



OFFICE OF THE CITY CLERK
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SPOKANE, WASHINGTON 99201-3342
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November 30, 1999

City Clerk File No.:

CPR 99-2

CPR 2000-2

✓CPR 96-26

Mr. Stephen K. Eugster
Spokane City Council Member – Elect
120 Minnesota Building
423 W. First Avenue
Spokane, WA 99201

RE: NOVEMBER 25, 1999 LETTERS REQUESTING PREPARATION OF
AGENDA ITEMS FOR COUNCIL CONSIDERATION IN JANUARY 2000

Mr. Eugster:

This is to advise you that I have reviewed your November 25, 1999 letters regarding the Davenport Hotel – Public Development Authority and Location of Council Briefing Sessions. The City's Legal Department has received copies of these letters, and Legal staff will be responding to the requests specified in your letters.

Very truly yours,

Terri L. Pfister
Spokane City Clerk

c: Mayor/Council
Acting City Manager Pete Fortin
Asst. City Manager Dorothy Webster
City Attorney Jim Sloane

Stephen K. Eugster
Spokane City Council Member - Elect
120 Minnesota Building
423 west First Avenue
Spokane, Washington 99201
(509) 838-6351 / Fax (509) 838-4274

CPR# 96-26

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NOV 28 1999

CITY CLERK'S OFFICE
SPOKANE, WA

www.steveeugster.com
e-mail eugster@eugsterlaw.com

Thursday, November 25, 1999

Terri Pfister
City Clerk
City of Spokane
Fifth Floor
West 808 Spokane Falls Blvd.
Spokane, WA 99201

Re: Davenport Hotel -- Public Development Authority

Ms. Pfister:

The continuation of an empty and mostly unused Davenport Hotel in the midst of the downtown Spokane core (only two blocks away from largest public subsidy of a private project ever experienced in the history of the City of Spokane) is a blight upon the city core area and the entire community.

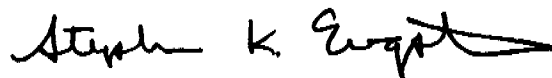
It is time to look at alternatives to this problem; to a solution to this condition of blight.

Enclosed please find legislation calling for the creation of a City of Spokane Davenport Public Development authority regarding the Davenport Hotel.

Please ready this legislation for presentation to the City Council sometime during the end of January 2000.

Thank you.

Very truly yours,



Stephen K. Eugster

cc:
Mayor and Council Members
City Manager
City Attorney

RESOLUTION NO. 98-_____

**A RESOLUTION OF THE CITY OF SPOKANE, WASHINGTON,
APPOINTING THE INITIAL DIRECTORS OF THE DAVENPORT PUBLIC
DEVELOPMENT AUTHORITY; AND PROVIDING FOR OTHER MATTERS
PROPERLY RELATING THERETO**

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

WHEREAS, the City of Spokane, Washington (City), is a
Washington first class charter city duly organized and existing
under the Constitution and laws of the State of Washington;

WHEREAS, by Section 2 of Resolution No. 98-_____, adopted by
the City Council of the City of Spokane on this date, the City
created the Davenport Public Development Authority (Authority); and

WHEREAS, Section 8 of Resolution 98-_____, requires that the
City Council appoint people to the Authority's initial Board of
Directors;

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

Section 1. Board of Directors Appointed. The initial members
of the Authority's Board of Directors shall be:

Section 2. Effective Date. This Resolution shall be in effect
from and after the date of its passage.

ADOPTED by the City Council of the City of Spokane,
Washington, at a regular meeting held on November ___, 1998.

City of Spokane, Washington

Terri Pfister

Clerk, City of Spokane

(SEAL)



CERTIFICATE

I, Terri Pfister, Clerk of the City of Spokane, Washington, hereby certify that the foregoing Resolution No. 98- _____ of the City Council of the City of Spokane is a true and correct copy of the same.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said City of Spokane on November ____, 1998.

City of Spokane, Washington

Terri Pfister
Clerk, City of Spokane

(SEAL)

A RESOLUTION OF THE CITY OF SPOKANE CREATING THE Davenport PUBLIC DEVELOPMENT AUTHORITY; AUTHORIZING A CHARTER AND BYLAWS THEREFOR; ESTABLISHING A BOARD OF DIRECTORS TO GOVERN THE AFFAIRS OF THE PUBLIC DEVELOPMENT AUTHORITY; PROVIDING HOW THE PUBLIC DEVELOPMENT AUTHORITY SHALL CONDUCT ITS AFFAIRS; AND FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

WHEREAS, the City of Spokane, Washington (City), is a State of Washington first class charter city organized and existing under the Constitution and laws of the State of Washington;

WHEREAS, the City is authorized by RCW 35.21.730 to create public authorities to (i) administer and execute federal grants or programs, (ii) receive and administer private funds, goods or services for any lawful public purpose; and (iii) perform any lawful public purpose or public function;

WHEREAS, the City is authorized by RCW _____;

WHEREAS, the Davenport primarily serves the urban areas of the City;

WHEREAS, the; and

WHEREAS, the City Council hereby further finds that the creation of a Davenport Public Development Authority will assist the City in its ability to improve the general living conditions in the urban areas of the State of Washington;

NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

Section 1. Definitions

As used in this Resolution, the following terms 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

Davenport Public Development Authority - 1
Resolution -- Draft November 25, 1999

imparting the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

1.1 "Authority" shall mean the Davenport Public Development Authority, created by Section 2 of this Resolution.

1.2 "Spokane City Council" shall mean the legislative authority of the City of Spokane.

1.3 "Board of Directors" shall mean the governing body of the Authority.

1.4 "Bonds" shall mean any bonds, promissory notes, debentures, interim certificates, certificates of indebtedness or other obligations issued by the Authority pursuant to its Charter.

1.5 "Bylaws" shall mean the rules for the regulation or management of the affairs of the Authority adopted by this Resolution, and all subsequent amendments thereto.

1.6 "Charter" shall mean the articles of organization of the Authority adopted by this Resolution, and all subsequent amendments thereto.

1.7 "Clerk" shall mean the Clerk of the City of Spokane, and all persons authorized to act on the Clerk's behalf in such capacity.

1.8 "City" shall mean the City of Spokane City, Washington, a first class charter city organized and existing under the Constitution and laws of the State.

1.9 "Director" shall mean a member of the Board of Directors.

1.10 "Immediate Family" shall mean (1) the spouse of an official or employee of the Authority, (2) any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law of an official or employee of the Authority; and (3) any parent, parent-in-law, child, son-in-law, daughter-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of an official or employee of the Authority.

1.11 "State" shall mean the State of Washington.

1.12 "Voting Membership" shall mean the total number of voting positions on the Board of Directors authorized by the Charter, whether filled or vacant.

Section 2. Authority Created

A public authority, to be known as the "Davenport Public Development Authority" (Authority), is hereby created exclusively to undertake, assist with and otherwise facilitate the following activities, all as authorized by RCW 35.21.730 through 35.21.757:

2.1 to improve the general living conditions within the City by;

2.2 to administer and execute federal grants and programs, receive and administer federal funds relating to the Davenport;

2.3 to perform all manner and type of community services relating to the Davenport; and

2.4 to provide and implement such municipal services and functions as the Spokane City Council may direct relating to the Davenport.

Section 3. City Liability Limited

The Authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the Authority; no creditor or other person shall have any recourse to the assets, credit, or services of the City on account of any debts, obligations (including Bonds), liabilities, acts or omissions of the Authority.

Section 4. General Powers

Except as otherwise limited by the Constitution of the State, this Resolution and the Charter, the Authority shall have and may exercise all lawful powers necessary or convenient to effect the purposes for which the Authority is organized, and to perform authorized corporate functions, including, without limitations, the power to:

- 4.1 own and sell real and personal property;
- 4.2 contract for any corporate purpose with the United States of America, a state, and any political subdivision or agency of either, and with individuals, associations and corporations;
- 4.3 sue and be sued in its name;
- 4.4 lend and borrow money;
- 4.5 do anything a natural person may do;
- 4.6 perform all manner and type of community services and activities relating to the Davenport;
- 4.7 provide and implement such municipal and community services and functions as the Spokane City Council may by resolution direct;
- 4.8 transfer any funds, real or personal property, property interests, or services;
- 4.9 receive and administer federal or private 5, goods, or services for any lawful public purpose relating to the Davenport;
- 4.10 purchase, lease, exchange, mortgage, encumber, improve, use, or otherwise transfer or grant security interest in real or personal property or any interests therein; grant or acquire options on real and personal property; and contract regarding the income or receipts from real and personal property;
- 4.11 issue Bonds in conformity with applicable provisions of state law in such principal amounts as in the discretion of the Board shall be necessary or appropriate to provide sufficient funds for achieving any purposes of the Authority; provided, however, that all Bonds or liabilities be satisfied exclusively from the assets, properties or credit of the Authority and no creditor or other person shall have any recourse to the assets, credit or services of the City hereby, unless the City expressly guarantee such Bonds;
- 4.12 contract for, lease, and accept transfers, gifts or loans of funds or property from the United States of

Davenport Public Development Authority - 4
Resolution -- Draft November 25, 1999

America, a state, and any municipality or political subdivision or agency of either, including property acquired by any such governmental unit through the exercise of its power of eminent domain, and from corporations, associations, individuals or any other source, and to comply with the terms and conditions therefor;

4.13 manage, on behalf of the United States of America, a state, and any municipality or political subdivision or agency of either, any property relating to the Davenport acquired by such entity through gift, purchase, construction, lease, assignment, default, or exercise of the power of eminent domain;

4.14 recommend to appropriate governmental authorities public improvements and expenditures relating to the Davenport;

4.15 recommend to the United States of America, a state, and any municipality or political subdivision or agency of either, the existence of any property that, if committed or transferred to the Authority, would materially advance the public purpose for which the Authority is chartered;

4.16 initiate, carry out, and complete such improvements of benefit to the public consistent with its Charter as the United States of America, a state, and any municipality or political subdivision or agency of either may request;

4.17 recommend to the United States of America, a state, any municipality or political subdivision or agency of either such tax, financing, and security measures as the Authority may deem appropriate to maximize the public interest in activities in which the Authority by its Charter has a particular responsibility;

4.18 lend its funds, property, credit or services for purposes of the Authority, or act as a surety or guarantor for such purposes;

4.19 provide advisory, consultative, training, educational, and community services or advice to individuals, associations, corporations, or governmental agencies, with or without charge;

4.20 control the use and disposition of property, assets, and credit of the Authority;

4.21 invest and reinvest its funds;

4.22 fix and collect charges for services rendered or to be rendered, and establish the consideration (if any) for property transferred;

4.23 maintain books and records as appropriate for the conduct of its affairs;

4.24 conduct its affairs, carry on its operations, and use its property as allowed by law and consistent with this Resolution, its Charter and its Bylaws;

4.25 name corporate officials, designate agents, and engage employees, prescribing their duties, qualifications, and compensation; and secure the services of consultants for professional services, technical assistance, or advice;

4.26 identify and recommend to the United States of America, a state, any municipality or political subdivision or agency of either, the acquisition by the appropriate governmental entity (for transfer to or use by the Authority) of property and property rights, which, if so acquired, whether through purchase or the exercise of eminent domain, and so transferred or used, would materially advance the purpose for which the Authority is chartered; and

4.27 exercise and enjoy such other powers as may be authorized from time to time by law.

Section 5. Limitation of Powers

The Authority, in all activities and transactions, shall be limited in the following respects:

5.1 The Authority shall have no power of eminent domain nor any power to levy taxes or special assessments.

5.2 The Authority may not incur or create any liability that permits recourse by any party or member of the public to any assets, services, resources, or credit of the City. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the

Authority, and 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 Authority.

5.3 No funds, assets or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or a substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States of America, or the Legislature of the State or the City Council; provided, however, that funds may be used for representatives of the Authority to communicate with members of Congress, state legislators or City Council members concerning funding and other matters directly affecting the Authority, so long as such activities do not constitute a substantial part of the Authority's activities and unless such activities are specifically limited in its Charter.

5.4 All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by its Charter.

5.5 No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, its Directors, its officers or other private persons, except that the Authority is authorized and empowered to:

5.5.1 compensate its officials and others performing services for the Authority, including legal counsel, a reasonable amount for services rendered, and reimburse reasonable expenses actually incurred in performing their duties;

5.5.2 assist its officials as members of a general class of persons to be assisted by an Authority-approved project or activity to the same extent as other members of the class as long as no special privileges or treatment accrues to such official by reason of his or her status or position in the Authority;

5.5.3 defend and indemnify any current or former Director or employee and their successors, spouses and marital communities against all costs, expenses,

judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been an official of the Authority, or by reason of any action alleged to have been taken or omitted by him or her as such official provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights to which officials of the Authority may be entitled as a matter of law;

5.5.4 purchase insurance to protect and hold personally harmless any of its officials (including its employees and agents) from any action, claim or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from any expenses connected with the defense, settlement, or monitor judgments from such actions, claims or proceedings; provided, the purchase of such insurance and its policy limits shall be discretionary with the Board of Directors, and such insurance shall not be considered as compensation to the insured individuals; and provided further, the powers conferred by this paragraph 4 shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

5.5.5 sell its assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, as long as such gain is not the principal object or purpose of the Authority's transactions or activities and is applied to or expended upon services, projects and activities as aforesaid.

5.6 The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its Directors or employees or otherwise engage in business for private gain.

5.7 The Authority shall not acquire goods, services,

properties or other assets for less than fair and adequate consideration, provided, however, that if such goods, services, properties or other assets are being acquired for "legally sufficient" consideration the Authority shall secure specific approval of the City Council of the City.

Section 6. Charter

The Charter, attached to this Resolution as Exhibit "A" and hereby made a part hereof, is hereby approved. The Charter shall be issued in duplicate originals, each bearing the City's official seal attested by the Clerk. One original shall be retained by the Clerk and filed as a public record; a duplicate original shall be provided to the Authority. The Clerk shall give notice of the issuance of the Charter to the Secretary of State and furnish a copy thereof and of this Resolution upon request.

Section 7. Effect of Issuance of Charter

The Authority shall commence its existence effective upon issuance of its Charter. Except as against the State or the City in a proceeding to cancel or revoke the Charter, delivery of a duplicate original Charter shall conclusively establish that the Authority has been established in compliance with the procedures of this Resolution. The Authority shall conduct its affairs in accordance with the Charter.

Section 8. Board of Directors

8.1 Creation of the Board of Directors. An eight-member board of directors (Board of Directors) is hereby established to govern the affairs of the Authority. All corporate powers of the Authority shall be exercised by or under the authority of the Board of Directors; and the business, property and affairs of the Authority shall be managed under the direction of the Board of Directors, except as may be otherwise provided for by law or in the Charter.

8.2 Appointment of Board of Directors. The initial Board of Directors shall be appointed by resolution of the City Council. Except for the initial Board of Directors, members of the Board of Directors shall be appointed as provided in the Charter. No person who serves on the City Council or city council of any city or town in the City may

serve on the Board of Directors. No person nominated for membership on the Board of Directors shall be eligible to serve until he or she has been confirmed by motion of the City Council. Directors may be reappointed to serve consecutive terms on the Board of Directors. A vacancy on the Board of Directors because of death, resignation, removal, disqualification, or any other cause, shall be filled for the remainder of the term of the vacant position in the manner prescribed in the Charter for the position vacated.

8.3 Term of Office. Except for the initial Directors, the members of the Board of Directors shall serve a term of six years, or until their successor is nominated and confirmed as provided in this Resolution. The terms of office of the Directors shall be staggered in the manner provided in the Charter. A Director shall serve for the term designated and until his or her successor shall have been confirmed, except as provided in paragraph 8.4 below of this Resolution.

8.4 Removal of Directors. If it is determined for any reason that any or all of the Directors should be removed from office, after a full public hearing, and after selection of appropriate replacements by the City Council pursuant to this section, the City Council may by resolution remove any or all voting Directors from office. The term of any Director removed pursuant to this paragraph 8.4 shall expire when the removal resolution takes effect. Vacancies created under this section shall be filled in the same manner as provided in the Charter for filling vacancies created upon the regular expiration of terms. The term of any Director nominated and confirmed pursuant to this paragraph 8.4 shall begin at the expiration of the term of the Director being replaced and shall continue until the regular expiration of the term of the position being filled.

Section 9. Organizational Meeting

Upon issuance of the Charter, the Clerk shall call an organizational meeting of the initial Directors within 30 days, giving at least three days' advance written notice to each, unless waived in writing. At such meeting, the Board of Directors shall organize itself.

Section 10. Meetings of the Board of Directors

Davenport Public Development Authority - 10
Resolution -- Draft November 25, 1999

10.1 The Board of Directors shall meet at least six times each year. Special meetings of the Board of Directors may be called as provided by the Charter, the Bylaws or chapter 42.30 RCW. Meetings shall only take place within the boundaries of the City.

10.2 The Board of Directors of the Authority shall be the governing body of a public agency as defined in RCW 42.30.020, and all meetings of the Board of Directors shall be held and conducted in accordance with chapter 42.30 RCW.

10.3 All Board of Directors meetings, including executive meetings, and all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by chapter 42.30 RCW. The Board of Directors and its committees may hold executive sessions to consider matters enumerated in chapter 42.30 RCW, or privileged matters recognized by law, and shall enter the cause therefor upon its official journal.

Section 11. Quorum

The Charter or Bylaws shall establish the requirements for a quorum of the Board of Directors. The act or a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors; provided:

11.1 a quorum to commence a Board of Directors meeting shall be no fewer than a majority of the Board of Director's Voting Membership; and

11.2 any resolution authorizing or approving an action of the Board of Directors described in this Resolution shall require an affirmative vote of a majority of the Directors voting on the issue, provided that such majority equals not less than one-third of the Board of Director's Voting Membership.

Section 12. Board Review and Concurrence

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

12.2 General or particular authorization or review and concurrence of the Board of Directors by resolution shall be necessary for any of the following transactions:

12.2.1 transfer or conveyance of an interest in real estate other than release of a lien or satisfaction of a mortgage after payment has been received and the execution of a lease for a current term less than one year;

12.2.2 the contracting of debts, issuances of notes, debentures or Bonds, and the mortgaging or pledging of authority assets or credit to secure the same;

12.2.3 the donation of money, property or other assets belonging to the Authority;

12.2.4 an action by the Authority as a surety or guarantor;

12.2.5 all capital expenditures in excess of \$25,000, and all other transactions in which: (i) the consideration exchanged or received by the Authority exceeds the greater of one percent of the previous year's operating budget or \$25,000; (ii) the performance by the Authority extends over a period exceeding one year from the date of execution of an agreement therefor; or (iii) the Authority assumes duties to the City, the State, the United States of America or other governmental entity;

12.2.6 any substantial project or major activity outside the limits of the City;

12.2.7 adoption of an annual budget and a separate capital budget;

12.2.8 certification of annual reports and statements to be filed with the Clerk as true and correct in the opinion of the Board of Directors and of its members except as noted;

12.2.9 proposed amendments to the Charter and Bylaws; and

12.2.10 such other transactions, duties, and responsibilities as the Charter shall repose in the Board of Directors or the Board of Directors may reserve.

Section 13. Charter Amendments

13.1 The Board of Directors may propose to the City Council that the Charter be amended. Such proposal must be made by resolution of the Board of Directors passed by a procedure outlined in its Charter at a regular or special meeting of which 30 days' advance written notice was given. Information regarding a proposed Charter amendment shall be provided to members of the Board of Directors two weeks prior to the meeting at which a vote will be taken and shall include the proposed amendment and a statement of its purpose and effect.

13.2 After adoption of a proposed Charter amendment by the Board of Directors, the Authority shall file three complete copies of the Charter of the Clerk. One copy shall be in a format that strikes over material to be deleted and underlines new material. The Charter may be amended only by resolution. If the City Council approves the proposed amendment, the revised Charter shall be issued in duplicate originals, each bearing the City's official seal and attested by the Clerk. One original and the underlined and overstricken copy shall be retained by the Clerk as a public record and the other original shall be delivered to the Authority. A Charter amendment proposed by the Authority shall take effect and become a part of the Charter upon issuance of the revised Charter by the Clerk.

13.3 When required by law, the Authority shall propose to the City Council an amendment to the Authority's Charter that will conform with, said law. As necessary and appropriate, the City Council may amend the Authority Charter by resolution.

Section 14. Bylaws

14.1 The initial bylaws of the Authority (Bylaws), attached to this Resolution as Exhibit "B" and hereby made a part hereof, are hereby approved. The power to alter, amend or repeal the Bylaws or adopt new ones shall be vested in the Board of Directors unless otherwise provided in the Charter or the Bylaws. The Bylaws may contain any provisions

for the regulation and management of the affairs of the Authority not inconsistent with law or the Charter.

14.2 Amendments to the Bylaws shall not take effect until ten days after filing of the same with the Clerk, unless such amendments shall have been passed by unanimous vote of the Board of Directors and an earlier effective date set.

14.3 As necessary and appropriate, the City Council may amend the Bylaws by resolution.

Section 15. Officials of Authority -- Fidelity Bonds

Each official of the Authority responsible for handling accounts and finances shall file as soon as practicable with the Authority a fidelity bond in an amount determined by the Authority to be adequate and appropriate, and may hold his office only as long as such a bond continues in effect.

Section 16. Code of Ethics -- Conflict of Interest

16.1 Except as provided in this Section 16, a Director or employee of the Authority may not participate in a decision of the Authority in which that person or a member of that person's Immediate Family has a financial interest unless the financial interest is a remote financial interest and participation is approved under subsection B of this Section 16.

16.2 A Director or employee may participate in a decision if that person or a member of that person's Immediate Family has only a remote financial interest, the fact and extent of the interest is disclosed to the Board of Directors in a public meeting and is noted in the minutes of the Board of Directors before any participation by the Director or employee in the decision, and thereafter in a public meeting the Board of Directors by vote authorizes or approves the participation. If the person whose participation is under consideration is a Director, that person may not vote under this subsection. For purposes of this subsection, "remote financial interest" shall mean:

16.2.1 that of a nonsalaried officer or director of a nonprofit corporation;

16.2.2 that of an employee or agent of a

contracting party where the compensation of the employee or agent consists entirely of fixed wages or salary and the contract is awarded by bid or by other competitive process;

16.2.3 that of a landlord or tenant of a contracting party, except in cases where the property subject to the lease or sublease is owned or managed by the Authority;

16.2.4 that of a holder of less than one percent of the shares of the corporation or cooperative that is the contracting party; or

16.2.5 that of an owner of a savings and loan or bank savings or share account or credit union deposit account if the interest represented by the account is less than two percent of the total deposits held by the institution.

16.2.6 A Director 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.

16.2.7 The Board of Directors may adopt such additional conflict of interest and ethical rules as it considers appropriate.

16.2.8 For purposes of this section, "participate in a decision" includes all discussions, deliberations, preliminary negotiations and votes.

Section 17. Discrimination Prohibited

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

17.2 To ensure equality of employment opportunity, the Authority shall not discriminate in any matter related to employment because of creed, age, race, color, religion, sex, sexual orientation, national origin, marital status or

the presence of any sensory, mental or physical handicap, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available. The Authority shall, in all solicitations or advertisements for employees placed by or on behalf of the Authority, state that all qualified applicants will receive consideration for employment without regard to creed, age, race, color, religion, sex, sexual orientation, national origin, marital status or the presence of any sensory, mental or physical handicap, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

Section 18. Deposit of Public Funds

All money belonging to or collected for the use of the Authority, coming into the hands of any Director or employee thereof, shall be deposited in a qualified public depository as determined by the Washington Public Deposit Protection Commission. Such money may be invested at the direction of the Board of Directors, by resolution, in investments which would be lawful for the investments of City funds.

Section 19. Establishment and Maintenance of Office and Records

The Authority shall:

19.1 maintain a principal office at a location within the limits of the City;

19.2 file and maintain with the Clerk a current listing of all Authority officials, their positions and their home addresses, their business and home phone numbers, the address of its principal office and of all other offices used by it, and a current set of its Bylaws;

19.3 file and maintain with the Clerk a current index of the public records and documents of the Authority

19.4 file and maintain with the Clerk a current set of the public records and documents of the Authority; and

19.5 maintain all of its records in a manner consistent with the Preservation and Destruction of Public Records Act (chapter 40.14 RCW).

Section 20. Reports and Information

The Authority shall, within three months after the end of its fiscal year, file an annual report with the Clerk containing a certified statement of assets and liabilities, income and expenditures and changes in its financial position during the previous year; a summary of significant accomplishments; a list of depositories used; a projected operating budget for the current fiscal year; a summary of projects and activities to be undertaken during the current year; a list of Authority officials and a list of officials bonded pursuant to Section 15 of this Resolution.

Section 21. Audits and Inspections

The Authority shall, at any time during normal business hours and as often as the City Council or the State Auditor deem necessary, make available to the City Council and the State Auditor for examination all of its financial records, and shall permit the City Council and State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all the aforesaid matters. The City Council and State Auditor shall have no right, power or duty to supervise the daily operations of the Authority, but shall oversee such operations only through their powers to audit, modify the Authority Charter and Bylaws and to remove Directors all as set forth in this Resolution, all for the sole purpose of correcting any deficiency and assuring that the purposes of the Authority are reasonably accomplished.

Section 22. Access to Records

The Authority shall keep an official journal containing the minutes of proceedings at all meetings of the Board of Directors and the resolutions of the Board of Directors. Any person shall have access to records and information of the Authority to the extent required by state law. In addition, such official journal shall be kept at the office of the Clerk.

Section 23. Trusteeship

If it is determined for any reason that a trusteeship should be imposed over the Authority, the City may, after a

public hearing held with notice to the Authority, petition the Superior Court by resolution to impose a trusteeship over the Authority and to appoint the trustees therefor. Any trustee appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the object thereof as reasonable. The trustee shall have the power and authority to reorganize the Authority and recommend amendment of its Charter and/or its Bylaws; suspend and/or remove Authority officials, and manage the assets and affairs of the Authority; and exercise any and all Authority powers as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the Authority, 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.

Section 24. Termination of the Authority

If the City Council makes an affirmative finding that termination is warranted for any reason, the existence of the Authority may be terminated by resolution of the City Council at or after a public hearing, held with notice to the Authority and affording it a reasonable opportunity to be heard and present testimony.

Section 25. Dissolution of the Authority

25.1 Upon enactment of a resolution by the City Council for termination of the Authority, or upon adoption of a resolution by the Authority for its own dissolution, the Authority shall file with the Clerk a dissolution statement setting forth:

25.1.1 The name and principal office of the Authority;

25.1.2 the debts, obligations and liabilities of the Authority, 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;

25.1.3 any pending litigation or contingent liabilities;

25.1.4 the resolution of the Board of Directors providing for such dissolution and the proceedings leading toward its adoption, if such dissolution is voluntary; and

25.1.5 a list of persons to be notified upon completion of dissolution.

25.2 The Director of Administrative Services shall review the statement filed and oversee the dissolution to protect the public interest, or if so authorized by law, authorize or initiate proceedings in the Superior Court for the appointment and supervision of a receiver for such purposes. Upon satisfactory completion of dissolution proceedings, the Director of Administrative Services shall indicate such dissolution by inscription of "Charter canceled" on the original Charter, on file with the Clerk and, when available, on the duplicate original of the Authority, and the existence of the Authority shall cease. The Clerk shall give notice thereof to the Secretary of State and other persons requested by the Authority in its dissolution statement.

25.3 Upon dissolution of the Authority and the winding up of its affairs, the City Council may provide for the transfer of the rights, assets, and property of the Authority to a qualified entity or entities which will fulfill the purposes for which the Authority was chartered. Otherwise, title to all remaining property or assets of the Authority shall vest in the City upon the dissolution of the Authority.

Section 26. Insurance

The Authority 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 Authority, naming the City as an additional insured.

Section 27. Unauthorized Representation

All persons who assume to act for the Authority without actual authority to do so shall be liable for the debts and liabilities incurred or arising as a result thereof.

Davenport Public Development Authority - 19
Resolution -- Draft November 25, 1999

Section 28. Ancillary Authority

The Director of Administrative Services and Clerk are granted all such power and authority as reasonably necessary or convenient to enable them to administer this Resolution efficiently.

Section 29. Construction

This Resolution shall be liberally construed so as to effectuate its purposes.

Section 30. Ratification

All action heretofore taken by the City Council and the employees of the City (not inconsistent with the provisions of this Resolution) in connection with the formation of the Authority are hereby ratified, confirmed and approved.

Section 31. Effective Date

This Resolution shall be in effect from and after the date of its passage.

ADOPTED by the City Council of City of Spokane, Spokane County, Washington, at a regular meeting held on November __, 1998.

City Council of the City of Spokane

John Talbott, Mayor

ATTEST:

Terri Pfister, Spokane City Clerk

Davenport Public Development Authority - 20
Resolution -- Draft November 25, 1999

* * * * *

CERTIFICATE

I, Terri Pfister, Spokane City Clerk, hereby certify that the foregoing resolution is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the City Council duly and regularly held at the regular meeting place thereof on November __, 1998, of which meeting all members of said Board had due notice and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof,

NAYS,

ABSENT,

ABSTAIN,

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that said resolution is a full, true, and correct copy of the original resolution adopted at said meeting; and that said 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 said City of Spokane on November __, 1998.

Terri Pfister, City Clerk
City of Spokane

(SEAL)

Davenport Public Development Authority - 21
Resolution -- Draft November 25, 1999

Steve Eugster
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CHARTER

of the

DAVENPORT PUBLIC DEVELOPMENT AUTHORITY

Article I NAME AND SEAL

Section 1.1 Name. The name of the authority shall be DAVENPORT PUBLIC DEVELOPMENT AUTHORITY (Authority).

Section 1.2 Seal. The Authority's seal shall be a circle with the name "Davenport Public Development Authority" inscribed therein.

Article II AUTHORITY AND LIMIT ON LIABILITY

Section 2.1 Authority. The Authority is a public corporation organized pursuant to RCW 35.21.730 through 35.21.757, as amended (Act) and Resolution No. (Resolution) of the City of Spokane, Washington (City).

Section 2.2 Limit on Liability. All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, 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 Authority.

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

The Davenport Public Development Authority is a public development authority organized pursuant to the Resolution and the laws of the State of Washington, and more particularly the Act. RCW 35.21.750 provides, in part, as follows:

All liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation,

*Davenport Public Development Authority - 1
Charter - Draft 10/17/98*

commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.

Article III DURATION

The duration of the Authority shall be perpetual except as provided in the Resolution.

Article IV PURPOSE

The purpose of the Authority is to provide a legal entity organized under the Act and the Resolution to undertake, assist with and otherwise facilitate or provide for the following activities (Chartered Activities):

1. to improve the general living conditions within the City by the restoration and re-use of the Davenport Hotel building and properties in and about the Davenport Hotel building in downtown Spokane, Washington including but not limited to the acquisition of the hotel building and properties associated therewith and the conversion of the same into public market, condominium residences and offices, a civic center or hotel, and other parts or functions and the sale of the same into private hands (Davenport Hotel);
2. to administer and execute federal grants and programs, receive and administer federal funds relating to the Davenport Hotel;
3. to perform all manner and type of community services relating to the Davenport Hotel; and
4. to provide and implement such municipal services and functions as the City of Spokane City Council may direct relating to the Davenport Hotel.

To the extent appropriate and consistent with the needs and objectives of the City and to facilitate or provide for the Chartered Activities, the Authority will undertake and accomplish all activities necessary or convenient for the development, operation and implementation of the Chartered Activities. The Authority shall have no purpose other than the development, operation and implementation of the Chartered Activities.

*Davenport Public Development Authority - 2
Charter - Draft 10/17/98*

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the City (within the meaning of those terms in regulations of the United States Treasury and rulings of the Internal Revenue Service prescribed pursuant to Section 103 of the Internal Revenue Code of 1986, as amended).

Article V POWERS

Section 5.1 Powers. The Authority shall have and may exercise all lawful powers conferred by state laws, the Resolution, this Charter and its Bylaws. The Authority in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Resolution.

Section 5.2 Indemnification. To the extent permitted by law, the Authority shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, 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 Authority'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 and 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 of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by the applicable law.

Article VI BOARD OF DIRECTORS

Section 6.1 Board of Directors Composition. Management of all Authority affairs shall reside in an five-member board of directors (Board of Directors). All Directors shall be appointed by the Spokane City Council. The terms of the Directors shall be determined as follows:

*Davenport Public Development Authority - 3
Charter - Draft 10/17/98*

6.1.1 Within two months of the issuance of this Charter, the initial Board of Directors shall by resolution divide the members of the Board of Directors into three classes (designated Class I, Class II, and Class III) containing two members each (except Class III, which shall contain one member).

6.1.2 The initial terms of those Directors that are in Class I shall be three years. The initial terms of those Directors that are in Class II shall be five years. The initial terms of those Directors that are in Class III shall be seven years.

6.1.3 At the regular meeting of the Board of Directors that coincides most closely with the third anniversary of the issuance of this Charter, the terms of those Directors that are in Class I shall expire, provided that they shall continue in office until their successors are selected and qualified as provided in the Bylaws.

6.1.4 This re-appointment procedure shall continue biennially as to successive classes, so that at the regular meeting of the Board of Directors that coincides most closely with each odd-numbered anniversary of the issuance of this Charter, a new class of Directors shall take office; provided, however, that each person so selected shall hold office for the six-year term for which he or she is selected and until his or her successor shall have been selected and qualified; and provided that there shall be no restriction on Directors serving successive terms.

Section 6.2 Board of Directors Concurrence and Quorum Defined. "Board of Directors concurrence," as used in this Article VI, may be obtained at any regular or special Board of Directors meeting by an affirmative vote of a majority of the Directors voting on the issue, provided that such majority equals not less than three votes.

A quorum to commence a Board of Directors meeting shall be no fewer than three Directors. The bylaws of the Authority may prescribe Board of Directors quorum restrictions that equal or exceed the quorum restrictions imposed in this Section 6.02. Directors present at a duly convened meeting may continue to transact business notwithstanding the withdrawal of enough members to leave

less than a quorum.

Section 6.3 Officers and Division of Duties. The Authority shall have four or more officers. The initial officers of the Authority shall be the President, the Vice President, the Secretary and the Treasurer, each of which shall be a different person. Such officers shall be appointed by the Board of Directors. Additional officers may be provided for in the Bylaws of the Authority. The President shall be the agent of the Authority for service of process. The Bylaws may designate additional corporate officials as agents to receive or initiate process. The corporate officers shall manage the daily affairs and operations of the Authority and may delegate such tasks as the Board of Directors deems advisable to other officers, employees and agents of the Board of Directors. The Board of Directors shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by City resolution, and shall have stewardship for management and determination of all corporate affairs.

Section 6.4 Committees. The appointment of other committees shall be provided for in the Bylaws.

Article VII MEETINGS

Section 7.1 Board of Directors Meetings. The Board of Directors shall meet as necessary, but not less than every other month. Special meetings of the Board of Directors may be called as provided in the Bylaws. All such meetings shall take place within the City.

Section 7.2 Open Public Meetings. Notice of meetings shall be given in a manner consistent with the Open Public Meetings Act (RCW Ch. 42.30). In addition, the Authority shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meeting, any citizen shall have a reasonable opportunity to address the Board of Directors either orally or by written petition. Voting by telephone or by proxy is not permitted.

Section 7.3 Parliamentary Authority. The rules of Robert's Rules of Order shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with this Charter or with the special rules of

order of the Authority set forth in the Bylaws.

Section 7.4 Minutes. The Secretary shall keep, or cause to be kept, minutes of all regular or special meetings of the Board of Directors. Such minutes shall be available to any person or organization that requests them as required by state law. Minutes with respect to closed executive sessions need not be made available. The minutes of all Board of Directors meetings shall include a record of individual votes on all matters requiring Board of Directors concurrence.

Section 7.5 Location of Records. The Secretary shall cause the original documents and records of the Authority to be kept in the office of the City Clerk of the City. In addition, the Secretary shall keep a duplicate set of such documents and records to be kept at the offices of the Authority.

Article VIII BYLAWS

The initial Bylaws may be amended to provide additional or different rules governing the Authority and its activities as are not inconsistent with the laws of the State of Washington, the Resolution or this Charter. The Board of Directors may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in this Charter for inclusion therein.

Article IX AMENDMENTS TO CHARTER AND BYLAWS

Section 9.1 Proposals to Amend Charter and Bylaws.

9.1.1 Proposals to amend this Charter or the Bylaws shall be presented in a format which strikes over material to be deleted and underlines new material.

9.1.2 Any Director may introduce a proposed amendment to this Charter or the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which ten days' advance notice has been given to members of the Board of Directors.

Section 9.2 Board of Directors Consideration of Proposed Amendments. If notice of a proposed amendment to

this Charter or to the 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 of Directors 15 days prior to any regular Board of Directors meeting or any special meeting of which 30 days' advance notice has been given, then the Board of Directors 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 of Directors may not vote on the proposed amendment until the next regular Board of Directors meeting or special meeting of which 30 days' advance notice has been given and at least 15 days prior to which meeting such notice and information is provided to Directors. 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 9.3 Vote Required for Amendments to Charter or Bylaws. Resolutions of the Board of Directors approving proposed amendments to this Charter or to the Bylaws require an affirmative vote of a majority of the Directors voting on the issue, provided that such majority equals not less than three votes.

Section 9.4 City Council Approval of Proposed Charter Amendments. Proposed Charter amendments adopted by the Board of Directors shall be submitted to the City Council. This Charter may be amended only by resolution as provided in the Resolution.

Article X COMMENCEMENT

The Authority shall commence its existence effective upon the issuance of its Charter, as sealed and attested by the Clerk.

Article XI DISSOLUTION

Dissolution of the Authority shall be in the form and manner required by state law, City resolution, and the Bylaws.

Article XII APPROVAL OF CHARTER

APPROVED by Resolution No. _____, adopted by the Spokane City Council, City of Spokane, Washington, on

*Davenport Public Development Authority - 7
Charter - Draft 10/17/98*

November ____, 1998.

Davenport Public Development Authority - 8
Charter - Draft 10/17/98

Steve Eugster
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CERTIFICATE

I, Terri Pfister, Clerk of the City of Spokane, Washington, hereby certify that the attached CHARTER OF THE DAVENPORT PUBLIC DEVELOPMENT AUTHORITY is a true and correct original of such charter as authorized by Resolution No. 98-_____ of the City Council of the City of Spokane.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said City of Spokane on November ____, 1998.

City of Spokane, Washington

Terri Pfister
Clerk, City of Spokane

(SEAL)

*Davenport Public Development Authority - 9
Charter - Draft 10/17/98*

Steve Eugster
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BYLAWS

Article I of the

DAVENPORT PUBLIC DEVELOPMENT AUTHORITY

Article II DAVENPORT PUBLIC DEVELOPMENT AUTHORITY

Section 2.1 Existence; Bylaws. The Davenport Public Development Authority (Authority) is a public authority created by the City of Spokane, Washington (City), pursuant to RCW 35.21.730 through 35.21.757, and Resolution No. _____ (Resolution) adopted by the City Council of the City of Spokane (City Council) on November __, 1998. These Bylaws are subject to any limitations contained herein or in the Charter issued to the Authority by the City of Spokane (City).

Article III ARTICLE II: BOARD OF DIRECTORS

Section 3.1 Quorum. At least three members of the Board of Directors must be present at any regular or special meeting to comprise a quorum. A lesser number in attendance at such a meeting may adjourn the meeting and reconvene it within forty-eight 48 hours of the adjourned meeting without further notice.

Article IV OFFICERS AND COMMITTEES

Section 4.1 Official Designated. The officers of the Authority shall be the President, the Vice President, the Secretary and the Treasurer, which officers shall be appointed by the Board of Directors. Such other offices as may be deemed necessary may be created by resolution of the Board of Directors. 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 of Directors may prescribe.

Section 4.2 Powers and Duties.

4.2.1 President. The President shall be the chief executive officer of the Authority and shall have general supervision over the business of the Authority, subject, however, to the control of the Board of Directors. The President shall preside at all meetings of the Board of

Directors. The President may sign and execute, in the name of the Authority, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the Board of Directors, and generally shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to such office by the Board of Directors.

4.2.2 Vice President. In the event the President is unable to perform such functions and duties as are mandated by law, the Resolution, the Charter or these Bylaws to be performed by the President, whether due to illness, vacation or other absence, the Vice President shall act as President and perform all acts required to be performed by the President. In so acting, the Vice President shall be deemed to be the President for all purposes.

4.2.3 Secretary. The Secretary shall:

4.2.3.1 certify and keep at the office of the Authority, or at such other place as the Board of Directors may order, the original or a copy of the Bylaws, as amended or otherwise altered;

4.2.3.2 keep at the office of the Authority, or at such other place as the Board of Directors may order, a book of minutes of all meetings of the Directors and of the resolutions of the Board of Directors, recording therein the time and place of holding such meetings, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat;

4.2.3.3 see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

4.2.3.4 be custodian of the records and seal of the Authority;

4.2.3.5 exhibit at all reasonable times to any Director, upon application, the Bylaws and minutes of the proceedings of the Board of Directors; and

4.2.3.6 in general perform such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

4.2.4 Treasurer. The Treasurer shall receive and have charge of all funds of the Authority and shall disburse such funds only as directed by the Board of Directors; perform all duties incident to the office of chief financial officer of the Authority; and in general perform such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

Section 4.3 Terms. The Board of Directors shall establish, by resolution, the terms of office for its officers.

Section 4.4 Removal. Upon reasonable prior notice to all Directors of the alleged reasons for dismissal, the Board of Directors, by an affirmative vote of the majority of the whole Board of Directors, may remove any officer from his office whenever in its judgment the best interests of the Authority will be served thereby.

Section 4.5 Vacancies. The Board of Directors shall request the City Council to fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor shall have been duly appointed and qualified.

Section 4.6 Establishment of Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members one or more committees, each consisting of at least three or more members, to represent the Board of Directors and, on matters other than those described in Section 12 of the Resolution, act for and on behalf of the Board of Directors. The designation of any such committee and the delegation thereto of AUTHORITY shall not operate to relieve any member of the Board of Directors of any responsibility imposed by law.

Article V ARTICLE IV: MEETINGS

Section 5.1 Regular Board of Directors Meetings. All meetings of the Board of Directors shall be special meetings.

Section 5.2 Special Board of Directors Meetings. Subject to Article VII of the Charter of the AUTHORITY and Section 10 of the Resolution, special meetings of the Board of Directors may be held at any place at any time whenever called by the President or a majority of the members of the Board of Directors.

Section 5.3 Notice of Regular Board of Directors Meetings. No notice of the regular meeting shall be required, except of the first regular meeting after any change in the time or place of such meeting adopted by resolution of the Board of Directors as above provided. Notice of such changed regular meeting shall be given by the Secretary-Treasurer or by the person or persons calling the meeting by personal communication over the telephone to each Director at least 24 hours prior to the time of the meeting or by at least three days notice by mail, telegram or written communication. If mailed, notice shall be mailed by United States Mail, postage prepaid, to the last known address of each Director. In addition, the AUTHORITY shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At any regular meeting of the Board of Directors, any business may be transacted and the Board of Directors may exercise all of its powers.

Section 5.4 Notice of Special Board of Directors Meetings. Notice of all special meetings of the Board of Directors shall be given by the Secretary-Treasurer or by the person or persons calling the special meeting by delivering personally or by mail written notice at least 24 hours prior to the time of the meeting to each Director and to each local newspaper of general circulation and to each radio or television station that has requested notice as provided in the Open Public Meetings Act (RCW Ch.42.30), as now or hereafter amended. In addition, the AUTHORITY shall provide notice of special meetings to any individual specifically requesting it in writing.

The time and place of the special meeting and the business to be transacted must be specified in the notice. Final disposition shall not be taken on any other matter at such meetings.

Section 5.5 Waiver of Notice. Notice as provided in Section 4.03 and 4.04 hereof may be dispensed with as to any member of the Board of Directors who at or prior to the time

the meeting convenes files with the Board of Directors of the AUTHORITY a written waiver of notice or who is actually present at the meeting at the time it convenes. Such notice may also be dispensed with as to special meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, where time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage. Notice as provided in Article IX of the Charter concerning proposed amendments to the Charter or Bylaws and votes on such amendments, may not be waived.

Section 5.6 Notice to the City Council. Notice of all meetings and minutes of such meetings of the Board of Directors shall be given to the Clerk of the City Council.

Article VI ADMINISTRATIVE PROVISIONS

Section 6.1 Books and Records. The AUTHORITY shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors and its committees having any of the AUTHORITY of the Board of Directors.

Section 6.2 Indemnification of Directors. The AUTHORITY elects to defend and indemnify its present and former officials and their successors, spouses and marital communities to the full extent authorized by the Charter. In addition, the right of indemnification shall inure to each Director or officer and his or her spouse and marital community upon his or her appointment to the Board of Directors and in the event of his or her death shall extend to his or her heirs, legal representatives and estate. Each person who shall act as Director or officer of the AUTHORITY shall be deemed to do so in reliance upon such indemnification and such rights shall not be exclusive of any other right which he or she may have.

Section 6.3 Principal Office. The principal office of the AUTHORITY shall be _____, Spokane, Washington 99201.

AGENDA SHEET FOR COUNCIL MEETING OF: January 6, 1996



City Council _____ Phyllis Holmes _____ 6261 _____
Submitting Department Contact Person Phone Ext.

<u>CONSENT AGENDA</u>	<u>LEGISLATIVE SESSION</u>	<u>COUNCIL PRIORITY</u>
0 Contract	0 Resolution	0 Economic Development
● Report	0 Emergency Ordinance	0 Growth Management
	0 Final Reading Ordinance	● Neighborhoods
	0 First Reading Ordinance	0 Public Safety
	0 Special Consideration	0 Public Works
	0 Hearing	0 Service Delivery

Clerk's Files: # CPR 96-26
 Renewals: # _____
 Cross Reference: # _____
 ENG/LID: # _____
 BID: # _____

RECEIVED

NEIGHBORHOOD/COMMISSION/COMMITTEE NOTIFIED BY SUBMITTING DEPARTMENT: _____

Downtown _____ Area Manager: Teresa Brum **DEC 24 1996**

Action Taken: _____
**CITY CLERK'S OFFICE
SPOKANE, WA**

AGENDA WORDING:

Report to City Council from the Davenport Neighborhood Development Committee which includes recommendations and specific Mayor/Council actions.

BACKGROUND (Attach separate sheet if necessary):

On April 15, 1996, the Mayor created the Davenport Neighborhood Development Committee consisting of five community leaders to research and develop a plan for improvements specifically to city-owned property and adjacent properties located in the general area known as the Davenport Arts and Entertainment District in downtown Spokane. The members of the committee are: Chair Vicki McNeill, Ric Odegard, Jim Ray, Carol Wendle and Father Bernard Coughlin. The Mayor's charge to the committee was "to suggest to the City Council what the City and its departments can do to assist the business and property owners in the growth and development of this portion of downtown."

A resource subcommittee was formed representing City Council, City staff, business owners, property owners and PBIA to assist in the formulation of the recommendations. Three public forums were held for all property, business owners and interested parties to dialogue and develop a vision for the area. Numerous meetings were held by the Development Committee with input generated from involved parties. This report represents the collective statements and thoughts of all of the participants throughout this process.

RECOMMENDATION: Approve report.

FISCAL IMPACT: Expenditure - \$ N/A Budget Account: #
Revenue - \$ N/A #

LIST ATTACHMENTS AS FOLLOWS:

On file for Review in Office of City Clerk:

Include in Packets: Report "Davenport Neighborhood Development Committee"

SIGNATURES OF SUBMITTING OFFICERS (sign legibly):

Phyllis Holmes
City Council

D. Weissen
Assistant City Manager

DISTRIBUTION AFTER COUNCIL ACTION:

- Phyllis Holmes, City Council
- J. Geraghty, Mayor
- Bill Pupo, Acting City Manager
- Pete Fortin, City Mgr's Office
- Dave Mandyke, City Mgr's Office
- Molly Myers, Neighborhood Services
- Teresa Brum, Historic Preservation

COUNCIL ACTION:

**ACCEPTED BY
SPOKANE CITY COUNCIL:**

January 6, 1997
Leri P. Pustas 51-1
CITY CLERK

DAVENPORT NEIGHBORHOOD DEVELOPMENT COMMITTEE

OPENING STATEMENT

The Davenport district should be viewed as a community rather than a neighborhood opportunity. We recommend the district be developed as a neighborhood entity and a regional destination area with a concentration of entertainment and cultural facilities, eating and drinking establishments, specialty stores, professional and community services, and home improvement and design related businesses. A variety of housing alternatives will provide vitality to the neighborhood. The collective impact of the district will add value to individual properties and provide new opportunities for business owners.

1. What is the potential for the area economically?

Key to the economic development of the area is the completion of the Davenport Hotel and a multi-purpose parking facility being operational by the year 2000. The redevelopment of existing structures such as the Steam Plant, Crescent warehouses and bus station, provide an opportunity to create an historic atmosphere to attract tourists and residents to an array of arts, entertainment and street-level retail attractions.

The presence of infrastructure (utilities, street, historic building stock), the central location and transportation (including railroad) enhance the economic potential of the neighborhood. The safe, pedestrian-friendly extended hours atmosphere will provide linkages to the rest of downtown.

For the program to be successful, it will be necessary for public and private capital to be made available and to work together. Pertinent regulations need to be re-examined and modified as appropriate keeping in mind public safety. Conflicts between vehicular and pedestrian traffic need to be resolved and managed.

2. What is the potential for the area's residential living?

We recommend the Davenport Community become an urban village which encourages all types of residential development: low, moderate and high income units. Housing alternatives should include artists lofts, executive suites, group homes and condominiums.

To achieve this, we need to encourage code relief for non-historic buildings. Code changes should not compromise life safety. The list of historic designated buildings should be expanded in order to encourage creative reuse of older buildings.

The property tax system needs to be changed at the state level in order for the development of the land to reach its full potential.

Development of green spaces, urban parks, landscaped boulevards and people-friendly spaces is required. Alternative parking techniques, i.e. diagonal parking and traffic patterns, should be employed which would assist in the creation of the desired pedestrian-friendly environment.

3. What is the potential for the area for arts and entertainment?

The Davenport community should have a strong emphasis on Arts and Entertainment with an overall design theme which clusters similar uses.

ARTS: Inclusive of all art mediums, cultures and public arts to appeal to all ages. (Music, dance, theater, galleries, sculpture, etc.)

ENTERTAINMENT: To encompass ethnic dining, festivals, concerts, theater and marketplace.

The District must be safe, people-friendly and have a consistent defined theme. The public sector needs to provide a design plan, framework and guidelines for museums, alleyways and sidewalks, live/work areas and public space. The private sector must implement the plans.

The area has the opportunity to become the arts, entertainment and educational center for our community.

RECOMMENDATIONS

In order to accomplish the program, a master plan for the area must be developed. For the plan to be successful, owners of the property, local businesses, developers, bankers, Arts and Historic Preservation representatives and city staff must come together not only to finance the planning process but to be an active part of the process. Their commitment is essential to the implementation and success of the plan. In order for the plan to be most effective, the restoration of the Davenport Hotel, the construction of a multi-functional parking facility and renovation of the Steam Plant needs to be of the highest priority. In addition, this plan will be a part of Spokane's other downtown revitalization plans.

The plan needs to address the following:

- Specialty retail businesses.
- Public space.
- Arts, entertainment and education.
- Vehicular/pedestrian traffic to include alleyways, alternative parking techniques.
- Live/work areas to include all levels of residential alternatives.
- Financing plan.
- Major local and tourist destinations such as museum, Davenport Hotel, Met Theater, the Farmers Market.
- Recruit professional services and other businesses.
- Traffic flow.

Concurrent with the planning process, numerous issues need to be researched.

- Code relief.
- List of potential historic buildings defined.
- Pertinent regulations reexamined and modified.
- Property tax relief.

The plan must be comprehensive, achievable and be able to be implemented by the stakeholders at the conclusion of the process.

MAYOR/COUNCIL ACTIONS

In order to proceed, we ask the Mayor and Council to:

1. Expand the team to include representatives from, or utilize an existing organization which would include:
 - a. Property owners/business owners
 - b. Finance
 - c. Housing
 - d. Retail
 - e. Public
 - f. Davenport Arts & Entertainment District Board
 - g. Farmers Market
 - h. Others as appropriate
2. Ask the team to set goals and timelines for completion of the planning process and make specific recommendations for implementation of the plan. Require quarterly progress reports.
3. Determine the management person who will represent the city. He/she will need to have the authority to utilize the appropriate city resources as needed. They will be responsible to insure the changes are processed through the system. They will insure the public process is followed properly.
4. Take advantage of previous planning processes including the Business Plan for the Davenport District and lead in the planning process. Identify public and private funding sources.
5. Facilitate local investments.
6. Take timely separate action to proceed on the parking garage in cooperation with the Davenport Hotel, WWP, Metropolitan Mortgage, the team and others. The planned parking garage should be a part of any parking system the city may create. We believe an LID may be the best process to build this garage.

7. The Plan Commission, in cooperation with the team, needs to develop policies and procedures as it relates to the redevelopment of existing structures to address the issue of code relief.
8. The Landmarks Commission shall provide the team an inventory of historic buildings and eligible historic buildings which will assist in designing and rehabilitating the area.
9. The property tax system needs to be reformed. We request your assistance in designing a proposal for your consideration and for the Washington State legislature. We will also need your assistance in moving the legislation forward. Local policies and incentives should also be studied and explored.

The existing task force members will be happy to assist in the process of selecting committee members and a chairperson. We would also assist in finding funding sources for the study.

2072

OFFICE OF THE MAYOR

SUBMITTED TO CITY COUNCIL
BY: Mayor Geraghty
DATE: 4/22/96
Kim Chase
~~CITY CLERK~~

CPR 96-26
April 22, 1996

TO: City Council
FROM: Jack Geraghty
SUBJECT: Mayor's Task Force on Davenport Hotel Quadrant of Downtown

Today I am announcing the appointment of a special Mayor's task force of five civic leaders to look into various redevelopment options for the southwest quadrant of the Downtown. The idea of the appointment of such a task force came from a group of concerned citizens who were convened to address issues in this Downtown neighborhood by Councilwoman Phyllis Holmes, our liaison to the City Plan Commission.

The task force will be asked to assess past and present development proposals for the area, report on current progress, and put together practical recommendations for the future. I am asking that the group's recommendations come forward to me and the City Council no later than September 1 of this year.

Geographic area to be targeted by the task force generally encompasses from Browne's Addition on the west, to Wall St. on the east, and from Riverside Ave. on the north to Third Ave. on the south. Some of the factors to be considered by the group include (but are not limited to) the following:

1. Current and future status of the Davenport Arts District (and future of the Davenport Hotel)
2. Opportunities for and barriers to expansion of all ranges of housing (ie: low income, affordable, condominiums, etc.)
3. Possibilities for expansion of the uses contained in the Carnegie Library segment of the area
4. Status of parking facilities
5. Special re-use opportunities for existing buildings (ie: steam plant, unoccupied loft spaces, vacant lots, etc.)

The task force will be asked to meet with existing property owners, business operators, financial institutions, project developers, apartment residents and others with interests in this segment of the Downtown. In addition, the task force will be asked to confer with

representatives of the City Plan Commission. Community Development Department, Historic Preservation, Spokane Housing Authority and other appropriate agencies.

Members of the task force, who have my heartfelt thanks for agreeing to serve, include:

Vicki McNeill, former Mayor of Spokane, who will act as chair

Carol Wendle, former school board member

The Rev. Bernard Coughlin, President of Gonzaga University and former chair of
the Spokane Chamber of Commerce

Jim Ray, immediate past chair of the board of the Spokane Public Facilities District

Ric Odegard, retired banker and former chair of the Spokane Chamber of Commerce

On another front, I am also considering appointment of a similar task force to examine concurrent redevelopment options for the eastern portion of the Downtown, including the area from the Opera House/Convention Center to the Intermodal Center, and from Washington St. east to the Riverpoint Higher Education Park. Any thoughts or ideas that any of you on the Council have about this possibility would be greatly appreciated.