

September 15, 1993
93-683.ORD (NM:clt)

Introduced by: Sims

Proposed No.: 93-683

VETOED

ORDINANCE NO. **11036**

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AN ORDINANCE disappropriating \$ 3,193,179 from the Kingdome Exhibition Hall Project, and amending Ordinance 10641, Section 109, Attachment 2, as amended.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. There is hereby approved a disappropriation of \$3,193,179 from the Kingdome Exhibition Hall Project No. 005011.

SECTION 2. Ordinance 10641, Section 109, as amended is hereby amended by adding thereto and inserting therein the following:

From the several capital improvement project funds there is hereby disappropriated the following amount:

<u>Fund</u>	<u>Project</u>	<u>Description</u>	<u>Amount</u>
394	005011	Kingdome Exhibition Hall	(\$3,193,179)

Provided that:

No funds are expended on design and construction of improvements related to the Kingdome Exhibit Hall structure except for demolition and construction work related to development of a pad for exhibition space adjacent to the south

1 side of the Kingdome. Project funds can be expended on all
2 project elements when a life-cycle cost analysis and design
3 approach are approved by the council.

4 INTRODUCED AND READ for the first time this 13th day
5 of September, 1993.

6 PASSED this 20th day of September, 1993

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9 Cynthia Sullivan
10 VICE Chair

11 ATTEST:

12 Janet Mason
13 ~~Deputy~~ Clerk of the Council

14 ^{VETTED} APPROVED this 1st day of OCTOBER, 1993

15 [Signature]
16 King County Executive



**King County Executive
TIM HILL**

King County Courthouse
516 Third Avenue Room 400
Seattle, Washington 98104-3271
(206) 296-4040
FAX: (206) 296-0194

October 1, 1993

The Honorable Audrey Gruger, Chair
King County Council
Room 402
C O U R T H O U S E

Re: **Veto of Ordinance No. 11036**

Dear Councilmember Gruger:

I am returning Ordinance No. 11036 with my veto. I understand that in a cooperative effort to expedite the acquisition and construction of a fabric shelter exhibition structure for the Kingdome, the King County Council will not attempt an override of this veto.

The issue of the viability of the fabric shelter exhibition hall structure was raised when the City of Seattle notified King County that it intended to restrict use of the proposed facility to 42 days. In response, the Council suggested that a reappraisal of the project be undertaken. The Department of Stadium Administration was directed to complete a financial feasibility analysis of both fabric shelter and permanent structure alternatives. Pending the outcome of the financial analysis and further Council review, the Council voted to disappropriate \$3,193,179 from the Kingdome exhibition hall project.

In response to the Council's direction, preliminary architectural drawings and associated cost estimates were prepared as the basis upon which to evaluate the viability of proceeding immediately to construct a permanent building. Using an estimated total project cost of \$11,400,000 for a permanent structure and actual bid costs for the planned fabric structure, the results of the financial analysis indicate that both alternatives represent good



RECYCLED
PAPER

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business investments. The permanent building, however, cannot be built as quickly as the fabric structure. As a result, the Kingdome and the Kingdome's tenants would experience, at minimum, a two year delay in revenue receipts were the decision made to forego the interim fabric shelter and proceed immediately with construction of a permanent facility. This delay in terms of revenue receipt poses serious concerns for the Kingdome and its tenants. Kingdome tenants indicate that loss of gross sales to show exhibitors could total \$40 million. The Kingdome needs to generate revenue to support debt service payments on the bonds sold in December 1992 and to support operations. Absent this revenue, the Stadium Capital Fund will have to absorb the cost of debt service payment with the impact that other planned capital improvements scheduled for the building will have to be deferred.

The construction delay associated with a permanent structure also raises other problems. With the closure of the Coliseum imminent, the Kingdome is being looked to by the City of Seattle to accommodate a number of tenants displaced by the planned remodel of the Coliseum. Additional exhibition hall space is essential if this is even to be considered given the likelihood that the Seattle SuperSonics will consume a large number of desirable dates. In addition, the Kingdome is scheduled to host the National Collegiate Athletic Association (NCAA) Basketball Finals in March 1995. Written confirmation has been extended to the NCAA that the Kingdome will have in place 100,000 square feet of additional exhibition hall space. The NCAA has indicated that the availability of the additional space is critical to the success of their event. Even given the most ambitious of capital construction schedules, it will not be possible to meet that deadline with a permanent structure.

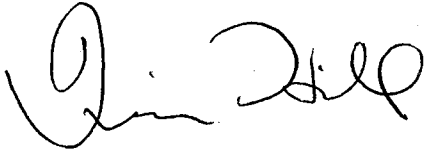
Given the importance of this project to Kingdome tenants and to the Kingdome itself, the County has pursued an aggressive construction schedule designed to meet the 1994 consumer show schedule.

Discussion of these issues resulted in concurrence by the executive and legislative branches that we should proceed with a slightly scaled-back fabric shelter project with the understanding that planning for a permanent structure will proceed. The project is at a critical juncture from a construction schedule perspective. The vendor requires a 60-day notification period in order to manufacture and deliver the structure to the site. Erection of the structure requires an additional 6-8 weeks. To minimize the delay associated with the process of reapproving appropriation of the recently disappropriated funds, we have mutually agreed to expedite the implementation of this project by exercise of a veto on the disappropriation ordinance.

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I would like to take this opportunity to thank you for your assistance in moving forward with this important project. Should you have any questions or require any additional information, please contact Jesus Sanchez, Director, Department of Stadium Administration, at 296-3121.

Sincerely,



Tim Hill
King County Executive

TH:SEC:sc

cc: King County Councilmembers
ATTN: Cal Hoggard, Program Director
Jerry Peterson, Administrator
Jesus Sanchez, Director, Department of Stadium Administration
ATTN: Susan Clawson, Finance & Administration Manager
George Northcroft, Director, Department of Executive Administration
Dave Preugschat, Acting Director, Department of Construction and Facilities
Management
John Amos, Chief Financial Officer
ATTN: Nick Carnaveli, Budget Supervisor
John Marchione, Budget Analyst