After recording return to:
Ms. Barbara Sikorski
Assistant Clerk
Snohomish County Council
3000 Rockefeller Avenue, M/S 609
Everett, WA 98201

INTERLOCAL AGREEMENT AUTHORIZING ESTABLISHMENT OF THE SNOHOMISH COUNTY TOURISM PROMOTION AREA

THIS AGREEMENT ("Agreement") is entered into by and among SNOHOMISH COUNTY, a political subdivision of the State of Washington ("County"), and the CITY OF ARLINGTON, a municipal corporation of the State of Washington, CITY OF BOTHELL, a municipal corporation of the State of Washington, CITY OF EVERETT, a municipal corporation of the State of Washington, CITY OF EDMONDS, a municipal corporation of the State of Washington, CITY OF LYNNWOOD, a municipal corporation of the State of Washington, CITY OF MARYSVILLE, a municipal corporation of the State of Washington, CITY OF MONROE, a municipal corporation of the State of Washington, CITY OF MOUNTLAKE TERRACE, a municipal corporation of the State of Washington, and CITY OF MUKILTEO, a municipal corporation of the State of Washington (collectively "Cities") pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, and the Tourism Promotion Areas Act, Chapter 35.101 RCW, to authorize the establishment of a Tourism Promotion Area to levy lodging charges to fund tourism promotion as provided herein.

RECITALS

WHEREAS, in 2003 the Washington Legislature, recognizing the importance of tourism promotion, by Chapter 35.101 RCW authorized counties and cities to establish Tourism Promotion Areas (TPAs) and levy lodging charges to fund tourism promotion; and

WHEREAS, the operators of lodging businesses located within the County presented an Initiation Petition to the County Council seeking establishment of a county-wide TPA pursuant to RCW 35.101.020; and

WHEREAS, the Initiation Petition contains all of the elements required by RCW 35.101.020 including a description of the boundaries of the proposed TPA, a statement of proposed uses and projects to which the revenue from the charges would be dedicated and total

estimated revenues and project costs, the estimated rate of charges to be imposed, and the signatures of the persons who operate lodging businesses who would pay sixty percent or more of the proposed charges; and

WHEREAS, the Initiation Petition provides for charges of $1.00 per room night of occupancy to be imposed on lodging businesses within the TPA that have 50 or more lodging units; and

WHEREAS, by Resolution of Intention adopted as Motion No. 10-112 the County Council gave notice of the time and place of a public hearing to consider establishment of a TPA, described the boundaries of the TPA as including all properties within the Cities and unincorporated areas of the County, which boundaries are in the area described in the Initiation Petition, and stated the proposed uses and projects to which the proposed revenues would be dedicated and total estimated project costs, and the estimated rate of charges to be imposed within those boundaries, as required by RCW 35.101.030; and

WHEREAS, on March 31. 2010, the County Council held a public hearing to consider establishment of a TPA in which representatives of the lodging industry testified in support of establishment of a TPA in Snohomish County; and

WHEREAS, by Resolution of Intention adopted as Motion No. 10-557 the County Council supplemented Motion No. 10-112 by providing for additional public notice and hearing in order to clarify the boundaries and related elements of the proposed TPA and to assure that notice of the hearing to consider establishment of a TPA is provided to all lodging businesses, including lodging businesses with 40 or more but fewer than 50 lodging units, as required by RCW 35.101.060, and

WHEREAS, the Cities and County have by appropriate legislative action, authorized or will authorize the execution of this interlocal agreement to permit the establishment of a TPA to be known as the Snohomish County Tourism Promotion Area and the collection of lodging charges from lodging businesses that have 50 or more lodging units as further described herein;

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein, the County and Cities agree as follows:

1. Purpose. The purpose of this Agreement is to promote tourism in Snohomish County by authorizing the establishment of the Snohomish County Tourism Promotion Area pursuant to RCW 35.101 which when created will permit collection of lodging charges from lodging businesses located within the Snohomish County TPA to fund tourism promotion.

2. Definitions. In this Agreement the following terms, unless the context otherwise dictates, shall have the following meanings:

2.1 "Department of Revenue" shall mean the Washington State Department of Revenue.

2.2 "Lodging business" shall mean a person that furnishes lodging taxable by the state of Washington under chapter 82.08 RCW that has 40 or more lodging units.

2.3 "Lodging charge" shall mean the levy imposed by Snohomish County on lodging businesses pursuant to Chapter 35.101 RCW.

2.4 "Snohomish County Tourism Promotion Area" or "Snohomish County TPA" shall mean the Tourism Promotion Area created by the Snohomish County Council acting by ordinance pursuant to Chapter 35.101 RCW and this Agreement.

2.5 "State Treasurer" shall mean the Washington State Treasurer.

2.6 "Tourism promotion" shall mean activities and expenditures designed to increase tourism and convention and sports business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

3. Establishment of Snohomish County TPA.

3.1 It is understood and agreed that the Snohomish County Council, pursuant to the authority of Chapter 35.101 RCW, will by ordinance establish a Tourism Promotion Area, to be known as the Snohomish County Tourism Promotion Area, to include the unincorporated area of Snohomish County and the entire area within the corporate limits of the Cities.

3.2 It is understood and agreed that the purpose of authorizing the Snohomish County Council and Snohomish County to form the Snohomish County Tourism Promotion Area is to provide revenue to fund promotion of tourism in Snohomish County.

4. Levy of Lodging Charges within the Snohomish County TPA.

4.1 It is understood and agreed that the Snohomish County Council will by ordinance impose lodging charges on the furnishing of lodging by certain lodging businesses located within the Snohomish County Tourism Promotion Area in accordance with the zones and rates stated in this Agreement.

4.2 It is understood and agreed that in accordance with RCW 35.101.090 the County will contract for the administration and collection of the lodging charges by the Department of Revenue.

4.3 It is understood and agreed that the Snohomish County Tourism Promotion Area will include the following three zones:

Zone A. Zone A encompasses lodging businesses located within the Snohomish County Tourism Promotion Area that furnish lodging taxable by the state under Chapter 82.08 RCW that have 50 or more lodging units and are not within another zone.

Zone B. Zone B encompasses lodging businesses located within the Snohomish County Tourism Promotion Area as that term is used in WAC 458-20-166 other than hotels, motels, and bed and breakfast facilities. Lodging businesses within this zone, as addressed in WAC 458-20-166, include only (i) trailer camps and recreational vehicle parks which charge for the rental of space to transients for locating or parking house trailers, campers, recreational vehicles, mobile homes, and tents; (ii) educational institutions which sell overnight lodging to persons other than students; (iii) private lodging houses, dormitories and bunkhouses operated by or on behalf of businesses and industrial firms or schools solely for the accommodation of employees of such firms or students which are not held out to the public as a place where sleeping accommodations may be obtained; and (iv) guest ranches or summer camps which, in addition to supplying meals and lodging, offer special recreational facilities and instruction in sports, boating, riding, outdoor facilities and instruction in sports, boating, riding, and outdoor living.

Zone C. Zone C encompasses lodging businesses located within the Snohomish County Tourism Promotion Area that furnish lodging taxable by the state under chapter 82.08 RCW that have 40 to 49 lodging units.

4.4 It is understood and agreed that lodging businesses located within the Snohomish County Tourism Promotion Area will be subject to lodging charges for each zone as follows:

Zone A: $1.00 per room/day
Zone B: $0.00 per room/day
Zone C: $0.00 per room/day

4.5 It is understood and agreed that in accordance with RCW 35.101.055, RCW 35.101.110, and RCW 35.101.120 the lodging charges to be imposed under this Agreement are not applicable to temporary medical housing exempt under RCW 82.08.997, are not a tax on the "sale of lodging" for purposes of RCW 82.14.410, and are in addition to the special assessments that may be levied under Chapter 35.87A RCW.

5. Administration and Collection of Lodging Charges.

5.1 It is understood and agreed that in accordance with RCW 35.101.090 the lodging charges authorized by this Agreement will be administered by the Department of Revenue and collected by lodging businesses from those persons who are taxable by the state under Chapter 82.08 RCW, that the Department of Revenue will deposit the lodging charges into the Local Tourism Promotion Account administered by Treasurer under RCW 35.101.100, and that the lodging charges are subject to Chapter 82.32 RCW.

5.2 It is understood and agreed that in accordance with RCW 35.101.100 the State Treasurer will distribute the money in the Local Tourism Promotion Account to the County on a monthly basis.

6. Establishment of Advisory Board.

6.1 It is understood and agreed that in accordance with RCW 35.101.130 the Snohomish County Council will by ordinance create an advisory board to make recommendations regarding the use of lodging charges collected pursuant to this Agreement.

6.2 It is understood and agreed that the advisory board will include representation of lodging businesses that are subject to the lodging charges authorized by this Agreement.

7. Use of Revenues for Tourism Promotion in Snohomish County.

7.1 It is understood and agreed that the revenues derived from the lodging charge will be used for tourism promotion as defined in RCW 35.101.010 and that pursuant to RCW 35.101.130 the Snohomish County Council will have sole discretion as to how such revenues will used for this purpose. The County Council will allocate revenues to specific projects after considering the recommendations of the advisory board and in accordance with the applicable TPA business plan.

7.2 In accordance with the Initiation Petition, the revenues derived from the lodging charges will be used only for the following purposes:

7.2.1 The general promotion of tourism within Snohomish County as specified in the TPA business plan to be adopted annually by the Snohomish County Council;

7.2.2 The marketing of convention and trade shows that benefit local tourism and the lodging businesses in Snohomish County;

7.2.3 The marketing of Snohomish County to the travel industry in order to benefit local tourism and the lodging businesses in Snohomish County; or

7.2.4 The marketing of Snohomish County to recruit sporting events in order to benefit local tourism and the lodging businesses in Snohomish County.

7.3 The uses described in this section may include payment of administrative costs associated with operation of the Snohomish County TPA as determined by the County Council.

8. Contract for Management of the Snohomish County TPA.

The County Council may contract with tourism marketing organizations or other similar organizations to administer the operation of the TPA in accordance with RCW 35.101.130 or other law.

9. Modification or Disestablishment of the Snohomish County TPA.

9.1 The Snohomish County Council may modify or disestablish the Snohomish County TPA by ordinance after adoption of a resolution of intention and public hearing. The resolution of intention shall describe the proposed action and state the time and place of the public hearing, and may be adopted by motion

9.2 The County Council must adopt a resolution of intention and hold a public hearing to consider modification or disestablishment of the Snohomish County TPA if a petition for modification or disestablishment containing the signatures of persons who operate lodging businesses that pay over 40 percent of the lodging charge imposed by SCC 4.118.020 is filed with the Clerk of the County Council.

9.3 If a petition for disestablishment of the Snohomish County TPA containing the signatures of persons who operate lodging businesses that pay over 40 percent of the lodging charge imposed by SCC 4.118.020 is filed with the Clerk of the County Council, the Council must disestablish the Snohomish County TPA unless at the public hearing described in the resolution of intention protest is made by persons who operate lodging businesses that pay over 50 percent of the lodging charge imposed by SCC 4.118.020. An ordinance adopted under this paragraph shall take effect within a reasonable time as determined by the County Council.

10. Miscellaneous Provisions.

10.1 Term of Agreement. This Agreement shall continue in full force and effect until such time as the Snohomish County TPA is disestablished by action of the Snohomish County Council, provided that if the Snohomish County TPA is modified to exclude the

entire area within the corporate boundary of any City then this Agreement shall terminate as to that City. Following termination of this Agreement, Snohomish County shall be responsible for utilizing any remaining unallocated revenue from lodging charges for promotion of tourism in Snohomish County. Any property or equipment purchased with revenues from lodging charges shall be retained by Snohomish County and used for any lawful purpose.

10.2 Waiver. No officer, employee, or agent of the County or any City 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 the County or any City shall be held to be a waiver of any other or subsequent breach. Failure of the County or any City 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 the County or City to hereafter enforce each and every such provision.

10.3 Integration. This Agreement contains all of the terms and conditions agreed upon by the County and Cities concerning the establishment of the Snohomish County TPA by the Snohomish County Council and the collection of lodging charges from operators of lodging businesses within the Snohomish County TPA, including the area within the incorporated city limits of the Cities. 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 the County and Cities to execute this Agreement.

10.4 Severability. In the event that 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 affected or impaired thereby.

10.5 Effective Date. This Agreement shall become effective after execution by the County and all of the Cities upon filing with the Snohomish County Auditor pursuant to RCW 39.34.040.

10.6 Each Party Responsible for its Negligence.

10.6.1 Each party to this Agreement will be responsible for the negligent acts or omissions of its own elected officials, officers, employees, or agents in the performance of this Agreement. Neither party will be considered the agent of the other and neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this Agreement.

10.6.2 In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of two or more parties to this Agreement, or their elected officials, officers employees, or agents, each party's liability under this Agreement shall be only to the extent of that party's negligence.

10.7 No Real Property Acquisition. This Agreement does not provide for the acquisition, holding, or disposal of real property.

10.8 Amendment. This Agreement may be amended with the mutual consent of the parties. No additions to or alteration of the terms of this Agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of all parties.

10.9 Notices. All notices and other communications shall be in writing and shall be sufficiently given and shall be deemed given on the third day following the date on which the same has been mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

To the County:	Snohomish County Council 3000 Rockefeller Avenue Everett, WA 98201 and to: Snohomish County Executive 3000 Rockefeller Avenue Everett, WA 98201
To the City of Arlington:	City of Arlington 238 N. Olympic Avenue Arlington, WA 98223 Attn: City Council
To the City of Bothell:	City of Bothell 18305 101st Avenue NE Bothell, WA 98011 Attn: City Council
To the City of Everett:	City of Everett 2930 Wetmore Avenue Everett, WA 98201 Attn: City Council

To the City of Edmonds: City of Edmonds
121 5th Avenue North
Edmonds, WA 98020
Attn: City Council

To the City of Lynnwood: City of Lynnwood
19100 44th Avenue West
Lynnwood, WA 98046
Attn: City Council

To the City of Marysville: City of Marysville
1049 State Avenue
Marysville, WA 98270
Attn: City Council

To the City of Monroe: City of Monroe
806 West Main Street
Monroe, WA 98272
Attn: City Council

To the City of Mountlake Terrace: City of Mountlake Terrace
6100 219th Street SW, Suite 200
Mountlake Terrace, WA 98043
Attn: City Council

To the City of Mukilteo: City of Mukilteo
11930 Cyrus Way
Mukilteo, WA 98275
Attn: City Council

Any Party may, by notice to all other Parties given hereunder, designate any further or different addresses to which subsequent notices or other communications to it shall be sent.

10.10 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, Snohomish County and the Cities of Arlington, Bothell, Everett, Edmonds, Lynnwood, Marysville, Monroe, Mountlake Terrace, and Mukilteo have

executed this Agreement by their duly authorized officers as of the date last below written.

SNOHOMISH COUNTY:

_____
Snohomish County Executive
DATE: _____

Approved as to form only:

_____
Deputy Prosecuting Attorney

CITY OF ARLINGTON

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Arlington City Attorney

CITY OF BOTHELL

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Bothell City Attorney

CITY OF EVERETT

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Everett City Attorney

CITY OF EDMONDS

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Edmonds City Attorney

CITY OF LYNNWOOD

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Lynnwood City Attorney

CITY OF MARYSVILLE

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Marysville City Attorney

CITY OF MONROE

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Monroe City Attorney

CITY OF MOUNTLAKE TERRACE

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Mountlake Terrace City Attorney

CITY OF MUKILTEO

_____
Name/Title: _____
DATE: _____

Approved as to form only:

_____
Mukilteo City Attorney