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June 26, 1997

Introduced by: Christopher Vance

July 17, 1997 pj

Proposed No.: 97-395

ORDINANCE NO. **12807**

AN ORDINANCE relating to public stadium and exhibition facilities, and the use, financing and development thereof; creating a public stadium authority to construct, own and operate a stadium and exhibition center; imposing and pledging to maintain and continue to levy taxes for stadium and exhibition center purposes, including a special sales and use tax of 0.016 percent to be credited against the state sales and use tax, an admissions tax of one cent for every ten cents or fraction thereof charged for admission to events in a new stadium and exhibition center, and a ten percent tax on parking charges at a new stadium and exhibition center; authorizing the amendment of the Consent to Assignment and Amended Use Agreement between King County and Football Northwest; and adding new sections to K.C.C. Title 4 and declaring an emergency.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings.

A. At a special election held on June 17, 1997, the voters of the State of Washington approved Referendum 48 [1997 Laws of Washington, Chapter 220], which provides a comprehensive framework for the financing, construction, ownership and operation of a "stadium and exhibition center," defined as "an open-air stadium suitable for National Football League football and for Olympic and World Cup soccer, with adjacent

1 exhibition facilities, together with associated parking facilities and other ancillary
2 facilities.”

3 B. On June __, 1997, the county entered into an Agreement and Letter of Intent
4 with Football Northwest setting forth Football Northwest’s commitment to purchase the
5 Seattle Seahawks and the county’s commitment to implement the provisions of
6 Referendum 48 and to amend the Consent to Assignment and Amended Use Agreement
7 entered into between King County and Football Northwest on January 9, 1997, all pursuant
8 to Motion 10227 of the metropolitan King County council adopted on June 23, 1997.

9 C. The Council finds that an emergency exists requiring immediate enactment of
10 this ordinance as an emergency measure. The comprehensive state mechanism for
11 creation of a public stadium authority to develop and operate a stadium and exhibition
12 center as authorized in Referendum 48 included measures to expedite the proposal to the
13 maximum extent feasible, including emergency adoption of the portions of the legislation
14 calling for a special state-wide election. The certification of passage of Referendum 48 and
15 the execution of an Agreement and Letter of Intent between Football Northwest and King
16 County satisfied necessary statutory preconditions for rapid implementation of the
17 proposal.

18 Immediate enactment of this ordinance will allow revenues authorized herein to be
19 available approximately twenty-five (25) days earlier than if it were adopted as a regular
20 ordinance. Immediate enactment also will allow the Governor of the State of Washington
21 to immediately appoint members to serve on the board of the Public Stadium Authority
22 created by this ordinance, rather than waiting an additional twenty-five (25) days after its
23 adoption. Immediate enactment of this ordinance is necessary to satisfactorily address the

1 significant time constraints created by the complexities of the rapid siting, design,
2 financing, and construction schedules for the new stadium and exhibition center. These
3 constraints include but are not necessarily limited to environmental review and mitigation
4 planning, intergovernmental agreements between the authority, the county, and any city in
5 which the facility is to be located, and coordination with any tenants of existing facilities
6 affected by the proposal, all of which require that all feasible measures be take to avoid any
7 schedule delay.

8 SECTION 2. Public Stadium Authority Created. Pursuant to the provisions of
9 Referendum 48, the Washington State Public Stadium Authority is hereby created within
10 King County with all of the powers and authority granted by state law. The board of
11 directors of the public stadium authority shall consist of seven members, to be appointed
12 by the Governor. The naming of the public stadium authority by this ordinance shall not
13 be construed as limiting its board of directors from adopting any other name.

14 SECTION 3. Imposition of 0.016% Sales and Use Tax Credited Against State
15 Sales and Use Tax. A new section is added to K.C.C. 4.28 to read as follows:

16 There is hereby imposed a special stadium and exhibition center sales and use tax
17 as authorized by Referendum 48, sec. 204 and chapter 82.14 RCW as amended, with a rate
18 equal to 0.016 percent of the selling price in the case of a sales tax or value of the article
19 used in the case of a use tax, for collection beginning on the earliest allowable date
20 consistent with the requirements of state law. The tax imposed by this section shall be in
21 addition to all other taxes authorized by law, and shall be collected from those persons who
22 are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of
23 any taxable event within King County. The tax imposed under this section shall be

1 deducted from the amount of tax otherwise required to be collected or paid over to the
2 Washington State Department of Revenue under chapter 82.08 or 82.12 RCW. The tax
3 imposed under this section shall be transferred and deposited in accordance with
4 Referendum 48, sec. 204(3), and shall expire as provided in Referendum 48, sec. 204(5).

5 SECTION 4. Stadium and Exhibition Center Admissions Tax. A new section is
6 added to K.C.C. Title 4 to read as follows:

7 As authorized by Referendum 48, Sec. 301(5), there is hereby levied and fixed a tax
8 of one cent on every ten cents or fraction thereof of charges for admission to events in a
9 stadium and exhibition center constructed in the county on or after January 1, 1998 that is
10 owned by the Washington State Public Stadium Authority. For the purposes of this
11 section, "charges for admission to events" means only the actual admission charge,
12 exclusive of taxes and service charges and the value of any other benefit conferred by the
13 admission. Revenues collected from the tax imposed herein shall be deposited and used in
14 accordance with Referendum 48, Sec. 301 (5). The tax under this section shall be levied
15 upon the first use of any part of the stadium and exhibition center but shall not be collected
16 at any facility already in operation as of the effective date of Referendum 48.

17 SECTION 5. Stadium and Exhibition Center Parking Tax. A new section is
18 added to K.C.C. Title 4 to read as follows:

19 As authorized by Referendum 48, Sec. 302, there is hereby levied and fixed a tax at
20 the rate of 10% on any vehicle parking charges imposed at any parking facility that is part
21 of a stadium and exhibition center. For the purposes of this section, "vehicle parking
22 charges" means only the actual parking charges exclusive of taxes and service charges and
23 the value of any other benefit conferred. Revenues collected under this section shall be

1 deposited and used in accordance with Referendum 48, Sec. 302. The tax under this
2 section shall be levied upon the first use of any part of the stadium and exhibition center
3 but shall not be collected at any facility already in operation as of the effective date of
4 Referendum 48.

5 SECTION 6. Pledge To Maintain and Continue Taxes. The county hereby
6 pledges to maintain and continue the taxes authorized in RCW 36.38.010(5), 67.28.180,
7 and Referendum 48 sec. 302, until the bonds authorized in Referendum 48 sec. 210 are
8 fully redeemed, both principal and interest. The county further pledges and dedicates to
9 the repayment of the bonds issued to finance a stadium and exhibition center the full 2.0
10 percent hotel-motel tax during the years 2016 through 2020 in accordance with
11 Referendum 48 secs. 501(2)(c)(ii) and 502(3)(c) together with excess revenues from such
12 tax during the years 2013 through 2015 beyond that needed to pay Kingdome debt.

13 SECTION 7. Refinancing of Kingdome Debt and Dedication of Hotel-Motel Tax
14 Revenue. It is the intent of the County to issue bonds to repay or refinance all or a portion
15 of the existing bonded debt on the Kingdome, including but not limited to roof repairs,
16 claims, and related costs. Such bonds, to be approved by future ordinance, shall be limited
17 to tax general obligation bonds to which the county will also pledge the hotel-motel tax
18 authorized by chapter 67.28 RCW, as amended by Referendum 48 sec. 501. Revenues
19 received from such tax from January 1, 2013 through December 31, 2015 in excess of the
20 amount required for this purpose shall be transferred to the stadium and exhibition center
21 account pursuant to Referendum 48 sec. 501 (3)(b).

22 SECTION 8. Amendment of Kingdome Use Agreement. The First Amendment
23 of the Consent to Assignment and Amendment of Use Agreement between King County

1 and Football Northwest attached hereto as Exhibit A is hereby approved for execution by
2 the executive.

3 SECTION 9. Severability Clause. If any provision of this Ordinance or its
4 application to any person or circumstance is held invalid, the remainder of ordinance or the
5 application of the provision to other circumstances is not affected.

6 SECTION 10. Emergency. The council hereby finds that an emergency exists and
7 that this ordinance is necessary for the immediate preservation of public peace, health or
8 safety or for the support of county government and its existing public institutions.

9 INTRODUCED AND READ for the first time this 30th day of

10 June, 1997.

11 PASSED by a vote of 11 to 0 this 21st day of July, 1997.

12 KING COUNTY COUNCIL

13 KING COUNTY,
14 WASHINGTON

15 Jane Hayes
16 Chair
17

18 ATTEST:

19
20
21 Zimmerman
22 Clerk of the Council
23

24
25 APPROVED this 22 day of July, 1997.

26
27
28 [Signature]
29 King County Executive
30

31
32 Attachment: Exhibit A—First Amendment to Consent to Assignment and Amendment of
33 Use Agreement, dated July 9, 1997.

9 July 1997

FIRST AMENDMENT
TO
CONSENT TO ASSIGNMENT
AND
AMENDMENT OF USE AGREEMENT

This amendment, dated July __, 1997, is the first amendment to that certain Consent to Assignment and Amendment of Use Agreement (the "Agreement") dated the 7th day of January, 1997, 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.

The parties hereby agree:

1. Section 4.3 of the Agreement is amended by the addition of the following sentence:

"Statewide passage of Referendum Bill No. 48 is hereby deemed to fully satisfy the condition set forth in the preceding sentence."

2. Section 8 (a) of the Agreement is amended by the addition of the following sentence:

"The County may assign its interest in the Domed Stadium and this agreement to a "public stadium authority" as contemplated in Section 102 (1), Chapter 220, Laws of 1997."

3. A new subsection 8(k) is added to the Agreement to read as follows:

8(k) New Domed Stadium Agreements. Except as otherwise agreed to by FNW, the County shall require that every new agreement entered into with respect to the lease, rental or use of or activity within or around the Domed Stadium, and every extension or amendment of any existing agreement extending its term with respect to the lease, rental or use of or activity within or around the Domed Stadium (other than this Agreement), shall contain the following provision:

DEMOLITION OR MAJOR RENOVATION.

(1) At any time after June 30, 1998, the County may terminate the provisions of this agreement relating to the Tenant's use or the availability of (a) the Pavilion; (b) all or part of Lot A of the Domed Stadium Premises; and/or (c) all or part of Lot B of the Domed Stadium Premises.

(2) At any time after December 1, 1999, the County may terminate this agreement in its entirety, if the County intends either to demolish or undertake a major renovation of the Domed Stadium.

If the County elects to so terminate this agreement, the termination shall be effective the later of ninety (90) days after the County notifies the Tenant, or the dates specified in paragraph (1) or (2), whichever is applicable. The County shall have no liability, cost or obligation with respect to any such termination, including for interruption or relocation of the Event. For purposes of this provision, the "County" includes any successor owner or operator of the Domed Stadium, including any "public stadium authority."

4. A new sentence is added to section 5 of the Agreement to read as follows:

Football Northwest agrees that, except as may be required under use permits for continued operation of the Domed Stadium, no capital improvements to the Domed Stadium (including but not limited to seismic improvements) shall be necessary to comply with the County's obligation under this Agreement.

KING COUNTY, WASHINGTON

By _____
Ron Sims, County Executive

FOOTBALL NORTHWEST

By Football Northwest Inc.,
Managing General Partner

By _____
Robert J. Whitsitt, President

Approved as to form:

By _____
Richard H. Holmquist
Chief Civil Deputy Prosecuting Attorney

12807 4 1

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **RON SIMS** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the **County Executive of King County, Washington**, for the uses and purposes mentioned in this instrument.

Dated this _____ day of July, 1997.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington.

My appointment expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that **ROBERT J. WHITSITT** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the **president of Football Northwest Inc.**, a corporation, as **managing partner of Football Northwest**, a general partnership, to be the free and voluntary act of such partnership for the uses and purposes mentioned in this instrument.

Dated this _____ day of July, 1997.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington.

My appointment expires _____