

ORDINANCE NO. _____

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4 AN ORDINANCE relating to the King County Multi-
5 purpose Stadium; appropriating an amount not
6 to exceed thirteen million five hundred
7 eighty-four thousand six hundred forty
8 seven dollars; creating a King County
9 Stadium Supplemental Construction Fund;
10 providing for the issuance of warrants
11 on that fund, and the manner of redemption
12 of warrants on that fund; authorizing,
13 approving, ratifying and confirming the
14 execution of an agreement between the
15 County and certain banks.

16 Section 1. Findings. The County Council hereby
17 finds the following facts:

18 a. At a special election held in King County,
19 Washington, on February 13, 1968, the voters of
20 King County approved a ballot proposition authorizing
21 the issuance of general obligation bonds for the
22 purpose of acquiring, constructing and equipping a
23 multi-purpose stadium within the county; and

24 b. King County entered into a contract with the
25 Donald M. Drake Company ("Drake") on September 18,
26 1972, for the complete construction of the King
27 County Multi-purpose Stadium, and the completion
28 date of the stadium fixed thereon was about
29 December 14, 1974; and
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1 c. Drake stopped work on the stadium project
2 on November 22, 1974; and

3 d. As of November 22, 1974, Drake had certified
4 in pay requests that the project was only approximately
5 70% completed; and

6 e. The King County Executive directed Drake
7 to resume work on the project by December 2, 1974,
8 but Drake refused to do so; and

9 f. The Donald M. Drake Company did not resume
10 work on the project by twelve o'clock noon on
11 December 2, 1974; and

12 g. The King County Council unanimously passed by
13 those who were in attendance Motion No. 1821 on December
14 2, 1974, declaring that an emergency existed with regard
15 to the King County Multi-purpose Stadium and authorizing
16 the King County Executive to take all necessary and
17 appropriate action to maintain the safety of the
18 project and to proceed to execute the completion of
19 the construction in as expeditious a manner as possible,
20 and said motion also declared that the abandonment of
21 the project by Drake created a hazard to public health,
22 safety and welfare and further that the public interest
23 and property of the county would suffer material injury
24 and/or damage by delay; and

25 h. The King County Executive gave Drake notice
26 that if it should not return to work by 8:00 a.m. on
27 December 10, 1974, its contract for the project would
28 be terminated; and

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2 i. Drake did not return to work as of 8:00 a.m.
3 on December 10, 1974, and thereafter its contract
4 was terminated by the King County Executive; and

5 j. The King County Council passed Motion #1835
6 on December 10, 1974, which authorized and approved
7 the entering into of a contract by King County with
8 Peter Kiewit and Sons, Co. for the completion of
9 the King County Multi-purpose Stadium, with
10 substantial completion due on December 31, 1975
11 and full completion due by March 1, 1976; and

12 k. King County filed a law suit on December 13,
13 1974, against Drake, The Travelers Indemnity Company
14 and the Phoenix Insurance Company for damages
15 resulting from Drake's refusal to complete its
16 contractual obligations; and

17 l. Peter Kiewit and Sons, Co. has provided an
18 estimate of the cost to complete the stadium pursuant
19 to its contract, and said estimate together with
20 other stadium construction costs indicates that
21 an additional amount of monies not to exceed
22 thirteen million five hundred eighty-four thousand
23 six hundred forty-seven dollars are required beyond
24 the amount available in the King County Stadium
25 Development Fund; and

26 m. The National Football League has awarded a
27 professional football franchise to Seattle with
28 play to commence in 1976 in the King County
29 Multi-purpose Stadium; and

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2 n. The King County Multi-purpose Stadium must be
3 completed and at the lowest possible cost, and the
4 work must not be delayed, because such delay will
5 increase the costs because of inflation, and result in
6 a loss of revenue and benefit to King County; and

7 o. The amount of money needed to complete the
8 stadium should be financed at the least possible
9 cost to the taxpayers; and

10 p. Issuance of interest bearing warrants payable
11 from the sources provided in this ordinance would
12 cause completion of the stadium with the least impact
13 on the taxpayers; and

14 q. It is necessary to make immediate arrangements
15 to obtain monies to fund such additional costs,
16 which monies can be made available pursuant to an
17 agreement between the County and certain banks, which
18 is incorporated herein by Section 4 of this ordinance;
19 and

20 r. The Division of Architecture is a division
21 of the Department of Community and Environmental
22 Development, an executive department of King County
23 Government, and is responsible for administering
24 stadium construction contracts; and

25 s. A Department of Stadium Administration has
26 been established by Ordinance No. 1965 as an
27 executive department of King County Government and
28 is responsible for the management and administration
29 of the King County Domed Stadium; and

1 t. The appropriation made by this ordinance
2 is necessary for the immediate preservation of the
3 public peace, health and safety, and for the support
4 of county government and its existing public
5 institutions; and

6 u. From such facts the King County Council
7 hereby declares that a public emergency exists
8 and that the expenditures provided for in this
9 ordinance could not have been reasonably foreseen
10 at the time of making the King County Budget for
11 the 1975 calendar year which expenditure requires
12 the expenditure of money not provided for in that
13 budget.

14
15 Section 2. Appropriation. There is hereby approved
16 and adopted an appropriation in addition to the 1975 Budget
17 in the amount of thirteen million five hundred eighty-four
18 thousand six hundred forty-seven dollars resulting from the
19 issuance of warrants to be funded in the manner and expended
20 solely for the purposes provided in this ordinance.

21 PROVIDED, That all said warrants shall be redeemed and
22 paid by King County by not later than March 31, 1977.

23 King County Stadium Supplemental
24 Construction Fund. \$13,584,647

25 Section 3. Creation of King County Supplemental
26 Construction Fund. There is created in the office of the County
27 Comptroller a special fund to be known as the "King County
28 Stadium Supplemental Construction Fund," from which fund there
29 shall be paid that portion of the costs, expenses and other claims
30 relating to the construction of the King County Multi-purpose
31 Stadium certified by the King County Division of Architecture

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1 to be in excess of those costs, expenses and claims which on
2 September 18, 1972, were anticipated by the County to be incurred
3 in the construction of the Stadium and into which fund there
4 shall be deposited sufficient monies from any net recovery by
5 the County from the lawsuit now pending between the County as
6 plaintiff and Drake, The Travelers Indemnity Company, and
7 Phoenix Insurance Company, defendants, in the United States
8 District Court for the Western District of Washington, at
9 Seattle, and any other monies legally available therefor, to pay
10 and redeem all those outstanding warrants hereafter drawn
11 against the fund, and in the event such monies shall not be
12 available on March 31, 1977 in sufficient amount to pay and
13 redeem all such warrants, the County covenants and pledges to
14 deposit in that fund on or before March 31, 1977, the principal
15 proceeds of general obligation bonds which shall be issued
16 within the limitations permitted by law in an amount up to but
17 not to exceed \$13,584,647.00, plus accrued interest on the
18 warrants up to the date of payment thereof, which bonds are
19 hereby authorized, covenanted and pledged to be issued by the
20 county in one or more series and in such amounts, bearing such
21 interest, with such maturities, terms and conditions and in such
22 form as shall be hereafter provided by ordinance. The obligation
23 of the County to pay the warrants to be issued as authorized
24 herein and pursuant to the Agreement incorporated in this ordi-
25 nance is hereby declared to be a general obligation of the County.

26
27 Section 4. Authorizing Execution of Agreement.

28 The execution by the County Executive of the agreement between
29 King County and Seattle First National Bank, Rainier National
30 Bank, Peoples National Bank of Washington, Pacific National Bank
31 of Washington, Seattle Trust & Savings Bank, Canadian Imperial

1 Bank of Commerce and Old National Bank of Washington, relating
2 to the issuance, purchase, payment and redemption of warrants
3 to be issued from the King County Stadium Supplemental
4 Construction Fund created by Section 3 of this ordinance, a
5 copy of which agreement is attached hereto except for Exhibit
6 A and by this reference made a part hereof, is hereby
7 authorized, approved, ratified and confirmed.

8 PROVIDED, That notwithstanding the repayment date specified
9 in said agreement, said loan shall be repaid and warrants
10 redeemed by March 31, 1977.

11 INTRODUCED AND READ for the first time this 3rd day
12 of March, 1975.

13 PASSED this 17th day of March, 1975.

14 KING COUNTY COUNCIL
15 KING COUNTY, WASHINGTON

16 Robert B. Quinn
17 Vice Chairman

18 ATTEST:

19
20 Dorothy M. Quinn
21 Clerk of the Council

22 APPROVED this 18th day of March, 1975.

23
24 [Signature]
25 King County Executive
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ROBERT EARL SMITH

Attorney at Law

3737 Bank of California Center
Seattle, Washington 98164
(206) 623-8433

March 20, 1975

Seattle First National Bank
P.O. Box 3586
Seattle, WA 98124

Attention: Manager,
Investment Division

Hon. John Spellman
King County Executive
King County Court House
Third & James Streets
Seattle, WA 98104

Roberts, Shefelman, Lawrence,
Gay & Moch
Attorneys at Law
1818 IBM Building
Seattle, WA 98101

Attention: James Gay

Hon. Christopher Bayley
King County Prosecutor
King County Court House
Third & James Streets
Seattle, WA 98104

Attention: Norman K. Maleng

Gentlemen:

I represent Mr. Frank Ruano. At his request, I have reviewed King County Ordinance No. 75-91, passed and approved on March 17, 1975. It is my judgment that the referenced Ordinance constitutes an unconstitutional and otherwise unlawful pledging of County credit and is therefore invalid.

I would expect a court of competent jurisdiction to concur and accordingly hold the Ordinance, the Warrant Purchase Agreement, and the Warrants themselves null and void.

Your prompt reconsideration of this matter would appear appropriate.

Very truly yours,



ROBERT EARL SMITH

RES/lb

cc: King County Council Members

CLERK
KING COUNTY COUNCIL

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