

Legislation Text

File #: 2010-0472, Version: 1

Clerk 08/19/2010

AN ORDINANCE authorizing the King County executive to execute an amendment to the purchase and sale agreement dated June 21, 2007, in order to complete the sale of the county-owned property known as the North Half of the Former Kingdome Parking Lot parcel, located in council district 8, to North Lot Development, L.L.C.

BE IT ORDAINED BY THE COUNTY COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. King County ("the Seller") owns a 3.85 acre (167,513 square feet) parcel of land, commonly known as the North Half of the Former Kingdome Parking Lot ("the Property"), in the city of Seattle, Washington, located adjacent to the King Street Center, the King Street Station, the Weller Street Pedestrian Bridge, and a surface parking lot owned by the Washington State Public Stadium Authority ("the PSA") and operated by First and Goal, Inc. ("FGI"). King County facilities management division is the custodian.

B. In accordance with Ordinance 15820, the King County executive executed a purchase and sale agreement ("the Agreement"), dated June 21, 2007, for the sale of the Property to North Lot Development, L.L.C. ("the Buyer").

C. Section 5.1 of the Agreement establishes the Buyer's due diligence contingency (as defined in the Agreement) to be satisfied and removed by the Buyer within the Due Diligence Period.

D. Section 5.2 of the Agreement establishes the Seller's due diligence contingency (as defined in the Agreement) to be satisfied and removed by the Seller within the Due Diligence Period.

E. Section 5.4 of the Agreement establishes a deadline for the parties to agree on the form of the Deed and Covenants (as defined in the Agreement) and the Reserved Easements (as defined in the Agreement).

F. The dates for the parties to agree on the forms of the Deed and Covenants and the Reserved Easements were extended by a First Amendment dated September 28, 2007; a Second Amendment dated October 28, 2007; a Third Amendment dated November 20, 2007; a Fourth Amendment dated January 31, 2008; a Fifth Amendment dated March 20, 2008; a Sixth Amendment dated April 30, 2008; a Seventh Amendment dated December 17, 2008; an Eighth Amendment dated June 30, 2009; a Ninth Amendment dated August 29, 2009; a Tenth Amendment dated January 26, 2010; and an Eleventh Amendment dated June 28, 2010.

G. The dates for certain actions in the Due Diligence Period were extended by a Fifth Amendment dated March 20, 2008; a Sixth Amendment dated April 30, 2008; a Seventh Amendment dated December 17, 2008; and an Eighth Amendment dated June 30, 2009.

H. In accordance with Ordinance 16555, the King County executive executed an Eighth Amendment dated June 30, 2009, which in addition to extending the dates for the parties to agree on the forms of the Deed and Covenants and the Reserved Easements and for certain actions in the Due Diligence Period, modified certain requirements in the Agreement applicable to Buyer.

I. One of Buyer's Contingencies is the environmental status of the Property, which includes obtaining the appropriate concurrences from the Washington state Department of Ecology ("Ecology"), if the Property is found to contain Hazardous Substances as defined in RCW 70.105D.020(10).

J. During Buyer's due diligence review, it has been determined that the Property contains Hazardous Substances.

K. As a result of the existence of such Hazardous Substances, Buyer's decision to purchase the Property will be subject to its ability to negotiate a Clean-Up Action Plan with Ecology and obtain a Prospective Purchaser Consent Decree from the appropriate court ("the Consent Decree"). Buyer has worked diligently to

complete the actions necessary to obtain such a Consent Decree; however, it is highly unlikely that Ecology will complete the tasks necessary for issuance of such a Consent Decree in 2010, which may require a further extension of the Due Diligence Period, because Buyer cannot complete purchase of the property before issuance of the Consent Decree.

L. As a result of the development activities of the Buyer, as required in the Agreement, Buyer has obtained an amendment to the Seattle land use code for the property and a Master Use Permit for the project. Buyer has also obtained certain necessary agreements with the PSA.

M. As a result of the economic upheaval that has occurred since the Agreement was signed, including collapse of the credit market and high inventories of unsold and, unrented residential units and office space within the city of Seattle and King County, financing for a project of this magnitude may not be available before the expiration of Buyer's Due Diligence Contingency.

N. As a result of the economic upheaval in the residential market and the emerging housing policies of the city of Seattle, applicable to this project, the provision of affordable housing as originally contemplated in the Agreement may not be economically feasible and may be better served by providing at least a portion of such housing offsite.

O. As a result of the issues relating to the existence of Hazardous Substances on the Property, the emerging housing policies of the city of Seattle and the negotiations with the PSA, the parties have not finalized the forms of the Deed and Covenants and Reserved Easements, which will require a further extension of the dates to agree on the forms.

P. It is in the best interests of the citizens of King County, that the Agreement be modified, so that the sale and development of the Property can proceed, safeguarding the benefits articulated in Ordinance 15820.

SECTION 2. The King County executive is hereby authorized to execute the Twelfth Amendment to Real Estate Purchase and Sale Agreement substantially in the form of Attachment A to this ordinance.