

## Legislation Text

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**File #:** 2012-0202, **Version:** 2

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Clerk 7/31/2012

AN ORDINANCE related to a new multi-purpose sports and entertainment facility authorizing the King County executive to execute a memorandum of understanding with the city of Seattle and ArenaCo and to execute an interlocal agreement with the city.

### STATEMENT OF FACTS:

1. WSA Properties III, a Delaware limited liability company, ("ArenaCo") approached the city and the county with a proposal for the two governments to participate in the development and ownership of a multipurpose sports and entertainment facility ("arena") located in Seattle.
2. The city and the county formed an advisory panel to review the proposal.
3. Having considered the recommendations of the advisory panel, the city and the county have collaborated and negotiated with ArenaCo to develop a structure for eventual public ownership of a new arena.
4. The structure includes the addition of National Basketball Association and National Hockey League teams to Seattle to play in the arena.
5. The addition of professional basketball and hockey will contribute to the social and economic environment of Seattle and King County by, among other things, creating jobs, and by supporting a wide variety of businesses that generate annual earnings and sales, property and business and occupation tax revenues.
6. The agreement described in the Memorandum of Understanding -Seattle Sports and

Entertainment Facility provides the city and the county with satisfactory security for the public investment.

7. The city and the county will not be responsible for costs or any cost overruns for construction of the arena.

8. City and county investment will only occur once certain conditions precedent are met, including environmental review and permitting, financing and team acquisition for the arena.

9. The city and the county have negotiated an interlocal agreement that describes and defines the mutual endeavor of pursuing public ownership of the arena.

10. Through the interlocal agreement, the city and county aim to establish investment, management, ownership, communication, oversight and accountability mechanisms and principles for the governments to cooperatively participate in the arena development and ownership.

11. Consistent with the King County Strategic Plan, which calls for the county to promote regional economic development through partnerships with regional organizations, other jurisdictions, and the private sector, the county commits to working collaboratively with the Port of Seattle throughout the development and operation of the Arena and encourages the city of Seattle and ArenaCo to also work collaboratively with the Port of Seattle throughout the development and operation of the Arena. It is a value of King County that when the county conducts business with one regional partner, it should not be at the expense of another partner.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The King County executive is hereby authorized to execute and implement the interlocal agreement in substantially the form of the agreement attached to this ordinance as Attachment A.

SECTION 2. The King County executive is hereby authorized to execute and implement the memorandum of understanding in substantially the form of the memorandum attached to this ordinance as

Attachment B.

SECTION 3. King County values the Port of Seattle and wants to protect its regional economic strength. King County is committed to supporting the Port of Seattle's efforts to retain and expand container traffic. King County also commits to working with the city of Seattle and the Port of Seattle to seek a solution at the state level to allow for implementation of a heavy haul corridor designation to improve truck access to the Port of Seattle.

The executive shall transmit a report to the King County council no later than March 15, 2013 on efforts to seek a solution at the state level to allow for implementation of a heavy haul corridor designation and any other efforts to support the Port of Seattle's viability. The executive shall consult with and seek input from the Port of Seattle in the development of this report. The report required must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the lead staff for the budget and fiscal management committee, or its successor.