14-086

14-049
Council Approval 4/7/14

INTERLOCAL AGREEMENT FOR THE JOINT ESTABLISHMENT OF A TOURISM PROMOTION AREA

THIS INTERLOCAL AGREEMENT FOR THE JOINT ESTABLISHMENT OF A TOURISM PROMOTION AREA (this "Agreement") dated this 6TH day of May, 2014, is made and entered into by and among the CITY OF SEATAC ("SeaTac"), the CITY OF TUKWILA ("Tukwila"), and the CITY OF DES MOINES ("Des Moines"), each being a municipal corporation organized under the laws and statues of the State of Washington, for the purpose of establishing a joint tourism promotion area pursuant to chapter 35.101 of the Revised Code of Washington ("RCW").

RECITALS:

WHEREAS, Tukwila currently administers Seattle Southside Visitors Services ("SSVS"), a tourism promotion program funded by lodging taxes imposed and collected within Tukwila, SeaTac, and Des Moines, and remitted to SSVS in exchange for tourism promotion services; and

WHEREAS, the tourism industry is a vital and substantial component of the region's economy and tourism promotion increases the number of visitors to the region which in turn increases regional sales supporting the local economy; and

WHEREAS, the Legislature of the State of Washington has recognized the importance of tourism promotion in the State of Washington and in 2003 passed Engrossed Substitute Senate Bill No. 6026, codified as chapter 35.101 RCW (the "TPA Act"), authorizing counties with a population greater than forty thousand but less than one million, and any city or town within such a county, to establish a tourism promotion area for the purpose of imposing special assessments on the furnishing of lodging to be expended exclusively on tourism promotion; and

WHEREAS, in 2009 the Legislature amended the TPA Act to allow two or more cities located in a county with a population of one million or more acting jointly under chapter 39.34 RCW (the "Interlocal Cooperation Act") to form a tourism promotion area for such purpose; and

WHEREAS, other Washington counties and cities, including Pierce County, the Tri-Cities, Spokane County, and Clark County, have established tourism promotion areas and have dedicated such funds for tourism promotion; and

WHEREAS, the operators of lodging businesses located in southwest King County are preparing to initiate the formation of a tourism promotion area pursuant to the TPA Act within the jurisdictional boundaries of Tukwila, SeaTac and Des Moines (the "Seattle Southside TPA"); and

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WHEREAS, depending on the rates of the assessments, the proposed Seattle Southside TPA is projected to provide approximately $2.5 million of additional revenue for tourism promotion each year; and

WHEREAS, the additional revenue stream is expected to help the tourism promotion program currently administered by SSVS remain competitive with other destination marketing organizations in the State of Washington, bring more visitors to the area, bolster hotel occupancy, protect current jobs, create new jobs, increase business at restaurants and retail stores, and increase patronage at arts, cultural and sporting venues in an ever increasingly competitive marketplace; and

WHEREAS, assessments received from the proposed Seattle Southside TPA will be remitted to a public development authority chartered by SeaTac pursuant to chapter 35.21 RCW; and

WHEREAS, if formed, the Seattle Southside TPA is expected to provide needed resources to increase tourism, which will increase hotel occupancy among participating hotels within the defined area; and

WHEREAS, the promotion of the region to increase tourism will also provide economic benefit to retail, restaurant, entertainment and cultural industries that are closely connected to the hotel industry and critical to the health of the local economy; and

WHEREAS, SeaTac, Tukwila, and Des Moines (referred to herein as the "Parties") currently fund certain basic operations and media expenses of SSVS with lodging tax revenues and desire to have that work continue. As set forth herein, the Parties intend to commit certain lodging tax revenues to fund regional tourism marketing by contracting with the public development authority, or successor entity, for such services; and

WHEREAS, it is paramount that SeaTac and Tukwila continue to operate SSVS in its current form until such time that the public development authority can assume all duties and obligations of SSVS; and

WHEREAS, to form a tourism promotion area an initiation petition satisfying the terms of the TPA Act must first be presented to the legislative authority having jurisdiction of the area in which the proposed tourism promotion area is to be located and a public hearing must be held after providing proper notice; and

WHEREAS, the Parties now desire to enter into this Agreement for the purpose of appointing a legislative authority to receive the initiation petition and otherwise carry out the terms of the TPA Act in order to help facilitate the formation and operation of the Seattle Southside TPA;

NOW THEREFORE, it is hereby agreed and covenanted among the undersigned as follows:

Section 1. **Definitions**. In addition to the terms defined in the Recitals above, the following terms shall have the meanings set forth below:

"Agreement" means this Interlocal Agreement for the Joint Establishment of a Tourism Promotion Area by and among SeaTac, Tukwila and Des Moines, entered into pursuant to the TPA Act and the Interlocal Cooperation Act, as it may be amended from time to time.

"Annual Budget" means the budget approved pursuant to Section 7 of this Agreement.

"Des Moines" means the City of Des Moines, a municipal corporation organized under the laws and statutes of the State.

"Interlocal Cooperation Act" means chapter 39.34 RCW as the same may be amended from time to time.

"Legislative Authority" means the legislative authority of the Seattle Southside TPA appointed pursuant to Section 2 of this Agreement, as the same shall be duly and regularly constituted from time to time.

"Lodging Business" means a business located within the Seattle Southside TPA that furnishes lodging taxable by the State under chapter 82.08 RCW that has 40 or more lodging units. Lodging facilities with fewer than 40 rooms are not considered "Lodging Businesses" for the purpose of this Agreement and are exempt from any fees imposed under chapter 35.101 RCW.

"Operating Agreement" means the agreement(s) for the operation and management of the Seattle Southside TPA.

"Operator" or "Operator of a Lodging Business" means an operator of a Lodging Business, whether in the capacity of owner, general manager, lessee, sublessee, mortgagee in possession, license or any other similar capacity.

"Petition" means the initiation petition delivered to the Legislative Authority pursuant to the TPA Act.

"SeaTac" means the City of SeaTac, a municipal corporation organized under the laws and statutes of the State.

"SeaTac City Council" means the City Council of SeaTac as the general legislative authority of SeaTac, as the same shall be duly and regularly constituted from time to time.

"Seattle Southside Tourism Promotion Area" means the geographic area identified in the Petition.

"Seattle Southside TPA" means the Seattle Southside Tourism Promotion Area.

"Special Assessment" means the levy (charge) imposed by the Legislative Authority on the Operators of Lodging Businesses within the Seattle Southside TPA and subsequently passed on to the guests of the Lodging Business, under the authority of the TPA Act, for the purpose of providing funding of tourism promotion in the boundaries of the Seattle Southside TPA.

"SSRTA" or "Seattle Southside Regional Tourism Authority" means the public development authority chartered by SeaTac pursuant to chapter 35.21 RCW.

"SSRTA Board of Directors" means the Board of Directors of SSRTA, as the general legislative authority of SSRTA, as the same shall be duly and regularly constituted from time to time.

"SSVS" means Seattle Southside Visitors Services, a tourism promotion program currently administered by Tukwila.

"State" means the State of Washington.

"Tourism Promotion" means domestic and international tourism promotion, advertising, sales and marketing activities intended to encourage tourism in the Seattle Southside TPA in order to increase area hotel occupancies. "Promotion, advertising, sales and marketing activities" include, but are not limited to, strategic planning, market research, creative development, media placement, sales activities, hosting tourism industry events relating to promotion and marketing, and administrative and management support for such services, and creating and maintaining a standing limited reserve, as such reserve may be specified in the Annual Budget, to fund any such activities.

"Transient Basis" means the rental of a room or rooms for dwelling, lodging, or sleeping purposes by the Operator of a Lodging Business for a period of 30 consecutive calendar days or less, counting a portion of a day as a full calendar day.

"Tukwila" means the City of Tukwila, a municipal corporation organized under the laws and statutes of the State.

"Zone" or "Zones" means the distinct geographic subarea or subareas within the Seattle Southside TPA as established by resolution of the Legislative Authority.

Section 2. Purpose of this Agreement; Appointment of Legislative Authority.

(a) *Purpose of this Agreement.* The purpose of this Agreement is (1) to promote tourism in the boundaries of the Seattle Southside TPA by appointing a legislative authority for the purpose of accepting an initiation Petition for the formation of the Seattle Southside TPA pursuant to the TPA Act in the jurisdictional boundaries of SeaTac, Tukwila and Des Moines, which when and if created, will permit collection of Special Assessments from Lodging Businesses to fund Tourism Promotion, and (2) to memorialize the agreement among the Parties hereto relating to the Seattle Southside TPA.

The Petition must describe the boundaries of the proposed tourism promotion area, the proposed uses and projects to which the proposed revenue from the charges shall be used and the total estimated costs, the estimated rate for the charge with a proposed breakdown by class of Lodging Businesses (if such classification is to be used), and the signatures of the persons who Operate Lodging Business in the proposed area who would pay sixty percent or more of the proposed charges.

(b) *Appointment of Legislative Authority.* The SeaTac City Council is hereby appointed as the Legislative Authority of the Seattle Southside TPA for purposes of this Agreement and the TPA Act. References to the "Legislative Authority" herein shall mean the SeaTac City Council serving in its capacity as the Legislative Authority of the Seattle Southside TPA.

(c) *Understanding of the Parties.* It is hereby understood and agreed by the Parties that the SeaTac City Council, serving in its capacity as the Legislative Authority, shall, after receiving the Petition, proceed with adopting a resolution of intent to establish the "Seattle Southside Tourism Promotion Area" designated to include the jurisdictional boundaries of SeaTac, Tukwila and Des Moines, and hold a public hearing after providing proper notice under the terms of the TPA Act.

It is understood and agreed to by the Parties hereto that the purpose of forming the Seattle Southside TPA is to provide an additional source of revenue to be used exclusively to fund Tourism Promotion within the boundaries of the Seattle Southside TPA which will benefit the tourism industry and the Operators of Lodging Businesses located in the boundaries of the Seattle Southside TPA and the Parties hereto.

(d) *Termination of Proceedings.* Notwithstanding anything herein to the contrary, if the Seattle Southside TPA is not formed by March 31, 2015, this Agreement shall terminate and shall no longer be in force and effect.

Section 3. Legislative Authority; Meetings; Powers.

(a) *Officers of the Legislative Authority.* The Chair of the SeaTac Lodging Tax Advisory Committee, or his or her designee, shall serve as Chair of the Legislative Authority. On matters decided by the Legislative Authority, the signature of the Chair alone is sufficient to bind the Legislative Authority.

(b) *Meetings of the Legislative Authority.* Regular meetings of the Legislative Authority shall be held at the times and locations set forth in a meeting schedule approved by the Legislative Body. There shall be at least one meeting of the Legislative Authority each year, and not less than fifteen days' notice shall be given to all members of the Legislative Authority and the Parties hereto prior to any such meeting. Other meetings (including special meetings) may be held upon request of the Chair or any other members. All meetings shall be open to the public to the extent required by chapter 42.30 RCW. Each member of the Legislative Authority shall have an equal vote and voice in all decisions of the Legislative Authority. Unless otherwise provided, the City of SeaTac City Council Administrative Procedures and Robert's Revised

Rules of Order (newly revised) shall govern all procedural matters relating to the business of the Legislative Authority.

(c) *Powers of the Legislative Authority*. The Parties hereto acknowledge and agree that the SeaTac City Council is being appointed solely to serve as the "legislative authority" for purposes of the TPA Act. The day to day operations of the Seattle Southside TPA, including but not limited to the management and expenditure of Special Assessments, shall be managed by SSRTA as manager and operator of the Seattle Southside TPA. The SeaTac City Council, when acting in its capacity as Legislative Authority, shall have the authority to:

1. Receive the Petition, adopt a resolution of intent to form the Seattle Southside TPA, hold a public hearing as required by the TPA Act, and otherwise carry out the terms of the TPA Act;

2. Form the Seattle Southside TPA, establish rates of Special Assessments and levy Special Assessments pursuant to the terms of this Agreement, the Petition, and the TPA Act;

3. Adopt an Annual Budget;

4. Conduct regular and special meetings as may be designated by the Legislative Authority;

5. Enter into agreements with third parties as necessary to fully implement the purposes of this Agreement;

6. Enter into Operating Agreements with SSRTA for the operation of the Seattle Southside TPA, the management and expenditure of Special Assessments and other revenues, and other services as determined to be necessary from time to time;

7. Enter into agreements with and receive funds from any federal, state or local agencies and to distribute such funds to SSRTA;

8. Receive and account for all funds allocated to the Seattle Southside TPA; and

9. Engage in any and all other acts necessary to further the goals of this Agreement.

Section 4. Levy of Assessments on Lodging Businesses within the Seattle Southside TPA.

(a) The Legislative Authority will levy Special Assessments on the Operators of Lodging Businesses within the Seattle Southside TPA in accordance with the Zones and levels of Special Assessments as set forth in the Petition and resolution of the Legislative Authority. The Parties acknowledge that, unless otherwise provided for in the Petition, Special Assessments shall not be imposed on rooms (1) where the occupant has stayed 30 or more days and are not otherwise on a Transient Basis, (2) that are provided by an Operator of a Lodging Business to

guests without charge for promotional purposes, (3) available exclusively to members or guests of members of a private member-owned clubs or its reciprocal clubs, or (4) contracted with airline crews.

(b) The Legislative Authority shall contract with the State Department of Revenue for the administration and collection of the Special Assessments pursuant to RCW 35.101.090. Special Assessments shall be deposited into the local tourism promotion account created in the custody of the State Treasurer under RCW 35.101.100. It is understood and agreed that in accordance with RCW 35.101.100, the State Treasurer has the authority to distribute the revenue from the tourism promotion account allocable to the Seattle Southside TPA to the Legislative Authority, or directly to the SSRTA, on a monthly basis. SeaTac shall act as fiscal agent to the Seattle Southside TPA and shall be responsible for receiving Special Assessments from the State Treasurer and holding such funds in a segregated account(s) until remitted to SSRTA pursuant to Section 7 of this Agreement.

(c) Any change in the Special Assessment rates for any Zone as set in the resolution of the Legislative Authority shall be made only by amendment of the resolution by the Legislative Authority and only upon written request by the persons who Operate Lodging Business in the proposed area who would pay sixty percent or more of the proposed charges and with the approval and consent of the SSRTA Board of Directors. No increase in the Special Assessment rates for any Zone or the boundaries of any Zone shall be made by the Legislative Authority except after receipt of the written request of persons who Operating Lodging Businesses as identified in the preceding sentence and upon the affirmative approval of the SSRTA Board of Directors.

(d) It is understood and agreed by the Parties hereto that the Special Assessments imposed in the Seattle Southside TPA are not a tax on the "sale of lodging" for the purposes of chapter 82.14 RCW and are not applicable to temporary medical housing exempt under chapter 82.08 RCW.

(e) It is understood and agreed by the Parties that the Special Assessments imposed under this Agreement are in addition to the special assessments that may be levied under chapter 35.87A RCW.

Section 5. **Use of Special Assessment Revenue**. All of the revenues from Special Assessments collected by the State Department of Revenue from Lodging Businesses within the Seattle Southside TPA shall be remitted by the Legislative Authority to SSRTA and shall be used exclusively for Tourism Promotion as defined herein, and for no other purpose, in accordance with the Annual Budget. The revenue derived from the Special Assessments shall be used only for the following purposes:

(a) The general promotion of tourism within the Seattle Southside TPA as specified in the business plan of the SSRTA;

(b) The marketing of convention and trade shows that benefit local tourism and the Lodging Businesses in the Seattle Southside TPA;

(c) The marketing of the Seattle Southside TPA region to the travel industry in order to benefit local tourism and the lodging businesses in the Seattle Southside TPA;

(d) The marketing of the Seattle Southside TPA region to recruit sporting events in order to promote local tourism and to benefit the Lodging Businesses and tourism industry within the Seattle Southside TPA; and

(e) Direct administration, operation, formation, and start-up costs associated with the Seattle Southside TPA and the ongoing management and maintenance of the Seattle Southside TPA program, including but not limited to staff costs, public notice advertising, legal costs, accounting and auditing (including audits of the Parties and the SSRTA as they relate to this Agreement), as approved by the SSRTA Board of Directors, provided no funds will be used for costs not directly related to operation of the Seattle Southside TPA, this Agreement, or the SSRTA.

Section 6. **Lodging Taxes.** The Parties intend to commit lodging tax revenues to fund regional tourism marketing by contracting with the SSRTA, or successor entity. The Parties intend the minimum annual funding levels to be set according to the following table:

Annual Commitment of Lodging Tax to the SSRTA*			
Year	**SeaTac**	**Tukwila**	**Des Moines**
2014	$835,000	$712,000	100% of monthly lodging tax receipts
2015	$460,000	$405,000	100% of monthly lodging tax receipts
2016	$383,333	$337,500	100% of monthly lodging tax receipts
2017	$306,666	$270,000	100% of monthly lodging tax receipts
2018 and beyond	$230,000	$202,500	100% of monthly lodging tax receipts

* The exact amount of funding for 2014 will be pro-rated based upon the actual date of establishment of the SSRTA.

Notwithstanding the foregoing, the Parties acknowledge and agree that the final allocation, uses, and level of lodging tax revenue is subject to the provisions of chapter 67.28 RCW. Recognizing that RCW 67.28.1816 requires that the annual expenditures of the respective City's lodging tax be approved by the respective city council (based on a recommendation from its respective lodging tax advisory committee) this Agreement provides no guarantee that future city councils will approve future funding.

The Parties further recognize that Tukwila has financial obligations in place to operate SSVS. Tukwila may, at its sole discretion and absolute authority, reduce the annual payment to the SSRTA in order to meet obligations and liabilities associated with the operation of SSVS, including, but not limited to, labor, lease costs, payment of utilities, and other contracts executed in support of SSVS by Tukwila.

Section 7. <u>Management of Seattle Southside TPA; Annual Budget; Reporting Requirements</u>.

(a) The Legislative Authority shall contract with the SSRTA pursuant to one or more Operating Agreements for the management and operation of the Seattle Southside TPA.

(b) The Parties hereto acknowledge and agree that SeaTac is chartering the SSRTA for the purpose of serving as a separate legal entity formed to advise and make recommendations to the Legislative Authority on all matters related to the Seattle Southside TPA and to carry out its purposes as set forth in its formation documents. The Parties agree to execute agreements with the SSRTA for tourism promotion services and for the transfer of assets, equipment, and intellectual property (including the SSVS "brand") used by SSVS to accomplish the purposes of the SSRTA, as determined to be necessary by the SSRTA to accomplish its purposes. The Parties hereto agree to use best efforts to assist in the transition of such services, assets, equipment, and property at no cost to the SSRTA.

(c) SSRTA shall be responsible for administering the activities and programs of the Seattle Southside TPA and preparing an Annual Budget for the Seattle Southside TPA.

(d) The Legislative Authority shall approve an Annual Budget for the use of Special Assessments and shall provide a copy of the Annual Budget to the Parties hereto. The Annual Budget shall consist of:

1. A list of the Lodging Businesses subject to Special Assessments and an estimate of the revenue to be received from all such Lodging Businesses; and

2. A statement of the proposed budget for all Seattle Southside TPA activities and programs to be funded from Special Assessments during the ensuing fiscal year.

(e) SSRTA, as manager of the Seattle Southside TPA, shall agree to comply with all applicable provisions of state and federal law, including but not limited to, the TPA Act, and with all applicable county or city resolutions and ordinances, and with all regulations lawfully imposed by the State Auditor or other state agencies, and the applicable provisions of this Agreement.

(f) All Special Assessments received by SeaTac, as fiscal agent for the Seattle Southside TPA, from the State Department of Revenue and any interest thereon shall be deposited by SeaTac in a special account and thereafter transferred to SSRTA within thirty days following receipt. Provided, however, no Special Assessment shall be transferred in any fiscal year until after the adoption of that year's fiscal Annual Budget.

(g) Legislative Authority shall submit a statement of actual revenues and expenditures to the SSRTA Board of Directors and the Parties hereto.

(h) The Parties acknowledge and agree that revenue derived from the Special Assessments is intended to enhance, supplement, and extend existing tourism marketing efforts of the Parties.

Section 8. Initial Duration; Withdrawal and Termination.

(a) *Initial Term.* The initial duration of this Agreement shall be for a period of twenty years from its effective date.

(b) *Withdrawal from Agreement; Termination by the Parties.* Any Party to this Agreement may withdraw its participation in this Agreement and in the Seattle Southside TPA by providing written notice and serving that notice to the Legislative Authority as provided herein. No Party is permitted to withdraw until this Agreement has been in force at least four years from the effective date. Once this Agreement has been in force for four years, any Party may withdraw by providing at least one year notice of its intent to withdraw.

The Party giving notice of intent to withdraw may revoke its notice by giving written notice of revocation to the Legislative Authority. Within 90 days after receiving proper notice as provided in this section, the Legislative Authority shall adopt a resolution of intention (i) identifying the Party that has given notice of withdrawal, (ii) stating that Seattle Southside TPA may be modified or terminated, as applicable, (iii) describing the change or changes proposed, or indicate that it is the intention to revise the boundaries or disestablish the Seattle Southside TPA, and (iv) providing the time and place of a public hearing to be held by the Legislative Authority on the proposed action; provided, the public hearing shall be at least 15 days prior to consideration of the proposed action. The Legislative Authority may, by ordinance, revise the boundaries or disestablish the Seattle Southside TPA after conducting a hearing to receive public comment regarding the boundary revision or disestablishment of the Seattle Southside TPA. Unless the written notice of withdrawal has been revoked by the withdrawing Party and accepted by the Legislative Authority, the revision or disestablishment shall become effective on the date specified by the Legislative Authority.

(c) For the sake of clarity, it is the intention of the Parties hereto that this Section 8 provides for a method of withdrawal and/or termination of this Agreement that is initiated solely by a Party to this Agreement. This Section 8 is intended to be in addition to the method of modification and/or disestablishment of the Seattle Southside TPA as provided in Section 9 below.

Section 9. Modification or Disestablishment of the Seattle Southside TPA.

(a) The Legislative Authority may modify the provisions of the resolution or ordinance establishing the Seattle Southside TPA, revise the boundaries of the Seattle Southside TPA, or provide for the disestablishment of the Seattle Southside TPA, after adopting a resolution of intention to such effect. Such resolution of intention shall describe the change or changes proposed, or indicate that it is the intention to revise the boundaries or disestablish the Seattle Southside TPA, and shall state the time and place of a public hearing to be held by the

Legislative Authority to consider the proposed action; provided, the public hearing shall be at least 15 days prior to consideration of the proposed action.

(b) Additionally, upon receipt of a petition indicating a desire to revise the boundaries or disestablish the Seattle Southside TPA, with the signatures of the persons who Operate Lodging Businesses in the Seattle Southside TPA who pay 50% or more of the total Special Assessments, the Legislative Authority shall adopt a resolution of intention to revise the boundaries or disestablish the Seattle Southside TPA, and shall state the time and place of a public hearing to be held by the Legislative Authority to consider the proposed action; provided, the public hearing shall be at least 15 days prior to consideration of the proposed action.

(c) After conducting the public hearing to take public comment on the proposed action as required under Section 9(a) or (b), the Legislative Authority may, by ordinance, revise the boundaries or disestablish the Seattle Southside TPA. Notwithstanding the foregoing, if at a hearing held pursuant to Section 9(a) or (b) a petition objecting to the boundary revision or disestablishment is presented, with the signatures of the persons who Operate Lodging Businesses in the Seattle Southside TPA who pay 50% or more of the total Special Assessments, the Seattle Southside TPA shall not be altered or disestablished. If such petition objecting to the boundary revision or disestablishment is not presented at the hearing, the Legislative Authority shall proceed to revise the boundaries or disestablish the Seattle Southside TPA.

(d) Notwithstanding anything to the contrary in this Agreement, in no case shall the Parties hereto be obligated to satisfy the outstanding obligations of the Seattle Southside TPA or the SSRTA from such Party's moneys, funds, or other sources of revenue unless it otherwise agrees to in writing.

Section 10. Miscellaneous Provisions.

(a) *Waiver.* No officer, employee, or agent of SeaTac, Tukwila or Des Moines has the power, right, or authority to waive any of the conditions or provisions of this Agreement. No waiver of any breach of this Agreement by SeaTac, Tukwila or Des Moines shall be held to be a waiver of any other or subsequent breach. Failure of SeaTac, Tukwila or Des Moines to enforce any of the provisions of this Agreement or to require performance of any of the provisions herein, shall in no way be construed to be a waiver of such conditions, nor in any way effect the validity of this Agreement or any part hereof, or the right of SeaTac, Tukwila or Des Moines to hereafter enforce each and every such provision.

(b) *Records.* All records prepared, owned, used or retained by SSRTA in conjunction with operating or administering the activities and programs of the Seattle Southside TPA as provided for under the terms of this Agreement shall be made available by the SSRTA upon request to SeaTac, Tukwila or Des Moines.

(c) *Property and Equipment.* The SSRTA shall be the owner of all property and equipment purchased in furtherance of this Agreement from Special Assessment revenue. Provided, however, in the event of the termination of the Operating Agreement with the SSRTA, the SSRTA shall agree to make the property and/or equipment available to the successor

manager for its use in conjunction with providing similar services. Provided further, in the event of disestablishment of the Seattle Southside TPA, all property and equipment purchased by the SSRTA from Special Assessment revenue shall be retained by SeaTac and used for any lawful purpose.

(d) *Integration.* This Agreement contains all of the terms and conditions agreed upon by SeaTac, Tukwila or Des Moines concerning the establishment of the Seattle Southside TPA and the collection of Special Assessments from Operators of Lodging Businesses. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this Agreement, and now state that no representation, promise, or agreement not expressed in this Agreement has been made to induce the officials of SeaTac, Tukwila or Des Moines to execute this Agreement.

(e) *Severability.* In the event any provision of this Agreement shall be declared by a Court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be effected or impaired thereby.

(f) *Hold Harmless; No Liability.* SeaTac shall indemnify and hold harmless Tukwila and Des Moines and their agents, employees, and/or officers, from any and all costs, claims, judgments, or awards of damages arising out of the acts or omissions of SeaTac, its officers, employees or agents and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against Tukwila or Des Moines arising out of, in connection with, or incident to this Agreement and/or SeaTac's performance or failure to perform any aspect of this Agreement.

Tukwila shall indemnify and hold harmless SeaTac and Des Moines and their agents, employees, and/or officers, from any and all costs, claims, judgments, or awards of damages arising out of the acts or omissions of Tukwila, its officers, employees or agents and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against SeaTac or Des Moines arising out of, in connection with, or incident to this Agreement and/or Tukwila's performance or failure to perform any aspect of this Agreement.

Des Moines shall indemnify and hold harmless Tukwila and SeaTac and their agents, employees, and/or officers, from any and all costs, claims, judgments, or awards of damages arising out of the acts or omissions of Des Moines, its officers, employees or agents and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against Tukwila or SeaTac arising out of, in connection with, or incident to this Agreement and/or Des Moines' performance or failure to perform any aspect of this Agreement.

The SSRTA shall be an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the SSRTA shall be satisfied exclusively from the assets and credit of the SSRTA. No creditor or other person shall have any

recourse to the assets, credit, or services of the Parties hereto on account of any debts, obligations, liabilities, acts, or omissions of the SSRTA, unless otherwise agreed in writing by such Party.

(g) *Filing of Agreement.* This Agreement shall become effective immediately after it is duly adopted and executed by the City Council of SeaTac, the City Council of Tukwila, and the City Council of Des Moines and shall be filed and/or posted as required in the Interlocal Cooperation Act.

(h) *Notice.* Any formal notice or communication to be given among the Parties to this Agreement shall be deemed properly given, if delivered either in physical or electronic means, or if mailed postage prepaid and addressed to:

City of SeaTac
4800 S. 188th Street
SeaTac, WA 98188
Phone: 206.973.4800
Attn: City Manager

City of Tukwila
6200 Southcenter Blvd.
Tukwila, WA 98188
Phone: 206.433.1800
Attn: City Mayor

City of Des Moines
21630 11th Ave. S., Suite A
Des Moines, WA 98198
Phone: 206.878.4595
Attn: City Manager

(i) *Amendment.* This Agreement may be amended by the mutual consent of the Parties hereto. No additions to or alterations of the terms of this Agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of all Parties.

(j) *Operation of SSRTA.* Each Party hereto further authorizes SeaTac to operate the SSRTA within the corporate limits of such city to accomplish the purposes of and pursuant to the terms of this Agreement.

(k) *Counterparts.* This Agreement may be executed in any number of counterparts, each of whom shall be an original, but those counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

City of Tukwila

Jim Haggerton
Mayor
City of Tukwila
6200 Southcenter Blvd
Tukwila, WA 98188

City of SeaTac

Todd Cutts
City Manager
City of SeaTac
4800 S. 188th St
SeaTac, WA 98188

City of Des Moines

Tony Piasecki
City Manager
City of Des Moines
21630 11th Ave S, Ste 98198
Des Moines, WA 98198

Approved as to Form:

Mary Mirante Bartolo
City of SeaTac