



SEATTLE CITY COUNCIL

Legislative Summary

CB 119345

Record No.: CB 119345

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125669

In Control: City Clerk

File Created: 08/29/2018

Final Action: 09/25/2018

Title: AN ORDINANCE related to KeyArena; authorizing the renovation of KeyArena into a world-class, multi-purpose sports and entertainment arena at Seattle Center, including its design, construction, lease, financing, and future operation; authorizing the Mayor to execute agreements with Seattle Arena Company, LLC, for the renovation and lease of the Arena, including a lease agreement, a development agreement, an integration agreement, and other related agreements; exempting the renovation and future operation of the Arena from the requirements of Chapter 20.47 of the Seattle Municipal Code; authorizing the Seattle Center Director to execute future joint purchasing agreements with Seattle Arena Company, LLC, notwithstanding Seattle Municipal Code Chapter 20.60; and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Juarez

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 - Lease Agreement (Arena at Seattle Center) v2a, Att 2 - Development Agreement (Arena at Seattle Center) v2a, Att 3 - Seattle Center Integration Agreement (Arena at Seattle Center) v2a

Drafter: adam.schaefer@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/29/2018	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	08/29/2018	sent for review	Council President's Office			

Action Text: The Council Bill (CB) was sent for review. to the Council President's Office

Notes:

Legislative Summary Continued (CB 119345)

- 1 Council President's Office 08/30/2018 sent for review Select Committee on Civic Arenas
Action Text: The Council Bill (CB) was sent for review. to the Select Committee on Civic Arenas
Notes:
- 1 City Council 09/04/2018 referred Select Committee on Civic Arenas
Action Text: The Council Bill (CB) was referred. to the Select Committee on Civic Arenas
Notes:
- 1 Select Committee on Civic Arenas 09/07/2018
- 1 Select Committee on Civic Arenas 09/14/2018 pass as amended Pass
Action Text: The Committee recommends that City Council pass as amended the Council Bill (CB).
Notes:
In Favor: 7 Chair Harrell, Chair Juarez, Member Bagshaw, Member González ,
Member Herbold, Member Johnson, Member Mosqueda
Opposed: 0
- 1 City Council 09/24/2018 passed Pass
Action Text: The Council Bill was passed by the following vote, and the President signed the Bill:
In Favor: 8 Councilmember Bagshaw, Councilmember González , Council
President Harrell, Councilmember Herbold, Councilmember Johnson,
Councilmember Juarez, Councilmember O'Brien, Councilmember
Sawant
Opposed: 0
- 1 City Clerk 09/25/2018 submitted for Mayor's signature Mayor
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 09/25/2018 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 1 Mayor 09/25/2018 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 1 City Clerk 09/25/2018 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
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CITY OF SEATTLE

ORDINANCE 125669

COUNCIL BILL 119345

AN ORDINANCE related to KeyArena; authorizing the renovation of KeyArena into a world-class, multi-purpose sports and entertainment arena at Seattle Center, including its design, construction, lease, financing, and future operation; authorizing the Mayor to execute agreements with Seattle Arena Company, LLC, for the renovation and lease of the Arena, including a lease agreement, a development agreement, an integration agreement, and other related agreements; exempting the renovation and future operation of the Arena from the requirements of Chapter 20.47 of the Seattle Municipal Code; authorizing the Seattle Center Director to execute future joint purchasing agreements with Seattle Arena Company, LLC, notwithstanding Seattle Municipal Code Chapter 20.60; and ratifying and confirming certain prior acts.

WHEREAS, on January 11, 2017, the City’s Office of Economic Development released a Request for Proposals (“RFP”) for the renovation of KeyArena at Seattle Center; and

WHEREAS, the City’s RFP included seven objectives related to the project, summarized as follows: (1) renovate Key Arena into a world-class sports and entertainment facility, (2) integrate with Uptown’s Urban Design Framework, (3) include minimal City financial participation in capital development, (4) include minimal City financial participation in ongoing operations, (5) address transportation impacts, (6) treat neighbors and impacted workers equitably, and (7) contribute to Seattle Center’s vibrancy; and

WHEREAS, on February 23, 2017, the City formed an advisory body known as the Arena Community Advisory Panel (“Advisory Panel”) to provide counsel to the City to consider proposals responding to the RFP, comprised of ten members chosen based on their various areas of expertise, including, but not limited to, music, sports, transportation, neighborhood interests, and design; and

1 WHEREAS, on April 12, 2017, Oak View Group, LLC (“OVG”) submitted to the City a
2 proposal in response to the RFP entitled “Proposal for the Transformation of the Arena at
3 Seattle Center”; and

4 WHEREAS, between April 12, 2017, and June 2, 2017, each of the following parties carefully
5 evaluated the various proposals in response to the RFP: (1) the Advisory Panel, (2) a City
6 Executive Review Team comprised of the Director of the Office of Economic
7 Development, the Director of Seattle Center, and the Director of the City Budget Office,
8 and (3) a City Staff Review Team comprised of City staff members in the areas of
9 design/constructability, finance, operations, social equity, and transportation; and

10 WHEREAS, on June 2, 2017, the Advisory Panel submitted its “Final Summary Report and
11 Observations” to the Mayor and the Executive Review Team regarding the RFP
12 proposals; and

13 WHEREAS, on June 7, 2017, based upon the input of the Advisory Panel, the Executive Review
14 Team, and the City Staff Review Team, the City selected the OVG Response as the
15 preferred proposal for the renovation of the Arena; and

16 WHEREAS, on July 20, 2017, the City formed a new advisory body known as the Arena
17 Community Advisory Group to provide counsel to the City throughout the development
18 of a memorandum of understanding (“MOU”) and subsequent community benefit terms;
19 and

20 WHEREAS, on August 14, 2017, the City Council adopted Resolution 31764, which set forth
21 the City Council’s expectations for the negotiation of, and approval process for, the
22 MOU; and

1 WHEREAS, Ordinance 125480, passed by the City Council on December 4, 2017, and signed by
2 the Mayor on December 6, 2017, authorized the Mayor to execute an MOU with Oak
3 View Group, LLC, and adopted the Arena Community Advisory Group's guiding
4 principles as a basis for developing transaction documents required to renovate and
5 operate the Arena; and

6 WHEREAS, following the City Council's approval of the MOU, OVG and its equity partners
7 and investors formed Seattle Arena Company, LLC ("ArenaCo") as the entity that will
8 redevelop, lease, and operate the Arena; and

9 WHEREAS, beginning in December 2017 and continuing through the first half of 2018, the City
10 and ArenaCo have worked together and with external stakeholders to develop those
11 transaction documents, including a lease, development agreement, Seattle Center
12 integration agreement, and related documents, including community benefit terms; and

13 WHEREAS, pursuant to the MOU, City staff worked closely with community representatives
14 from Uptown, Belltown, Queen Anne, South Lake Union, Uptown Arts and Culture
15 Coalition, and the Seattle Center Foundation in understanding benefit interests relating to
16 the construction and lease of the new Arena at Seattle Center; and

17 WHEREAS, on May 7, 2018, community and resident stakeholders endorsed community benefit
18 terms, subject to the final language in the applicable provisions of the development
19 agreement, lease, and integration agreement; and

20 WHEREAS, the community benefit terms are incorporated into the development agreement,
21 lease, and integration agreement; and

1 WHEREAS, on August 30, 2018, the City issued a Final Environmental Impact Statement
2 (“FEIS”) to inform City decisions regarding potential environmental impacts and
3 mitigation measures related to the KeyArena renovation project; and

4 WHEREAS, the City Council has considered the FEIS in the course of reviewing the transaction
5 documents authorized by this ordinance; NOW, THEREFORE,

6 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

7 Section 1. The Mayor of Seattle (“Mayor”) is authorized to execute for and on behalf of
8 The City of Seattle (“City”) a lease agreement with Seattle Arena Company, LLC (“ArenaCo”),
9 substantially in the form of the Lease Agreement (Arena at Seattle Center) attached to this
10 ordinance as Attachment 1 (“Lease Agreement”).

11 Section 2. The Mayor is authorized to execute for and on behalf of the City a
12 development agreement with ArenaCo substantially in the form of the Development Agreement
13 (Arena at Seattle Center) attached to this ordinance as Attachment 2 (“Development
14 Agreement”).

15 Section 3. The Mayor is authorized to execute for and on behalf of the City an integration
16 agreement with ArenaCo substantially in the form of the Seattle Center Integration Agreement
17 (Arena at Seattle Center) attached to this ordinance as Attachment 3 (“Integration Agreement”).

18 Section 4. The Mayor, or the Mayor’s designee, is authorized to execute for and on behalf
19 of the City all additional agreements necessary to complete the transactions authorized by this
20 ordinance, including lease assignments, a team non-relocation agreement, documentation of
21 security interests, a non-disturbance agreement, and other agreements and documents
22 contemplated or required under the terms of the Lease Agreement, Development Agreement, and
23 Integration Agreement (collectively, the “Ancillary Agreements”). The Mayor or the Mayor’s

1 designee is further authorized to make such deletions, alterations, or modifications to the
2 Ancillary Agreements as the Mayor or the Mayor's designee determines are appropriate and in
3 the best interest of the City.

4 Section 5. For the reasons described in Ordinance 125480, the City Council finds that
5 redevelopment and operation of an arena at Seattle Center by ArenaCo under the terms and
6 conditions set forth in the lease agreement and development agreement will provide sufficient
7 and fair value to the City, and further finds that the requirements of Chapter 20.47 of the Seattle
8 Municipal Code should not apply.

9 A. Section 2.A of Ordinance 125480 lists some of the benefits and other types of
10 consideration that the City would receive under the terms described in the MOU. Those benefits
11 and other types of consideration are now included in the terms of the lease agreement and
12 development agreement that are authorized by this ordinance.

13 B. The City Council finds that the benefits described in Section 5.A of this ordinance
14 provide sufficient and fair value to the City. The City Council further finds that the
15 redevelopment and operation of an arena at Seattle Center by ArenaCo under the terms and
16 conditions set forth in the lease agreement and development agreement is consistent with the
17 principles underlying Chapter 20.47.

18 C. The City Council hereby exempts the redevelopment and operation of an arena at
19 Seattle Center by ArenaCo, under the terms and conditions set forth in the lease agreement and
20 development agreement, from the requirements of Chapter 20.47 of the Seattle Municipal Code.

21 Section 6. The Seattle Center Director is authorized to enter into joint purchasing
22 agreements with ArenaCo subject to the following conditions: (i) the goods or services must be
23 identified in the Integration Agreement for possible joint purchase; (ii) the purchase must be

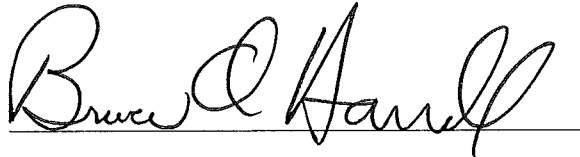
1 consistent with the terms of the Integration Agreement; (iii) the purchase must not be in excess
2 of budget appropriations; (iv) the cost of any jointly purchased goods or services must be shared
3 between the City and ArenaCo in a manner that does not result in an unlawful gift or subsidy;
4 and (v) the terms of any joint purchase agreement which results in a cost to the City in excess of
5 the then-current competitive solicitation threshold established under Seattle Municipal Code
6 20.60.101, as amended from time to time, must be in a form reviewed by the Seattle City
7 Attorney's Office. Purchases made under the authority of this ordinance shall not be subject to
8 the requirements of Seattle Municipal Code Chapter 20.60.

9 Section 7. Any act consistent with the authority of this ordinance taken after its passage
10 and prior to its effective date is ratified and confirmed.

- 1 Attachments:
- 2 Attachment 1 – Lease Agreement (Arena at Seattle Center) by and between The City of
- 3 Seattle and Seattle Arena Company, LLC
- 4 Attachment 2 – Development Agreement (Arena at Seattle Center) by and between The
- 5 City of Seattle and Seattle Arena Company, LLC
- 6 Attachment 3 – Seattle Center Integration Agreement (Arena at Seattle Center) by and
- 7 between The City of Seattle and Seattle Arena Company, LLC

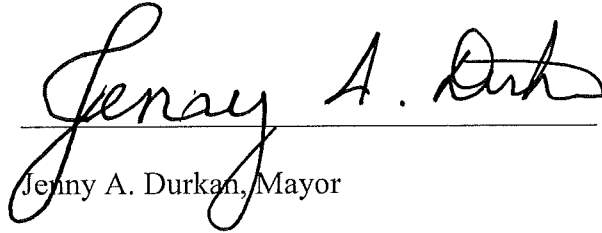
1 Section 8. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 24th day of September, 2018,
5 and signed by me in open session in authentication of its passage this 24th day of
6 September, 2018.

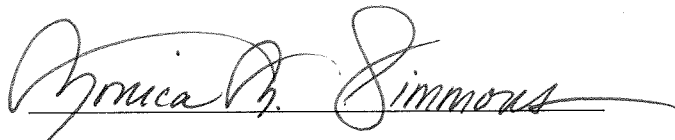
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8 President _____ of the City Council

9 Approved by me this 25th day of September, 2018.

10 
11 Jenny A. Durkan, Mayor

12 Filed by me this 25th day of September, 2018.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)