

**FRIDAY HARBOR TRANSPORTATION BENEFIT DISTRICT****RESOLUTION NO. 05-14**

A RESOLUTION of the of the Board of the Friday Harbor Transportation Benefit District relating to regular property taxes; providing for the submission to the voters of the District at an election to be held on November 4, 2014, of a proposition authorizing an additional sales and use tax at the rate of two-tenths of one percent pursuant to RCW 82.14.0455 to pay part of the cost of transportation improvements and may be dedicated for the repayment of indebtedness incurred to finance those improvements; setting forth the text of the ballot proposition; directing proper District officials to take necessary actions; and providing for other properly related matters.

BE IT RESOLVED BY the Board of the Friday Harbor Transportation Benefit District, Washington, as follows:

Section 1. Findings and Determinations. The Board (the "Board") of the Friday Harbor Transportation Benefit District, Washington (the "District"), finds as follows:

(a) Chapter 36.73 RCW enables cities and counties to create transportation benefit districts in order to finance and carry out transportation improvements necessitated by economic development and to improve the performance of the transportation system. Under RCW 36.73.015(6), transportation improvements include, among other things, projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or other eligible jurisdiction, including investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

(b) Following a public hearing held in accordance with RCW 36.73.050, the District was formed by Ordinance No. 1539 of the Town of Friday Harbor (the "Town"), passed on June 26, 2014 (the "TBD Ordinance"), for the purpose of making transportation improvements that are consistent with the Town's Transportation Improvement Program and that are necessitated by existing or reasonably foreseeable congestion levels. Under the TBD Ordinance, those transportation improvements may include, without limitation, improvements to serve the Town, the region and the state, including those in which inclusion meets the requirements of RCW 36.73.050(2) and with the District's material change policy.

(c) The District is a quasi-municipal corporation, an independent taxing authority and a taxing district within the State of Washington authorized to carry out transportation improvements and programs under Chapter 36.73 RCW.

(d) The Board determines that it is necessary and appropriate to impose and collect, upon approval by a majority of the voters in the District, a sales and use tax authorized by RCW 82.14.0455 at a rate of two-tenths of one percent (0.20%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the purpose of paying part of the cost of specific transportation improvements and dedicated for the repayment of indebtedness, if incurred in the future in compliance with the requirements of Chapter 36.73 RCW, to finance those improvements.

Section 2. Sales and Use Tax. The Board directs the submission of a proposition to the voters of the District, substantially in the form set forth in this Resolution, to impose the sales and use tax authorized by RCW 82.14.0455 at a rate of 0.20% of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the purpose of providing for part of the cost of the transportation improvements specified in Section 3 of this Resolution. If approved, this sales and use tax shall be collected for a period not exceeding ten years, or if dedicated to the repayment of indebtedness incurred in accordance with the requirements of Chapter 36.73 RCW, until such time that indebtedness (including obligations issued to refund that indebtedness) shall have been fully redeemed and retired.

Section 3. The Transportation Benefit District Improvements. The specific transportation improvements (the "TBD Improvements") to be financed with proceeds of the sales and use tax consist of the transportation improvement projects described in detail within the Town's 2014-2019 Six Year Transportation Improvement Program, which abbreviated descriptions are incorporated herein. The cost of all necessary design, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the foregoing TBD Improvements shall be deemed a part of the costs of the TBD Improvements.

The Board shall determine the application of moneys available for the TBD Improvements so as to accomplish, as nearly as may be, all of the TBD Improvements. In the event that the proceeds of sales and use taxes authorized herein, plus any other money of the District legally available therefor, are insufficient to accomplish all of the TBD Improvements, the Board shall use the available funds for paying the cost of those portions of the TBD Improvements deemed by the Board most necessary and in the best interest of the District.

The Board shall determine the exact locations and specifications for the elements of the TBD Improvements as well as the timing, order and manner of implementing or completing the TBD Improvements. The Board may alter, make substitutions to and amend the TBD Improvements descriptions as it determines is in the best interests of the District consistent with the descriptions in the Town's 2014-2019 Transportation Improvement Program, as represented in the abbreviated descriptions referenced above and in accordance with the material change

policy adopted by the Board and the notice, hearing and other procedures described in chapter 36.73 RCW, including RCW 36.73.050(2)(b), in each case as the same may be amended from time to time.

If the Board determines that it has become impractical to acquire, construct, or implement all or any portion of the TBD Improvements by reason of changed conditions, incompatible development, costs substantially in excess of the amount of sales and use tax proceeds estimated to be available, lack of matching funds, or acquisition by a superior governmental authority, the Board will not be required to acquire, construct, or implement such portions. If all of the TBD Improvements have been acquired, constructed, implemented or duly provided for, or found to be impractical, the Board may apply the sales and use tax proceeds, plus any other money of the District legally available therefor, (including earnings thereon) or any portion thereof to other transportation improvements identified in the Town's then currently-adopted six-year transportation improvement program in accordance with the notice, hearing and other procedures described in chapter 36.73 RCW, including RCW 36.73.050(2)(b), in each case as the same may be amended from time to time.

Section 4. Calling of Election. The Board requests that the Auditor of San Juan County, Washington (the "County Auditor") call and conduct an election in the District, in the manner provided by law, to be held on November 4, 2014, for the purpose of submitting to the voters of the District, for their approval or rejection, the question of whether or not the District may impose the sales and use tax described in this Resolution. If such proposition is approved by the requisite number of voters, the District shall be authorized to impose the tax and to use the revenues for the purposes authorized by this Resolution.

Section 5. Ballot Proposition. The Chair of the Board (or his or her designee) is authorized and directed to certify, no later than August 5, 2014, to the County Auditor, as *ex officio* supervisor of elections, a copy of this Resolution and the proposition to be submitted at the election identified herein, in substantially the following form:

**Friday Harbor Transportation Benefit District**

**Proposition 1**

**Sales and Use Tax for Transportation Improvements**

The Board of the Friday Harbor Transportation Benefit District has adopted Resolution No. 05-14 concerning a proposition to finance transportation improvements. This proposition would authorize a sales and use tax at a rate of two-tenths of one percent (.2%) of the selling price in the case of a sales tax, or value of article used in the case of a use tax, for a period not exceeding the longer of 10 years or the time necessary to repay District indebtedness issued (if any) to finance the transportation improvements specified in Resolution No. 05-14.

Should this proposition be:

APPROVED? .....	<input type="checkbox"/>
REJECTED? .....	<input type="checkbox"/>

Section 6. Notices Relating to Ballot Proposition. For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the Board hereby designates: (a) the Secretary of the Board; and (b) special counsel to the District, Foster Pepper PLLC (Alice Ostdiek, (206) 447-4663, ostda@foster.com) as the individuals to whom such notice should be provided.

Section 7. General Authorization and Ratification. The proper District officials are authorized to perform such duties as are necessary or required by law to submit to the voters the question of whether or not to authorize the sales and use tax described in this Resolution. Any action heretofore taken consistent with the authority of this Resolution is ratified, approved, and confirmed.

Section 8. Severability. If any provision of this Resolution is declared by any court of competent jurisdiction to be invalid, then that provision shall be null and void and shall be separable from the remaining provisions and shall in no way affect the validity of the other provisions, or of the imposition or collection of the tax authorized herein.



CERTIFICATION

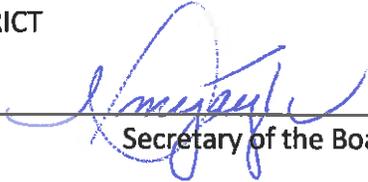
I, the undersigned, Secretary to the Board of the Friday Harbor Transportation Benefit District (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 05-14 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at an open meeting of the Board of the District (the "Board") held at the regular meeting place thereof on July 17, 2014, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 17<sup>th</sup> day of July, 2014.

FRIDAY HARBOR TRANSPORTATION BENEFIT  
DISTRICT

  
\_\_\_\_\_  
Secretary of the Board

Delivered to S.J.C. Auditor  
Friday, 7/18/14 @ 11:00 a.m.  
