

December 15, 1996

Introduced By: Pete von Reichbauer

Proposed No.: 96-1012

ORDINANCE NO. **12558** !

1
2 AN ORDINANCE relating to the Use
3 Agreement between King County and the
4 Seattle Seahawks for use of the Kingdome,
5 and authorizing the Executive to amend
6 said agreement.

7 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

8 SECTION 1. The executive is authorized to enter into an
9 agreement with Football Northwest (FNW) in substantially the
10 same form as Exhibit A, attached, but also incorporating the
11 following additional term:

12 Section 4.3 Any new or additional local taxes which are
13 to be imposed to fund any costs of a New King County Stadium,
14 as defined in Exhibit A, are expressly conditioned upon their
15 ratification by a vote of the people of King County.

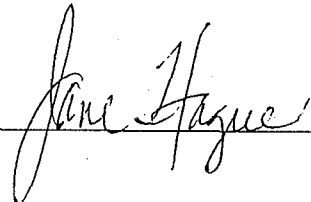
16 SECTION 2. The amounts for the annual Guaranteed
17 Advertising Payments set forth in blank in Section 3.4 (f) on
18 page 9 of the draft proposed agreement as transmitted by the

1 Executive, which were agreed to between FNW and the Executive
2 on February 13, 1996, shall be \$109,158 while the Mariners
3 are still playing in the Kingdome, and \$36,386 after the
4 Mariners are no longer playing in the Kingdome.

5 INTRODUCED AND READ for the first time this 9th
6 day of December, 1996.

7 PASSED by a vote of 9 to 4 this 16th day of
8 December, 1996.

9 KING COUNTY COUNCIL
10 KING COUNTY, WASHINGTON

11 

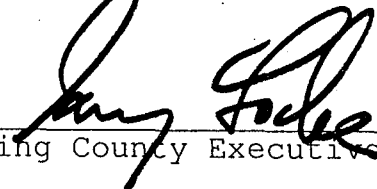
12 Chair

13 ATTEST:

14 

15 Clerk of the Council

16 APPROVED this 19th day of December, 1996.

17 
18 _____
King County Executive

19 Attachments: Exhibit A - Consent to Assignment and Amendment
20 of Use Agreement

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EXHIBIT A
**CONSENT TO ASSIGNMENT
AND
AMENDMENT OF USE AGREEMENT**

This Consent to Assignment and Amendment of Use Agreement agreement (the "Agreement") is made and entered into this ___ day of December, 1996, by and between KING COUNTY, WASHINGTON, a duly-incorporated municipal corporation of the state of Washington (the "County") and FOOTBALL NORTHWEST ("FNW"), a general partnership organized and existing under the laws of the state of Washington with a principal place of business at 110 - 110th Avenue N.E., Suite 550, Bellevue, Washington 98004 and consisting of Football Northwest Inc., a Washington corporation, managing partner, and Vulcan Northwest Inc., a Washington corporation, both as general partners.

RECITALS

A. FNW is party to that certain Option Agreement dated April 20, 1996, as amended (the "Option Agreement"), with Seattle Seahawks, Inc., a Washington corporation, ("SSI"), and the shareholders of SSI, pursuant to which FNW has the option to purchase all of the issued and outstanding stock of SSI (the "Stock") or substantially all of the assets of SSI, including the Seattle Seahawks National Football League franchise (the "Assets").

B. County and SSI (which is the successor by assignment from Seattle Professional Football, a general partnership), are parties to that certain Amended Agreement dated April 22, 1986 (the "Current Use Agreement") pursuant to which the Seattle Seahawks NFL professional football team (the "Seahawks" or the "Team"), the operating activity of SSI, is entitled to the use of the King County Domed Stadium in Seattle (the "Domed Stadium") for the playing of its home football games.

C. In the event FNW purchases the Stock or Assets of SSI, consent of the County shall be required to permit an assignment of the Current Use Agreement from SSI to FNW. By this Agreement, in advance of its exercise, the County desires to consent to such assignment in connection with such purchase.

D. In addition to giving its consent, the County and FNW desire to amend the Current Use Agreement in the event FNW purchases the Stock or Assets of SSI. The Current Use Agreement as amended by this Agreement is the "Amended Use Agreement." The consent and the amendments provided in this Agreement will be effective if, only if, and when FNW purchases the Stock or Assets and assumes the obligations of SSI under the Current Use Agreement, as then amended by this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the parties hereto do agree as follows:

(a) Subject to compliance with NFL requirements, FNW may, at any time and without other restriction, sell any interest in the Team which does not constitute a Sale of the Team, as defined below.

(b) Subject to compliance with NFL requirements, FNW may at any time sell an interest in the Team which constitutes a Sale of the Team to any buyer which assumes FNW's obligations under the Amended Use Agreement, as then in effect, and such sale shall be otherwise without restriction. Upon consummation of the sale as provided above, such buyer shall have all of the rights and obligations of FNW under the Amended Use Agreement and FNW shall be released therefrom upon its releasing the County therefrom.

3.2.2 In Connection With Termination of the Amended Use Agreement. In the event that, prior to the termination of the Amended Use Agreement pursuant to the last sentence of Article One, and in connection with such termination, the Team is to be sold or relocated to play its Home Games in a facility other than the Domed Stadium following the termination, then this subparagraph 3.2.2 shall apply as a precondition to such termination and sale or relocation.

3.2.2.1 Sale of the Team. Subject to compliance with NFL requirements, at any time after the completion of the 1999 NFL Season, FNW may terminate the Amended Use Agreement as provided in Article One and consummate a Sale of the Team, as follows:

(a) to any buyer which has entered into a Puget Sound Commitment, as defined below; or

(b) to any buyer which has not entered into a Puget Sound Commitment; provided that, as a precondition to such termination, FNW has first Offered the Team to a Local Buyer in accordance with subparagraph 3.2.4 below, and no such Local Buyer has purchased the Team pursuant thereto. Upon a Sale of the Team pursuant to this subparagraph 3.2.2.1(b), if the Net Sales Price of the Team, as described below, exceeds the Fair Price, the County shall receive out of the sales proceeds or directly from FNW within a reasonably prompt period after the sale a percentage of such excess, with the percentage based on the date the Team is relocated outside the Puget Sound Region as follows:

(i) before the conclusion of the 2001 NFL Season, the percentage shall be 50%;

(ii) after the conclusion of the 2001 NFL Season but before the conclusion of the 2002 NFL Season, the percentage shall be 20%;

(iii) after the conclusion of the 2002 NFL Season but before the conclusion of the 2003 NFL Season, the percentage shall be 15%;

(iv) after the conclusion of the 2003 NFL Season but before the conclusion of the 2004 NFL Season, the percentage shall be 10%; or

or a relocation of the Team) which requires that it have first Offered to a Local Buyer, FNW shall have complied with the requirement if it does as follows:

3.2.4.1 Notice of Offer to Sell. FNW shall give written notice to the County ("FNW's Notice") that it is offering the Team for sale to a Local Buyer, as defined below, in order to comply with the provisions of this subparagraph 3.2.4. FNW's Notice shall include a formal written offer for the sale of the Team (the "Offer") and FNW's calculation of its Net Investment, as defined below. The sale price will then be determined as provided below. If FNW had caused an appraisal of the Team to be undertaken, and such appraisal had been completed within 12 months prior to FNW's Notice, then FNW's Notice will include a copy of such appraisal.

3.2.4.2 Fair Price Determination. The sale price for the Team shall be the "Fair Price," which shall be either the Net Investment or the Fair Market Value, both as defined below, at the election of FNW. FNW's election may be made either before or after the determination of the Net Investment and the Fair Market Value. The Net Investment and the Fair Market Value shall each be determined either by agreement of the parties or, failing agreement, by an independent third party.

(a) If the parties cannot agree on the amount of the Net Investment within 10 business days of FNW's Notice, the parties shall undertake to have the Net Investment determined by an independent "Big Six" accounting firm. The County and FNW shall exchange lists of four such firms, with the choices listed in order of preference. The first firm on FNW's list that matches a firm on the County's list shall be the firm chosen. If that firm cannot or will not serve, then the first firm on the County's list that matches a firm on FNW's list other than the first firm chosen shall be the firm chosen. This method shall be followed until all matches are exhausted. If this method fails to identify a firm to perform the work within 15 days of FNW's Notice, and the parties cannot otherwise agree, the firm shall be chosen by the Commissioner of the NFL. The Net Investment determined by the independent accounting firm so selected is the "Net Investment." The fees and expenses of the accounting firm shall be divided equally between the County and FNW.

(b) If the parties cannot agree on the Fair Market Value within 10 business days of FNW's Notice, the parties shall have the Fair Market Value determined by an independent appraiser who (i) has at least 15 years of experience appraising professional sports franchises, and (ii) will commit, subject to the cooperation of the County and FNW, to complete the determination of Fair Market Value within 60 days. The selection process shall be the same as for the "Big Six" accounting firm in the preceding subsection except that four names shall be listed by each party, and individuals rather than firms must be listed. If this selection process fails to identify an appraiser within 15 days of FNW's Notice, and the parties cannot otherwise agree, the appraiser shall be chosen by the Commissioner of the NFL. The Fair Market Value determined by the independent appraiser so selected is the "Fair Market Value." The fees and expenses of the appraiser shall be divided equally between the County and FNW.

3.2.4.3 Determination of Other Terms. The Offer shall be of at least all of FNW's and Paul G. Allen's direct or indirect ownership interest in the entity which owns

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(a) Once compliance with subparagraph 3.2.4 has occurred, the condition that FNW must Offer to a Local Buyer as provided herein shall be suspended on the earliest of: (i) the date the Offer expires under subparagraph 3.2.4.4 above, (ii) the date the Local Buyer fails to purchase the Team, (iii) the date the Offer is deemed rejected, or (iv) 210 days after the date of FNW's Notice. Such date is the "Suspension Date." During the Suspension Period, as defined below, FNW shall be free to terminate the Amended Use Agreement and sell or relocate the Team without restriction except as otherwise provided in this Section 3.2.5.

(b) The condition that FNW must have Offered the Team to a Local Buyer, once so suspended, shall be reinstated upon conclusion of the Suspension Period if the Amended Use Agreement is not earlier terminated in accordance with this Agreement. The "Suspension Period" shall commence on the Suspension Date and conclude either (i) three years after the Suspension Date, if FNW provides the County, within one year after the Suspension Date, with a copy of a written contract to sell or relocate the Team, or (ii) one year after the Suspension Date, if FNW does not provide the County with a copy of such written contract. If the Suspension Period would end during an NFL Season, the Suspension Period shall end on the date thirty days after the end of such NFL Season.

(c) During any Suspension Period under subparagraph 3.2.5(b)(i), FNW may not terminate the Amended Use Agreement, except for a termination pursuant to subparagraphs 3.2.2.1(a) and 3.2.2.2(a), between June 1 and the end of the ensuing NFL Season. Regardless of when FNW terminates the Amended Use Agreement, except for a termination pursuant to subparagraphs 3.2.2.1(a) and 3.2.2.2(a), its Date of Relocation may not occur during an NFL Season.

3.2.6 Withdrawal of Offer. FNW may upon notice to the County (the "Termination Notice") withdraw an Offer at any time prior to an actual closing of a sale, including after acceptance of the Offer, as permitted under the Offer. In such event, FNW shall pay the County its reasonable expenses incurred in connection with the terminated Offer and immediately return any deposit. Following such termination, FNW may not give another notice to the County that it is offering the Team for sale to a Local Buyer in order to comply with the provisions of Section 3.2.4 for a period of at least 180 days from the date of the Termination Notice, and during such period FNW may not terminate the Amended Use Agreement and consummate any Sale of the Team or relocation of the Team which requires that it have first Offered to a Local Buyer.

3.3 Use Payments. Section 3.10 of the Current Use Agreement is amended to read in its entirety in the Amended Use Agreement as follows:

3.10 Use Payments. In consideration for the use of the Domed Stadium as provided in this Article, FNW shall pay to the County for each Home Game beginning with the first Home Game after the Purchase Closing, an amount equal to the *lesser* of:

(a) the sum of (i) \$20,000 per Home Game, plus (ii) the actual cost to the County of providing day of Home Game personnel pursuant to subparagraph 3.8(a), exclusive of any costs for administration incurred by the County,

among other things, exclusive advertising rights and options exercisable by existing advertisers. The County may withhold approval of any contracts which do not comply with the preceding sentence.

(d) FNW shall keep accurate books and accounts of all revenue received from advertising pursuant to the Advertising Rights. Such books and records shall be open and available for reasonable audit and inspection by the County upon the official request of the Stadium Director during regular working hours on any business day.

(e) "Net Advertising Revenue" shall mean gross annual advertising revenue less (A) outside agency sales commissions and other reasonable sales costs, which are directly and clearly verifiable; (B) the actual cost of purchasing tickets for advertisers; (C) pro-rata reductions due to labor strikes, game guarantees and *force majeure* causes; and (D) future debt service or amortization on reasonable costs incurred by FNW (and not reimbursed by advertisers) in expanding advertising space in the Domed Stadium (subject to the approval of the County). To the extent any Net Advertising Revenue is collected by the County or the Mariners pursuant to then existing advertising contracts as described in paragraph 3.4(a) above, which constitute a prepayment with respect to the Advertising Rights (because such payments were received in an amount which were disproportionate to the pro rata share based on the number of calendar days per year prior to the date of grant to FNW), then the County shall promptly remit such revenue to FNW on an equitable basis, net of amounts due to the County pursuant to subparagraph 3.4(g) below.

(f) While the Mariners are still tenants of the Domed Stadium playing their home baseball games in the Domed Stadium, the "Guaranteed Advertising Payment" shall be \$169,156. After the Mariners are no longer tenants of the Domed Stadium or are no longer playing their home baseball games in the Domed Stadium, the "Guaranteed Advertising Payment" shall be \$36,386. The "Prorated Guaranteed Advertising Payment" is the Guaranteed Advertising Payment prorated over the portion of the calendar year that FNW shall be granted the Advertising Rights (based, for example, on the dates of Purchase Closing and any early termination date) and by the date during any calendar year that the Mariners have played their last home baseball game in the Domed Stadium.

(g) FNW shall pay to the County during each year of the term of the Amended Use Agreement the Prorated Guaranteed Advertising Payment, plus twenty-five percent (25%) of the amount by which (x) all annual Net Advertising Revenue exceeds (y) the Prorated Guaranteed Advertising Payment, and will make such payments within 15 days of FNW's receipt of any Net Advertising Revenues.

(h) So long as the Mariners play their home baseball games in the Domed Stadium, the County reserves for itself and for assignment to third-parties the right to and revenues from all "Baseball-Only Advertising," which comprises temporary advertising located inside the Domed Stadium on days that the Domed Stadium is configured for baseball games, which temporary advertising is located on temporary walls, backstops, point of sale displays, and other fixtures which are erected for baseball games but removed when the Domed Stadium is no longer configured for baseball games, or located on fixed surfaces other than permanent advertising fixtures but displayed only during baseball games, as well as electronic forms of advertising (including the Diamond Vision screen) which may only be displayed during baseball games. Neither Baseball-Only Advertising nor

advertisers; (2) the terms of already-negotiated advertising agreements; and (3) the County's authority to withhold approval of future proposed advertising agreements which have not already been negotiated.

(c) FNW shall have the right to consult with the County regarding any matter relating to the County's relationship with any current or future food, catering, novelty or other concessionaire, including any matter relating to any existing or future agreement, or agreement renewal, amendment or termination, or request for proposal or bidding process relating to a new agreement, to the extent that it affects NFL football. To the extent permitted by law, the County shall neither terminate, extend or amend any existing agreement nor enter into any new agreement (other than, in either case, those already substantially negotiated as of the date of the Amended Use Agreement) relating to its food, catering, novelty or other concessions, to the extent that it affects NFL football, without the prior written consent of FNW, which consent shall neither be unreasonably withheld or delayed.

3.6 Use of Kingdome Pavilion. Contingent upon the City of Seattle granting any necessary use permits, the County will make the Kingdome Pavilion available to FNW, without charge other than as provided in this paragraph 3.6, in conjunction with every pre-season, regular season, and post-season or playoff Home Game during the term of the Amended Use Agreement. The County will cooperate with FNW in securing any necessary permits for such use. FNW will accept the Pavilion on an "as is" basis, and FNW will reimburse the County for all actual direct event costs incurred by the County in staging FNW events within the Pavilion, including but not limited to event staffing and utilities costs, Pavilion set up and cleaning costs, any permit fees, sound system and portable restroom rental fees, and other reasonable additional services requested by FNW. FNW shall be responsible for arranging, at its own cost, all catering, decorating and furnishings for the events. FNW will be entitled to 100% of Pavilion catering revenues received by the County for FNW events in the Pavilion. Event staffing levels and other services will be as mutually agreed by the County and FNW. Setup of the Pavilion will occur at times mutually agreeable to FNW and the County. On any Home Game Day when the Pavilion is not being used for FNW events, the County retains its current right to sell event parking within the Pavilion. For indemnity and insurance purposes only, the Pavilion shall be considered part of the Domed Stadium during FNW events, and the provisions of the Amended Use Agreement relating to Indemnity and Insurance shall extend to FNW's use of the Pavilion during such FNW events; provided that prior to FNW's first event in the Pavilion, FNW shall furnish to the County written verification of its insurance coverage for the Pavilion.

FNW shall be permitted to display temporary signage in the Pavilion at any time, subject to reasonable approval by the County which approval shall neither be unreasonably withheld or delayed, as contemplated in Section 3.4(b) of this Agreement.

3.7 One Hundred Level Loges. Section 6.9 of the Current Use Agreement is amended to provide in the Amended Use Agreement that upon the relocation of the Mariners to another baseball facility, but in no event later than the last game of the Mariner's 1999 Major League Baseball Season, FNW shall receive ninety percent (90%) of One Hundred Level Loge Gross Revenue from the license, use or occupancy of the One Hundred Level Loges (rather than 50% as currently provided).

6. Representations. FNW represents to the County that, as of the date of this Agreement and at the time of the Seahawks Purchase, (a) Paul G. Allen ("Allen") owns, directly or indirectly, a majority of the equity in FNW, (b) Allen maintains, directly or indirectly, voting control over FNW, and (c) the Option Agreement:

(i) will not contain or provide for the transfer of any economic benefit resulting from this Agreement to SSI or its shareholders (other than the purchase price provided to be paid in the Option Agreement and the releases contained in this Agreement); and

(ii) does not contain any provisions that would prevent FNW from consummating the Seahawks Purchase and complying with its obligations under the terms hereof.

7. Definitions.

"Annual Revenue Concessions" means for each NFL Season the difference between (x) the total amounts actually received by the County pursuant to the Amended Use Agreement, and (y) the total amounts that the County would have received pursuant to the Current Use Agreement had the Current Use Agreement been in effect for such NFL Season.

"Concessions Repayment Premium" means the sum of (x) the sum of the amounts of the Annual Revenue Concessions with respect to each complete NFL Season or prorated portion thereof from the beginning of the 1997 NFL Season through the Date of Relocation, increased by the CPI from the June 30 immediately preceding each subject season to the June 30 immediately preceding the Date of Relocation; plus (y) the County's actual cost of acquisition of the Advertising Rights from the Seattle Mariners, increased by the CPI from June 30 immediately preceding the Purchase Closing to the June 30 immediately preceding the Date of Relocation.

"CPI" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers - All Items- Seattle-Tacoma, Washington. If the Consumer Price Index described herein is discontinued, the parties shall select another similar index that reflects consumer prices for the purposes of calculating adjustments to payments described in this Agreement.

"Date of Relocation" means the date of the first Home Game played by the Seahawks in a location outside the Puget Sound Region following termination of the Amended Use Agreement pursuant to the last sentence of Article One of the Amended Use Agreement.

"Fair Market Value" means the sum a willing buyer who is assuming FNW's obligations under the Amended Use Agreement, as then in effect, would pay a willing seller of the Team under the conditions of sale required under the Amended Use Agreement, as then in effect. The Fair Market Value shall be determined using normally accepted practices and procedures in valuing professional football teams of a comparable nature.

"Local Buyer" means a person or entity, whether residing in Seattle or elsewhere, which is ready, willing and able to purchase the interest being sold on the terms of the Offer, assume FNW's

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party making such commitment will have all the rights and obligations set forth in Section 3.2 of this Agreement.

"Puget Sound Region" means the counties of King, Pierce, Snohomish and Kitsap, in the State of Washington.

"Sale of the Team" means a sale, assignment or transfer of an interest in the Team, the effect of which would reduce Paul G. Allen's (together with any affiliate of Paul G. Allen, including FNW's) interest in the Team below 50% or eliminate his ability to control the Team, whether accomplished in a single transaction or in multiple transactions and whether by sale, assignment or transfer of ownership interest in the entity which owns the Team or by sale of substantially all of its assets including the NFL franchise.

8. Miscellaneous.

(a) Permitted Assigns. Before the Purchase Closing, FNW may assign its rights under this Agreement to another party so long as such other party is both (i) the party which acquires the Stock or Assets of SSI pursuant to the Option Agreement; and (ii) complies with the representations in Section 6 above. After the Purchase Closing, FNW may assign its rights under the Amended Use Agreement in accordance with the terms of the Amended Use Agreement.

(b) Rights Under Use Agreement. FNW shall not have any rights or obligations under the Current Use Agreement unless and until Purchase Closing.

(c) Notices. All notices, requests, demands and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by facsimile or upon receipt after dispatch by certified or registered first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, to the addresses and/or facsimile numbers set forth below, or to such other address or facsimile number as any party may designate by giving notice to the other parties hereto.

If to the County, to:

County Executive
King County, Washington
Seattle, Washington 98104
Fax No.: (206) _____

with a copy to:

Stadium Director
King County Domed Stadium
Seattle, Washington 98033
Fax No.: (206) _____

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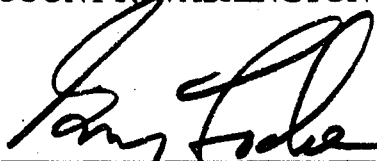
(g) Consultation. FNW shall have the right to consult with the County regarding any matter relating to the County's relationship with any current or future food, catering, novelty or other concessionaire, including any matter relating to any existing or future agreement, or agreement renewal, amendment or termination, or request for proposal or bidding process relating to a new agreement, to the extent that it affects NFL football.

(h) Restatement of Use Agreement. The parties hereto plan to restate the Current Use Agreement (as amended by this Agreement) to conform to the terms of the Amended Use Agreement following effectiveness of the amendments provided herein.

(i) Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof.

IN WITNESS HEREOF, the parties have caused this Consent and Amendment to be executed the date first above written

KING COUNTY, WASHINGTON

By 
Gary Locke, County Executive 12-19-96

FOOTBALL NORTHWEST

By Football Northwest Inc., Managing General Partner

By _____
Robert J. Whitsitt, President

Approved as to form:

King County Prosecuting Attorney

**SEAHAWK LEASE AMENDMENT
FINANCIAL IMPACT ON STADIUM FUND**

12558

12/15/96

STADIUM OPERATING	1996	1997**		1998		1999		2000***	
	Estimated	Current Lease	Proposed Lease	Current Lease	Proposed Lease	Current Lease	Proposed Lease	Current Lease	Proposed Lease
Beginning Fund Balance	171,552	203,191	203,191	6,996,762	5,616,792	6,327,204	3,539,665	5,644,256	1,420,996
Revenues	10,650,543	11,390,864	10,010,894	11,618,681	10,211,112	11,851,055	10,415,334	8,799,939	7,335,504
Expenditures	10,618,904	12,047,293	12,047,293	12,288,239	12,288,239	12,534,004	12,534,004	10,096,915	10,096,915
Net Income	31,639	(656,429)	(2,036,399)	(669,558)	(2,077,127)	(682,949)	(2,118,670)	(1,296,976)	(2,761,411)
"Kingdome Trust Fund"		7,450,000	7,450,000						
Ending Fund Balance	203,191	6,996,762	5,616,792	6,327,204	3,539,665	5,644,256	1,420,996	4,347,280	(1,340,416)
Target Fund Balance*	1,565,054	1,639,086	1,501,089	1,661,868	1,521,111	1,685,105	1,541,533	1,379,994	1,233,550
Excess/Deficit	(1,361,863)	5,357,676	4,115,703	4,665,336	2,018,554	3,959,150	(120,538)	2,967,286	(2,573,966)

* Target Fund Balance for Kingdome is \$500,000 + 10 percent of revenues.

** Funds to compensate Mariners for loss of advertising rights are not included in the financial plan.

***Mariners leave at the end of the 1999 season. Mariners revenues and direct expenses and \$300,000 of indirect expenses eliminated in 2000

CONCLUSIONS/ISSUES

- 1997 PROJECTED FINANCES (UNDER EXISTING LEASE TERMS) ARE BETTER THAN THE FINANCIAL PLAN TRANSMITTED BY THE EXECUTIVE DURING THE COUNCIL'S 1997 BUDGET PROCESS DUE TO AN INCREASE IN THE ATTENDANCE ASSUMPTION FOR THE MARINERS
- THE STADIUM FUND IS INCURRING OPERATING LOSSES WITHOUT THE LEASE CONCESSIONS (AND HAVE BEEN SINCE 1990)
- THE LEASE CONCESSIONS FURTHER ACCERBATE THE FINANCIAL SITUATION OF THE KINGDOME RESULTING IN NET OPERATING LOSSES OF ABOUT \$2 MILLION A YEAR. AFTER THE MARINERS LEAVE, OPERATING LOSSES COULD BE AS HIGH AS \$3 MILLION.
- THE STADIUM FUND IS SUSTAINED TEMPORARILY BY THE \$7.5 MILLION "KINGDOME TRUST FUND" BUT MONEY IS DEPLETED BY THE END OF 1999.
- THE LEASE RUNS THROUGH THE 2005 SEASON HOWEVER THERE ARE ONLY ENOUGH FUNDS TO SUSTAIN THE KINGDOME THROUGH THE 1999 SEASON.
- COMPENSATING THE MARINERS FOR LOSS OF ADVERTISING REVENUE IS NOT FUNDED IN THE STADIUM OPERATING BUDGET. IF THE MARINERS WERE TO BE COMPENSATED, THE COST TO THE COUNTY IS ESTIMATED TO BE ABOUT \$1.3 MILLION PER YEAR.
- WHEN THE MARINERS LEAVE, LOSSES COULD BE MINIMIZED IF: 1)THE STADIUM WERE TO REDUCE INDIRECT EXPENSES BY MORE THAN \$300,000; AND 2)IF NEW EVENTS COULD BACKFILL SOME OF THE DATES WHEN THE MARINERS LEAVE.
- WHILE FNW HAS PUBLICLY STATED THEY WILL NOT EXCERCISE THEIR PURCHASE OPTION UNLESS THE STATE LEGISLATURE APPROVES A NEW FUNDING PACKAGE FOR THE SEAHAWKS, THE PROPOSED AMENDEMENT PROVIDES LEASE CONCESSIONS THROUGH THE END OF THE 2005 FOOTBALL SEASON REGARDLESS OF ANY STATE ACTION. THE \$7.5 MILLION ROOF SETTLEMENT FUNDS COVER OPERATING LOSSES THROUGH THE YEAR 1999. IF THE SEAHAWKS STAY IN THE KINGDOME BEYOND THE YEAR 1999, THE KINGDOME WILL NEED A \$2 TO \$3 MILLION SUBSIDY TO STAY AFLOAT.

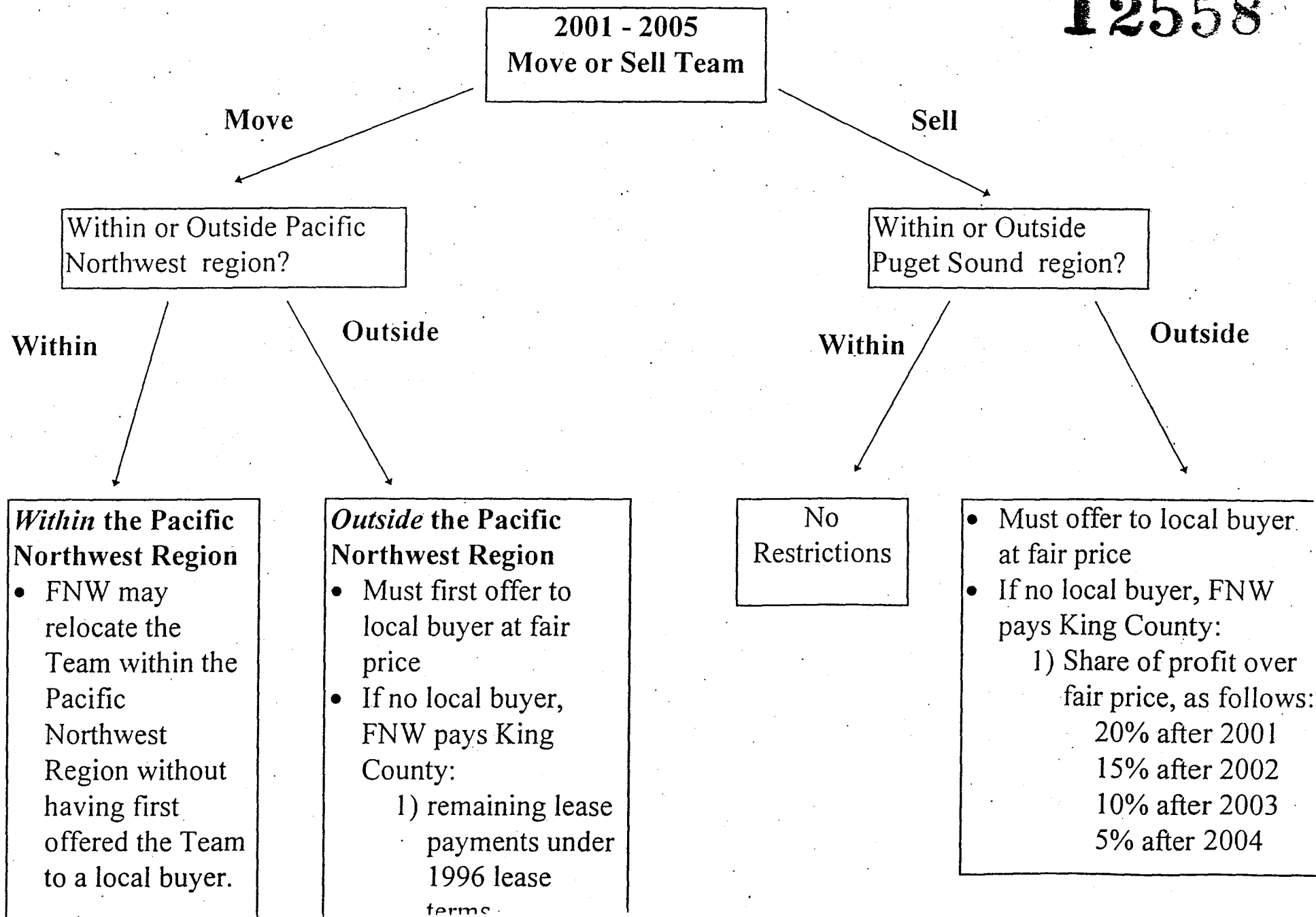
**FINANCIAL IMPACT OF SEAHAWK LEASE CONCESSION
ANNUAL IMPACT IN 1997 DOLLARS**

12558

Description	Existing Terms	Proposed Terms	Executive Financial Impact	Financial Impact			Notes
				Low	Medium	High	
Facility Rent	7% of gross ticket receipts	\$20,000 per game	889,917	760,515	889,917	1,019,319	Low, Medium & High based on paid attendance assumptions of 450,000, 510,000, 570,000, respectively.
Game Day Cost	Paid by team	Paid by team		-	-	-	
Cleaning Costs	Paid by Kingdome	Paid by team	(100,000)	(85,000)	(100,000)	(100,000)	Affected by actual attendance assumed at 380,000, 450,000, and 510,000, respectively.
Concessions	30% of gross for food & beverage. 52.11% of fees paid to County for banquets, catering and non-food items	Team receives 100% of concession revenue (after concessionaire cut)	560,384	485,666	560,384	635,102	Affected by actual attendance
Indoor Advertising	Indoor: Mariners have the rights to indoor advertising. County receives "guaranteed minimum payment" of approximately \$154,000 plus 25% of advertising revenue	Indoor: Seahawks have the rights to indoor advertising. County receives "guaranteed minimum payment" of approximately \$154,000 plus 25% of advertising revenue		(100,000)	-	100,000	Affected by promotional abilities of respective teams.
Outdoor Advertising	Outdoor: County receives 100% advertising rights	Outdoor: Seahawks receive 100% revenue		(25,000)	-	25,000	
Use of Exhibit Hall	5 days of use during game days	10 days of use during game days			-		
Press Loges	7% gross rental proceeds during Seahawk games	Seahawks receive County 10%	29,670		29,670		
Executive Suites	10% gross Seahawk sales commission for all games and events. Remaining revenue split: 50% Seahawks 40% Mariners 10% County	Stays the same with Seahawks receiving Mariner's share when Mariners leave or by the end of the 1999 baseball season, whichever is earlier			-		
TOTAL			1,379,971	1,036,181	1,379,971	1,679,421	

KING COUNTY - FOOTBALL NORTHWEST KINGDOM LEASE MODIFICATIONS
SUMMARY OF LEASE - MOVE/SELL PROVISIONS

12558



**FOOTBALL FINANCIAL SUMMARY
1997-1999
WITH HYPOTHETICAL USE AGREEMENT TERMS
KING COUNTY 12/3/96 (No Buyout)**

1997

1998

1999

VENT	Existing Terms 1997 Exec Req	Seahawk Share (Est)	Hypothetical 1997 Est	Seahawk Share	Hypothetical 1998 Est	Seahawk Share (Est)	Hypothetical 1999 Est	Seahawk Share (Est)
Average Attendance per Day	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Event Days	10	10	10	10	10	10	10	10
Open Days	8	8	8	8	8	8	8	8
Total Paid Attendance	510,000	510,000	510,000	510,000	510,000	510,000	510,000	510,000
Total Actual Attendance	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
REVENUES								
Facility Rental /1	1,099,917	14,613,183	200,000	16,298,755	200,000	17,123,693	200,000	17,989,877
Concessions /2	560,384	607,692	0	1,168,076	0	1,168,076	0	1,168,076
Event Parking /3	162,700	0	162,700	0	162,700	0	186,800	0
Disc.	0	0	0	0	0	0	0	0
Equip/Rental	7,050	0	7,050	0	7,050	0	7,050	0
Executive Suites-Leases /4	97,069	557,384	97,069	616,612	88,417	573,350	86,930	913,641
Executive Suites-Game by Game /5	55,145	147,141	55,145	359,575	55,145	359,575	55,145	580,155
Press Loges /6	29,670	394,184		423,854		423,854		423,854
Revenue Subtotal	2,011,934	16,319,584	521,964	18,866,871	513,312	19,648,547	535,925	21,075,603
Day-of-Game Labor Costs	316,610		416,610		426,108	0	435,892	
Utility	18,300		18,300		18,849	0	19,414	
Limbs (staff/S/S)	3,334		3,334		3,434	0	3,537	
Non-Event Income	(10,000)							
Total Revenue	2,340,178	16,319,584	960,208	18,866,871	961,703	19,648,547	994,768	21,075,603
INDIRECT EXPENDITURES								
Event Day Labor /7	326,265		326,265		336,053		346,135	
Groundskeeping	55,767		55,767		57,440		59,163	
TV Services	25,295		25,295		26,054		26,835	
Media Services	525		525		541		557	
Parking Labor	24,669		24,669		25,409		26,171	
Subtotal: Event Labor	432,521		432,521		445,497		458,862	
Payroll Tax (15%) on Event Labor	62,116		62,116		63,979		65,899	
Payroll Tax (15%) on Parking Labor	3,757		3,757		3,870		3,986	
Total: Day of Game Event Labor	498,394		498,394		513,346		528,746	
Utilities	18,594		18,594		19,152		19,726	
Property Taxes	43,088		43,088		44,381		45,712	
Conversion Meals	0		0		0		0	
Base Patrol	3,822		3,822		3,937		4,055	
WiFi Services	10,000		10,000		10,000		10,000	
Reimb Expenses	3,139		3,139		3,233		3,330	
Expenses: Non-Reimb	7,225		7,225		7,442		7,665	
Traffic Control	0		0		0		0	
Total Direct Expenses	584,262		584,262		601,490		619,235	
OVERHEAD /8								
Management	17,237		17,237		17,754		18,287	
Marketing	15,227		15,227		15,684		16,154	
Finance	101,497		101,497		104,542		107,678	
Contract Services	13,099		13,099		13,492		13,897	
Maintenance	148,686		148,686		153,147		157,741	
Security	14,194		14,194		14,620		15,058	
Master Plan	0		0		0		0	
Ticket Sales	11,143		11,143		11,477		11,822	
Exhibition Hall	4,826		4,826		4,971		5,120	
Technical Services	14,768		14,768		15,211		15,667	
Photography/Media	0		0		0		0	
Executive Suites	11,667		11,667		12,017		12,378	
Total Indirect Expenses	352,344		352,344		362,914		373,802	
FINANCIAL SUMMARY								
Total Expenses	936,606		936,606		964,404		993,036	
Total Event Income	1,403,572		23,602		(2,701)		1,732	
Event Income: Advertising /9	0		390,148	870,445	409,057	927,172	427,430	982,291
Total Kingdome Income	1,403,572		413,750		406,356		429,162	
Other Costs:								
Buyback-Non Baseball	0							
NET AND TOTAL IMPACT	1,403,572		413,750		406,356		429,162	