



Legislation Text

File #: CB 117769, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the Seattle Center Department; authorizing execution of an agreement with Horton Street, LLC to operate and manage KeyArena and utilize it for the playing of professional basketball games.

WHEREAS, the City of Seattle owns KeyArena, a multi-purpose sports and entertainment facility located at Seattle Center; and

WHEREAS, Horton Street, LLC (“ArenaCo”) is awaiting NBA approval of its request to acquire a National Basketball Association team franchise (“NBA Team”) and to relocate the NBA Team to Seattle commencing with the 2013-14 season; and

WHEREAS, anticipating the NBA’s approval of the relocation request, ArenaCo and the City wish to establish terms and conditions for the interim use of KeyArena for home games for the NBA Team; and

WHEREAS, ArenaCo intends to expend substantial sums for capital improvements to KeyArena so that it will comply with NBA requirements and provide a first-rate patron experience and has agreed that certain capital improvements costing at least \$3 Million Dollars will remain at KeyArena at the conclusion of the agreement; and

WHEREAS, the Director of the Seattle Center has the general authority to enter into construction agreements for capital improvements of the sort contemplated in the Arena Use Agreement and to enter into other short-term agreements to provide for an orderly transition of KeyArena operations to ArenaCo; and

WHEREAS, the Parties to the Arena Use Agreement have not finalized the specific improvements that will be covered in the KeyArena construction agreement; and

WHEREAS, City employees will continue to perform the functions that have historically been performed by City employees at KeyArena; and

WHEREAS, the agreement between the City and ArenaCo will continue the exceptional venue and patron experience at KeyArena for sports, entertainment and NBA events and, potentially, National Hockey League (NHL) events; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Seattle Center Director is authorized to execute, deliver and perform, for and on behalf of The City of Seattle, an Arena Use Agreement (“Agreement”) between the City and Horton Street, LLC, for the use and management of KeyArena, contingent on NBA approval of ArenaCo’s request to acquire and relocate an NBA Team to Seattle commencing with the 2013-14 NBA season, and further contingent on the City and ArenaCo executing a construction agreement (the “Construction Agreement” referenced in the Attachment 1) to allow ArenaCo to construct necessary improvements. The Agreement shall be substantially in the form attached to this ordinance as Attachment 1.

Section 2. 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 _____, 2013, and signed by me in open session in authentication of its passage this ____ day of _____, 2013.

President _____ of the City Council

Approved by me this ____ day of _____, 2013.

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: ARENA USE AGREEMENT

Exhibit A: Depiction of Authorized Arena Use Areas

Exhibit B: Other Agreements

Exhibit C: City's Capital Maintenance and Repairs

Exhibit D: Depiction of City-Managed Portion of the West Court Building

Exhibit E: Insurance Requirements