

CHARTER OF THE
RICHLAND
PUBLIC FACILITIES DISTRICT

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CHARTER
OF THE
RICHLAND PUBLIC FACILITIES DISTRICT

ARTICLE I

Name and Seal; Definitions

Section 1.1 Name. The name of this public facilities district shall be the RICHLAND PUBLIC FACILITIES DISTRICT (hereinafter referred to as the “District”).

Section 1.2 Seal. The District’s seal shall be a circle with the name “RICHLAND PUBLIC FACILITIES DISTRICT” inscribed therein.

Section 1.3 Definitions. All capitalized terms used but not defined herein shall have the meanings set forth in City of Richland Ordinance No. 18-02, adopted on July 16, 2002 (the “Formation Ordinance”).

ARTICLE II

Authority and Limit on Liability

Section 2.1 Authority. The District is a public facilities district organized pursuant to RCW 35.57.010, and the Formation Ordinance.

Section 2.2 Limit on Liability. 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 Richland (the “City”), its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District.

Section 2.3 Mandatory Disclaimer. The following disclaimer shall be posted in a prominent place where the public may readily see it in the District’s principal and other offices. It shall also be printed or stamped on all contracts, notes, bonds, and other documents that may entail any debt or liability by the District.

The RICHLAND PUBLIC FACILITIES DISTRICT is organized pursuant to RCW 35.57.010 and the City of Richland Ordinance No. 18-02 (the "Formation Ordinance"). The Formation Ordinance provides as follows: "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, its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District."

ARTICLE III

Duration

The duration of the District shall be perpetual except as provided in the Formation Ordinance.

ARTICLE IV

Purpose

The purpose of the District is to provide a legal entity under RCW 35.57.010 and the Formation Ordinance to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers as defined in RCW 35.57.020,¹ together with related parking facilities, but only pursuant to interlocal agreement with the City of Richland.

ARTICLE V

Powers

Section 5.1 Powers. The District shall have and may exercise all lawful powers conferred by State law, the Formation Ordinance, this Charter and its Bylaws.

Section 5.2 Limitation of Powers. The District organized under this Charter in all activities and transactions shall be limited in the following respects:

¹ RCW 35.57.020: For purposes of this chapter, "regional center" means a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved, or rehabilitated after July 25, 1999, at a cost of at least ten million dollars, including debt service. "Regional center" also includes an existing convention, conference, or special events center, and related parking facilities, serving a regional population, that is improved or rehabilitated after July 25, 1999, where the costs of improvement or rehabilitation are at least ten million dollars, including debt service. A regional center is conclusively presumed to serve a regional population if state and local government investment in the construction, improvement, or rehabilitation of the regional center is equal to or greater than ten million dollars.

- A. The District shall have no power of eminent domain;
- B. The District may not incur or create any liability that permits recourse by any person to any assets, services, resources, or credit of the City. All liabilities incurred by the District shall be satisfied exclusively from the assets and credit of the District; no creditor or other person shall have any recourse to the assets, credit, or services of the City on account of any debts, obligations, liabilities, acts, or omissions of the District;
- C. All revenue, receipts, assets, or credit of the District shall be applied toward or expended upon services, projects, and activities authorized by State law, the Formation Ordinance and this Charter.
- D. The following District powers are subject to review or approval by the City Council (the "Council"):
 - i. The District shall not impose any taxes under Chaps. 35.57 RCW or 82.14 RCW (except for sales and use taxes imposed pursuant to RCW 82.14.390) without prior approval of the Council; and
 - ii. The District shall prepare, maintain and provide to the Council a financial and activities report not less than quarterly, and otherwise as directed by the Council.

ARTICLE VI

Board of Directors And Corporate Officers

Section 6.1 Powers. The Board shall govern the affairs of the District. All corporate powers of the District shall be exercised by or under the authority of and the business, property and affairs of the District shall be managed under the direction of the Board except as may be otherwise provided in this Charter, the Formation Ordinance or State law.

Section 6.2 Board Composition. Pursuant to RCW 35.57.010 and the Formation Ordinance, the Council has established that the Board has five members.

The Council shall appoint the members of the Board as follows: (i) Two members appointed by the Council; and (ii) three members appointed by the Council based on recommendations from local organizations. The members appointed under (i) of this subsection shall not be members of the Council. The members appointed under (ii) of this subsection, shall be based on recommendations received from local organizations that may include, but are not limited to the local chamber of commerce, local economic development council, and local labor council. Except for certain of the initial Board members (as set forth in Section 6.3(A)), the members shall serve four-year terms.

Section 6.3 Terms of Office.

A. The terms of office of the initially appointed members of the Board shall commence on the date of their appointment and shall be staggered as follows. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

B. With respect to the appointments of the initial Board members, the Council shall designate which members are assigned to the one-, two-, three- and four-year terms identified in subsection 6.3(A) above for purposes of determining the length of terms of such initial Board members.

C. The Council shall fill vacancies during and at the expiration of the term of Board members in the same manner as initial appointments.

D. Except for the initial members of the board, each member shall be appointed to serve for a four-year term. Each member shall continue to serve until his or her successor has been appointed and qualified as provided in the bylaws. Members may be reappointed to serve not more than three consecutive full terms.

E. Terms shall expire on the day prior to the anniversary date of the Charter of the year in which the respective group is scheduled to terminate.

Section 6.4 Quorum and Manner of Action. At all meetings of the Board three directors then in office shall constitute a quorum. The Board may adopt resolutions of the Board only by an affirmative vote of a majority of those Board members present at a meeting at which there is a quorum.

Section 6.5 Officers and Division of Duties.

A. The initial officers of the District shall be the President, Vice President and Secretary/Treasurer of the Board and shall be selected by a majority of those Boardmembers present at a meeting at which there is a quorum. In no event shall there be less than two officers designated, nor shall the same person occupy more than one office. Additional officers may be provided for in the Bylaws.

B. The President shall be the agent of the District for service of process; the Bylaws may designate additional corporate officials as agents to receive or initiate process. The corporate officers, who shall be selected from among the membership of the Board as provided in the Bylaws, shall manage the daily affairs and operations of the District.

C. The Board shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity, and shall have stewardship for management and determination of all corporate affairs.

Section 6.6 Executive Committee. The Bylaws may provide for an Executive Committee, which shall be appointed and/or removed by the Board, and shall have and exercise such authority of the Board in the management between meetings of the Board, as may be specified in the Bylaws.

Section 6.7 Removal of Board Members. The Council may by resolution remove from the Board for any reason, with or without cause, any member of the Board at a public meeting, with prior notice to the District. In the event of removal, members shall be replaced in the same manner as provided for in filling vacancies on the Board.

ARTICLE VII

Meetings

Section 7.1 Board Meetings.

A. The Board shall meet at least quarterly each year; special meetings of the Board may be called as provided by the Charter, the Bylaws or RCW 42.30.010 et seq.

B. The Board shall be the governing body of a public agency as defined in RCW 42.30.020, and all meetings of the board shall be held and conducted in accordance with RCW 42.30.010 et seq. Notice of meetings shall be given in a manner consistent with RCW 42.30.010 et seq. In addition, the District shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing (where practicable, mailed at least three days prior to the time of the meeting).

C. All Board meetings, including executive and all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by RCW 42.30.010 et seq. The Board and committees may hold executive sessions to consider matters enumerated in RCW 42.30.010 et seq., or privileged matters recognized by law, and shall enter the cause therefor upon its official journal. At all public meetings, any citizen shall have a reasonable opportunity to address the Board either orally or by written petition. Voting by telephone or by proxy is not permitted.

Section 7.2 Parliamentary Authority. The rules in Robert's Rules of Order (revised) shall govern the District in all cases to which they are applicable, where they are not inconsistent with the Charter or with the special rules of order of the District set forth in the Bylaws.

Section 7.3 Minutes. Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board approval.

ARTICLE VIII

Procedural Requirements

Section 8.1 Board Review.

A. At least quarterly, the Board shall review monthly statements of income and expenses, which compare budgeted expenditures to actual expenditures. The Board shall review all such information at regular meetings, the minutes of which shall specifically note such reviews and include such information.

B. General or particular authorization or review and concurrence of the Board by resolution shall be necessary for any significant transaction including execution of any contract for an amount more than \$5,000, adoption of an annual budget, which such adoption shall occur no later than December 1 of the year prior to the budget year, certification of reports and statements to be filed with the City as true and correct in the opinion of the Board and of its members except as noted, and proposed amendments to the Charter and Bylaws.

Section 8.2 Establishment and Maintenance of Office and Records. The District shall:

- A. Maintain a principal office at a location within the boundaries of the City;
- B. File and maintain with the City Clerk a current listing of all Board officials, their positions and their home addresses, their business and home phone numbers (which information is personal nondisclosable information), the address of the District's principal office and of all other offices used by it, and a current set of its Bylaws; and
- C. Maintain all of its records in a manner consistent with the Preservation and Destruction of Public Records Act, RCW Chapter 40.14.

Section 8.3 Access to Records.

A. The District shall keep an official journal containing the minutes of proceedings at all meetings of the Board and the resolutions of the Board.

B. Any person shall have access to records and information of the District to the extent required by State law.

Section 8.4 Deposit of Public Funds. All District monies shall be deposited or invested in the same manner as would be lawful for the deposit or investment of City funds.

Section 8.5 Reports and Information. The District shall, within three months after the end of its fiscal year, file an annual report with the City containing financial statements of assets and liabilities, revenue and expenditures and changes in its financial position during the previous year; a summary of significant accomplishments; a projected operating budget for the current fiscal year; a summary of projects and activities to be undertaken during the current year; and a list of District officials.

Section 8.6 Audits and Inspections. The District shall, at any time during normal business hours and as often as the City Finance Director or his designee, the Council or the State Auditor deem necessary, make available to the City Finance Director or his designee, the Council or the State Auditor for examination all of its financial records. The District shall permit the City Finance Director or his designee, the Council or State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all records relating to all the aforesaid matters. The District shall review with the City Finance Director within 45 days of receipt and take immediate corrective action to address any audit findings or qualifications in its audit reports.

Section 8.7 Insurance. The District shall maintain in full force and effect public liability insurance in an amount sufficient to cover potential claims for bodily injury, death or disability and for property damage, which may arise from or be related to projects and

activities of the District, naming the City as an additional insured, if such insurance shall be available at a reasonable price as determined by the Board. If insurance is not maintained the District shall maintain adequate reserves, as determined by the Board, to cover potential claims and losses.

Section 8.8 Bylaws.

A. The properly adopted Bylaws of the District shall be the official rules for the governing of meetings and the affairs of the District.

B. The Bylaws may be amended as provided in Article IX of this Charter in order to provide additional or different rules for governing the District and its activities as are not inconsistent with this Charter.

C. Amendments to the Bylaws shall be effective 10 days after filing with the City Clerk, unless such amendment(s) shall have been passed by unanimous vote of the Board and an earlier effective date shall have been set.

Section 8.9 Conflict of Interest.

A. A Board member or employee of the District may not participate in Board decisions if that person or a member of that person's immediate family has a financial interest in the issue being decided.

B. A Board member or employee is not considered to be financially interested in a decision when the decision could not affect that person in a manner different from its effect on the public.

C. No Board member or employee of the District shall accept, directly or indirectly, any gift, favor, loan, retainer, entertainment or other thing of monetary value from any person, firm or corporation having dealings with the District when such acceptance would conflict with the performance of a Board member or employee's official duties. A conflict, or possibility of conflict, shall be deemed to exist where a reasonable and prudent person would believe that it was given for the purpose of obtaining special considerations or influence.

D. The Board may adopt additional conflict of interest and ethical rules it considers appropriate.

E. For purposes of this section, “participate in a decision” includes all discussions, deliberations, preliminary negotiations, and votes.

Section 8.10 Discrimination.

A. Board membership may not directly or indirectly be based upon or limited by creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

B. To ensure equality of employment opportunity, the District shall not discriminate in any matter related to employment because of creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available. The District shall, in all solicitations or advertisements for employees placed by or on behalf of the District, state that all qualified applicants will receive consideration for employment without regard to creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

ARTICLE IX

Amendments to Charter and Bylaws

Section 9.1 Proposals to Amend Charter.

A. The District may propose to the Council that its Charter be amended by resolution of the Board passed by a procedure outlined in the District’s Bylaws at a regular or special meeting of the Board for which 30 days’ advance written notice was given.

B. When required by law, the District shall propose to the Council an amendment to this Charter that will conform to and be consistent with said law.

C. As necessary and appropriate in the discretion of the Council, the Council may propose to amend this Charter on its own initiative.

Section 9.2 Charter Amendments. The Charter may be amended only with the approval of the Council. After adoption of a Charter amendment, the revised Charter shall be issued and filed in the same manner as the original Charter.

Section 9.3 Amendments to Bylaws. The Bylaws of the District may be adopted or amended from time to time by a resolution passed by a majority of the Board members in office at the time. Any Board member may introduce necessary amendments to the Bylaws to the Board for consideration. As provided in the Formation Ordinance, as necessary and appropriate in the discretion of the Council, the Council may amend the Bylaws. Amendments to the Bylaws adopted by the Council may not be further amended by the District for one year except with Council approval.

ARTICLE X

Commencement

The District shall commence its existence effective upon the date of adoption of the Formation Ordinance.

ARTICLE XI

Dissolution

Section 11.1 Dissolution Process.

A. Involuntary Dissolution Pursuant to the Formation Ordinance. The District shall dissolve on January 1, 2004 in the event that construction of a Regional Center has not commenced, or earlier in the event that the District recommends and the Council determines that there is no viable Regional Center project located within the City that is likely to begin construction before January 1, 2004. In addition, if the Council finds, following a public hearing or hearings, that the continued existence of the

District would no longer serve the purposes of the Formation Ordinance, it may by ordinance and in such manner as may be required by State law order that the District be dissolved.

B. Voluntary Dissolution Upon the Request of the Board. If the Board makes an affirmative finding that dissolution is necessary or appropriate because the purposes of the District may not be fulfilled for any reason, the Board may adopt a resolution requesting the Council to dissolve the District.

C. Dissolution Statement. Upon adoption of a motion by the Council requesting the following information, or upon adoption by the District board of a resolution requesting its own dissolution, the District shall file a dissolution statement with the City Clerk setting forth:

1. The name and principal office of the District;
2. The debts, obligations and liabilities of the District, including conditions of grants and donations, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
3. Any pending litigation or contingent liabilities;
4. The Board resolution requesting such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
5. A list of persons to be notified upon completion of dissolution.

Section 11.2 Trusteeship

A. Superior Court jurisdiction over dissolution arises in the event the dissolution Ordinance enacted by the Council requests Superior Court trusteeship. In the event that the dissolution Ordinance so requests Superior Court trusteeship, the Superior Court of Benton County shall have jurisdiction and authority to appoint trustees or receivers of corporate property and assets and supervise such trusteeship or receivership.

B. The trustees appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the object thereof as reasonable. The trustees shall have the power and authority to reorganize the District and recommend amendment of its Charter and/or its Bylaws; suspend and/or remove District officials, and manage the assets and affairs of the District; and exercise any and all District powers as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the District, to perform the functions and activities for which it is chartered, to reinstate its credit or credibility with its creditors or obligees, and, if so authorized by the Superior Court, to oversee its dissolution and appropriate subsequent transactions.

ARTICLE XII

Approval of Charter

APPROVED by Richland City Council Ordinance No. 18-02 adopted on July 16, 2002.

ATTEST

_____/s/
City Clerk
Richland, Washington