

2 **RESOLUTION NO. 471**

3 A RESOLUTION of the Board of Directors of the Washington State Major
4 League Baseball Stadium Public Facilities District authorizing execution of a
5 Funding Agreement and the Sixth Amendment to the Financing Agreement
6 between the District and King County, and authorizing execution of a Ballpark
7 Operations and Lease Agreement and a Team Non-Relocation Agreement with the
8 Baseball Club of Seattle, LLLP for the long-term use of the ballpark currently
9 known as "SAFECO FIELD".

10 WHEREAS, pursuant to Chapter 36.100 RCW, as amended, the Washington State
11 Major League Baseball Stadium Public Facilities District (the "District"), has been created
12 by action of Washington State Legislature and by the King County Council (Ordinance
13 12000); and

14 WHEREAS, the District possesses all the powers of a public facilities district,
15 including the power to acquire, own, sell, transfer, or lease property as well as the usual
16 powers of a corporation for public purposes (RCW 36.100.010, .035 and .160); and

17 WHEREAS, the history and background of the District's negotiations with The
18 Baseball Club of Seattle, LLLP (the "Club") leading up to the District's May 2018
19 approval of a Lease Renewal Term Sheet ("Term Sheet"), is contained in Resolution No.
20 466, which information is incorporated herein by reference; and

21 WHEREAS, Resolution No. 466 directed the District's Executive Director to work
22 with the District's legal counsel and sports consultant to prepare definitive lease
23 documents consistent with the Term Sheet for Board review; and

24 WHEREAS, consistent with this direction, the District's negotiating team prepared
25 drafts of a Ballpark Operations and Lease Agreement (the "Lease") and a Team
26 Non-Relocation Agreement for Board review in a series of regular and special meetings of
27 the Board; and

28 WHEREAS, in May 2018, concurrent with the approval of the Term Sheet, the
29 King County Executive proposed legislation authorizing a Funding Agreement and a

30 Financing Amendment with the District to “protect and maintain the public’s ownership”
31 of the ballpark; and

32 WHEREAS, the Funding Agreement would allocate a portion of the County’s
33 lodging tax revenue—authorized by RCW 67.28.180—to the District to “provide for
34 critical investments” in the ballpark needed to “maintain the efficient functioning and
35 safety of this publicly-owned facility”; and

36 WHEREAS, the Financing Amendment would amend an existing financing
37 agreement between the District and the County to allow for future debt financing, upon
38 County Council approval, with debt service to be paid from the lodging tax allocated to
39 the District; and

40 WHEREAS, the legislation proposed by the County Executive was introduced to
41 the King County Council and referred to the Committee of the Whole in July 2018; and

42 WHEREAS, the King County Council considered the legislation over a series of
43 public meetings in August and September 2018, during which multiple hours of public
44 testimony were received from more than 100 individuals or organizations; and

45 WHEREAS, on September 17, 2018, the King County Council deliberated and
46 acted upon final legislation, following public testimony and consideration of nearly a
47 dozen proposed amendments, which approved the agreements as amended; and

48 WHEREAS, King County Ordinance 2018-0374, approves and authorizes the
49 County Executive to sign the Financing Amendment and a Funding Agreement that
50 provides for the transfer of approximately \$135M to the District over the term of the
51 ballpark Lease and specifies the purposes and manner in which such funding must be used
52 by the District; and

53 WHEREAS, King County Ordinance 2018-0374 was approved and signed by the
54 County Executive on September 19, 2018 and received by the Clerk of the Council on
55 September 20, 2018; and

56 WHEREAS, on September 27, 2018, a proposed referendum petition was filed
57 with the Clerk of the King County Council pursuant to King County Code 1.16.020; and

58 WHEREAS, the proposed referendum petition sought to refer Ordinance
59 2018-0374 to a vote of the people of the County for their approval or rejection; and

60 WHEREAS, signatures for the referendum petition were never filed with the
61 Clerk, the proposed referendum lapsed, and King County Ordinance 2018-0374 became
62 effective as a result; and

63 WHEREAS, the Funding Agreement approved by Ordinance 2018-0374 requires
64 the District and the Club to execute both a Lease consistent with the Term Sheet and a
65 Non-Relocation Agreement that obligates the Club and any successor-in-interest to retain
66 the ballpark as a home venue for a Major League Baseball team for the term of the Lease;
67 and

68 WHEREAS, the Funding Agreement includes other conditions precedent to the
69 County's obligation to provide funds, including provisions for labor harmony, all of which
70 conditions to the execution and implementation of the Funding Agreement have been
71 fulfilled in the proposed Lease, and

72 WHEREAS, the Financing Amendment allows the County to advance the
73 availability of lodging tax funds authorized under the Funding Agreement, upon request
74 by the District and subject to review and approval by the King County Council; and

75 WHEREAS, repayment of any such advance (including any fees and interest) will
76 come exclusively from the lodging taxes to be transferred to the District under the
77 Funding Agreement, with the term of the repayment to be determined by the County; and

78 WHEREAS, RCW 36.100.025 requires, in certain instances, that an Independent
79 Financial Feasibility Review be performed prior to certain actions of public facilities
80 districts; and

81 WHEREAS, such review was conducted by the Washington State Department of
82 Commerce using an independent contractor selected by the Department, pursuant to an
83 Interlocal Agreement for Independent Financial Feasibility Review executed in July 2018,
84 and approved by the District Board in August 2018; and

85 WHEREAS, drafts of the report were prepared and shared with the District, and a
86 final report was issued in December 2018 as a public document; and

87 WHEREAS, the report provides an overview of the District and the ballpark,
88 identifies the District's responsibilities under the proposed Lease, and evaluates Lease
89 terms affecting District operations; and

90 WHEREAS, the report concludes that there is very limited financial risk to the
91 District so long as the Club (and any successor) continue to perform as agreed under the
92 Lease; and

93 WHEREAS, throughout the Lease negotiations the District has been meeting with
94 its negotiating team during regular and special meetings to evaluate the lowest acceptable
95 value to lease the Ballpark, informed by its public discussions of factors other than cash
96 rent impacting the minimum price, and to give direction and to ensure that the identified
97 goals and objectives of the District are met; and

98 WHEREAS, the District and the Club have reached agreement on the terms of a
99 Lease and a Non-Relocation Agreement that each finds acceptable and which are now
100 ready for formal approval; and

101 WHEREAS, the proposed action is categorically exempt from environmental
102 review under the State Environmental Policy Act, WAC 197-11-800 (5)(c); and

103 WHEREAS, the Board has determined that executing the Funding Agreement,
104 Financing Amendment, Lease, and Non-Relocation Agreement is in the best interest of
105 the District and the public it represents.

106
107 NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS
108 OF THE WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC
109 FACILITIES DISTRICT:

110 Section 1. The Board Chair or Executive Director is hereby authorized to execute
111 the “Funding Agreement between King County and the Washington State Major League
112 Baseball Stadium Public Facilities District,” substantially in the form attached hereto.

113 Section 2. The Board Chair or Executive Director is hereby authorized to execute
114 “Amendment No. 6 to Agreement between King County and the Washington State Major
115 League Baseball Stadium Public Facilities District,” substantially in the form attached
116 hereto.

117 Section 3. The Board Chair or Executive Director is hereby authorized to execute
118 the Amended and Restated Ballpark Operations and Lease Agreement between the

119 District and the Club, substantially in the form attached hereto, including any non-
120 substantive revisions acceptable to the Board Chair, with advice of counsel.

121 Section 4. The Board Chair or Executive Director is hereby authorized to execute
122 the Team Non-Relocation Agreement between the District and the Club, substantially in
123 the form attached hereto, including any non-substantive revisions acceptable to the Board
124 Chair, with advice of counsel.

125 Section 5. The District specifically finds that the Lease and the Non-Relocation
126 Agreement are consistent with the Term Sheet and address all of King County's
127 conditions precedent established in the Funding Agreement, including District
128 acknowledgement that a labor harmony agreement has been executed by the Club
129 covering ballpark operations, and that the Club is bound by the Lease to enter into a
130 companion agreement for publicly funded capital improvements.


131 Section 6. The Executive Director is hereby authorized to take such administrative
132 or other actions as necessary to implement the provisions of this resolution and the terms
133 of the agreements approved herein, including but not limited to executing a leasehold
134 mortgage estoppel certificate and setting up the following funds with King County:
135 District Operating Fund, Capital Projects Fund, County Tax Revenues Fund, and Ballpark
136 Neighborhood Improvement Fund.

137
138 PASSED by a vote of 7 to 0 this 10th day of December 2018.

139
140 BOARD OF DIRECTORS
141 WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC
142 FACILITIES DISTRICT


Virginia Anderson, Chair

143 ATTEST:
144


~~Jan Simmons~~ Kevin Callan
Clerk Exec Director