

RESOLUTION #13-08
SPOKANE PUBLIC FACILITIES DISTRICT BOARD

A RESOLUTION OF THE SPOKANE PUBLIC FACILITIES DISTRICT AUTHORIZING THE SALE OF THE SOUTH BLOCK PROPERTY PURSUANT TO A REAL ESTATE PURCHASE AND SALE AGREEMENT AND A JOINT DEVELOPMENT AGREEMENT THAT PROVIDES FOR THE CONSTRUCTION OF A MULTI-STORY HOTEL AND PARKING GARAGE WITH A PORTION BEING CONVEYED TO THE DISTRICT FOR PUBLIC PURPOSES; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, the Spokane Public Facilities District is a municipal corporation duly organized and existing under and by virtue of the laws of the State, particularly chapter 36.100 RCW ("**District**");

WHEREAS, the District is authorized to acquire by lease, purchase or sale real property and to acquire, construct, own, remodel, maintain, equip, reequip, repair and operate sports facilities, entertainment facilities, convention facilities or regional centers as defined in RCW 35.57.020, together with contiguous parking facilities;

WHEREAS, the District operates the Spokane Convention Center, which includes a 100,000 square foot exhibit hall, 164,000 square feet of meeting space for convention and trade shows, community events, sporting events, meetings and banquets and a 270 seat theater (the "**Convention Center**");

WHEREAS, the District owns and operates the INB Performing Arts Center (formerly the Spokane Opera House), a 2,700 seat facility suitable for concerts, ballet, opera, Broadway shows, conventions and lectures, which is located on the Convention Center complex (collectively, "**District Facilities**");

WHEREAS, on April 17, 2012, the qualified electors of the District approved the proposal set forth in District Resolution 11-04A to extend and reauthorize the District's existing sales/use tax and hotel/motel tax for an additional ten (10) years beyond September 1, 2033, in order to construct the "Staying Competitive, Creating Jobs Projects" which are described at <http://www.spokanepfd.org/completion/> ("**Measure 1**"). More specifically, Measure One provides for improvements to the Spokane Convention Center and Spokane Veteran's Memorial Arena (the "**Convention Center Completion Project**") and will

- (1) Provide more exhibit space and better located meeting rooms;
- (2) Provide improved access to the Spokane River and Centennial Trail in the vicinity of the Spokane Convention Center;
- (3) Restore the Spokane River shoreline adjacent to the Spokane Convention Center;
- (4) Ensure that the Spokane Convention Center continues to be a regional economic driver; and

(5) Provide seating upgrades to the Spokane Veteran's Memorial Arena.

WHEREAS, the District and its general contractor entered into an agreement for the design and construction of the Convention Center Completion Project on May 17, 2013;

WHEREAS, the Convention Center Completion Project is intended to enhance and expand the Convention Center complex to include creating the opportunity for additional and larger events that attracts more guests, visitors and attendees all of which promotes the region's business and entertainment interests;

WHEREAS, the long-range plan for the Convention Center entitled "Vision 20/20", in part, envisions a Convention Center District that supports the varied community business, entertainment and social interests, to include recognizing that new convention space should be balanced with hotel room inventory;

WHEREAS, following approval of Measure 1, the District believes that the construction of a hotel with additional meeting, dining and guest occupancy, along with a multi-level parking garage will complement and serve the best interests of the District Facilities and support the Convention Center District concept;

WHEREAS, the Public Facilities District may acquire and transfer real and personal property by Lease, sublease, purchase or sale (RCW 36.100.070);

WHEREAS, District Policy 3.7 vests in the Board of Directors the authority to determine the method to dispose of real property and improvements;

WHEREAS, on June 25, 2013, the District and Walt and Karen Worthy ("**Worthy**"), on behalf of the Davenport Hotel Collection, entered into a Letter of Intent that sets forth the general terms for the purchase, sale and development of the south block which consists of 120,000 square feet, more or less, and is presently developed as a surface parking lot, all as depicted on Exhibit A ("**South Block**");

WHEREAS, through additional written documents, the District and Worthy will provide for the development on the South Block of a multi-story hotel, public and private parking garage, a skywalk across Spokane Falls Boulevard, and other related public and private improvements ("**Development Project**"), all of which will benefit the District's facilities and the public interest;

WHEREAS, the District is committed to a public process that will offer the public an opportunity to comment, review and testify on the documents and information related to the Development Project;

NOW, THEREFORE, the District Board of Directors hereby resolves as follows:

1. Findings. The above Recitals are adopted as findings of fact.
2. South Block. The South Block provides contiguous surface parking that is supportive of the District Facilities. However, other real property interests in the South Block are surplus to the District's present and foreseeable needs.
3. Development Project. The Board believes the Development Project will further the interests of the District, facilitate the Convention Center District concept and enhance the

experience of visitors, guests and attendees of the District Facilities. To accomplish the above, the Board desires to review and consider a Purchase and Sale Agreement, Joint Development Agreement plus other necessary documents to include, but not be limited to, the District obtaining fair market value for replacement of its surface parking.

4. Public Process. On September 11, 2012 and June 25, 2013 at an open public meeting, the Board reviewed and took action on two Letters of Intent that generally describe the Development Project. These Letters of Intent were made publically available, to include posting on the District's website. The District will continue to post information and shall make all documents related to the above transaction publically available to the extent authorized and in accordance with the Public Records Act and Open Public Meetings Act. Public records and information will be posted on the District's website and available at Board meetings.

As part of the deliberative process, and prior to the Board taking action on documents related to the Development Project, the public will be invited to attend and participate at District Board meetings where development of the South Site is reviewed, considered or is otherwise the subject of action or discussion.

IN WITNESS WHEREOF, THIS RESOLUTION, is adopted on July 9, 2013 by the Spokane Public Facilities District Board.

SPOKANE PUBLIC FACILITIES DISTRICT BOARD

Spokane Public Facilities District, Spokane County, Washington.



Michael McDowell, Chair



Nathaniel Greene, Vice-Chair



Rita Santillanes, Board Member

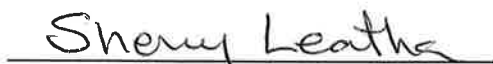


Larry F. Soehren, Board Member



Judy Cole, Board Member

Attest:



Sherry Leatha, Clerk of the Board