finds, concludes and determines that the private development occurring and anticipated to occur within the proposed increment area, as a result of the public improvements, will be consistent with the county-wide planning policy adopted by the County under RCW 36.70A.210.

C. Upon the adoption of this Resolution, the Board finds that all conditions of Section 39.89.050 RCW have been met in connection with IA No. 2005-01.

**Section 8. 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 9. Repealer**

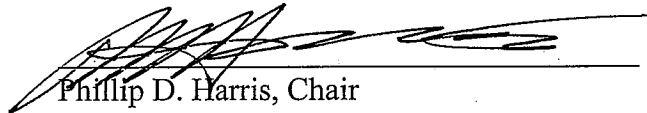
All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

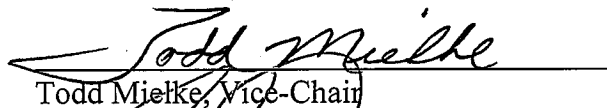
**Section 10. Effective Date**

This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of Commissioners of Spokane County, Washington, at a regular meeting thereof, held on December 22, 2005.

SPOKANE COUNTY, WASHINGTON

  
Phillip D. Harris, Chair

  
Todd Mielke, Vice-Chair

  
Mark Richard, Commissioner

ATTEST:



Daniela Erickson, Clerk to the Board  
of County Commissioners



\* \* \* \* \*

**CERTIFICATION**

I, Daniela Erickson, Clerk to the Board of 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 continued regular meeting of the Board of Commissioners of Spokane County, duly held at the Commissioners briefing room on December 22, 2005, of which meeting all members of such Board had due notice, and at which a majority thereof were present; and that at such meeting such resolution was adopted by the following vote:

AYES, and in favor thereof, Commissioners: *Harris, Mielke & Richard*

NOES, Commissioners:

ABSENT, Commissioners:

ABSTAIN, Commissioners:

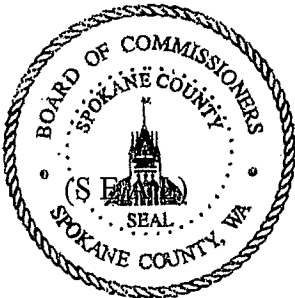
I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that such resolution is a full, true, and correct copy of the original resolution adopted at such meeting; and that such resolution has not been amended, modified or rescinded since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

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of Spokane County on December 22, 2005.

SPOKANE COUNTY, WASHINGTON

*Daniela Erickson*

Daniela Erickson, Clerk to the Board of  
County Commissioners



**EXHIBIT "A"**

**COMMUNITY REVITALIZATION FINANCING  
AND  
TAX INCREMENT AREA AGREEMENT**

This COMMUNITY REVITALIZATION FINANCING AND TAX INCREMENT AREA AGREEMENT (this "Agreement") is made and entered into as of this 22nd day of December, 2005, by and among the Spokane County Library District, Spokane County, Washington (the "Library District"), Spokane County Fire Protection District No. 1, Spokane County, Washington (the "Fire District"), the City of Liberty Lake, Spokane County, Washington (the "City") and Spokane County, Washington (the "County").

**WITNESSETH:**

WHEREAS, the Library District is a rural library district duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State");

WHEREAS, a portion of the territory encompassed by the Library District is located within a proposed tax increment area, the boundaries of which are set forth in Exhibit "A" hereto (the "Increment Area");

WHEREAS, the Fire District is a fire protection district duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the Fire District is located within the Increment Area;

WHEREAS, the City is a non-charter code city duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, a portion of the territory encompassed by the City is located within the Increment Area;

WHEREAS, the County is a Class A county duly organized and existing under and by virtue of the Constitution and the laws of the State;

WHEREAS, pursuant to chapter 39.89 RCW, the County is authorized to adopt a resolution to create the Increment Area after obtaining the written agreement for the use of community revitalization financing to finance all or a portion of the costs of designated public improvement from taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area, and upon the approval of any fire protection district lying within the Increment Area;

WHEREAS, the County, the Library District, the Fire District and the City are taxing districts that, in the aggregate, levy at least 75 percent of the regular property tax on property within the Increment Area;

WHEREAS, the County seeks to obtain the written agreement of the Library District, the Fire District and the City for the use of community revitalization financing to finance a portion of the costs of certain designated public improvements to be established, purchased, acquired or constructed within the Increment Area, as set forth in Exhibit "B" hereto (the "Public Improvements");

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County are authorized to fix the duration of this Agreement;

WHEREAS, pursuant to RCW 27.12.212, the Library District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 27.12 and 84.52 RCW, the Library District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the Fire District is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 52.12, 52.16 and 84.52 RCW, the Fire District is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, pursuant to chapter 39.89 RCW, the City is authorized to participate in the financing of the Public Improvements;

WHEREAS, pursuant to chapters 35A.33 and 84.52 RCW, the City is authorized to levy regular property taxes upon all taxable property within the Increment Area;

WHEREAS, the Library District, the Fire District, the City and the County have determined it is in the best interest of the Increment Area taxpayers for the Library District, the Fire District, the City and the County to agree to employ community revitalization financing to apportion regular property taxes within the Increment Area;

WHEREAS, pursuant to chapters 39.34 and 39.89 RCW, the Library District, the Fire District, the City and the County have determined it is in the best interest of Increment Area taxpayers to affix a duration for this Agreement such that it shall terminate no later than 15 years from the date the tax allocation revenues generated from the Increment Area are first collected;

WHEREAS, the Board of Trustees of the Library District adopted Resolution No. 05-13 on December 20, 2005, authorizing the execution of this Agreement;

WHEREAS, the Board of Fire Commissioners of the Fire District adopted Resolution No. 2005-255 on December 19, 2005, authorizing the execution of this Agreement; and

WHEREAS, the City Council of the City adopted Resolution No. 85 on December 20, 2005, authorizing the execution of this Agreement;

NOW, THEREFORE, each of the Library District, the Fire District, the City and the County do mutually agree as follows:

*Section 1.* Each of the Library District, the Fire District, the City and the County hereby agree to the use of community revitalization financing to finance a portion of the costs of the Public Improvements, in an amount not to exceed \$15 million. As set forth in Exhibit "B" hereto, the Public Improvements shall be limited to those items associated with the Increment Area construction. Apportionment of taxes within Spokane County Increment Area No. 2005-01 to pay the costs of the public improvements to be made within such increment area shall be for a maximum term of 15 years from January 1, 2006.

*Section 2.* Each of the Library District, the Fire District, the City and the County hereby agree that, pursuant to a formula provided in chapter 39.89 RCW, regular property tax revenues derived from the property within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County, with a maximum of 75 percent of any increase in the true and fair value of real property in the Increment Area placed on the tax rolls of the County after the Increment Area is created. The remaining apportionment of the regular taxes within the Increment Area shall be apportioned among the Library District, the Fire District, the City and the County as if the Increment Area had not been created. The County anticipates the Public Improvements and consequent private improvements will increase total property tax levies within the Increment Area.

*Section 3.* This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto, other than those imposed by operation of law.

*Section 4.* This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, each of the Library District, the Fire District, the City and the County have executed this Agreement as of the date and year first written above.

SPOKANE COUNTY LIBRARY DISTRICT  
Spokane County, Washington

SPOKANE COUNTY FIRE PROTECTION  
DISTRICT NO. 1  
Spokane County, Washington

\_\_\_\_\_  
Michael J. Wirt  
Director and Secretary, Board of Trustees

\_\_\_\_\_  
Joe Dawson  
Chair, Board of Fire Commissioners

(S E A L)

(S E A L)

CITY OF LIBERTY LAKE  
Spokane County, Washington

\_\_\_\_\_  
Steve Peterson, Mayor

ATTEST:

\_\_\_\_\_  
Arlene Fisher, City Clerk

(S E A L)

SPOKANE COUNTY, WASHINGTON

\_\_\_\_\_  
Phillip D. Harris, Chair

\_\_\_\_\_  
Todd Mielke, Commissioner

\_\_\_\_\_  
Mark Richard, Commissioner

ATTEST:

\_\_\_\_\_  
Daniela Erickson, Clerk to the Board of  
County Commissioners

(S E A L)

## EXHIBIT "B"

### INCREMENT AREA BOUNDARIES AND LEGAL DESCRIPTION

Portions of Section 3, 4, 5, 8, 9, 10, 15, 16 and 17, Township 25N, Range 45E, W.M. more particularly described as follows:

**BEGINNING** at the intersection of the Northerly Right of Way line of Euclid Avenue and the North/South center of Section line of said Section 5; thence Southerly along the North/South center of Section lines of said Sections 5, 8, and 17 to the Southerly Right of Way line of Appleway Avenue; thence Easterly along said Southerly Right of Way line to the intersection of the Southerly Right of Way line of Country Vista Drive; thence continuing Easterly along said Southerly Right of Way line of Country Vista Drive to the North/South center of Section line of said Section 16; thence Northerly along said North/South center of Section line to the Southerly Right of Way line of Interstate 90; thence Easterly along said Southerly Right of Way line to the intersection with a line 285 feet more or less Westerly of and parallel with the East line of Section 10; thence Northerly along said parallel line to the Northerly ordinary high water line of the Spokane River; thence Westerly along said ordinary high water line to the Easterly Right of Way line of Harvard Road; thence Northerly along said Easterly Right of Way line to the North Right of Way line of Euclid Avenue; thence Westerly along said Northerly Right of Way line to the **POINT OF BEGINNING**.

Situate in the County of Spokane, State of Washington

**EXHIBIT "B"**  
**TO THE COMMUNITY REVITALIZATION FINANCING**  
**AND**  
**TAX INCREMENT AREA AGREEMENT**

**DESCRIPTION OF PUBLIC IMPROVEMENTS**

Arterial Roads; sewer collection lines, sewer water reuse systems and sewer pump stations in both the Spokane County and Liberty Lake Sewer District service areas; water distribution systems; roadway storm drainage systems, street lighting and street trees; public parks, trails and public open space improvements in the public right of way and other approved infrastructure.