



Legislation Details (With Text)

File #: CB 118713 **Version:** 1 **Name:** CB 118713
Type: Ordinance (Ord) **Status:** Passed
In control: City Clerk

On agenda: 7/11/2016

Final Action: 7/15/2016 **Ord. No.** Ord 125074

Title: AN ORDINANCE relating to the sale of the Pacific Place Garage condominium unit (“Garage”); finding that City ownership of the Garage no longer serves municipal purposes; authorizing the sale of the Garage for \$87 million to MPH PP Garage LLC; authorizing the Director of Finance and Administrative Services to execute all documents and take other necessary actions to complete the sale of the Garage; directing the deposit of the net sale proceeds; and exempting the sale from the requirements of Resolution 29799 as amended by Resolution 30862.

Sponsors: Tim Burgess

Indexes:

Attachments: 1. Att A - Purchase and Sale Agreement (Part 1 of 2), 2. Att A - Purchase and Sale Agreement (Part 2 of 2), 3. Summary and Fiscal Note, 4. Summary Exhibit A – Depiction of location, 5. Presentation, 6. Signed Ord 125074, 7. Affidavit of Publication

Date	Ver.	Action By	Action	Result
7/15/2016	1	City Clerk	attested by City Clerk	
7/15/2016	1	Mayor	returned	
7/15/2016	1	Mayor	Signed	
7/12/2016	1	City Clerk	submitted for Mayor's signature	
7/11/2016	1	City Council	passed	Pass
7/6/2016	1	Affordable Housing, Neighborhoods, and Finance Committee	pass	Pass
6/27/2016	1	City Council	referred	
6/23/2016	1	Council President's Office	sent for review	
6/7/2016	1	City Clerk	sent for review	
6/7/2016	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to the sale of the Pacific Place Garage condominium unit (“Garage”); finding that City ownership of the Garage no longer serves municipal purposes; authorizing the sale of the Garage for \$87 million to MPH PP Garage LLC; authorizing the Director of Finance and Administrative Services to execute all documents and take other necessary actions to complete the sale of the Garage; directing the deposit of the net sale proceeds; and exempting the sale from the requirements of Resolution 29799 as amended by Resolution 30862.

WHEREAS, the Pacific Place Garage condominium unit (“Garage”) and adjoining Pacific Place Retail condominium unit were constructed to support the redevelopment of three square blocks of downtown Seattle and to catalyze redevelopment of the overall downtown retail core by contributing to increased pedestrian traffic, improved public safety, and enhanced vehicular circulation; and

WHEREAS, Ordinance 118011 authorized the City to acquire the Garage and enter into an agreement with the original developers of Pacific Place, and the City accepted the deed for the Garage by Ordinance 119290 and since then has continuously operated it as a commercial parking garage; and

WHEREAS, by offering a predictable and affordable supply of short-term parking in the heart of the downtown retail core, the Garage has contributed immeasurably to the health of the downtown retail core and has facilitated an increase in the City’s share of sales tax and business and occupation taxes as generated by other businesses in the downtown retail core; and

WHEREAS, the Garage is subject to recorded parking covenants and a parking agreement by and amongst the City, MPH Pacific LLC (as successor to the original retail unit owner), and Nordstrom, Inc. (“the Parking Agreement”); and

WHEREAS, the Parking Agreement governs the rates charged for short-term parking and remains in effect until 2038, but is subject to a series of automatic, ten-year extensions, surviving the City’s sale of the Garage; and

WHEREAS, the Department of Finance and Administrative Services has determined that, after nearly 18 years of owning and operating the Garage, given the Parking Agreement and the Garage’s stabilized operations, the original purposes for acquiring the Garage have been met and no public interest is served by the City’s continued ownership of the Garage; and

WHEREAS, FAS retained a commercial real estate broker to market the Garage and conduct solicitation of inquiries and offers, which culminated in multiple offers for the Garage; and

WHEREAS, having determined that MPH PP Garage LLC, an affiliate of the owner of the retail unit, made the

most favorable offer, the Director of Finance and Administrative Services (“Director”) entered into a purchase and sale agreement for the sale of the Garage to MPH PP Garage LLC, whereby the sale of the Garage is conditioned upon City Council’s authorization of the sale by ordinance; and

WHEREAS, the City financed the purchase of the Garage with tax exempt bonds and the City previously covenanted not to take any action that would affect the tax exempt status of those bonds; and

WHEREAS, in order to preserve the tax exempt status of such tax exempt bonds, Council Bill

_____ requires the Director to take the appropriate remedial actions with respect to the net disposition proceeds, as required by the applicable provisions of the Internal Revenue Code, including using a portion of the net disposition proceeds to defease and redeem the outstanding bonds; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As used in this ordinance, “the Garage” means the property commonly known as the Pacific Place Garage condominium unit and legally described as follows:

Garage Unit, Pacific Place, a condominium, according to the Declaration thereof recorded August 27, 1998 under recording No. 9808271807, and amendments thereto, said unit is located on Survey Map and Plans filed in Volume 151 of Condominiums, at Pages 1 through 7, Recorder’s File No. 9808271806, records of King County and situate in the City of Seattle, King County, Washington.

Section 2. The City finds that the Garage is no longer required for municipal purposes and is surplus to the City’s needs.

Section 3. The Director of Finance and Administrative Services (“Director”) or the Director’s designee is authorized to sell the Garage to MPH PP Garage LLC for \$87,000,000, all cash at closing, title to be conveyed by bargain and sale deed, all pursuant to the terms and conditions of that certain Purchase and Sale Agreement by and between The City of Seattle and MPH PP Garage LLC (“PSA”), attached as Attachment A to this ordinance.

Section 4. The Director is authorized to carry out the terms and conditions of the PSA.

Section 5. The Director or the Director’s designee is authorized to negotiate, execute, deliver, and record

any and all documents and agreements necessary or advisable to carry out the sale of the Garage as authorized by this ordinance, so long as the price is not reduced and the City's liabilities are not increased.

Section 6. The Director is authorized to make technical, conforming, or otherwise immaterial changes to the PSA, the bargain and sale deed, and other documents necessary to close the transaction, and to negotiate material revisions to the PSA benefitting the City, so long as the City's rights with respect to the sale price are not reduced and the City's liabilities are not materially increased.

Section 7. After deduction of sale-related charges and costs arising out of the PSA and made through escrow, including but not limited to deductions for payment of the broker's fees, the net proceeds from the sale of the Garage will be initially deposited into the Parking Garage Operations Fund, to be transferred immediately thereafter as directed in Council Bill _____, which will be presented to the City Council for approval on or about the date of this ordinance.

Section 8. The net disposition proceeds deposited pursuant to Section 7 shall be used in accordance with Council Bill _____ as passed, to carry out the defeasance of the outstanding tax exempt bonds and for the other purposes set forth therein.

Section 9. The sale of the Garage is exempt from the requirements of Resolution 29799 as amended by Resolution 30862.

Section 10. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2016,

and signed by me in open session in authentication of its passage this ____ day of

_____, 2016.

President _____ of the City Council

Approved by me this ____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment A - Purchase and Sale Agreement by and between The City of Seattle and MPH PP Garage LLC