

D R A F T*

CHARTER

of the

OLYMPIA TRANSPORTATION BENEFIT DISTRICT

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CHARTER

of the

OLYMPIA TRANSPORTATION BENEFIT DISTRICT

WHEREAS, the City Council (the “Council”) of the City of Olympia, Washington (the “City”) has determined that it is in the best interests of the City and its citizens to create a Transportation Benefit District coextensive with the boundaries of the City in order to exercise the powers available under Chapter 36.73 RCW (the “Statute”); and

WHEREAS, pursuant to Ordinance No. 6611 of the City (the “Ordinance”), passed on December 16, 2008, the City authorized and approved the creation of a Transportation Benefit District, designated as the Olympia Transportation Benefit District (the “District”), coextensive with the boundaries of the City, for the purpose of exercising certain powers available under the Statute as limited by the ordinance, codified as Chapter 12.14 of the Olympia City Code;

NOW, THEREFORE, this Charter is hereby granted to and approved by the District.

ARTICLE I

NAME

Section 1.01 Name. The name of the Transportation Benefit District shall be the “Olympia Transportation Benefit District.”

ARTICLE II

NATURE AND PURPOSES

Section 2.01 Nature of the District. The District shall be a Transportation Benefit District organized pursuant to Chapter 36.73, Ordinance No. 6611 and Chapter 12.14 OMC. The boundaries of the District shall be coextensive with the boundaries of the City. The District shall be a municipal corporation, an independent taxing “authority” within the meaning of Article VII, Section I of the Constitution of the State of Washington (the “Constitution”), and a “taxing district” within the meaning of Article VII, Section 2 of the Constitution. The District shall be an entity independent of and separate from the City.

Section 2.02 Purposes. The purpose of the District shall be to provide a separate legal entity pursuant to Statute and Ordinance to exercise the powers available under the Statute to the extent authorized by the Ordinance. The primary purpose of the District shall be the acquisition, construction, improvement, provision and/or funding of transportation improvements within the District that are:

- 2.02.01 Consistent with state, regional, and local transportation plans; and
- 2.02.02 Necessitated by reasonably foreseeable congestion levels.

Section 2.03 Limitations on Liability. All debts, liabilities and other obligations incurred by the District (“Obligations”) shall be satisfied: (a) in the case of Obligations which, by their terms, are not payable from a special or limited source of funds, exclusively from the revenues, assets and properties of the District, and (b) in the case of Obligations which, by their terms, are payable from a special or limited source of funds, exclusively from such revenues, assets and properties of the District as shall be specifically pledged thereto or otherwise identified as being the source of payment thereof. No creditor, claimant or other person shall have any right of action against or recourse to the City or its revenues, assets or properties on account of or with respect to any such Obligations, or otherwise on account of or with respect to any acts or omissions of the District or its officers, employees or agents.

Section 2.04 Mandatory Disclaimers. A disclaimer in substantially the following form shall be posted in a prominent place accessible to the public in the District's principal office which shall be the Olympia City Hall. It shall also be printed or stamped on all contracts, bonds and other documents that evidence or create any Obligation which, by its terms, is not payable from a special or limited source of funds.

The Olympia Transportation Benefit District is a Transportation Benefit District established pursuant to Ordinance No. 6611 of the City of Olympia, Washington, and the laws of the State of Washington, including, but not limited to, Chapter 36.73 of the Revised Code of Washington. All debts, liabilities and other obligations incurred by the District shall be satisfied exclusively from the revenues, assets and properties of the District. No creditor, claimant or other person shall have any right of action against or recourse to the City of Olympia, the State of Washington, or any other political subdivision of the State of Washington on account of or with respect to any debts, liabilities or other obligations of the District, or otherwise on account of or with respect to any acts or omissions of the District or its officers, employees or agents.

ARTICLE III DISSOLUTION

Section 3.01 Dissolution. The District shall exist until dissolved in accordance with the requirements of RCW 36.73.050. The retirement of debt, notice of dissolution and payment of creditors shall all comply with the provisions of the Statute. The District shall be automatically dissolved when all indebtedness of the District has been retired, and when all the District's anticipated responsibilities have been satisfied.

ARTICLE IV POWERS; INDEMNIFICATION

Section 4.01 Powers. Except as otherwise provided herein, the District shall have and may exercise all lawful powers conferred upon a Transportation Benefit District as of the date

hereof by the laws of the State of Washington, limited as provided in the Ordinance. Such powers shall include, but are not limited to, the following:

(a) To hire employees, staff, and services, to enter into contracts, to direct agents and services acquired pursuant to contract or interlocal agreement, and to sue and be sued. Public works contract limits applicable to the City of Olympia shall apply to any contract entered into by the District. In the event that City staff are utilized, the general fund of the City shall be reimbursed to, but only to the extent required by RCW 43.09.210 for local government accounting. The annual plan of the District shall provide estimates of all such charges and the final cost of all projects shall indicate such charges.

(b) To authorize a vehicle tax of up to \$20 per vehicle as provided for by RCW 82.80.140.

(c) When authorized by the voters pursuant to the requirements of Chapter 36.73, to authorize other taxes, fees, charges and tolls or increases in these revenue sources, and to use such funds assessed for the preservation, maintenance and operation of City streets in accordance with the provisions of a state or regional plan.

(d) The Board shall have and may exercise all powers and functions provided by the Statute to fulfill the functions of the District.

(e) Additional powers and authorities may be conferred upon the District only in accordance with the requirements of the Statute following a public hearing and other procedural requirements as set forth in the Statute.

(f) To issue its general obligation bonds and revenue bonds pursuant to the requirements of the Statute.

Section 4.02 Indemnification. To the extent permitted by law, the District shall protect, defend, hold harmless and indemnify any director, officer, employee or agent of the District 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 District, against judgments, fines, penalties, settlements and reasonable expenses (including reasonable attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith reasonably believed his or her conduct to be in the District's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe that 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, by City ordinance, or by contract or by vote of the Board of Directors. The District may purchase and maintain appropriate insurance covering such risks.

ARTICLE V
BOARD OF DIRECTORS; EXECUTIVE DIRECTOR

Section 5.01 Board Powers. All powers of the District shall be exercised by or in the name of the Board of Directors (the “Board”). The powers of the Board shall include, but are not limited to, the following:

- (a) To establish and implement the policies and programs of the District, and the procedures for the management and administration of the District's affairs;
- (b) To appoint and remove from his/her position on the Board, at the pleasure of a majority vote of the Board, the District's officers, agents and employees, (except as expressly provided herein) and to prescribe their respective powers and duties consistent with the provisions hereof;
- (c) To borrow money and incur indebtedness in accordance with the Act; and
- (d) To provide for the investment of the District's funds.

Section 5.02 Board Composition. The Board shall be composed of the seven (7) members of the Olympia City Council, who shall serve in an ex-officio and independent capacity. A Board member may be removed from service on the Board only when removed from his or her office as a Council Member. Any vacancy shall be filled only by the appointment or election of a new City Council Member.

Section 5.03 Board Officers. The Board shall include two or more officers. The same person shall not occupy both the office of President and any office responsible for the custody of funds and maintenance of finances and accounts. The office of President shall not be occupied by the Mayor of the City of Olympia. The initial officers of the Board shall be the President and Vice President. Additional officers may be provided for in the Bylaws of the District. The President shall be the agent of the District for purposes of receiving service of process; provided, that the Bylaws may designate additional officers of the District as agents to receive or initiate process. The District may contract with the City of Olympia for such service as it may require.

Section 5.04 Treasurer. The Treasurer of the District shall be the City’s Finance Director.

The Finance Director is required by the Statute to serve as Treasurer and is not subject to removal by the Board.

Section 5.05 Conflict of Interest. Board members shall comply in all respects with the conflict of interest guidelines and prohibitions of Chapter 42.23 RCW as the same exists or is hereafter amended.

Section 5.06 Attorney. The Board shall be represented by _____ (either outside Counsel on retainer or the City Attorney’s Office of the City of Olympia,

provided, however, that the Board may, in the event of conflict, engage separate legal counsel of its choosing). Any potential conflicts of interest involving the City Attorney shall be determined and resolved by reference to the Rules of Professional Conduct, as they now exist or may be amended. Charges and fees of the attorney, as well as other services provided by City employees, shall be reimbursed in accordance with Section 4.01(a).

ARTICLE VI **MEETINGS**

Section 6.01 Board Meetings. Regular Board meetings shall be held on the _____ (for example, first Tuesday of February) and the _____ of each year. Special Board meetings shall be held from time to time as determined necessary by the Board or Board President.

Section 6.02 Board Quorum and Concurrence. A quorum to commence a Board meeting shall be no fewer than four (4) members. The Bylaws of the District may prescribe Board quorum restrictions that equal or exceed the quorum restrictions imposed in this Section. Board members present at a duly convened meeting may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum; provided, any action shall be approved by at least three (3) members. Board concurrence may be obtained at any regular or special meeting by an affirmative vote of a majority of the Board members voting on the issue; provided, that such majority shall include not less than four (4) votes. Final action of the Board with respect to the following action shall require the affirmative vote of four (4) members:

- (a) Adoption of an annual plan for services;
- (b) Levy of any tax, charge or fee;
- (c) Adoption of the material change policy; or
- (d) Any response to a material change.

Voting by proxy shall not be permitted. Electronic meetings or participation are authorized so long as the meeting, notice and opportunity for public participation comply with state law.

Section 6.03 Open Public Meetings. Notice of meetings shall be given in a manner consistent with the Open Public Meetings Act, Laws of Washington 1971, Extraordinary Session, Chapter 250, codified as Chapter 42.30 of the Revised Code of Washington, as supplemented and amended. In addition, the District shall provide reasonable notice of meetings to any individual specifically requesting it in writing. The District shall define in its Bylaws the opportunity for public comment to be permitted at Board meetings.

Section 6.04 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 as required by State law. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence.

Section 6.05 Material Change Policy and Annual Report. The Board shall develop a material change policy to address major Plan changes that affect project delivery or the ability to finance the adopted Plan. At the date of adoption of a plan to execute the functions of the District, the Board shall adopt a material change plan which addresses material changes to cost, scope, and schedule, the level of change that will require Board involvement and how the Board will address those changes. At a minimum, in the event that a transportation improvement cost exceeds its original cost estimate by more than twenty percent (20%) as identified in the District's original finance plan, the governing body shall hold a public hearing to solicit comment from the public regarding how the cost change should be resolved. In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improved expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District (the "Plan"). "Newspapers of record in the District" shall include all newspapers which have filed a request for public notice of meetings with the City of Olympia.

ARTICLE VII **BYLAWS**

Section 7.01 Bylaws. The Board shall adopt Bylaws to provide additional rules, that are not inconsistent with this Charter, governing the District and its activities.

ARTICLE VIII **AMENDMENT TO CHARTER**

Section 8.01 Proposals to Amend Charter. Any Board member may introduce a proposal to amend the Charter at any regular meeting or special meeting of the Board, provided, however, that all amendments shall comply with the minimum requirements and provisions of RCW 36.73.

Section 8.02 Board Consideration of Proposed Amendments. The Board may vote on the proposal at the same meeting at which the proposal is introduced if notice of a proposal to amend the Charter and information, including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board fifteen (15) days prior to any regular Board meeting. In the case of a special meeting, notice of a proposal to amend the Charter and information, including the text of the proposed amendment and a statement of its purpose and effect, must be provided to members of the Board thirty (30) days prior to the special meeting. If such notice and information is not so provided, the Board may not vote on the proposal until the next regular or special meeting if such notice and information is provided pursuant to the timelines set forth above. Amendments to the proposal within the scope of the original proposal will be permitted at the meeting at which the vote is taken.

Section 8.03 Vote Required for Proposals to Amend the Charter. Resolutions of the Board approving proposals to amend the Charter shall require an affirmative vote of a majority of the Board members voting on the issue; provided, that the total number of Board members voting on any such proposal shall equal at least four.

Section 8.04 Public Hearings. Certain amendments of the Charter may require action of the Olympia City Council and a public hearing pursuant to the requirements of the Statute. No consideration of any charter amendment may occur until the City complies with such requirements.

**ARTICLE IX
COMMENCEMENT**

Section 9.01 Commencement. The District has commenced its existence effective upon the adoption of Ordinance 6611. This Charter shall become effective upon its approval by the Board.

**ARTICLE X
MISCELLANEOUS**

Section 10.01 Liberal Construction and Severability. This Charter shall be liberally construed to effect its purposes. If any section or part of this Charter is ultimately ruled invalid or illegal by a court of competent jurisdiction, such invalidity or illegality shall not affect the remaining sections or parts of this Charter.

THIS CHARTER IS EXECUTED AS OF THIS ____ DAY OF _____, 2009.

TRANSPORTATION BENEFIT DISTRICT

By: _____

Its: President

APPROVED AS TO FORM:

By: _____
(Attorney for TBD)