

**CHARTER**

**of the**

**SEATTLE TRANSPORTATION BENEFIT DISTRICT**

## TABLE OF CONTENTS

	Page
ARTICLE I NAME .....	2
Section 1.01 Name .....	2
ARTICLE II LIMITATIONS ON LIABILITY .....	2
Section 2.01 Mandatory Disclaimers .....	2
ARTICLE III DISSOLUTION .....	3
Section 3.01 Dissolution .....	3
ARTICLE IV POWERS; INDEMNIFICATION .....	3
Section 4.01 Powers .....	3
Section 4.02 Indemnification .....	3
ARTICLE V BOARD OF DIRECTORS .....	3
Section 5.01 Board Powers .....	3
Section 5.02 Board Composition .....	3
Section 5.03 Conflict of Interest .....	4
ARTICLE VI BYLAWS .....	4
Section 6.01 Bylaws .....	4
ARTICLE VII MEETINGS .....	4
Section 7.01 Board Meetings .....	4
Section 7.02 Board Quorum and Concurrence .....	4
ARTICLE VIII AMENDMENT TO CHARTER .....	4
Section 8.01 Proposals to Amend Charter .....	4
Section 8.02 Board Consideration of Proposed Amendments .....	5
Section 8.03 Vote Required for Proposals to Amend the Charter .....	5
ARTICLE IX COMMENCEMENT .....	5
Section 9.01 Commencement .....	5
ARTICLE X MISCELLANEOUS .....	5
Section 10.01 Liberal Construction and Severability .....	5

## CHARTER

of the

### SEATTLE TRANSPORTATION BENEFIT DISTRICT

WHEREAS, the City Council (the "Council") of the City of Seattle, Washington (the "City") has determined that it is in the best interests of the City and its citizens to create a Transportation Benefit District coextensive with the boundaries of the City in order to exercise the powers available under Chapter 36.73 RCW (the "Statute"); and

WHEREAS, pursuant to Ordinance No. 123397 of the City (the "Ordinance"), passed on September 20, 2010, the City authorized and approved the creation of a Transportation Benefit District, designated as the Seattle Transportation Benefit District (the "District"), coextensive with the boundaries of the City, for the purpose of exercising certain powers available under the Statute;

NOW, THEREFORE, this Charter is hereby adopted by the District.

#### ARTICLE I NAME

**Section 1.01 Name.** The name of the Transportation Benefit District shall be the "Seattle Transportation Benefit District."

#### ARTICLE II LIMITATIONS ON LIABILITY

**Section 2.01 Mandatory Disclaimers.** A disclaimer in substantially the following form shall be printed or stamped on all contracts, bonds and other documents that evidence or create any Obligation which, by its terms, is not payable from a special or limited source of funds.

The Seattle Transportation Benefit District is a Transportation Benefit District established pursuant to Ordinance No. 123397 of the City of Seattle, Washington, and the laws of the State of Washington, including, but not limited to, Chapter 36.73 of the Revised Code of Washington. All debts, liabilities and other obligations incurred by the District shall be satisfied exclusively from the revenues, assets and properties of the District. No creditor, claimant or other person shall have any right of action against or recourse to the City of Seattle, the State of Washington, or any other political subdivision of the State of Washington on account of or with respect to any debts, liabilities or other obligations of the District, or otherwise on account of or with respect to any acts or omissions of the District or its officers, employees or agents.

### **ARTICLE III** **DISSOLUTION**

**Section 3.01 Dissolution.** The District shall exist until dissolved in accordance with the requirements of RCW 36.73.050. The retirement of debt, notice of dissolution and payment of creditors shall all comply with the provisions of the Statute.

### **ARTICLE IV** **POWERS; INDEMNIFICATION**

**Section 4.01 Powers.** Except as otherwise provided herein, the District shall have and may exercise all lawful powers conferred upon a Transportation Benefit District by the laws of the State of Washington.

**Section 4.02 Indemnification.** To the extent permitted by law, the District shall protect, defend, hold harmless and indemnify any director, officer, employee or agent of the District who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the District, against judgments, fines, penalties, settlements and reasonable expenses (including reasonable attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith reasonably believed his or her conduct to be in the District's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe that his or her conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law, by City ordinance, or by contract or by vote of the Board of Directors.

### **ARTICLE V** **BOARD OF DIRECTORS**

**Section 5.01 Board Powers.** All powers of the District shall be exercised by or in the name of the Board. The powers of the Board shall include, but are not limited to, the following:

- (a) To establish and implement the policies and programs of the District, and the procedures for the management and administration of the District's affairs;
- (b) To appoint and remove from his/her position on the Board, at the pleasure of a majority vote of the Board, the District's officers, agents and employees, (except as expressly provided herein) and to prescribe their respective powers and duties consistent with the provisions hereof;
- (c) To borrow money and incur indebtedness in accordance with the Act; and
- (d) To provide for the investment of the District's funds.

**Section 5.02 Board Composition.** The Board shall be composed of the nine members of the Seattle City Council, who shall serve in an ex-officio and independent capacity. A Board

member may be removed from service on the Board only when removed from his or her office as a Council Member. Any vacancy shall be filled only by the appointment or election of a new City Council Member.

**Section 5.03 Conflict of Interest.** Board members shall comply in all respects with the conflict of interest guidelines and prohibitions of Chapter 42.23 RCW as the same exists or is hereafter amended.

## **ARTICLE VI BYLAWS**

**Section 6.01 Bylaws.** The Board shall adopt Bylaws to provide additional rules, that are not inconsistent with this Charter, governing the District and its activities.

## **ARTICLE VII MEETINGS**

### **Section 7.01 Board Meetings.**

Board meetings shall be conducted according to Bylaws adopted under Article VI, and consistent with the Open Public Meetings Act, Laws of Washington 1971, Extraordinary Session, Chapter 250, codified as Chapter 42.30 of the Revised Code of Washington, as supplemented and amended.

**Section 7.02 Material Change Policy and Annual Report.** The Board shall develop a material change policy to address major Plan changes that affect project delivery or the ability to finance the adopted Plan. At the date of adoption of a plan to execute the functions of the District, the Board shall adopt a material change plan which addresses material changes to cost, scope, and schedule, the level of change that will require Board involvement and how the Board will address those changes. Pursuant to RCW 36.73.160, in the event that a transportation improvement cost exceeds its original cost estimate by more than twenty percent (20%) as identified in the District's original finance plan, the governing body shall hold a public hearing to solicit comment from the public regarding how the cost change should be resolved. In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improved expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District (the "Report"), as required by RCW 36.73.160.

## **ARTICLE VIII AMENDMENT TO CHARTER**

**Section 8.01 Proposals to Amend Charter.** Any Board member may introduce a proposal to amend the Charter at any regular meeting or special meeting of the Board, provided, however, that all amendments shall comply with the minimum requirements and provisions of RCW 36.73.

**Section 8.02 Board Consideration of Proposed Amendments.** The Board may vote on the proposal at the same meeting at which the proposal is introduced if notice of a proposal to amend the Charter and information, including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board fifteen (15) days prior to any regular Board meeting. In the case of a special meeting, notice of a proposal to amend the Charter and information, including the text of the proposed amendment and a statement of its purpose and effect, must be provided to members of the Board thirty (30) days prior to the special meeting. If such notice and information is not so provided, the Board may not vote on the proposal until the next regular or special meeting if such notice and information is provided pursuant to the timelines set forth above. Amendments to the proposal within the scope of the original proposal will be permitted at the meeting at which the vote is taken.

**Section 8.03 Vote Required for Proposals to Amend the Charter.** Resolutions of the Board approving proposals to amend the Charter shall require an affirmative vote of a majority of the Board members voting on the issue; provided, that the total number of Board members voting on any such proposal shall equal at least five.

Certain amendments of the Charter may require action of the Seattle City Council and a public hearing pursuant to the requirements of the Statute. No consideration of any charter amendment may occur until the City and the District comply with such requirements.

## **ARTICLE IX** **COMMENCEMENT**

**Section 9.01 Commencement.** The District has commenced its existence effective upon the adoption of Seattle Ordinance 123397. This Charter shall become effective upon its approval by the Board.

**ARTICLE X**  
**MISCELLANEOUS**

**Section 10.01 Liberal Construction and Severability.** This Charter shall be liberally construed to effect the purposes set out in City of Seattle Ordinance 123397. If any section or part of this Charter is ultimately ruled invalid or illegal by a court of competent jurisdiction, such invalidity or illegality shall not affect the remaining sections or parts of this Charter.

THIS CHARTER IS EXECUTED AS OF THIS 25<sup>th</sup> DAY OF October, 2010.

SEATTLE TRANSPORTATION BENEFIT DISTRICT

By:



Chair