



Capital Area Regional Public Facilities District Agenda

Refer to the bottom of the agenda for meeting information.

Wednesday, September 3, 2025

1:00 PM

Council Chambers and Online

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of the Agenda**
- 4. Public Comment**
- 5. Agenda Items**
 - A. Authorize Agreement with Foster Garvey PC Law Firm**
President Brine
- 6. Adjourn**

Meeting Information:

Attendance (Remote or In-Person)

The public may attend the meeting in person, or you may view or listen to the meeting using one of the following platforms:

- In Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503
- Zoom: https://us02web.zoom.us/webinar/register/WN_9ZcGu9-tQgqHQyd8ntRdqg
- Website: <https://cityoflacey.org/government/public-meetings/>
- Facebook: <https://www.facebook.com/cityoflacey>
- YouTube: <https://www.youtube.com/watch?v=w6TjZDvOUOQ>
- Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 813 4314 9105)

Verbal Public Comment

Those wishing to provide verbal public comment may do so in-person or by Zoom:

- In-Person: Use the sign-up sheet located in the Council Chambers.
- Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_9ZcGu9-tQgqHQyd8ntRdqg

Instructions and access details will be provided once registration is complete.

Written Public Comment

Public comments may be submitted by email to PublicComment@cityoflacey.org. The commenting period will close two hours before meeting time. Written comments will be provided to the Board electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record.



Direct Phone (206) 447-6278
Direct Facsimile (206) 749-2057
stacie.amasaki@foster.com

August 26, 2025

VIA EMAIL

Board of Directors
Capital Area Region Public Facilities District

Re: Special Legal Counsel Engagement Letter

Dear Board of Directors:

Foster Garvey P.C. greatly appreciates the opportunity to provide legal services as special counsel to the Capital Area Region Public Facilities District (the “PFD”). The purpose of this engagement letter is to set forth certain matters concerning our role as special counsel to the PFD in connection with the review of the Financing Agreement and other documentation relating to the City of Olympia’s bond issue to finance the expansion of the Hands on Children’s Museum. This letter serves as a contract between the PFD and Foster Garvey P.C.

SCOPE OF ENGAGEMENT

In this engagement, our duties as special legal counsel include reviewing the documents and agreements relating to the Hands on Children’s Museum financing and assisting with any additional documents as necessary. Our engagement is limited to performance of services related to these matters. Of course, we can expand or modify the scope of our representation if the PFD’s needs require. We will confirm such further engagement by separate written agreement. Our engagement as special legal counsel may include legal services previously performed for the listed services prior to the date of this engagement letter. During the course of this engagement, we rely on the PFD to provide us with complete and timely information. We understand that officials and employees of the PFD will cooperate with us in this regard.

CONFLICTS

We are very conscious of the need to avoid and/or properly manage actual and potential conflicts of interest throughout our representation, and we will promptly communicate with the PFD if any such issues become apparent. At this time, there do not appear to be any conflicts of interest that impact our expected work with the PFD. We are not bond counsel to the City of Olympia; however, Foster Garvey does represent the Cities of Lacey, Olympia and Tumwater and Thurston County, including for some in bond matters.

Our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the PFD, one or more of our present or future clients will have

transactions with the PFD. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities comprising the PFD. We do not foresee, however, that any such prior or future representation will adversely affect our ability to represent the PFD as provided in this letter, either because such matters were or will be sufficiently different from the scope of the current work so as to make such representations not adverse to our representation of the PFD, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of this representation. Execution of this letter will signify the PFD's consent to our representation of others consistent with the circumstances described in this paragraph. To the extent we believe such future representation may adversely affect our representation of the PFD, we will disclose such representation to the PFD and, if required by ethical rules, seek the appropriate PFD consent.

ATTORNEY-CLIENT RELATIONSHIP

Our attorneys and staff recognize our duty to maintain confidentiality. The attorney-client privilege protects communications between us, whether oral or written, as long as neither of us discloses those communications to anyone else. Privileged communications cannot be used in court without PFD consent. Therefore, to preserve the privilege and confidentiality of our communications, the PFD should not show our written communications or discuss any oral communications between us with anyone. Furthermore, certain communications and documents prepared in anticipation of litigation are also privileged even if no attorney is involved. Because disputes can arise as to whether certain communications are privileged, if you have any questions regarding PFD practices, be sure to seek advice from the lawyer with whom you are working.

We are not acting as the PFD's counsel with respect to the provisions of this letter and to do so would be a conflict of interest. If the PFD wishes to seek advice from independent counsel of its choice about whether the PFD should agree to these terms, please do so. In addition, if you have any questions or would like additional information, we are happy to discuss this letter with you further. This letter will govern our relationship, however, unless we reach a different agreement in writing.

Further, the application of the State's Public Records Act may provide for disclosure of certain, but not all, records relating to our services to the PFD.

The PFD may terminate our representation at any time and for any reason, with notice. In addition, we may withdraw from the representation, but only in accordance with applicable Washington Supreme Court Rules of Professional Conduct. If we choose to withdraw from this engagement, we will notify the PFD in writing. At termination or withdrawal, the PFD remains obligated to pay us promptly for all charges for legal services rendered as well as charges resulting from the termination or withdrawal, including working with any successor special legal counsel. We will cooperate with any such successor legal counsel to assure a smooth transfer of the representation. In the event of termination or withdrawal, we reserve the right to make withdrawals against any advance fee payment or retainer we may hold.

STAFFING

Marc Greenough and I will have primary responsibility for PFD representation related to this representation. However, we will involve other firm lawyers and legal assistants as we believe appropriate

in the circumstances. We will provide special legal counsel to the PFD in accordance with this letter and in reliance upon information and guidance provided by the PFD, will keep the PFD reasonably informed of progress and developments, and will promptly respond to the PFD's inquiries about the matter.

FEES FOR SERVICES

We expect to charge on an hourly basis for time expended for the PFD relating to review of documents. This includes, for example, telephone conversations, face-to-face conferences, strategy development and planning, document preparation and review, research, drafting, negotiating and travel. Through hourly billing, the PFD pays only for work performed. We maintain daily time records that include a brief description of the work done to assist in PFD understanding of the basis for the bill. We record our time in units of tenths of an hour. Marc's currently hourly rate is \$785 and mine is \$625. Generally, our rates are revised annually and adjustments will be reflected in our invoices in the month following any adjustment. We strive to keep fees and charges at a level appropriate to the task.

Upon request, we will work with the PFD to produce a written estimate of the anticipated legal fees and costs for a particular assignment related to the review of the documentation for the Hands on Children's Museum financing. Any such estimate will be based on our prior experience with similar engagements as well as information the PFD provides to us. Unless we reach a clear, written understanding that the fee will be a fixed amount, any estimate we make may be revised based upon the facts and circumstances we encounter during the representation.

EXPENSES

In addition to fees for legal services, the PFD will be charged for expenses advanced for the PFD and ancillary costs incurred by us during the course of the representation. Such charges may be revised from time to time without notice and will be reflected in our invoice in the month following any revision. These charges include such things as external messenger service, electronic records searches and special mailing or courier services.

BILLING POLICY

The PFD will typically be billed on a monthly basis. For PFD convenience, the billing statements will describe briefly the matter and legal services performed and will set forth the fees and expenses relating to the legal services provided. The bill typically will contain charges incurred during the prior month. Charges for some expense items such as copy and delivery charges may not be processed and billed until some time after the expense has been incurred. Any past due amounts will bear interest at twelve percent per year. We strive to provide clear and prompt billing statements. If the PFD has any questions regarding an invoice, please promptly call me. However, if preferred, we can bill the PFD for all time worked upon the closing of the City of Olympia bond issue for the Hands on Children's Museum expansion.

RECORDS RETENTION

We maintain policies regarding retention and destruction of records. Records include our files and related electronic documentation, including e-mails. Records (including materials provided by the PFD to us and all electronic documentation) relating to this engagement will be destroyed according to our policies unless the PFD requests that they be returned. We normally retain client files for ten years after a matter is closed. If the PFD wishes records to be returned when the matter is closed, the PFD must inform the responsible attorney in writing of the request. We will endeavor to remind the PFD of this policy on completion of the engagement, but we retain the right to destroy records in accordance with our policy without further notice. We are not responsible for maintaining records for the PFD for purposes of compliance with the State Public Records Act.

If the foregoing terms are acceptable to the Board of Directors, please countersign this letter and have an electronic .pdf copy returned to me via email. Please retain the original executed copy for the PFD's files. We are thrilled to have the opportunity to work with you and the PFD. Thank you.

Sincerely,

FOSTER GARVEY P.C.

By 

Stacie L. Amasaki

Accepted and approved by the PFD this _____ day of _____, 2025.

**CAPITAL AREA REGIONAL
PUBLIC FACILITIES DISTRICT**

Name: _____
Title: _____

CAPITAL AREA REGIONAL PUBLIC FACILITIES DISTRICT

RESOLUTION NO. 25-01

A RESOLUTION of the Board of Directors of the Capital Area Regional Public Facilities District authorizing the issuance of limited tax general obligation bonds by the City of Olympia for the purpose of providing funds to finance the expansion of the Hands On Children's Museum; approving and authorizing the execution of a Financing Agreement between the District and the City of Olympia relating to the issuance of such bonds; and approving certain matters related thereto.

WHEREAS, pursuant to chapter 35.57 of the Revised Code of Washington ("RCW"), the City of Olympia ("Olympia"), the City of Lacey, the City of Tumwater and Thurston County entered into an interlocal agreement in June 2002, as amended (the "Interlocal Agreement") to create the Capital Area Regional Public Facilities District (the "District") for the purpose of financing, acquiring, constructing, owning and/or operating one or more regional centers; and

WHEREAS, in 2006, the District contracted with Olympia to develop the Hands On Children's Museum (the "Museum"), which is operated by the Hands On Children's Museum, a 501(c)(3) nonprofit corporation (the "Nonprofit"), as a regional center; and

WHEREAS, the District, Olympia and the Nonprofit now desire to design, construct, develop and improve an expansion to the Museum, as further described herein (the "Project"); and

WHEREAS, in order to provide financing for the shell and core of the Project, Olympia expects to issue one or more series of limited tax general obligation bonds in the aggregate principal amount of not to exceed \$25,000,000 (the "Bonds"); and

WHEREAS, under the Interlocal Agreement and pursuant to Resolution No. 03-01 of the Board adopted on March 7, 2003, the District collects a sales and use tax authorized by RCW 82.14.390 at the rate of 0.033% of the selling price (in the case of a sales tax) or the value of the article used (in the case of a use tax) (the "Sales Tax"); and

WHEREAS, revenue received by the District from the Washington State Department of Revenue on account of the Sales Tax imposed by and collected for the District is currently allocated 71.7742% to the City of Lacey and 28.2258% to Olympia to pay costs related to the Museum, including debt service on bonds issued by Olympia for Museum purposes; and

WHEREAS, the Board of Directors of the District (the "Board") finds that it is in the best interests of the District to enter into a Financing Agreement between Olympia and the District (the "Agreement"), to memorialize the obligation of the District to pay Sales Tax revenue to Olympia for the purpose of paying debt service on the Bonds and the pledge of such revenues for such purpose, as set forth therein; and

WHEREAS, the Board has determined to delegate to the President of the Board or such individual's designee certain matters relating to the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CAPITAL AREA REGIONAL PUBLIC FACILITIES DISTRICT, as follows:

Section 1. Definitions. Unless the context clearly requires otherwise, capitalized terms used in this resolution have the meanings given such terms in the recitals hereof and in the Agreement. The following terms shall have the following meanings:

“Agreement” means the Financing Agreement to be executed and delivered by Olympia and District in connection with the issuance of the Bonds.

“Bonds” mean the limited tax general obligation bonds to be issued by Olympia in one or more series to finance the Project. The term “Bonds” shall also include any bonds or other obligations issued by Olympia to refund the Bonds issued to finance the Project.

“Continuing Disclosure Certificate” has the meaning set forth in Section 3 of this resolution.

“Interlocal Agreement” means the Interlocal Agreement Regarding Creation of a Public Facilities District for a Regional Center dated June 25, 2002 by and among Olympia, the City of Lacey, the City of Tumwater and Thurston County, as amended from time to time.

“Museum” means the Hands On Children's Museum located in Olympia, as it may be expanded from time to time, including by the Project.

“Project” means the design, construction, development and improvement of an expansion to the Museum, as deemed necessary and advisable by Olympia.

“Rule” means the Securities and Exchange Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Sales Tax” means the sales and use taxes imposed by the District pursuant to Resolution No. 03-01 of the Board adopted on March 7, 2003 and authorized by RCW 82.14.390 at the rate of 0.033% of the selling price (in the case of a sales tax) or the value of the article used (in the case of a use tax).

“Sales Tax Revenue” means all the money received by the District from the Washington State Department of Revenue on account of the Sales Tax imposed by and collected for the District. Currently, 71.7742% of the Sales Tax Revenue is allocated to the City of Lacey and 28.2258% is allocated to Olympia.

Section 2. Approval of Bonds; Approval of Financing Agreement; Pledge of Sales Tax Revenue.

(a) *Approval of Bonds.* For the purpose of paying and/or reimbursing Olympia for costs of the Project and paying related costs of issuance, the District hereby authorizes and

approves the issuance of the Bonds by Olympia. Prior to the issuance of the Bonds, the District shall obtain, or cause to be obtained, an independent financial feasibility review of the Bonds and the Project by the State Department of Commerce through the Municipal Research and Services Center or other entity as required in RCW 35.57.025.

(b) *Approval of Agreement.* The Board hereby approves the Agreement by and between the District and Olympia, substantially in the form attached hereto as Exhibit A and incorporated herein by this reference. The President of the District is hereby authorized and directed to execute and deliver the Agreement to Olympia, substantially in the form attached hereto with only those modifications as determined by the President of the District to be necessary.

(c) *Pledge of Full Faith and Credit of District; Pledge of Sales Tax Revenue.* The full faith and credit of the District is hereby pledged for payment of the District's obligations under the Agreement, specifically including the District's obligation to pay Sales Tax Revenue to Olympia for application by Olympia to pay debt service on the Bonds. Sales Tax Revenue remitted to Olympia under the Agreement is hereby pledged for the equal and ratable benefit of the owners from time to time of the Bonds.

The Agreement shall constitute a "bond" of the District for purposes of RCW 35.57.020(4), evidencing the obligation of the District to remit Sales Tax Revenue to Olympia for the purposes set forth herein and in the Agreement.

(d) *Covenant to Impose Sales Tax.* The District's obligation to impose the Sales Tax pursuant to and to the extent permitted by chapter 35.57 RCW and RCW 82.14.390, as each may be amended from time to time, and to distribute Sales Tax Revenue to Olympia under the Agreement and the Interlocal Agreement, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, abatement or otherwise. Except to the extent that the District's legal authority to impose and collect the Sales Tax expires pursuant to RCW 82.14.390, as amended, or any applicable successor statute, the obligations under the Agreement and the Interlocal Agreement shall continue in effect and shall survive until the full repayment, defeasance, or early redemption of the Bonds.

Section 3. Continuing Disclosure Undertaking. To meet the conditions of paragraph (b)(5) of the Rule, as applicable to a participating underwriter for the Bonds, the District hereby undertakes for the benefit of holders of the Bonds to provide, or cause to be provided, annual financial information as provided in a "Continuing Disclosure Certificate." The President of the District is hereby authorized to execute and deliver a Continuing Disclosure Certificate if and as necessary under the Rule.

Section 4. General Authorization. Upon the passage and approval of this resolution, the proper officials of the District, including but not limited to the President and Secretary/Treasurer of the District, are authorized and directed to execute all other documents and closing certificates, and to undertake all action necessary for the prompt execution and delivery of the Bonds and the transfer of Sales Tax Revenue to Olympia.

Section 5. Effective Date. This resolution shall become effective upon its approval as provided by law.

ADOPTED by the Board of Directors of the Capital Area Regional Public Facilities District at a special open public meeting thereof held this ____ day of August, 2025.

CAPITAL AREA REGIONAL PUBLIC
FACILITIES DISTRICT

President and Board Member

ATTEST:

District Secretary/Treasurer and Board Member

Exhibit A

FORM OF FINANCING AGREEMENT

FINANCING AGREEMENT BETWEEN THE CITY OF OLYMPIA
AND THE CAPITAL AREA REGIONAL PUBLIC FACILITIES
DISTRICT FOR THE HANDS ON CHILDREN'S MUSEUM
EXPANSION PROJECT.

Section 1. Date and Parties. This Financing Agreement ("Agreement") is dated this _____ day of _____, 2025 (the date of issuance and delivery of the Bonds described herein) and is entered into by and between the CITY OF OLYMPIA, (the "City"), a municipal corporation organized and operating pursuant to the Constitution and laws of the State of Washington, and the CAPITAL AREA REGIONAL PUBLIC FACILITIES DISTRICT (the "District"), a municipal corporation duly organized and operating pursuant to the laws of the State of Washington as established by the Interlocal Agreement as entered into by the City, the City of Lacey ("Lacey"), the City of Tumwater ("Tumwater"), and Thurston County (the "County") on June 26, 2002, as amended (the "Interlocal Agreement").

Section 2. General Recitals.

- A. Lacey, the City, Tumwater and the County established the Capital Area Regional Public Facilities District on or around June 26, 2002 pursuant chapter 35.57 of the Revised Code of Washington ("RCW") and pursuant to Olympia Municipal Ordinance 6194, Lacey Ordinance No. 1183, Tumwater Ordinance No. 02002-014, and County Ordinance No. 12798.
- B. The Hands On Children's Museum (as further defined herein, the "Museum") is one of the two regional centers approved through the Interlocal Agreement and is a regional center within the definition of chapter 35.57 RCW.
- C. The City previously issued limited tax general obligation bonds (the "2010 Bonds"), which were refinanced in 2019 (the "2019 Bond"), to provide funds to finance the acquisition and construction of the Museum.
- D. The Museum project involved the original construction of the Museum building and other such amenities that the City determined would benefit the project or its public features, and be designed to serve the needs of the greater Thurston County region and attract visitors from throughout the State of Washington.
- E. The cost of the Museum, including financing and debt service costs, exceeded \$10 million.
- F. The District and the City have determined that it is in the best interest of the greater Thurston County region to design, construct, develop, and improve an expansion to the Museum (the "Project"), to better serve the public and visitors of the Museum.

- G. In order to finance a portion of the costs of the Project, the City has agreed to issue its Limited Tax General Obligation Bonds, 2025B in the aggregate principal amount of \$_____ (as further defined herein, the “Bonds”).
- H. Remaining costs of the expansion of the Museum, including exhibits, will be financed with available funds of the City and funds of the Hands On Children’s Museum, a 501(c)(3) nonprofit organization, as operator of the Museum (the “Nonprofit”).
- I. The District, under RCW 82.14.390 and its Charter, has the authority to impose and collect a sales and use tax as described herein (the “Sales Tax”) to repay any financing obtained to fund the design, construction, acquisition, operation and/or maintenance of the Museum.

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

Section 3. Incorporation of Recitals. The recitals contained herein, including the definitions, are incorporated by this reference and made part thereof.

Section 4. Definitions. All words used in this Agreement shall be given their normal and ordinary meaning unless defined in this Section 4. Furthermore, the following terms shall have the meanings as follows:

“Bonds” - The City’s Limited Tax General Obligation Bonds, 2025B issued by the City to finance an expansion to the Museum and any other bonds or other evidence of indebtedness of the City the proceeds of which will be used to refund such Bonds.

“Museum” - The Hands On Children’s Museum, as it currently exists and as it may be expanded or improved from time to time, including by the Project.

“Project”- The design, construction, development, and improvement of an expansion to the Museum.

“Sales Tax”- The sales and use tax to be imposed by the District in accordance with RCW 82.14.390 at a rate not to exceed 0.033% of the selling price in the case of a sales tax or value of the article used in the case of a use tax, which tax shall be deducted from the amount of tax otherwise required to be collected or paid over to the State Department of Revenue and shall expire when the Bonds (or any additional bonds issued to finance and/or refinance the Project or other obligations of the District) are retired, or in any event not later than 55 years (under current law) after the date the sales tax is first imposed.

“Sales Tax Revenue”- All revenue collected by the District from the Sales Tax.

“State” - The State of Washington.

Section 5. Agreement Purpose. The parties are entering into this Agreement pursuant to chapters 39.34 and 35.57 RCW. The purpose of this Agreement is to set forth the rights and responsibilities of each of the parties with regards to the financing, acquisition, design, construction, operation and/or maintenance of the Project, meeting the definition of a “regional center” provided in RCW 35.57.020, while complying with the Internal Revenue Code and Regulations regarding tax exempt municipal bond financing.

Section 6. Operation of Museum and Project. It is the understanding of the parties that the Museum, as expanded by the Project, will be leased to and operated by the Nonprofit as a single, integrated facility on behalf of the City and the District.

Section 7. Museum Financial Obligations.

A. City.

1. The City will issue the Bonds in such amount (net of the costs of issuing the Bonds) necessary for acquisition, design, development, construction, and improvement of the Project.
2. The City has provided or will provide the one-third local match or has caused or will cause the match to be provided as required by RCW 82.14.390. The City may provide for the local match by, *inter alia*, providing the match itself or arranging for cash, land, or in-kind contributions from a third party to be used for, in or towards the development, acquisition or improvement of the Museum, including the Project. The City may use whatever funding sources are legally available for such purpose.
3. Pursuant to OMC 3.04.200(H), the City has established a fund designated as the “Hands On Children’s Museum Fund,” in which the City shall deposit Sales Tax Revenues and other funds allocated to the Museum. The City has pledged some or all of the Sales Tax Revenues identified below to repayment of the 2019 Bond and will pledge some or all of the Sales Tax Revenues identified below to repayment of the Bonds and/or the costs of operation of and maintenance of the Museum. Any Sales Tax Revenues in excess of that pledged for repayment of the 2019 Bonds, the Bonds and interest earnings on such Sales Tax Revenues shall be deposited in the Hands On Children’s Museum Fund and shall be available at the sole discretion of the City for use on major replacement and repairs, lease payments, operations and/or maintenance of the Museum, or for other uses related to the Museum. Prior to issuance of the Bonds, the City may

use the Sales Tax Revenues for any Project costs, including predevelopment or pre-acquisition costs of the Project and Project administrative costs.

B. District.

1. In consideration for the City's agreement to issue the Bonds or issue or provide other financing or cash for the Project, provide the local match under RCW 82.14.390, and administer the Project as provided below, the District agrees to impose the Sales Tax and to pay to the City that portion of the Sales Tax Revenue, as follows:
 - a. Until such time as the Sales Tax proceeds generated by and attributable to taxable events as defined in RCW 82.14.020(9) occurring within the boundaries of the District equal \$40,500,000, 28.2258% of such proceeds shall be distributed to the City for the Museum. Sales Tax proceeds shall be calculated as set forth in the Interlocal Agreement between the City and the District relating to the 2019 Bond.
 - b. After the sum set forth in in subsection (a) has been received, there shall be distributed to the City for the Museum from Sales Tax proceeds generated by and attributable to taxable events as defined in RCW 82.14.020(9) occurring within the boundaries of the District an amount equal to one-thirds of such tax proceeds received.
2. To facilitate the District's agreement to pay those portions of the Sales Tax Revenues identified above, this Agreement shall constitute an additional assignment by the District of the District's right to receive said Sales Tax Revenues from the Department of Revenue to the City.
3. The District hereby pledges its full faith and credit to the District's obligations under this Agreement, specifically including the District's obligations to pay Sales Tax Revenue to the City for the purposes set forth herein. All Sales Tax Revenue remitted to the City under this Agreement are hereby pledged for the equal and ratable benefit of the owners from time to time of the Bonds. The obligations of the District to pay Sales Tax Revenue to the City and to perform and observe the other obligations on its part contained herein are absolute and unconditional, and are not subject to diminution by setoff, counterclaim, abatement or otherwise.
4. The District acknowledges and agrees that the City may pledge some or all of the Sales Tax Revenue to the repayment of the Bonds.

5. In consideration for the City's agreement to issue the Bonds or issue or provide other financing or cash for the acquisition, construction, operation and/or maintenance of the Museum, provide the local match under RCW 82.14.390, and administer the Project as provided below, the District also agrees to impose any other tax, fee or charge authorized by RCW 35.57.040, RCW 35.57.100, RCW 35.57.110 and the Charter, if and as requested by action of the Olympia City Council. The District agrees to impose such tax, fee or charge according to the terms requested by the City, including but not limited to the duration, amount, and area affected, so long as such terms are consistent with applicable law.
6. The District hereby assigns its right to receive and/or collect any tax, fee or charge imposed pursuant to subsection (5) above to the City. The District shall, upon imposition of any such tax, fee or charge, promptly inform the Department of Revenue and instruct the Department that the tax, fee or charge shall be paid directly to the City.
7. Prior to the issuance of the Bonds, the District agrees that it shall obtain, or cause to be obtained, an independent financial feasibility review of the Bonds and the Project by the State Department of Commerce through the Municipal Research and Services Center or other entity as required in RCW 35.57.025.
8. The District shall file annual financial statements and annual reports with the City within 180 days after the end of each fiscal year.
9. The District agrees to stay in existence as long as the Bonds are outstanding and not to take any action that would impact the tax-exempt status or other provision of any Bonds.
10. This Agreement shall constitute a "bond" of the District for purposes of RCW 35.57.020(4), evidencing the obligation of the District to remit Sales Tax Revenue and other charges and fees to the City for the purposes set forth herein.

Section 8. Environmental Law Compliance.

- A. The City shall be responsible for complying with all applicable environmental laws with regards to the Project construction, or causing or requiring said applicable environmental laws to be complied with. This may include but not be limited to, the Olympia Municipal Code, local, State and federal environmental laws.

- B. Whether under WAC 197-11-926, -930, or-944, the City shall be the nominal lead agency, and the City shall be responsible for complying with the duties of the lead agency under all applicable SEPA rules.

Section 9. Permits. The City shall be responsible for obtaining, or causing or requiring to be obtained, all necessary permits and approvals related to the acquisition, development, construction and/or operation of the Museum and the Project. The City shall comply with the terms and conditions of all permits, or shall cause or require said terms and conditions to be complied with, and the City shall be responsible for paying any fees related thereto or causing any such fees related thereto to be paid.

Section 10. Project Design and Construction.

- A. The City shall be primarily responsible for the locating, developing, designing, acquiring, constructing, operating, maintaining, and/or managing (as applicable), or for causing said actions to be done, with respect to the Museum and any future expansion of the Museum, including the Project.
- B. The City shall perform (or cause to be performed) the construction and development of the Project according to the following standards.
 - a. Performance in a good and workmanlike manner and in compliance with all applicable laws;
 - b. Use quality materials and workmanship; and
 - c. Use quality maintenance on all portions of the Project.

Section 11. Administration.

- A. The City shall be the administrator, within the meaning of RCW 39.34.030(4), of this cooperative undertaking for the acquisition, development and operation of the Museum, subject to the terms, conditions and limitations of this Agreement. This shall include responsibility for acquiring, designing, constructing, owning, remodeling, maintaining, equipping, repairing, financing and/or operating the Museum, as well as maintaining a budget for the Project. The City may use an alternative public works procedure, or other legal mechanism, to provide the most economic and efficient way to assure the success of the Project.
- B. The City shall operate and maintain the Museum, or cause the Museum to be operated and maintained, at all times in a safe and clean condition. The City shall provide (directly or by contract) all management, supervision, personnel, materials, equipment, services and supplies necessary to operate, maintain and repair the

Museum and shall take all reasonable precautions to prevent damage, injury or loss by reason of or related to the construction, operation and maintenance of the Museum to any person or property. The City shall comply with all applicable laws and ordinances in acquiring, constructing, operating and maintaining the Museum. The City shall undertake all modifications to the Museum required to comply with all applicable laws, regulations, judgments and orders.

Section 12. Land Ownership. The City has acquired the real property that shall serve as the site or sites of the Project. The District shall not be a party to any land ownership contracts involving the Museum.

Section 13. Insurance; Destruction.

- A. Insurance Requirements. The City shall maintain and keep in force on the Property the following insurance:
- a. Builder's All Risk Comprehensive Coverage. During construction, the City shall keep or require the developer to keep the Project, insured for Builder's All Risk Comprehensive Coverage (including earthquake and flood) in an amount not less than 100% of the full replacement cost of the Museum, including all fixtures, equipment, improvements, and betterments thereto.
 - b. Commercial General Liability Coverage. The City shall carry or require the developer to carry Commercial General Liability insurance providing coverage claims for bodily injury, death, or property damage on the Project with broad form liability and property damage endorsement, written for combined single limits of liability of no less than \$10,000,000 per occurrence, said amount to be adjusted from time to time with coverage deemed customary under like conditions.
 - c. Property Damage Insurance. Following substantial completion of construction or acquisition of the Project, the City shall carry property damage insurance covering the Museum, including all improvements, including earthquake, flood, boiler, machinery insurance in an amount and manner consistent with the insurance carried by the City for properties owned or leased by the City. The City may cause a third party to keep insurance on the Museum contents and to carry Commercial General Liability coverage during operations and maintenance of the Museum.
- B. Insurance Policies. The insurance policies required by this Agreement shall be issued as primary policies and shall carry an endorsement that the policy shall not be cancelled or substantially changed without at least 30 days written notice to the

City. The City shall make available to the District copies of all insurance policies within seven days of any request by the District.

- C. Adjustments. The types of policies, risks insured, coverage amounts, deductibles and endorsements may be adjusted from time to time as the City and the District may mutually determine and agrees.
- D. Destruction.
 - a. If the Project or Museum is totally or partially destroyed at any time after the execution of this Agreement and the insurance proceeds (less any deductible) are sufficient to pay the cost of reconstruction or restoration, then the City shall reconstruct to repair the damage consistent with the terms and intent of this Agreement. If the insurance proceeds (less any deductible) are insufficient to reconstruct or repair the Project or Museum, then the City may nonetheless elect to reconstruct or repair the Project or Museum or to terminate this Agreement.
 - b. If the City is unable to reconstruct or restore the damage to the Project or Museum, the District shall be entitled to a pro rata share of the insurance proceeds, based on the amount of the Sales Tax Revenues received by the City in relation to the total construction costs of the City in the Project. The District and the City shall use any proceeds received in a manner that does not impact the tax-exempt status of the Bonds.

Section 14. No Other District Obligation. The District shall not be responsible for any construction or operation funding shortfalls, or any other financial commitments or obligations associated with the Project or the Museum beyond the specific commitments set forth in this Agreement.

Section 15. Disposition of Property. Upon termination of this Agreement, all property including but not limited to the Museum shall be retained by or returned to the City with the exception of Sales Tax Revenues, which shall be retained by or returned to the District upon payment in full of the Bonds and all other expenses, fees and costs incurred by the City in connection with the Museum.

Section 16. Indemnity and Hold Harmless.

- A. The City shall defend, indemnify and hold the District, and its respective elected officials, officers, employees and agents, including its development coordinator (indemnitees) harmless from all claims, regardless of the nature of the claim, arising directly or indirectly from the planning, permitting, acquisition, construction and/or operation of the Museum, except for claims arising from the sole negligence of any

indemnatee. In the case of concurrent negligence of the City and an indemnatee, each party shall hold the other party harmless from their proportionate share of the resulting damages.

- B. This indemnity and hold harmless obligation shall extend to all claims of whatsoever kind or nature. It shall include attorneys fees, expert witness fees, court costs, arbitration costs, administrative fines and penalties, and any other direct expense that are a direct consequence of a breach of any provision of this Agreement or any negligent act or failure to act. It shall include the duty to promptly accept tender of defense and provide defense to the indemnitees.

Section 17. Dispute Resolution.

- A. If a dispute arises between the parties with regards to the performance of any provision of this Agreement or the interpretation thereof, the parties agree to follow the procedure set forth in this Section 17. It is the goal of the parties to resolve their differences as early in this step process as possible.
 - a. Step One - Informal Discussions. The parties shall designate representatives to meet to see if the matter can be informally resolved. This may involve more than one meeting.
 - b. Step Two - Written Notification and Resolution. If informal discussions are not successful then a written notice of dispute shall be mailed to the address for notices set forth herein, as well as to the designated representatives. The notice shall set forth the nature of the dispute and the desired outcome. A written response shall be provided within 10 business days. The response shall provide the responding party's version of the dispute and a proposed resolution. The parties shall meet within 10 business days after the response is received in order to see if the matter can be amicably resolved. If the matter is amicably resolved at this stage the affected parties shall sign a memorandum of understanding with regards thereto.
 - c. Step Three - Mediation. If the parties are unable to resolve their differences at Step Two, the parties will endeavor to settle the dispute by mediation under such mediation rules as shall be mutually agreeable to the parties. Such mediation will be non-binding but a condition precedent to having said dispute decided in court by a judge or jury. Mediation shall commence, unless otherwise agreed, within 30 days of a party's written request for mediation of a dispute. Any resolution at this stage shall be reduced to writing and, if it involves an interpretation of this Agreement, it shall be considered an addendum to this Agreement.

Section 21. Benefits. This Agreement is entered into for the benefit of the parties to this Agreement only and shall confer no benefits, direct or implied, on any third persons.

Section 22. Assignment. The rights granted by this Agreement may not be assigned without the written consent of the parties hereto.

Section 23. Supplemental Documents. The parties agree to complete and timely execute all supplemental documents necessary or appropriate to fully implement the terms of this Agreement.

Section 24. Duration of Agreement. This Agreement shall continue in full force and effect until terminated by written agreement of the parties, or until such time as the Sales Tax and all other taxes, fees or charges imposed by the District expire under Section 7 above. Notwithstanding anything herein to the contrary, the parties hereto shall not terminate this Agreement so long as the Bonds are outstanding.

The City will not extend the terms of the Bonds, or refund the Bonds or otherwise extend the term beyond the initial Bond term without the written consent of the District.

All rights to indemnification under Section 16 of this Agreement, and all rights and obligations pertaining to the disposition of property as provided in Section 15 shall survive the termination of this Agreement and remain in force until such expenses, fees and costs are paid and such indemnification provision satisfied.

Section 25. Filing of Agreement. Within five days from the date of this Agreement, as set forth in Section 1, this Agreement shall be filed by the City with the Thurston County Auditor or posted on the City's and the District's websites, as required by RCW 39.34.040.

Section 26. Specific Performance. The parties acknowledge that any party may require specific performance of any of the terms and conditions of this Agreement, in addition to any other remedies that may be available as a matter of law.

Section 27. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Execution pages follow]

[Signature page to Financing Agreement]

CITY OF OLYMPIA

By: _____

Its: _____

Name: _____

Approved as to form:

[City Attorney][Bond Counsel]

**CAPITAL AREA REGIONAL PUBLIC
FACILITIES DISTRICT**

By: _____

Its: _____

Name: _____

Approved as to form:

[City Attorney]



Hands On Children's Museum Expansion Planning



Patty Belmonte, CEO



Early Learning Matters

- Early childhood experiences from birth to 8 years affects the brain's architecture forever!
- Quality early learning experiences impact a child's success in school and in life!





About Hands On

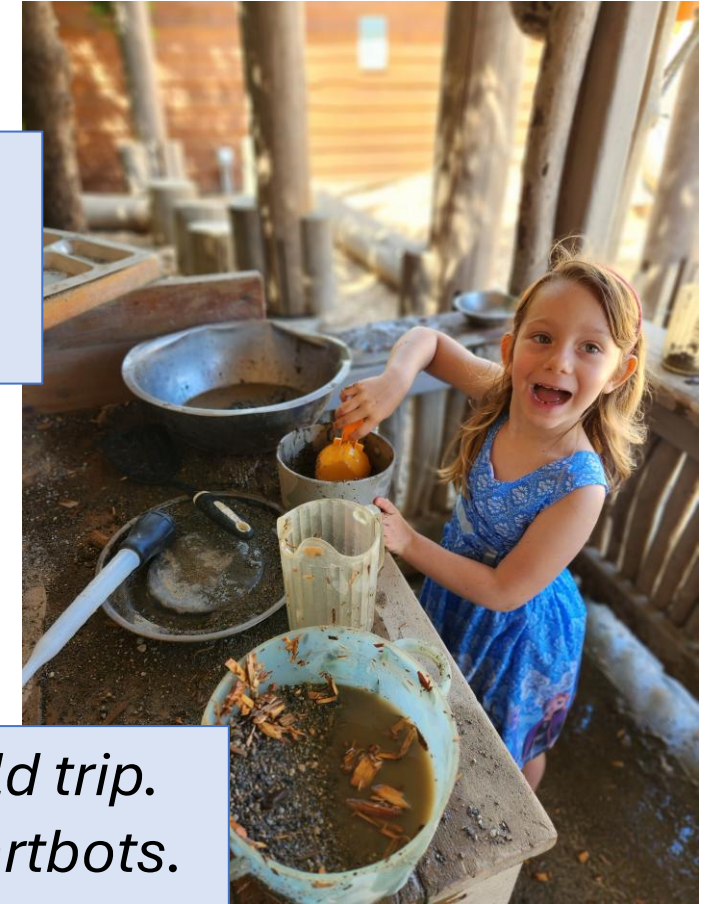
- 13 Years on Olympia Waterfront
- Destination Museum – National & International visitors
- 300,000 Visitors - More visitors per s/f than any of the nation's children's museums
- Commitment to Access – 130,000 served
- Consistent “Best Of” Award-Winner





PFD Projects Benefit Out of Town Visitors & Residents Alike

“Early learning play at its best! Such a wonderful experience! The exhibits are well thought out and stunning. We went 3 times during our trip.”– Paris



★★★★★ " Hands down, this is the best Hands On Children's Museum in Washington! **Seattle, WA**

Madison Elementary students had a blast on their recent field trip. Our young engineers got creative by designing their very own artbots. The result? A whirlwind of colorful fun and hands-on learning!

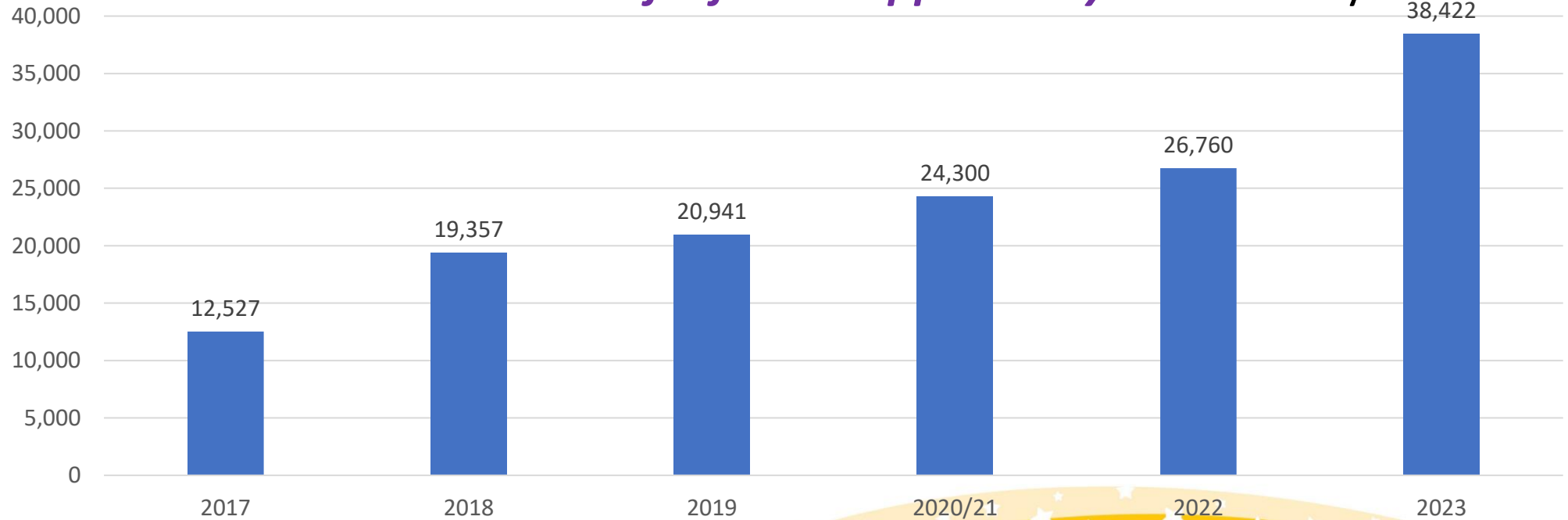


A Museum For All

30 Free & Reduced Programs

Largest Program - EBT Family Access

"This was an amazing first-time experience and I am so thankful for the opportunity." EBT Family



Value of EBT Admissions \$164,137 in 2017 growing to \$644,068 in 2023!

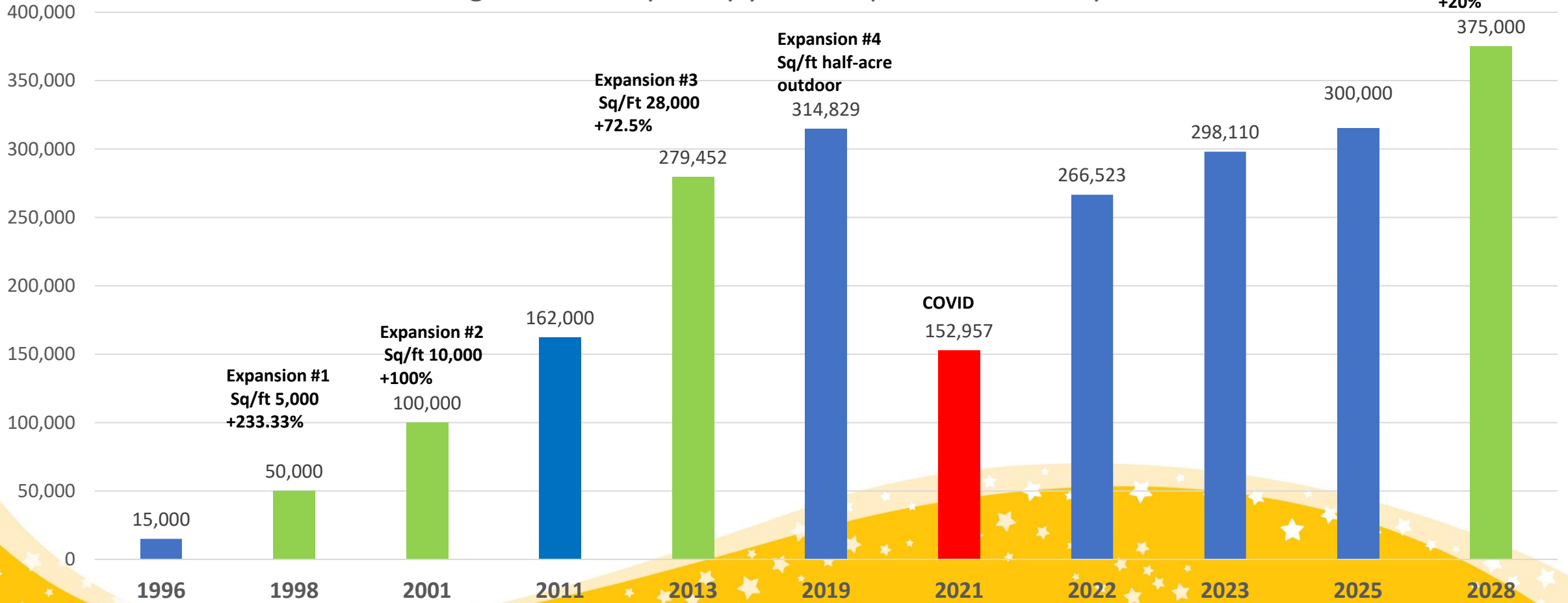


Doing Our Homework

Documenting Growth Over Time

Green = Expansion Years

The Museum has grown steadily every year except the Pandemic years 2020-2021





Museum Expansion Triggers

What Will Growth Solve?

What Unique Opportunities Exist?

- Visitor Experience – Can be Too Crowded!
- Not Enough restrooms
- Inefficient space - No room for staff/materials/equipment
- Constant Room flipping
- Program Needs
- New Exhibit Dreams
- **Availability of Time Sensitive Funding –
Public Facilities District Funds**





Mid-size Museum with King-size Attendance

Doing What We Can with What We Have

Space Saving Strategies

- Extended hours 9-5
(7-days a week)
- Expanded events to multiple days
- Sold timed tickets
- Promoted after hours parties and field trips



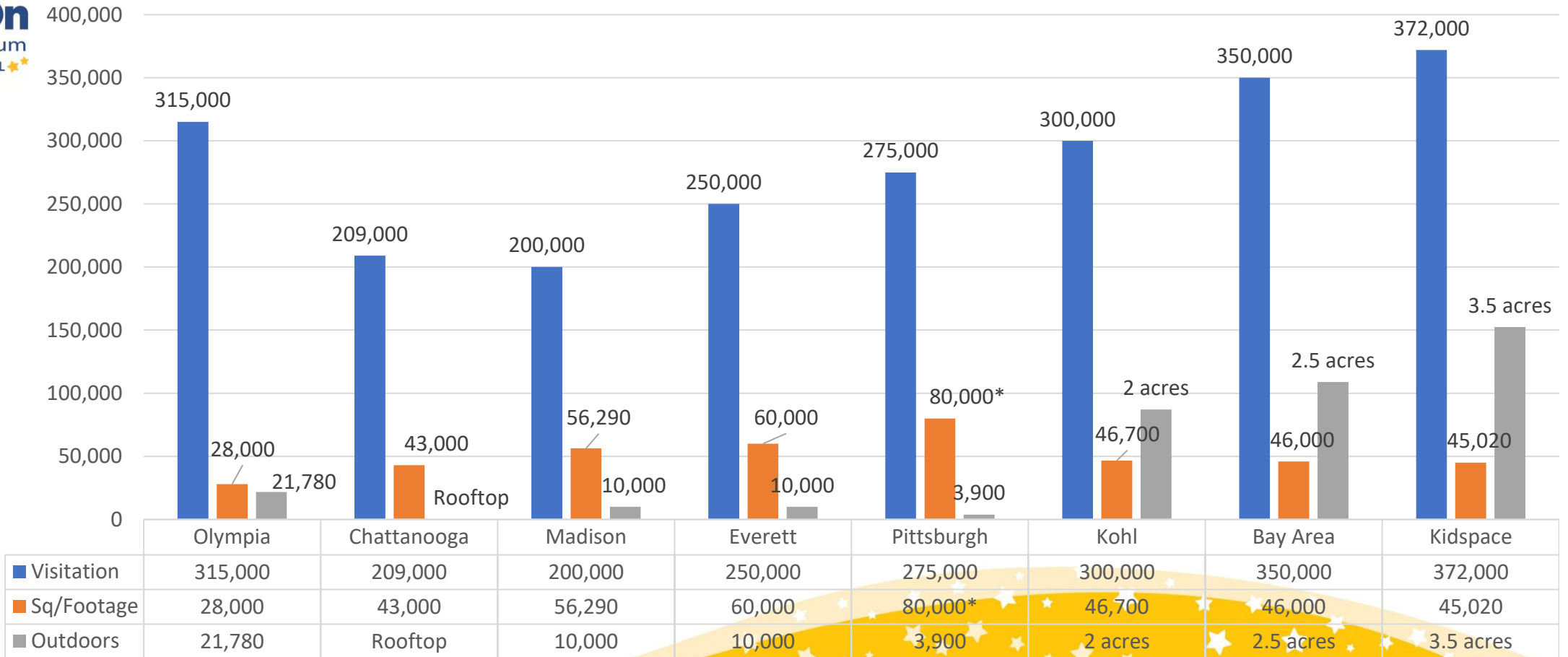


Lower Tolerance for Crowds in Post Pandemic World



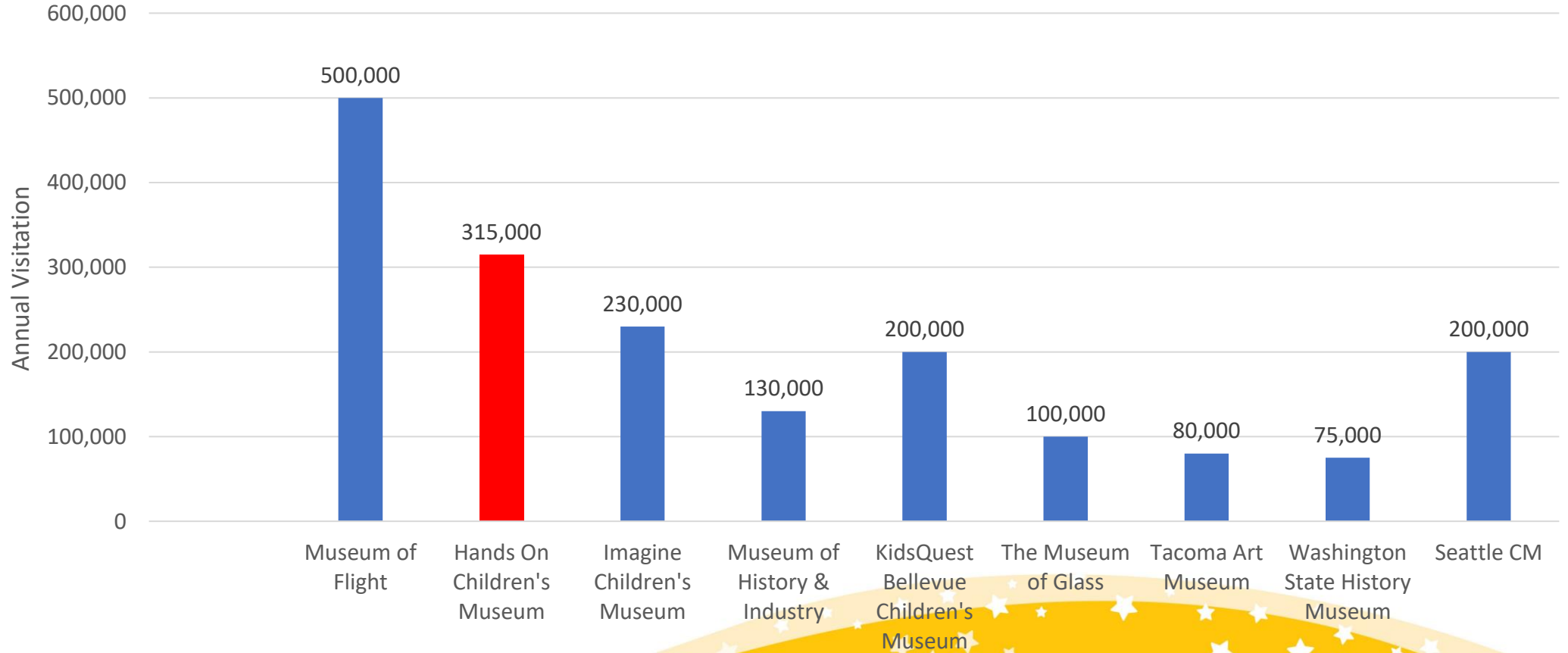


Hands On has less sq/footage than any children's museum serving 300,000+



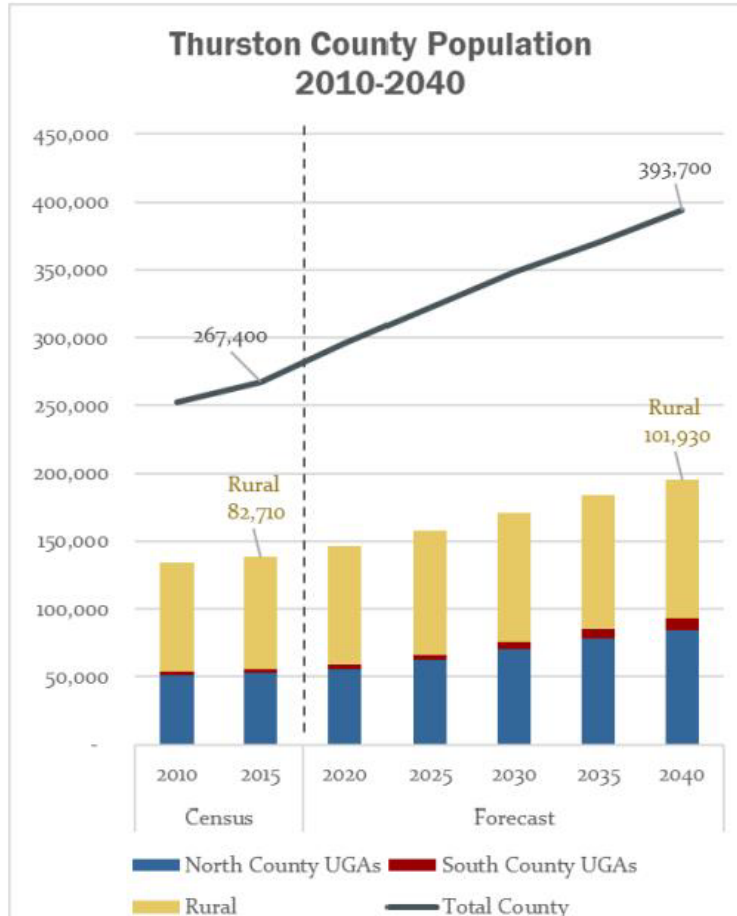


A Regional Leader for Attracting High Visitation





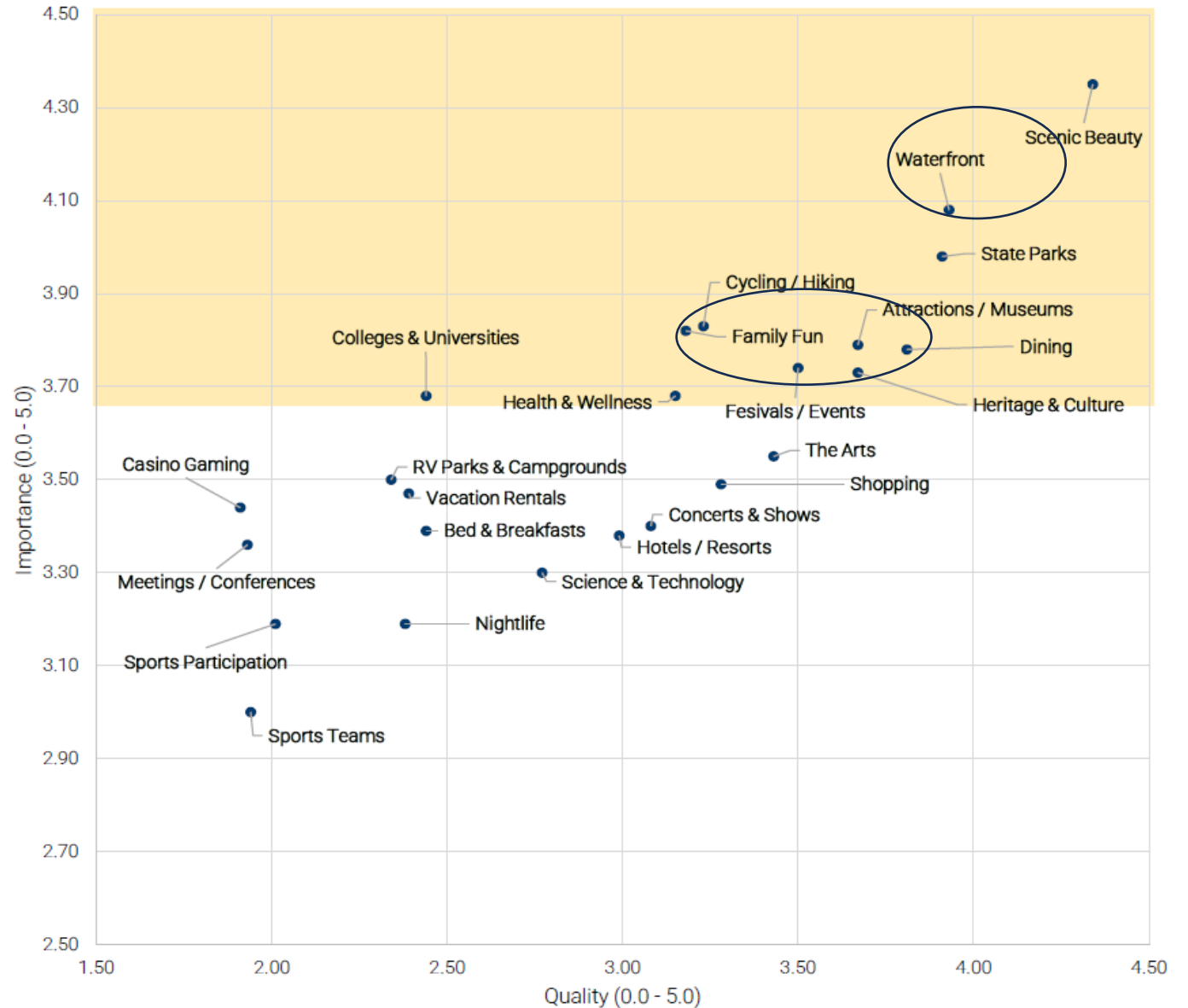
Growth: Thurston County Comp Plan Update 2018



Thurston County
Over 300,000 &
growing

VISITORS KEY DRIVERS

1. Scenic Beauty
2. Waterfront
3. State Parks
4. Cycling / Hiking
5. Family Fun
6. Attractions / Museums
7. Dining
8. Festivals / Events
9. Heritage & Culture
10. Colleges & Universities





Comparing Size, Visitation & Operating Budget for a “Right Sized” Children’s Museum

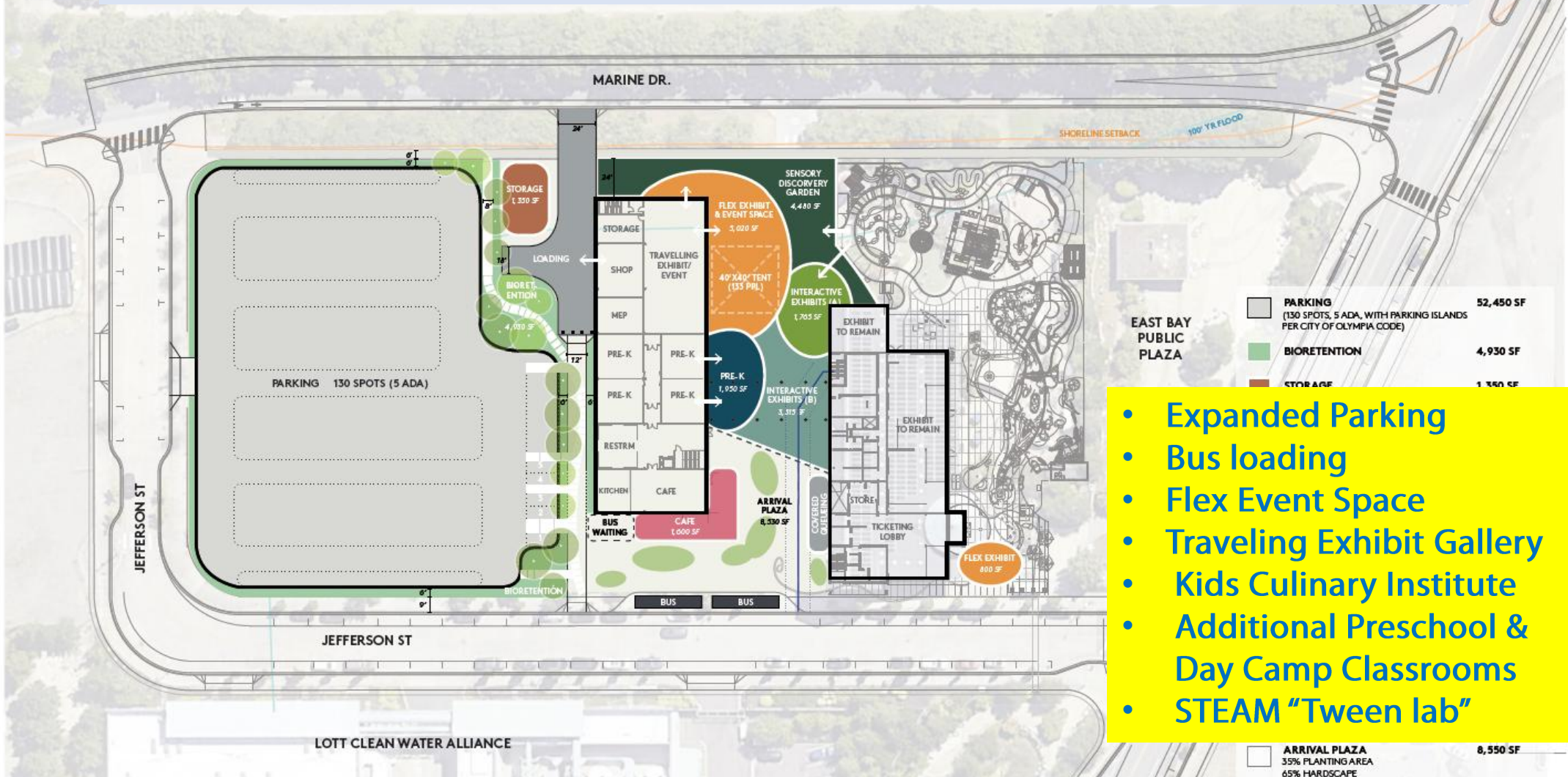
	Olympia	Chattanooga	Everett	Kohl	Bay Area	Pasadena	Denver	Magic House
Sq Footage	28,000+	42,000	42,000	46,700	46,000+	45,000+	47,000+	55,000
Visitation	315,000	250,000	250,000	300,000	350,000	378,000	500,000	560,000
Operating Budget	\$5,200,000	\$3,600,000	\$5,275,000	\$5,100,000	\$7,500,000	\$6,300,000	\$9,600,000	\$9,000,000
New HOCM	Approximately 50,000sq/ft							

Minimum Expansion Needs



- Double **exhibit** square footage (from 12 to 24,000)
- Add traveling exhibit gallery
- Add children's culinary lab
- Add "tween" Makespace and lab
- Improve Visitor Entrance Experience Lobby/Café
- Add restrooms (family)
- Move preschool classrooms to gain space, improve operations, increase safety
- Expand parking
- Improve shop safety and general storage

Hands On Children's Museum Expansion Feasibility Study with Cost Estimates



- Expanded Parking
- Bus loading
- Flex Event Space
- Traveling Exhibit Gallery
- Kids Culinary Institute
- Additional Preschool & Day Camp Classrooms
- STEAM "Tween lab"



Design Feasibility Study

New Building 20,000+sq/ft
1-acre of outdoor learning
Expanded Parking Lot/Bus loading





Project Takes Advantage of a One-Time Opportunity

- To Secure Adjacent Property
- To Maximize PFD Revenue
- To Plan for Phased Growth

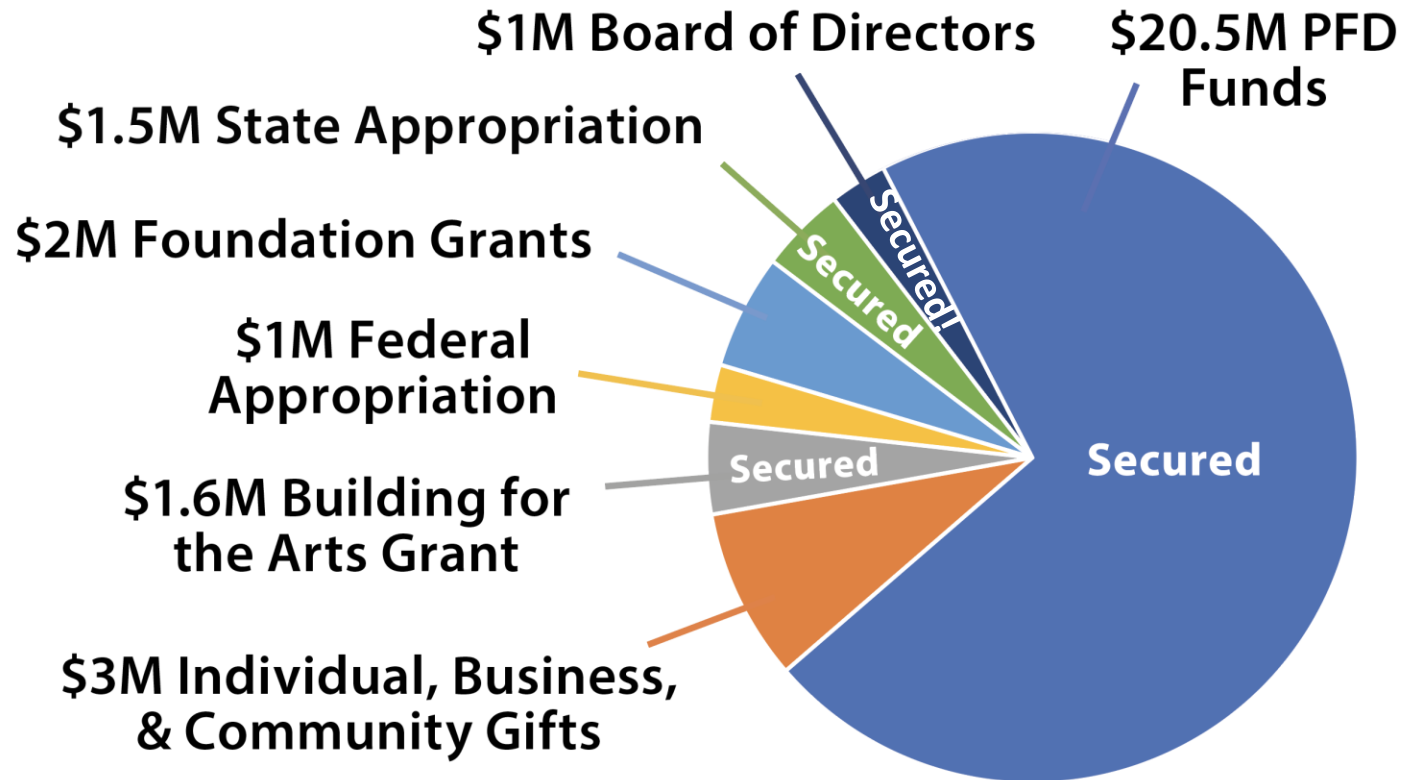




Funding Feasibility

Funding Sources for \$30.6M Campaign

Over \$24M Secured to Date





Planning Multi-use Spaces Traveling Exhibits, Events Center





Growing Our Community Treasure

- Early learning, arts and science for all
- Enhances quality of life for regional residents
- Contributes economic vitality through tourism
- National Green Museum – Returns land for public benefit
- PFD funds are restricted to this project

