

2 RESOLUTION NO. \_\_

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 Term Sheet with the Baseball Club of Seattle, L.L.L.P. for the long-term lease of  
6 the Ballpark currently known as “SAFECO FIELD”.

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

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

14 WHEREAS, in 1995 the District was created as an independent public authority to  
15 oversee the site selection, design, construction, and operation of a Major League Baseball  
16 stadium with natural turf and a retractable roof or canopy together with associated parking  
17 facilities in King County, Washington (the “Ballpark”); and

18 WHEREAS, in 1996 the Baseball Club of Seattle, L.L.L.P. (the “Club”), signed a  
19 development agreement and a 20-year lease with the District addressing the construction,  
20 use, and operation of the Ballpark (the “Lease”), under which the Club ultimately invested  
21 more than \$145 million for the Ballpark’s construction; and

22 WHEREAS, King County donated the land required for the construction of the  
23 Ballpark and issued \$336 million in bonds for construction financing, debt service for  
24 which was paid from a variety of public tax sources and ballpark-generated revenue; and

25 WHEREAS, other public contributions totaled \$36 million for a total Ballpark  
26 construction cost of \$517 million; and

27 WHEREAS, the Ballpark was constructed over a 27-month period and opened for  
28 play on July 15, 1999; and

29 WHEREAS, the County bonds for Ballpark construction were paid off in full in  
30 September 2011, more than five years ahead of schedule; and

31 WHEREAS, five of the taxes and fees imposed to pay off the County bonds  
32 sunsetted when the bonds were retired, while two user fees tied to Ballpark activities  
33 remain: a 5% user fee on Ballpark admissions and a 10% user fee on parking at the  
34 Ballpark garage; and

35 WHEREAS, those user fees continue to be collected by King County—the  
36 District’s treasurer—and remitted to the District to be used “exclusively to fund repair, re-  
37 equipping, and capital improvements” of the Ballpark as mandated by State law, RCW  
38 36.100.220 (3) and RCW 36.38.010 (4)(a); and

39 WHEREAS, under the existing Lease the Club is solely and exclusively  
40 responsible for all operating expenses, routine and preventative maintenance, with District  
41 participation in capital repairs and replacements in defined circumstances; and

42 WHEREAS, under the existing Lease the Club is also responsible for ensuring that  
43 the Ballpark is operated, maintained and equipped, in a manner consistent with the  
44 “Applicable Standard”; and

45 WHEREAS, the Applicable Standard under the existing Lease is defined as  
46 maintaining and operating the Ballpark in a “first class manner”, measured with reference  
47 to performance of the ballparks described below, and taking into account the age of the  
48 Ballpark and any special needs or limitations resulting from the Ballpark’s design and  
49 construction; and

50 WHEREAS, beginning in 2005, the District has evaluated the Club’s compliance  
51 with the Applicable Standard by measuring the Club’s operation and maintenance of the  
52 Ballpark against the performance of operators of other Major League Baseball (“MLB”)  
53 stadiums first opened for play between 1990 and 1999 (i.e., Tropicana Field, Tampa;  
54 Guaranteed Rate Field, Chicago; Camden Yards, Baltimore; Globe Life Park, Arlington;  
55 Progressive Field, Cleveland; Coors Field, Denver; Turner Field, Atlanta; Chase Field,  
56 Phoenix); and

57 WHEREAS, in each of those evaluations, conducted in 2005, 2008, 2012, and  
58 2015, the Ballpark has come out on top, ranking the highest each time when compared  
59 against MLB venues of comparable age; and

60 WHEREAS, annual facility audits conducted by an experienced consulting team  
61 confirm that the Ballpark is well maintained by the Club; and

62 WHEREAS, the Ballpark continues to be recognized by both fans and players as  
63 one of the best ballparks in baseball, and more than 45 million fans have passed through  
64 the Ballpark gates since its opening; and

65 WHEREAS, the existing Lease between the District and the Club expires on  
66 December 31, 2018; and

67 WHEREAS, in the fall of 2015, the District began the process of evaluating the  
68 existing Lease and considering terms for a new long-term lease. To help guide the  
69 District through this process, the District retained the services of Barrett Sports Group  
70 (now part of CAA/ICON) and its founder Dan Barrett, a nationally recognized expert  
71 serving public agencies and teams in the sports industry; and

72 WHEREAS, over the course of the following two-and-a-half years, the District  
73 and its consultants explored various aspects of a new lease at Regular and Special  
74 meetings of the Board; and

75 WHEREAS, in the fall of 2015, the District and the Club partnered to engage the  
76 services of B&D Venues and Populous Architects to investigate the extent, cost, and  
77 timing of potential capital improvements that could reasonably be anticipated for the  
78 Ballpark over the next 20 years (through 2036); and

79 WHEREAS, B&D Venues and Populous directed an interdisciplinary team of  
80 experts in facility management, architecture, structural engineering, systems engineering,  
81 audio visual engineering/technology, food services, and other disciplines who visited and  
82 evaluated the Ballpark (the "Consulting Team"); and

83 WHEREAS, the Consulting Team completed a scope of work that included an on-  
84 site facility assessment of the Ballpark; development of a baseline improvements matrix;  
85 creation of an on-line survey; identification of potential necessary and upgrade  
86 improvements, with preliminary cost estimates for the necessary improvements; and an

87 economic benefits analysis that quantifies the economic and fiscal value of annual  
88 Ballpark operations over a 20-year period; and

89 WHEREAS, the Report defined “Necessary Improvements” as those  
90 improvements required to protect the building against physical obsolescence, and  
91 “Upgrade Improvements” as improvements required to protect the Ballpark against  
92 economic obsolescence, including investments designed to enhance the spectator  
93 experience, create additional revenue streams, or attract additional demographic groups to  
94 the Ballpark; and

95 WHEREAS, the District and the Club both accepted the findings of this Long-  
96 Term Capital Needs Assessment (the “Report”), which constitute the professional  
97 opinions of the Consulting Team based on the assumptions and conditions detailed in the  
98 Report; and

99 WHEREAS, in 2018 at the District’s request, B&D Venues extended the period  
100 for the assessment of the cost of Necessary Improvements in the Report from 20 years to  
101 25 years (the “2018 Update”); and

102 WHEREAS, in order to maintain its position as one of the best ballparks in  
103 baseball, the Report and 2018 Update found that the estimated capital cost of Necessary  
104 Improvements extending the useful physical life of the Ballpark for a 25-year period  
105 (though 2043) would be \$385 million. This estimate includes a 3% annual escalation  
106 factor and 15% contingency expense; and

107 WHEREAS, at the same time, the Club estimates that the capital cost of potential  
108 Upgrade Improvements to the Ballpark over the same period using the same assumptions  
109 could be an additional \$160 million; and

110 WHEREAS, in the Spring of 2017, following an RFQ process and review of  
111 proposals, the District expanded the legal side of its lease negotiating team to include the  
112 Husch Blackwell firm from Denver, a national law firm with broad sports industry  
113 experience, and the Pacifica Law Group, a Seattle firm with significant local experience  
114 and knowledge, including direct involvement negotiating the existing Lease; and

115 WHEREAS, the current mission of the District is “to maintain and enhance our  
116 iconic baseball park in order to promote the success of Major League Baseball in the State

117 of Washington, enhance fan enjoyment, and contribute to an economically successful,  
118 safe, desirable, innovative and walkable stadium neighborhood;” and

119 WHEREAS, over the course of the District’s meetings and discussions regarding  
120 the new lease, the Board developed a broad set of goals and objectives that guided the  
121 District’s negotiations; and

122 WHEREAS, as negotiations between representatives of the Club and the District  
123 commenced, the Board discussed in an open public meeting held on July 25, 2017, various  
124 factors in addition to cash rent that were relevant to and would impact the minimum value  
125 for which the Board would agree to a new lease; and

126 WHEREAS, the Club presented its initial lease proposal to the District in August  
127 2017, and the negotiating teams for the District and the Club met periodically ever since  
128 and exchanged proposals for the terms that could be incorporated into a new lease; and

129 WHEREAS, the District has met with its negotiating team during regular and  
130 special meetings to evaluate the minimum acceptable value to lease the Ballpark,  
131 informed by its public discussions of factors other than cash rent impacting the minimum  
132 price, and to give direction and to ensure that the identified goals and objectives of the  
133 District are met; and

134 WHEREAS, the District and the Club have now reached agreement on the terms  
135 that each finds acceptable to form the basis for a new lease of the Ballpark (the “Term  
136 Sheet”), which is now ready for formal approval; and

137 WHEREAS, the Term Sheet addresses the long-term capital needs of the Ballpark  
138 and satisfies the goals and objectives established by the District, and it provides full  
139 benefit to the public for this publicly-owned facility; and

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

142 WHEREAS, the Board has determined that the executing the Term Sheet is in the  
143 best interest of the District and the public it represents.

144

145 NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS  
146 OF THE WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC  
147 FACILITIES DISTRICT:

148 Section 1. The Term Sheet between the District and the Baseball Club of Seattle,  
149 L.L.L.P. establishing terms for the long-term lease of the Ballpark currently known as  
150 “SAFECO FIELD”, is approved.

151 Section 2. The Board Chair or Executive Director is hereby authorized to execute  
152 the Term Sheet, substantially in the form attached hereto.

153 Section 3. The Executive Director is directed to work with the District’s legal  
154 counsel and sports consultant to prepare definitive lease documents consistent with the  
155 Term Sheet for Board review.

156 Section 4. The Executive Director is hereby authorized to take such administrative  
157 or other actions as necessary to implement the provisions of this resolution.

158

159 PASSED by a vote of \_\_\_\_\_ to \_\_\_\_\_ this 23<sup>rd</sup> day of May 2018.

160

161 BOARD OF DIRECTORS  
162 WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC  
163 FACILITIES DISTRICT

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\_\_\_\_\_  
Virginia Anderson, Chair

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166 ATTEST:

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Jan Simons  
Clerk