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| September 1, 2018 |  |  | **S1** |
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| khm | Sponsor: | Rod Dembowski | |
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|  | Proposed No.: | 2018-0374 | |
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**STRIKING AMENDMENT TO PROPOSED ORDINANCE 2018-0374, VERSION 1**

On page 1, beginning on line 6, strike everything through page 3, line 48, and insert:

"STATEMENT OF FACTS:

1. Rapid population growth in King County will necessitate building affordable and market rate housing near improved public transportation options.

2. The King County council, by passing Motion 14687, acknowledged receipt of the Transit Oriented Development Bond Allocation Plan, in 2016, the goal of financing up to eighty-seven million dollars of housing projects.

3. As authorized by the state Legislature through RCW 67.28.180, beginning in 2021, at least thirty-seven and one-half percent of the lodging taxes generated every year in King County may be used to support affordable workforce housing within one-half mile of a transit station and to provide services for homeless youth.

4. Equally important are: the building of new gathering places, sites where our diverse histories can be interpreted and shared and public cultural spaces; and the preservation of historic structures that create community identity, encourage strong social connections and further opportunity for entertainment, education and interactions. Civic institutions, such as history and art museums, public galleries, community cultural organizations, performing art centers and historic structures, play a central role in our economy and benefit local businesses, residents and tourists.

5. Arts, culture and heritage make this region an attractive place for new businesses that bring with them new jobs, as arts and heritage businesses and add two billion dollars in business activity, eight hundred eighty-two million dollars in payroll and thirty-two thousand five hundred jobs to the central Puget Sound region,

6. As authorized by the state Legislature through RCW 67.28.180, beginning in 2021, at least thirty-seven and one-half percent of the lodging taxes generated every year in King County may be used to support art museums, cultural museums, heritage museums, the arts and the performing arts.

7. Kent's accesso ShoWare Center is home to sports and cultural events in south King County. In 2017, attendance at the center exceeded four hundred thousand people, many from outside the county.

8. The Washington State Major League Baseball Stadium Public Facilities District ("the PFD") operates the publicly owned Safeco Field ("the ballpark").

9. The ballpark is a gathering place providing an array of public benefits and employs over two thousand full and part time employees, in addition to being a venue for the Seattle Mariners.

10. The Seattle Mariners draw nearly three million fans to the ballpark every year. Attendance at Seattle Mariners games between 2012 and 2017 exceeded twelve million one hundred thousand, with many coming from out of state and supporting the local tourism industry. More than forty-five million people have attended baseball games since the ballpark opened.

11. As authorized by the state Legislature through RCW 67.28.180, beginning in 2021 at most twenty-five percent of the lodging taxes generated every year in King County may be used to support promote tourism-and attract tourists to the county.

12. In 2015, the county council adopted Motion 14406, and the county effectuated through Ordinances 18179, 1880 and 18181, to establish the Building for Culture Program, which issued twenty-nine million dollars of bonds to fund capital projects that support arts, culture and heritage in the county and commit lodging tax revenue that will become available beginning in 2021 to debt service payment of these bonds.

13. Since 1967, the King County lodging tax has been used to finance the construction of two professional sports stadiums and an exhibition center.

14. The PFD and the Baseball Club have entered into a nonbinding term sheet, dated May 23, 2018, wherein the Baseball Club has agreed to lease the ballpark for an initial term of twenty-five years starting in 2019 and to assume obligations, including financial responsibilities for the operation, maintenance and capital improvements to the ballpark in exchange for the PFD assuming obligations, including financial responsibilities related to capital improvements to the ballpark's existing infrastructure.

15. In the next twenty years, the ballpark is expected to generate forty-six million dollars for local jurisdictions and one hundred forty million dollars for Washington state.

16. Under the terms of the proposed funding agreement that is the subject of this ordinance, the county would transfer a portion of future lodging tax revenues starting in 2021, to be coterminous with the PFD leasing the ballpark to the Baseball Club. The transferred tax revenues may only be used for capital improvements to the existing infrastructure of the ballpark. The agreement does not authorize public funding on upgrades to the ballpark, such as suites or so-called Club spaces. The agreement further requires that all modernization upgrades, as well as all operation and maintenance expenses to be paid for by the Mariners during the lease term and any extensions.

17. A continued investment in the publicly owned ballpark is necessary to ensure that it remain a source of wholesome, family-centered entertainment and provide a sense of enhanced civic pride as well as a positive impact on the local and regional economy.

18. The ballpark promotes tourism and attracts tourists to the county, with approximately forty-five percent of fans coming from locations outside of King County.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. **Findings:**

A. Beginning in 2021, King County intends to transfer or allocate lodging tax revenues collected under RCW 67.28.180 for the following programs and to the following organizations:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ percent to be transferred to the cultural development authority of King County ("4Culture") to support art museums, cultural museums, heritage museums, the arts and the performing arts;

2. \_\_\_\_\_\_\_\_\_\_\_\_\_ percent to be allocated to the department of community and human services to support transit oriented development including projects that preserve or develop workforce housing and ongoing services or projects that support homeless youth; and

3. \_\_\_\_\_\_\_\_\_\_\_ percent to be allocated by the county for the following purposes that promote tourism and attract tourists to the county:

a. debt service on the original Building for Culture Program bonds, in accordance with the county's contractual obligation as set forth in the agreement for implementation of the building for culture program between the county and 4Culture;

b. after allocating sufficient lodging tax revenues to satisfy the debt service of subsection a., transfer of \_\_\_\_percent of the remaining amount to the Washington State Major League Baseball Stadium Public Facilities District ("the PFD") for twenty-three years to be used for capital improvements to the existing infrastructure at Safeco Field ("the ballpark"); and

c. after allocating sufficient lodging tax revenues to satisfy the debt service of subsection a., transfer of \_\_\_\_\_\_\_\_\_\_percent to the Kent Special Events Center Public Facilities District from 2021 to 2029 to support capital maintenance of the accesso ShoWare Center facility.

B. It is the intent of the council, in consultation with the executive, to engage county visitor and tourism organizations to work in collaboration to set up a tourism promotion fund in order to encourage visitors in all parts of the county.

C. It is the intent of the council to request the executive develop a countywide strategic arts, heritage, historic preservation, and culture plan for the allocation of the lodging tax revenues described in in subsection A.1. of this section. It is the intent of the council to request that the proposed strategic plan be forwarded to the council by December 31, 2019, in order to inform the budget process for the 2021 - 2022 budget.

D. It is the intent of the council to request the executive to develop and transmit legislation to support the identified allocations as described in subsection A.3.c. of this section including appropriation requests, and any necessary agreements with the Kent Special Events Center Public Facilities District.

SECTION 2. To effectuate the council's intent as set forth in section 1 of this ordinance, and conditioned on the PFD and the Baseball Club of Seattle L.L.L.P. entering into a lease substantially in compliance with the May 23, 2018, Lease Renewal Term Sheet, King County shall transfer applicable lodging tax revenues to the PFD, starting in 2021, in an amount in accordance with section 1.A.3.b. of this ordinance and the provisions of the funding agreement attached as Attachment A to this ordinance, for a period not to exceed twenty-three years. The transferred tax revenues shall be used for capital improvements to the existing infrastructure of the ballpark.

SECTION 3. The executive is hereby authorized to execute the funding agreement with the PFD substantially in the form of Attachment A to this ordinance.

SECTION 4. The executive is hereby authorized to execute the sixth amendment to the 1996 financing agreement with the PFD substantially in the form of Attachment B to this ordinance."

***EFFECT: Delete Attachments A. Agreement Between King County and the Washington State Major League Baseball Stadium Public Facilities District, and B. Amendment No. 6 to Agreement and replace with Attachments A. Funding Agreement Between King County and the Washington State Major League Baseball Stadium Public Facilities District, dated September 1, 2018 and B. Amendment No. 6 to Agreement, dated September 1, 2018.***