

COMPTROLLER FILE No. 294301

REPORT OF COMMITTEE

CHARTER of the MUSEUM DEVELOPMENT AUTHORITY
of Seattle; issued September 13, 1985

Honorable President:
Your

to which was referred the within
would respectfully report that we have considered the same and respectfully recomme

Filed September 13, 1985
Tim Hill, City Comptroller

By Thomas Dunbar
Deputy

ACTION OF THE COUNCIL

Referred	To
Referred	To
Referred	To
Reported	Disposition
Re-referred	To
Reported	Disposition

CHARTER
OF THE
MUSEUM DEVELOPMENT AUTHORITY
OF SEATTLE

Issued: September 13, 1985

Seattle, Washington 98104

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE,
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

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CHARTER
OF THE
MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

ARTICLE I
NAME AND SEAL

The name of this corporation shall be the Museum Development Authority of Seattle (the "Authority" herein). The Authority seal, as set forth below, shall be a circle with the name the Museum Development Authority of Seattle inscribed therein.

ARTICLE II
AUTHORITY AND LIMIT ON LIABILITY

Section 1. Authority.

The Authority is a public corporation organized pursuant to RCW 35.21.730-.755, and Seattle Municipal Code Ch. 3.110.

Section 2. Limit on Liability.

All liabilities incurred by the Authority shall be satisfied exclusively from the assets and properties of the Authority and no creditor or other person shall have any right of action against The City of Seattle on account of any debts, obligations, or liabilities of the Authority.

Section 3. Mandatory Disclaimer.

The following disclaimer shall be posted in a prominent place where the public may readily see it in the Authority's principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.

The Museum Development Authority of Seattle is organized pursuant to Seattle Municipal Code (SMC) 3.110 and 35.21.730-.755. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

ARTICLE III

DURATION

The duration of the Authority shall be perpetual.

ARTICLE IV

PURPOSES

The purpose of the Authority is to provide a legal entity under RCW 35.21.730-.755 and Seattle Municipal Code Chapter 3.110 to undertake, assist with and otherwise facilitate the development and operation of a public art museum in downtown Seattle including visual arts center facilities. To the extent appropriate and consistent with the needs and objectives of the City and with the promotion and cultivation of fine arts, the

Authority will acquire and manage real property (including property for future museum expansion); secure financing; undertake the construction and development of structures and otherwise accomplish all purposes required for development of an art museum in downtown Seattle. The Authority shall have no purpose other than the development, operation and maintenance of a public art museum in downtown Seattle.

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of The City of Seattle (within the meaning of those terms in regulations of the United States treasury and rulings of the Internal Revenue Service prescribed pursuant to section 103 of the Internal Revenue Code of 1954 as amended).

ARTICLE V

POWERS

The Authority shall have and exercise all powers necessary or convenient to effect the purposes for which the Authority is organized and perform authorized Authority functions, including without limitations, the power to:

1. Own and sell real and personal property;
2. Contract for any Authority purpose with the United States, a state, and any subdivision or agency of either, and with individuals, associations and corporations;
3. Sue and be sued in its name;
4. Lend and borrow money;

5. Do anything a natural person may do;
6. Perform all manner and type of community services and activities;
7. Provide and implement such municipal services as the City Council and Mayor may by ordinance direct;
8. Transfer any funds, real or personal property, property interests, or services;
9. Receive and administer private funds, goods, or services for any lawful public purpose;
10. Purchase, lease, exchange, mortgage, encumber, improve, use, or otherwise transfer or grant security interests in real or personal property or any interests therein; grant or acquire options on real and personal property; and contract regarding the income or receipts from real property;
11. Issue negotiable bonds and notes in conformity with Seattle Municipal Code 3.110.420 and applicable provisions of the Uniform Commercial Code and state law in such principal amounts as, in the discretion of the Council, shall be necessary or appropriate to provide sufficient funds for achieving any Authority purposes; or to secure financial assistance, including matching funds from the United States, for corporate projects and activities;
12. Contract for, lease, and accept transfers, gifts, or loans of funds or property from the United States, a state, and any political subdivision or agency of either, including property acquired by any such governmental unit through the exercise of

its power of eminent domain, and from corporations, associations, individuals or any other source, and to comply with the terms and conditions therefor;

13. Manage, on behalf of the United States, a state, and any political subdivision or agency of either, any property acquired by any such entity through gift, purchase, construction, lease, assignment, default, or exercise of the power of eminent domain;

14. Recommend to appropriate governmental authorities public improvements and expenditures in downtown Seattle;

15. Recommend to the United States, a state, and any political subdivision or agency of either any property which, if committed or transferred to the Authority, would materially advance the public purpose for which the Authority is chartered;

16. Initiate, carry out, and complete such improvements of benefit to the public consistent with this Charter as the United States, a state, and any political subdivision or agency of either may request;

17. Recommend to the United States, a state, and any political subdivision or agency of either such tax, financing, and security measures as the Authority may deem appropriate to maximize the public interest in downtown Seattle;

18. Lend its funds, property, credit, or services for Authority purposes, or act as a surety or guarantor for Authority purposes;

19. Provide advisory, consultative, training, educational,

and community services or advice to individuals, associations, corporations or governmental agencies, with or without charge;

20. Control the use and disposition of Authority property, assets, and credit;

21. Invest and reinvest its funds;

22. Fix and collect charges for services rendered or to be rendered, and establish the consideration for property transferred;

23. Sponsor, lease, manage, construct, own, or otherwise participate in housing projects, where such activity furthers the public purpose for which the Authority is chartered;

24. Maintain books and records as appropriate for the conduct of its affairs;

25. Conduct Authority affairs, carry on its operations, and use its property as allowed by law and consistent with Seattle Municipal Code Ch. 3.110, its Charter, and its Rules and Regulations; name Authority officials, designate agents, and engage employees, prescribing their duties, qualifications, and compensation; and secure the services of consultants for professional services, technical assistance, or advice;

26. Identify and recommend to the United States, a state, and any political subdivision or agency of either, the acquisition by the appropriate governmental entity--for transfer to or use by the Authority--of property and property rights which, if so acquired, whether through purchase or the exercise of eminent

domain, and so transferred or used, would materially advance the purpose for which the Authority is chartered; and

27. Exercise and enjoy such powers as may be authorized by law.

ARTICLE VI

LIMITS

The Authority in all activities and transactions shall be limited in the following respects:

1. All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by its Charter. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, the Council members, officers of the Authority or other private persons, except that the Authority is authorized and empowered to:

(a) Compensate Authority officials and others performing services for the Authority a reasonable amount for services rendered and to reimburse reasonable expenses actually incurred in performing their duties;

(b) Assist the Authority officials as members of a general class of persons to be assisted by the Council-approved project or activity to the same extent as other members of the class as long as no special privilege or treatment accrues to such Authority official by reason of his or her status or position in the Authority;

(c) Defend and indemnify any Authority official

(including employees), any former Authority official, and their successors, against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been an Authority official, or by reason of any action alleged to have been taken or omitted by him or her as such official, provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights to which Authority officials may be entitled as a matter of law;

(d) Purchase insurance to protect and hold personally harmless any of its officials (including its employees and agents) from any action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions, claims, or proceedings. The purchase of such insurance and its policy limits shall be discretionary with the Authority Council, and such insurance shall not be considered to be compensation to the insured individuals. The powers conferred by this subsection shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

(e) Sell assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction or carry out any other transaction or activity, as long as such gain is not the object or purpose of the Authority's transactions or activities and is applied to or expended upon services, projects, and activities as aforesaid.

2. No funds, assets, or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the legislature of this State, or the City Council; provided, however, that members and officials of the Authority may respond to requests by contacting members of Congress, State legislators, or City Council members for information and may appear before any such legislative body in connection with funding and other matters directly affecting the Authority or its ability to carry out the purposes for which it is chartered.

3. The Authority shall have no power of eminent domain nor any power to levy taxes or special assessments.

4. The Authority may not incur or create any liability that permits recourse by any contracting party or members of the

public to any assets, services, resources, or credit of the City of Seattle.

5. The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, or make loans to its corporate officials or engage in business for private gain.

ARTICLE VII

COUNCIL

Section 1. Council Composition.

Management of all Authority affairs shall reside in the Council. The Council shall be composed of nine (9) members selected as follows:

1. Within two (2) months of the issuance of this Charter, the initial Council as designated in the application for this Charter shall by resolution divide the members of the Council into three (3) classes of three (3) members each (designated Class I, Class II, and Class III).

2. At the regular meeting of the Council that coincides most closely with the second anniversary of the issuance of this Charter, the terms of those members of the Council that are in Class I shall expire, provided that they shall continue in office until their successors are selected and qualified as provided in the Rules and Regulations.

3. This reappointment procedure shall continue annually as to successive classes, so that at the regular meeting of the Council that coincides most closely with each anniversary of the issuance of this Charter, a new class of Council members shall

take office; provided, however, that each person so selected shall hold office for the three (3) year term for which he or she is selected and until his or her successor shall have been selected and qualified; and provided that there shall be no restriction on members of the Council serving successive terms.

4. The Council vacancies created by the expiration of the terms of the Class I, Class II and Class III members shall be filled with:

(a) One member selected by the Board of Trustees of the Seattle Art Museum;

(b) One member selected by the Mayor; and

(c) One member selected by the Council who may not be a member of the Board of Trustees of the Seattle Art Museum.

5. The names of members selected by the Mayor, the Council or the Board of Trustees of the Seattle Art Museum shall be promptly submitted to the City Council for confirmation. Any such person whose name and supporting documentation have been submitted to the City Council shall, unless and until his or her name has been rejected by the City Council, have full powers and responsibilities of a confirmed Council member. No such person shall have or purport to have or exercise such powers and responsibilities until his or her name and all supporting documentation required by the City Council have been submitted to the City Council for confirmation.

6. Any Council member who is absent for three (3) consecutive regular meetings may, by resolution duly adopted by a