

TO: City Council  
FROM: Lisa Parks, City Administrator  
DATE: November 21, 2023  
SUBJECT: Amended Interlocal Agreement with Olympia, Lacey, & Thurston County Regarding Creation of a Public Facilities District Modification to Second Amendment

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1) Recommended Action:

Approve the Second Amendment to the Amended ILA with Olympia, Lacey and Thurston County regarding creation of the Capital Area Regional Public Facilities District.

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2) Background:

The cities of Olympia, Lacey, Tumwater, and Thurston County created a public facilities district ("PFD") known as the Capital Area Regional Public Facilities District by an *Interlocal Agreement for the Creation of a Public Facilities District for a Regional Center* dated June 26, 2002. This Interlocal Agreement has been amended three times since its implementation, once dated March 10, 2003, another dated August 25, 2004, and most recently dated July 12, 2006. The PFD has specifically funded the Hands on Children's Museum in Olympia and Lacey's Regional Athletic Complex ("RAC").

After the parties executed the most recent Amendment to the PFD Interlocal Agreement on July 12, 2006, the Washington State Legislature passed Engrossed House Bill 1201 (EHB 1201), Chapter 164, Laws of 2017 of the 65th Legislature, 2017 Regular Session, which became effective July 23, 2017. This bill amended RCW 82.14.390 and 82.14.485 by extending the timeline for imposing the tax to finance or refinance the construction, improvement, rehabilitation or expansion of the regional center and related parking facilities to 40 years after it was first collected. Prior to the legislative changes in EHB 1201, the tax expired 25 years after it was first collected, and it could not be used to refinance improvements or to rehabilitate or expand a regional center.

The proposed Modification to the PFD Second Amendment modifies the agreement to incorporate the Legislature's 2017 changes in EHB 1201 to RCW 82.14.390 and 82.14.485 to permit financing or refinancing of construction, improvements, rehabilitation, or expansion of the Hands on Children's Museum and the RAC in Lacey, and extends the time period for collection of the tax from when it was first collected.

The City Council was briefed on the second amendment to the amended ILA at the November 14, 2023, Council Work Session and recommended that it go forward on the consent calendar at their November 21, 2023 meeting.

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3) Policy Support:

VISION | MISSION | BELIEFS

- Partnership | We work collaboratively with residents, businesses, and community organizations. We also actively partner with other jurisdictions to address regional, state, and even broader issues.
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4) Alternatives:

- ☐ Do not approve the agreement.

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5) Fiscal Notes:

The time period for collection of the tax will be extended from 25 years to 40 years from when the tax was first collected. Tax monies may be spent on improvements, rehabilitation, or expansion of the Hands on Childrens Museum and the RAC.

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6) Attachments:

- A. Amended ILA with Olympia, Lacey, & Thurston County Regarding Creation of a Public Facilities District Modification to Second Amendment