

July 19, 1995  
95-503.sub (JMS:clt)  
July 21, 1995 (clerk)

Introduced By: Greg Nickels  
Proposed No.: 95-503

# 11899

ORDINANCE NO.

1  
2 AN ORDINANCE relating to stadium  
3 facilities; imposing a special stadium  
4 sales and use tax of one-tenth of one  
5 percent for stadium purposes subject to  
6 voter approval and subject to the  
7 execution of a long-term stadium lease  
8 with a major league baseball team; fixing  
9 the rate of the tax; placing conditions  
10 on any certification by the county  
11 executive to the Washington State  
12 Department of Revenue regarding various  
13 commitments made by a major league  
14 baseball team and the execution of any  
15 agreement pledging the full faith and  
16 credit of King County to back bonds  
17 issued by a public facilities district to  
18 construct a new retractable roof baseball  
19 stadium with natural turf; establishing  
20 the date for an election to approve the  
21 collection of the referenced tax; and  
22 amending K.C.C. 4.28 by adding a new  
23 section.

24  
25 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

26 SECTION 1. A new section is added to K.C.C. 4.28 to read  
27 as follows:

28 A. There is hereby imposed a special stadium sales and use  
29 tax as authorized by laws of 1995, 1st ex. sess., chap. 14,  
30 sec. 7, and RCW 82.14 for collection following approval by a  
31 majority of the voters of King County at a general or special  
32 election and following certification by the King County  
33 Executive to the Washington State Department of Revenue of  
34 the existence of a binding and legally enforceable  
35 contractual commitment by a major league baseball team  
36 meeting the requirements set forth in Subsection B of this  
37 Section. If approved by the voters, and contingent upon the  
38 requirements of Subsection B of this Section having been met,

1 the tax, which shall be in addition to any other taxes  
2 authorized by law, shall be collected from those persons who  
3 are taxable by the state pursuant to Chapters 82.08 and 82.12  
4 RCW upon the occurrence of any taxable event within King  
5 County, and shall not be credited against any other tax. The  
6 moneys received from such tax shall be used for the purpose  
7 of principal and interest payments on bonds issued by a  
8 public facilities district created within King County under  
9 Chapter 36.100 RCW, as amended by SSB 5127, laws of 1995,  
10 chap. 396, and 2ESSB 6049, laws of 1995, 1st ex. sess., chap.  
11 14, to acquire, construct, remodel, maintain, equip, reequip,  
12 and repair a baseball stadium with a retractable roof or  
13 canopy and natural turf, with revenue from the tax in excess  
14 of the amount needed for such principal and interest payments  
15 in any year subject to the uses permitted in chapter 82.14  
16 RCW, as amended by laws of 1995, 1st ex. sess., chap. 14,  
17 sec. 7.

18        Provided, however, that moneys received from this tax  
19 shall be used to pay interest and principal on no more than  
20 \$240,800,000 worth of bonds for a new stadium. In addition,  
21 moneys received from this tax shall be used to pay interest  
22 and principal on not less than \$70,000,000 worth of bonds to  
23 retire the debt incurred to repair and improve the Kingdome  
24 ceiling and roof and not less than \$100,000,000 worth of  
25 bonds for Kingdome capital improvements. Any excess moneys  
26 received over the amounts necessary for the principal and  
27 interest on the above-referenced bonds shall first be used to  
28 fund a debt payment service reserve equal to the subsequent  
29 two years principal and interest on such bonds and then for  
30 payment of principal and interest on additional bonds to

1 finance the maintenance or repair of the new stadium or the  
2 Kingdome.

3 The tax imposed under this section shall expire when the  
4 bonds issued for the construction of a new public stadium  
5 facilities are retired, but not later than twenty years after  
6 the tax is first collected.

7 B. As required by laws of 1995, 1st ex. sess., chap. 14,  
8 sec. 7(4), the tax imposed by Subsection A of this Section  
9 shall be collected only after the King County executive has  
10 certified to the Department of Revenue that a professional  
11 major league baseball team has made a binding and legally  
12 enforceable contractual commitment to:

13 1. Play at least ninety percent of its home games in  
14 the new baseball stadium for a period of time not shorter  
15 than the term of the bonds issued to finance the initial  
16 construction of the stadium;

17 2. Contribute principal of forty-five million dollars  
18 toward the bonded cost of construction of the stadium, which  
19 contribution shall be made during a term not to exceed the  
20 term of the bonds issued to finance the initial construction  
21 of the stadium. If all or part of the contribution is made  
22 after the date of issuance of the bonds, the team shall  
23 contribute an additional amount equal to the accruing  
24 interest on the deferred portion of the contribution,  
25 calculated at the interest rate on the bonds maturing in the  
26 year in which the deferred contribution is made; and

27 3. Share a portion of the profits generated by the  
28 baseball team from the operation of the professional  
29 franchise for a period of time equal to the term of the bonds  
30 issued to finance the initial construction of the stadium,

1 after offsetting any losses incurred by the baseball team  
2 after the effective date of 2ESSB 6049, laws of 1995, 1st ex.  
3 sess., chap. 14. Such profits and the portion to be shared  
4 shall be defined by agreement between the public facilities  
5 district and the baseball team. The shared profits shall be  
6 used to retire the bonds issued to finance the initial  
7 construction of the stadium. If the bonds are retired before  
8 the expiration of their term, the shared profits shall be  
9 paid to the public facilities district.

10 Such certification shall not be made by the Executive  
11 until the Council has by motion declared that such binding  
12 and legally enforceable contractual commitment from the  
13 baseball team includes such other additional commitments  
14 deemed necessary by the Council to protect the interests of  
15 the citizens of King County. Such additional commitments  
16 from the baseball team may include binding and legally  
17 enforceable contractual commitments to:

18 1. Play at least ninety percent of its home games in  
19 the new baseball stadium for a minimum term of twenty  
20 baseball seasons;

21 2. Permit its commitment to play at least ninety  
22 percent of its home games in the new stadium for a minimum  
23 term of twenty seasons to be specifically enforceable by the  
24 party or parties to whom the commitment is made in an action  
25 to be brought in the Superior Court of the State of  
26 Washington for King County;

27 3. Treat King County as a third party beneficiary for  
28 the express purpose of exercising the same right of specific  
29 enforcement referenced above in the event such commitment has

1 not been made as part of a binding and legally enforceable  
2 contractual commitment with King County;

3 4. Recognize and agree to abide by an express and, in  
4 the judgment of the council, reasonable limit on the total  
5 financial contribution of King County to the construction  
6 cost of the new stadium;

7 5. Share any capital gains realized as a result of any  
8 sale or transfer of majority ownership of the baseball team  
9 occurring during the required term of occupancy of the new  
10 stadium with the public facilities district as part of the  
11 "profit sharing" provisions of the required agreement between  
12 the district and the baseball team; and

13 6. Renegotiate, if the baseball team is the Seattle  
14 Mariners, the Mariner's existing lease at the Kingdome until  
15 a new stadium is constructed and ready for occupancy.

16 C. The rate of the additional sales and use tax imposed by  
17 Subsection A of this Section shall be one-tenth of one  
18 percent of the selling price (in the case of a sales tax) or  
19 value of the article used (in the case of a use tax).

20 SECTION 2. A. The County Executive shall not execute or  
21 otherwise enter into any binding and legally enforceable  
22 contractual commitment with a public facilities district  
23 related to the construction of a new baseball stadium and  
24 pledging the full faith and credit of King County to back the  
25 issuance of bonds by the district without the prior  
26 authorization and approval of the Council by ordinance. Such  
27 authorization and approval shall not be given until the  
28 Council is satisfied any such proposed agreement contains  
29 provisions necessary to protect the interests of the citizens  
30 of King County, which provisions may include:

1           1. A requirement that the district enter into a binding  
2 and legally enforceable contractual commitment with a major  
3 league baseball team that includes all of the provisions  
4 required or considered necessary by the Council to protect  
5 the interests of the citizens of King County pursuant to  
6 Section 1 of this ordinance;

7           2. A limitation on the extension of the full faith and  
8 credit of King County to the face amount of any bonds issued  
9 as King County's financial contribution to the construction  
10 of the new baseball stadium; and

11           3. A required certification by the district that it has  
12 entered into legally binding and enforceable contractual  
13 commitments with third parties, which may include the  
14 baseball team, which fully and satisfactorily address any  
15 costs associated with the construction of the new baseball  
16 stadium which exceed the sum of King County's contribution,  
17 the required contribution of the baseball team, and the  
18 anticipated interest earnings on the bonds issued by the  
19 district, which certification must be made and agreements  
20 approved by King County prior to the issuance of any bonds by  
21 the district and the transfer to the district of any revenues  
22 collected from the tax imposed by Section 1 of this  
23 ordinance.

24           B. King County will not loan funds for or pay for any  
25 costs which may be incurred prior to commencement of  
26 construction of the new stadium, including but not limited to  
27 architectural, engineering, or other developmental studies or  
28 analyses. No pledge of the full faith and credit of King  
29 County for any issuance of debt by the public facilities  
30 district may be given before the special stadium sales and

1 use tax provided for in this ordinance begins to be  
2 collected. King County shall not fund any cost overruns on  
3 construction of the new stadium, nor shall any funds derived  
4 from the tax authorized by this ordinance be used to pay for  
5 principal and interest payments on bonds issued in excess of  
6 the amounts authorized in this ordinance.

7 If the new stadium is sited on County owned property in  
8 the immediate vicinity of the Kingdome, or on other County  
9 owned property acceptable to the King County Council, the  
10 County shall convey the property to the public facilities  
11 district for one dollar together with the other valuable  
12 considerations provided to the County by the public  
13 facilities district in the agreement to grant King County's  
14 full faith and credit for bonds issued by the district  
15 secured by the tax provided for in this ordinance.

16 The County further endeavors to work with the governor of  
17 the State of Washington and state legislative leaders to: 1)  
18 exempt construction of the new stadium and Kingdome  
19 renovations from the sales and use tax valued at  
20 approximately \$25 million; 2) exempt from the leasehold  
21 excise tax for the new baseball stadium and the Kingdome; and  
22 3) eliminate the current sunset date of 2012 for the 2  
23 percent hotel/motel tax which is authorized for Kingdome and  
24 other purposes.

25 The provisions of this ordinance shall not restrict or  
26 limit the development, funding, or construction of parking  
27 facilities for the stadium project which are funded other  
28 than by the tax imposed herein.

29 SECTION 3. It is found and declared that an emergency  
30 exists requiring the submission to the voters of King County

1 at a special election to be held therein on September 19,  
2 1995 a proposition approving the collection of a special  
3 stadium sales and use tax provided for in Section 1 of this  
4 Ordinance, with a rate equal to one-tenth of one percent of  
5 the selling price (in the case of a sales tax), or the value  
6 of the article used (in the case of a use tax), which shall  
7 be in addition to any other taxes authorized by law, and  
8 shall be collected from those persons who are taxable by the  
9 state pursuant to chapters 82.08 and 82.12 RCW upon the  
10 occurrence of any taxable event within the county, with the  
11 moneys received from such tax to be expended exclusively for  
12 stadium purposes.

13 SECTION 4. The manager of the King County records and  
14 elections division, as ex officio supervisor of all elections  
15 held in King County, is authorized and requested also to find  
16 the existence of such emergency and to assume jurisdiction of  
17 and to call and conduct such special election to be held  
18 within the county on September 19, 1995, and to submit to the  
19 qualified voters of the county at such special election the  
20 question of whether the sales and use tax provided for in  
21 this ordinance should be imposed and collected in accordance  
22 with the terms of this ordinance. The clerk of the council  
23 is authorized and directed to certify this ordinance to the  
24 manager of King County records and elections division  
25 together with a ballot title, prepared and certified by the  
26 Prosecuting Attorney's Office in accordance with state law,  
27 reflecting the essential terms of this ordinance.



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2 The election shall be conducted pursuant to Title 29 RCW.

3 SECTION 5. The manager of the King County records and  
4 elections division, is directed to send to the registered  
5 voters within the county a local voters pamphlet in  
6 conformity with the provisions of chapter 29.81A RCW and  
7 K.C.C. chapter 1.10, which contains the ballot title for the  
8 proposition, an explanatory statement as prepared by the  
9 prosecuting attorney's office, and statements in favor and  
10 against the proposition.

11 SECTION 6. Severability. Certain provisions of this  
12 ordinance, as set forth in this section, are necessary to  
13 achieve the intent of the council in imposing this tax,  
14 subject to voter approval. Those provisions are those which  
15 establish dollar limits on the use of sales tax revenue set  
16 forth in section 1, the conditions on the Executive's  
17 authority to certify a binding agreement between the district  
18 and a baseball team or to agree to pledge the county's full  
19 faith and credit as set forth in section 2, and the  
20 restriction on county funding for pre-construction costs or  
21 cost overruns as set forth in section 2. If any of these  
22 provisions are finally declared by a court of competent  
23 jurisdiction to be invalid for any reason, all provisions of  
24 the ordinance shall be deemed to be of no force or effect and  
25 the tax provided for herein shall not be collected.

1 The remaining provisions of this ordinance are severable,  
2 and if declared invalid the remainder of the ordinance or the  
3 application of the provision to other persons or  
4 circumstances is not affected.

5 INTRODUCED AND READ for the first time this 13<sup>th</sup>  
6 day of July, 1995.

7 PASSED by a vote of 7 to 6 this 21<sup>st</sup> day of  
8 July, 1995.

9 KING COUNTY COUNCIL  
10 KING COUNTY, WASHINGTON

11 Kent Pullen  
12 Chair

13 ATTEST:

14 Gerald A. Peterson  
15 Clerk of the Council

16 APPROVED this 24<sup>th</sup> day of July, 1995.

17 Roy Locke  
18 King County Executive

19 Attachments: None