WHEREAS, the City of Edmonds, the Edmonds Public Facilities District, Snohomish County and the Snohomish County Public Facilities District (PFD) (collectively the “Parties”) entered into an Interlocal Agreement dated November 4, 2002, recorded with the Auditor of the County of Snohomish, State of Washington under recording number 2002116003 (the “Interlocal Agreement”) to provide for the development of a Regional Center as defined in RCW 35.57.020 known as the “Edmonds Centre for the Arts” (the “Regional Center”); and

WHEREAS, on March, 2, 2009, the Parties amended the Interlocal Agreement through Addendum No. 1 to provide for additional allocation of the Sales and Use Tax that exceeded the original Aggregate Tier 1 Allocations and created Aggregate Tier 2 Allocations; and

WHEREAS, pursuant to Chapter 164, Laws of 2017, the State Legislature extended the time period for the Sales and Use Tax imposed under RCW 82.14.390 from a maximum 25-year term to a maximum 40-year term; and

WHEREAS, on July 19, 2018, the Board of Directors of the Snohomish County Public Facilities District determined that the Aggregate Tier 2 Allocations, as previously allocated, should be extended through the additional funding years of 2026 through 2041, subject to applicable terms; and

WHEREAS, the Board of Directors of the Snohomish County Public Facilities District approved a revised allocation of the Sales and Use Tax revenue to reflect the 40-year full term of the Sales and Use Taxes, including the extended period authorized in the 2017 legislation, which such Board action was incorporated into a Board Resolution on October 25, 2018; and

WHEREAS, by this Addendum No. 2, the Parties desire to amend and restate Addendum No. 1 to the Interlocal Agreement to provide for extensions of the time period for the Tier 2 Allocations and specify the certain terms that the Board directed as part of the extension of Tier 2 Allocations;

NOW, THEREFORE, ON MOTION, the Snohomish County Council authorizes the Snohomish County Executive to sign Addendum No. 2 to the Interlocal Agreement.
PASSED this 12th day of August, 2020.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Council Chair

ATTEST:

Asst. Clerk of the Council
ADDENDUM NO. 2 TO INTERLOCAL AGREEMENT FOR DEVELOPMENT OF THE EDMONDS CENTRE FOR THE ARTS

This Addendum No. 2 (this "Addendum") is made and entered into as of the 10th day of June 2020, among the City of Edmonds, a city duly organized and existing under and by virtue of the laws of the State of Washington (the "City"); the Snohomish County Public Facilities District, a municipal corporation duly organized and existing under the laws of the State of Washington (the "County PFD"); Snohomish County, a political subdivision of and duly organized and existing under the laws of the State of Washington and the Charter of Snohomish County (the "County"); and the Edmonds Public Facility District, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington, established by the City of Edmonds (the "City PFD").

RECATIALS

A. The City, County PFD, County, and City PFD (collectively the "Parties") entered into an Interlocal Agreement dated November 4, 2002, recorded with the Auditor of the County of Snohomish, State of Washington under recording number 200211060003 (the "Interlocal Agreement") to provide for the development of a Regional Center as defined in RCW 35.57.020 known as the "Edmonds Centre for the Arts" (the "Regional Center"); and

B. In 2005, the Parties entered into the First Amendment To Interlocal Agreement For Development of the Edmonds Centre For The Arts to extend the required operational date to March 31, 2007.

C. The County PFD, under the authority of RCW 82.14.390 has imposed a Sales and Use Tax "Sales and Use Tax", a portion of which the County PFD has allocated and agreed to contribute through intergovernmental project payments to the payment of debt service on the bonds issued to finance the Regional Center in accordance with and subject to the terms and conditions of the Interlocal Agreement, including without limitation, in accordance with the schedule contained in Exhibit "B-1", of the Interlocal Agreement which payments extend to December, 2026 (the "Tier I Allocation"); and

D. The County PFD entered into similar interlocal agreements to provide funding for three (3) other regional centers, which were recorded with the Auditor of Snohomish County under recording numbers 20021160349, 200212260514, and 200312260486 pursuant to which the County PFD allocated and committed contributions from the Sales and Use Tax for the payment of debt service on the respective bonds issued to finance the development thereof, which when added to the Tier I Allocation shall be referred to herein as the "Aggregate Tier I Allocations" (the Aggregate Tier I Allocations are in a fixed amount allocated prior to the date of this Addendum); and

E. On March 2, 2009, the Parties amended the Interlocal Agreement through Addendum No. 1 to provide for additional allocation of the Sales and Use Tax that exceeded the Aggregate Tier I Allocations and created Aggregate Tier 2 Allocations to the four (4) regional centers; and
F. Pursuant to Chapter 164, Laws of 2017, the Legislature extended the time period for the Sales and Use Taxes imposed under RCW 82.14.390 from a maximum 25-year term to a maximum 40-year term; and

G. On July 19, 2018, the Board of Directors of the County PFD determined that the Aggregate Tier 2 Allocations, as previously allocated should be extended through the additional funding years of 2026 through 2041, subject to applicable terms and the Board of Directors approved a revised allocation of the Sales and Use Tax revenue to reflect the 40-year full term of the Sales and Use Taxes including the extended period authorized in the 2017 legislation which such Board action was incorporated into a Board Resolution on October 25, 2018; and,

H. The Parties desire to amend the Interlocal Agreement by this Addendum to provide for the extension of the time period for the Tier 2 Allocations and specify the certain terms that the Board directed as part of the extension of Tier 2 Allocations.

NOW, THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1. Continuation of Tier 2 Allocation. So long as the City PFD can and does make lawful use of the funds to be contributed by the County PFD under the provisions of RCW 82.14.390, as now or hereafter amended, and subject to continued compliance with all of the terms and conditions of the Interlocal Agreement and this Addendum No. 2, the County PFD shall allocate and contribute to the City PFD, twenty-one and nine-tenths percent (21.9%) of the Aggregate Tier 2 Allocations. It is anticipated that on January 1, 2026, with respect to the Snohomish County Regional Center and January 1, 2027, with respect to the remaining local PFD Regional Centers, the County PFD commitments for Aggregate Tier 1 Allocations will be fulfilled and that from and after those dates as to those respective revenue amounts received by the County PFD they will be considered as Tier 2 Allocation eligible revenue subject to this Addendum.

2. Tier 2 Allocation Disbursement Schedule. Exhibit A attached to Addendum No.1 is hereby deleted and replaced by Exhibit A-1 attached hereto and incorporated by this reference.

3. Reallocation of Tier 2 Allocation. The Board of Directors has determined that the allocation of Sales and Use Tax shall continue to each of the local public facility districts and the County for its Aviation Museum and Conference Center so long as the bonded indebtedness incurred to finance the respective regional centers remains outstanding. If the bonded indebtedness for a local public facility district or the County, for its respective regional center, is paid off, that allocated share of the Tier 2 Sales and Use Tax shall be reallocated to the remaining parties receiving funding so that their funding shares will be increased respectively while remaining in proportion to one another in the same relative comparative shares as before the adjustment was made.
4. Section H of the Interlocal Agreement, DURATION OF AGREEMENT, is hereby revised in its entirety to state:

This Agreement shall continue in full force and effect until such time as all bonds, short-term notes and other obligations issued by the City PFD for the financing or refinancing construction of the Edmonds Centre for the Arts are fully paid and redeemed or until December 31, 2041, whichever comes first.

5. Addendum Supersedes Inconsistent Provisions. This Addendum supersedes and controls any inconsistent provisions in the Interlocal Agreement or any prior Addendum or Amendment thereto.

6. Counterparts. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

This Addendum No. 2 shall become effective upon execution by each party and filing with the Snohomish County Auditor as provided in RCW 39.34.040.

DATED this 10 day of June 2020.

EDMONDS PUBLIC FACILITIES DISTRICT

By: ____________________________

___________________________

Attested:

___________________________

City Clerk

CITY OF EDMONDS

By: ____________________________

Mike Nelson, Mayor

Approved as to form:

By: ____________________________

Foster Garvey P.C., Bond Counsel
SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT

By: Steven Shelton, Chair of Board of Directors

SNOHOMISH COUNTY

By: Ken Klein, Executive Director

Dave Somers, County Executive

Approved as to form:

By: ____________________________

County Prosecutor
EXHIBIT "A-1"
Tier 2 Distribution Schedule

The County PFD shall disburse to the City PFD, the amount of the Tier 2 Allocation then on deposit from Sales and Use Tax revenues on deposit in semi-annual payments on May 1 and November 1 of each year, commencing November 1, 2008, through the year 2026; from January 1, 2027 through December 2041, the Tier 2 Allocation shall be made on a monthly basis; in either case, payments before 2026 or after shall be made, so long as the bonded indebtedness incurred to finance or refinance the Regional Center remain outstanding.